



OFFICIAL REPORT
AITHISG OIFIGEIL

Social Justice and Social Security Committee

Thursday 21 September 2023

Session 6



The Scottish Parliament
Pàrlamaid na h-Alba

© Parliamentary copyright. Scottish Parliamentary Corporate Body

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

Thursday 21 September 2023

CONTENTS

	Col.
DECISION ON TAKING BUSINESS IN PRIVATE	1
Carer's Assistance (Carer Support Payment) (Scotland) Regulations 2023 [Draft].....	1
PRE-BUDGET SCRUTINY 2024-25	17

SOCIAL JUSTICE AND SOCIAL SECURITY COMMITTEE

21st Meeting 2023, Session 6

CONVENER

*Collette Stevenson (East Kilbride) (SNP)

COMMITTEE MEMBERS

*Jeremy Balfour (Lothian) (Con)
*Katy Clark (West Scotland) (Lab)
*Bob Doris (Glasgow Maryhill and Springburn) (SNP)
*James Dorman (Glasgow Cathcart) (SNP)
*Roz McCall (Mid Scotland and Fife) (Con)
*Marie McNair (Clydebank and Milngavie) (SNP)
*Paul O'Kane (West Scotland) (Lab)

*attended

THE FOLLOWING ALSO PARTICIPATED:

Chris Birt (Joseph Rowntree Foundation)
Maggie Chiwanza (Minority Ethnic Carers of People Project)
Fiona Collie (Carers Scotland)
Emma Congreve (Fraser of Allander Institute)
Dr Alison Hosie (Scottish Human Rights Commission)
Judith Paterson (Scottish Commission on Social Security)
Bill Scott (Poverty and Inequality Commission)
Paul Traynor (Carers Trust Scotland)

CLERK TO THE COMMITTEE

Claire Menzies

LOCATION

The Mary Fairfax Somerville Room (CR2)

Scottish Parliament

Social Justice and Social Security Committee

Thursday 21 September 2023

[The Convener opened the meeting at 09:02]

Decision on Taking Business in Private

The Convener (Collette Stevenson): Good morning, and welcome to the 21st meeting in 2023 of the Social Justice and Social Security Committee. We have no apologies for today's meeting. Our first item of business is a decision on whether to take agenda items 4, 5 and 6 in private. Do we agree to do so?

Members indicated agreement.

The Convener: Thank you.

Carer's Assistance (Carer Support Payment) (Scotland) Regulations 2023 [Draft]

The Convener: Our next item is an evidence session on draft regulations. The carer support payment will replace the carers allowance in Scotland. Next week, we will hear from the Cabinet Secretary for Social Justice on the regulations. I refer members to papers 1 and 2.

I welcome to the meeting Fiona Collie, the head of policy and public affairs, Scotland and Northern Ireland, Carers Scotland, who is joining us in the room. I also welcome Maggie Chivanza, chief executive of the Minority Ethnic Carers of People Project; Judith Paterson, the interim co-chair of the Scottish Commission on Social Security; and Paul Traynor, the head of the Scottish young carers services alliance, Carers Trust Scotland. They are all joining us remotely. Good morning, and thank you all for accepting our invitation.

Before we proceed with our questions, there are a few things to point out about the format of the meeting. Please wait until I say your name, or the member asking the question does, before speaking. Do not feel that you have to answer every question, and if you have nothing new to add to what is said by others, that is perfectly okay. Members and witnesses online, please allow our broadcasting colleagues a few seconds to turn on your microphone before you start to speak. You can indicate with an R in the chat box on Zoom that you wish to come in on a question. I ask everyone to keep questions and answers as concise as possible.

I now invite members to ask questions in turn.

Jeremy Balfour (Lothian) (Con): Good morning. Thank you all very much for coming along. I will start by asking Fiona Collie and Paul Traynor a question, which picks up on something in your submissions. Carers Trust Scotland and Carers Scotland do not accept the Scottish Government's argument that extending payments might incentivise young carers to take on a larger caring role. Fiona, perhaps I can start with you and ask, why not?

Fiona Collie (Carers Scotland): First, there is no evidence that that will be the case, but we also need to meet young carers where they are. We know that young carers have significant levels of care and responsibility, and there seems to be no good reason not to support them. When I looked at some of the information around the young carer grant, for example, the numbers claiming it are relatively low. It is based on 16 hours a week, and only a certain percentage of young carers will even meet the threshold for the new carer support payment, which is 35 hours.

In a household in which a young carer lives, there may be an adult carer as well who is claiming carers allowance. Fundamentally, however, young carers are already providing significant levels of support, and, at the moment, the proposals indicate that we would not provide financial support alongside that.

Jeremy Balfour: Thank you. Paul Traynor, do you want to add anything to what you put in your submission?

Paul Traynor (Carers Trust Scotland): I just want to echo what Fiona Collie said. It is unclear what the Scottish Government's evidence is for its taking the position that the carer support payment to those aged 16 to 19 in full-time non-advanced education would incentivise young carers. We would like to see a wee bit more information on how that decision was reached.

In 2022, from our young carer research, we found that 14 per cent of young carers were providing 50-plus hours of care a week and that around 36 per cent were providing between 20 and 49 hours a week, so it is not really about incentivising. It is about recognition that young carers are already undertaking significant caring roles, and they should be entitled to support as a result of that. Young carers are already undertaking significant roles, and they are reporting that that is a key issue for them.

Jeremy Balfour: I do not know whether the other witnesses want to add anything at this point. I will take the silence as a no.

The other point that all the witnesses argue is that the proposed rules on education create

unnecessary complexity. What might be the impact of that increased complexity? I do not know whether Maggie Chiwanza or Paul Traynor wants to start on that one. Paul, do you want to go first?

Paul Traynor: I am happy to speak on that one. Our view is that the rule of excluding only those who are aged 16 to 19 and are in full-time, non-advanced education creates a lot of complexity. As the rules for carers allowance stand, all unpaid carers, of any age, studying part-time at advanced or non-advanced level will still be eligible for the carer support payment. Those who are aged 16 to 19 and are studying full time at advanced education level will be eligible for support, and those over the age of 20, regardless of their level of study, will be eligible for support. The proposal, as it stands, creates a distinction between those in advanced and non-advanced education. That can result in young unpaid carers who are aged between 16 and 19 and in non-advanced education feeling that their level of study is inferior and that they are undervalued in comparison to other young carers.

A key point made by the Scottish Government is that the carer support payment is an income replacement benefit, and young carers aged 16 to 19 who are in non-advanced education are not expected to be income earners. Support may be provided through parents or guardians, child benefit and universal child tax credits, if they are on low incomes. However, many young people aged 16 to 19 who are in full-time, non-advanced education—remember that that is not just those in school; it is those studying under higher national certificate level at college—supplement their finances with paid employment. For many young adult carers, balancing paid employment, full-time study and caring responsibilities is simply not possible.

It is also really important to highlight that our research shows that student carers are four times more likely to drop out of college or university, and financial pressure has been identified as being one of the key pressures behind that. It adds complexity, which we think is unnecessary. As I said earlier, I would like to see the evidence and the rationale for the decision to exclude only those who are aged 16 to 19 and in full-time non-advanced education.

Jeremy Balfour: Thank you. Fiona Collie, do you want to add anything to that?

Fiona Collie: Yes. On the issue of non-advanced education, across the piece, young people want to study and achieve different things. Some of the things that are described as non-advanced are qualifications and support to help young people become job ready, and there is a possibility of them missing out on support completely and perhaps making different

decisions. So, there is the possibility of unintended consequences from restricting the benefit. It is about fairness and equity. You do not need to be doing something at advanced level or HNC level to be doing something towards your future. We need to support our young people who are in that position, particularly young carers.

The Convener: Thanks very much. That was helpful.

Roz McCall (Mid Scotland and Fife) (Con): Good morning. The regulations as laid provide for full-time young carers in non-advanced education to access carer support payment in exceptional circumstances, such as when they have no parental support. Is that sufficient? Does the eligibility need to be widened?

One of my concerns is about societal stigma. What are your comments on that, given that the process touches on someone being without parental support? How do we widen eligibility if a stigma is attached, and how do you combat that? I am looking at Fiona Collie, but I would not mind hearing from Paul Traynor and Maggie Chiwanza as well, especially on stigma.

Fiona Collie: I will pass this one over to Paul Traynor, because Carers Trust Scotland and the Scottish young carers services alliance have been doing a lot of work on that.

Paul Traynor: We welcome the extension to those with exceptional circumstances. To go back to the previous question, that also adds an extra layer of complexity to the system. As we have stated in our submission, and as we have said throughout the consultation process, we believe that the Scottish Government should extend the carer support payment to all unpaid carers in advanced and non-advanced education. It would add an extra level of support for many young carers who might be in situations that would fit within those exceptional circumstances, but, as I said, it just adds to that wider complexity.

