



OFFICIAL REPORT
AITHISG OIFIGEIL

Social Security Committee

Thursday 17 September 2020

Session 5



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SOCIAL SECURITY COMMITTEE

16th Meeting 2020, Session 5

CONVENER

*Bob Doris (Glasgow Maryhill and Springburn) (SNP)

DEPUTY CONVENER

*Pauline McNeill (Glasgow) (Lab)

COMMITTEE MEMBERS

*Tom Arthur (Renfrewshire South) (SNP)

*Jeremy Balfour (Lothian) (Con)

*Keith Brown (Clackmannanshire and Dunblane) (SNP)

*Mark Griffin (Central Scotland) (Lab)

*Rachael Hamilton (Etrick, Roxburgh and Berwickshire) (Con)

*Alison Johnstone (Lothian) (Green)

Shona Robison (Dundee City East) (SNP)

*attended

THE FOLLOWING ALSO PARTICIPATED:

Anne Baldock (One Parent Families Scotland)

James Dornan (Glasgow Cathcart) (SNP) (Committee Substitute)

Mhoraig Green (Citizens Advice Scotland)

Jon Shaw (Child Poverty Action Group)

CLERK TO THE COMMITTEE

Anne Peat

LOCATION

Committee Room 1

Scottish Parliament

Social Security Committee

Thursday 17 September 2020

[The Convener opened the meeting at 09:31]

Decision on Taking Business in Private

The Convener (Bob Doris): Good morning. I welcome everyone to the 16th meeting in 2020 of the Social Security Committee. We have apologies from Shona Robison MSP; I am pleased to see that James Dornan MSP is attending in her place. James is more than welcome.

Agenda item 1 is to decide whether to take in private agenda item 3, which is consideration of the evidence that we are about to hear, and agenda item 4, which is on engagement planning. Given the complexities of group discussion in videoconferencing, I will assume that members are content with that, unless anyone indicates something in the chat box.

As no one has indicated that they disagree, we have agreed to take those items in private.

Scottish Child Payment

09:32

The Convener: Under agenda item 2, we will take evidence on the draft Scottish Child Payment Regulations 2020. I welcome Mhoraig Green, strategic lead social justice, Citizens Advice Scotland; Anne Baldock, financial inclusion team leader, One Parent Families Scotland; and Jon Shaw, welfare rights adviser, Child Poverty Action Group.

I remind members and witnesses to keep their questions and answers as succinct as possible, given the time constraints that we are under and the platform that we are meeting on. Wait a couple of seconds after I call you to make sure that the camera and the microphone get to you.

I will start with a brief question to provide context. I think that we can all agree that the policy intent behind the Scottish Child Payment Regulations 2020 is welcome. My second question will concern eligibility, but my first question, for context, concerns the Scottish Fiscal Commission's estimates of spending on the Scottish child payment. In the financial year 2020-21, that will be £11 million, but it will be £77 million for the first full financial year of 2021-22 for eligible children under six. The SFC also estimates that up to 194,000 children could be eligible for the benefit of £10 per child per week. That is the context and, of course, that is before we look at the economic crisis that is, unfortunately, looming due to Covid-19.

I do not need all the witnesses to comment on that; it would be helpful if one of the witnesses set out what they think the impact would be of that money being paid to those young people and those households. As I said, I will turn to the issue of eligibility in my second question. First, however, what do you think the benefits or the impact of the payment will be? Perhaps John Shaw from CPAG could set the scene.

Jon Shaw (Child Poverty Action Group): Good morning. Thanks for the opportunity to give evidence today.

I think that our press release summarises the payment as a game changer. It will certainly make a significant difference to families with children under six across Scotland. It is also perhaps worth noting that it is not a game winner. The IPPR Scotland and Joseph Rowntree Foundation analysis before the Covid crisis described the policy of paying a family £10 per child per week as one that would slow the projected increase in child poverty, so we certainly think that there will be more to do and other levers to pull. We absolutely welcome the policy, but we think that it needs to

be kept under review in terms of the extent of the contribution to meeting the child poverty targets.

The Convener: Does any other witness want to comment before I move on to the issue of eligibility? I see that no one does, so I will move on.

I was looking at some of the Scottish Commission on Social Security recommendations regarding the Scottish child payment, and I saw that the Scottish Government has responded positively to some of them. However, it did not feel that it had the ability to respond in relation to those young people under six who will initially receive the benefit but will cease to receive it for a short period when they become six. Concerns have been expressed about the unintended consequences of that. The Scottish Government has cited issues with getting data from the Department for Work and Pensions to be able to address that issue. Given that you are all keen on the policy, would you like to comment on the issue of the payment being withdrawn for a short period of time?

I see John Shaw indicating that he would like to answer.

Jon Shaw: From looking at the Scottish Government's response to SCOSS, it is quite clear that there is an acknowledgement that different approaches might be possible, but they have been rejected on the ground that, as you said, convener, the data might not be available from the DWP. I suppose that it is worth probing that a bit more with the cabinet secretary, because it feels a little bit like an approach that makes the perfect the enemy of the good. Across Scotland, local authorities and even colleges are awarding financial support to people—

The Convener: [*Inaudible.*]

Jon Shaw: I am sorry, convener. I do not know whether I should continue.

The Convener: Your sound was sticking a bit, so we will let Mhoraig Green in and come back to you.

Mhoraig Green (Citizens Advice Scotland): Citizens Advice Scotland very much welcomes the Scottish child payment, and we think that it will make a positive impact on the families that it is paid to. However, we are concerned about the fact that only children under six will be eligible in the first instance. We anticipate that being quite problematic for families when the child turns six and they lose that income because, obviously, it will not be an insignificant amount of money for those families.

