



The Scottish Parliament
Pàrlamaid na h-Alba

Official Report

WELFARE REFORM COMMITTEE

Tuesday 29 October 2013

Session 4

© Parliamentary copyright. Scottish Parliamentary Corporate Body

Information on the Scottish Parliament's copyright policy can be found on the website - www.scottish.parliament.uk or by contacting Public Information on 0131 348 5000

Tuesday 29 October 2013

CONTENTS

	Col.
DECISION ON TAKING BUSINESS IN PRIVATE	1003
SCOTTISH GOVERNMENT REPORTS	1004

WELFARE REFORM COMMITTEE

16th Meeting 2013, Session 4

CONVENER

Michael McMahon (Uddingston and Bellshill) (Lab)

DEPUTY CONVENER

*Jamie Hepburn (Cumbernauld and Kilsyth) (SNP)

COMMITTEE MEMBERS

*Annabelle Ewing (Mid Scotland and Fife) (SNP)

*Linda Fabiani (East Kilbride) (SNP)

*Alex Johnstone (North East Scotland) (Con)

*Ken Macintosh (Eastwood) (Lab)

*Kevin Stewart (Aberdeen Central) (SNP)

*attended

THE FOLLOWING ALSO PARTICIPATED:

Susan Anton (Scottish Government)

Jackie Baillie (Dumbarton) (Lab)

Margaret Burgess (Minister for Housing and Welfare)

Ann McVie (Scottish Government)

CLERK TO THE COMMITTEE

Simon Watkins

LOCATION

Committee Room 5

Scottish Parliament

Welfare Reform Committee

Tuesday 29 October 2013

[The Deputy Convener *opened the meeting at 08:30*]

Decision on Taking Business in Private

The Deputy Convener (Jamie Hepburn): Good morning and welcome to the 16th meeting of the Welfare Reform Committee in 2013, at this earlier than normal kick-off time.

Michael McMahon has had to tender his apologies. Unfortunately, he is attending a funeral, which is why I am convening the meeting. [*Interruption.*] We will get to mobile phones in a minute. I welcome Jackie Baillie as Michael McMahon's substitute. Could everyone please make sure that their mobile phones and other electronic devices are turned off? Mr Johnstone? [*Laughter.*]

Agenda item 1 is to decide whether to take in private item 3, which is to consider whether the committee wishes to bid for a debate in the chamber next year. Do members agree that we should take that item in private?

Members *indicated agreement.*

Scottish Government Reports

08:31

The Deputy Convener: I welcome to the committee the Minister for Housing and Welfare. Margaret Burgess is, of course, a former member of the committee, and is welcome back. I also welcome her officials: Ann McVie is team leader in the Scottish Government's welfare division and is also a well-kent face to the committee, and Susan Anton is an economist in the welfare analysis team in the Scottish Government. I thank them for attending the committee again at this early juncture.

Agenda item 2 is to take evidence from the minister on two reports that the Government has produced: "Gender Impact of the UK Welfare Reforms" and "Welfare Reform (Further Provision) (Scotland) Act 2012 Initial Report—2013". I ask the minister to set out what she feels are the important conclusions from the reports before members ask questions.

The Minister for Housing and Welfare (Margaret Burgess): Thank you, convener.

I reiterate that the cuts and changes that the United Kingdom Government is pursuing do not reflect the values or beliefs of the Scottish Government or people. The "your say" initiative, which the committee has led, reinforces that message. Hearing first hand the reality of what the cuts mean to individuals and families throughout Scotland is quite harrowing. We are well aware that the cases are not isolated but, unfortunately, the UK Government is carrying on with its programme of reforms, regardless.

Our annual report, which is part of the process that was agreed under the Welfare Reform (Further Provision) (Scotland) Act 2012, sets out the key impacts of the reforms in Scotland; information around the areas for which we have legislative competence, such as the Scottish welfare fund, the council tax reduction scheme and passported benefits; and the actions that we are taking to mitigate the impacts where we can do so.

Overall, our analysis estimates that the cuts and changes to the welfare system could result in the Scottish welfare bill being reduced by over £4.5 billion by 2015. I know that that is broadly in line with the analysis that the committee commissioned earlier this year. We are taking steps to better understand the impact of key changes, such as the introduction of universal credit, and we have produced a series of research papers that have focused on household benefit payments, the move to monthly payments and the move to online claims. Those are all areas of

concern in which there have been worrying findings; for example, the move from individual to household payments is likely to impact on women, with less money being spent on children, potentially.

In order better to understand the longer-term impacts, we have commissioned research to explore the impact of welfare reform on a diverse sample of households in Scotland over the next three years. The study will follow 30 households, and the sample will include households with disabled adults, lone parents and children. We will share the findings from that research in future annual reports.

In addition, we are looking at specific impacts on particular groups in Scotland. The gender impact paper that was published earlier this year highlights a range of changes that are set to have a significant impact on women in Scotland, in particular those with caring responsibilities for children. The changes include the freeze on child benefit and uprating by 1 per cent, the reduction in the proportion of childcare costs that are covered by the working tax credit, and the removal of the baby element of child tax credits.

We know that research from the Institute for Fiscal Studies shows that welfare reform will result in losses for lone parents, 90 per cent of whom are women, and that lone mothers are expected to lose 8.5 per cent of their net income.

I have mentioned the concern about how universal credit will be paid, but other aspects are also likely to have negative impacts. For example, universal credit is likely to reduce the incentive to work for second earners in households, many of whom are women. Many of the changes are affecting women now, and more changes are to come.

That leads me on to explain what we are doing to help those who are affected. As is set out in our draft budget, we will invest at least £224 million over 2013-14 to 2015-16 to limit the damage in Scotland of Westminster's welfare changes. As members will be aware, we have made it clear that the bedroom tax, which has been forced on us, has no place in Scotland, and we are doing all that we can to help those who are affected, which includes providing an additional £20 million to local authorities in this financial year for discretionary housing payments. We have also committed up to £20 million in the next financial year, which is the legal limit of what is permitted within our powers by the UK Government. Local authorities have £35 million to spend; it is crucial that that money reaches the people who need it most as soon as possible.

