



OFFICIAL REPORT
AITHISG OIFIGEIL

Social Justice and Social Security Committee

Thursday 9 February 2023

Session 6



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Pàrlamaid na h-Alba

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SOCIAL JUSTICE AND SOCIAL SECURITY COMMITTEE

3rd Meeting 2023, Session 6

CONVENER

*Natalie Don (Renfrewshire North and West) (SNP)

DEPUTY CONVENER

*Emma Roddick (Highlands and Islands) (SNP)

COMMITTEE MEMBERS

*Jeremy Balfour (Lothian) (Con)
*Miles Briggs (Lothian) (Con)
*Foyso Choudhury (Lothian) (Lab)
*James Dornan (Glasgow Cathcart) (SNP)
*Pam Duncan-Glancy (Glasgow) (Lab)
*Paul McLennan (East Lothian) (SNP)

*attended

THE FOLLOWING ALSO PARTICIPATED:

Marilyn Howard (Scottish Commission on Social Security)

CLERK TO THE COMMITTEE

Claire Menzies

LOCATION

The Mary Fairfax Somerville Room (CR2)

Scottish Parliament

Social Justice and Social Security Committee

Thursday 9 February 2023

[The Convener opened the meeting at 09:15]

Decision on Taking Business in Private

The Convener (Natalie Don): Good morning, everyone. Welcome to the third meeting of the Social Justice and Social Security Committee in 2023. We have one evidence session in public. We will hear from the Scottish Commission on Social Security on the draft Social Security (Up-rating) (Miscellaneous Amendments) (Scotland) Regulations 2023. As members have indicated which questions and themes they wish to cover, I will move on to item 1, which is to decide whether to take item 3 in private. Does the committee agree to do so?

Members indicated agreement.

Scottish Commission on Social Security

Draft Social Security (Up-rating) (Miscellaneous Amendments) (Scotland) Regulations 2023

09:16

The Convener: Our next item of business is an evidence session on the draft uprating regulations. I welcome Marilyn Howard from the Scottish Commission on Social Security to the meeting. Good morning and thank you for accepting the committee's invitation.

I have a few points on the usual rules for hybrid meetings, Marilyn. Please wait until I or the member asking you a question addresses you before speaking, and please allow broadcasting colleagues a few seconds to turn your microphone on before you begin to speak. Colleagues in the room should indicate to me or the clerks if they wish to ask a supplementary question. Members who are online should please use the chat box or WhatsApp.

I will move straight to questions. To kick off theme one, I have questions from Paul McLennan.

Paul McLennan (East Lothian) (SNP): Good morning, Marilyn. The first question is about the adequacy of social security payments. We all know about the impact of the cost of living crisis. Is that affecting the realisation of social security principles?

Marilyn Howard (Scottish Commission on Social Security): I am a new member of the Scottish Commission on Social Security, and I am pleased to be here to talk about the uprating report. Perhaps, in answer to your question, I will start by outlining some of the social security principles that the commission thinks are particularly important in relation to uprating and then say a little bit about the cost of living.

Some important key principles, particularly with regard to uprating, are that social security is an investment in the people of Scotland. Social security is a human right and is essential to the realisation of other human rights, and the social security system is there to contribute to reducing poverty and therefore opportunities should be sought to continuously improve the system.

On the cost of living, increases in inflation can affect the ability of social security to contribute to reducing poverty and realising various human rights, such as the right to an adequate standard of living. It is difficult for a mechanism such as annual uprating on its own to tackle the issues around the cost of living. In particular, the

turbulence and high rates of inflation that we have seen over the past year or so mean that although annual uprating mechanisms are relevant, they cannot, on their own, address some of those issues. Both the United Kingdom Government and the Scottish Government have introduced various cost of living measures, and the Scottish Government has doubled the Scottish child payment bridging payments. They are important additions to uprating, although, obviously, claimants were experiencing high rates of inflation before those measures could take effect, important though they are.

Paul McLennan: You touched on my next question when you talked about the impact of inflation. We looked back at inflation forecasts over the past year and they were nowhere near where inflation has ended up. There are two parts to my question. First, does the underlying adequacy of benefit payments need to be reviewed and will SCOSS have a role in that review?

