

LOCAL GOVERNMENT AND COMMUNITIES COMMITTEE

Wednesday 4 February 2009

Session 3

£5.00

© Parliamentary copyright. Scottish Parliamentary Corporate Body 2009.

Applications for reproduction should be made in writing to the Licensing Division,
Her Majesty's Stationery Office, St Clements House, 2-16 Colegate, Norwich NR3 1BQ
Fax 01603 723000, which is administering the copyright on behalf of the Scottish Parliamentary Corporate
Body.

Produced and published in Scotland on behalf of the Scottish Parliamentary Corporate Body by RR
Donnelley.

CONTENTS

Wednesday 4 February 2009

Col.

LOCAL DEMOCRACY, ECONOMIC DEVELOPMENT AND CONSTRUCTION BILL	1623
SUBORDINATE LEGISLATION	1628
Non-Domestic Rating (Petrol Filling Stations, Public Houses and Hotels) (Scotland) Order 2009 (Draft).....	1628
Non-Domestic Rate (Scotland) Order 2009 (SSI 2009/3)	1630
CHILD POVERTY INQUIRY	1631

LOCAL GOVERNMENT AND COMMUNITIES COMMITTEE

4th Meeting 2009, Session 3

CONVENER

*Duncan McNeil (Greenock and Inverclyde) (Lab)

DEPUTY CONVENER

*Alasdair Allan (Western Isles) (SNP)

COMMITTEE MEMBERS

*Bob Doris (Glasgow) (SNP)

*Patricia Ferguson (Glasgow Maryhill) (Lab)

*David McLetchie (Edinburgh Pentlands) (Con)

*Mary Mulligan (Linlithgow) (Lab)

*Jim Tolson (Dunfermline West) (LD)

*John Wilson (Central Scotland) (SNP)

COMMITTEE SUBSTITUTES

Brian Adam (Aberdeen North) (SNP)

Paul Martin (Glasgow Springburn) (Lab)

Alison McInnes (North East Scotland) (LD)

Margaret Mitchell (Central Scotland) (Con)

*attended

THE FOLLOWING GAVE EVIDENCE:

John Swinney (Cabinet Secretary for Finance and Sustainable Growth)

David Henderson (Scottish Government Public Service Reform Directorate)

Keith Hayton (Hayton Consulting)

CLERK TO THE COMMITTEE

Susan Duffy

SENIOR ASSISTANT CLERK

David McLaren

ASSISTANT CLERK

Ian Cowan

LOCATION

Committee Room 3

Scottish Parliament

Local Government and Communities Committee

Wednesday 4 February 2009

[THE CONVENER *opened the meeting at 10:00*]

Local Democracy, Economic Development and Construction Bill

The Convener (Duncan McNeil): Good morning and welcome to the fourth meeting in 2009 of the Local Government and Communities Committee. I ask members and the public, as I normally do at this point in meetings, to turn off their mobile phones and BlackBerrys.

Agenda item 1 is the United Kingdom Parliament's Local Democracy, Economic Development and Construction Bill. The committee will take evidence from the Cabinet Secretary for Finance and Sustainable Growth, John Swinney, on legislative consent memorandum LCM(S3) 13.1. We welcome: the cabinet secretary; Audrey Macdonald, the bill team leader from the construction advice and policy division of the Scottish Government; and Andy Sinclair, a senior policy officer in the referendums and elections division of the Scottish Government. I thank you all for your attendance. Do you wish to make any introductory remarks, cabinet secretary?

The Cabinet Secretary for Finance and Sustainable Growth (John Swinney): Good morning. With the committee's permission, I would like to do so.

The UK Local Democracy, Economic Development and Construction Bill was introduced into the House of Lords on 4 December 2008. It had its second reading on 17 December 2008, and has been debated at committee on 19, 21, 26 and 28 January 2009. Its purpose is to create greater opportunities for community and individual empowerment, strengthen local democracy, reform local and regional governance arrangements to promote economic regeneration, and improve cash flow and adjudication of disputes provisions in construction contracts.

The bill runs to 144 clauses and seven schedules. It covers a wide range of issues—as we can see from its title—and most of its main provisions are relevant only to England and Wales. However, it is suggested that two specific proposals should extend to Scotland. By virtue of

the Sewel convention, those proposals are subject to the consent of the Scottish Parliament. I would like to give the committee some information on them.

