



OFFICIAL REPORT
AITHISG OIFIGEIL

DRAFT

Social Justice and Social Security Committee

Thursday 30 May 2024

Session 6



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SOCIAL JUSTICE AND SOCIAL SECURITY COMMITTEE
17th Meeting 2024, Session 6

CONVENER

*Collette Stevenson (East Kilbride) (SNP)

DEPUTY CONVENER

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

COMMITTEE MEMBERS

- *Jeremy Balfour (Lothian) (Con)
- *Katy Clark (West Scotland) (Lab)
- *John Mason (Glasgow Shettleston) (SNP)
- *Roz McCall (Mid Scotland and Fife) (Con)
- *Marie McNair (Clydebank and Milngavie) (SNP)
- *Paul O'Kane (West Scotland) (Lab)

*attended

THE FOLLOWING ALSO PARTICIPATED:

- Ruth Boyle (Poverty Alliance)
- Jack Evans (Joseph Rowntree Foundation)
- Stephen Sinclair (Poverty and Inequality Commission)
- Shirley-Anne Somerville (Cabinet Secretary for Social Justice)

CLERK TO THE COMMITTEE

Claire Menzies

LOCATION

The Mary Fairfax Somerville Room (CR2)

Scottish Parliament

Social Justice and Social Security Committee

Thursday 30 May 2024

[The Convener opened the meeting at 09:00]

Decision on Taking Business in Private

The Convener (Collette Stevenson): Good morning, and welcome to the 17th meeting in 2024 of the Social Justice and Social Security Committee. We have received no apologies today.

Our first item of business is a decision on whether to take agenda items 5 and 6 in private. Are we agreed to do so?

Members indicated agreement.

Scottish Child Payment

09:00

The Convener: The next item is the second of two evidence sessions in the committee's short inquiry into how effective the Scottish child payment is in reducing child poverty. Last week, we heard from academics from the University of York, Loughborough University and the University of Oxford and from the Institute for Fiscal Studies. Today, we will hear from a panel of stakeholders.

I welcome Ruth Boyle, policy and campaigns manager at the Poverty Alliance; Jack Evans, senior policy adviser at the Joseph Rowntree Foundation; and Stephen Sinclair, chair of the Poverty and Inequality Commission. Erica Young, policy adviser at Citizens Advice Scotland, planned to be part of the panel but has sent her apologies as she is unable to attend.

I thank you all for accepting our invitation. I have a few points to mention about the format of the meeting before we start. I ask that you wait until I say your name before speaking. Please do not feel that you all have to answer every question. If you have nothing to add to what others have said, that is okay. I also remind members and the panel that we should try to keep questions and answers as concise as possible.

Without further ado, we move to the questions.

Paul O'Kane (West Scotland) (Lab): Good morning. We are particularly interested in understanding the effectiveness of the child payment in reducing poverty. The first broad question that I am keen to get the panel's views on is what we know so far about the effectiveness of the child payment in lifting children out of poverty.

Jack Evans (Joseph Rowntree Foundation): There are three really important parts to that. First, it is recognised globally that cash transfers are a highly effective means of reducing and impacting income-related poverty. The way in which the Scottish child payment has been designed, the level that it is at and the consistency with which it is paid should indicate that it will be a very successful policy.

Secondly, I note that you spent a while in your previous evidence session talking about how the gaps in data limit our ability to understand in real time what the impact has been. Those data gaps are concerning. We can go into that a bit further if you want.

Thirdly, even without the data, the qualitative evidence that we are gathering shows that the Scottish child payment is having a real impact. In the JRF submission, we talk about the lived experience of people who have received it and

how impactful it has been for their lives and their families, impacting both their wellbeing and their financial security. In the spring last year, we conducted a 4,000-person survey that asked people about the impact of the Scottish child payment. We found that two in three people felt more financially secure once they received it.

In summation, the payment has been incredibly effective. We have seen that effectiveness in the real lives of families. At the moment, we are not quite seeing it in the data. However, that is more a data issue than an issue around the effectiveness of the policy.

Ruth Boyle (Poverty Alliance): I thank the committee for inviting the Poverty Alliance to give evidence today. We are really pleased to be here.

We know that people in Scotland believe in justice and compassion, and it is up to our political leaders to put those values into action. The Scottish child payment is a good example of that happening in practice. It responds to a clear need and to one of the structural causes of poverty, which is an inadequate income from social security.

As Jack Evans said, we have seen a demonstrably positive impact on families' financial security. When we look at the Scottish Government's interim evaluation of the policy, we see that almost eight out of 10 parents said that it has made a difference to their lives and that a similar number said that it has helped them to buy what they need. We can see that the Scottish child payment is having a clear impact on parents' ability to provide the essentials that their children require, and it often goes beyond essentials, enabling them to have decency and dignity and to strive for a life in which they can thrive rather than just survive.

Our "Serving the Future" research shows parents describing the benefit as a great thing. Save the Children has had parents saying that it is amazing and has enabled them to buy clothes and food. The Child Poverty Action Group's submission to the committee's inquiry gives the example of a parent saying that the Scottish child payment has enabled them and their children to spend time together on activities such as going to a play centre. They said:

"Even if we don't have much money, I want them to be happy and have fun."

We would strive for that for all our children.

We definitely see the Scottish child payment having a strong impact on parents' financial security. As Jack Evans said, we can zoom out from that to think at a societal level. We do not yet have the data to make a definitive assessment of the impact of the payment at that level, because of

the time lags in the data that Jack mentioned, the undersampling of parents who are in receipt of the payment and some uncertainty about how we can use that data to make year-on-year comparisons. However, we are clear that we expect to see the payment having a strong impact on the number of children being lifted out of poverty.

We think that the payment is a really bold policy prospectus, and it should be bolder still with increases in the long term.

Stephen Sinclair (Poverty and Inequality Commission): I echo the testimony and evidence that you have already heard. It is unfortunate that the full impact of the Scottish child payment is not yet evident in the statistics. A couple of the reasons for that have already been pointed out, but another is that the payment is, in effect, mitigating the inadequacies of the United Kingdom benefit system. We have testimony going back many decades, including a House of Commons select committee report from last year, on the inadequacy of benefits.

In addition, although inflation is lower than it was during the extremes of the cost of living crisis, inflation on essentials such as fuel and food is higher than the consumer prices index or retail prices index calculations, and lower-income households spend a greater proportion of their income on those essentials. The impact of that is not entirely evident in the statistics, but it is evident in testimony. The Poverty and Inequality Commission has conducted a number of workshops, which we report on in our written submission, and the recognition of the Scottish child payment and the support and regard that recipients feel for it are evident.

We believe that the payment is an impactful policy, even though we cannot yet point to the full statistical impact. We hope that that will be clearer in next year's statistics, which will show the benefit of the full roll-out.

Paul O'Kane: I return to the point about data. You have provided helpful qualitative evidence, and we heard some of that last week, too. However, the Joseph Rowntree Foundation has said that we cannot reach definitive conclusions because of a lack of data, despite the encouraging evidence that you have all referred to. What data do we need?

Secondly, the Government talks about 60,000 children being "kept out" of poverty, but I am aware that that model uses a range of factors that are based on an invented or imagined scenario in which certain Government policies do not exist and the Scottish child payment is held up against that. I am keen to hear your views on the accuracy of that model. Jack, would you like to start?

Jack Evans: On your first question, the quality of the data is worryingly low. The Scottish child payment represents an investment of around £400 million, so the low level of sampling in the family resource survey and the households below average income data is unacceptable. We will write to the relevant authorities to ask them to correct that as soon as possible, because we need those metrics. The qualitative data is vital, but we must support it with quantitative data.

Last week's panel's responses on the modelling highlighted that it was done cautiously and had a lot of health warnings about how seriously to take it. It is important to understand that all modelling assumes the status quo—so, for example, modelling that was done a couple of years ago would not have expected inflation at 10 per cent. That is to be taken into consideration on any modelling. It is a helpful tool, but it can be only part of it, and I would not use it as a stand-alone reason why the Scottish child payment is working. The modelling was well evidenced, but it came with its own health warnings, with which we agree.