We are also worried about the fact that, further down the line, when that child becomes eligible for the benefit, the family will need to reapply. We

think that there will need to be crystal-clear communications on the eligibility for the payment, because it is particularly complex.

We have discussed the issue of the data transfer with the Scottish Government, and we have made it clear to it that we would like that issue to be resolved as soon as possible. It feels like the Government has explored a number of different avenues, but we ask that, once the payment is in place, the Government continues to pursue the DWP and other avenues in order to find a way to get payments to older children up and running as soon as is practicable.

The Convener: That is helpful.

I should point out that I understand that Jon Shaw's connection is fine and that the problem might have been my connection here in the Scottish Parliament. I apologise for that, Jon—it is the good old Scottish Parliament connectivity. I will let you back in now.

Jon Shaw: As I was saying, across Scotland, local authorities processing free school meal applications and colleges processing education maintenance allowance payments require people to provide evidence of their entitlement to a qualifying benefit. However, the Scottish Government's response rejects that on the ground of administrative cost and risk.

It would be interesting to know more about what level of cost is foreseen. The nice ability to upload evidence to mygov.scot is already in place, and it is clear that the regulations allow the Scottish ministers to place a duty on individuals to notify a change in their circumstances, such as a qualifying benefit stopping. As we know, the cabinet secretary has said that she is not willing to introduce the Scottish child payment until she has the ability to prosecute for fraud, so the tools are clearly available to safeguard the system even if the bulk data transfer is not in place. It is clear that the Scottish Government has decided against that, but we could probably do with a bit more detail on why that is the case.

The Convener: Before I bring in Keith Brown, I want to check whether Anne Baldock has anything to add.

Anne Baldock (One Parent Families Scotland): In common with the other organisations that are represented here, One Parent Families Scotland is more than happy that the Scottish child payment is being brought forward, but we have great concern about parents who will get the payment for a short period of time, after which it will stop. Parents get used to a weekly income and budget accordingly. If they are given money that is then taken away, that could indirectly cause more problems for them. Having

got used to budgeting in one system, their money will be cut.

For lone parents, every penny is taken into account on a week-to-week basis, so it will be very difficult for them to understand why they will get money only for it to be taken away. If nothing else, we would like a transitional payment to be put in place that would safeguard the money in question for the affected parents.

The Convener: Thank you. We can raise the practicalities of implementing such a measure and whether that would be possible with the cabinet secretary when we get the opportunity to do so.

Keith Brown (Clackmannanshire and Dunblane) (SNP): I want to explore the issue a bit further. From the information that I have, I understand that the Scottish Government is reluctant to proceed not just because it will not get the data from the DWP but because it will also not get the data from Her Majesty's Revenue and Customs, which it also relies on. It has said that, as well as the reputational and audit risks that are involved, it would be contravening the "Scottish Public Finance Manual" to go ahead on that basis, which is a serious issue for the Government.

We can explore the issue further with the cabinet secretary, but I get the impression that the witnesses think that the Scottish Government is saying what it is saying in order to avoid going ahead, whereas, in my view, it seems to have good reason for not doing so. The question is whether it is worth introducing the payment now, given the trade-off of having to wait to extend eligibility to children under the age of 16. To go back to what Anne Baldock said, is the disruption that will inevitably be caused to some parents worth putting up with so that the payment can be made as soon as possible and families can be helped. Is it worth making that trade-off?

Anne Baldock: That is a hard one. I think that the trade-off is still worth it, because any payment that comes in earlier that will support the majority of parents has to be worth it. However, I still think that there should be the ability to safeguard both, mainly because of the practicalities involved, which we have discussed. It is great that the new system is being introduced, but I do not think that all the possible ways in which the Scottish Government could get the data that it needs have been exhausted yet.

Jon Shaw: On the narrow HMRC point, it is important to note that the tax credit system involves an annualised income assessment, so in effect it is much more stable than universal credit. There could still be issues if a person is no longer responsible for a child in the award notice that has been provided to Social Security Scotland, for example, but, as I said in my previous answer, the

regulations are very clear that a duty to notify a change in responsibility for a child can be placed on individuals.

09:45

I am sure that the cabinet secretary will confirm that benefit fraud, particularly by individuals as opposed to organised benefit fraud, is very rare. It is about the balance in reducing child poverty and getting money to families sooner against what we know is a very small risk of fraudulent claims in the wider social security system. Indeed, the cabinet secretary has taken powers to be able to deal with that. I am not an expert on the "Scottish Public Finance Manual", but there are certainly tools available to deal with any incorrect claims that are made and seek to recover that money.

Mhoraig Green: I do not have much to add to what my colleagues have already said. For us, the sooner the payment can get into the pockets of people who need it, the better. I do not think that it is worth delaying payments until the tail end of 2022 in order to have the eligibility in place for everyone. All avenues should be explored for reaching older children in the first instance but, if that cannot be achieved, that should not delay the roll-out of the benefit for the under-sixes.

Keith Brown: I will not take up any more time; I will simply make a request of the witnesses rather than seek a response on this just now. I am getting the flavour that some of the witnesses think that the Scottish Government is, if not making excuses, making too much of the reasons why it feels that it cannot address the matter. It is a serious matter if ministers go beyond the "Scottish Public Finance Manual", and Opposition parties in the Parliament would certainly want to question them on that. The reputation of a benefit is extremely important. If that reputation is lost or undermined, it is very hard to regain. We can see what has happened with previous Westminster benefits.

I am happy to ask the witnesses for any further arguments that we could use when we speak to the cabinet secretary to push the Government or the DWP further to try to get underneath the issue. However, I thank them for their responses so far.