In relation to stigma, Social Security Scotland has the ethos of dignity, fairness and respect. It is really important that benefits are recognised as an entitlement. If young carers come into the fold of entitlement for the carer support payment, it is about income maximisation and ensuring that they get the financial support that they need and deserve. It takes a cultural shift, because it will be the first time that many of those children and young people will have interacted with the benefit system. Support, information and a lot of outreach is required to ensure that those young people, first of all, know that they are eligible. There also needs to be support around how they can apply and the processes for doing so.

Maggie Chiwanza (Minority Ethnic Carers of People Project): I agree with what my colleagues

have said. Some of the minority ethnic young carers whom we support already have a cultural belief that it is their duty to look after their parent or grandparent. If they have to interact with social security to access carers allowance or the carer support payment, it is important that the information is clear. They need to be well supported in claiming for that and advised that they can do so, because there is an issue to do with confidence as well: they can feel guilty. We have experience of that, and we have told them that they need to do that because it will help them on top of their studies or the part-time work that they may be doing.

09:15

Roz McCall: I will rephrase my question slightly. My understanding is that the complexities would add to the stigma, and I just really wanted your comments on that. Do you agree that that is the situation?

Maggie Chiwanza: Yes and no, in terms of how it has been set up. If there was information and clear messaging about what those changes are, that might really help to explain things; they could understand that. The process has always been complex, but it is more complex when there are changes and people are not very clear about how to go about that.

Katy Clark (West Scotland) (Lab): I direct my question to Paul Traynor, in the first instance. Witnesses have argued that eligibility for the young carer grant should be extended to 19-year-olds. I understand that the Scottish Government is considering that. Is that a change that needs to be prioritised? If so, why?

Paul Traynor: That definitely needs to be considered. In our written evidence to the committee, we say that, if the policy were to be progressed as presented, it would be deeply unfair that 19-year-old young adult carers studying in full-time non-advanced education would not be entitled to either the carer support payment or the young carer grant. It would mean that they would be the only unpaid carer group over the age of 16 that would not be entitled to any financial support at all. We do not believe that that would be treating that cohort of young adult carers with the Social Security Scotland core values of dignity, fairness and respect. Instead, the immense contribution that those young people provide to their cared-for person and to wider society would be undervalued and would go without financial recognition. It would create an anomaly for people aged 19 if the regulations were to be passed as planned. It is about fairness, equity and the recognition of young carers. That is a priority that should be addressed in the regulations.

Fiona Collie: At the risk of repeating what has been said, I think that such a change should be an absolute priority. The Government should bring forward amendments to the regulations on the young carer grant as a matter of priority. I am sure that the loophole was not intended, but we need to find a way to close it.

The Convener: I will bring in Marie McNair, who joins us remotely.

Marie McNair (Clydebank and Milngavie) (SNP): Good morning. I thank the witnesses for their time. I will cover the issue of overpayments, but my general observation is that there is much to do after safe and secure transfer. Carers allowance has been around for a long time, and it does not meet the needs of carers. Given the long-standing flaws, has the UK Government made any efforts to consider major reforms?

Fiona Collie: Some work has been done in that regard. At a UK level, our organisation has been involved over a number of years in improving forms. The issue of overpayments is really challenging. The House of Commons undertook an inquiry into it, and, as part of that, the National Audit Office found that very few overpayments were proven to be the result of fraud. In a lot of cases, earnings were slightly over—sometimes by as little as £1—or the issue was to do with someone having fluctuating earnings.

There is a real challenge in getting things right with the carer support payment from the beginning, but we have a real opportunity in that regard. The cliff edge in relation to the benefit means that carers can end up owing hundreds, if not thousands, of pounds in overpayments, so we need to get things right with the new carer support payment.

Marie McNair: I totally agree. The issue of overpayments is a real concern.

Judith Paterson, SCOSS made recommendations on the issue. Are you satisfied with the Scottish Government's proposals to deal with overpayments?

Judith Paterson (Scottish Commission on Social Security): To some extent, overpayments are an inevitable consequence of entitlement being dependent on earnings. Therefore, SCOSS took the view that tackling the issue required redesigning systems and entitlement rules. We made a number of recommendations about the systems to mitigate the risk. It is the first time that Social Security Scotland will have administered such an earnings test. It is complex, with lots of new systems to set up, so one of the most important things is to learn lessons quickly so that problems that arise can be picked up before they get embedded.

As Fiona Collie said, we have already learned a lot of lessons from the UK system, so we know what to expect. We know that having the right data feeds from His Majesty's Revenue and Customs to pick up changes in earnings—by and large, overpayments are caused by earnings not being reported, picked up and acted on quickly enough—is very important but not sufficient. We also need to have staff who are ready to act quickly on the data.

We have made a number of other recommendations on systems. The Scottish Government has accepted them all, and we are pleased about that. We would like it to go further, when it can, on making changes to entitlement rules. We understand why that cannot be done until after safe and secure transfer, and we agree that there should not be a two-tier system, but we think that, to mitigate the issue of overpayments, the Government will need to simplify the earnings rules.

Fiona Collie: The level at which overpayments are reclaimed is a little bit concerning. We need to make sure that the level that is set is reasonable. I re-emphasise the fact that the National Audit Office found that very few overpayments were the result of fraud rather than simple mistakes. The new system should try not to be as harsh, and it should not seek repayment for simple errors. Setting an arbitrary level is not helpful. There needs to be a little bit of thought on that, because—I emphasise it again—very few overpayments are the result of fraud.

The Convener: Roz McCall would like to come in.

Roz McCall: Marie McNair has raised some valid points with Judith Paterson and Fiona Collie. As Judith Paterson said, overpayments are an inevitable consequence, but we are looking at how Social Security Scotland can minimise the issue. That raises the question of what we do when there is an inevitable consequence. What do you suggest that we should do when overpayments occur? We are talking about what we need to do, but I am interested in what you think we should do.

Judith Paterson: We have made quite a few recommendations. First, the number of overpayments should be reduced to a minimum. In other words, they should be designed out of the system in the first place, because we know that the consequences for carers—having to repay the debt over time and having to deal with the financial consequences—are distressing. Mistakes are mistakes; they are not deliberate. It is about designing those out.

We made a couple of recommendations that have been partially accepted. Fiona Collie alluded to one of them, which is that small overpayments

could be written off. The Department for Work and Pensions will write off an overpayment of £65. We recommend that Social Security Scotland should also write off small overpayments. However, £65 is less than a week's worth of carer support payment, so is that the right level? The Scottish Government says that it does not have enough robust data to know how much it would cost to recover an overpayment, but it strikes me that £65 might be setting the bar quite low. It could be better for carers and for Social Security Scotland if we looked at that level.

The other important thing is that people who have been told that they have an overpayment and that it must be recovered have no right of appeal. That does not sit very well with the rest of the system. Generally, there is a right of appeal against any determination, and people's rights to social security come with a right to appeal, but there is no such right in this case. That is being looked at, and SCOSS would like to see that changed quickly so that people can appeal.

The Convener: Maggie Chiwanza and Paul Traynor want to come in.

Maggie Chiwanza: My comment is on overpayments. The recommendation is to ensure that the system is designed so that there are minimal issues in that regard, but the concern is about when people have a caring role and their earnings change. They might be trying to adjust to new employment, or they might be trying to focus on the caring role, so some of those things can be easily missed. As Fiona Collie said, the number of such cases will be low.

I suggest that we try to find a way to have a degree of flexibility in how the issue is managed with individuals, because one shoe does not fit all people. People have different circumstances and situations, so we should have a dialogue to ensure that people who are already in situations of distress—they are stressed and dealing with all sorts of things—are supported in an empathetic and compassionate way while we find a solution. That might include discussing how long the person will repay for so that they do not get into debt, or there might be the option for the money to be written off, because they are already working hundreds and hundreds of hours and saving the Government a lot of money.

The Convener: I will bring in Paul Traynor, but I remind everyone, because of time constraints, to keep their answers as concise as possible. Thank you.

Paul Traynor: I completely agree with everything that colleagues have said. The majority of overpayments are a result of unpaid carers not notifying the DWP of information on earnings on what are deemed to be reasonable practical

timelines. The onus needs to be on Social Security Scotland to ensure that there are systems in place that make it easy for carers to declare their income in an understandable way, with clear information and processes for them to report on that.

The Convener: Marie, do you have any further questions? If not, we can move on.

Marie McNair: With your indulgence, convener, I have one further question. There was a really good discussion there about overpayment, but does the risk of overpayment outweigh the benefit of allowing advance applications and advance payments? That question is to whoever can answer it.

The Convener: Fiona Collie would like to come in on that.

