



**OFFICIAL REPORT**  
AITHISG OIFIGEIL

# Social Security Committee

**Thursday 7 March 2019**

**Session 5**



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**SOCIAL SECURITY COMMITTEE**

**7<sup>th</sup> Meeting 2019, Session 5**

**CONVENER**

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

**DEPUTY CONVENER**

Pauline McNeill (Glasgow) (Lab)

**COMMITTEE MEMBERS**

\*Dr Alasdair Allan (Na h-Eileanan an Iar) (SNP)  
\*Jeremy Balfour (Lothian) (Con)  
\*Michelle Ballantyne (South Scotland) (Con)  
\*Keith Brown (Clackmannanshire and Dunblane) (SNP)  
\*Mark Griffin (Central Scotland) (Lab)  
\*Alison Johnstone (Lothian) (Green)  
\*Shona Robison (Dundee City East) (SNP)

\*attended

**THE FOLLOWING ALSO PARTICIPATED:**

Rob Gowans (Citizens Advice Scotland)  
Camilla Kidner (Scottish Parliament Information Centre)  
Adam Stachura (Age Scotland)

**CLERK TO THE COMMITTEE**

Douglas Wands

**LOCATION**

The Mary Fairfax Somerville Room (CR2)



## Scottish Parliament

### Social Security Committee

*Thursday 7 March 2019*

*[The Convener opened the meeting at 09:03]*

### Decision on Taking Business in Private

**The Convener (Bob Doris):** Good morning and welcome to the seventh meeting in 2019 of the Social Security Committee.

I remind everyone present to turn mobile phones and other devices off or to silent mode so that they do not disrupt the meeting. Apologies have been received from our deputy convener, Pauline McNeill, who cannot be with us. We hope to have the rest of the committee's members here in short order.

Agenda item 1 is a decision on whether to take in private item 4, which is consideration of the draft person specification for appointment of members of the Poverty and Inequality Commission. Do members agree to take item 4 in private?

**Members indicated agreement.**

## Pension Credit

09:04

**The Convener:** Agenda item 2 is an evidence-taking session on the forthcoming changes to pension credit.

I welcome Rob Gowans, who is a policy officer at Citizens Advice Scotland, and Adam Stachura, who is head of policy and communications at Age Scotland. I thank them for coming along this morning. Our witnesses will not be making opening statements, but they will have plenty of opportunities to put their views on the record. We will move straight to questions.

In January, it was announced that, with effect from 15 May, new claimants for pension credit who are mixed-age couples will cease to qualify where only one of them is of state pension age, and they will have to submit claims for universal credit instead. I have been looking at the United Kingdom Government's policy rationale for that change, which was issued in 2011. Alarm bells started to ring when I realised that Chris Grayling had been the minister in charge of policy at that time. Given his track record in Government, I am not surprised that people are now panicking and deeply worried about the change's impact on pensioners.

It has been reported that the change will affect up to 115,000 pensioner households, each of which will lose up to £7,000 per year. I did not see any breakdown of those numbers or whether there are any projections regarding what it will mean for Scotland, its local authorities and the regions in the rest of the UK that would enable them to plan ahead to deal with the effects on pensioner poverty. What impacts on Scotland do panel members expect?

**Adam Stachura (Age Scotland):** As soon as the announcement was made back in January, when it was snuck out by means of a written statement on the same day as one of the meaningful votes on Brexit, the first thing that Age Scotland looked at was how the change would affect Scottish pensioners. Our sister charity Age UK asked that very question of the Department for Work and Pensions, but no answer was given. Even at the time of the announcement, no breakdown was given of how many people it was anticipated that the change might impact in its first year, which will be the coming financial year. It took a number of weeks for the department to announce that. It seemed as though the decision had been made without knowing the numbers of people whom it would affect. As we can see, there is still no breakdown of how the change will affect

Scotland, Northern Ireland, Wales or the regions of England.

**The Convener:** Mr Gowans, do you have an idea of what the change could mean for households in Scotland?

**Rob Gowans (Citizens Advice Scotland):** We do not have a great deal of concrete information either. The only source that we have is the official DWP impact assessment, which, as Age Scotland has pointed out, does not go into great detail or break anything down. Sometimes estimates vary a bit in practice, too, so the short answer is that we do not have a lot of information on that.

**The Convener:** We do not know the number of households that will be impacted by the change. However, if we aggregate the figure for savings to the UK Exchequer by the year 2024-25, for which we do have numbers, we can see that almost £1.1 billion will have been taken out of pensioner households by that time. What impact is that likely to have?

**Rob Gowans:** The switch to universal credit could cost each household around £140 per week, which is equivalent to around £7,280 per year. There are mixed estimates of the average, which vary from £5,000 to £6,000 per year. We are concerned about the financial impact. Pensioner poverty in Scotland has been reducing for the past 20 years and currently stands at about 13 per cent. As the aims of pension credit include lifting pensioners out of poverty and supporting low-income families, it is difficult to see how universal credit could have the same impact.

**The Convener:** Our briefing paper tells us that the take-up rate for pension credit was already disappointing. Are you concerned that, as they become more well known, the changes might dissuade individuals or households—even those who might qualify under the new rules—from applying for it?

**Rob Gowans:** The short answer is that we do not know for sure. As you have said, pension credit has had a low take-up rate. Our financial health check service and Citizens Advice Scotland's work aim to encourage people to claim all the benefits to which they are entitled, which might include pension credit and universal credit.

There may be some concern, certainly where people were previously entitled to pension credit and, through the different circumstances, will have to claim universal credit. We have found that clients prefer to claim pension credit because of its simplicity compared with claiming universal credit and the on-going management process for that.

**The Convener:** Does Mr Stachura want to add anything to that?

**Adam Stachura:** Yes, convener, and I want to pick up on a point that you made earlier. We obviously think that the change will have a devastating impact on the finances of the poorest pensioners in Scotland. There are various estimates of the amount, but, as you said, it could be up to £7,000 a year for people who are already among the poorest. The recently released DWP figures say that, in the UK, 15,000 people in mixed-age couples will be affected in the next financial year. If we include new claimants, that number will double to 30,000 in the following year and it will be 40,000 in the year after that.

If we use the most rudimentary mathematics and assume a 10 per cent population share for Scotland, which has slightly more of an ageing population, our assessment is that the cost to the Scottish Government of supplementing those people's incomes in year 1 would be only £11 million, in the grand scheme of things.

The policy will have a devastating impact on the poorest people. The pension credit threshold is essentially set at a level that the UK Government decides is the bare minimum that pensioners should be able to survive on, so the policy will have a massive impact on their finances.

It will not just affect pension credit; there are lots of passported benefits, too. The committee will remember that at this time last year, we were battenning down the hatches for the beast from the east. When the temperature plummets below 0°C for a week, the most vulnerable people get an extra £25 a week to use for heating. Last year, there was the highest increase in the number of excess winter deaths in 20 years and I am sure that the two things are related. Council tax reduction and housing benefit are also passported under pension credit, and there is help with healthcare costs such as for glasses and dentistry. There are knock-on impacts of the policy.

In fact, 40 per cent of people who are eligible for pension credit do not claim it. In January and February, there was a 142 per cent increase in the number of phone calls to our free helpline, asking about the free benefit and entitlement checks that we promote to make sure that people are getting everything that they are entitled to. That is a staggering increase. The change has obviously caused a bit of a panic, because people do not know where they stand. Our big mission is to make sure that as many people as possible sign up to pension credit before 15 May, so that they will not be affected by the change.

**The Convener:** It is helpful to make that comment publicly. Before the meeting, I was discussing with members the case of a constituent who came to my surgery about a week ago, who had not received any information about this. It is appropriate to put their case on the record. My

constituent, who will remain anonymous, will qualify for the state pension in the normal way in the next couple of months, but he did not know what is going to happen. He had not been informed that he would qualify and he had read reports in the media about issues with pension credit, so he was confused and worried. Is that perhaps what you are identifying with the additional calls to your helpline?

**Adam Stachura:** Yes. One takeaway is that people have called because it has been in the news that there is some change to do with pensions or some kind of benefit and a lot of people do not know what it is. As I said, 40 per cent of eligible people do not claim pension credit because they do not know whether they are entitled to it.

I was speaking to a gentleman at a meeting of older people in Glasgow last week, who told me that he was 70 and his wife is 60 and still working. He was the first person whom I had spoken to who was part of a mixed-age couple and on a very low state pension. He did not realise that he might be entitled to pension credit, so his first step was going to be to call our helpline. Because of the 10-year age gap between him and his wife, and the rise in state pension age, he realised that it could be six or seven years until they could claim pension credit after the policy change. They would miss out on a significant amount of support: about £7,000 a year for a number of years. I do not know his exact circumstances or whether he is entitled to pension credit, but he thought that he might be and our team will certainly be able to help him find out. That shows that the impact could involve the poorest people in our society missing out on a lot of money for many years.

09:15

**The Convener:** I have a final question before I open it up to other members. I am giving Mr Griffin a heads-up that I will come to him next.