We have also committed to continuing our investment in the Scottish welfare fund, which

gives a total fund of £33 million over the next few years. We have committed, with our partners in local government, to investing in the council tax reduction scheme. Following the abolition of council tax benefit, our new council tax reduction scheme protects more than 500,000 vulnerable people from increased council tax liabilities. That is in stark contrast to the postcode lottery of localised council tax support schemes that exist in England, about which the committee recently heard.

We continue to provide additional support for advice and services that provide the help for those who are affected. We have provided funding of more than £7.9 million for advice services, which includes just over £5 million for the "making advice work" programme, which has started to fund projects.

We continue to work closely with local authorities, the third sector and a range of organisations to bring together our collective efforts to mitigate the impact of the welfare changes where we can. However, with a fixed budget and limited powers, there is only so much that we can do. I firmly believe that the Scottish Parliament should be in control of welfare matters in Scotland; we could then devise policies for the benefit of the Scottish people, and we could create a welfare system that reflects our values and beliefs. Meanwhile, we will do what we can within our existing powers and resources to help those who are most affected.

The Deputy Convener: Thank you very much, minister. Before I take questions from members—Alex Johnstone has indicated to me that he wants to do so; others should do the same—I have a few procedural questions to ask before we get into the nitty-gritty of issues arising from the initial report.

The four local authority-led pilots that are funded by the Scottish Government are referred to on page 6 of the initial report. Where are the local authorities with the pilots, what lessons have been learned and is the committee likely to see a report on the pilots?

Margaret Burgess: The pilots are being run by South Lanarkshire Council, Dundee Council, Aberdeenshire Council and Glasgow City Council. We receive information regularly from the pilots, which are working together. We intend to share all the research information from the pilots with the committee; indeed, it will be made public. We are gathering data; we want it to be meaningful and to inform us, the committee and Parliament about what we are doing. If the committee has specific questions about the pilots, we will answer them. Most are concentrating on assisting people in making online applications and increasing their information technology skills, which will improve their employability skills. The Dundee pilot is

looking at how better to assess people and to move them to the appropriate advice sector so that the system works more quickly.

I have visited three of the pilots so far. They are providing a useful service; although some have had slow starts, they are being used more now that the benefits changes are coming in. The pilots regularly feed in information to us, which is discussed; we will pass it on to the committee.

The Deputy Convener: That is appreciated.

On page 11, you say:

“The first report on the operation of the Scottish Welfare Fund is anticipated in Autumn 2013”.

It is obviously coming out shortly, but can we get an update on it?

Margaret Burgess: I think that we are going to publish the report very soon.

Ann McVie (Scottish Government): Our interpretation of “autumn” is very loose. Because of difficulties with IT systems, the report will be published a bit later than we had originally hoped, but we still expect it to be published this calendar year, at the very, very end of autumn.

The Deputy Convener: I suppose that it has been a good year.

Margaret Burgess: Since we have looked at the guidance and spoken to local authorities, uptake has started to increase—as we hope will be demonstrated when the report is published.

Ann McVie: After the first report is published and we get things up and running, we will get into a regular cycle of producing quarterly reports without too much delay.

The Deputy Convener: Is the report on the first six months of the council tax reduction scheme coming soon?

Ann McVie: Yes. The timescale is similar.

The Deputy Convener: That is helpful.

Alex Johnstone (North East Scotland) (Con): Good morning, minister.

According to Westminster’s broad headline budget figures for the costs of welfare, the current welfare bill is £200 billion. The bill is forecast to rise at the rate of the consumer price index, or more, over the next few years. However, you have said that there will be a £4.5 billion reduction in Scotland up to 2014-15 and that an estimated £1.6 billion a year will be taken out of the Scottish economy. How do we reconcile those two figures? Why is the Westminster figure rising but the Scotland figure falling?

Margaret Burgess: I am sorry. Can you repeat that? Did you say that I said that there will be

£4.5 billion coming out of the Scottish economy in the four years up to 2015?

Alex Johnstone: According to the United Kingdom headline budget figures, the welfare budget is £200 billion and is rising faster than the CPI, but we are discussing this morning figures that you claim show a reduction in Scotland. How can those figures be reconciled?

Margaret Burgess: What we are saying is that figures in this research, which are similar to the figures that emerged in the research that the committee itself commissioned, show that there will be a reduction of £4.5 billion in the Scottish economy.

Alex Johnstone: So, why is the UK headline budget figure rising and your figures for Scotland falling?

Margaret Burgess: I think that we are talking about what will be lost from the Scottish economy if people who are claiming benefit just now continue to do so. The economy will lose £4.5 billion. The figure that you are talking about refers to the whole UK.

Alex Johnstone: It is the total welfare budget.

Margaret Burgess: Are you saying that it is falling?

Alex Johnstone: The total welfare budget for the UK is projected to rise. Why, then, are the figures for Scotland that we are discussing falling?

Susan Anton (Scottish Government): The £4.5 billion relates to the cut as a result of the UK Government’s welfare reforms. A similar figure would be applied to the UK Government. The research that we have done and which was published in the expert working group report highlighted that between 2011-12 and 2017-18, which is the period set out in the UK Government budget, the welfare bill in Scotland will rise from £17.1 billion to £19.7 billion. However, although Scotland’s welfare bill will rise over that period, it will not rise by as much as it would have risen had the cuts not been made.

09:45

Alex Johnstone: I want to look briefly at specific areas. Page 5 of the report makes reference to universal credit. It states:

“Around 720,000 households in Scotland will receive a payment under Universal Credit.

Of these, 260,000 households in Scotland will experience a rise in their income (£162 more per month on average);

while around 260,000 households in Scotland will see their income fall (£144 less per month on average).”

When I do the sums, that seems to show a net increase in the total amount of money that will be going to people who are moving on to universal credit. Have you taken those figures into account when calculating the position in Scotland?