The Convener: Given the nature of Mr Brown's comment, I will let the witnesses come back in on it if they want to. I do not think that I heard anyone suggesting that there is not an absolute commitment from the Scottish Government to deliver or that the issue to do with six-year-olds is not a consequence of fast-tracking the Scottish child payment. We as a Parliament are now trying to resolve that together, if that is possible. I do not want to put words into the mouths of the witnesses but, unless there is something that I have not

seen, they might want to put that on the record. They should not feel the need to do so.

Mhoraig Green: I have already said that we have had extensive discussions with the Scottish Government about that point and other points. The sense that I get is that civil servants and the cabinet secretary have worked quite hard to explore the issues around that and the opportunities. It seems to me that the most obvious way forward is to push the DWP to transfer the data quickly. We know from working with it that it, too, is under massive stress at the moment. Other organisations will have expertise on the matter, but my view is that the Scottish Government has been working hard to resolve the issue, if that is at all possible.

The Convener: That is very helpful. I will give a moment for another witness who wants to say something to use the chat box. Do not feel obliged to do so, but the offer is there if you wish to come in.

Anne Baldock: I agree with what Mhoraig Green has just said. We appreciate the Scottish Government's commitment on the matter. We work quite closely with it on the testing, for example, and we have seen its commitment, but we have been pointing out from our perspective how we think things could be improved. However, that is not a reflection on the Scottish Government's commitment to bringing the payment in. We welcome the payment being brought in as soon as possible.

The Convener: Thank you for putting that on the record. We appreciate that it is the job of One Parent Families Scotland to push for the vulnerable families you represent.

Jon Shaw: We echo those comments and certainly think that introducing the payment as soon as possible for under-sixes is fantastic.

The only thing that I have to add is to reiterate that there is no suggestion that the political will to spend that money is not there if the data were available for under-16s. If the cabinet secretary's view is that the balance of risk and reward is not right for the Scottish child payment, it should also be borne in mind that many other levers are available to the Scottish Government that could be used before 2022 to provide financial support for under-16s that will also contribute to reducing child poverty.

The Convener: That is certainly helpful, as we also scrutinise the budget as a committee.

Rachael Hamilton (Ettrick, Roxburgh and Berwickshire) (Con): The theme that I want to discuss is uprating. To help low-income families, we need to ensure that the Scottish child payment keeps up with the cost of living. That would mean

exploring some of the recommendations from CPAG and Poverty Alliance by lodging an amendment at stage 3 that would create a double lock that would increase the payment by the higher of earnings growth and the rate of inflation. Do the witnesses agree with the Scottish Government, which argues that the cost of uprating would have

"a significant and persistent impact upon the wider Scottish budget"?

Do you believe that its approach to uprating is sufficient and clear?

The Convener: I have a housekeeping note for the panel. I can see requests to speak in the chat box now—that is very helpful for me as chair of the meeting.

Anne Baldock: The need for this is such that it proves that the cost of uprating will have to be borne to make a payment that will progress the aims of helping to reduce poverty and providing funds that are needed. Therefore, the Scottish Government is lodging an amendment and it should help if the payment is uprated as the Government suggests.

Although the initial £10 payment is more than welcome, sadly, during the past couple of years costs have gone up considerably, so from the start it will not provide as much as was originally intended.

Jon Shaw: The cabinet secretary proposes to amend the current bill at stage 3 to introduce a duty to uprate the Scottish child payment. I have a couple of points to make on that. One is that we are disappointed that there is no plan to uprate it from April 2021. Obviously, the bill has to pass for the Scottish child payment to be uprated, so it will certainly be in on time. We think that there is scope for a transitional uprating provision, even if the standard rule cannot work.

On Anne's Baldock's point about the adequacy of £10 a week, it is important to note that it may be necessary to go beyond the increase in prices. In my written submission, I cited Joseph Rowntree Foundation research that suggests that £10 a week will slow the increase in child poverty. When the funds and the political will are available, it will be important to go beyond an increase in prices in order to change the game and bring down child poverty rates.

An increase in the Scottish child payment will absolutely have an impact on the Scottish budget, but the other side of that question is about the impact on other areas of the Scottish budget of not taking action on child poverty. The payment is an investment in the people of Scotland, and failing to make that investment places costs on other areas

of the Scottish budget. You need to compare those two things.

SCOSS has referred to the confusion and complexity of different indexation measures. It is worth noting—I am not sure how many members are aware of this—that United Kingdom benefits are uprated using various indexation measures, but I am not aware of that causing any confusion to claimants. As far as I know, nobody looks at the changes to two payments and thinks, “This one’s gone up by 1.7 per cent and this one’s gone up by 2.5 per cent.” It is difficult to see how having different measures will create confusion; it is merely a matter of telling the Scottish Fiscal Commission which measure to use in forecasting the expenditure.

Mhoraig Green: Citizens Advice Scotland supports uprating of benefits generally, so that they do not lose their real value over time. We have not called specifically for the benefit to be uprated from next year, but I can see the value in CPAG’s argument on that and its proposal for taking that forward. In our written submission, we said that we would like the double lock to increase for subsequent years.

Alison Johnstone (Lothian) (Green): I apologise for arriving slightly late, convener.

Under the Social Security (Scotland) Act 2018, the Scottish social security system has to contribute to reducing poverty. To what extent will the current £10 limit enable that? Jon Shaw touched on the case for considering a higher rate, and I note that Plaid Cymru is considering a payment of £30 for Wales.

Jon Shaw: Unfortunately, I have already used my quote on that. Before Covid, a Joseph Rowntree Foundation and Institute for Public Policy Research Scotland report said that the £10 a week is predicted to slow the increase in child poverty. Obviously, £10 a week is an important contribution to slowing the projected rise in child poverty but, to reiterate, we have not seen anything suggesting that £10 a week or £10 a week uprated by the consumer prices index will meet the child poverty targets without more action, whether that is increasing the Scottish child payment or using other levers at the Scottish Government’s disposal.