The first proposal is the repeal of sections 14 to 20 of the Political Parties, Elections and Referendums Act 2000. By way of background, I should explain that that legislation was enacted following a Sewel motion that endorsed the principle of providing the Scottish ministers with enabling powers that allowed for the future option of transferring any of the functions of the Local Government Boundary Commission for Scotland to the Electoral Commission. However, the Committee on Standards in Public Life has recommended that the Electoral Commission should no longer have any involvement in electoral boundary matters. Therefore, the provisions in the Political Parties, Elections and Referendums Act 2000 should be repealed.

The power that the Scottish ministers hold to transfer boundary-making powers has not been used, and the repeal of sections 14 to 20 of the 2000 act would be in line with the principles of devolution in ensuring that Scottish local government boundaries are set in legislation by the Scottish ministers and that reviews would continue to be carried out by the Local Government Boundary Commission for Scotland. Although the powers in question have never been commenced in Scotland, a legislative consent motion is still required, as the repeal of the sections will remove powers from the Scottish ministers.

The second proposal relates to the amendments to the Housing Grants, Construction and Regeneration Act 1996. Those amendments will improve the operation of construction contracts.

The 1996 act, which regulates construction contracts, has generally worked well. It was designed to provide the construction sector, which is dominated by small and medium-sized enterprises, with effective and fair payment practices to ensure prompt cash flows and, in the event of a dispute, access to a quick and relatively inexpensive adjudication process.

It is recognised that a lack of clarity about payment and any ensuing disputes can seriously impact on the successful delivery of construction projects. As I say, the 1996 act has worked well in the main, but following extensive consultation with the industry over a number of years, it is recognised that certain improvements are required. Seven clauses of the Local Democracy, Economic Development and Construction Bill are intended to address the weaknesses in the 1996 act. They will ensure fairness by providing a more level playing field for construction businesses, especially small, local businesses. That is to be

done by creating greater certainty about and clarity on cash flows for everyone in the construction supply chain.

The use of a legislative consent motion to extend to Scotland the clauses in the bill that repeal sections 14 to 20 of the 2000 act and amend the 1996 act represents a practical approach. The repeal of sections 14 to 20 in the 2000 act will remove technical sections that are not required and, as far as Scotland is concerned, are unused. The construction contracts legislation amendments are relatively minor and technical. Consultation has demonstrated the industry's support for the changes.

David McLetchie (Edinburgh Pentlands) (Con): I was interested to read in the legislative consent memorandum that the powers to transfer to the Electoral Commission responsibility for local government boundaries

"have never been used because of the obvious tension between them and the general principles of devolution".

You mentioned that in your opening remarks, cabinet secretary. Those powers were agreed to in a Sewel motion that was passed in 2000. Why was the tension with the principles of devolution not obvious in 2000? Why did we end up in the situation that we are in?

John Swinney: The Political Parties, Elections and Referendums Act 2000 is a relatively new piece of legislation that put in place a host of arrangements in relation to the regulation of political parties and the conduct of elections. It has become apparent—this underpins the legislative consent motion that we are discussing—that perhaps not all of those provisions were constructed effectively to be appropriate for the circumstances. Some of the powers have had to be reviewed in the light of experience. So my explanation of why the provisions need to be changed is that they were not constructed in the right fashion in the first place. We are simply rectifying an approach that was taken but which we accept was not the most appropriate one.

David McLetchie: I am sure that it is welcome that you are amending the failures of your predecessors in that regard.

I have a question about the construction contracts legislation, which, as I understand it, relates to payment provisions. I am intrigued by the fact that the original legislation in 1996 was, to quote the memorandum,

"designed to provide the construction sector ... with effective and fair payment practices".

A review was then set up, led by Sir Michael Latham, because of

"concerns that were raised by the construction industry about unreasonable delays in payment."

The review reported in September 2004. Eight years after the primary legislation was supposed to have resolved the matter, people in the construction industry were still complaining about "unreasonable delays in payment."

The amendments to the legislation that are proposed in the bill are yet another bite at the cherry—they are supposed to deal with unreasonable delays in payment and create fair payment practices. Here we are, 13 years after primary legislation was introduced that was supposed to resolve the matter, and we are still not satisfied that firms are being paid promptly and in good time for work that they have done. That must be a particular concern in these recessionary times, with many small firms facing cash flow difficulties. Can we be satisfied that we will actually get the system right 13 years later?