Susan Anton: The position in Scotland has taken all those figures into consideration. The headline figure of £4.5 billion used budget figures that were produced in Her Majesty's Treasury's autumn statements and budget documents. The figures for rises and falls are taken into consideration when the Treasury does its analysis to get to those figures, and we have taken a proportionate share for Scotland.

Alex Johnstone: Am I right in thinking that, when we look at the figures at the top of page 5 of the report, it suggests that anybody who is going on to universal credit is likely, on average, to be better off rather than worse off?

Susan Anton: It will depend on the individual circumstances; there are also individuals who will find that there is no change.

Alex Johnstone: The broad figures in the report show that roughly equal numbers will see their incomes rise and reduce, but the average rise is higher than the average reduction, and the net figures seem to indicate that, overall, a total of 720,000 households are likely to see an average increase in their income under universal credit.

The Deputy Convener: Part of the issue is that 260,000 households plus another 260,000 households is 520,000 households, so there are another 200,000 households—

Alex Johnstone: That are about the same.

The Deputy Convener: They are not accounted for.

Alex Johnstone: They are accounted for, but they are just about the same before and after the changes.

The Deputy Convener: I am reading the same paper as Alex Johnstone, so perhaps Susan Anton can respond to that point.

Susan Anton: The Department for Work and Pensions expects that more households will be better off under universal credit than they would have been under the current system. It is DWP analysis that has shown that, and it is DWP analysis to which you are referring, at the top of page 5.

Alex Johnstone: Does the minister therefore question the accuracy of the DWP analysis?

Margaret Burgess: No.

Kevin Stewart (Aberdeen Central) (SNP): I would like to look at the gender aspect of the

change to universal credit, and particularly at the impact on children. Oxfam expressed its concerns in response to the Welfare Reform Bill in 2011 by saying that

“Including money for children and childcare costs in a single payment of Universal Credit is of particular concern, as research shows that money coming into the household through the ‘purse’ (woman) is more likely to be spent on children’s needs than money that comes in through the ‘wallet’ (man). Consolidating these elements into a single payment runs the risk of transferring ‘from purse to wallet’ compared with the current situation, which could have negative impacts upon children’s welfare, and on the distribution of resources within a household.”

Does the minister have any comments on that statement from Oxfam? Does she believe that the single payment is the right move for children, given that we know that the vast bulk of those single payments are likely to go to fathers?

Margaret Burgess: I absolutely agree with what Oxfam said; it is not the only organisation that has made clear the impact of the single payment on households. It is right to point out that as far back as I can remember—which is longer than many people here—some benefits were paid to women in households because it was always recognised that there was a greater chance of the money getting to the children when it was paid to the women. Child benefit, family allowance or whatever else it was called, was always paid in that way—to the mother. I agree with that, and the Deputy First Minister and Cabinet Secretary for Infrastructure, Investment and Cities have said that we will, in an independent Scotland, consider whether payments can be separated in order to ensure the best chance of its being spent on the children. In most cases, that means making payments to the woman.

Kevin Stewart: Thank you, minister. I am glad to get the clarification about what would happen in an independent Scotland but, at this moment in time, with the DWP as is, universal credit will not be rolled out as quickly as the DWP expected because it has got itself into a real fankle, I think.

The DWP official, Pete Searle, who appeared before the committee on 14 May, said:

“By consolidating the payments into a single household payment, in all probability that will mean that more payments—though not all, by any means—will go to the father rather than to the mother. In purely mathematical or financial terms, that will mean that some money will not initially be in the pockets of the mothers.”—[*Official Report, Welfare Reform Committee*, 14 May 2013; c 724.]

I am concerned that many payments will not go directly to mothers and then to their children, as Oxfam said in the statements that I mentioned earlier. How do we change the DWP’s attitude that it will be the norm for payments to go to fathers?

Margaret Burgess: In any discussions that we have had with the DWP, I and the Deputy First

Minister have pointed out our concerns about that. We are collecting and analysing data, but we do not want to have to say, "We told you so." The last thing that we want is for more children to be pushed into poverty, but that is what is likely to happen.

I would like to have an answer to the question about changing the DWP's attitude. We just have to keep making it aware of the situation, and the committee should keep telling it the real stories that it is hearing from people. The reality is that mothers will not get the money in their pockets to enable them to feed their children.

People on low incomes are very good at budgeting; I sometimes think that it is insulting to suggest that they cannot manage their finances. Benefits payments being staggered and going to people at different times of the month helped them to manage their finances; people who are on low incomes budgeted very well because they knew when their child benefit would come in and what they would buy with it, and how they could work with their income support when it came in on a different day. Changing how the money is paid will just cause another problem for people on low incomes, particularly if it is to be paid to the head of the household.

We should, with organisations such as Oxfam and Save the Children, be saying as loudly as we can what our concerns are. There has been genuine evidence in the past that money that goes to the mother is spent on the children. That evidence exists. It is known that that could change; we should all be concerned about children, so we have to keep on at the DWP on the issue.

Kevin Stewart: My final question is about universalism. We have seen a reduction in child benefit for households in which an individual earns more than £50,000, and removal of child benefit when one of the individuals in the household earns more than £60,000. However, households in which the joint income is slightly less than £100,000 can still be entitled to the full benefit. What do you think of that change? Is it an attack on universalism and on a benefit that was seen as being for all children?

Margaret Burgess: Absolutely—tinkering with child benefit in that way is an attack on universalism. It is a nonsense that a family that earns just under £100,000 will get it when a lone parent or a family in which there is only one earner on £60,000 will not. It was always appreciated that child benefit was a universal benefit; people understood that. People pay their taxes and know what to expect for that, and child benefit was one of the things that they could expect. Tinkering with it as has been done does not help anyone. I very

much support universalism for key benefits—child benefit being one of those.

Kevin Stewart: Child benefit would normally have been paid to the mother.

Margaret Burgess: Absolutely.