Are those who currently qualify and who would apparently not be impacted by the changes—because they are in the system ahead of the 15 May cut-off date—at risk if they have a change in circumstances? The committee heard that if, for example, someone of working age wants to take up a part-time job, that would impact on their pension credit entitlement, because there would be more money coming into the house. It is positive for someone who is below retirement age to be active in society, but that would be a change of circumstances, and even if that job lasted for only six months, that household would be ruled out if it sought to reapply for pension credit. That is my understanding of the proposals as they currently stand. Will people who are currently in receipt of

pension credit in mixed-age households lose out if they have a change in circumstances?

**Rob Gowans:** I think that your understanding is correct. I would need to go away and double-check that, but it sounds broadly correct.

**Adam Stachura:** I would like to make another point about changes in circumstances. When the change was first announced, there was mass confusion about the idea that if someone had a break in their claim as a result of moving council area, for example, they would no longer be entitled to pension credit. That has since been clarified by the Department for Work and Pensions and that break measure has been revoked. Although it would not have affected too many people, there was confusion over whether people who were out of the country for six weeks, for instance, would have their claim broken. Let us say that they went to visit their family in Australia, who paid for them to go over there. When they came back, the break in claim would mean that they would no longer be entitled to what they are used to in pension credit. There was more confusion at the time of the announcement, some of which has been clarified and some of which has not.

**The Convener:** That all sounds deeply worrying. Thank you for those comments.

**Mark Griffin (Central Scotland) (Lab):** I would like to continue the convener's line of questioning briefly, before I ask my own questions. You mentioned the impact that the changes will have on passported benefits. That concerns not only what people would lose out on in pension credit; you talked about council tax reduction, housing benefit and cold weather payments. Do you have an illustrative figure of what a household could lose? I am thinking about people who live in higher-cost areas in our cities with higher local housing allowance rates and council tax levels.

**Rob Gowans:** The figure would vary by area and, I suspect, by household circumstances. People who move from legacy benefits to universal credit can sometimes be better off; often they are worse off. Someone who received universal credit would also qualify for some of the passported benefits that you mentioned, such as the cold weather payment and council tax reduction, so it would vary by circumstances. I have not seen any detailed modelling.

**Adam Stachura:** In our haste to prepare for the committee, we may not have that illustration now, but it is a fascinating question that I am happy to discuss with colleagues at Age Scotland. Perhaps we can work up a hypothetical example based on what we know, and send it to the committee.

**Mark Griffin:** That would be helpful. My other area of questioning was about whether you or sister organisations at a UK level have considered

legal challenges to the policy. A number of other policy decisions under the Welfare Reform Act 2012 have been subject to legal challenge. It seems discriminatory to say to one person, "You qualify for pension credit because your partner is of pension age", and to another, "You don't qualify because you're married to someone who is a different age."

Let me squeeze in my final question. Are you worried that the pension credit change could drive behaviour change, in relation to whether people choose to be in a formal partnership?

**Adam Stachura:** On your question about a legal challenge, I am not entirely sure—I will try to get clarity on that. It is certainly something that might be considered. Because of the nature of the legislation, our first thought when we discussed the matter with colleagues at Age UK was that primary legislation in the House of Commons would probably be required to change the policy. That would probably be the best approach, I guess, if the UK Government realised that this is a retrograde move. I will try to find an answer for you, but it is a complex issue and we might not have an answer right now.

You asked about behaviour change. If we look at examples that show the amount of money that someone has if they are single compared with the amount that they have if they are living as part of a mixed-age couple, we can see that they would be far better off living alone—relatively speaking; we are not talking about very much money. It would be hugely disappointing for one of the poorest people in society to find that they would be better off living apart from their partner—it would be scandalous if people had to put themselves in that position.

**Rob Gowans:** We are not currently considering a legal challenge.

On behaviour change, in the context of universal credit we have come across situations in which people would be better off living separately and claiming individually than they would be as a couple. That might apply in cases of people who have previously been in receipt of pension credit; we need to wait and see what cases come through, but I would not be surprised if there were some cases in which that occurred.

**Dr Alasdair Allan (Na h-Eileanan an Iar) (SNP):** Given all the issues that have been raised, what impact will there be on devolved areas of policy that are the Scottish Government's responsibility?

**Adam Stachura:** People on lower incomes are susceptible to poorer health. Excess winter deaths were at their highest level in 20 years last year. That happened for lots of different reasons, not least the terrible weather, but people who cannot

afford to heat their homes are more likely to be in poor health, and the older they are the more likely they are to have more health conditions.

That puts more stress on the national health service. Beyond that, if people cannot afford to live healthily in their own homes, there might be more stress on social care. The sector is already under particular stress, for example in relation to the recruitment and retention of staff.

There are lots of knock-on impacts on devolved areas. There might be more applications to the Scottish welfare fund for crisis payments. More people might use food banks. The policy could impact on lots of things—unintentionally or otherwise.

**Dr Allan:** I will not put words in your mouth, but is it fair to say that the Scottish Government might end up picking up the pieces?

**Adam Stachura:** I think that you will find that the Scottish Government and Scottish councils could very well be picking up the pieces.

**Rob Gowans:** I echo those points. There will be increased pressure on the Scottish welfare fund and crisis services and on wider services, such as health.

**Michelle Ballantyne (South Scotland) (Con):** The change was legislated for in 2012. Do the witnesses know what information was provided at the time and who gave evidence? What submissions did your organisations make at the time, and what response did they receive? That is the first part of my question.

Obviously, what we are talking about here is the mixed-age couple, where one individual is still technically part of the potential workforce. If the younger partner is working, 100 per cent of pension credit is eliminated by their earnings, whereas universal credit has the 63 per cent taper rate, so the person potentially gets to keep some of their earnings. Have you looked at those impacts?

This is a reserved matter that is legislated for at the UK level. I note what you said about the Scottish Government potentially having to pick up the pieces and your earlier comment that we are not talking about a huge amount of money across the board. Given those things, have you considered whether we in Scotland should do something specific about the matter? If so, what would that be? How would you phase it in for someone who is of pension age but has, say, an MSP as a partner, who is younger? Should we pay larger amounts to that individual when their partner is earning what I think we would all agree is a fairly decent salary? Looking at the matter in the round, what consideration have you given to those things?



**Rob Gowans:** I will take those points in turn. I was not at Citizens Advice Scotland at the time of the Welfare Reform Act 2012, but I have looked back through our submissions and found that the changes to the mixed-age rules were not something that we particularly focused on. The 2012 act brought in a large number of changes—notably the introduction of universal credit and personal independence payments—so there were a number of other issues that we were focused on at that time.

Your point about the taper rate is entirely correct. As I mentioned earlier, when people move from legacy benefits to universal credit, they are sometimes better off and sometimes worse off. It varies according to people's circumstances, including whether their partner is in work.

As with other things, mitigation is theoretically possible. However, the simplest solution would be not to apply the rules at the UK level. Mitigation invariably gets slightly complicated. If there were particular proposals for that in Scotland, we would consider them and see what might be the fairest approach, but it would likely be a more complicated solution than simply not applying the rules.

**Adam Stachura:** I am trying to remember which way round the question was. I think you said that it is not a huge amount of money in the round but it is a huge amount to the individual or the couple.

**Michelle Ballantyne:** Absolutely.

**Adam Stachura:** Looking back to 2012, I have been trying to have a bit of a dig around. As it is a reserved matter, our sister charity Age UK is likely to have made more submissions on it than we did. I have been at Age Scotland for only a year. If you want, I will happily seek some clarity on that. However, we know that the Scottish Government funded some project work by Age Scotland in 2013 to talk about and publicise the changes.

One thing to remember is that the Welfare Reform Act 2012 was 182 pages long and the provisions on mixed-age couples were buried somewhere in the middle. It is a question of seeing the wood among the trees. It would have been difficult to pick that out given the wide-ranging nature of the welfare reform. I will seek some clarity on the matter, but it was buried away.

You gave the hypothetical example of an MSP and their partner. The chance of the people who call our helpline to inquire about pension credit being from a household of considerable wealth is very slim. Our analysis would be that we do not encounter that on a wide scale. People contact us because they are desperately poor.

**Michelle Ballantyne:** My question was whether you see it as a universal benefit or whether you

would want it to be targeted if we were going to do something in Scotland.

**Adam Stachura:** I would need to spend a bit more time thinking about that but, looking at it in the round, it is probably simpler to keep it as a universal benefit, but we should remember that universal credit was not designed for people of pensionable age and, conversely, pension credit was definitely not designed for people of working age. We can consider the impact in hypothetical examples, but we are definitely fleshing it out, and we will find out more. Sadly, there will be more examples of how the change is impacting on people after 15 May. We do not want to be in this position, but we will probably have better examples then.

**The Convener:** Do you have any further questions, Michelle?

**Michelle Ballantyne:** Not at the moment. Can I reserve the option to come back in?

**The Convener:** Yes. We should have time.

09:30

**Alison Johnstone (Lothian) (Green):** On the point that Adam Stachura just made, Age Scotland said in its submission:

"While the UK Government says that Pension Credit was not designed for working age claimants, Universal Credit was certainly not designed for pensioners".