Alison Johnstone: Obviously, considerable time will have passed between when the idea of a £10 child payment was proposed and the first payment date. Is there therefore an argument that, at a minimum, the payment should be set at a rate that recognises that there have been several years of inflation since the policy was proposed?

Jon Shaw: Absolutely, and I think that that comes back to the minister’s proposed amendment to the Social Security Administration

and Tribunal Membership (Scotland) Bill. We would support regulations being passed with the payment at £10 a week. However, we are moving into the budget process and now is the time to have that conversation to make sure that it is possible, if there is the political will and the budget permits, to go beyond indexation and to increase the payment from April 2021, bearing in mind that this payment was proposed several years ago.

10:00

Anne Baldock: I agree with everything that Jon Shaw said. The first payment will start the whole system rolling. Any uprating should be from that first payment. The first payment must do what it was intended to do, and then you can look at the subsequent uprating of it. Sadly, because of the problems with inflation over the past couple years, the amount proposed will not do as much as was originally intended.

Alison Johnstone: The Joseph Rowntree Foundation has made a large number of recommendations for improving the child payment. One recommendation is that we should backdate the payment to families who were not aware of their entitlement, so that payments would be backdated before the date of application, perhaps by a few months. Another recommendation is to allow the child payment to run on for three months after eligibility ends, to avoid the cliff edge in income that Anne Baldock referred to. Would those be improvements on the current design?

Anne Baldock: Having a run-on payment to mitigate the impact of the payment ending is a good idea. However, it might be difficult to do that where there is a switch in claiming the payment. Say, for example, the husband was making a claim and getting the money, but the husband and wife split, and the wife moves and then makes a claim as a single parent. Technically, if the benefit were to run on, they could both be getting paid at the same time, because you could not deny the second claimant the ability to receive the payment. That is a long way of saying things, but you know what I mean. A run-on payment would be very welcome, but it would be difficult to administer.

Mhoraig Green: We have had discussions about the run-on payment with the Scottish Government, because we think that it is particularly important in the context of mitigating some of the impacts of universal credit that we see on the people who use the CAB service.

Universal credit is assessed on a monthly basis. Because the universal credit assessment period does not necessarily align with how people are paid—it is also an in-work benefit—claimants can end up receiving no payment some months. In those circumstances, the Scottish child payment

would also stop. We had hoped that a run-on payment would be possible, so that, in those odd months when there is no income from universal credit, the Scottish child payment would provide a mitigating payment.

Our understanding from discussions with the Scottish Government is that that would not be legally possible—it could not be achieved, because the Scottish child payment can be paid only when universal credit is also being paid. However, in our submission, we said that we would like the Scottish Government to monitor the impact of the variable nature of universal credit payments, particularly for people who are in work, and consider ways in which that could be mitigated either by the Scottish child payment or in other ways.

Jon Shaw: We mentioned in our submission that we are disappointed that there is no power to backdate Scottish child payment applications. It is also worth pointing out that some of the qualifying benefits can be backdated three months without any need to show a reason for a late claim, so somebody who becomes aware of their entitlement to both would be able to backdate a claim for a qualifying benefit so that the Scottish child payment would start from the date of application. That seems to be a simple policy choice.

In terms of the run-on, we have had similar discussions to Mhoraig Green. We absolutely agree that using the current delivery mechanism of a section 79 top-up means that there is simply no power to pay a Scottish child payment when the qualifying benefit is ended. That probably points towards a review and thinking about whether there is a case for making the legal basis of the Scottish child payment different, even if the delivery mechanism remains identical. If it was to be converted into a new type of assistance under the 2018 act, that would allow for the payment to continue during gaps in universal credit entitlement. Indeed, it could allow for a payment to be made for children whose parents are simply ineligible for any social security benefits at all but whose financial circumstances are similar to those who get means-tested benefits.

The Convener: We will have to move on—my apologies, Alison.

Alison Johnstone: That is fine, convener. Thank you.

The Convener: Tom Arthur has a supplementary on this issue and has not yet had the opportunity to come in.

Tom Arthur (Renfrewshire South) (SNP): I am grateful for the opportunity to ask a short supplementary question on the issue of uprating. I will give some context for my question. I recognise

and support the principle that social security is an investment in the people of Scotland and that, for the relative short-term investment of the Scottish child payment, the long-term benefits will be significant. I am therefore sympathetic to the calls for a strengthened uprating mechanism and perhaps for the Scottish child payment, as introduced next year, to reflect the level of inflation since the policy was first proposed.

However, we operate within a tight fiscal settlement in Scotland, and the capacity of the Scottish Parliament to borrow is strictly limited by the fiscal framework, which necessitates many difficult budget decisions. I was particularly interested in some of the remarks that Jon Shaw has made, but I am keen to hear from all the witnesses. I am not asking you to set the Scottish budget but, as we enter budget negotiations, if we are to give effect to the policy that we desire of increasing the Scottish child payment initially, that will necessitate taking money from other budgets, either within social security or other portfolios.

What values should inform those discussions? I am not even asking you to identify particular portfolios that should lose money. Are there areas of the Scottish budget that you think can afford to be deprioritised to add emphasis to the priority of the Scottish child payment and social security more generally?

The Convener: Before the witnesses come in, I thank Tom Arthur, not necessarily for asking the question but for using the word “budget”. The budget scrutiny takes place all year round, so we have to look at calls on the budget that will be awarded to social security and things such as the carers allowance supplement, the best start grant, young carers grants and, of course, the child payment, which came from the give me five campaign for a universal payment and is now £10, or double the original campaign request, but is targeted rather than universal. As our committee grapples with budget scrutiny in the months ahead, your comments will help to inform that.