Linda Fabiani (East Kilbride) (SNP): That is quite useful. I have a question that follows on from what Kevin Stewart asked about. It relates to an issue on which I have had a couple of constituency cases that have resulted in my having discussions with the likes of Women's Aid. Not only are women being disadvantaged by the direction in which the welfare system is going, women who are fleeing violence are being disadvantaged disproportionately by measures such as the single household payment, coupled with the effect of the bedroom tax on the allocation of houses for refuges, which is dependent on how they are acquired.

I ask the minister to give a general view on the issue of women—and, in particular, women who are trying to flee violence, with or without their children—being disproportionately affected.

Margaret Burgess: The situation of women who are fleeing violence has been highlighted. It is not hard to recognise the effect that the single household payment will have on them. It will have a huge impact on any women who have experienced physical or mental violence. When someone else has control of an individual as a result of having control of the finances, that could be called financial violence. When someone flees violence, there will be the issue of how the payments can be set up again in the individual's own name. The single household payment will give rise to huge issues, on which we will gather data. I think that there will be real problems in that regard. I have experience of seeing how difficult it is for someone who is fleeing violence when the payment to which they are entitled is paid into someone else's bank account. Getting themselves set up to claim benefits in their own right will be an added problem for women in such circumstances. When someone flees violence, or even when someone separates from their partner, getting their benefits sorted out is always a problem. The fact that their payment will be paid to someone else will make that more difficult.

Linda Fabiani: So the Government might do a study as an arm of the existing research.

Margaret Burgess: Yes. We are looking at how the whole gender issue is being affected, and the situation of women who are fleeing violence is being looked at as part of that.

Linda Fabiani: I have a more general question. Over the past few days, some fairly substantial reports have come out, one of which has been on

bedroom tax arrears; I think that the headline figures were from North Lanarkshire Council. In addition, the Westminster Government has announced that the introduction of the personal independence payment has again been postponed. I am interested in the extent to which such repeated announcements reflect the confusion that exists and the lack of readiness for the introduction of the changes.

Given the reports that we hear of the number of ways in which welfare reform is affecting Scotland, what discussions is the Scottish Government able to have with Westminster about such matters? For example, what notice do you get of postponements? Is there a wish for partnership working? How do such events affect the Scottish Government's mitigation plans from the point of view of budgets and operationally?

Margaret Burgess: The fact that we are not consulted on the timescale has always been an issue when it comes to the production of reports and data and knowing what is happening. We often hear about such things at the last minute, but there is now regular contact between officials of the Scottish and UK Governments. Ann McVie might have more to say about that. We try to get the information as soon as we can so that we can feed it into our processes. I think that I am right in saying that, initially, the situation as far as the PIP was concerned was a lot worse when we tried to get information on the passported benefits. That held everything up, but I think that the situation has improved slightly, unless Ann McVie says otherwise.

Ann McVie: No, we certainly have regular dialogue on such issues, but that does not necessarily mean that we have forewarning of specific announcements by DWP ministers.

09:00

The Deputy Convener: I have been handed a note from the broadcasting people saying that they have to put the blinds down or they will lose the broadcast. I do not know how these things work, but apparently the blinds need to go down. The blinds are noisy, so I wanted to let the minister and questioners know.

Linda, do you have another question?

Linda Fabiani: You threw me there.

The Deputy Convener: That was always my plan.

Linda Fabiani: No, I do not have another question.

The Deputy Convener: Okay. Ken?

Ken Macintosh (Eastwood) (Lab): Thank you. Shall I make sure that the blinds are fully down before starting?

The Deputy Convener: No, go for it—you are loud enough.

Ken Macintosh: Thank you, deputy convener, and thank you, minister.

The Scottish Government's report on "The Gender Impact of Welfare Reform" is quite worrying. Clearly, the reforms are having a very disproportionate effect on women. Has the Scottish Government's response been to alter Scottish Government policy? In other words, is it targeting its support to disproportionately benefit women at all?

Margaret Burgess: Our support is targeted at low-income families. Our support, which includes our living wage, our Scottish welfare fund, the child tax reduction scheme and our social wage, helps women as well as other sectors, so the answer is yes, our support is benefiting women.

If you are asking whether we are taking money from one area and targeting it specifically at women in a particular group, you need to be more specific in what you are asking. We have our early years change fund and we have all that is going on in education. We also have what we are doing to support parents, including lone parents, for example through working with groups and family partnerships, so a lot of things are happening. If you are asking me about the Scottish welfare fund, could you be specific about what you are actually asking?

Ken Macintosh: "The Gender Impact of Welfare Reform" is a very interesting report and a very strong one, which shows that women are being disproportionately affected. I am just trying to work out how that report, which was produced by the Scottish Government, has influenced Scottish Government policy. The report reveals that women are disproportionately affected. I would have thought that the response therefore would be for the Scottish Government to target women but I do not see that. It seems to have been an informative report, but it does not seem to have influenced policy in any way.

Margaret Burgess: This is about the UK benefit system and the impact that the welfare reforms are having on people in Scotland. The report focuses on the impact that the welfare reforms are having on women in Scotland.

As I said in my opening remarks, we are not in charge of the benefit system. We think that we should be; if we were, we would certainly ensure that women were not disadvantaged in the way that they are. We have said clearly that we would look at how we could separate out payments and

we have said to the UK Government that we do not think that it is a good idea to pay a single household payment. Payments should be separated out. We have made our views on child benefit very clear—we think that it should be a universal benefit and that it should still be paid to women. That is what we would do if we were in charge of the welfare system, but we are not.

As you will be aware, we are looking to get more women into the workplace and we are looking to provide more hours of childcare for women, so we are doing what we can, within our powers, for women. The report sets out what the UK welfare system is doing.

We are looking at what we are doing in relation to supporting people in fuel poverty—support that can also help women and children and give people more money in their pockets. Until we are in charge of the welfare system, we cannot sort this out properly. That is what the report is indicating. It is indicating what the UK Government welfare reforms are doing and the impact that the reforms will have on women.