John Swinney: I am tempted to say, "If at first you don't succeed, try, try and try again," which perhaps is also relevant to the discussion that we will have in the Parliament this afternoon.

There is a consistent aspiration in all the interventions that Mr McLetchie talked about—the 1996 act, the review that took place and the proposal before the committee—to try to ensure that we do as much as is physically possible, while being consistent with legislation, to allow companies to be paid promptly. The fact that the original intervention in 1996 has not met all our expectations in that respect justifies our returning to the issue to ensure that we are able to deliver on that commitment. I accept entirely Mr McLetchie's point that, particularly in the current economic circumstances, there must be prompt and effective payment. In circumstances where credit is so difficult to acquire, that can be the difference between success or failure for an individual business. We are not talking about trivial or peripheral issues but issues that are integral to a business's survival.

The industry has been consulted consistently about these issues and the feedback from it is that the bill is welcome and will help the process in particular areas. Not all areas of payment and contract dispute resolution are causing difficulties; some areas are performing perfectly well. However, there is an aspiration to put in place all the arrangements that will ensure prompt payment. The interventions that have been made from 1996 onwards have been genuine attempts to resolve those issues. The feedback that we have received from the industry is that it is confident that the proposals in the bill will help the situation.

The Convener: As someone who had the misfortune to be on the Scottish Parliamentary Corporate Body during the construction of the Parliament building, I know a wee bit about

adjudication procedures, which do not always involve the company and a client; they often involve two businesses disputing what was done and under what terms. I am sure that any progress on the matter will be welcome.

Mary Mulligan (Linlithgow) (Lab): There have been a couple of instances in my constituency of difficulties with making payments, so I recognise some of the problems that have arisen. If there had not been a legislative consent motion, would you have wanted to do anything else to address the problems that companies have faced?

John Swinney: Arriving at the bill in the United Kingdom context has been a protracted process. We looked into whether Scottish legislation could be used to address those issues and to improve the situation. It is early in my term as a minister, so I am sure that ministers in the previous Administration looked into that, too. There was a protracted discussion with the UK Government about the best legislative format for making progress—it was perfectly co-operative; the matter just took a long time to settle. Given the dialogue that we have had with the construction industry in Scotland, we believe that the bill's provisions address the industry's aspirations to improve performance in this area. I am generally satisfied with the content of the bill. The choice was between introducing a unique bill in Scotland and using the legislative consent motion to make progress, and I think that the LCM is a convenient way for us to proceed.

The Convener: There are no other questions. I thank the members for their questions and the witnesses for their attendance. Given that the report on this item will be short, do members agree that it can be circulated by e-mail for agreement?

Members indicated agreement.

Subordinate Legislation

Non-Domestic Rating (Petrol Filling Stations, Public Houses and Hotels) (Scotland) Order 2009 (Draft)

10:15

The Convener: The cabinet secretary stays with us for item 2, which is subordinate legislation. He is joined by Scottish Government officials: David Henderson, head of the local government finance division; James Gilmour, a senior policy officer in the local government division; and Tony Rednall, a policy officer in the criminal law and licensing division. I welcome you all, and I invite the cabinet secretary to make introductory remarks.

John Swinney: Thank you. The draft order is necessitated by the Licensing (Scotland) Act 2005 and will take account of changes to the definition of "licensed premises" and bring secondary legislation into line with the 2005 act. The 2005 act, which will come into force on 1 September, will completely replace the Licensing (Scotland) Act 1976 and will introduce a new and very different regime. From 1 September, people who want to sell alcohol will need a premises licence, which will name a premises manager who holds a personal licence. The 1976 act underpins the existing secondary legislation—the Non-Domestic Rating (Petrol Filling Stations, Public Houses and Hotels) (Scotland) Order 2003 (SSI 2003/188)—so a new order is required.

The draft order will ensure that eligible petrol stations, public houses and hotels in Scotland's rural settlements can continue to benefit from rates relief. Scotland's rural rates-relief scheme was introduced in April 2003 in recognition of concerns about the decline of services in small rural communities. There is continuing concern about the provision of services in such areas. The Government seeks to support, sustain and enhance our rural communities through a range of measures, including the rural rates-relief scheme. We acknowledge the contribution that the provision of services by public houses, petrol stations and hotels can make to rural communities. Such premises can be an important focus for communities and, in some cases, provide community facilities such as meeting rooms and other services that would not otherwise be provided.