Do the witnesses find it strange that the UK Government has gone down this route?

**Adam Stachura:** It is certainly disappointing, and it will certainly have a devastating impact, whether that is an unintended consequence or just a consequence. The change was snuck out—we are really disappointed about this, which is why some of the language that I use might seem a bit cheeky, but we think that the change was snuck out on the day of the meaningful vote, because people thought that it could be done under the cover of darkness, with no one knowing that it had happened. However, we picked up on it immediately and we are angry about it; we really have to think about the UK Government's justification for putting it out then in the hope that no one would notice until it was too late.

We have been working on the legislative approach to reversing the change—if there is the will to do that. We think that it would require primary legislation, which would take a heck of a long time, and anyway there is probably not the will right now in the House of Commons, while Brexit is dominating everything. It is a really disappointing approach from the UK Government, which it could change if it wanted to.

**Alison Johnstone:** Mr Gowans, do you expect the change to increase the workload of citizens advice bureaux, with people coming in about it?

**Rob Gowans:** It certainly has the potential to do that.

Universal credit is primarily designed around work—getting people searching for work and into work. We are concerned about a couple of aspects to do with putting people of pensionable age on to universal credit. One is that we do not yet know how conditionality will be applied to the other partner. We know that people who have retired will not be expected to search for work, but we do not know how work coaches will react to a couple claiming universal credit where one person is of working age, so we do not know what the person's work-search requirements will be.

We know that the majority of people who claim pension credit have an illness or disability. There might well be quite a lot of carers among the partners—and we do not know about those people's health.

The other aspect that concerns us is digital exclusion. As the committee is likely aware, universal credit claims are designed to be made and managed online, and we have seen a large number of people who are not able to cope with doing that and require support.

Surveys with CAB clients have highlighted the need for digital support and the large number of people who cannot make and manage a benefit claim online. Among older people, a far larger proportion struggle to do that: in our survey, more than two thirds of 18 to 24-year-olds reported being able to use a computer very well, whereas only 12 per cent of people aged 65 to 79 said that they were able to do so. Conversely, only 3 per cent of respondents aged 18 to 24 reported not being able to use a computer; the proportion rose to 38 per cent among people aged 65 to 79. It is therefore quite likely that there will be issues with people struggling to make and manage a claim online.

**Alison Johnstone:** That is a significant barrier, which might make take-up even lower among people who really need to access additional income.

Age Scotland said in its submission:

"The changes to Pension Credit are also likely to have a greater impact on women".

We know that pensioner poverty is already more significant for women. Will you expand on the potential impacts on women?

**Adam Stachura:** As we have seen with the WASPI women—women against state pension inequality—the state pension age is getting further

away from them, so it is taking longer to get there. For a lot of women who might have had career breaks or might not have worked for large chunks of their lives—we can look at the generational issue—their state pension will be a lot lower than the basic or the top level, so pension credit will be vital to bring them up to that level. Generational factors have massively impacted on women. As the state pension age increases for them, every year they will be one step further away from being in receipt of it and the financial support that they need.

**Alison Johnstone:** Would Mr Gowans like to comment on that issue?

**Rob Gowans:** I do not have anything to add to what Age Scotland has said.

**Keith Brown (Clackmannanshire and Dunblane) (SNP):** Given the way that the conversation has gone, I should declare an interest. My partner is the Minister for Older People and Equalities. However, neither of us is at pensionable age yet—although people will be able to tell that I am much closer to it than she is.

When I suggested that the committee look at the issue, I did not know about some of the things that have come out. There is a sense of unfolding horror in hearing what Mr Stachura has said. He talked about

"a devastating impact on ... the poorest pensioners"

and said that people might now have an incentive to live apart from their partners. That is horrifying.

I will go back to the point that was made earlier about the lack of a prior impact assessment. I want to get a sense of what conversations happened and of whether, in your experience, no impact assessment being done is the norm. I know that Mr Stachura joined Age Scotland only recently. Citizens Advice Scotland might also have a view on this. We are told that austerity is over in 2019, but in 2011 and 2012, when the matter was being thought about, we were at the height of austerity. I know that the UK Government does not seem to have moved with amazing alacrity to bring in the change, but if austerity is over, why is it coming in now?

**Adam Stachura:** The rationale for the change having been snuck out is lost on us. The initial conversations with the UK Government, in particular those that colleagues at Age UK had, drew blanks on the impact assessment. At the time, one of the flags for us was that, in announcing the change, the UK Government must have known how many people would be affected. For Age Scotland's interests, it would be good to know how many people in Scotland will be affected and what the financial costs will be. Colleagues at Age UK came up with the figure of

£7,000 a year impact. It did not come from the Government.

Our written submission includes a written parliamentary question to the Secretary of State for Work and Pensions. The answer on 21 February outlined that the Government still did not have any kind of regional breakdown. That is why, at the end of our written submission, we have done rudimentary maths on what the change might mean. The figures could be higher or lower—we do not really know. We cited a population share of 10 per cent. The cost will go up every year, and it beggars belief that such a devastating impact on older people's lives has been done so publicly but without any proper rationale being offered. We found that really disappointing.

I cannot speak to previous examples: they are not really in my wheelhouse.

**Rob Gowans:** The reform got quite limited coverage at the time. I suspect that that was because of the large number of changes that were being made. A number of welfare changes have had similar impact assessments—I am thinking in particular about the lowering of the benefit cap. A ballpark figure was given for the UK, but some impacts seem not to have been taken into account.

The legislation was passed by the UK Parliament seven years ago, and it is not clear why the provision is being commenced now rather than at another date. We have been aware of its being in the legislation. In previous conversations with Age Scotland about when the change might be commenced, my suspicion was that it would not happen for a long time, if at all. Not for the first time, my predictive skills were slightly out. There is no clear picture of the case for the policy.

**Keith Brown:** Thank you for that. You are probably right to say that a lot was going on when the act was progressing through the Westminster Parliament. The UK Government was so intent on its various austerity measures that perhaps this was not the one that attracted the most attention. That makes it all the more puzzling that, seven or eight years on, it has come back, with real teeth, to attack the poorest pensioners.

On the point that Adam Stachura made about passported benefits, I presume that the change would have an impact on mitigation of the bedroom tax in Scotland. You also mentioned council tax reduction, so the measure could lead to a triple whammy, with the £7,000 impact. You mentioned that pensioner poverty in Scotland had been reducing, but am I right to think that all those factors—the change itself and its consequences—could be a major setback in the attempt to reduce pensioner poverty?

**Adam Stachura:** Yes. Last year's report from the Scottish Government put pensioner poverty at about 17 per cent—about 170,000 older people. From our research, we know that six out of 10 single-pensioner households have difficulty paying their energy bills and that, for couples, the figure is 40 per cent. From our money matters project we know that 38 per cent of people over the age of 50 in Scotland are financially squeezed, and that about 3.5 per cent are really struggling. There will be big problems.

As Keith Brown mentioned, the change could have an impact on the Scottish Government's mitigation of the bedroom tax through discretionary housing payments. That measure shows the Government's commitment to mitigating welfare reform for people of working age. In our written submission, we said that consideration should also be given to mitigation for people who are not of working age. It is not the best position for the Scottish Government to be in, but it is probably reasonable to do that. Primarily, however, this is a mess that has been made by the UK Government at Westminster.

**The Convener:** Before we move on, would you like to add anything, Mr Gowans?

**Rob Gowans:** The change has the potential to have an impact on discretionary housing payments and mitigation of the bedroom tax, given that it will apply in universal credit but not pension credit. However, at this stage it is unclear how many people would be affected by it.

**Jeremy Balfour (Lothian) (Con):** Good morning, gentlemen. I have two or three questions.

If we look back at 2011, there was a full debate on the subject at Westminster, and amendments to reverse the provision were tabled. For the past eight or nine years, we have known that the change could happen. My opening question is this: how much work have you and your colleagues done with the UK Government to change it? You are portraying this as a serious issue, which I understand, and you are saying, "Oh, boy! This has suddenly been announced," but we have known for about eight years that it was going to happen. If the change is so difficult, what work have you and colleagues been doing at Westminster to have it reversed?

My second question will go back a wee bit to explore further the question whether the benefit should be universal. I totally accept your point that the people who call your helpline are not couples in which one of the partners is paid a reasonably high salary. If the change was to be reversed, is it your view that the benefit should be universal?

09:45

Thirdly, Mr Gowans said that mitigation was theoretically possible. It is beyond that. Under the Social Security (Scotland) Act 2018, this Parliament has powers to create new benefits: we have that power and can use it any time we want. Is your plea that, because the change will have such a devastating effect on older people in Scotland, the Scottish Government should introduce new legislation to reverse it in Scotland? That is not theoretical: that is very practical, and it is a political decision that could be made. If you are telling the committee and the Scottish Government that the change is going to have a devastating effect on older people in Scotland, we should consider introducing new legislation. Is the situation that serious? Should we put legislation through this Parliament to reverse the change?