Paul O'Kane: We had a discussion last week about keeping people in poverty versus lifting people out of poverty, and about the relevance of the poverty line. Do you have a view on the terminology?

Jack Evans: The terminology that was used to talk about the poverty line seemed to be that it was "arbitrary". The poverty line is arbitrary in a technical sense, but the Scottish child payment has highly effective targeting just above as well as below the poverty line. That is a benefit of the Scottish child payment. The people who are just above the poverty line are not living on high incomes. The payment is still targeted at low-income families.

When it comes to keeping people out of poverty, in our economic climate, as Stephen Sinclair mentioned, low-income families are the most susceptible to the buffers of high inflation and high costs. If the Scottish child payment keeps people out of poverty as well as lifting people out of poverty, that should be celebrated.

Paul O'Kane: Other—

The Convener: I am sorry to interrupt but, before Paul O'Kane continues, Jeremy Balfour wants to come in with a quick supplementary question.

Jeremy Balfour (Lothian) (Con): Sorry, Paul. Good morning and welcome to the panel. Thank you for coming. I appreciate that it is early days and we may not have this information yet but, from talking to people, do you know where the money is being spent? Is it being spent on general family requirements or specifically on children and the care and help that they require?

Jack Evans: In our research for this mini inquiry, we spoke to parents and we learned that, in the context of when the payment was introduced—that is, at the height of the cost of living crisis—it gave whole families breathing space. It meant that they were able to pay their heating bills and they could afford enough food to eat. In addition, as Ruth Boyle pointed out, it gave families a slight glimpse of the life that they had had before the cost of living crisis. One participant talked about Friday pizza night, which they were able to reintroduce to the home. That involved them going to Morrisons for pizzas and being able to watch a film. They could do that because of the Scottish child payment. That is exactly the kind of thing that it should be celebrated for—giving back family time, increasing wellbeing and relieving the pressure on families who are under incredible strain at the moment.

Paul O'Kane: Other panel members may want to reflect on the point about data but, in the interest of time, we are also keen to understand the extent to which the Scottish child payment is impacting on deep and persistent poverty. Do we need to do more work on those specific families in order to understand the picture? Ruth Boyle might want to answer first.

Ruth Boyle: We absolutely echo what Jack Evans said. The latest poverty and inequality statistics do not yet show the full impact of the £25 Scottish child payment, so it is too soon to make conclusions about that. We expected to see more of an impact through that data release, partly because of the Scottish Government modelling that you mentioned, but also because of modelling from think tanks in Scotland about the expected impact of the Scottish child payment. We say in our submission that trying to put all that data together is "somewhat confusing". However, as I mentioned, we know that things such as the time lag have an impact.

Deep poverty is a really important thing that was discussed with last week's panel. The payment may not get people over the poverty line, but there is value in alleviating the depth of poverty that people experience and enabling them to pay for essentials that they would otherwise not be able to pay for. However, all routes lead back to the data question. It is very hard to disaggregate the data that we have by income bands or to look at the impact on deep or persistent poverty. Some evidence was given on that last week, and the potential research that might be done in that space would interest us, particularly given that there is a growing trend across the UK of destitution and deep poverty.

09:15

On Jeremy Balfour's question, that distinction about where money is being spent can sometimes be unhelpful, if the money is being spent on essentials such as food or heating, there is still a direct benefit to the children in growing up in a warm house and having access to the food that is required. Our work with parents showed us that it was parents' intention—their ambition—to use the payment for treats for their children and for saving for their children's future. However, as Jack Evans highlighted, because of the cost of living crisis, the money has to be put into household budgets. It is required for immediate needs such as food and heating, and parents feel a degree of guilt about that. They need the money simply to make ends meet, rather than feeling that they can put it directly into things that they want to buy for their children.

We should be clear that there is a direct impact on children from that spend being in the household budget, but that should not be the extent of our ambition for the Scottish child payment. It should not be only about enabling people to get by. We all want more than that for children in Scotland.

Stephen Sinclair: On the data issue, modelling definitely has its place. It has to be supplemented with hard data and survey data, but it allows for scenario planning and it allows us to consider and compare different options and counterfactuals. Modelling can be supplemented by local data. The committee was given evidence last week about the use of administrative data. We have some good development work under way in Scotland, which is led by the Improvement Service and Public Health Scotland. Glasgow Community Planning Partnership has worked with the Centre for Civic Innovation to get a very good, detailed profile at the local level of the distribution of poverty and the different households that are particularly vulnerable to it.

That brings me to a point about the depth of poverty and the effectiveness of the payment. My colleague on the commission, Professor Suzanne Fitzpatrick, and her colleagues at Heriot-Watt University have done a lot of work on destitution, which is funded by the Joseph Rowntree Foundation. The Scottish child payment contributes to helping with that. Single males of working age are not targeted by the Scottish child payment, but they overlap with the groups that we think should be considered for the Scottish child payment, which are asylum seekers, refugees and those without recourse to public funds. Those are the groups that are most vulnerable to extreme poverty and destitution. There are technical, legal and jurisdictional challenges for the Scottish Government and the Scottish Parliament, but, when we did the workshops with the Poverty and

Inequality Commission, single males of working age came out as a group that could be better served by the Scottish child payment.

However, the payment is effectively targeted. The six priority groups that make up 90 per cent of children in poverty are well served by the Scottish child payment. If we want to consider counterfactuals, we need to think about what people would be experiencing and what they would not be able to afford if the payment did not exist. That relates to Mr Balfour's point about where the money goes. Sadly, much of it is now going on essentials, but if the payment was not there, the essentials would not be in place and the depth and intensity of poverty would be much greater for households.

The Convener: I have a quick question on the back of Jeremy Balfour's question about where the money goes. Witnesses are probably aware that the Trussell Trust carried out some modelling on whether the Scottish child payment has had an impact in reducing the number of food parcels required. One thing that came out of that work was that a lot of families were using the Scottish child payment to pay off debt. Have you heard of that happening?

Ruth Boyle: I have not seen the modelling and the work from the Trussell Trust and the Fraser of Allander Institute, but I can well believe that certain households are using the Scottish child payment for that purpose, because one of the consequences of a prolonged cost of living crisis is that families have gone deeper into debt or are struggling to pay off their debt. One of the findings of our work with the Scottish Women's Budget Group on the impact of the cost of living crisis was that women were struggling to pay off existing debts and were therefore at risk of falling into greater debt. The Scottish child payment is considered as part of an overall household budget, and paying off debt is an essential cost for households, so I expect that it is the case that the money is used for that purpose.

We welcomed what the Trussell Trust said about how the Scottish child payment could do more to prevent families with children from needing to use charitable food aid. The trust called for the payment to increase to £40, which would have an even bigger impact on family finances and would, I hope, prevent them from falling into debt in the first place.

Bob Doris (Glasgow Maryhill and Springburn) (SNP): I have a brief question for Stephen Sinclair, because he spoke about counterfactuals. All three witnesses have spoken about last week's evidence regarding the need for better data. One suggestion that we heard from last week's witnesses was about the need for a study comparing the experience in Scotland with

that in other parts of the UK, which might help with some of the counterfactuals.

I made a point last week about Maryhill, which I represent. I would like to know how the lived experience of families in poverty in Maryhill compares with that of families in Merseyside. That would help us to analyse the difference that the Scottish child payment has or has not made and to look at any actions that are meant to tackle child poverty in Merseyside. Does Stephen Sinclair have a view on whether a comparative study would be helpful?

Stephen Sinclair: Yes, it undoubtedly would be helpful. I know some members of the team who are working on the Changing Realities project. They hope that some of the evidence that they gather will be used to persuade the UK Government either to increase child benefit or to introduce something like the Scottish child payment.