I hope that my remarks were helpful to the committee and I am happy to answer questions.

The Convener: Thank you. I invite members to question the cabinet secretary and his officials.

David McLetchie: Cabinet secretary, the draft order contains definitions of "petrol filling station",

“public house or hotel” and “ratepayer”. Does the principal act define “settlement”? I note that the rates relief will apply to a public house or hotel only if

“there is no other public house or hotel in the settlement concerned.”

Is there a statutory definition of “settlement”?

David Henderson (Scottish Government Public Service Reform Directorate): Yes, there is. The areas in which the rural rates-relief scheme applies are defined elsewhere in regulations. The definition is to do with the number of people who live in areas that have certain postcodes. If a pub or hotel is the only one in such an area, it will qualify for relief. Column 2 of the schedule to the Non-Domestic Rating (Rural Areas and Rateable Value Limits) (Scotland) Order 1997 (SI 1997/2827) lists the localities.

David McLetchie: Right, so areas are deemed to be settlements by reference to their postcodes and there is no generalised definition of the concept of a settlement.

John Swinney: I think that the 1997 order to which Mr Henderson referred lists localities that are excluded from being defined as settlements. The scheme applies to

“settlements of less than 3,000 people”

in designated areas—in essence, there is a threshold. The order does not list settlements that have a population of less than 3,000; it excludes from the equation areas that have a population above that level—that is how the definition of “settlement” is arrived at.

David McLetchie: However a settlement is defined—whether it is defined as falling below one line or in another way—a settlement or locality must still be defined. I do not ask such questions to trip you up on the fine print. There are several measures—including one that I hope that we will take through the Parliament in the next year, following the budget—that depend on defining boundaries of settlements and town centres, for example. I am interested in whether we have definitions for that purpose. Do we have a general definition that applies to a settlement, the centre of a town or the centre of a village, or must we go through every postcode and say which qualifies and which does not in order to operate such arrangements in legislation?

John Swinney: I will explain what I said further. The order that Mr Henderson talked about defines rural areas for the purposes of the scheme on the basis of the application of the General Register Office for Scotland’s postcode classification of what is urban and rural. That creates what could be described as a threshold. A settlement with a population of 3,000 or more would be defined

through that classification as an urban settlement. Beneath that, the methodology from the General Register Office is applied to what constitutes rural settlements. Ultimately, the process that Mr McLetchie talked about will be followed. People will say, “That’s this settlement,” and “That’s that settlement”—I hope that that explanation is clear to the committee.

I will give examples from my constituency. Blairgowrie, which has a population of about 8,000 or 9,000, would be defined as an urban settlement, whereas the village of Woodside—where I reside—which has 150 houses and is 4 miles from the nearest town, would be defined as a rural settlement. However, we would be hard pressed to define a hamlet such as Campmuir, which is a mile or so away from the village in which I live, as an individual settlement to satisfy the order. That was a helpful geographical illustration of Perthshire.

David McLetchie: I look forward to visiting those parts.

John Swinney: You are very welcome.

The Convener: Members have no more questions, so we move to agenda item 3, which is the debate on the motion.

Motion moved,

That the Local Government and Communities Committee recommends that the draft Non-Domestic Rating (Petrol Filling Stations, Public Houses and Hotels) (Scotland) Order 2009 be approved.—[*John Swinney.*]

Motion agreed to.

Non-Domestic Rate (Scotland) Order 2009 (SSI 2009/3)

The Convener: Item 4 is a negative instrument that relates to the affirmative order that we have just considered. As members have no points for clarification, do we agree to make no recommendations on the order?

Members indicated agreement.

The Convener: We move to item—[*Interruption.*] I forgot to thank the cabinet secretary for his attendance and help.

John Swinney: I am dispatched.

The Convener: I thought that you had slipped out of the door and rushed off.

Child Poverty Inquiry

10:25

The Convener: We will now consider child poverty in Scotland. We welcome Keith Hayton of Hayton Consulting. Without further ado, I invite him to make introductory remarks before we move to questions from the committee.