I hope that Tom Arthur did not mind me saying that, but that budget scrutiny is the context in which we have to work in our committee sessions. Does anybody want to come in on that? It would help with our budget scrutiny for sure.

Jon Shaw: I will tread carefully, because I have zero expertise in and limited knowledge of any area of the Scottish budget outside social security, but I am here representing the Child Poverty Action Group and, from our perspective, there can be no more important use of the Scottish budget than making inroads into child poverty, so it should absolutely be top of the priority list when it comes to making budgetary decisions. However, I am afraid that I have nothing to add on where the

trade-off should be in relation to the other portfolios.

The Convener: Yes—that is always the difficult bit, Mr Shaw.

Mhoraig Green: I will not comment on where the trade-off should be, either, but I want to make sure that the committee is aware of the human rights budgeting approach that the Scottish Human Rights Commission in particular has developed. CAS would like that approach to be increasingly applied to decisions about social security spending. If you are not already aware of that approach, I recommend that the committee looks into it.

The Convener: Thank you. Just before we move on, Rachael Hamilton has a suggestion. Rachael, it is not a question, so I ask you to be brief and we will immediately move on to Pauline McNeill after that.

Rachael Hamilton: I would like us to draw down any information that we could receive on the uprating issue. The annex document that accompanied the Scottish Government explanation of uprating from the consumer prices index to the double lock gives costings but, unless I am missing this, it does not give costings for the transition—that is, instead of bringing in uprating from April 2022, bringing it in as the panel has discussed from April 2021. I would like to see that, because currently the information that we have is from 2022 up to 2025.

The Convener: Okay. We will have to leave that suggestion sitting there. If witnesses want to write to us about that point, we would be grateful.

Pauline McNeill (Glasgow) (Lab): I will wrap up my questions so that you do not need to call me for each question, if that is helpful, convener.

The Convener: Okay.

Pauline McNeill: I want to ask the panel, starting with Mhoraig Green and Jon Shaw, whether the process for payments has struck the right balance between administrative considerations and the needs of claimants. Are you concerned about the frequency of payments being every four weeks, in arrears? Can you put something on the record about your concerns? Also, what are your concerns about the fact that the payment will not be backdated?

Mhoraig Green: On the question of frequency, the committee will be aware that other benefits have a shifting frequency of payments. In particular, universal credit, which all recipients of the Scottish child payment as it is currently set out should be on, has the Scottish choices option of allowing people to receive their payments twice a month rather than once a month. Our evidence suggests that more frequent payment is a powerful

tool for helping families on low incomes to manage their money.

My understanding is that, in the first instance, the Scottish child payment will be delivered monthly—that is, every four weeks—because that is easier administratively and it makes it possible to bring in payments more quickly. In our submission, we have asked the Scottish Government to keep that under review and to consider whether there is flexibility to allow families to have more frequent payments in future.

Linked to that is the question of automation. Our understanding, from the breadth of expertise that we have across the network, is that the most significant barriers to people taking up payments such as the Scottish child payment are not only awareness of the payment but the complexity of the process for accessing the benefit. Again, we have asked the Scottish Government to consider how the process of getting on to the Scottish child payment could be automated.

10:15

Jon Shaw: I agree. It is interesting to read the response to SCOSS on that, which says that there was no clear majority in favour of four-weekly payments. However, there was no clear majority in favour of anything, which reinforces the idea that it is better to give people a choice about what works for them. The four-weekly cycle is partly linked to the universal credit assessment period and minimising overpayments, which comes back to the issue of the payment being tied to entitlement.

Mhoraig Green raises an important point. To touch on the second part of Pauline's question, there does not need to be a rule for backdating if the payment automatically starts on the same day as the qualifying benefit starts. Therefore, it is a kind of alternative approach; if people do not need to apply because it is automatically paid to them, we will not have the injustice of people not realising that they are entitled and losing out on money as a result.

Pauline McNeill: I want to ask about automation, which has been ruled out for the time being. I take the points that Jon Shaw and Mhoraig Green made that most people would like choice over the frequency of the payment. I do not know whether it would make any difference to the administration if the payment was monthly or fortnightly but, if it were easier for a monthly payment to be automated, might that compromise be worth making in the long run? How important is automation of the benefit to the policy aim of tackling poverty?

Anne Baldock: If automation could come in sooner if the payment remained monthly, it would be worth doing. Automated applications would

make a big difference to take-up. For example, Glasgow City Council moved to an automated system for its school clothing grant because a large number of people did not apply for the grant. That change resulted in 97 per cent take-up. Therefore, there has to be an advantage in automating the system so that more people can access it.

It would be good if the frequency of payments could be considered. Because a large number of parents still receive legacy benefits, they tend to get their payments spread over different times—child benefit is paid weekly, employment and support allowance might be paid fortnightly and tax credits could be paid monthly—and that is how they budget. Therefore, the ability to request different payment frequencies would help.

Jon Shaw: It will be important to come back to the issue in the review. The word “automation” could mean a number of things. Children in Scotland will not have to apply for child winter heating assistance because the required data will automatically be passed to Social Security Scotland. However, that is a one-off annual payment, so the process is much simpler. The first time that I read about the top-up power, I envisaged that somebody at the DWP would press some buttons on a computer that would spit out an extra £20 per week for each child in Scotland, rather than a separate application system being set up.

We absolutely support what the Scottish Government has done to introduce the Scottish child payment as soon as possible but, when we get to the point of taking a breath and reviewing it, it will be important to note that, if we want 100 per cent take-up, automation is the way to go. If we want to get beyond the problems with those qualifying benefits, decoupling the power to pay the Scottish child payment from requirement for entitlement to a reserved benefit, with all the difficulties and complexities that that brings for claimants, should definitely be on the table when looking at the longer-term future of the payment.