09:30

Fiona Collie: In relation to advance payments, the proposal around when a person can apply for carers allowance, which is now carer support payment—I am still caught in the old language—is to reduce those advance options. At the moment, if somebody is claiming a disability benefit, they can look to claim carers allowance at the same time, so it makes little sense for someone not to be able to put in an application for carer support payment. There is something to be said for making the system as simple as possible for individuals, because carers are already dealing with enough. I do not think that those factors outweigh one another, but ensuring that people can make applications at the earliest point is critical.

Marie McNair: Paul Traynor, do you want to comment? No. Okay. Back to you, convener.

The Convener: I invite Paul O’Kane to ask a question.

Paul O’Kane (West Scotland) (Lab): Good morning to the panel, and thanks for being here. I am interested in future changes and the pace of those changes. We know that the business and regulatory impact assessment set out four policies for introduction once case transfer is completed, including on things such as wait times and what happens after a person dies. Which of those proposed changes, or what changes more generally, should be prioritised after case transfer and why should we prioritise in that way?

I appreciate that Paul Traynor and Maggie Chiwanza have been on the advisory group, so I will perhaps start with Paul.

Paul Traynor: It is difficult to see the right order in which to prioritise those aspects. Extending eligibility will ultimately ensure that more unpaid carers get the support and recognition that they need and deserve. There are precedents: if we

look at the young carer grant, we see that aspects of combining hours already exist in that policy. In some cases, we would like a clear timeline drawn up by the Scottish Government to show when the changes will be made. Some of the changes, such as the introduction of the additional payment for those who care for more than one disabled person, may be more complex than others, such as extending the run-on period when a cared-for person dies from eight weeks to 12 weeks.

I would say that the priority is to move forward on those changes as quickly as we can to ensure that the entitlement is extended to carers. If some of those things can be done more quickly, they should be done in a timely way. What is missing at the moment—I recognise that it is difficult at this stage—is clear guidance on when they will happen. I recognise that some things are a bit more complicated, such as introducing the new payment for those who care for more than one disabled child. I appreciate that that might take longer to come in.

Maggie Chiwanza: I have no comments to add. I agree with everything that Paul Traynor has just said.

Paul O’Kane: Fiona, do you have a view? I imagine that yours may be similar.

Fiona Collie: The timeline is critical. We need a clear plan so that we are ready to go when safe and secure transfer has happened. Some changes are simpler than others, and it would make sense for those to move more quickly.

Fundamentally, some things, such as putting more money into carers’ pockets, are critical for those who are caring for more than one person. Equally, we could make some changes around the earnings threshold relatively easily by changing the figure for that threshold. At the moment, it is about 13 hours at the minimum wage, and then you lose all entitlement. Even if we were to bring the threshold up to 16 hours at the real living wage, that would put an extra £2,000 a year into carers’ pockets. In some ways, the system would already be in place, so, in my view, it would be about adjusting the figures.

I definitely understand the attraction of trying to get the simple things, like the run-on, changed very quickly. Fundamentally, the priority is to get more money into carers’ pockets.

Paul O’Kane: Helpfully, the Government’s timescales are the subject of my next question. You expressed the desire to see the changes happen as quickly as possible. The Government said:

“We recognise that Carer Support Payment from launch will not immediately fully achieve all of the aims ... for carers. These aims are intended to continue to guide the development of the benefit on an ongoing basis.”

That is quite woolly. What discussion has there been with the Government about the hard-and-fast timescales that people are looking for?

I will bring Paul Traynor back in, because he started on this topic.

Paul Traynor: At present, I am unaware of any discussion with the Scottish Government on timelines for when the changes will be made. All that has been said to us as a national carers organisation and publicly is that, after the case transfer process—recognising that the Scottish Government has highlighted aspects that it is committed to introducing, including the run-on period and the additional payment for those who care for more than one disabled person—its overarching commitment is to explore and consider a range of other aspects.

As we highlighted in our submission, we would like some of the points in the commitments that have been made to be accelerated. Addressing underlying entitlement is a key point on which we would like to see some movement. In the list, however, and even in the Scottish Government's response to SCOSS and from consultation, that seems to be quite low down the priorities, as a longer-term consideration.

Paul O'Kane: You mentioned SCOSS. It has responded on trying to achieve the broader aims, so would Judith Paterson like to come in at this stage?

Judith Paterson: Yes. It was apparent that the aims of carer support payment are broader and more ambitious than those for carers allowance, the aim of which is essentially to replace earnings. Carer support payment also aims to recognise the caring role that is undertaken by unpaid carers. In talking to carers, SCOSS heard that they did not feel that their caring role was valued. Certainly, from launch, the wider aims will not be achieved by carer support payment, so more changes will need to be made to achieve those aims.

The structure of carers allowance is much the same as it was in 1976, when it was first introduced, so a review is well overdue. It is welcome that the Scottish Government has done a lot of advance work to be ready to introduce changes as fast as possible. That work will mean that there is no reason why it could not happen more quickly, after safe and secure transfer is complete.

On which changes should happen first, the only view that SCOSS took was that redesigning the earnings rules to reduce some of the barriers for carers who want to work should be feasible and a priority. We did not take a view on when other changes should be made, but, for the carers to whom we spoke, it seemed that changes that are aimed at recognising their role were a priority.

Bob Doris (Glasgow Maryhill and Springburn) (SNP): Good morning, everyone. The business and regulatory impact assessment associated with the legislation states that there should be

“an improved service from launch”

of carer support payment. We have heard that incremental improvements and changes will be made further down the line. Everyone understands that but, at the start, from day 1, what should that improved service look like?

Fiona Collie was trying to come in towards the end of the previous question, so I will go to her first.

Fiona Collie: First, it is about simplicity and being able to apply for and access the benefit. The ability to apply in different ways is critical. We need to make sure that the right information is available, because it will be a change, and two different systems will be running at the same time, particularly when we are working with pilot areas. We therefore need to make sure that we get the right information out to people about carer support payment, and we need to make it as simple as possible.

Another area where we need to do better is that, at the moment, people who have an underlying entitlement might get a letter saying, “You're entitled, but we're not going to pay you. You can take this letter somewhere else.” That is normally related to the pensions service and people who might be eligible for pension credit. We need a simple system that enables individuals to assess their eligibility without submitting a full application, for example. We need an agreement among the Scottish Government, Social Security Scotland and the pensions service to be able to share information. We want to make the process as simple as possible, because carers who are on the state pension, even if they get a penny of pension credit, could be eligible for council tax reduction, help with their rent or other things. We therefore need to make some of those things as simple as possible as well.

Bob Doris: You might have strayed into what my next question was going to be about.

Fiona Collie: Oh, sorry.

Bob Doris: Perhaps not. I will ask it now. After I have asked it, I will bring in Fiona, and maybe Paul Traynor could come in after that—I see him nodding his head—for the best use of time.

At the launch, carers will be signposted to other support—some of the signposting will be there—but the provision of wider support is meant to develop over time. I think that we were starting to move into that kind of area. What are your

priorities for what the wider support should look like to make it meaningful for carers?

Fiona Collie: Income maximisation is critical. I am a bit wary of signposting, because that puts a lot of onus on the individual. There is more that Social Security Scotland can do on income maximisation, particularly when it comes to local advisers making sure that individuals are accessing the reserved benefits system and other supports that are available. For example, that might mean understanding and knowing that there is a carers centre and being able to make a formal referral, if possible. It is about some of those things. It makes sense to make it easier for carers at every step of the journey.

Bob Doris: That is a fair point. For clarity, this is about initial signposting. The wider support should follow on from that—in short order, I hope.

Paul, do you want to add anything?

09:45

Paul Traynor: I completely agree with everything that Fiona Collie said. The only aspect that I would add is about ensuring that carers can get that information. Social Security Scotland does not provide advice on reserved benefits, and one of the most underclaimed benefits, particularly for those with underlying entitlement, is pension credit. We would like to see more information for carers, particularly for those who apply for carers allowance and are told that they are not eligible due to underlying entitlement, on the wider support that is available to them, such as that which Fiona highlighted.

We would also like to see those who are in receipt of carers allowance or carer support payment and who are going to lose their entitlement, such as those who are approaching the state pension age, being sent information much further in advance of losing that entitlement. We recently heard from an older adult carer who said that they were only informed that they were going to lose their entitlement two months before they lost it. As we know, the application process for other benefits can be quite time consuming. We would like the notice period to be increased to at least six months for those approaching state pension age and with an underlying entitlement, so that they have information in advance to make informed decisions. Social Security Scotland could look to introduce that as part of its communication process with carers.

Bob Doris: Thank you, Mr Traynor. I have a final—

The Convener: Before you move on, I think that Maggie Chiwanza wants to come in.

Bob Doris: My apologies, Maggie; I was not aware of that.

Maggie Chiwanza: That is fine. Thank you.