Secondly—my colleagues know that this is one of my favourite questions—social security is a demand-led service and if the Scottish Government needs to find more money for uprating, as it has had to do this year, where will it find the money? It will have to take it from elsewhere. Should the Scottish and UK Governments discuss additional borrowing powers to deal with such issues? I come back to the point that we did not forecast that inflation would be anywhere near where it is this year.

Marilyn Howard: Certainly, the adequacy of social security benefits is important, although we have not looked into that in the uprating report. The commission is well placed to participate in any review that the Government might undertake. I am not in a position to comment on borrowing; that is beyond the SCOSS remit.

Pam Duncan-Glancy (Glasgow) (Lab): Good morning, and thank you for joining us. My question relates to the points that you made on covering the cost of living. Are you aware of any plans to assess the real cost of living and the additional costs faced by disabled people in Scotland?

Marilyn Howard: I am not aware of work of that nature.

Pam Duncan-Glancy: Are you aware of when that was last done?

Marilyn Howard: I am not. I do not know whether my colleagues are. We will take that away and send the committee a note if we find further information.

Pam Duncan-Glancy: That would be helpful. The question was asked to get an understanding of whether, in the review of adult and child

disability payments, you thought that payments, as they stand, are adequate to cover those costs.

Marilyn Howard: That was not something that we considered in this report because we were looking at the uprating regulations for this particular year. However, disability payments are really important, and they will feature in the commission's future work. It may well be that we can come back to that in the future.

Pam Duncan-Glancy: Okay. It would be helpful if the commission were able to look at what work, if any, has been done to assess the payments' adequacy. Thank you. I have no other questions in this area.

The Convener: Pam, do you want to lead us into our next theme?

Pam Duncan-Glancy: We have touched on this already. Has the commission considered any way in which we, in Scotland, can maintain the value of benefits without changing from the consumer prices index? I note that your paper says that keeping that link is appropriate for now but that it may need to be looked at differently in the future. What mechanisms are open to the Government for doing that?

Marilyn Howard: As we mentioned in the report, the September CPI is probably the most sensible mechanism in the short term. However, in the longer term, particularly when the agency agreements with the Department for Work and Pensions have come to an end, there may be scope to take a different approach to how inflation is measured in relation to social security uprating. We identified some issues in our 2019 uprating strategy report, so we would want to be involved in any discussion about future policy on uprating.

Pam Duncan-Glancy: Did you mention a timescale for when you expect that discussion to start?

Marilyn Howard: I am not aware of a timescale. It would depend on what was sensible in relation to the agency agreements and other social security factors.

James Dornan (Glasgow Cathcart) (SNP): Good morning. Obviously, inflation is very high. It is expected to fall rapidly, but it is still likely to be higher in the UK than in the rest of Europe. What are the implications of that for benefits and the uprating policy? How will that affect people who need Government support?

Marilyn Howard: Obviously, inflation is difficult to predict. Some of the forecasts are looking at a rate of potentially 4 to 5 per cent later this year. That does not necessarily mean that the cost of living will go down; it probably means that the cost of living will perhaps not rise as fast as it has been rising in the recent past.

Elements that low-income households are likely to use and spend their money on disproportionately, compared with higher-income groups, are items such as food and fuel, the prices of which have been increasing within the overall CPI average rate. If inflation goes down, the implications for uprating are that benefits would have been uprated to the higher amount, so they could make a greater contribution to some of the principles—for example, reducing poverty. Uprating copes with inflation peaks and troughs and, in theory, things even out. However, at a time of very high inflation, as we mentioned, there is a case for looking at whether there are mechanisms outside of uprating that could be brought to bear more quickly than an uprating could be, in order to tackle cost of living issues.

James Dornan: The reference month on which the uprating is based and how that will affect payments over the coming period is a lucky dip. The example that you gave would be an advantage for the people receiving uprated benefits. What disadvantages do you see in having a single reference month? Has your organisation been able to feed into the system that is used in any way?