Keith Hayton (Hayton Consulting): Thank you, convener. I was asked to do some work to complement the other evidence that the committee has heard. You have heard from a lot of people from organisations and agencies that are involved with child poverty and its solutions. I was asked to go out and speak to parents and carers living in poverty to get their input about their experiences and perceptions of the impact of poverty on children. I did that in two main ways.

I set up five focus groups, from Stranraer in the south to Stornoway. The groups were organised through local agencies that were in contact with parents and carers living in poverty, so I was able to get in touch with the right people. The report contains information about the groups, with details about income levels and so on. In total, the focus groups were attended by 58 people, about half of whom were single parents.

The other part of the research involved the use of the Scottish household survey in undertaking 30 face-to-face interviews with parents and carers. For the most part, those people lived in some of the more remote rural areas of Scotland. I took that two-pronged approach because it is difficult to organise a focus group in some of the more sparsely populated areas, given the long distances involved. It is far better to send an interviewer to speak to people in such areas.

I tried to pull together in the report those two sets of views and opinions under a number of headings, such as experiences of training and employment, benefits and so on. I also asked what impact people felt that local government services had on their and their children's life chances.

That is all that I would like to say by way of introduction.

The Convener: That is fine. We now move to questions.

Jim Tolson (Dunfermline West) (LD): Good morning, Mr Hayton. I read your report with great interest. You refer to kinship carers in your conclusions on page 54. What are the main findings of the research in relation to kinship carers and the kinship carers allowance?

Keith Hayton: The problem, if there is one, is that at the time that the research was done, there

was considerable uncertainty about the kinship carers allowance. People were unclear about the impact that the allowance would have on their benefits and about the eligibility criteria. There was a lot of noise about that. What they wanted, however—this came up time and again in the focus groups—was parity with foster carers. That was the theme to which almost every second contribution in the focus groups returned.

As to how the kinship carers allowance might work out, it is my understanding that some of those people might be disappointed because the legal arrangements for the person they care for might mean that they are not eligible for the allowance.

A further issue is the age of kinship carers. Their age profile is very different from that of many of the other people we spoke to. Although one solution to child poverty might be employment, that is often not open to kinship carers. Some of the people at the focus groups were past retirement age and were looking after one or two children—three, in one instance. Getting a job is just not an option for those people. If they are to take their children out of poverty, that must come through benefits. There is a big question mark over whether the kinship carers allowance will actually bring that about.

10:30

Jim Tolson: Do you think that any of the actions that the Government is taking at the moment will help with that? Do we need changes in benefits legislation to make it easier for kinship carers to achieve that parity with foster parents?

Keith Hayton: It would be presumptuous of me to comment on that, as I am not an expert on kinship care. I am aware that consultation on the subject has come to an end, or is about to come to an end. As I understand it, and as I have highlighted in my report, although those caring for looked-after children would be eligible for the kinship carers allowance, a certain proportion of the people who attended the focus groups—I cannot give you a figure—would not be eligible, as they were looking after children without having gone through the children's hearings system or having made any legal arrangements. That group, who, to all intents and purposes, are exactly the same as people who are looking after children and who have gone through some sort of legal process, will not be helped.

Alasdair Allan (Western Isles) (SNP): In previous meetings, a number of people have told us about the potential to lever extra income for families living in poverty into the local economy through the promotion of the whole agenda of benefits checks and so on. I was interested to note

that you do not seem to consider that to be a significant factor, at least not to a great extent.

Keith Hayton: There are two issues. First, research was carried out to bring together people who were already working through or in contact with organisations such as Action for Children and the sure start projects. It was evident that the groups had very good networks, one of the consequences of which was that people became aware of what they might be eligible for. There was very little if any evidence that people were not receiving the benefits to which they were entitled. I stress that I did not do benefit checks or anything like that.

The second, related issue is that there might be other people with children living in poverty who are not in contact with such groups. Therefore, they were not included in the research. That group might not be receiving the benefits to which they are entitled. However, there was no evidence that people have not been getting the benefits to which they are entitled.

Alasdair Allan: Turning to the system itself and the failings in it that you have identified, I note that, in paragraph 2.15 of your report, you state:

"Working could often result in other benefits being lost. For example, one attendee had received a benefits calculation from Jobcentre Plus. This had found that he would need to obtain a job paying in excess of £18,000 a year to compensate for the benefits that would be lost by working".