I agree with what Fiona Collie and Paul Traynor said. I would like to look at the issue through an equalities lens. To make an improved service, it is essential that the information that is provided is accessible, clear and unambiguous. If it is not, for some of the equalities groups that we represent that have literacy issues or language requirements, it can pose a challenge by heightening anxiety. So, information is very important, and it is very important to make it very easy for people to access the services.

Bob Doris: That is a helpful comment, Maggie, because my final question was going to be about whether we should expect additional applications as a result of the change to the Scottish carer support payment. It is forecast that, in 2025-26, we will be paying out £32 million more than we would have been had we stayed with the carers allowance at UK level. That means more money going into the pockets of carers, which is a good thing, but only £7 million of that relates to the increased eligibility criteria, which include, for example, advanced full-time education applicants. The rest of the cost is assumed to be the cumulative impact of more people applying for the new payment. That goes back to Maggie Chiwanza's point about clarity and accessibility.

Does any of the witnesses want to say a little more about whether the new payment will mean that people who currently qualify for carers allowance and carers allowance supplement but do not apply for it will be emboldened to do so? Is this an opportunity? Fiona Collie is in the room and she is nodding her head.

Fiona Collie: Absolutely. We will have positive information around the new payment for carers so, inevitably, those who may not have claimed before may come forward and claim. Equally, people who are receiving the carer element under universal credit might consider claiming the carer support payment, which would then make them eligible for the carers allowance supplement. So, there are two strands to that but, yes, absolutely.

The Convener: I believe that Maggie Chiwanza wants to come in. I am conscious of the time, so I ask you to be as concise as possible, Maggie.

Maggie Chiwanza: There is a real opportunity to increase the uptake from minority ethnic communities. We know that the uptake is low at the moment and, by providing good information and support, there is a real opportunity to improve that.

The Convener: Thank you very much. I now bring in James Dornan, who joins us remotely.

James Dornan (Glasgow Cathcart) (SNP): Thank you, convener. This question is for SCOSS. Do the regulations as laid accurately reflect the Scottish Government's policy intentions?

Judith Paterson: Thank you for that question. In our view, it is the most complex benefit to have been devolved so far, given the multiple interactions that there are with reserved benefits in particular but also with existing Scottish benefits. The carer support payment interacts with the young carer grant. In those areas, in particular, we saw challenges in drafting the regulations accurately in order to cover those interactions. We identified those issues and, as we went through the scrutiny process, we talked to the Scottish Government and, in response, it made changes, where it could, through the process. We had sight of those changes in new drafts of regulations, and that was fine.

With some of the recommendations that we made, we did not see the resulting change, although the Scottish Government accepted the recommendations that we made. In its report to SCOSS, it helpfully set out its response in detail, so it seemed to us that the issue was communicated and understood. However, I cannot say that SCOSS went back and conducted follow-up scrutiny of the regulations as laid. We have not cross-checked that all the changes that the Scottish Government accepted and said that it would make in response to the recommendations now completely reflect the policy intention.

James Dornan: Okay. So, at this stage, you are not quite sure whether it is completely tied up.

This question is for you and the other witnesses. Are there any other issues with the regulations that you wish us to highlight for discussion with the cabinet secretary when she comes next week?

Judith Paterson: We made quite a lot of recommendations and they have all been accepted, either fully or, in some cases, partially, so I am content that SCOSS has made the case that we wanted to make.

James Dornan: Thank you very much. Does anyone else wish to comment?

The Convener: I believe that Fiona Collie would like to come in.

Fiona Collie: There is an area of concern around payment frequency. Currently, individuals can receive weekly payments under the carers allowance. Under the proposals as laid, that would be the case only for those who were caring for someone with a terminal illness. That is important, because those who will be safely and securely transferred will be given the option of four-weekly or weekly payments, but they will not be able to change back. More thought needs to be given to

individuals having the flexibility to choose how a benefit is paid to support their family financial situation. We have a few concerns around that.

The Convener: Thank you, Fiona. That is really helpful.

We have come to the end of our questions. I thank all our witnesses for taking part and sharing their expertise. I suspend the meeting to allow the witnesses to leave and to allow us to set up for our next item of business. Thank you very much for joining us today.

09:52

Meeting suspended.

09:55

On resuming—

Pre-Budget Scrutiny 2024-25

The Convener: Welcome back. Our next item is an evidence session as part of our pre-budget scrutiny. I refer members to papers 3 and 4. We will discuss budget priorities in general terms and explore the context for decision making on the Scottish budget.

I welcome Chris Birt, deputy director for Scotland at the Joseph Rowntree Foundation; Emma Congreve, deputy director and senior knowledge exchange fellow at the Fraser of Allander Institute; Dr Alison Hosie, researcher at the Scottish Human Rights Commission; and Bill Scott, chair of the Poverty and Inequality Commission. Thank you for joining us.

We move to questions, the first of which comes from me. In what ways should the impact of the cost of living crisis influence the Scottish Government's budget decisions? I put that question to Emma Congreve, to begin with.

Emma Congreve (Fraser of Allander Institute): Thank you for inviting us here today. With regard to how the current cost of living crisis should impact on budget decisions, our approach is around ensuring that a process is in place to understand the Government's priorities and how the cost of living crisis has impacted on priority groups. The most obvious example is child poverty, given that we have the child poverty targets and the many affirmations of how important that is to the new First Minister and others in the Cabinet. We are looking for a clear articulation of that through the announcements, with supporting analysis that shows why decisions have been taken and why more money has been put into some areas—that could be additional cost of living payments or increases to benefits—as well as an explanation of what impact the Government expects that to have on the people whom it is trying to target. That is a really key priority for us during the budget process. Given that there are such challenges in the fiscal outlook, there has to be a really clear approach to justifying and prioritising spend, be that for cost of living payments or any other new policies that come through the budget.

The flipside of that is where money needs to be moved around in the budget. Some money may need to be taken out of some areas. It is understandable that the Government may need to do that at this time because of the pressure on finances. However, again, we need to have a clear articulation and understanding of what the impact of that will be, in order to ensure that there are no

unintended consequences for those priority groups on which the Government needs to focus.

The Convener: Thank you very much, Emma. Would anyone else like to come in?

Bill Scott (Poverty and Inequality Commission): Thank you, convener and members. During the past year, the Poverty and Inequality Commission and our experts by experience panel, which is made up of people with lived experience of poverty, have visited local front-line organisations that work directly with people in poverty. We visited 20 organisations across 10 local authority areas—everywhere from Shetland down to the Borders. We heard from them that they have never been under so much pressure. There is demand particularly for advice services, food co-ops and anywhere that people can get help with the cost of living and the way that it is impacting on them.

10:00

One of the things to emphasise is that the cost of living crisis is not over for those on the lowest incomes—far from it. Energy prices are still nearly twice as high as they were two years ago, but the amount of help from the UK Government is far less than it was last winter. Those families face an extremely difficult winter, and the front-line services on which they rely, which are often provided by the third sector, are under huge pressure. To quote a front-line advice co-ordinator:

“Never before have we had this volume of people who have felt that there is no way out.”

Some of the people who phone up or go to those organisations are suicidal with worry about what they face and about being unable to pay bills, put food on the table for their children or keep their home warm.

We need to see in the budget exactly what Emma Congreve talked about: the prioritisation of help for those families who need it most and, if needed, the reprioritisation of money for that to be done. The Government needs to set out why that is being done, where the money is being moved from and to, and what the consequences of that might be, because we know that it will have impacts on other services.

The programme for government was relatively quiet on what other support might be forthcoming. That is why we are looking to see how exactly the prioritisation of child poverty reduction will be addressed in the budget. Some very welcome announcements have been made in the programme for government about raising disability benefits and the Scottish child payment in line with inflation, but we need to see more, and some of that will have to be crisis management for those families. The Scottish child payment has been a

lifeline for many of those families, but there are other groups of people outwith some of the priorities for the commission who have not received as much support. Young single people, young couples without children, disabled people and older people have been left out of the help, to an extent, because it has been concentrated on families with children. Some of those individuals and couples are in real difficulty and they need help as well.

Paul O’Kane: Good morning, panel. I want to follow on from that exchange on prioritisation in the budget. At last week’s committee meeting, Neil Gray said that the parental transition fund could not be delivered as intended, so the £15 million that was earmarked for that fund has been redirected to the fuel insecurity fund. What does that reprioritisation say about the Government’s priorities? Is that the direction of travel that we want to see? I ask Chris Birt to respond first, if possible.

Chris Birt (Joseph Rowntree Foundation): That decision gives me two worries. First, the parental transition fund and the extension of employability services that were announced in “Best Start, Bright Futures” have apparently been canned. In that delivery plan, supporting parents into employment was seen as a good medium to long-term goal to help to drive down levels of child poverty. We would agree with that and encourage it, so it is deeply concerning to see those two areas being put to the side by the Scottish Government.