Irrespective of that, such research would provide two sources of information that we do not have, so we do not have the full picture that we would like to see. The first information would be about the effectiveness and experience of delivery. I know that the committee has heard testimony on that. Social Security Scotland is considered to be a far better provider of services than some of its long-standing UK counterparts, but there are still uptake issues that could be addressed and improved.

The committee has also asked about the use of the payment. If we engage with families who are in receipt of the Scottish payment, we will be able to see the extent to which it is being spent on core essentials and the extent to which it is enabling children to participate in other activities. We do not have a full picture of that yet, so more data would be useful.

Bob Doris: That is helpful. Thank you.

The Convener: We will move on to theme 2, which is on the impact on individual families.

Roz McCall (Mid Scotland and Fife) (Con): We have already touched on this in earlier answers. We heard a lot of evidence last week about what the Scottish child payment is being used for, and I will delve into that. How has the impact of the Scottish child payment been affected by the broader economic and social security context? We have already dealt with that, but can you give us more information?

Jack Evans: As I said earlier, the Scottish child payment sits in a severe context. Parents are cutting back on essentials—our research shows that four out of five people in receipt of the Scottish payment have been cutting back on essentials such as food. We also know that people

are going further into debt. They have just come out of a pandemic that has eroded their financial security, their savings are low and they have very little wiggle room to deal with day-to-day events such as their washing machine or car breaking down or losing their bus pass.

All of that means that the Scottish child payment feels very good for families and is effective at relieving some of that pressure, although it might not be being spent on what they originally thought that they would spend it on, such as making family life more enjoyable, having days out or replacing clothes more quickly. That is the economic context.

In the policy context, the JRF cannot avoid suggesting that the UK social security system is way below where it should be. It does not provide what families need and is not connected in any way to the reality of current costs. We suggest that the social security level of universal credit should be much more closely tied to the reality that parents face. Without that, the Scottish child payment, although it is really welcome, will have a limited effect because of those economic and social security contexts.

Ruth Boyle: I echo what Jack Evans said about the need to view the situation in the context of the broader UK system. We all rely on a strong social security safety net being there when we need it—that is a vital lifeline for people. However, right now, the UK system is actually pulling people into poverty. We know that 90 per cent of people who are in receipt of universal credit are going without essentials, which is why we have supported the campaign by the Joseph Rowntree Foundation and the Trussell Trust for an essentials guarantee.

The Scottish child payment, like any income, has been impacted by the rising costs crisis. Last week, Professor Danny Dorling said that the payment enables people to stay still rather than sink. That is obviously not the objective of the policy—we wanted it to be broader than that. However, a parent told Save the Children that they do not feel that they are getting the full impact of the Scottish child payment now because they are having to cut back on so many things. Therefore, it is currently about maintaining the household budget—keeping it steady—rather than building on that, with people feeling that they have the extra wiggle room that we have all spoken about today.

As I said, in our Serving the Future research, parents told us that their dream for the payment—what they had wanted to do with it—is just not possible in the context of the cost crisis. Therefore, our political leaders need to ensure that our social security system keeps pace with the real cost of living and that we increase the

payment so that families can maximise the potential of that extra income.

Stephen Sinclair: The Scottish child payment is providing an essential lifeline with regard to two aspects of the wider context. We have an economy that is making lots of people poor. We have low-paid jobs with irregular hours, on which people cannot sustain raising a family. That is a much wider macroeconomic problem, and we might attribute blame to the UK Government for that.

Irrespective of that, the UK Government is responsible for the inadequate benefits system and punitive and egregious policies such as the benefit cap and the two-child limit, and that is worsening the situation that the Scottish child payment is partially addressing, as Jack Evans and Ruth Boyle have said and as has been set out in other testimony.

While we have underfunded social security, with those sorts of conditions, the Scottish child payment can go only so far in partly redressing the situation. For example, Fran Bennett and Jane Millar have calculated that child benefit has lost about 20 per cent of its value since 2010. That can be addressed in part, but we need a benefits system that provides security in a world in which most people, or a very significant section of society, are two pay cheques away from being deeply vulnerable to poverty.

Roz McCall: To what extent does the Scottish child payment have an impact beyond the purely financial impact? How important are the wider impacts?

Stephen Sinclair: The Scottish child payment is part of the social security system, which provides an investment in our children and our future. We have a social security system not only for reasons of solidarity and morality but because it is functional economically. We pay many of the costs of child poverty in other areas, such as in health, in the criminal justice system and through people not having jobs that pay enough for them to pay tax.

If we can prevent that by providing a decent platform—a minimum income guarantee and a social security system that addresses the deprivations of child poverty—it can be a very effective prophylactic and an investment in a more productive economic sector in the future. That is the wider impact. Again, we have to consider what the situation would be if we did not have the Scottish child payment and social security. We would not have a productive economy and we would have a very divided and unhappy society. Therefore, we need to consider the Scottish child payment as a very significant contribution to preventative interventions.

Ruth Boyle: We definitely see a wider impact of the payment. We know that financial insecurity is closely tied to poor mental health. That has been particularly pertinent during the cost of living crisis, when parents have been telling us about the stress and anxiety that come with trying to stretch household budgets that simply do not have any further stretch. The Mental Health Foundation has done work in Scotland that has shown that the cost of living crisis is impacting people's quality of sleep and their health as a result of the stress.

09:30

Something that I heard at the "Poverty in Scotland" launch in 2022 has stuck with me. A parent said that she worried about her children having growth spurts, because she knew that she did not have the income to pay for additional food. Those milestones in children's lives should be celebrated, but they have become a source of anxiety. When households have additional income, that stress and anxiety are alleviated, which is positive.

There are also health benefits to being able to afford healthy and nutritious food and to being able to put the heating on. We also heard that, during the cost of living crisis, people simply could not afford the bus fare to attend medical appointments. Giving extra income to a household has broader mental and physical health impacts.

The Citizens Advice Scotland submission mentions sure start centres, and there are some comparators. You could measure the impact of sure start centres purely on whether they shifted the poverty dial, but we know that there are broader impacts on educational attainment, health outcomes and parental outcomes. A range of outcomes sit behind the Scottish child payment, and we need to look at the impact across all those outcomes to get a clear picture of the benefits for families. However, from our qualitative work with families, we absolutely see broader impacts beyond just financial ones.

Jack Evans: I agree with what both of my colleagues have said. My only other point is that the Scottish child payment appears to be making our society more equal. It seems to be having a great impact on how close together wages are with regard to income distribution. That has perhaps been missing in previous policy on reducing child poverty, so it is really good to see both those things happening at the same time, because a more equal society is of benefit to everyone.

Roz McCall: Thank you.

The Convener: We move on to theme 3, which is about extending eligibility.

Marie McNair (Clydebank and Milngavie) (SNP): Good morning, and thanks for your time. I will cover the issue of extending eligibility, which has been touched on briefly. Which changes to eligibility would have the greatest impact on reducing poverty?

Jack Evans: I do not have a big answer on that. I am not sure about the biggest impact but, for the deepest impact, it has been brought up before that people who have no recourse to public funds are in some of the most difficult circumstances, and they are not eligible for the Scottish child payment for legislative and perhaps legal reasons. I would be extremely interested in looking at that cohort.

Ruth Boyle: We are really excited about the prospect of moving the Scottish child payment to being a stand-alone childhood assistance benefit rather than a top-up benefit. We see that as an interim step towards the implementation of a minimum income guarantee, and it gives us some scope to change eligibility.

On what would have the biggest impact, including people who have no recourse to public funds—people in the asylum system—would certainly be very near the top of the list. Right now, people in the asylum system live off around £48 per week, or around £9 if they are in a hotel. Having an additional £25 a week on top of that income would be transformational. Obviously, people who have no recourse to public funds live in dire situations when it comes to the deep poverty and destitution that we have talked about.