We will also look at the impact that the reforms will have on disabled people. That is what we were asked to do by this committee—to look at what the impact of the changes will be on our community. Where we can mitigate that impact, we are doing it.

Ken Macintosh: Indeed, as well as having a disproportionate effect on women, I think that we all know that the cuts disproportionately affect the disabled. We can also see from the Government's evidence that deprivation is centred in certain local authorities, so there is a geographical inequality too. The Scottish Government has produced a report that reveals some of that inequality and reveals the impact of the policy. It has introduced a council tax reduction scheme and it has introduced the Scottish welfare fund, so it is producing a number of policies that are specifically designed to either mitigate or alleviate the impact of the reforms. Are those policies targeted at any of those particular vulnerable groups—are they gender specific or aimed at disabled people, for example—or are they designed simply to target all vulnerable people?

Margaret Burgess: No, the council tax reduction scheme is not gender specific. With regard to the Scottish welfare fund, more women than men will benefit from the community care grants that apply where there is exceptional pressure on families. We will ensure in the new guidance that any woman who presents as vulnerable has access to the Scottish welfare fund, and the fund will be sufficient to ensure that payments are made to women.

As Ken Macintosh will be aware, the council tax reduction scheme covers pensioners, who are a vulnerable group. It targets vulnerable people and those on low incomes. The scheme's purpose is to compensate and help those who were previously in receipt of council tax benefit. That is the way it is: the scheme cannot be applied in any other way.

Ken Macintosh: The report is informative and helpful. However, it does not seem to have influenced Scottish Government policy. Am I right?

Margaret Burgess: The report has just been published and it will influence Scottish Government policy—

Ken Macintosh: In what way will it influence policy?

Margaret Burgess: It will influence Scottish Government policy. We are looking across the board at our early years funding and childcare to encourage women into work. We have already had a conference with the Scottish Trades Union Congress on getting women into work, and we will continue to lobby the UK Government on payments to women.

The report shows that the changes that the UK Government has imposed will impact negatively on women not just in Scotland but in the rest of the UK. Our remit from the committee was to examine the impacts of the UK changes on the people of Scotland. That is precisely what the report has done, and it will inform how we progress matters, in particular in an independent Scotland.

Ken Macintosh: The very last paragraph of the report on page 33 highlights the fact that it is not only welfare reforms that disadvantage women. The report states that because

“Women make up the majority of the public sector workforce”,

they are

“more vulnerable to public sector job cuts, pay freezes and reductions in working hours.”

It goes on to say that

“Women are more likely to use publically provided services making them more vulnerable to cuts”

and that spending cuts to care disproportionately affect women. All those areas are directly controlled by the Scottish Government. Will the Scottish Government alter its policies in any of those areas to try to target and protect women rather than disadvantaging them?

Margaret Burgess: I cannot speak for John Swinney with regard to policy on women, but concerns have been raised on more than one occasion in the Scottish Parliament about the need to get more women into work and keep in work those who are already there. The difficulty

that we have with some of the UK Government's policies is that, in some households, there is no incentive for a second earner to work, and we would wish such an incentive to be there. The report will inform the way in which we progress our policy on getting women into work.

Ken Macintosh: Does the minister recognise that the public sector job cuts that the Scottish Government—not the UK Government—has implemented have disproportionately affected women? More women are now out of work in Scotland because of public sector job cuts in Scotland, which is a Government policy.

Margaret Burgess: That is not what the report says. I do not have any information that says that.

Ken Macintosh: The last paragraph on page 33 specifically says that.

Margaret Burgess: You are asking specifically about Scottish Government agencies, and the pay cuts and women. I do not have the information here. It is not part of my remit.

Ken Macintosh: What I am getting at is that the welfare cuts have disproportionately affected women. I think the whole committee would agree that that is abhorrent and that we should therefore do something about it. However, the Government does not seem to be responding directly to that issue. It seems simply to have produced an informative report that it says the UK Government should respond to.

Margaret Burgess: Sorry to interrupt, but I have said that the report has only recently been published and that it will inform existing Scottish Government policy and our policies as we move towards the referendum. I do not want to suggest that we have just published the report and put it away in a cupboard. It is being considered. All sectors of the Scottish Government—not just housing and welfare—will look at the report and will consider whether there is anything that we can change to make things better for women in Scotland. We have a concern about women not just in terms of welfare reform but in relation to work, childcare responsibilities and housing. All of that will be informed by the report.

Ken Macintosh: I accept that the minister says that those areas will be informed by the report. However, the two policies that the Scottish Government has introduced specifically to mitigate the effect of the welfare cuts—the council tax reduction scheme and the Scottish welfare fund—do not seem to be influenced by the report and you are not outlining any plans to change that.

Margaret Burgess: I think that the committee is aware that women will in no way be disadvantaged by the Scottish welfare fund. The guidance for the distribution of the fund has been

agreed by the third sector, local authorities, the Convention of Scottish Local Authorities and the Scottish Government. Women will benefit considerably from the fund. The fund is £33 million, of which there is a considerable amount left. Women will not be excluded in any way. They will be encouraged to apply to the fund. Local authorities are encouraged to ensure that women who approach them through social work or other sources have access to the fund. There is no suggestion that the fund is not helping women and that it is not targeted towards women and children. Ensuring that children do not go without is a priority of the fund.

Ken Macintosh: I thank the minister.

The Deputy Convener: Sorry, Ken. Are you finished?

Ken Macintosh: Can I have one more question?

The Deputy Convener: Go for it.

Ken Macintosh: On a slightly different subject, one of the downsides of the current recession, the difficulties and the cost-of-living squeeze has been the opening of food banks throughout the country. One of the Scottish Government's policies has been to commit to free school meals for all children in primary 1 to 3. The minister said that she still supports universalism, so she supports a universal free meal service for P1 to P3. However, as far as I can see, there has been no progress, despite the promises in 2007 and 2010. The UK Government has just announced a substantial sum of money for that area. Does the Scottish Government intend to use it to expand free school meals in the early years?