We have heard warm words about the remaining part of the Government’s priorities. That is as it should be, but it strikes me that the Government is a wee bit stuck in this space. It keeps asking organisations such as ours where the solutions are, but those solutions have now been binned. There should be no suggestion that tackling fuel insecurity is not a priority. Going back to the convener’s first question, I note that, as Bill Scott rightly highlighted, the cost of living crisis is not over. In fact, it is raging. I therefore have no problem whatsoever with additional funds being put into the fuel insecurity fund. However, do we need to look at those things as two competing priorities? I would say not.

Secondly, I have a more general worry that does not apply only to the Scottish Government. There appears to have been an impassable divide between reserved and devolved powers. The Scottish Government has approached the UK Government about a particular thing, and the UK Government has said, “This will impact on people’s ability to access reserved benefits.” That may well be true, but we have a fiscal framework for dealing with how devolved areas will impact on reserved areas.

I know that they were talking about doing things through local government payments, so maybe that could happen. However, it strikes me that we cannot have a situation in which the line between reserved and devolved areas means that Governments are unable to make decisions on behalf of people who desperately need support, such as parents for whom we believe there is a sustainable route out of poverty and into employment. We cannot have Governments being unable to make decisions on behalf of those people in an effective way. Those are my two main worries.

Paul O’Kane: Dr Hosie wants to comment, and I saw Emma Congreve nodding. I am keen to understand your views on the prioritisation. Following on from Chris Birt’s point about whether the challenges are surmountable, I would also like to know whether we can do more in the reserved/devolved space.

Dr Alison Hosie (Scottish Human Rights Commission): Thank you for the invitation to speak to the committee today. On the point about prioritisation, I note that we are about to introduce the human rights bill, and one aspect that comes with that is about looking at and meeting minimum essential needs. It provides a framework for looking at how we prioritise. In the current cost of living crisis, it is important that we are flexible and that we constantly look at what we are prioritising, but it has to be done around that framework. We have to meet essential needs. That is not our starting point at the moment.

It is not the commission’s position to say that, in those decisions, X per cent more should be spent on this or that and, further down the line, that will not be the court’s decision, either. Our position is that what is being done in the area is not sufficient and we need to look to do more. In that regard, we have a commitment to maximise our available resources. We have to use our current resources efficiently and effectively, but we also have to commit to looking at all the alternatives, which includes looking at taxation and how we generate resources. There was nothing in the preparation questions for today about whether we generate enough resources or whether we are looking at taxation as another option, as well as prioritisation.

Emma Congreve: On prioritisation and the movement of funds, I agree with Chris Birt’s submission that this is the second year in which we have seen late movements of money when it has become clear that, for whatever reason, policies cannot be delivered as envisaged or other priorities have taken over. My concern is that policies are being put into budget documents and action plans without the work being put in to find out whether the things can actually be done. That relates to the point in my submission on how often

we see money being allocated to funds without much detail being given at the time of the announcement on what the fund will do or the details underneath it.

I am not against funds being allocated—there are some very good funds out there—but the lack of detail means that an announcement can be made without all the workings being gone through, and that is a concern when policies cannot be delivered. It may look like something has been done but, in fact, nothing is happening at that moment—and sometimes, as we have seen, the policies cannot be followed through. In thinking ahead to the next budget, my main worry is that, if we have the same undetailed announcements about funds to do things, it will be hard to have a lot of confidence about what will be achieved.

We have seen the uncertainty about reserved and devolved benefits and the scope of powers in a number of areas over the past few years. There are a lot of grey areas in the implications if the Scottish Government was to go ahead with a policy that might infringe on reserved matters. That is concerning, although it is understandable, particularly around employability, employment and social security, where there are both reserved and devolved powers. That usually means that no one can say with full confidence exactly what will happen. The UK Government will not say whether it will try to rein money back, but there is always a threat of that, which slows down the policy-making process and makes lots of decisions harder to take with certainty.

We need a much better way of resolving those issues quickly with the UK Government so that the implications are understood up front and a proportionate view can be taken of what should happen as a result. We are not in that position at the moment, which is concerning.

The Convener: I believe that Bill Scott wants to comment. We will then move on, because I am conscious of the time.

Bill Scott: I have two quick points. First, I fully agree with everything that has been said, but particularly with Chris Birt's point that a balanced approach is needed to tackle child poverty. We cannot rely totally on social security. Employability is also a key strand because, if we move people into well-paid work, they can escape poverty in the long term instead of dealing with being on a low income because they are unemployed or underemployed.

On the point about moving money from one pot to another, I agree that tackling fuel insecurity is very important at the moment, but so is employability. That solution was very much favoured by the people at the sharp end. The idea of a parental transition fund came from parents

themselves, and abandoning it involves abandoning one of the solutions that they came up with.

A similar fund operates in Northern Ireland, which brings me back to the disagreement about how social security operates. Northern Ireland has almost complete control over its devolved benefits. We do not have that because of the overlaps with reserved benefits. We need to resolve that so that we can develop genuine solutions that will work. People know what support they need and they very much favour the aforementioned means of delivering that support, so it is a real shame that it has been dropped.

We need the Scottish Government to tell us how it has come to such decisions, because it is not clear to the commission how one thing is prioritised over another. What other options were considered and why were they then discounted? At the end of the day, it is important for people to know that when setting their budgets. We need to be able to look at the decision-making process and say, "The Government looked at whether this could be moved over there, but unfortunately it couldn't be," or whatever. We would then have a clearer understanding of why the Government felt that the money had to go into a fuel insecurity fund rather than into employability in another form.

The Convener: We move to questions from Jeremy Balfour.

Jeremy Balfour: Good morning. We are looking at the coming budget, but we also have to look beyond it. The Scottish Fiscal Commission tells us that, by 2027-28, we are going to have a deficit of £1.3 billion. I will start by putting a question to Emma Congreve, and then other witnesses can jump in. Should we start to tackle that deficit now or should we just leave it and push it down the track? Moreover, if we should start tackling it now, how should we do that? You have two minutes. *[Laughter.]*

10:15

Emma Congreve: Thank you. It would be very risky to push it down the road and hope that more beneficial economic news will come out down the track that will help to close some of the gap. The Scottish Government is very aware that it needs to be thinking carefully now about whether it has the right processes and contingencies in place. Obviously, there is no choice. The Government has to be able to close the gap and to know how it is going to do that.

The point for those of us who are outside Government and for the Parliament is that, as Bill Scott and I have mentioned, we need to understand how the decisions are arrived at. We fully expect that really difficult decisions will have

to be made on how to close the gap. There may have to be a change in direction on some policies on things that are currently offered universally, and changes may need to be made to allocations to certain services. We expect that those decisions will need to be made.

The Fraser of Allander Institute does not have a view on what the rights or wrongs of this are. The point is more that we are keen for a transparent process to be in place to ensure that the pros and cons have been thought through and that it is clear to the country what decisions have been made and why. That is the best way to make the difficult decisions. If people, perhaps from better-off households, are to see a service being taken away from them, there has to be an understanding that that had to happen because the money needed to be better targeted. A long lead-in time is needed for people to understand the situation, rather than things being done at the last minute. We hope to see that kind of grown-up conversation being part of the process from the forthcoming budget onwards, in the light of the fiscal gap.

Dr Hosie: Transparency is critical to that. It helps to ensure that there is a fair process and that people can understand decisions even if they are not enjoyed.

We need to start by asking what we are trying to achieve. What outcomes do we want? How are we going to achieve them? How much will it cost? How do we generate the necessary resources? We need to start from that point and work backwards, and we need to be grown-up about the decisions that we will have to make. Going back to a point that I made earlier, I note that it is also about how we generate resources. That is part of the difficult discussion when we look at things such as the council tax or a wealth tax. There are areas where we are not doing enough, and they need to be explored.

Jeremy Balfour: I presume that, in broad terms, we take money from another budget, cut the social security budget or raise more revenue.

Chris Birt: I do not know why you would include the social security budget as one of the binary choices in that. This is a debate that the whole Parliament needs to stand up to. If the deficit is in 2027-28, there will be an election between now and then, so every party in the Parliament, whether or not they are in government now, will have to face up to that. We face a debate as a Parliament and as a society.

There are lots of things that the Scottish Government spends money on now. Could public services be more efficient? Are there little budget lines that we could all quibble about? Definitely. Do most people in the Parliament think that we need a better social care system? Yes. Do most

people in the Parliament think that we need a better childcare system? Yes. Do most people in the Parliament think that we need to support people's mental health better? Yes.

There is a debate to have in Scotland—and, frankly, the same debate needs to happen in the United Kingdom—about the level of public services that people expect and how we contribute towards those. General taxation is one solution to that, but it does not need to be. We can look at contributions to different services, or there can be universal provision of a service, but different people will contribute to that in some way.