Another area that has come up in our work with parents and with our members is transitions and schools. Right now, eligibility is for children up to 16. For some parents, there is a conflict between wanting their child to stay in school beyond 16 and knowing that they will lose the financial support for that child. In that, we see the overlap between multiple policy priorities. There are policies on the attainment gap, which we want, but their ambition is undermined because parents simply cannot afford their children staying in school beyond 16. We would therefore be interested in how eligibility could be extended to 18 for people who are in full-time non-advanced education or in how a taper could come in from 16 to 19.

Those are two areas that we would highlight. There are also people who are in receipt of maternity allowance, students who lose out because of student income, and families who are in temporary accommodation and whose housing support is paid through housing benefit rather than the housing element of universal credit—because housing benefit is not a qualifying benefit, they lose out on that additional support.

There are a range of options. People who have no recourse to public funds and people over the

age of 16 are the priorities that we hear from our membership, so we raise those as priorities today.

Marie McNair: That is helpful. Stephen Sinclair, you touched on that earlier, so I do not think that you will want to come back in. Ruth Boyle, in your submission, and just a moment ago, you suggested that the Scottish child payment could be a building block of the minimum income guarantee. In what ways could the minimum income guarantee have a greater impact on child poverty than the Scottish child payment?

Ruth Boyle: The minimum income guarantee is the idea of setting a solid income floor below which nobody in Scotland would be allowed to fall. That is achieved by the implementation of complementary parts. We need changes to social security, changes to the world of work so that more people can reach that income level through fair work, and changes to our public services if we are to reduce the cost of living for low-income households. In that way, it is a more expansive policy than the Scottish child payment.

The Scottish Government has committed to the minimum income guarantee, and we welcome that. It is important to say that it was also in other party manifestos ahead of the 2021 Scottish Parliament election. The Scottish Government has established an expert group to take forward that commitment. In its interim report, which was published in March last year, it put forward a range of policies that could lay those foundations and pave the way to a minimum income guarantee. One of those was the Scottish child payment, and, in particular, altering the legislative footing so that you have the power to taper the payment and change the award for certain groups that need extra support, and to avoid cliff edges in support. That has been endorsed by our membership at engagement sessions on the minimum income guarantee and by the short-life working group that we are hosting as part of our challenge poverty week policy asks.

When we think about the Scottish child payment as an interim step towards the minimum income guarantee, the options are twofold. It is about how we have the stand-alone childhood assistance benefit, but it is also about the level of the minimum income guarantee. A £40 Scottish child payment would bring us closer to that minimum income guarantee level. We should avoid seeing it as an either/or, because the Scottish child payment is that interim step, but MIG simply builds on the principles that underpin the Scottish child payment. It is about adequacy and decency. It is a practical proposal to realise our fundamental human rights.

The Scottish child payment has an impact on child poverty, but MIG would also broaden our impact on poverty in that it gives us the potential to

tackle single adult poverty or disabled people's poverty, which we know there is increasing concern about. MIG builds on the Scottish child payment. We should see the Scottish child payment as a step towards MIG, but, on the whole, MIG gives us more potential across those three spheres of activity.

Marie McNair: I await the MIG report with interest.

Stephen Sinclair: To echo Ruth's point, I know that this is an inquiry into the Scottish child payment, which is important, but it has to be seen in the wider context. We do not want to focus exclusively on social security, let alone only one form of social security. It has to be part of a package of activity, particularly if we are going to meet the 2030 child poverty targets.

The Convener: We move on to theme 4, which is increasing the Scottish child payment weekly amount.

Jeremy Balfour: I wonder if I could go back to something that was said earlier. We do not want to cause confusion, but terminology and words matter. The reason why I asked the question about how the money is being spent is that I wonder whether "Scottish child payment" is good terminology to use and whether we would use it if we were starting again. It can make parents feel guilty if they spend the money on heating and food rather than on their children, even though their children obviously benefit from heating and food. Would you call it something different? We would not want to change it now, because it would cause too much confusion, but, as a philosophical issue, is it the right name? Ruth, you are smiling, so I will pick on you first.

Ruth Boyle: I did not expect that question, but I will say that, when we are talking about moving to a stand-alone benefit, the terminology of childhood assistance probably better reflects the range of impacts that we have all highlighted today and that were highlighted in last week's evidence session and in the wider written submissions.

Calling it assistance and a payment is important, because, as you say, the language really matters. We know that, when we are calling things benefits, accessing that support comes with a sense of stigma. Keeping the sense of assistance and payment is important, but your point about the Scottish child payment is fair. Perhaps that terminology does give rise to the guilt that I have mentioned in relation to some of our research. Childhood assistance may be a more accurate term for the range of benefits that come from that support.

Stephen Sinclair: In a sense, the Scottish child payment was brought in partly to redress the inadequacy of child benefit. Child benefit

recognises that children are a considerable cost to parents but a considerable asset to society, and we all need to support the families and adults of the future. We are not particularly interested in or hung up on the terminology. We think that "social security" is a more positive phrase than, for example, "welfare", which comes with more negative baggage. However, what you wish to call it is of less importance than its value and its effectiveness.

Jack Evans: In the list of things that I am concerned about with social security, the name is not up there, and what it is being spent on is not up there.

On the latter point, I trust that families can budget better than the Government can budget for them. They know what they need to spend their money on, and they manage extremely tight finances and extremely difficult economic headwinds. So, on the idea that the £26.70 needs to be spent on kids' shoes rather than the fuel bill or the mum or dad getting to work, I think that we can just leave that to families to decide. Cash transfers work, they have a big impact for the families and they should be the ones who decide how the money is used.

On the name, I completely agree with the points that have been made about "social security", "welfare" and "benefits", but the policy is incredibly effective, and the naming of it has not come up once with anyone we have spoken to who is in receipt of it.

Jeremy Balfour: That is helpful. Let me now start the bidding war with Jack Evans, and I will then work down the line. What should the Scottish child payment be, figure-wise, and can you give me a justification for your figure?

Jack Evans: We have called for the Scottish child payment to be raised in line with what the former First Minister committed to. He said that it was going to move to £30, and it has not. That is where our starting bid would be.

Future increases depend on how the payment interacts with other policies. We need an effective labour market and a fair work policy to ensure that social security is less relied upon. Then, in the future, we hopefully will not need to keep pushing up social security payments, and families will be able to earn their income for themselves.

The justification for increasing the Scottish child payment is evident in the modelling. If it were to increase to £40, for instance, you would get an additional 20,000 children out of poverty. Those are the right choices to be talking about. If you are weighing up where money is spent and how cost effective a policy is, that is one of the Scottish child payment's greatest strengths. The £140 million that was spent on freezing council tax

instead of being put into Scottish child payment benefits families on low incomes by roughly 50p a week. If you were to increase the Scottish child payment at the same rate, with £140 million, you would lift 10,000 children out of poverty. It is quite clear that increasing the Scottish child payment is needed and is effective. At the moment we have said £30, but we are happy to support other proposals.

Ruth Boyle: The Poverty Alliance is part of the End Child Poverty coalition in Scotland. One of our core collective calls is for the Scottish child payment to reach £40—a call that has been made across the anti-poverty sector. That figure has not just been plucked out of the air. Rather, it is a figure that modelling tells us is required to meet the interim child poverty targets and to make progress towards the 2030 targets.

As we have seen from their research—which the convener mentioned—the Trussell Trust and the Fraser of Allander Institute are calling for the Scottish child payment to reach £40. Right now, their evidence shows that, at its current rate, the payment is not yet doing enough to prevent households with children from having to access charitable food aid.

We should be clear, as Jack Evans has said, that we need to put the Scottish child payment in the broader context of anti-poverty policy making. Right now, we are so reliant on the Scottish child payment that it is doing most of the heavy lifting to get us even in a position where we might meet the child poverty targets. When we look at “Best Start, Bright Futures”, we see a clear implementation gap across some of the broader areas where change is needed, such as parental employability and childcare, which we know are critical to meeting the child poverty targets and lifting children out of poverty. Further increases in the Scottish child payment should be viewed in the context of the fact that we also need investment in those wider policy areas. Ultimately, it is a question of our political choices about how we want funding to be prioritised.