**The Convener:** You have clearly set out your stall, Mr Balfour. I would have let you back in for follow-up questions, but you seem to have rolled them all together. You can maybe chew your way through the questions, Mr Stachura.

**Adam Stachura:** Luckily, I have my pen with me and have written the questions down.

I would have to consult colleagues at our sister charity Age UK about work that might have been undertaken with the UK Government and what has been going on in Westminster, both when the changes were introduced and since then, because it would lead on that. We have said already that Age Scotland has been heavily promoting to older people the need for them to make sure that they are getting all the benefits to which they are entitled, and that the Scottish Government helped to fund some of that work to make people aware, back in 2013. I will seek clarification.

Older people's issues are sometimes not at the top of the agenda, with all the political white noise that is going on. You will find that Age Scotland, Citizens Advice Scotland and other charities are fighting battles on multiple fronts every day. Just two weeks ago, we were looking at hospital reports, and we were doing five different media interviews on five different issues. I am not saying that it is always that busy, but there are lots of things to do. I will certainly consult colleagues.

Our mission is to get to as many older people as possible in order to ensure that they are getting everything that they are entitled to, as opposed to additional benefits.

In relation to universality, the point that I made earlier is that the current system is not working for the poorest pensioners: 40 per cent of them are not getting pension credit. Why, in that case, do we not leave it as it is and try to get more people onto it? There is a mess behind pension credit, with all the passported benefits: it is not as simple

as there just being a brand new benefit. As Mark Griffin and others have said of passported benefits, there is a complex web of elements and support for older people, but the means-tested benefit of pension credit is the gateway to them. Making it universal would be really tricky and it is probably beyond my brief for this meeting to answer Mr Balfour's question, although I took the best part of a week to prepare for the meeting, along with the long list of 55 other battles to fight. We might consider it in the future.

It would be great if the Scottish Government, the Parliament and the committee would consider what they could do to mitigate in the simplest way—maybe one step shy of creating full-blown benefits. A range of benefits are still due to come in; they are being worked through. I know that some have been delayed. A number of them will impact on older people. How will this issue fit in to the schedule? The consultation is now open on the equivalent of attendance allowance. The Scottish Parliament will have to consider a range of things in relation to that that will be particularly difficult.

**The Convener:** You have done well in chewing through the questions.

Before I bring you in, Mr Gowans, I have a point on the question about mitigation. If we add up the loss of projected benefit entitlement over the next five years at UK level, using the rough pro-rata approach that the sector has used, the total is £1.1 billion—more than one thousand million pounds of additional moneys would have to be sourced in Scotland in the next five years. That might have to come from other projects that seek to tackle pensioner poverty, that support older people with adaptations in their homes or whatever. Such things are never cost-free options.

I would appreciate it if Rob Gowans would try to work his way through Mr Balfour's questions.

**Rob Gowans:** We have not done a huge amount of engagement with the UK Parliament on the issue—certainly not in the past two or three years. Our focus has been on the introduction of universal credit, the roll-out of personal independence payments and some of the changes in the Welfare Reform and Work Act 2016. We have worked with MPs on those things.

On whether pension credit should be universal, as with other benefits, tweaks could be made to it. It is certainly the case that people who qualify typically have low incomes because they do not have much in the way of a private pension, or have no private pension at all.

On mitigation, as on a number of other issues that we are concerned about, we would be equally delighted if the UK Government or the Scottish Government were to take action. However,

mitigation is generally more complex than tackling problems at source—

**Jeremy Balfour:** I suppose that the point that I am trying to get to is this. I absolutely take the convener's point that mitigation would come with a cost. What I am genuinely trying to work out is whether it is so important that the Scottish Parliament and the Scottish Government should think about meeting the cost. I appreciate that there are going to be losers. What I cannot work out is whether the change is so important that we need to mitigate it or is somewhere in the middle of your list of 20 issues. Given the people whom you work with and represent, is the change the number 1 issue that you are concerned about? I am trying to find that out so that we have a feel for how serious the matter is.

**Adam Stachura:** That is a really good question, but I am going to pivot it around slightly. There are about 20 hugely important issues for older people, and for some older people, the change that we are discussing will be the most important one. I genuinely believe that it will have a devastating impact on older people. I stand by that view and Age Scotland stands by it. Every effort should be made to find a way to mitigate the change, even though that will be very difficult.

I am not saying that the matter should be the Government's first priority, but it is certainly incumbent on members of the Scottish Parliament to recognise how important it is and to look for ways in which it can be fixed. Obviously, there will be challenges for the Scottish Government because there is a lot going on. There will also be challenges for local authorities, for the committee and for MSPs, but we need to remember that the change will have a devastating impact.

The answer to Jeremy Balfour's question is yes: serious action should be taken to fix the problem. However, I return to my point that there are huge issues that affect older people every day. For some people, dementia will be the most important issue. However, let us say that 1,500 people in Scotland are affected by the change to pension credit next year. For them, it will be one of the most important issues, because they might have to choose whether to use their heating, or to pay different energy bills. They might have to decide whether they can live in the same place, whether they can travel, whether they can engage in society and how they can ensure that their health is good. For them, it will be a substantial issue, and we are taking it deadly seriously.

The announcement of the change was snuck out in January. I take the point that it had been in the works for a number of years, but there was no indication of when it would hit. We fight the battles that are in front of us at the time. We now have this one in front of us and will do everything that

we can to ensure that older people sign up in advance of 15 May. I am sure that, in the first instance, there will be a cross-UK approach to the UK Government to encourage it to change what is proposed. If not, it really will be incumbent on the Scottish Government and this Parliament to consider how to fix the problem.

**The Convener:** Mr Gowans, do you want to add anything to that? Alasdair Allan and Michelle Ballantyne want to ask supplementary questions, then we will move to Shona Robison's question. We will run the session for another 20 minutes or so, if there are other questions folk want to ask.

**Rob Gowans:** If CAS were to make a list of issues that we are concerned about to be addressed as priorities, it would include a large number of items, and although it is fair to say that the mixed-age rules would not be the top priority, I do not want to underplay the impact of the change. Part of the difficulty of there being so many changes is to do with mitigation of changes that take place at UK level. To paraphrase the Social Security (Scotland) Act 2018, social security is an investment in people. All the changes have knock-on impacts on the Scottish Government's budget, the UK Government's budget and the budgets of local authorities, because money has to be spent on things such as protecting pension credit, and that money will have to come through making savings elsewhere.

**The Convener:** This is a really interesting line of questioning. I am concerned that a bit of a false choice is being proposed. I would not want to run up a white flag and surrender every time a UK Government staged an attack that led to an increase in poverty levels or pensioner poverty in Scotland, or across the UK. I would not want to work on the basis that we should just seek to mitigate a deeply unfair and unethical policy that is being propagated from London.

We have a couple of supplementary questions on this point.

**Dr Allan:** I suspect that I am going to say what you did, convener. My contribution is more of an observation than something that the panel have to be drawn deeply into, unless people want to comment on it.

Mr Balfour will not be surprised at my saying that he is suggesting that, where the UK Government cuts something that is within its area of responsibility in Scotland, the Scottish Government should be expected to find replacement money to pay for that cut from within its own resources, which it would otherwise have used for health and education. I merely observe that, if we did that every time that the UK Government cut something in its area of responsibility in Scotland, we would not have to

trim some devolved services, but end them. I have seen the figure quoted many times now, and I know that the money that is coming out of the benefits system in Scotland is equivalent to what we spend on Police Scotland.

I do not expect the panel to comment on that point, but I think that Mr Balfour's question—while understandable from his point of view—was loaded, and it avoids the issue that I have just mentioned. Essentially, taking his advice would involve us shutting down all areas of services within our devolved responsibility.

**The Convener:** I do not expect our panel to respond to that point. However, I should say, in defence of a Conservative member of this committee, that his line of questioning was absolutely valid, whether we agree with it or otherwise. He has the space on this committee to explore that point, although, obviously, other members have views that are at variance with his.

**Michelle Ballantyne:** My understanding is that our work on this committee is not about us debating our own views; rather, it is about exploring what is going on, taking evidence on it and trying to get a deeper understanding of what we are looking at, what the impacts are and what kind of decisions the Scottish Parliament should make, and, as part of that, to advise the Scottish Government on what the committee thinks. Mr Balfour's line of questioning was an attempt to understand how deep a problem we are dealing with and how much weight is being placed on people by the mass of things that we are all looking at all the time, as Adam Stachura so eloquently put it.

10:00

Devolution is giving the Parliament the opportunity to create a social security system in Scotland, and that is not about saying, "Oh, we don't like what they're doing in the rest of the UK, so we're going to mitigate it," which would be a false premise for a social security system in Scotland; it is about devising and building a social security system that is based on what we want to deliver.

The reason why I asked whether pension credit should be a universal benefit is that, for me, anyway, the question is how we target the people who need help and ensure that the money that we have, which is limited—I do not think that any of us disagrees on that—is targeted at the people who need support, whether for a short time or permanently throughout their lives, so that we get the maximum impact where it is needed.