We need to get into those issues. There are pesky economists such as Emma Congreve who will pull me up on such things, but we spend an awful lot of money on treating the symptoms of poverty. For example, earlier this year, we did cost of living polling that showed that 30 per cent of the parents who reported a decline in their mental health because of the cost of living crisis said that that was because they were worrying about providing for their children. Families do not have enough money. If those families had enough money, we could bear down on the cost of the mental health support that those families need.

Ultimately, if we want to start to close those gaps, we need to have an honest debate about the level of provision that people expect. We need to significantly reduce poverty or we will drive demand into all those public services, which are already struggling.

We have got into a really unhealthy debate about whether social security is the right thing to be spending money on. Our social security system in the UK is currently fundamentally inadequate: people are hungry in this country because of it. The UK Government bears enormous responsibility for that. The Scottish Parliament has stepped into some of that space with things such as the Scottish child payment, and that is a good thing.

Bill Scott: I very much echo what Chris Birt has just said. It has to be borne in mind that the statutory targets that exist for reducing child poverty were not set just by the Scottish Government; they were set unanimously by the Parliament. Every single party and every single member in the Parliament supported the child poverty reduction target. If we are to stand a realistic chance of meeting those targets, the Scottish Government will need to raise additional revenue, because there is no way that it can even meet its current service commitments with the budget that it has. Revenue will have to be raised. That is essential going forward. We want good public services.

Chris Birt made a point about the enormous cost of poverty to the national health service and to local authority support services. As non-economists, we are often asked what we would do differently. That is a question that is better asked of the Scottish Government. It has the resources to say what the impacts will be in terms of reprioritisation, which also needs to take place. Unfortunately, the commission is not best placed to say what a cut in the justice budget will do in terms of increased crime, for example. That is something for the Scottish Government to answer. Our expertise lies in saying, "These are the things that you need to do to reduce poverty. Unless you pay for those things, poverty will not be reduced." That is what we would reflect back to you. We need to have a serious conversation about the level of taxation that is needed to provide good public services and to address the scourge of poverty in our society.

We have previously provided advice on reprioritisation to the Scottish Government. We have asked whether the Scottish attainment challenge fund would be better spent directly on reducing child poverty rather than indirectly, through allocations to individual schools for various things.

What about a look again at concessionary travel? I have had concessionary travel for seven years. To be honest, I do not need it, given my income levels. There are a lot of people working now who were not working before and do not need it. That money could be reprioritised to help low-income families to get to work. The costs of getting back and forward to work are one of the barriers that people face, particularly part-time workers, who can face £20 or £30 a week just on bus fares to get back and forward to their place of employment. Helping them with that is one of the things that might help them to move into work or to take on more work than they are currently doing.

We need to think hard about reprioritisation, but we also need to think hard about taxation. Local and wealth taxes have to be considered if we are to generate the income that we need for poverty reduction programmes.

The Convener: I am sorry to labour the point, but we are really tight for time. I am really keen to hear from the panel and to allow members to put questions to it. We have until about 10:55.

Bob Doris: I will endeavour to be as concise as possible.

I want to look at the Scottish Government's policies and budgets, and the impact that they have had on reducing or—dare I say it?—stopping an increase in child poverty. I want to disaggregate those things into policies that are working and the budgets that are around those

policies. They interact with each other, but they are not the same thing. Maybe a couple of the witnesses could put something on the record about the impact that the policies and budgets that the Scottish Government is directing towards tackling child poverty are having.

Chris Birt: The Scottish child payment is working. It is significantly reducing child poverty. People will give you different numbers, but the figure is probably 4 or 5 per cent at the moment. We do not see that reflected in the numbers yet, because there are other factors that play in, but that will significantly reduce child poverty. That is a really good thing. Child poverty has been going up over the past few years; if that gets it going back down again, that is great.

The part of the budget that is a bit more worrying relates to housing. When Emma Congreve was at the Joseph Rowntree Foundation, she did an excellent report entitled "Poverty in Scotland 2019", which looked into the effect that investment in social housing in Scotland has had in keeping poverty levels lower than we see elsewhere in the UK.

Those are two areas in which Scottish Government investment has made a significant difference.

Bob Doris: Okay. Thank you. Mr Scott is making eye contact with me. I think that he wants to come in.

Bill Scott: I echo Chris Birt on that point. The Scottish child payment has made a significant difference, and it will continue to make a significant difference. However, we cannot rely totally on social security to reduce poverty. That has to be emphasised.

That goes back to the employability question. There are questions that have to be asked about whether the employability spend is doing all that it should be doing to move people who are in genuine poverty into work or into better-paid work. We should continue to examine that. It is good spending, and it is good that we are trying to move people into well-paid work, but is that efficient? Are we getting value for the money that we are putting into those programmes in respect of reducing poverty? Those should be the questions. There is a lot of low-hanging fruit in respect of people who are already very close to the employment market and are moved back into work. Those are not the people who need that support. Sometimes it takes longer to work with people who face multiple barriers. We need to look at the programmes through that lens.

Housing is the other big issue. It makes a huge contribution to reducing poverty in Scotland, and we need to continue—

Bob Doris: That is a point well made.

Bill Scott: —to invest in social housing.

Bob Doris: I hate to cut across you, Mr Scott, but the convener will have my guts for garters if I do not try to keep the questions moving. I apologise.

I have another question on this. We know that this is a challenge in the financial context. A change of approach has to be taken by the Scottish Government because we do not have the budget for every airt and pairt of the policy programme that would impact on child poverty. To give an example, one suggestion that I have made is that, if we cannot increase the Scottish child payment significantly above the £25 a week that we are already giving, and given that poverty does not impact uniformly across the year, could a summer supplement to the Scottish child payment make a difference to the lives of young people in families living in poverty? That is one idea. Is there another policy approach that you would like to recommend? You can throw that one out or you can support it, but are there other approaches that the Government could take, within a tight budget, that could have a direct and significant impact, hopefully relatively speedily?

10:30

Emma Congreve: There are different ways in which you could structure benefits. It is the cumulative impact of quite a lot of different things that will make the difference to households, and the Scottish Government is getting better at modelling those things. You could start to look at, for example, different payments to go to different types of households or to those that are in severe poverty and destitution. Those are among the areas that you could look at if you want to increase the cost effectiveness of policies.

I will make a quick point on looking at what has had an impact over time. We still lack a lot of the robust evaluation evidence that would allow us to really assess the effectiveness of policies in areas such as childcare and employability. There is very little evidence that links that directly to child poverty, and we need that to be able to work out what to do next.

Katy Clark: My question is for Emma Congreve. In your submission, in relation to child poverty, you state:

“we need to see much more focus on delivery of policies that have an evidenced route towards realising the targets, rather small allocations in different pockets which will not make a demonstrable difference.”

Will you explain in more detail how the Scottish Government should do this? Is there a danger that that approach might focus on policies that are

easy to measure rather than on potentially more impactful policies that are difficult to measure?

Emma Congreve: I will answer that last question first. As I said in my previous answer, it is the cumulative impact of different policies that will have that overall impact of getting people with quite complex circumstances above the poverty line. The policies will not, on their own, get people over the poverty line, but you can model the contribution of different elements: a bit more on the council tax reduction scheme and the Scottish child payment, and a targeted childcare offer, for example. They are difficult to do, but it is about bringing together complex policies in order to understand their impact.

My issue with allocations of small packets of money is that none of that modelling has happened in those circumstances. The detail has not been worked through in order to examine how effective the money that is spent through the fund will be at getting people over the poverty line or at the cumulative effect that that will have along with all the other policies that are already in place.

Some funds are very good—the Scottish welfare fund is well directed. My issue is more to do with those types of funds in which £10 million goes here and £20 million goes there. That looks good on paper, but there is not always the follow-through that considers what the impacts will be. We should not do only things that are easy to measure, but we can be a lot better at measuring some of the things that we do.

Katy Clark: Will you say more on the first part of the question, about focusing more on an “evidenced route”? What does that mean for the Scottish Government?

Emma Congreve: It means the Government expanding the approach that it took with “Best Start, Bright Futures” by doing the modelling exercise that it started and that the Fraser of Allander Institute also did in collaboration with the Poverty and Inequality Commission. It is about looking at cost effectiveness: the number of children brought out of poverty per £1 spent. You have to add all the policies into the pot. You have to look at different options and scenarios and do the options appraisal, which is built into the training of all Government economists, to find the best, most cost-effective route forward.

The time for that direct and focused exercise has come, because we are really close to having to meet the 2030-31 targets. Pilots and experimentation are great and give us lots of evidence, but we need to start spending money at scale if the targets are to be reached.

Katy Clark: Thank you.

The Convener: The next question is for Alison Hosie. Given the constrained fiscal framework, to what extent would you prioritise making further above-inflation increases to the Scottish child payment?