Mark Griffin (Central Scotland) (Lab): I will carry on with the theme of take-up. Are the Government’s plans for communicating about the benefit and promoting take-up sufficient? Could the Government do anything else to boost take-up?

Mhoraig Green: Having clear communications about the benefit will be critical in relation to take-up and managing the kind of issue where children will become—

The Convener: You have to—

Mhoraig Green: Sorry. Can people hear me? I see people nodding, so I will continue.

Clear communication about the benefit will be critical, because people need to be aware of it. Lack of awareness is one of the biggest barriers that we are aware of to people accessing such payments. It will also be critical to make families aware of the fact that children will fall out of the system when they turn six years old, so that families anticipate that and plan their budgets accordingly.

From an advice provision perspective, it would be helpful for Citizens Advice Scotland—and, I am sure, for other advice agencies—to have as much information as possible about the detail of the payment in advance of its going live. That will allow us to ensure that our advice pages are up to date and that our advisers know the details of the payment and how it will work so that they can support people through that process. We have a good relationship with the agency. When we get information in a timely fashion, we can ensure that that effective network is there. That is an important mechanism for supporting take-up.

The Convener: I think that everyone could hear you, except me—I lost my internet connection, but it is back up and running now. I am sorry for the confusion.

Jon Shaw: I agree with Mhoraig Green that it is really important that information is available to advisers. Local authorities have an important role in that, too. We work with Glasgow City Council on its child poverty strategy, and it is good to see that the council is thinking about that as a way of contributing to reducing child poverty.

We should also consider the effectiveness of the take-up prompt letters for the best start grant, which I think Mark Griffin has asked questions about and is interested in. Last night, when I was thinking about things that are going to people already rather than having separate letters, I noted down, “Write it on the side of the baby box.” I realise that that is perhaps not exactly how we should do it, because the box has a very nice design, but we should think about situations in which people are being contacted anyway at a point where they become entitled, or just before that.

Another example is the notification that is sent to everyone on universal credit about the Scottish choices at the end of their first assessment period. That is already automatically sent out to everyone who lives in Scotland. It would not deal with the issue of people losing a month’s entitlement by the time that they are told about the payment, but it would be a way of sweeping up some people who might not have realised that there is a new payment.

Considering situations in which parents are already being contacted is a good way to go.

Anne Baldock: Again, I agree with everything that my colleagues have said. We were quite heavily involved when the best start grant was being designed and delivered, and a lot of our parents were consulted on how it would be delivered and publicised. We have already had discussions about the Scottish child payment. Getting the message out about the payment is key, and third sector organisations and other statutory organisations will be a big help in promoting it. The Scottish Government put a lot of work into publicising the previous benefits, especially the best start grant. If it does the same with the Scottish child payment, that will increase take-up.

The Convener: I know that Mark Griffin wants to come back in with a couple of questions. I hate asking you to do this, Mark, but could you ask them together, because of the time constraints?

Mark Griffin: I will do. Initially, the Scottish Government set a target of 85 per cent uptake to meet its policy ambition of lifting 30,000 children out of poverty. I realise that that is somewhat out of date as it was pre-pandemic, but is there any value in setting a target in legislation for uptake that would trigger a review if it was not met?

Secondly, is there an issue with potential scammers taking advantage of people during the application process? We have seen that with universal credit, where people offered to help with the application, then took the full advance payments and left people having to pay those back.

The Convener: That is helpful, Mr Griffin. All three witnesses can answer either of those questions or both, but do not feel that you need to answer both, because another witness might pick up the other one.

Jon Shaw: The easiest way to avoid scams of people purporting to help with applications is the link to existing benefits. If 100 per cent of the families in Scotland who are eligible for the Scottish child payment already get benefits paid to the correct person, there is simply no space for that scam to exist.

The question on a statutory target for take-up is interesting. Parliament will hold the Government to account for the child poverty reduction targets, but I have not had a chance to think about a target for the Scottish child payment. It might be best to write to the committee about that, but I am struggling to see what a separate take-up target in addition to the child poverty target would add to Parliament's tools to hold the Government to account.

The Convener: Thank you, Jon. You are allowed to think about that and get back to us.

Anne Baldock: I agree with Jon Shaw. I have not really thought about a set target.

There are checks in place for the avoidance of fraud to the same extent that we see with universal credit, because there is an application and then a double-check on benefit entitlement. There will always be a certain amount of fraudulent claims, though, and there is not an awful lot that can be done about that, but maybe that should be continually reviewed.

10:30

Mhoraig Green: Like others, we have not taken a position on a statutory target for uptake, but we can certainly take that away and consider it.

In addition to what has been said about the importance of automation, I would say that the more automation there is, the less scope there is for scamming. If automation is not in place, there is a clear role for independent advice and information for people, so that they understand how to apply for the payment. The process for applying must be straightforward and easy, so that applicants do not fall into the trap of feeling that they need to get support from somebody who is not from an independent advice agency.

Citizens Advice Scotland is aware of the general issue of scams. It should not prevent the payment of social security, but Social Security Scotland needs to be constantly vigilant about it, in the same way that the DWP is constantly vigilant about scams on universal credit.

Jeremy Balfour (Lothian) (Con): I have a couple of questions, which I will ask together. First, people will apply for the payment in November, but they will have to wait three months before they get the money. Are you concerned about whether people fully understand that? How do we get that information out?

Secondly—this picks up on a point that was made earlier—is there an opportunity for the Scottish Government, if it has the will, to use something like the best start grant payment for that three-month period, so that people are not out of pocket, or do you see the payment being backdated with a larger first payment being made? Which of those would be the better way forward?