Margaret Burgess: First, more children in Scotland receive free school meals now than did under previous Administrations. Secondly, that announcement was made recently by the UK Government without any consultation with the Scottish Government—we had no knowledge that it was happening. The Scottish Government is considering what the UK Government has said about free school meals and whether there is anything further that we can do. However, I repeat that more children are getting free school meals in Scotland now than did under previous Administrations.

Ken Macintosh: Does the minister want to see an expansion? Does she want to see the money used for that particular area?

Margaret Burgess: That is being looked at. I think that education is considering it at the moment.

Ken Macintosh: I am asking for the minister's views.

Margaret Burgess: I am saying that if it can be done, we will certainly consider it. We are looking at anything possible to help women and children, particularly in vulnerable households.

The Deputy Convener: It would also be helpful if members could remember the individual ministerial responsibility here. Jackie?

Jackie Baillie (Dumbarton) (Lab): I am happy to defer to Ms Ewing; she is a committee member and I think that she indicated before me.

The Deputy Convener: No, she did not.

Jackie Baillie: Excellent.

The Deputy Convener: I am in control up here, Jackie.

Jackie Baillie: As a visitor, I do not want to overstep my welcome.

The Deputy Convener: You are not, so on you go.

Jackie Baillie: I find the report very helpful but also a bit frustrating. I accept that it is an interim report but it is not as data rich or as up to date with some of the statistics as I suspect you would have wanted. I wonder, in general terms, what you are doing to rectify that.

For example, I hear what you say about the Scottish welfare fund, but will that detail be in the report in the future?

Equally, in the section on passported benefits, I note that there will be no data on blue badges until 2015. What baseline are you working from? Why is data for passported benefits that we control available only to 2011-12 and not for 2012-13? My question is about general issues regarding the report and whether you hope that the content will be more robust in future.

09:15

Margaret Burgess: In the annual report?

Jackie Baillie: Yes.

Margaret Burgess: We do not have a lot of data, but I repeat that we continue to build on the data, which we will share with the committee. We have a matrix of information that shows our progress in certain things, which we can share with the committee. The data is constantly being updated and it must be robust if it is to be meaningful—that is what we are looking for. More information will be included in future reports; for example, there will be information on the research on the 30 families that we are following. All such information will be shared with the committee and it will be in the public domain.

Jackie Baillie: Are you confident that there will be baseline data for everything? I am asking

because, when I was briefly on the committee, the Government made a commitment that in the transition from disability living allowance to PIP, which we know is accompanied by a 20 per cent cut, those with existing eligibility to passported benefits would retain that eligibility. However, I see no mechanism in annex B for recording that. I am curious to know how you are making that commitment real and how you are recording it.

Susan Anton: Individual recording for the different passported benefits is done in different ways, depending on the passported benefit. That is just a legacy of how it has been built up over time. What we are trying to do from an analytical perspective is create baseline data with the data that we have available. The data for 2011-12, which you mentioned, is the latest data available in the report. The report was published in June 2013, so there was not enough time for the 2012-13 data to be properly analysed and for us to ensure that it was robust and quality assured for the report. That was one of the issues that we were constrained by.

We are taking steps to ensure that, at all stages, we produce a baseline for passported benefits. We are sharing with the committee and including in our annual report as much information as we can to ensure that there is a wide and rich debate about what the numbers are.

Jackie Baillie: I certainly think that that is helpful, but my question was specifically about the commitment that the Government gave to the committee to maintain existing eligibility even if somebody did not succeed, for example, in transitioning from DLA to PIP. What I am not clear about is how that commitment is being taken forward, delivered and recorded.

Susan Anton: I am not sure how the exact mechanism of the DLA PIP blue badge interaction is working at the moment, but we can take that point away and get back to you on it, if that would be helpful.

Jackie Baillie: The first question is a policy one, so although I accept and very much welcome your offer of clarity, the policy question is directed to the minister. If we have made that commitment, which everybody agreed to and welcomed, how is it being delivered?

Margaret Burgess: Am I correct that the PIP has been delayed?

Jackie Baillie: That is not the question.

Ann McVie: Some of my colleagues have been at committee before to talk through the new criteria for passporting from PIP to blue badges and national concessionary bus travel, which are based on the closest criteria that we have to the existing passporting arrangements mapped

against the new PIP. From a policy perspective we have as close a match as we can get to the existing arrangements. That is supplemented by the work that we are doing to gather what data we can to monitor the progress of the policy. That is in hand.

Jackie Baillie: Forgive me for pressing the point, but the discussion was about people who currently have eligibility for passported benefits. For example, if someone receives DLA and qualifies for the blue badge or national concessionary travel, the commitment was made that if they did not make it on to a PIP, their existing eligibility would be maintained because the budget is already in place. There was not a budget cut or anything like that, so the Government was able to do that. That is the cohort I am asking about.

Ann McVie: You are asking about the people who would not necessarily qualify through PIP.

Jackie Baillie: Yes. That was the commitment that was given to this committee.

Ann McVie: I think that the commitment was to maintain access.

Jackie Baillie: So it was not what we thought it was.

Ann McVie: I think that we have always been very clear that it is about maintaining access to passported benefits in the equivalence to the current arrangements, which is what has been delivered. I can check with my colleagues about any specific arrangements for transitional protection, which is in effect what you are talking about, for people who might fall out of PIP. I do not think that we will have had any such cases yet. PIP has not been rolled out and the roll-out has been further delayed, so that situation has not arisen. I can certainly check what the transitional arrangements will be.

Jackie Baillie: Thank you very much. I will move on to the bedroom tax. In her opening statement, the minister talked about the £20 million that is available this year and, indeed, it was announced as part of the budget that it will be in place for next year. If a council has already topped up its discretionary housing pot by the maximum that is allowed—one and a half times what the DWP has given it—what is the position with the money that was given by the Scottish Government?

Margaret Burgess: The money that was given by the Scottish Government was to allow every local authority sufficient money to top up to the maximum. If a council had already said that it would top up to the maximum, it did not lose out, because it got topped up to the maximum. Every local authority got sufficient to do the topping up.