Dr Hosie: That question perhaps falls more into the realm of the economist sat to my right, Emma Congreve. However, from a rights perspective, the system requires and is built on inequality. Inequality and extreme poverty in society demonstrate the fact that we have human rights violations. Poverty is inherently linked to poor housing, poor health determinants and poor educational outcomes. All those aspects must be viewed as potential human rights violations; they are human rights issues. The Scottish Government has an obligation to deal with that. Again, I would challenge the approach of prioritisation at the expense of also looking at the difficult question of resource generation.

Poverty is multidimensional. To what degree does the evidence demonstrate that the Scottish child payment is sufficient as a route to adequately and effectively tackle and dramatically reduce poverty? As colleagues have said, there is evidence that it has had an impact, but is it the silver bullet? That is, for me, where the lack of evidence about other approaches comes in. We need more information. We know that school meals, for example, are impacting on children. You could argue that more nutritious school meals could have even more impact. We know about the impact of the quality of school provision, of the availability of school materials and of learning support in schools. There are lots of aspects, and they all need to be measured coherently.

I cannot give you an answer on the impact of just increasing the amount of payment without also addressing all the other issues. I need to see more of the evidence, as Emma Congreve described it, from looking at all the different ways and what will contribute to the outcome that we want.

Providing direct payments is known to be one of the most dignified ways of providing support, but, in and of itself, that will not solve child poverty, because the structural deficits in children's lives are much deeper and wider than can be solved by just financial support. Chris Birt mentioned the state of public services. After 15 years of austerity, they are no longer able to provide the support to deal with those wider inequalities. All of that is important.

The Convener: Thanks very much.

Marie McNair: Good morning to the witnesses, and thanks for your time. The programme for government committed to inflation-linked uprating for some benefits and referred to

"increasing the Scottish Child Payment, Funeral Support Payment and all disability and carers benefits in line with inflation."

Do you expect all devolved social security benefits to be uprated in line with inflation? For completeness, do you expect the UK Government to uprate all reserved social security benefits in line with inflation? I put that question to Bill Scott.

Bill Scott: Yes. The people who are living at the sharp end need, at the very least, an uprating of benefits in line with inflation. Actually, the adequacy of universal credit needs to be addressed right now, because, when the £20 uplift that was made during the pandemic was removed, that plunged many families back into deep poverty. As JRF research shows, the numbers and the proportion of children living in households in deep poverty now, where they cannot afford essentials, is growing. Universal credit should at least enable people to have those essentials, such as food, energy and a roof over your head. If it is not doing that, it is failing to provide the security that social security is supposed to provide.

Marie McNair: Thanks, Bill.

In the interests of time, I will move on to my next question. Chris Birt, in your written submission, in relation to disability benefit, you say that it

"will clearly have a significant impact on the Scottish Government's budget if the UK Government fail to commit to a real terms uplift in these payments."

Will you expand on how that impact will be significant?

Chris Birt: Bill Scott set it out. Members of the UK Government were talking yesterday about how they did not want to bankrupt ordinary families: they are already making them hungry through the inadequacy of the social security system.

As Bill has said, our analysis from earlier this year showed that poverty has deepened in the UK since the turn of the millennium. One of the groups worst impacted by that has been disabled people. We need to do a longer-term bit of work on the adequacy of disability assistance. That is supposed to cover the additional costs of disability. There is lots of evidence, at least anecdotally, that it is not doing that. From the budget perspective, it is the biggest line in Scottish social security funding now. If the UK Government fails to uprate in real terms, that will cause a big problem for the Scottish Government, because it is already spending more per head than the UK Government on those payments. I hope that the UK Government will do the right thing, which it should, and the Scottish Government then needs to follow suit.

Marie McNair: Thanks, Chris.

Finally, in “Equality, opportunity, community: New leadership—A fresh start”, the First Minister stated that the Scottish Government would have to “target every pound we spend and invest in order to get the maximum value, ensuring it reaches those that need it the most.”

How should the Scottish Government determine who needs it most? I will put that question to Chris Birt.

Chris Birt: As I have said, we rightly focus on child poverty because we know the trauma that that can cause in young people’s lives and that then plays out throughout their life. However, if you look at, say, the people who are having to rely on food banks, it is often working-age single people and, again, disabled people.

Emma Congreve and Dr Hosie have put this more eloquently already: we need to have much better insight into the decisions that we could make, which families would benefit most and whom we will prioritise in the immediate term, and to take it from there. Sadly, there is no right answer. There is no silver bullet, but there is a heck of a lot more that we could do.

Marie McNair: I certainly wish that there was, Chris. Does anyone else want to come in before I hand back to the convener? [*Interruption.*]

The Convener: Dr Hosie would like to come in. Sorry, Bill, she beat you to it.

Dr Hosie: It is a tricky question, but, when we ask who needs it most, we should be aware that different categories of vulnerability can come from your lack of access to a right or service. It is not a natural condition of the individual but a condition that you are being subjected to because of a particular situation. You could be vulnerable because you are homeless or because you lack access to food, housing or education. The lack of access to a right puts you in a place of vulnerability. That is one aspect, and we need to understand who those people are so that services can be better targeted.

The second part of that is that people can be vulnerable because of the conditions that they are in. We know that, for example, people who are in care, those deprived of their liberty and women and children who are fleeing domestic violence are all vulnerable because of their circumstances. I go back to evidence: we need more evidence about who those people are. The people who are vulnerable will change over time. There will be some consistency, but there will also be changes. With the cost of living crisis, more and more people are finding themselves in positions of vulnerability, so we need more evidence.

We also need to listen. We have an incredibly strong civic society in Scotland. It is shouting from

the rooftops about who is vulnerable and in need of more support. We need to look at the many submissions that your committee and the Government receive telling us that over and again, so that we can help to inform that evidence base.

With many of the decisions that are made with regard to budgetary allocations, it is difficult to disagree, because there are merits with decisions left, right and centre. However, we need a framework for that decision making. To understand who needs support most, we need to have an adequate way of looking at that, which means, as I said before, looking at the minimum core, defining and measuring it, and seeing who is and who is not receiving that minimum level of service provision.

The Convener: Okay. Thank you, Dr Hosie. I will quickly bring in Bill Scott.

10:45

Bill Scott: It would be remiss of me not to mention the six priority groups of families: lone-parent families; families with a disabled adult or child; larger families, who are those with three or more children; minority ethnic families; families with children aged under one; and families with a mother under the age of 25. Some 90 per cent of all children living in poverty are to be found in one of those families. Therefore, there is a way of prioritising who needs the help most when it comes to child poverty.

However, I echo Chris Birt in saying that some of the people who are suffering the worst impacts of deep poverty just now are young single people and disabled people. They also need to be prioritised to protect those who, at the moment, face not just the choice between heating and eating but difficulty in continuing to live. That is what the calls to helplines are telling us.

Roz McCall: We have skirted around this issue already, but I would like to put a bit more detail on it. My question is for Bill Scott, and also for Emma Congreve, if you would not mind making just a wee comment.

In your submission, Bill, you say, on raising revenue, that in addition to prioritising spend, the Scottish Government will need to “raise additional revenue” to make full use of its devolved tax powers. Can you explain your views on how the Government does not currently utilise its tax powers and tell us what your tax working group is considering?

I put it to you that there is a tax structure that could be used and that changing to that structure would be within devolved tax powers. I am interested in whether you think that that is worth looking at.

There is a little bit of a mix there, but I would be grateful, Bill and Emma, if you could come back on that.

Bill Scott: At the end of last year, the commission established a tax working group made up of members of the commission, experts outwith the commission and members of our experts by experience panel. We called in expert Government witnesses, tax experts from the private and public sectors, et cetera, and we took evidence from them throughout the year to try to come up with some recommendations for the Government of where additional revenue might be secured to feed into child poverty reduction programmes.

We are nearing the end of that process. We will publish next month, but I am able to convey some of the general thoughts and findings of the tax working group. We started by looking at how effective the current arrangements are and whether they are progressive. Our conclusion is that, largely, the Scottish Government's tax policies are progressive and are making a difference, because the additional revenue that is being raised and the spending choices that have been made have tended to benefit lower-income households. They are therefore redistributive.

There is scope for more, however, and much more needs to be done. The fiscal sustainability challenge has already been pointed out, and the scale of the ambition to reduce child poverty demands that more resources be put into child poverty reduction programmes in order for them to stand any realistic chance of meeting that ambition by 2030. In broad terms, there is limited further scope for tinkering or making small adjustments to things such as council tax bands. The scale of the challenge is much bigger than that.

You are absolutely right that we need to look not just at tweaks to the current system but at a redesign for the short and longer term. Part of that will relate to local taxation, because that is one of the areas in which it is easiest to make changes. We need to get those changes right for the medium and longer terms—a quick fix is not the way in which to go about it.

We favour a revaluation of properties, because none has been carried out since 1991. If we were to go ahead and make changes to local taxation, some people who should pay more would not do so, because we have not revalued, and some people who should not pay more would do so, because of how their properties were valued at that time. Revaluation therefore needs to be carried out urgently so that we can have a proper basis for looking at local taxation in the round and for making plans for the medium and longer terms, to raise proper levels of funding from local taxation in order to meet local service demand.