What is the answer to that?

Keith Hayton: I do not think that there is an easy answer. That participant was in a rural area where apparently very few jobs were available, and those that were available tended to be seasonal and did not pay anywhere near that level. Such people will simply continue on benefits, unless there is a dramatic change in the labour market or in benefit levels. The person was on benefits at the time.

Alasdair Allan: What is the scope for Jobcentre Plus to give advice in such situations? At paragraph 2.40, you say:

"For quite a few attendees what was largely, but not solely, a financial decision not to work had been confirmed by benefits checks done by agencies such as Jobcentre Plus following which the advice had been not to bother looking for a job."

Keith Hayton: We need to make people aware of all the options—not just the financial options. The report includes a quote from someone who was advised not to go to college because, if she did, she would be worse off financially. Looking back five years later, she was upset about the decision that she had made on the basis of that advice. She thought that the long-term benefit of going to college would have been worth the short-

term financial penalty. People should get advice in the round, not just advice about whether a decision will make them worse or better off financially. When advising people on how to move forward, we should look at their skills, qualifications and, possibly, health. There was a feeling that often organisations such as Jobcentre Plus are not proactive about stepping slightly outside their remit to advise people on a wider range of issues. A number of people with health problems thought that it would have been useful for them to have been given advice on what jobs might be open to them. Such advice was not often forthcoming from the official agencies.

Mary Mulligan: Good morning, Mr Hayton. I have two specific questions about kinship carers. Clearly, it would make a difference if kinship carers received payments equivalent to those received by foster carers. In your view, would that mean that the children concerned were no longer in poverty?

Keith Hayton: No. The issue of foster care payments dominated and drove the whole discussion. Often people took the view that, if they were to receive the payments that foster carers get, life would be wine and roses. I am not convinced that that would be the case. It might make some difference if kinship carers were suddenly to receive equivalent payments, but not the dramatic difference that many carers seem to think that it would make.

As is always the case with such issues, a degree of mythology surrounds the amount of money that foster carers get. In one of the focus groups, I was told anecdotes—I would not quite call it evidence—about the amounts that foster carers receive, which may or may not be true. People think that they are true, but my guess is that the largesse that kinship carers see as falling into the laps of foster carers is not quite as generous as they believe it to be. I am not convinced that it would make a dramatic difference to all kinship carers if the payments that they received were equivalent to those received by foster carers.

Mary Mulligan: Such payments would provide a boost to those who do not receive anything at the moment. I was trying to establish whether you think that the allowance that foster carers receive ensures that the children for whom they care are not living in poverty.

Keith Hayton: In all fairness, I can only answer that I do not know. I could speculate, but I did not cover foster carers specifically in my work.

Mary Mulligan: That is fine.

In paragraph 5.15 of your report, under the heading "Discretionary Payments", you say:

"In 2007 Dumfries and Galloway Council and YANA received £47,000 from the Scottish Government to be spent on providing discretionary support to kinship carers."

How did you arrive at that figure?

Keith Hayton: I was provided with it.

Mary Mulligan: By whom?

Keith Hayton: By someone from You Are Not Alone Family Support Services. However, the figure needs to be qualified. Prior to the completion of the report, my contact e-mailed me to say that the money was provided for foster carers and kinship carers; originally, she had told me that it was for kinship carers. That qualification will be added before the report is finalised. However, my contact was pretty definite about the figure—if she had not been, I would not have included it.

Mary Mulligan: I was hoping that you had found an easy way of identifying where the figures lay within the accounts of councils and the Scottish Government. Clearly, the concordat makes it difficult to see what there is lower down the levels of spending. I thought that you had hit on something, but I suspect that things are not as precise as they might be.

Keith Hayton: I spoke to someone, and I believed what they told me.

Bob Doris (Glasgow) (SNP): I might be able to shed a little light on those figures. I do not have the numbers, but I know that there are two separate budget figures that relate to kinship carers. One involves allowances and one involves discretionary payments, carer capacity building and so on. There are two budget lines and, sometimes, one gets confused with another and is used wrongly. It is true that we need to get more certainty over the figures.