We welcome the stipulation by the new First Minister that his ambition is to eradicate child poverty. We think that that is the right ambition and the right priority. Increasing the Scottish child payment to £40 a week would be a positive way to start that journey.

09:45

Stephen Sinclair: The Poverty and Inequality Commission has not expressed an opinion on the specific value of the Scottish child payment. Our argument is that the amount that it should be depends on its effectiveness as well as the other options that are available for reducing child

poverty. At the moment, it is the most direct and quickest way to reduce child poverty. However, the Scottish Government diagnosed three drivers of child poverty in “Every child, every chance” and “Best Start, Bright Futures”. As Ruth Boyle and Jack Evans have said, we need action on all those drivers.

In previous scrutiny reports, we have argued that, unless the Scottish Government can point to other ways by which it can make a significant contribution to reducing child poverty, we will have to rely on social security. However, that is not a justification for only doing that; it means that we should be looking at action in the other two areas, which are reducing household costs and increasing income from employment. Measures to tackle those areas have already been introduced by the Scottish Government but, at the moment, we do not think that they are of the scale that they need to be or that they are having the impact that they need to have.

In the absence of anything else, the Scottish child payment is the big hitter. We would never argue for it not to be increased, but we think that any increases must be in step with other significant changes.

Jeremy Balfour: The other side of the coin is that the Scottish child payment has to be paid for. If the Scottish Government were here, it would tell you that it has a fixed budget and that we will have a £1.2 billion deficit in the social security benefits budget in two years’ time.

I will start with Ruth Boyle, because Stephen Sinclair may not want to answer the question. Which other budget would you take that money from—healthcare, education or transport? Which budget is less deserving than this one?

Ruth Boyle: We have worked with the Institute for Public Policy Research Scotland and Oxfam to look at the options for tax powers and how we can raise the revenue that is needed for our national priorities. The key takeaway from that paper is that we have presented the Scottish Government with a range of options that we need to look at seriously. We know that better tax policy builds better budgets, which will build a better future for us all. The transformational change that we are all calling for today requires transformational investment. Quite rightly, Mr Balfour has identified that there have been stark warnings about the future sustainability of Scotland’s finances. We need to be clear that those warnings are about standing still—they are not about the further investment that this Government, or a future one, might want to prioritise.

We need our political leaders to look seriously at the range of tax options. We have called for a cross-party process to reform our system of

council tax, which is long overdue. We welcome the changes to income tax, but can more be done in that space? We will be looking to the tax strategy that the tax advisory group will publish in the coming months, to see whether there are options that can be adopted. As all the witnesses have said, ultimately, it is about how we prioritise our budget. As Jack Evans said, £147 million was applied to a council tax freeze that did nothing to progress the Scottish Government's core aim of tackling child poverty.

CPAG's written submission includes some evidence from its cost of the school day voice network. Children have said, "Give us more money so that everyone has a fair chance," and "Provide money to help people to go on the school trips." When we hear children saying that, it sounds really simple; ultimately, that is because it is. We can take the evidence from those with lived experience and put it into contact with the idea of a fixed budget or a tight fiscal environment, but it is a question of the type of Scotland that we want to live in and whether we can justify a situation in which almost a quarter of our children are living in poverty. In a wealthy country such as Scotland, I do not think that we can. We would look to our tax powers and at how we prioritise the resources that we currently have.

Jeremy Balfour: Jack Evans, you mentioned council tax. Do you want to add anything at this point?

Jack Evans: I agree with what has been said. The task of reconciling the fiscal reality with the policy imperative is not to be underestimated—I do not say that flippantly in any way. The Parliament is committed to the child poverty targets, and the Parliament needs to have those difficult and important conversations about where resources are most effectively spent. We know that the Scottish child payment is an incredibly effective policy. The issue is about raising money, but it is also about the scrutiny of other parts of budgets and what we prioritise at a time when money is tight.

John Mason (Glasgow Shettleston) (SNP): Good morning. Jeremy Balfour asked you about increasing the Scottish child payment right across the board, but another suggestion has been that we should target it more at those in greatest need—for example, those in severe poverty or perhaps those living in rural areas, where there can be extra expenses. Do you have any thoughts on that?

Stephen Sinclair: One of the virtues of the Scottish child payment is its simplicity. It is not administratively complex, there is a good understanding among those who receive it and it is quite cheap to deliver, relatively speaking. There might be a case for recognising the additional

costs that are borne by families with a disabled member, and the rural premium, but the commission does not have a particular view on that. We are in favour of anything that can help families, but we would like to see whether that would be at the expense of other families who are also suffering.

One issue for your consideration is that our experience panel, which supports the work of the commission, has pointed out that it costs considerably more to raise a child in their early teens than it costs to raise a child who is six or seven, and the Scottish child payment does not give due consideration to that. The committee might want to look at whether that issue is worth addressing.

John Mason: I suppose that anything to do with targeting complicates things—people have to start filling in forms, they have to be assessed, and there is the question of where we draw the line with regard to level of disability, age and so on. Jack Evans, is it better to have a simple system or should we target a bit more?

Jack Evans: Social Security Scotland should be congratulated on making the process of applying for the Scottish child payment really quite good. I would probably trust it to deal with complexity if that balanced out against impact.

If you are looking for specific groups to target, the justifications that I would be looking at are depth of poverty and labour market interaction. If you were looking at increasing the funding for certain groups—the priority groups are where my framing would be—I would point out that families with babies have a higher chance of going into poverty. Because statutory maternity pay is an ineffective income replacement policy—it is a good labour market retention policy that keeps people in work, but the money is not enough—that seems like a moment in families' lives when we should be ramping up support, so I would be interested in looking at that.

The other group that I would mention is single-parent households, for reasons of simple arithmetic. Our economy has become one in which it feels like it is hard to run a household without two incomes, so we need to look at ways in which we can support single-income households better.

Of course, as you say, you could probably make a great case for each of the priority groups. The five priority groups represent 80 per cent of all the children in poverty in Scotland. For example, the poverty rate in minority ethnic communities is double the national average.

Your question is the right one to be asking. The justification needs to be really strong, but I would not be put off by the complexity of targeting—that would not be the reason not to consider it. The

issue is that there are quite a lot of places that the money could go.

The final thing to think about is the question of other policies that could interact with the payment in order to support other families specifically. We touched on employability, and the parental employment support fund, which was cut from the “Best Start, Bright Futures” plan a couple of years ago, was supposed to target families who need employment support because they have quite unique needs in the labour market and need different types of support. Without that being in there, further pressure is put on the Scottish child payment to support those priority groups.

John Mason: There is some one-off support for having a baby, is there not?

Jack Evans: Yes, of course, and the person’s employer plays a role in that as well—there is now much more generous employment support available—but the data tells us that having a baby is one of the things that raises a low-income family’s risk of being in poverty. It is one of those crunch points at which you could fall into further debt, and the Government could prevent poverty further down the line by making sure that the start of a child’s life is supported in the most effective way.

John Mason: Ruth Boyle, Jack Evans is relaxed about having a complicated system, but we have already had suggestions about targeting disabled children, rural children, teenagers, babies, single parents and minority ethnic people. Would that not become horribly complicated, or is having a bit more targeting the way to go?

Ruth Boyle: In feedback, people we work with have welcomed the simplicity of the application process, particularly in contrast with what they have experienced at the UK level. As we move to a stand-alone benefit, it is important that the simplicity of the application processes is maintained. However, as I said in the context of the minimum income guarantee, moving to a stand-alone benefit gives us opportunities to tailor and to give a little bit of additional support to certain households. We should definitely look at that in the context of the implementation of the stand-alone benefit.