When we look at an issue such as this, all that we are really trying to do is assess the level of impact. Is the impact split? That is, although we

can say, "Yes, the policy will impact on X number of people," we must ask how many of those people the policy will put into poverty and seriously impact their ability to live the reasonable life that we would all expect as at least a minimum standard—although I guess that when we are talking about people of pensionable age we do not want to reduce the standard to a minimum.

I suppose that my question is, how much work do you expect your organisations to do on this issue, in the context of the independent work that the Parliament could be looking at? That is quite important, because for me it is about not mitigation but what we are trying to build, who we are trying to help and how we are trying to help them.

**The Convener:** I asked for brief supplementaries—I am including myself here—

**Michelle Ballantyne:** Sorry, convener. That was not very brief.

**The Convener:** It seems like an age since we heard from the witnesses, and there were quite a lot of views wrapped up in what you said, as opposed to scrutiny questions. I should also point out, for members' full understanding, that this committee may scrutinise any aspect of social security, irrespective of whether it is the responsibility of local authorities, the Scottish Government or the UK Government, and make recommendations across the board. We are not limited in that regard. It is important to make that point about the responsibilities of this committee.

**Rob Gowan:** On the first question, there is a point about pension credit and universality generally. We have not done a great deal of work on potential changes to pension credit in the way that we have on a range of other benefits, particularly those that are being devolved, to inform the committee and the Scottish Government. We therefore need to look at pension credit changes in more detail.

On the impact on people, I looked through cases that had come to CABx, to see what the impacts might be for individual couples, and it is worth drawing a couple of cases to the committee's attention. In one case, the client had received the wrong information about which benefit to claim and claimed universal credit rather than the pension credit to which they were entitled. That had had such an impact on the client's finances that they ended up requiring support from a food bank. The client received a state pension, but the money had run out. They were part of a mixed-age couple. Eventually, the CAB was able to backdate the claim for pension credit and give advice and additional support. The backdated claim was £6,650, which shows the extent of the loss.

In the other case, the 67-year-old client is living with her 49-year-old partner. She is disabled, following a stroke, and her partner is unemployed. They were left in serious hardship due to a seven-week delay to their pension credit claim—in some cases, the delay in paying pension credit has mirrored the waiting period for universal credit. The couple were left with state pension of £134 per week.

Those are the types of situation in which we expect to provide advice to people.

**The Convener:** Those are the kinds of circumstance and hardship that people might face after 15 May. That is pretty clear.

**Adam Stachura:** I absolutely agree with the assessment of the examples. Most of the people who will be impacted after 15 May will be put into poverty because pension credit—I have said this before—is the Government's minimum or benchmark to top up to get to the £163 a week for a single person or £248.80 a week for a couple. By definition, depending on how the household is structured, the individual would go under the poverty level, so there will certainly be a significant impact.

On the question whether pension credit should be universal, I go back to my point about not enough people claiming it. Michelle Ballantyne's point about the vision of the Scottish Parliament, the Scottish Government or Scotland in how it designs a social security system that is fit for the future is a good one. The Social Security Scotland style of system is far better than that of the Department for Work and Pensions in how it treats people. The system must also be as accessible as it can be—a point was made earlier about the barriers to claiming. Consider the universal credit roll-out. I said in a committee the other week that half a million people in Scotland over the age of 65 do not use the internet. That is the same as the population of Edinburgh. Those people have an immediate barrier to claiming the right things and having access to information.

Our challenge as a charity is to proliferate the advice and the means by which people can sign up to get the entitlements that they are due, and we recommend that the Scottish Government and members of the Scottish Parliament amplify massive benefit uptake campaigns or be part of them. On the whole, social security budgets are not always fully claimed—there is massive underclaiming, so there is money. If there was maximum uptake, that would obviously stretch things, but on the basis of underclaiming there is money, so there is certainly room to expand.

**The Convener:** There will be an opportunity for brief—I stress brief—questions and, I hope, brief

answers in a mopping-up exercise. Shona Robison will ask the final substantive question.

**Shona Robison (Dundee City East) (SNP):**

Given what has just been said about building the social security system in Scotland and the concerns about the ability to mitigate with a fixed budget, would it be better for pension credit to be devolved, so that we could build a social security system in a wraparound, comprehensive way for pensioners? Is it the case that we will have to mitigate the effects of the increase in pensioner poverty that has been described through mechanisms such as the Scottish welfare fund, which is already a fund of £33 million? Will there be additional pressures on that fund to mitigate the impact of the UK Government welfare change?

Is there any level of awareness among the pensioner population or the population at large of the changes that are coming in from 15 May? If not, what can be done about that?

Finally, do you hold any breakdown of information beyond the Scottish level? It has been quite hard to get a breakdown by local authority area, for example. I suspect that the answer to that question is likely to be no, but I thought that I would ask whether you have local information.

**The Convener:** I see that Mr Gowans is still writing, so I will go to Adam Stachura first. Please keep writing, Mr Gowans—it is fine.

**Adam Stachura:** My notes page is running out of white space.

Those are good questions. If the Scottish Government or the Scottish Parliament thinks that it is able to effectively legislate for all the new benefits, the answer is yes, pension credit should be devolved. There is no judgment on this, but there have been substantive delays to benefits that are being devolved and worked on. There are a number of years of change, and there are obviously challenges in how all of this works anyway. However, if the culture of Social Security Scotland is applied, I am sure that that would be better for pensioners. That is a bit of a non-answer to the question.

There will be pressures on the Scottish welfare fund but, again, people might not know that it exists. One of the challenges is that lots of people might not know that crisis grants and other things exist. We have said a few times that we do not know whether enough people know about the help that is available to them. People can call our helpline and get a free benefits check. Last year, we helped Scottish pensioners or older people—we help anyone over the age of 50—get around £600,000 of entitlements that would otherwise have been unclaimed and, this year, we are on track to beat that figure. Other organisations will do similar exercises.

To reaffirm a point that I mentioned before Shona Robison came into the meeting, in January and February, when older people found out that the changes were coming into effect, there was a 142 per cent increase in the number of calls to our helpline specifically about benefits entitlements. We can track back the level of calls to the news. When older people see the news, or if we have been in the papers or on the radio or television talking about something, there is an immediate response and people call us up. We speak to about 1,000 people a month through our helpline, although that is in general and not just in relation to benefits entitlements.

Although the figure does not exactly translate, there was a 142 per cent increase in the number of people calling about benefit entitlements in the period when the changes were announced. That shows that people are spooked and are asking what they can do and whether they are entitled. We are desperately trying to ensure that we get more calls in and get people signed up to the right benefits and entitlements. Over the coming months, until the changes are introduced, we will run campaigns and carry out outreach work with older people to make them more aware of what they can do to be ahead of the curve.

I am sorry, but I have forgotten your third question.

**Shona Robison:** It was about a local breakdown of the figures.

**Adam Stachura:** We have been able to get only an overall UK picture, which is that 15,000 older people will be affected in the next financial year, 30,000 in the following year and 40,000 the year after that. As I said in our written submission, using the most basic maths, if we take 10 per cent of that, we can see what it means for Scotland. There certainly has not been work done beyond that. I am sure that the UK Government will have big difficulties in breaking down the figures even to national level or to regional or local authority level.

**Shona Robison:** As the change begins to impact in Scotland, your helpline might begin to create a picture of where particular pockets of pensioner poverty are arising. I presume that you will gather that information. I think that the committee would be interested in seeing what evidence of the impact emerges over the next 12 to 18 months.

**Adam Stachura:** I will speak to colleagues at Age Scotland and the helpline about how we capture that information and how we might be able to collate it for the committee.

**Shona Robison:** That would be helpful.

**Rob Gowans:** We do not have a detailed breakdown either, but we would be happy to share

information with the committee once the changes come into effect.

At the time of the Smith commission, we supported the devolution of all social security benefits apart from pensions. We have also been supportive of the approach that the Scottish Government and Scottish Parliament have taken to the development of the new social security system. If there are proposals for further devolution, we would comment more on them when they arise.

From what we know, it is likely that there will be greater pressures on the Scottish welfare fund. As Adam Stachura said, one issue is that people are not always aware of the Scottish welfare fund and the help that they can get from it. We will try to promote that through our work as an alternative to food banks and other unsustainable means. We will also promote take-up of pension credit and council tax reduction, as take-up of both of those is particularly low among older people. If we were to get anywhere near full take-up of those benefits, pension poverty would nearly be eliminated in Scotland. We are seeking to raise awareness of the change and of the social security support that is available to people who need it.

I think that covers all your questions, or at least those that I have written down.

10:15

**The Convener:** I keep saying that I will finish the session, but there are a few things to mop up first. I have two or three brief questions to ask; other members should feel free to do the same.

Would the UK Government have to present primary legislation to the House of Commons in order to stop the change, or could it stop enactment via an executive order?

**Adam Stachura:** My understanding is that the UK Government would have to enact primary legislation, rather than it being possible for a departmental decision to be made not to do it, or anything in between those two approaches.