The Convener: Would someone like to indicate that they want to go first? Otherwise, I will pick someone. I always feel bad when I pick someone to go first, because they get the least chance to think about it.

Jon's bid to go first has saved everyone else.

Jon Shaw: How clear things will be during the initial period will depend on what people are told about it by the Scottish Government. That is

perhaps more about communication with applicants, rather than a matter for the regulations.

Picking up on Mhoraig Green's point, one way to ensure that the application process is really clear is by ensuring that guidance is publicly available to underpin the regulations as soon as they come into force. It will be important that advisors have the tools—once they have been produced by organisations such as Citizens Advice Scotland and ourselves—to ensure that information is out there to help people navigate the process.

The second question was about backdating payments versus paying the best start grant. When we were talking about the best start grant, I was scribbling down that the issue with it is that it is a lump sum payment and is made at certain points in a child's life. It will not be possible to use that mechanism to pay a lump sum for children who are not in the right age window during the period from November to February.

It does not appear that the Government has any intention of backdating payments, but it would certainly appear to be a way to fully mitigate the delay between applications opening in November and payments being made in February. Of those two options, allowing a lump sum backdated payment would be the way to go. It is not provided for in the regulations, but amending regulations could come into force before February to provide for it.

Anne Baldock: There is nothing in the regulations about backdating. The November window for applications is more to do with Social Security Scotland being able to cope with the number of applications that there will be. As John said, the key factor will be how the benefit is promoted and the support that is given to organisations that support parents, so that they have the tools to get the message out there.

A lot of work was put in before the best start grant was introduced. If that work is put in again and the Government works with third sector organisations, that should make it easier. It will be difficult to get across the message that the sooner people apply the better, but they will not get a payment until February. However, I doubt very much whether it would be possible to backdate. I do not think that that would be considered, because of the amount that it would cost. It comes down to us all working together to promote it as much as possible.

Mhoraig Green: I do not have much to add. I reiterate that our understanding is that the three-month window is there to prevent a bottleneck of applications, because this will be the biggest administrative task that the agency has undertaken so far, in relation to getting a payment

up and running. The idea of backdating the payment is a really nice one, and it would undoubtedly make an impact on people's finances, but it comes back to the question of budget priorities and whether the money is available to do that.

The Convener: Thank you for rolling up your questions together, Mr Balfour. That was very helpful.

James Dornan (Glasgow Cathcart) (SNP): A number of issues have been mentioned as needing clarification, such as backdated payments and whether, if someone has been awarded a reserved benefit but does not receive payment of it, they would still be entitled to the Scottish child payment. Can witnesses suggest any other areas where clarification of the regulations is required?

The Convener: That is a good technical question as we approach the end of the evidence session, Mr Dornan. This is me filibustering to give our witnesses the opportunity to check their answers.

Jon Shaw: I love a technical question. In our submission, we pick up on a couple of those areas. One is where a couple are jointly receiving child tax credit or universal credit. There does not appear to be a mechanism in the regulations to decide between applications made by each parent when they live together and claim means-tested benefits jointly. That situation will obviously be rare, because the vast majority of parents will be able to agree between themselves who applies. That is a tiny detail where we cannot quite see how the priority rules are intended to operate, and I know that the tribunal system likes legal certainty around what should happen in every situation.

This is a bit less about the child payment regulations themselves, but we also touched on the fact that there is a welcome change to the rules for when someone can be awarded the Scottish child payment following an award of a qualifying benefit. That takes the Scottish child payment regulations slightly out of step with the regulations for the best start grant and the funeral support payment, and SCOSS has commented on the preference for identical wording where the policy intent is essentially identical. It would be good to see those regulations brought exactly into line, to make them more consistent and less confusing for families. Those are the two issues that spring immediately to mind.

The Convener: Do any other witnesses want to add anything? I do not see anything.

Alison Johnstone has indicated that she has another question. Could you try to make it as short as possible? I have a mop-up question, in the relation to the committee's inquiry, that I want to sneak in.

Alison Johnstone: James Dornan kicked off this important discussion. The child benefit payment has a double take-up issue, because we need to ensure that people apply for the qualifying benefit and for the Scottish child payment itself. Has enough been done to raise awareness of that issue and put in place plans to tackle it?

The Convener: Oh. My apologies. The convener was trying to multitask there, as information technology was coming into check my connection so that I could continue to chair the meeting. Has Mr Shaw bid to answer Alison Johnstone's question? Or is that an old icon in the chat? I think that Jon Shaw is "it" anyway, so he can come in first.

Jon Shaw: That was an old bid. However, the question of the take-up of reserved benefits is an important but complicated one. We saw lots of people claiming universal benefit during the early stages of the pandemic and being worse off. That reinforces the need for good-quality, well-funded information and advice services at the point where people are thinking about whether they need to claim benefits. There is always more that can be done, and it will be important that the UK Government, the Scottish Government and local authorities work together on that to ensure that everyone is getting the money to which they are entitled.

Anne Baldock: Again, I agree with everything that Jon Shaw said. It will be vital that advice agencies can provide ongoing advice to ensure that UK benefits are claimed and that those agencies work together as much as possible with other organisations.

Mhuraig Green: I echo the importance of having independent advice on the benefits. Social security is the biggest issue that we see across our network and universal credit is the biggest benefit that we give advice on. There are particular issues to be aware of in raising awareness of universal benefit, one of which is obviously the five-week wait for the first payment. From our evidence, it looks like a lot of people wait until they have run out of money before they make an application, then they have a five-week wait, which is obviously difficult to manage.