The issue of rurality is interesting. The Poverty Alliance provides the secretariat to the cross-party group on poverty, of which Paul O’Kane is the convener. We recently published a report on rural poverty, one of the findings of which concerned the lower uptake of social security in rural areas, coupled with the fact that the cost of living is around 15 to 30 per cent higher in those areas. There were also questions about whether our social security system has taken that rural premium into account. As the Scottish

Government’s evidence shows that uptake of the Scottish child payment is lower in areas such as Moray, Highland and Aberdeenshire, an initial step to addressing that rural premium would definitely be to think about how we can encourage benefit uptake in rural areas.

To add to the already extensive list of things that should be done, I note that one of our members, One Parent Families Scotland, has looked at how the Government could mitigate the young parent penalty in universal credit by increasing the Scottish child payment to parents who are under 25. I simply throw that option into the ring.

Right now, we do not have a priority around tailoring the payment, but, as we implement a Scottish child payment as a stand-alone benefit and look to implement a minimum income guarantee, the question of tailoring will be pertinent and should be consulted on and considered.

John Mason: My colleagues might follow up on some of what you have said, but I am interested in the fact that, even though we have a simple system at the moment—there is one figure across the board—the uptake is still quite low. My gut feeling is that, if we complicate it more, that might hit the uptake, but I will leave that one just now.

The other question involves tapering. Again, having the payment decrease as people’s income increases complicates matters, as it means that people or their employers have to feed in information. However, there is a kind of fairness about tapering, as it prevents people coming to a cliff edge where they lose everything at one go. Ruth Boyle, do you have any thoughts on that?

The Convener: Before you answer, I remind everyone that we are tight for time and it would be good to have responses that are as concise as possible.

Ruth Boyle: No problem. On the point about the uptake, to be clear, the uptake of the Scottish child payment is very good across the board; it is just that there is a lower uptake in those three local authorities that I mentioned. We would not highlight uptake as being a concern across the board.

On the taper, as you heard last week, the fact that there currently is not a taper around the Scottish child payment when someone enters work is a good work incentive. However, as the Scottish child payment continues to increase, as we hope that it will, the question of tapering becomes more pertinent. The Poverty and Inequality Commission’s evidence notes that parents have highlighted issues around those cliff edges, with people trying to maintain at least £1 of universal credit income to ensure that they keep the Scottish child payment. That will be particularly

important for women, who are more likely to take time out of the labour market to care for children, account for 92 per cent of single parents and are the majority of so-called second earners in the home. We need to make sure that we are getting that right from a gender equality perspective as well.

We heard last week that there is no ready-made model of tapering that we can take off the shelf and apply to the Scottish child payment. It requires a lot of thought to avoid any unintended consequences. Our stance is that that should be consulted on, particularly as we move to a stand-alone benefit. Critically, we need to centre the voices of people who are in receipt of universal credit and the Scottish child payment. It is really important that we hear from people directly about how a taper could work for them and how we can avoid any unintended consequences.

10:00

John Mason: Mr Sinclair?

Stephen Sinclair: I do not have anything to add to that.

John Mason: Well done. Mr Evans?

Jack Evans: No.

The Convener: That is lovely—thank you.

We will move on to theme 5, on cost and value for money.

Katy Clark (West Scotland) (Lab): The cost of the Scottish child payment is forecast to rise from £457 million to £492 million. Jack Evans has spoken about the need for prioritisation. Do the witnesses think that the Scottish child payment justifies its cost? The witnesses we have heard from in previous evidence sessions have very much been of the view that it does. Do you think that, across the range of policies that are intended to address poverty, money is better put into increasing the Scottish child payment or perhaps into another initiative such as childcare, employability or the raft of anti-poverty initiatives that may be possible?

Jack Evans: The first, quick answer is yes: the Scottish child payment justifies its cost and it is an effective policy. As to whether there is a trade-off with other initiatives—you specifically mentioned childcare and employability—I would question why we are considering only those budgets. Other budgets are available, too. Childcare clearly supports the reduction of poverty and also the prevention of poverty.

Under our system for early learning and childcare, children are getting a great start in life, and that must not be underestimated. However, as a poverty reduction tool—that is, it allows people

to get into work—if you were to stack it up against the Scottish child payment, it would not look as effectively targeted, because it is a universal offer open to everyone. The £1 billion a year spent on early learning and childcare and the 1,140 funded hours would not be as effective a poverty reduction tool as the Scottish child payment. However, it is not meant to be; it is meant to increase family wellbeing, reduce poverty and prevent poverty, in which sense it is probably doing the right thing.

Katy Clark: If you were to focus on initiatives that you think are more targeted at poverty, is the Scottish child payment an example of the kind of approach—a direct payment—that is more effective?

Jack Evans: The lesson from the Scottish child payment is that targeting is extremely effective. In looking at the expansion of other areas or how we are going to refine policy in other areas, such as childcare, you should take the lessons, and the first expansion should always be targeted at low-income families. If we are going to extend funded childcare hours from 1,140, we need to start with the low-income families, as that is where you will get the most impact from poverty reduction. That will not show up in poverty reduction in some ways, however, because of the way in which relative poverty is calculated. Childcare costs are not part of the poverty calculation. However, extending those hours will significantly increase families' disposable income, and that is an extremely laudable aim for any policy.

Katy Clark: As you said earlier, it is a question of prioritisation. If the choice were between putting more money into the Scottish child payment and putting it into targeted childcare and other initiatives, where would you tend to fall?

Jack Evans: I would be in a very different job if that was my decision to make.

Katy Clark: I am looking for advice.

Jack Evans: The advice would be to look at the modelling and see what targeting you have. The clear answer is that the Scottish child payment alone will not get us to the 2030 child poverty targets and will not sustainably reduce child poverty to the levels that we all want. We need to be able to operate at both speeds: reducing child poverty and preventing child poverty.

Ruth Boyle: We would absolutely say that the impact of the Scottish child payment justifies the investment. We are here representing stories that have been given to us by parents who have kindly given up their time to speak to our organisations. If those individuals and families were in front of you today, you would see the justified cost that goes into the Scottish child payment.

I agree with Jack about it not being an either/or choice. We would definitely say that, as an initial step, further investment in the Scottish child payment so that it reaches £40 is the critical starting point for addressing child poverty in Scotland. We heard from Stephen Sinclair earlier about the structural drivers of poverty, and Professor Dorling highlighted last week how the Scottish child payment can be seen as an emergency response, but what are the structural changes that sit around that?

Once we reach a £40 Scottish child payment, it is important that we take forward the actions in “Best Start, Bright Futures”, particularly those on the labour market. The labour market has a critical role to play in any anti-poverty strategy, but, right now, 70 per cent of children who are in poverty live in a household in which someone is in paid work, so it is not yet playing as big a part as it should. We would then look to the labour market and employability, and the role of employers, where there is less of a cost to Scottish Government budgets. Employers have action to take to make sure that parents are not living in poverty.

Stephen Sinclair: I reiterate the fact that the Scottish child payment has proven to be cost effective and impactful. On difficult choices and trade-offs, the Poverty and Inequality Commission does not accept that it is an either/or choice. One of the choices that we do not accept is that the Scottish Government has placed financial and revenue constraints on itself, so we published a report on taxation. The Scottish Government still has unused powers. It has also requested additional powers in its 2022 medium-term financial strategy, which we hope will be reiterated. We argue that not only should local taxation be looked at to expand revenue, but, down the line, there should also be consideration of taxing unearned income and wealth. That would be a hard choice, but, once we made that decision, the choices about how to help the most needy families and invest in our children would be a bit simpler.

Bob Doris: This is an interesting evidence session. I will rewind ever so slightly. Mr Balfour mentioned a deficit in social security in Scotland. For clarity, there is not a deficit—the Scottish Government and Social Security Scotland spend £1.2 billion more on doing the right thing and protecting the most vulnerable people in society than they would have done had they stuck to UK Westminster policies. That is the policy choice in Scotland, and it should not be portrayed as a deficit. It is important to put that on the record, given the exchange that we are having with witnesses today about political priorities and policy choices.