Jackie Baillie: Sure, but I am asking what happens in the case of my local authority of West Dunbartonshire Council, which has topped up to the maximum. What is the understanding of its share of the Scottish Government's £20 million?

Margaret Burgess: It does not lose out.

Jackie Baillie: It has already topped up.

Margaret Burgess: No. It has already said that it would top up, so it then gets its share.

Jackie Baillie: Okay. What can it spend it on?

Margaret Burgess: The money has come from the Scottish Government to the local authorities to allow them to top up their discretionary housing payments to the maximum. You are suggesting that a council might have already topped them up to the maximum. I have had this discussion with some councils that said that they committed in their budgets to top it up to the maximum. However, now that the Scottish Government has given them the money to do so, they can use their own money for another purpose.

Jackie Baillie: If they have already taken the decision to top up, the money that is coming in is free and available for whatever they want to do with it.

Margaret Burgess: No, the money coming in is for discretionary housing payments—to top them up to the maximum. I am not going to get into playing semantics with “We give a council £20,000; it has already committed £20,000; it then has its own £20,000.” It has not. The council has said that it will top up to that amount, but the money has not been spent yet, because it does not work that way. People have to apply for discretionary housing payments. It is not a payment that is given in a lump. Individuals make a claim for it and councils set enough money aside to top it up to the maximum. The option that we had was to give sufficient to every local authority to top up to the maximum, otherwise the authorities that had already said that they would top up to the maximum would lose out. They will get the money that will allow them to top up to the maximum. If they have already said that they would do so with their own funding, then they have that funding too.

Jackie Baillie: So there would be no impediment to a council setting up, say, a housing sustainability fund or a preventing homelessness fund.

Margaret Burgess: I am not going to make any comment about what councils can and cannot do.

Jackie Baillie: But there is no impediment to their doing that.

Margaret Burgess: I am saying that what councils do with their own money is their business.

I do not know how local government works. What I am saying is that we have given money to allow every local authority to top up to the maximum. What councils then do with their own money or the money that they had earmarked for that particular purpose is their decision.

Jackie Baillie: Is the £20 million specifically ring fenced then?

Margaret Burgess: The £20 million is provided. I will not use the phrase “ring fencing” if it is not ring fenced. The money is given to local authorities to allow them to top up their discretionary housing payments to the maximum.

Jackie Baillie: That is interesting. So there would be no impediment to a council deciding, of its own right, to provide additional resource for a housing sustainability fund. That is something that I would have thought that, as a housing minister, you would welcome. [*Interruption.*] Sorry, convener, but there is so much chatter in the background that I cannot hear the minister.

Margaret Burgess: I am saying that any action that local authorities wish to take within their budgets to mitigate the effects of the council tax reduction scheme or any of the welfare reforms is their decision. Obviously we all welcome the fact that the Scottish Government is giving local authorities the money to top up to the maximum, which allows them to have money available. Some local authorities could not top up to the maximum; they did not have that funding.

Jackie Baillie: Thanks very much for that response. I have one final question on a wider issue.

The Deputy Convener: I want to clarify that a bit further. In essence, the situation with this funding is that there is a legal impediment to topping up beyond the amount that the Scottish Government has provided, which presumably is set by Westminster.

Margaret Burgess: Discretionary housing payments can be topped up only by up to one and a half times the DWP allocation, which is how we arrived at the £20 million figure. No local authority can give more than that in discretionary housing payments. They are part of social security, which is a reserved matter and they cannot be topped up by more than that. Discretionary housing payments are paid to individuals, who have to apply. They are not just paid to people because of the bedroom tax; they can be paid to other people who are in receipt of housing benefit and have a shortfall in their rent.

I am not quite sure what other things local authorities can do about that, but they cannot top up discretionary housing payments by any more than one and a half times the amount.

The Deputy Convener: That seems clear to me.

Jackie Baillie: I thank the convener for that clarification. Would he also accept that there is no impediment—which was confirmed by the minister—to a local authority providing additional resources, particularly in terms of housing and the prevention of homelessness?

The Deputy Convener: Do you have another question, Jackie, to the minister rather than to me?

Jackie Baillie: Well, you seem to be doing some of the sweeping up.

I will move us on to a wider issue that the minister raised. She talks—of course—about the powers to be in charge of welfare completely. Given that that is her aspiration, what does she anticipate would be the size of the welfare budget? [*Interruption.*] That question is legitimate.

Margaret Burgess: In Scotland, we spend less of our gross domestic product on the welfare budget. We believe that that is sustainable in an independent Scotland. That figure is our starting point. We have said that in an independent Scotland we can look at how we can better tailor welfare with housing, social services, preventative spend, growing the economy and getting people into work. I cannot answer the question of what the welfare budget will be in I do not know how many years' time, but I can say that the budget that we currently spend on welfare will still be available to be spent in an independent Scotland.

Jackie Baillie: Naturally, I was not expecting the minister to come down to the last pound or penny—I accept that. However, does she envisage the welfare budget being larger than it is now, or, as she seems to suggest, would it be within the existing envelope?

Margaret Burgess: We are looking at the existing envelope. If money is required to be spent—for example, we have said clearly that we would abolish the bedroom tax and that child benefit should be a universal benefit in an independent Scotland—we would have to look at the issues hand in hand with growing the economy and getting people into work.

Once we can get people into work—support them properly into real work—some will come off the system, so there will be more money available for those who cannot work. We must recognise that not everyone can work, but people are entitled to a decent standard of living and quality of life in the system. People should not feel the way that many do just now, as we have heard in the stories that have been told to this committee.

Yes; absolutely—I will not say that the budget will be bigger or smaller. It may be larger, but we will be growing the economy to be able to support

that. That is the point of looking at everything together and being in charge of our own economy; it does not come in isolation.

Jackie Baillie: I was clear until that last point, because I understood you to suggest that the welfare budget would be within the existing envelope and that you would seek through employment to get people out of benefit dependency. You are now saying that it might be less or it might be more.