Marilyn Howard: The commission looks at the uprating regulations that the Government refers to it every year. As I mentioned, a policy report was produced in 2019 concerning the broad approach to uprating. If the reference period is in September, in times of fairly stable or low inflation, things tend to even out over time. Obviously, the issue at the moment is higher and more volatile inflation. In those circumstances there could be additional cost of living measures and various uplifts or increases during a year, rather than waiting for a particular uprating point. Obviously, the time lag between the September reference period and when people receive their increased benefit in April means that the system is slow to respond.

Then again, it is sometimes difficult to think about what an alternative might be. Ideally, it might be something closer to when people receive their payment, but setting it in September allows for seasonal variations to be dealt with. It also links into the timeframe for the budgeting process. It is one of the issues that will probably be looked at in the longer term but, in the short term, the September figure is the one.

09:30

James Dornan: I appreciate that it is difficult, but what you seem to be saying is that the way in which it is being done is for the benefit of the system as opposed to the benefit of the individual. I am not criticising; I understand how difficult it is. You touched on trying to get some mechanism

outside of a particular month. Just now, we seem to be particularly badly hit—I mean the UK—by inflation that, it is generally accepted, is down to Brexit. Is there a way in which such circumstances could be taken into account, or any flexibility to include in the system an increase in support over a period, even if inflation starts to fall?

Marilyn Howard: That flexibility is probably there. The cost of living payments, the energy support and the Scottish child payment support have been introduced as part of that in-year flexibility. It is important that any system can be administered so that people receive the payments as soon as possible. Certainly, however, because of the time that it takes to make those decisions and implement them, September seems to be the most practicable option. Nevertheless, as we said, there is scope to perhaps look at alternatives in the longer term.

James Dornan: May I ask one final question, convener? Thank you for your patience, Ms Howard. Does your organisation have any input to how those decisions will be made? Does the commission have any way to input what it thinks is a sensible suggestion for a way forward?

Marilyn Howard: The commission offers detailed advice on regulations that are referred to it by ministers. Were there to be a review, I would hope and expect that the commission would be involved in some way.

James Dornan: That is good. Thank you very much for that.

The Convener: Our next theme is questions on the Scottish child payment. First is the deputy convener, Emma Roddick.

Emma Roddick (Highlands and Islands) (SNP): Good morning, Marilyn. I note the recommendation on making it clear whether an increase to the Scottish child payment is uprating or a different sort of increase. I doubt that folk who get more money than they expected will mind or perhaps even know the difference between an increase and an uprating. Will you explain why you think that it is important for the Government to make that distinction?

Marilyn Howard: Yes. It relates to what we talked about a bit earlier. Our report refers to in-year increases, which are important, particularly if uprating is only an annual process. Being clear about what those increases are for, however, can help people to understand when their benefit will increase, by what amount and on what basis. That clarity will also help people who advise claimants. Ministers' response to our recommendations was that officials would consider whether, at the time, those in-year increases could be communicated a bit more clearly and earlier.

Emma Roddick: Thank you. The Scottish child payment has increased by 150 per cent in the last eight months and is now five times more than campaigners originally called for in the give me 5 campaign. On the increase of £25, the Joseph Rowntree Foundation said:

“The full rollout of the Scottish Child Payment is a watershed moment for tackling poverty in Scotland, and the rest of the UK should take notice.”

Do you agree with that?

Marilyn Howard: The increase in the Scottish child payment clearly makes a significant contribution to reducing poverty, so that would certainly be welcome.

Emma Roddick: That payment, of course, does not exist elsewhere in the UK, so I would like, finally, to ask you the question that the Child Poverty Action Group posed: is it not the case that, if the Scottish Government can make that kind of serious investment in protecting children from poverty, so too can the UK Government?

Marilyn Howard: I am afraid that what the UK Government does is beyond the commission's remit.

Emma Roddick: Thank you.

Foyso Choudhury (Lothian) (Lab): Good morning. I have just a short question. What data and evidence were collected prior to the decision to increase the Scottish child payment?

Marilyn Howard: As the timescales were quite short, the commission did not have the chance to engage external stakeholders in discussions for the uprating report that we have just produced, but it did some desk-based research. Some of the publications from various organisations were considered and are referenced in the report.