I have made that point now, convener, but we have to make policy choices in Scotland—of course we do. Some of the questions on targeting that I was going to ask have been mopped up by Mr Mason. I am conscious that putting the Scottish child payment up to £30 would cost around an additional £60 million. If we then increased it to £40, that would cost £170 million on top of that. It is quite reasonable to ask not about how we would raise the revenue but about whether this Parliament would need to identify £50 million, £100 million or £150 million. My goodness, Mr Sinclair—I am afraid that I do not have any of those amounts of money available to me. If we did identify it, how would it be best spent? I know that the answer is not an either/or, but our committee needs a steer when we scrutinise the budgets for these things.

Mr Evans spoke about early years and children. We have best start foods and the best start grant. We could, in theory, give a Scottish child payment supplement to families in receipt of that suite of benefits. We hope that we know the ages of young people who are getting the Scottish child payment, so we could have a supplement for teenagers. Mr Sinclair was perhaps suggesting that. Many families tell me that summer is the most expensive time of year, so I have suggested that there could be a June payment, which would be a double payment—a summer supplement—to help out at that difficult time of year.

There are lots of policy choices that the Scottish Government has to consider, and the witnesses we have here today are experts whose opinions we value. Can I twist your arms and get you to say where you would target money as and when it becomes available?

Stephen Sinclair: At the moment, the testimony that the Scottish child payment is effective and is having the biggest impact is overwhelming.

I do not like to evade questions, but that one has to be turned back on the Scottish Government. If it could point to other measures that would have the same level of impact in the same timeframe, we would support those. However, in the absence of those, we have to focus on social security.

We have interim targets to meet next year, and the deadline for the 2030 targets is only 70 months away. Investing in childcare and parental employment is essential and excellent for the long term, but if we are only considering the targets, the principal lever is the Scottish child payment and social security.

However, we need to look wider. Poverty is the outcome of a set of difficult multifactors, and looking only at one is not going to address the problem in the longer term. It is the easiest and

most straightforward thing to do, but we have to look at some of the other factors that make people vulnerable to poverty.

Bob Doris: Mr Sinclair, that answer was helpful, but do you or do you not support a supplement to the Scottish child payment for certain targeted groups that might be more likely to be at risk of deep and enduring poverty? I am not sure what your position is.

Stephen Sinclair: We think that eligibility for the payment should be extended to those without recourse to public funds. I represent a body, and we do not have a specific articulated position on variations in targeting. We are offering ideas for the Government to consider. We fully support the Scottish child payment, but we do not want to put all our eggs in one basket. That is our concern.

Ruth Boyle: As Stephen said, in the current landscape it is hard to imagine a better use of that money than its being put directly into parents' pockets. We support an increase in the level of the payment as the starting point.

I echo the point about those with no recourse to public funds. The Poverty Alliance is a membership organisation, and our membership would probably have vastly different views on what the priority should be if there was going to be a top-up payment for certain family groups, so I would have to check with it.

However, it is important that we consider the cost of the Scottish child payment as part of the broader socioeconomic costs of poverty. The cost of child poverty across the UK is £39 billion, and IPPR Scotland has said that our health boards spend £2.3 billion on mitigating the impacts of poverty. If we consider the additional costs of the poverty that you highlighted—which we know our society has—the cost of the payment pales in comparison. We need to think about the return on investment from that money.

Bob Doris: I was just checking, and the best start foods grant is extended to those without recourse to public funds. That connects my earlier suggestions on targeting with Mr Sinclair's points.

Jack Evans: We have not done the research on whether a different increase to the Scottish child payment for different groups is the most effective way to reduce poverty. We are interested in looking at that, and we can come back to you on it.

We started by talking about the depth of poverty. The rise in the number of people in deep poverty over the past 30 years has been quite scary and chilling. The equivalent of the population of Dundee is now in deep poverty compared to what it was in 1997.

The issue is about targeting but it is also about levels of payment.

The Convener: We are tight for time, so please be as quick and concise as possible.

Bob Doris: No matter what your answer is, Mr Evans, I will not have a follow-up question after this, so the last word will be yours.

If you had a choice—and please make one on this occasion if you can—between meeting the interim target of 18 per cent or missing it by a whisker and taking the actions that the Scottish Government is taking to lift a huge number of people out of deep and enduring poverty—including those who are just on the artificial line of not being technically in poverty—would you rather meet the target or move a huge number of people away from enduring poverty?

Jack Evans: That is quite a straightforward question for me. I would rather lift a lot of people out of long-term, enduring poverty than meet the target.

When we have public discourse about targets and whether the Government or Parliament is meeting or not meeting targets, our response is not only based on what is happening with the percentages but depends on the action that is being taken. If we see strong, good action being taken to reach the targets, we are quite willing to see the targets not being met by just a couple of percentage points. However, when we do not see the action follow the words, that is when we start worrying about the targets being ineffective.

10:15

The Convener: Citizens Advice Scotland suggests that a greater range of evidence should be accepted as showing that someone has responsibility for a child. What would be the implications of that?

Stephen Sinclair: We support Citizens Advice's recommendation on that, but I am afraid that I do not have anything further to add on the technicalities.

The Convener: Ruth Boyle and Jack Evans, does either of you have any comments to make on that?

Ruth Boyle: No.

Jack Evans: No.

The Convener: Okay. That finishes our evidence session. I thank all of our witnesses. The committee will consider in private how it would like to proceed with the evidence that it has heard so far.

I suspend the meeting briefly for the setting up of our next agenda item.

10:16

Meeting suspended.

10:19

On resuming—

Subordinate Legislation

Carer's Assistance (Carer Support Payment) (Scotland) Amendment Regulations 2024 [Draft]

The Convener: Welcome back. Our next item of business is consideration of the draft Carer's Assistance (Carer Support Payment) (Scotland) Amendment Regulations 2024, which is an affirmative statutory instrument. As the instrument is laid under the affirmative procedure, Parliament must approve it before it comes into force.

I welcome to the meeting Shirley-Anne Somerville, who is the Cabinet Secretary for Social Justice, and her officials from the Scottish Government. Jane Sterry is the team leader for the carer support payment policy and Ross Grimley is a lawyer for the Scottish Government. I thank you all for joining us today. Following this evidence session, the committee will be invited to consider a motion to approve the instrument.

I remind everyone that Scottish Government officials can speak under this item but not in the debate that will follow. I invite the cabinet secretary to make a short opening statement.

The Cabinet Secretary for Social Justice (Shirley-Anne Somerville): Good morning, convener. The carer support payment launched in November last year in Dundee City, Perth and Kinross and the Western Isles. It is a key step in our work to transform financial support for unpaid carers and to build a different system that is based on dignity, fairness and respect, recognising the value of unpaid care and providing greater stability and support for carers.

The carer support payment is already delivering an improved service, which was developed through work with carers and those who support them, and it extends support to many full-time students who are unable to get carers allowance.

Those improvements are in addition to the extra support that is already available to carers through our carers allowance supplement. That supplement is available only in Scotland. In fact, our three Scotland-only carer benefits—the carer support payment, the young carer grant and the carers allowance supplement—mean that, in 2024-25, we are investing £60 million more than the UK Government in carer benefits.

Carers allowance is the most complex benefit that we are replacing, as it links with a range of other support. The pilot and our planned roll-out approach have been designed to allow us to

ensure that robust systems are in place between Social Security Scotland and the Department for Work and Pensions, so that carers continue to get all of the support to which they are entitled.

In February this year, we also began the automatic transfer of carers allowance awards to the carer support payment. That process is taking place across Scotland, with no need for carers to re-apply for support and no gaps in entitlement. I am grateful to officials from across the UK for their continued support in that work.

We are now ready to expand the benefit to more carers and the regulations that you are considering today will, if approved, make the carer support payment available in a further 10 local authorities this summer, starting with Angus and North and South Lanarkshire in June, and across Scotland from November 2024.