**The Convener:** It would be helpful to get absolute clarity about that, because there is a difference between the House of Commons taking control of the issue and seeking to enact primary legislation in order to scrub the policy from the statute book and the relevant UK minister saying that the Government that decided to trigger the provision now also has the ability to terminate it. The balance of the committee would probably quite like that termination, but it is unlikely to happen in short order. The issue is not likely to go away by 15 May—that is the realpolitik, unfortunately.



You mentioned a campaign to increase uptake. If a household was to lose £7,000 a year, that would be a bitter pill to swallow. Is the UK Government running a targeted campaign calling on people to apply for pension credit before they lose it, in order to get beyond the current 40 per cent uptake level? Is there any information about the UK Government's intention in that regard?

**Rob Gowans:** I am not aware of specific pension credit campaigns at UK level. We will certainly communicate information about the change. I imagine that the UK Government probably sees the matter in different terms—it regards the change as a good thing, otherwise it would not be introducing it.

On your earlier point about whether halting the provision would require changes to the legislation, my understanding is that the provision is being commenced through regulations. I am not a lawyer, so I am hesitant about saying whether the change could be uncommenced by regulations.

**The Convener:** We will have to find that out.

There is no evidence of an uptake campaign. For the sake of brevity, I will not bring in Adam Stachura on that issue.

Mixed-age households will fall under universal credit, which can mean conditionality. Is the reality that we are now talking about the sanctioning of pensioner households? The UK Government could rule that out, if it wanted to, could it not? There could be light-touch or no conditionality on those households, even if they have to move to universal credit.

**Rob Gowans:** My understanding is that the pensioners themselves would not be required to seek work, or have work search requirements placed on them. We do not know how the provision will apply to their partners, because the entire household amount of universal credit would be sanctioned, as it is paid to the couple, but, yes, a household could potentially be sanctioned.

**The Convener:** Ultimately, if JobCentre Plus decided that the working-age person, who might be looking after a pensioner, is fit for work but that they are not trying hard enough to get work—I hate saying these words, quite frankly—it could sanction that household's income. That would be a new thing for pensioner households, would it not?

**Adam Stachura:** For the sake of brevity, the answer to that is probably yes.

**The Convener:** That is pretty worrying.

Although I would rather that things were kept as they are and that all the changes to mixed-age households were not made from 15 May, is there a way in which a person from a universal credit household who is of pensionable age and could

claim could automatically accrue the same passported benefits? Is there a way to fix the passported benefits issue?

**Adam Stachura:** I do not have an answer to that question just now, but I will seek to get one for you.

**The Convener:** I am sure that you understand why I have asked that question. Mitigation cuts both ways. We would rather not have a bad lot, but we want to make the best of a bad lot for as long as it exists, and that would be an obvious route by which we could do so. Mr Gowans, do you have any ideas about that?

**Rob Gowans:** I can go away and look at what options there might be.

**The Convener:** Okay. Do members have any additional questions?

**Keith Brown:** Convener, will we get the opportunity to make a couple of observations subsequent to this evidence session, or should we make them now?

**The Convener:** If there are any more questions, I will permit them. I know that I have asked a few, but I tried to be as brief as possible.

The committee will be able to discuss our impression of this evidence session in private, once the public session concludes, and we can decide what actions we want to take. There are a variety of possible actions. We could correspond with the Scottish and UK Governments, and we could be as diplomatic or as hard hitting as we liked. There are other mechanisms at our disposal, as Mr Brown is aware, but using them might set a precedent for committees, which we might or might not want to do. The decision will be in the committee members' hands.

Are there any more questions for the witnesses?

**Keith Brown:** Yes. I am very happy for the answers to be brief.

I had intended to ask the witnesses whether they believe that the bedroom tax exists, although it might seem incredible that that is a subject of debate in the committee. However, both witnesses have mentioned it, so I assume that they believe that it exists.

Jeremy Balfour raised the question of whether the change is important. The witnesses have said that it will have a devastating impact on pensioner poverty and that it has the potential to force pensioner couples apart. As the convener said, there is also the prospect of sanctions being applied. Those points seem to answer the question. It seems barbaric to be making the change.

Jeremy Balfour then raised the bigger question of whether the change should be mitigated by the Scottish Government, which raises the question of how somebody can hold two views. How can somebody support this devastating attack on pensioners and support its mitigation? I do not know how someone can hold those two views at once. I am interested to hear the witnesses' views on that point. I presume that, if there were to be further mitigation—for example, of the bedroom tax or by reducing council tax—the money would need to come at the expense of something else.

Mr Stachura made the point that the system is already complicated, which makes an absolute nonsense of Michelle Ballantyne's idea that we should set up our own system regardless of what Westminster does. Our system will obviously be shaped by the wider social security agenda. Do the witnesses have any comments on that?

**Adam Stachura:** I would not like to take a view on the position of a member of the Scottish Parliament. Their views are for them to have.

**The Convener:** That was answered admirably and with diplomacy, as though by someone who should be sitting on this side of the table.

The clerk has pointed out that, technically, we do not have an agenda item under which to discuss the evidence session in private. There are time constraints, given when the changes will come into place and the work that the committee needs to do, so we have the option to discuss in public the course of action that we want to take. We would need to be brief, though. A good degree of responsibility from all members, across party divides, would be required to decide on reasonable actions. I apologise to the witnesses for raising this point of procedure at the moment. Any course of action would be challenging for all layers of Government, not just one. Do members think that we should have a discussion in public about what action we should take?

**Members indicated agreement.**

**The Convener:** I see nodding heads.

We will conclude the evidence session after I have brought in Jeremy Balfour.

**Jeremy Balfour:** What I want to say is more a comment than a question. If we are having an open session after this, I will hold my contribution back until then.

**The Convener:** Thanks for that.

I thank both members of our panel for being as informative as is possible in the circumstances in relation to the impact that the changes will have on older people, who are represented and supported in all of our constituencies by your organisations. Irrespective of our personal views on the changes,

I am sure that we all thank you for the work that you and your organisations do. Feel free to stick around for our discussion. You are under no obligation to do so, but, if you want to listen to our discussion, you do not need to leave.

I ask for brief contributions from members. What action do you think we should take on the basis of the evidence that we have heard today?

**Shona Robison:** As a minimum, we should write to the UK Government, citing some of the evidence that we have just heard about an increase in pensioner poverty and the impact on things such as the Scottish welfare fund. We should express our deep concern about the situation, ask for an 11th-hour halt to this madness and ask what assessment has been made of the impact on Scottish pensioners, given our area of interest.

**The Convener:** Do you think that we should also raise various themes that you have not mentioned, such as passported benefits, potential sanctioning and so on?

**Shona Robison:** Yes.

**The Convener:** We could list those themes relatively briefly in the letter, highlighting the lack of clarity about them and the concerns that we have. It is reasonable to say that a majority of committee members feel that the introduction of the changes should not happen on 15 May but should be delayed—put off, halted. However, that feeling might not be unanimous. I do not want to put the matter to a vote, as we are simply having an open discussion. I look to our Conservative colleagues to see whether their concerns are such that they would prefer the UK Government to postpone the introduction of the proposals, if not to cancel them.

**Jeremy Balfour:** The questions that Shona Robison asks around the impact of the changes and the questions that you ask around sanctions and universal credit are legitimate ones to ask, and I would be happy to sign up to that kind of question. However, from what I have heard, I am not persuaded that we should be looking for the changes to be stopped. I would prefer it if the letter said that it is the majority of the committee, rather than the whole of the committee, that is asking for the changes to be stopped.

If you are trying to come up with a letter that we can all sign up to, I can say that I am happy for the questions that Shona Robison has raised to be put to the UK Government and that I hope to get answers to them. We do not need to have a long debate on the matter; we can simply write a letter that says that the majority of the committee thinks that the changes should not happen. That will be better than having to write two letters.

I was trying to make a point that I think Keith Brown chose not to understand. I absolutely understand the point that you were making, convener, that there is a financial cost to the Scottish Government if it chooses to intervene in this situation, and that it cannot intervene in every situation—

**The Convener:** I promise that I will let you extend that point, but your point might be moving us towards the representations that we might want to make to the Scottish Government. First, I would like to close the discussion on what we want to say to the UK Government. That might enable us to have a more structured discussion.

Mr Balfour's comments are helpful. I think that we can coalesce around one letter. I wanted to establish whether the line about halting the implementation of the changes is the view of the majority rather than the entire committee. We now have the distinction that it is not the view of the entire committee, but I do not know whether both Conservative members do not wish to ask the UK Government to halt the proposals. Michelle, where do you stand on that?

10:30

**Michelle Ballantyne:** We have to recognise that the rule change is not retrospective. That is quite an important point. We had a conversation about uptake and the need to ensure that, by 15 May 2019, people have engaged with their right to pension credit as it stands. In the letter, I would want to highlight our concern that the system is complex, that people do not necessarily understand their rights and that we are looking to get reassurance that everything is being done to ensure that everybody gets what they are entitled to.