Margaret Burgess: No. You have asked for a baseline on a number of occasions now; the baseline is the existing envelope. That is what we have and what we would start with in an independent Scotland. What we will be looking for—and what I am sure we will have—in an independent Scotland is the ability to grow our own economy and get more people into work. We all want more people to be working; after all, we all recognise that it is better for people to be in work and that they should be better off in work. On the other hand, we want to make it very clear that, if people cannot and are unable to work because of, say, caring responsibilities or their health, that must be recognised and they must have a decent standard of living and quality of life.

09:30

Jackie Baillie: Thank you, minister.

Annabelle Ewing (Mid Scotland and Fife) (SNP): I will pick up and expand on a few points that have already been made.

I note that, with regard to the council tax reduction scheme, the Westminster Government's 10 per cent cut has not been passed on to the people of Scotland thanks to the Scottish Government's determination to ensure that that did not happen. Both of the reports that we are discussing are early doors, and it is important to point out the context that the measures in question have only just come into play or are, in fact, not yet in place.

We had a discussion about the impact of the council tax reduction scheme on females. I am looking at some information on the previous system, provided by the Scottish Parliament information centre, in which figures were given for, for example, the number of single female households that benefited from the previous 100 per cent reduction scheme—if we had gone with Westminster, there would now be a 90 per cent reduction scheme; thankfully, however, the current scheme will remain at 100 per cent. Are you able to confirm that further reports on, for example, the council tax reduction scheme will contain a similar breakdown of the impact on single female households and female households with a dependent child? That information will be very

important if the Government and the public are to see the impact of this measure.

Margaret Burgess: We can certainly gather that information and share it with the committee. Indeed, we already have some of it. For example, a high percentage of the households on the council tax reduction scheme include women over 70 and women between 35 and 44.

Annabelle Ewing: It would be most helpful if you could share that information with us because I think that this debate is important. I was also interested in the initial conclusions of the report on the gender impact of welfare reform, but I note that it was published in August 2013. As time passes, we need to gather more information on the measures that came into effect in April and the measures on, say, universal credit that are still to come into effect. As has already been mentioned, we have heard over the past few days of further delays to the implementation of universal credit, and it would not surprise me in the slightest to hear of even more delays to that project.

With regard to gender impact, it is important that we consider measures that the Scottish Government is proposing or has already put in place that will have a big positive impact on females. I am thinking, for example, of the commitment, which is the first of its type in this Parliament since 1999, to move to 600 hours of free childcare; the social wage, which the minister briefly mentioned; the council tax freeze; free prescriptions; free personal care; and the concessionary travel scheme. Such day-to-day measures are very important—and indeed are important to females in Scotland—and it would be rather unfair and show only part of the picture if we did not mention them.

With regard to the question of mitigation versus having the power to actually do something, does the minister think it at all conceivable for this or indeed any Scottish Government to seek to mitigate all the negative impacts of the Westminster Government's welfare reforms?

Margaret Burgess: We have made it very clear from the outset that we cannot mitigate all of Westminster's welfare reforms. I have already mentioned the research that shows that £4.5 billion will come out of the Scottish economy. Where we can mitigate the effects of the reforms, we have done so, and we will continue to look at various mitigation methods. This Government will not sit and do nothing, and that is why mitigation is so important. We will continue to mitigate where we can, but I make it absolutely clear that we cannot mitigate all the effects of these reforms.

Annabelle Ewing: I presume that that is because the Scottish Government's budget is fixed, that if you spend more on mitigating the

effects of reserved matters you will spend less of the devolved budget on devolved matters, and that as a result something is going to suffer as a result of increased mitigation of Westminster measures.

It seems to me—and I guess that the minister will agree—that if we are to take the kind of concrete approach to these negative policies from Westminster that we have heard calls for this morning we must take powers ourselves over what are crucial policy areas for the Parliament.

Margaret Burgess: As I made clear in my opening statement, I think that the way ahead is to have full control of not only the welfare system but the tax system and the economy in Scotland. In the meantime, however, we cannot simply sit back. We have seen the reports on the impacts of welfare reform, and we cannot let the most vulnerable people be affected in such a negative way. It is important that we help where we can, and we will continue to do so.

That said, you are absolutely right that our budget is fixed. Given that and the fact that we cannot raise money from elsewhere, money that we use to mitigate one particular aspect must come from somewhere else. People certainly understand that, with a fixed budget, you are simply moving money from one side to the other.

Annabelle Ewing: On discretionary housing payments, my understanding is that the maximum limits are set by the Westminster Government—a Government that this country did not actually vote for—

Kevin Stewart: They were set by a Labour Government.

Annabelle Ewing: There you go—I thank Kevin Stewart for that clarification. Even in this case, our hands are tied behind our back in seeking to mitigate the effects of the maximum limits set by successive Labour and Tory Westminster Governments.

Margaret Burgess: As I said at the outset of the meeting, the bedroom tax and discretionary housing payments are part of social security legislation and, as such, are reserved matters. There are very strict rules for topping these things up, but the Government has considered what can be done to mitigate the bedroom tax, which is what the £20 million is for.

Annabelle Ewing: Thank you, minister.

The Deputy Convener: I thank the minister for her time this morning and colleagues for their questions. We now move into private session.

09:38

Meeting continued in private until 09:41.

Members who would like a printed copy of the *Official Report* to be forwarded to them should give notice to SPICe.

Available in e-format only. Printed Scottish Parliament documentation is published in Edinburgh by APS Group Scotland.

All documents are available on
the Scottish Parliament website at:

www.scottish.parliament.uk

For details of documents available to
order in hard copy format, please contact:
APS Scottish Parliament Publications on 0131 629 9941.

For information on the Scottish Parliament contact
Public Information on:

Telephone: 0131 348 5000
Textphone: 0800 092 7100
Email: sp.info@scottish.parliament.uk

e-format first available
ISBN 978-1-78351-954-5

Revised e-format available
ISBN 978-1-78351-972-9

Printed in Scotland by APS Group Scotland