The draft regulations also include special backdating rules to ensure that carers do not lose out on support because they live in areas that are in later phases of the roll-out, and they will introduce, from October to June, a further extension of eligibility to carers aged 16 to 19 in full-time, non-advanced education, with certain exceptional circumstances.

I extend my thanks to the Scottish Commission on Social Security for its scrutiny of the draft amendment regulations. I am pleased to note that each of its recommendations has been accepted.

We know that clear communication of the roll-out approach will be key to its success. We are working with the DWP to ensure that both it and Social Security Scotland are providing clear information to carers on the approach, to ensure that carers continue to access all the support to which they are entitled through the carer support payment and any linked benefits.

I appreciate this opportunity to assist the committee in its consideration of the regulations, and I am happy to take any questions.

The Convener: Thank you very much, cabinet secretary. Our questions will be directed to you, but you are welcome to invite any official to respond, should you wish to do so.

First, I am delighted to hear that carers allowance in North and South Lanarkshire will shortly benefit from the Scottish Government's carer support payment, particularly as my constituency of East Kilbride is in South Lanarkshire. As the roll-out widens, my constituents will warmly welcome that new support. What work has been going on to raise awareness of that payment in the new pilot areas?

Shirley-Anne Somerville: I appreciate that it is not directly your constituency, but I was in Motherwell recently to speak to carers there about

the difference that Social Security Scotland's approach has made to them—both for them as carers and for those they care for. It was a fantastic opportunity for me to meet people and to hear not only about the further improvements that we need to make but about the difference that our approach is already making for people. That was a really useful event for me and my officials to take part in.

As I said in my opening remarks, the on-going work to raise awareness is absolutely vital in enabling people to have an understanding of what is happening and in taking away any stress particularly for those who are in the process of case transfer, who will know that there is no obligation on them to do anything. There have, therefore, been a number of stakeholder events for the roll-out, including online roadshows, and further roadshows are planned. So far, those have been attended by around 270 representatives from, for example, welfare rights organisations and carer support organisations—the people the committee would expect us to be in contact with.

From the roll-out date in June, there will also be further publicity through media, social media and so on to ensure that we get the message across in a generic sense but also particularly to those networks that are already trusted by carers and those they care for.

The Convener: Thank you. That is helpful.

John Mason: Given that I am on the Finance and Public Administration Committee, you will not be surprised to hear that I want to ask about the financial effects that I read about in the policy note, which says that the Scottish Fiscal Commission has decided not to produce any forecasts because there will not be a material impact. However, will there be any financial impact as a result of the regulations?

Shirley-Anne Somerville: In essence, the financial impact will be in terms of the extended eligibility. There will be a financial impact in that sense, which, I think, we discussed in greater detail when we took through the original regulations for the pilot area. Also, as I heard when I was in Motherwell, there could be an increase in the number of people who come forward for benefits because they are entitled to them and they are being encouraged and feel that the system is supportive.

The Scottish Fiscal Commission will present its forecasts as best it can with the information that we have, and, as we go on, it and we will learn how that eligibility has made an impact and about particular aspects such as how many more people are being encouraged to come forward for their entitlement who may not have done so under the previous system. It is exceptionally challenging to

forecast that, but I think that the Scottish Fiscal Commission has been cognisant of that to date and will continue to be. Those discussions were already baked in when we took through the regulations for the original pilot.

John Mason: Therefore, although you are changing some of the dates for when things are starting, there will not be any serious impact in the current year, 2024-25. Can you put any figure on that?

Shirley-Anne Somerville: I do not have a figure for that to hand. We can certainly check, but we do not expect this to involve a change in the number of people who come forward. This is a change in dates rather than anything else, so it is something that we have already planned for.

Paul O'Kane: I want to follow up an exchange in the Delegated Powers and Law Reform Committee about what qualifies as a temporary break in care. A concern was raised about people who are in a period of legal detention and whether the policy intention that that would qualify as a temporary break in care would be met by the regulations. I understand that there was an exchange of letters to confirm that that is still the policy intention, but does the cabinet secretary want to put anything on the record about that concern, which was raised by that committee?

Shirley-Anne Somerville: Yes, and my thanks should go not just to this committee and SCOSS but to the DPLRC for its work on this. We appreciate very much the feedback on the regulations. We have laid out in correspondence to the committee that the carer support regulations on breaks in care have been drafted to mirror the carers allowance legislation, which has been in force since the mid-1970s, I think. Therefore, those who need to interpret the regulations have an understanding of the language and how it has been interpreted, and that has been the case for some time.

If we were starting from scratch, with absolutely nothing in place, we might have approached the drafting and the wording slightly differently. However, the instrument has been drafted in a way that is well recognised within the system and well understood by those who use it—those involved in welfare rights and those who will be supporting carers. Importantly for carers, the policy intent behind the instrument is well understood by Social Security Scotland, and that understanding will be used in how it is interpreted.

10:30

Marie McNair: SCOSS advises that a significant number of full-time student carers are expected to be eligible for the carers support payment in the final phase of the roll-out. As that is

likely to put additional pressure on Social Security Scotland, are you confident that training and other support and resources will be in place to assist staff to deal with the volume of those applications?

Shirley-Anne Somerville: Yes, because, as I hope we have demonstrated today and in my previous attendance in relation to the initial regulations, the roll-out has been well planned. We know what our anticipated caseload will be within the agency; therefore, any changes that have to be made to resources within the agency have been planned for.

An important aspect of how the agency operates is the fact that there are a number of different ways in which the workforce can move flexibly from one area to another. I appreciate that, in some areas, there are specialisms within those teams, but the agency is cognisant of the need to flex depending on what is happening. This is an exceptionally busy year for the agency—in fact, it is the busiest year that the agency will see going forward—but all of that has been planned out in the workforce forecasting that we have done, and we do not anticipate any issues.

We will, of course, keep a close eye on that. The committee will be well aware that I have kept a close eye on the work that I have asked the agency to instigate around processing times to make sure that those come down, because they were too long when we introduced the child disability payment and the adult disability payment. That situation is absolutely moving in the right direction, so I think that, importantly, we can reassure clients who may be coming to the agency for other benefits that there will be no disbenefit to them, because things have been carefully planned.

Bob Doris: I am pleased to see this affirmative instrument, which seems to fall in line with the Government's approach, as it is ambitious in its intent but cautious and careful in the roll-out. The £60 million of additional money that is being spent on carers in Scotland is evidence of that ambition.

You mentioned a backdating protocol that exists so that individuals do not lose out, and you alluded to an individual moving from a local authority that is part of the pilot to one that is not, or vice versa. How will that be identified by Social Security Scotland, and how will people be encouraged to fill in the appropriate forms in order to get that backdating of benefit?

Shirley-Anne Somerville: It is exceptionally important that the rules around backdating are understood and that it is clear that, if an individual is eligible for backdating, it is the agency rather than the client that is responsible for doing the necessary work .

The carers who meet the eligibility criteria for the carer support payment but not carers allowance and who live outside the initial pilot area will be able to have their award backdated to the pilot launch of the benefit if they apply within 13 weeks of the benefit being available in their area or if they have good reason for applying later. It is the same form, but, if there is a recognition in the form that the applicant is a student, processes within the agency will kick in at that point, so that the client does not have to do any additional work or provide any more forms—that will be taken care of by the agency.

The Convener: As we have no further questions, we move to formal consideration of motion S6M-13023.

Motion moved,

That the Social Justice and Social Security Committee recommends that the Carer's Assistance (Carer Support Payment) (Scotland) Amendment Regulations 2024 [draft] be approved.

Motion agreed to.

The Convener: A draft report will be prepared by the clerks. Are members content to consider that report in private at next week's meeting?

Members indicated agreement.

The Convener: I thank the cabinet secretary and her officials for attending. That concludes our public business for today, and we will now move into private session to consider the remaining items on the agenda.

10:36

Meeting continued in private until 11:14.

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