We also need to see some devolution of further powers, through agreement with the UK Government, focusing on powers that are complementary to those that we already have.

Roz McCall: Thank you, Bill. I am sorry to cut in, but I am really interested in hearing what Emma Congreve has to say. I have got the gist of what you are saying, but, if I do not have a chance to hear Emma, we will have to move on.

Bill Scott: Could I add something very quickly? We favour devolving powers over savings and dividend income, so that we can close off one of the ways in which people can avoid paying income tax on earnings, which is by putting money into a company rather than paying themselves a salary. I will let Emma come in.

Emma Congreve: I will not add much. We are involved in the tax advisory group that the Scottish Government set up to look at some of those things.

I will touch on one point. We have talked a lot today about evidence and how we need a lot more of it. One area in which there is a lot of evidence is council tax and the choices that can be made to make it more progressive. That cannot be done without a revaluation, because not having one starts to undermine the whole purpose of the system. We very much echo that that needs to be done.

The Convener: We will move on. I invite James Dornan, who has joined us remotely, to ask questions. Again, I say that we are really tight for time, so please be as concise as possible.

James Dornan: That's me told. Thank you, convener.

The committee recently received evidence that highlighted concerns about the transparency of the budget. Have any improvements in transparency been made? What more needs to be improved in the budget process? I will start with Emma Congreve.

Emma Congreve: Yes, some improvements have been made over time. A number of us are involved in the equality and human rights budget advisory group. A lot of the recommendations that we have made through that group on how to improve the equality and fairer Scotland budget statement and make it more useful have been taken on board. I also mentioned in my submission that we are aware that more is being done to look at modelling and presenting the distributional impact of tax, social security and spend. We look forward to seeing the results of that—hopefully in this budget, and certainly in the future.

There is more that can be done. I refer members to comments made by my colleagues at

the Finance and Public Administration Committee for some technical details on that. We have spoken quite a lot about the presentation of data. It can be quite difficult to navigate through the budget documents and understand what is new spending and what is existing spending that is continuing or is simply being reannounced. We would really appreciate a much more concise budget document that concentrates on the new decisions that have been made for that financial year.

James Dornan: Do you think that that is a realistic plan, given the financial and time pressures involved in preparing the budget?

Emma Congreve: Yes, I do. A lot of the work for the budget is a year-long process. A lot of the decisions that come through in the budget documents will have been through a policy-making process, so a lot of the analyses can be done in advance. Of course, there are time pressures because the UK details for the Scottish budget come through only a few weeks in advance.

A lot of the issues that we have in relation to transparency could be addressed in advance so that, when the final decisions can be taken in the final few weeks, everything is ready to go. From our point of view, the issue is not those time pressures; it is the approach that is taken to writing and preparing the budget.

James Dornan: Okay. Thank you very much for that.

I have a question for Dr Hosie. The Scottish Human Rights Commission has made suggestions about how the committee could practically take a rights-based approach to budget scrutiny. Will you outline the main points that the committee should consider in taking that approach?

Dr Hosie: I will do, if I could first take the liberty of quickly adding to the response to the last question about transparency, because that is a key area of our work.

We are currently repeating the open budget survey of the Scottish budget. We did that process four years ago and we will publish our results in May of next year. In their draft form, those results show that some progress has been made on the transparency of the Scottish budget. For me, the positive point is that, this time around, the Scottish Government has committed to engaging with the process and to looking at our recommendations for improving the transparency of, participation in, and accountability of the budget. Last time, the Government did not engage with the process at all, so that shows that there is a willingness to engage and that fiscal transparency is being taken seriously.

On your question about taking a rights-based approach, you have seen my written evidence, in which I tried to set out not the whole framework but the three steps that can be taken on rights-based scrutiny. We look at the commitments that the Government has. We are signed up to a range of international treaties, some of which will be incorporated very soon through the human rights bill. We look at what lies within those rights, the contents of those rights, and the minimum obligations. We ask what it is that we are aspiring to progress over time in relation to rights realisation. What do the treaty bodies that periodically—every four to five years—critique the Government on its progress say we are doing well and what do they say we need to improve on? They highlight a range of areas across all the committees' work. There is a lot of synergy in what they say, particularly on economic and social rights.

Earlier this year, we presented to the United Nations, and we highlighted a range of areas in which we need to see improvement, particularly in and around poverty and inequality. What is said back to us on what we need to do is a key source of information when it comes to what you need to challenge the Scottish Government on in terms of its human rights record.

It is then about considering the resources that are required to deliver on the commitments, before finally agreeing how the necessary resources will be generated. That goes back to the question of what it is that we are trying to achieve. What are we not doing well that we need to improve on? How do we achieve that? What resources are required, and how do we generate those resources?

We have talked a lot about child poverty. That is a key example. The United Nations Committee on the Rights of the Child reviewed Scotland's record recently, and child poverty was, yet again, raised as a significant issue. You need to ask the Government what it is doing to reduce the legal duties that it has set itself on child poverty. What is it doing? What is it going to fundamentally change about the way that it is currently budgeting to tackle child poverty and to demonstrate that it will have an impact on that statutory duty? What evidence can it produce to demonstrate the active impact that those obligations have on budgetary decision making? It is about taking that evidence and applying it, with the questions that you ask of the Government.

James Dornan: There is quite a lot that I would like to come back on in normal circumstances, but, given the time restrictions and that I am scared of the convener, I will pass back to her.

The Convener: Yes—that was the right choice. Thanks, James.

I will bring in Paul O’Kane for the last question.

Paul O’Kane: I will return to the theme that I started with, or that we heard some responses on, which is the engagement of people with lived experience and the public in setting priorities. Bill Scott talked about some of the priorities perhaps being revised. How can we better hear what the public and people with lived experience have to tell us and prioritise their views on the budget?

Bill Scott: It is fundamental to the commission’s priorities that people with lived experience of poverty not only are involved in commenting after decisions have been made, which is too late, but are involved right at the start in developing and designing solutions to the poverty that they face. The budget is one of the key areas in which they should be involved. There are real challenges in doing so. As we have said, some of the budget documents are still very opaque and it is difficult even for people with technical experience to understand and to pick out what is changing and what is not changing.

One of the things that we think the Scottish Government could do better is set out, where there are new areas of spend, why that is being done and what that is about. If there are reductions, why are they being made and what are the likely consequences? If the other areas are largely unchanged, we do not really need to hear so much about them, but we need to know where the changes are.

11:00

The Parliament has a critical role in assisting the Scottish Government in that process. The Citizen Participation and Public Petitions Committee has issued a report on embedding public participation in the work of the Parliament. One of the things that you could do is look at how to involve people with lived experience in pre-budget scrutiny work. Again, what happens in the forthcoming budget is of fundamental importance to their lives. They should have some input into how the Scottish Government is prioritising spending.

The Convener: May I stop you there, Bill? I am keen to hear from Chris as well.

Bill Scott: I was just stopping there anyway. Thanks.

The Convener: I appreciate that Chris has not come in for a while. Do you want to have your final say on that, Chris?

Chris Birt: Bill Scott is right about the direct engagement of people with lived experience. I am sure that you all see in your constituencies and the areas that you represent that there are third sector organisations and local public sector staff who have deep knowledge of what is happening in their

communities. Emma Congreve talked about evidence that is available for national decision making. That is a huge untapped resource that we have. Our politicians in the Scottish Parliament are often much better connected to their communities than is the case elsewhere. You will know better than I do that that is hard work. Speaking to third sector organisations that understand their communities better than anyone is another really fruitful way of getting insight that the Parliament can then use.

The Convener: Thank you very much. That brings us to the end of our scrutiny session today. I thank the witnesses very much for joining us. We have discussed a wide-ranging and important topic, and I am sorry that we were so tight for time. I know that Roz McCall had a question about the concept of the wellbeing economy that she was not able to ask. If the witnesses want to put forward any written submissions after we leave here today, I would be happy to receive them.

Again, I thank the witnesses very much. We will now end the session.

11:02

Meeting continued in private until 11:32.

This is the final edition of the *Official Report* of this meeting. It is part of the Scottish Parliament *Official Report* archive and has been sent for legal deposit.

Published in Edinburgh by the Scottish Parliamentary Corporate Body, the Scottish Parliament, Edinburgh, EH99 1SP

All documents are available on
the Scottish Parliament website at:

www.parliament.scot

Information on non-endorsed print suppliers
is available here:

www.parliament.scot/documents

For information on the Scottish Parliament contact
Public Information on:

Telephone: 0131 348 5000

Textphone: 0800 092 7100

Email: sp.info@parliament.scot



The Scottish Parliament
Pàrlamaid na h-Alba