The rule change is not retrospective; there will be an impact in the future when one partner reaches pensionable age, but I am not sure that I wholly understand what that impact will be. It is not about taking away money that people currently have; it is about their not receiving money that they might have been entitled to had the change not been made. I would certainly be interested in having a better understanding of what that might mean. Where are those households now and what will the impact be?

For example, I do not know whether, for somebody who is not working and who reaches pensionable age, there will be no change in their circumstances or whether they will be slightly better off because some sort of pension will kick in on top, because pension receipts are not deducted from universal credit. We have not really talked about that today, and I think that we need to have a better understanding of it. Our expert witnesses

are sitting over there. That is the kind of research we need.

I probably share Jeremy Balfour's position. I would not be calling for implementation to be stopped, but I think that the changes need to be better understood. That may be about saying, "Hang on a minute. We could do with a bit more time to understand this policy before it is implemented." That is where I am.

**The Convener:** That is helpful. We had a whole discourse around the need to have a better understanding of the numbers involved and the impact on pensioners. We heard from the third sector about the lack of clarity on that and the need for a better understanding of it. I am sure that we could include that in the letter.

**Mark Griffin:** I think that we should write, raising those issues. A lot of the issues that we have heard in evidence really concern me, including those around potential sanctions, the need to drive behaviour change and the impact that implementation could have on a household's income because of the impact on passported benefits.

Although Michelle Ballantyne makes the point that the rule change is not retrospective, a change in circumstances could lead to an application being rejected, so the rule change could impact on someone who is getting pension credit right now. If their circumstances changed, they could lose their access to pension credit. That could still happen.

If the committee is not going to coalesce around asking for implementation to be postponed, the majority of the committee should certainly ask for the decision to be reversed.

**The Convener:** That is helpful. We can reflect those points in one letter, in a respectful way.

**Michelle Ballantyne:** Fine.

**Keith Brown:** I have a couple of points to make. First, Jeremy Balfour said that I chose not to understand part of what he said. He talked about the potential mitigation of the measure by the Scottish Government. I would be keen to get some clarity on whether he supports that and whether, at the same time, he supports the continuation of council tax reduction and bedroom tax mitigation. It would be useful to have that information as background.

Secondly, on the point about reversing the decision, if it is possible for the UK Government, in less than three weeks, to get all the measures for Brexit through the House of Commons, it is perfectly possible for it to find a way to reverse this decision. I am keen that we make that clear.

We must be unequivocal. There is little option but to understand, from the evidence we have just

heard, that the rule change will have a devastating impact on pensioner poverty very soon. Also, the idea that couples could be forced apart because it makes financial sense for them to live apart is just horrendous, as is the idea of sanctioning pensioner households. We must be unequivocal and not mince our words in saying that.

If the committee agrees to do something, it agrees to do something; it is not a case of a majority agreeing to do something. When the Parliament votes to do something, the Parliament has decided on that course of action.

My point is similar to Shona Robison's. We should state the committee's views. We could say, "This committee notes with grave concern the UK Government's changes to pension credit and, in the light of the view of Age Scotland that the proposed measure could force pensioner couples apart and have a devastating impact on pensioner poverty, requires the measure to be vigorously opposed. Therefore, the committee calls on the UK Government to take all the necessary measures to reverse its decision until, at the very least, it carries out the impact assessment that it failed to carry out when it proposed the measure eight years ago." If those points are included, I will be happy to support the position that has been outlined.

**Jeremy Balfour:** Can I comment, convener?

**The Convener:** In a moment, Jeremy—after we have heard from Alison Johnstone.

**Alison Johnstone:** I am content to support the proposal that we write to the UK Government and the Scottish Government. Most people believe that the Conservatives have always been very strong on the welfare of our older citizens, so I find the proposed changes absolutely astonishing. We have taken a huge amount of evidence on universal credit, which we now find will impact on the lives of even more citizens. I also have grave concerns about the fact that the process will be digital by default for a group of people who find digital technology even more challenging than I do.

In its submission, Age Scotland said:

"While the UK Government says that Pension Credit was not designed for working age claimants, Universal Credit was certainly not designed for pensioners".

It would be worth doing everything that we can to highlight our concerns. It is frustrating that we are constantly having to consider mitigation of UK Government policies, and it would be helpful to understand the potential impacts on Scotland and on the welfare fund, which might be called on even more than it has been.

**The Convener:** I am starting to see an increasing polarisation of views that it might not be possible to accommodate.

**Dr Allan:** That is true. The clerks, with their expertise, might be able to draft a letter that talks about the views of the committee but that refers to the fact that there were dissenting voices on a couple of points. However, I tend to agree with Keith Brown that we should not mince our words and should send a letter that speaks on behalf of the whole committee, if possible.

**The Convener:** I will let Jeremy Balfour in, after which I will make a suggestion to the committee.

**Jeremy Balfour:** I did not hear what it is suggested that Age Scotland said—although I might just not have picked it up. I asked a very specific question on the issue. Adam Stachura is here and can answer for himself, but my impression is that, although it is an important issue for Age Scotland, it is not the most important issue for older people in Scotland today. Therefore, we need to be careful about the terminology that we use. I am not saying that the issue is not important, but Age Scotland made it clear that it is not the most important issue on its agenda at the moment.

I would have thought that the clerks could draft a sentence that said, "The majority of the committee want this to come to an end." I do not think that that would weaken the letter. We will get into problems if we say that the whole committee shares the same belief. We will enter territory that we have not entered in previous years, when we have tried to unite around the letters that we have sent.

**The Convener:** I think that the committee has a couple of options and, as convener, I have a decision to make. One option is that we write a letter as a committee. I am not trying not to get consensus, but that might mean that our Conservative colleagues cannot put their names to the committee's letter. I cannot see how we can get consensus on the kind of language that a clear majority of the committee wishes to be used in the letter.

I seek to exercise my judgment as convener neutrally and responsibly, but it would be remiss of me not to say that, based on the views that I have heard, I do not think that there is a way for us all to hang together on this issue. We therefore have two choices, as far as I can see. We can draft a letter—this is a steer to the clerks, whose job it would be to do that. We would make that letter incredibly firm and talk not about majorities but about the committee. We would say that the committee has a view, but that our Conservative colleagues cannot sign up to that view. I am just

checking with the clerks whether that procedure is competent.

**Douglas Wands (Clerk):** That could be reflected in the letter.

**The Convener:** The alternative is a motion without notice, as Mr Brown has effectively suggested. Mr Brown has prepared some wording for that motion. It is for me, as convener, to decide whether to accept a motion without notice. If we can draft a strong letter that encompasses all the views that would have been in a motion without notice, and if we can reflect in that letter the fact that, unfortunately, our Conservative colleagues cannot sign up to those views, we will have a committee consensus that would go to the UK Government.

I am reluctant to accept a motion without notice, because I do not want to set a precedent on how the committee does its business. I would much prefer that the committee discussed the issue and reflected on the evidence in private; that would be a really straightforward approach to the issue and we would get a much more full and frank view from all committee members.

There are significant time constraints. The impending impact that we are talking about—up to £7,000 being taken out of pensioner households, and the threat of sanctions on top of that—worries me deeply, and I do not think that we have time to wait before we make the committee's views known. I would rather do that in a letter than in a motion without notice, which, although in my gift, would create an unhelpful precedent. I seek the committee's agreement to take that course of action.

**Michelle Ballantyne:** A note in our papers said that the Work and Pensions Committee wrote to the Secretary of State for Work and Pensions in January asking for more information about the expected impact. Do we know whether that committee has received a response and, if so, what it was?

**The Convener:** The clerk has indicated that we do not know. We should solicit additional information on that. We are about to talk about the Scottish Government in relation to impact and mitigation, which is the next topic that we have to look at. I do not think that we can wait: as Scotland's Social Security Committee, we must decide what our views are on pensioner poverty and the forthcoming changes. Let us get that information, but I am minded that, in doing so, we should not hold up the work of this committee.

With the caveats that I have suggested, I propose that a letter be brought back to the committee next week. We will seek the committee's approval on that letter, and the letter will reflect the fact that Jeremy Balfour and

Michelle Ballantyne were unable to sign up to the view held by other members.

**Jeremy Balfour:** We are not here next week.

**The Convener:** Given the time constraints, we may have to circulate the letter to all members.

**Keith Brown:** I have not been involved before, but is such a letter not usually signed by the convener on behalf of the committee? Are you suggesting that we sign it individually?

**The Convener:** We can do either. I am happy to sign the letter as convener, although the letter will have to reflect that Conservative members were unable to coalesce around the committee's view.

**Jeremy Balfour:** I am happy with that.

**Keith Brown:** I have one final point for clarification. I do not think that Age Concern Scotland said that this was not the most important issue; it said that there were a number of important issues. There is a difference. When we discuss mitigation, it would be useful to get an answer to the question I posed earlier about whether Jeremy Balfour and Michelle Ballantyne support mitigation of this measure, continued mitigation of council tax reduction and mitigation of the bedroom tax. That would help us to have a better discussion.