Foyso Choudhury: Thank you. I have no other questions on this theme.

The Convener: Thank you very much.

I have a question on our next theme. People who find themselves just above the qualifying criteria for benefits are in an extremely vulnerable position just now. SCOSS suggested that the Scottish Government might want to re-examine earnings thresholds. Do you have any opinion on how those should be calculated? For example, should increases reflect wage inflation or price inflation, or should earnings thresholds be calculated by another method?

Marilyn Howard: That is a good question. The earnings threshold for carers allowance has been uprated by 5.5 per cent, which is the average wage inflation figure. Obviously, CPI is higher, at 10.1 per cent.

If there is an agency agreement with the Department for Work and Pensions, how earnings thresholds are uprated for relevant benefits needs to align with the DWP. We at the commission certainly believe that there may be a case for re-examining how earnings thresholds are uprated in the longer term and we hope to consider the earnings rules for Scottish carers assistance in more detail during our consideration of the draft regulations that we anticipate having sight of later in the year.

The Convener: Absolutely. Thank you. Leading on from that point, many Social Security Scotland benefits are passported from DWP low-income benefits, so eligibility is essentially outwith Scotland's control. Does SCOSS think that a more effective way of tackling the cost of living would be to have all social security powers devolved so that we did not have to rely on passporting them from UK Government benefits?

Marilyn Howard: That was not something that we considered as part of the uprating report, I am afraid.

The Convener: No. In a more general sense, would doing that make it easier when dealing with Scotland's social security system?

Marilyn Howard: I am a new member of the commission, so I do not know whether previous work has been done on that. I am therefore not able to respond to you today.

The Convener: That is fine, Marilyn. I do not want to put you on the spot.

Jeremy Balfour (Lothian) (Con): Good morning and welcome. I hope that you are settling in and enjoying your new role. The committee and I look forward to working with you.

Following on from the convener's question, have you previously or recently looked at passporting benefits and at how they interrelate with the DWP and the new Social Security Scotland? If not, is it something that you might want to look at in the future when you have time?

Marilyn Howard: For the uprating report, we simply considered whether there was an agency agreement in place that would affect the uprating policy. The interaction between reserved and devolved benefits is a matter that is likely to come up with regard to a range of regulations, but there was nothing specific in relation to uprating.

Foyso Choudhury: Convener, I want to add to the question that you asked. Will any increases reflect household bills? A lot of families are being hit by high gas and electricity bills.

Marilyn Howard: Yes. Household bills are still very high, relatively speaking, and, as we talked about earlier, food and fuel prices are increasing

at a rate faster than the CPI average. Although inflation may be due to reduce overall in the coming year, some of the costs that have led to increases in household bills may still be rising, although not quite as fast as a few months ago.

Foyso Choudhury: Thank you very much.

The Convener: For our final line of questioning, I will go back to Jeremy.

Jeremy Balfour: I have a question about the transparency, quality and timeliness of the information that you got from the Scottish Government. With previous reports, there had been an issue with getting all that information at the right time and in the right format. Was that an issue or were you happy with how information was provided to you?

Marilyn Howard: The uprating process has a very compressed timescale, so that limits the kind of additional work that the commission can do. For example, we did not have the time to go out to external stakeholders, but we did receive timely and helpful responses from the Government about our role.

Jeremy Balfour: Thank you. My final question is about the process. The committee was keen to look at taking a human rights approach to decision making and how that works. Is that something that the commission is looking at? Is taking a human rights approach one of the principles by which you judge these things? Moreover, do you also see that happening in the Scottish Government's decision making?

Marilyn Howard: The commission's scrutiny takes into account the social security principles and various human rights provisions. We obviously want to look at the regulations that are referred to us through that lens. It is something that we may wish to consider further in the future.

Jeremy Balfour: I am grateful.

The Convener: That brings us to the end of our evidence session. Thank you very much, Marilyn, for joining us this morning and providing evidence, especially considering the fact that you have only recently been appointed to the commission. I look forward to working with you in future.

Marilyn Howard: Thank you.

09:45

Meeting continued in private until 10:28.

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