The other pitfall is that if someone applies too soon and then receives a final salary payment or the like during the qualifying period, that can, in effect, wipe out their first payment of universal credit. There is therefore a sweet spot in terms of the right time to make a claim for universal credit, so it is important that people are aware of that and that we raise awareness of it.

The Convener: Thank you. We are almost at the end of our evidence session. It has been a fascinating one, but I have a slight concern about

something. I say that as someone who is incredibly supportive of the Scottish child payment. I mentioned previously the give me five campaign, which was about a universal benefit that has significant costs. The Scottish Government took a policy decision to give double the amount of cash but to target it at those most at risk of poverty or living in poverty. There is always a balance to be struck between targeted benefits and universal benefits. However, I am conscious that the Scottish child payment is a pop-up benefit and that the core responsibility for those in need who require benefits still sits with the UK Government.

There are demands on the UK Government and, rightly, the Scottish Government to maximise the income of those most in need. Although I welcome the attention on the Scottish child payment and how we can improve it, pay more and uprate it, I am slightly concerned about the fact that others in another Parliament might decide that when there is not a sufficiency in benefits at a reserved, Westminster level, then the solution is not to fix that but for the Scottish Parliament to use its restricted budget, as we have spoken about, to continue to top up benefits or create new benefits while not necessarily having the resources to sustain that.

I am not trying to draw you into saying anything political, but it is an important lead-in to the committee's inquiry, for which we have put out a call for evidence, on how the Scottish social security system can act quickly and be fleet of foot in helping those who are most at risk of poverty because of the impact of Covid-19 and the resulting economic crisis. I want to draw that to your attention.

10:45

As part of that inquiry, we are looking at barriers and issues in relation to the interaction between the Scottish and UK systems. I would not be doing my job properly if I did not draw that inquiry to the attention of witnesses in the context of the Scottish child payment. You can reflect on the issue just now, and I hope that you will make a submission to the inquiry. It is not about the Scottish Government versus the UK Government; it is about how we can use the social security systems as effectively as possible to meet the huge increase in need that we all anticipate due to Covid-19. I ask you please to respond to the committee's call for evidence on that.

I will give you the opportunity to make a final comment. You can respond to what I have just said or make any final comments that you wish to make before we move into private session.

Mhuraig Green: In recent months, Citizens Advice Scotland has been grappling with the issue

of the adequacy of social security to support people to weather the economic storm that has been created by what started out as a health crisis. We absolutely will make a submission to the committee's inquiry.

You are right that we need to think about the situation as a whole, because the majority of the social security system is still reserved to the United Kingdom Parliament. The inquiry and the work that the Scottish Government is doing on social renewal and recovery from Covid present a unique opportunity to think about how the Scottish Government uses its social security powers to protect people from that storm. We will submit to the inquiry and we are participating in the social renewal process in order to contribute to that important discussion.

Thank you very much for inviting me to give evidence today.

Anne Baldock: Obviously, the number of people who are eligible for the Scottish child payment has increased dramatically due to the increasing number of people taking up universal credit because, sadly, they have been made redundant. That situation will only get worse as time goes on, and especially when furlough ends in October. The Scottish child payment will be a lifeline for a lot more people than was anticipated and, unfortunately, that will lead to a huge increase in cost. The Scottish Government's continuing request for the UK Government to consider the benefits that are in its power will make a significant contribution to putting pressure on the UK Government to increase those benefits as well as, I hope, persuading the UK Government to give more money towards the devolved payments.

The Convener: Jon Shaw is next.

Anne Baldock: I—

The Convener: Sorry, Anne, did I cut you off unduly? Were you going to say something else?

Anne Baldock: It is fine. I was just going to thank the committee for allowing me to speak to you this morning on behalf of OPFS.

The Convener: We are grateful that you did. I am sorry for cutting you off.

Jon Shaw: I should get my thanks in first, so that I do not forget to do so at the end.

It is an interesting question that led me to think about the issue of deductions from benefits. It is fair to say that there is a lot of cross-party concern about the level of deductions that are made from universal credit in order to recover advances or other debts, and about the level of hardship that is being caused.

That reminded me of something that I forgot to say about the child payment regulations. The Scottish Government has left a lot of flexibility and is taking a power to reduce the Scottish child payment to zero without consent in order to recover an overpayment of the Scottish child payment or another devolved benefit. There is certainly an interesting difference in approach between the Westminster Government and the Scottish Government, which is a choice that those two Governments can make, but, given that everyone who is entitled to the Scottish child payment is already on a low income and has been means tested by the UK Government, it is difficult to envisage a situation in which it will be appropriate to reduce that payment to zero in order to recover an overpayment.

Therefore, the regulations could be improved if there was legal protection around a minimum amount of Scottish child payment that must be paid to ensure that money still goes to those families. Short of that, in the initial period, it will be important that the guidance is clear that the Scottish Government considers that it will never be appropriate to completely stop someone's payment without consent. That will help advisers, too. Even if families feel a moral obligation to repay money due to a mistake that they have made—that tends to be the most common situation—it will be helpful if we can point them to something that sets out clearly that, because they are already in hardship, Social Security Scotland will not force them to repay the money.

That is a reflection on the different ways that we do things, and it is an important issue about the regulations that we have been considering.

The Convener: I thank our witnesses. It was kind of you to thank us for the option to give evidence, but we should thank you, because it is our job to scrutinise the Scottish child payment and you have helped us immensely in doing that. Thank you for your time and for bearing with us with the few technical problems that we have had with the links. As Rachael Hamilton and others have said, if you have any additional information that you want to send us, drop us an email or send a letter—the clerks stand ready to accept that information.

We now come to agenda item 2, which we have agreed to take in private, so we will move into private session.

10:52

Meeting continued in private until 11:23.

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