**The Convener:** I think that we are about to have that discussion. We are Scotland's Social Security Committee, and our job is to challenge not just one layer of government but all layers of government. However, we have to decide where we are as a committee on that. Who started to talk about that? Jeremy, do you want start off that conversation?

10:45

**Jeremy Balfour:** I want the letter to the Scottish Government to be slightly broader. I accept the point that the convener has made a number of times: there is a financial cost when the Scottish Government mitigates something, so there has to be a political decision about which benefits to mitigate. The Scottish Government mitigates two or three at the moment, which is a decision that the Parliament has made and a political decision that parties have reached.

I am interested to know how the hierarchy within the Scottish Government decides which benefits to mitigate. What assessment does it make of impact and financial cost? We clearly cannot choose to mitigate everything, but it would be interesting for Parliament and the committee to know how the decision is reached. Is it purely a political decision or is academic research involved, if that makes sense? I presume that the civil service does some work on that, and I am interested to know what

criteria are used to decide where intervention will happen.

**The Convener:** That is very helpful. Do other members have any comments?

**Shona Robison:** The letter should reflect our discussion with the witnesses, which acknowledged that the Scottish Government is not in a position to mitigate every UK Government welfare reform. That should be stated. It would be useful to ask what assessment, if any, the Scottish Government will make of support mechanisms that are already in place, such as the Scottish welfare fund. It would be helpful to know whether any analysis has been done of the potential impact of this change on the welfare fund and on pensioner poverty.

**The Convener:** That is important for consistency from the committee. We have asked the Scottish Government to keep the Scottish welfare fund under review, and we have received evidence that it is underspent across the 32 local authorities, although some local authorities put additional moneys into the fund and others do not spend all their allocation. That is a useful element to include in the letter.

Are there additional comments that will give a steer to the clerks in drafting the letter?

**Michelle Ballantyne:** I know that Mr Brown is keen for me to say something, so I will respond to some of his questions. This builds on what I said earlier about whether benefits should be universal or targeted at the people who need them most—the people who are most vulnerable and find themselves in poverty.

The reality is that the Scottish Government already does that. Discretionary housing payments are exactly that—discretionary. People have to apply for them and the process looks at their income and outgoings and decides whether they need the extra help; it is on that basis, rather than universally, that the spare room subsidy is mitigated. The same applies when we are talking about pension credits. I want to have a robust conversation that looks at how we do that.

That is really import for us as members of the Social Security Committee. We can play politics as much as we like—Keith Brown can attack me and I can have a go back at him—but that will not help the people who need our help. We need to make sure that whatever we do is robust and targets the right people. My husband will retire before me and I do not feel that he should get a lot of extra money, because our household does not need it. I would rather that the money went to a household that needs it; I am sure that other members would agree with me on that.

The conversations that we have when we are seeking evidence and trying to find a way forward need to focus on that, rather than on us trying to knock lumps out of each other. We can do that in the chamber—that is fine—but the committee is here to get underneath and really understand the issue. We must ensure that every recommendation we make, every letter we write and everything we call for is backed by evidence. Indeed, we should all be able to support this, because if we have done our job properly, it should be hard for us to disagree with one another. I hold that view, regardless of what is said in here.

**The Convener:** We are allowed to disagree with each other, but we should do so respectfully.

**Michelle Ballantyne:** Absolutely.

**The Convener:** For my part, this is not about playing politics—it is about protecting pensioner households that look set to lose £7,000 and to be under threat of sanctions. This is why the committee has to move quickly on the matter.

We should check the factual situation with universality before we send any letter. Not everyone will automatically get pension credit; there is a universal right to apply for it, but there is no universal entitlement to receive it. For example, you will not get it if you have £16,000 of capital.

**Camilla Kidner (Scottish Parliament Information Centre):** Pension credit is means tested and is only for people on low incomes, but the capital rules do not apply to it.

**The Convener:** That was helpful—I was right and wrong at the same time. It is means tested, but the example that I gave is not actually one of the tests that apply. That illustrates my point—indeed, it is all the more reason for us to hear about the factual situation.

The question, therefore, is: do we want to ask the Scottish Government about the assessment that it has made of the impact on pensioner poverty of the changes being made on 15 May, the representations that it has made to and the discussions that it has had with the UK Government and its engagement with the Scottish third sector to map out some of the issues and provide support where it can? Finally, will we inform the Scottish Government about our discussion on mitigation? The committee has already taken the view that we do not expect the Scottish Government to mitigate everything, but we are asking it to consider the options for assistance, one of which might well be mitigation. The committee already has positions on these issues, and we have to make that clear in any letter that we send.

It might be helpful to include in our letters to both the Scottish and UK Governments that the 40 per cent take-up rate of pension credit needs to be increased and that as many people as possible who might be impacted need to apply for pension credit before the 15 May deadline. I am just putting all this on the record, because we have to give our clerking team a steer to allow them to draft the letter.

**Michelle Ballantyne:** I do not know whether anyone else agrees with me—perhaps they do not—but I still think that there is an issue not just with mitigation but with the general design of the social security system. I kind of hope that Social Security Scotland does not just say, “Well, we’ll do what the UK does, and we’ll mitigate anything that it doesn’t do”, because that would not really be a personalised system for Scotland.

**Jeremy Balfour:** The point that I want to make is a larger one that goes beyond this issue, too. What thinking is being done at a higher level on the mitigation policy in general, not just for this one benefit? What is the Government’s thinking about when we should and should not intervene? Are there criteria in that respect?

**The Convener:** I think that you made that point quite powerfully and clearly at the start. I am seeking to draw this discussion to a close pretty soon, but I think that Keith Brown wants to come back in.

**Keith Brown:** This will be my last point, convener. I realise that we have not discussed the issue of severe disability, which is also covered by pension credit. I had intended—and forgot—to raise the issue, but would it be possible to add that to the lengthening list of things that the clerks will have to put into our letter? After all, it would be useful to get some clarity on that, given some of the politics that we saw in the chamber yesterday.

It seems to me that every time Westminster takes this kind of decision, we immediately start looking at what the Scottish Government and the Scottish social security system can do. I understand the reasons for doing that, but it is important that we do not take our focus away from the origin of all this.

The question that Michelle Ballantyne answered was different from the one that I asked, but I think that I got my answer. I agree with the need for a debate about when a benefit should be universal or means tested—that is a perfectly legitimate debate to have—but I take it from that answer to the question that I posed that your position would stand in place of a commitment to maintaining the current mitigation of council tax reduction, the bedroom tax and this measure. It is important to get that on the record, because the committee is concerned with social security. The two systems

are interrelated, and we need an understanding of possible changes to future mitigation so that we can get a rounded view of the matter.

I do not have any more to say on this, convener.

**The Convener:** It is now incumbent on me to let Michelle Ballantyne back in, but I point out to committee members that this discussion is about the content of letters. I am pretty sure that we agree unanimously on what we are putting into a letter to the Scottish Government, which will have to be circulated, and that we agree that the committee should state its view quite clearly to the UK Government, although Michelle Ballantyne and Jeremy Balfour will have to make it clear that they do not sign up to that.

**Michelle Ballantyne:** We will have to see the letter first.

**The Convener:** Yes, but it is appropriate for the letter to reflect the fact that you have not signed up to that view.

We have reached that conclusion in a respectful manner, but as Michelle Ballantyne was mentioned by Keith Brown, it is appropriate that she gets the chance to respond. However, we will have to move on after that.

**Michelle Ballantyne:** Keith Brown is seeking manifesto commitments, and this is clearly not the place for me to talk about such things. Indeed, you would feel the same way if I started to pick out things and seek commitments from you, because I assume that, unless you are a unilateral decision maker, you would have to go back and check with your party.

**The Convener:** I am the convener of this committee, not the Presiding Officer, but can we not use “you” all the time? I ask that we be respectful and address each other as, say, Keith and Michelle. We are nearly there, and we have managed to get there in a respectful manner, so please bring your remarks to a close so we can move on.

**Michelle Ballantyne:** I am being perfectly respectful—indeed, I think that we had the same discussion at the previous committee meeting. I have made my personal views quite clear, and I cannot be any clearer than I have been.

**The Convener:** I thank all members for the mature way in which we have conducted this morning’s public business and put forward our strongly held views. We will get the clerks to draft the letters.

I see that Rob Gowans and Adam Stachura have stayed for that discussion, and I thank them again for coming along and providing the information that inspired the discussion—or dare I

call it a debate—that followed the evidence-taking session.

## **Subordinate Legislation**

### **Council Tax Reduction (Scotland) Amendment Regulations 2019 (SSI 2019/29)**

10:57

**The Convener:** Agenda item 3 is consideration of subordinate legislation. I refer members to paper 3, which is a note by the clerk. Given that the instrument is subject to the negative procedure, is the committee content simply to note it?

**Members** *indicated agreement.*

**The Convener:** I thank everyone for that unanimous declaration of contentment. We move to agenda item 4, which, as previously agreed, will be taken in private.

10:57

*Meeting continued in private until 11:06.*



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