I have been meeting kinship carers for a number of years, and I know that the issue of social injustice is almost as important to them as the issue of money and the fact that some of them have to live in poverty.

Have you managed to work out how many kinship carers provide care for children who are not looked-after children?

Keith Hayton: Again, the answer is no. I am sorry to have to say that, but I really did not go out to do basic research into the number of kinship carers. However, as I am sure you are aware, various organisations come up with estimates. The ones that I have seen tend to fluctuate quite significantly.

Bob Doris: I would like to ask a couple of questions that you might not have the answers to, but which raise important points.

I understand that about 2,000 looked-after kids are in the care of kinship carers. There is a job to be done in identifying other children who are in vulnerable situations. Local authorities should be doing that, and it would be for the Scottish Government to decide how best to support local authorities in their statutory duty to look after those children.

A lot of kinship carers whom I speak to seem to think that responsibility for the kinship carers allowance, which will be paid locally but funded nationally via the concordat, lies with the Scottish Government rather than local authorities. Of course, there is joint responsibility, and neither the Scottish Government nor local authorities should shirk their responsibility. Do you think that there is a misunderstanding among kinship carers about who should be providing that money?

Keith Hayton: There was considerable misunderstanding in the focus groups, largely because, at that time, things were not finalised. One focus group that I spoke to had recently attended a seminar organised by Dumfries and Galloway Council, but I got the impression that that seminar had not given them a lot of answers. There was considerable confusion not only about who paid the money and who they should approach but about the whole area of eligibility and the impact on other benefits.

Bob Doris: Were those kinship carers aware of the new permanence orders, which will replace residence orders? That new category enables the child to qualify as a looked-after child.

Keith Hayton: No, they were not. That focus group meeting took place around November, which might pre-date any announcement that you are talking about.

Bob Doris: People seem to lack information about the matter. The Scottish Government and local authorities will have to provide certainty to kinship carers.

Keith Hayton: People's uncertainty came through very strongly in the focus groups.

John Wilson (Central Scotland) (SNP): How many people in that focus group saw themselves as kinship carers?

Keith Hayton: They were all kinship carers. That particular group was organised through a group that is, essentially, a support body for kinship carers.

10:45

John Wilson: The report has a heavy emphasis on kinship care. Could it be argued that it is skewed towards kinship care issues because of that focus group?

Keith Hayton: I would argue that the report is not skewed in that way. One specific chapter deals with kinship carers, who were separated out because, as I said earlier, their profile tended to be very different from that of the other people to whom we spoke—whether interviewees or focus group members. Kinship carers tended to be far older, and I felt that it was worth while to highlight that.

In all fairness, I point out that kinship care does not feature all that significantly in the conclusions of the report. The emphasis is very much on younger parents and carers.

John Wilson: Earlier, in response to a question from Alasdair Allan, you said that someone would need to get a job paying in excess of £18,000 a year to compensate for the benefits that they would lose by working. Other organisations that have given evidence to us have clearly identified the issue of in-work poverty, and have raised concerns about the current national minimum wage level. What do you think a reasonable wage level should be? Is the current national minimum wage reasonable?

Keith Hayton: That is a difficult question to give a yes or no answer to, because of working tax credits. The report points out that people are able to take relatively low-paid work because tax credits enable them to secure what they perceive to be a living wage. The danger is that an increase in the minimum wage would result in a decrease in tax credits, which might mean that people were not necessarily all that much better off in material terms.

I do not have an answer to the question whether the minimum wage should be higher. However, the reality is that many people in the focus groups had relatively low skills and few qualifications, which means that the only jobs that they can realistically hope to get in the short term are those that pay the minimum wage. Employment is a route out of poverty, but it is a long-term route that involves people being upskilled so that they can get jobs that are slightly better paid.

John Wilson: One of the respondents indicated that they would have liked to have gone into further or higher education, but were told by Jobcentre Plus that it would be inadvisable for them to do so at that point because of the potential loss of benefits to that household. You talked about agencies such as Jobcentre Plus stepping outwith their remit to advise individuals, but I understand that Jobcentre Plus is not permitted to go outwith its fairly tight remit.

How do we upskill people if doing so will result in loss of benefits, given the way that the benefits are currently calculated?

Keith Hayton: As I said earlier, advice must be given in the round. I accept that some agencies do not want to go beyond their remit, but if people are told only that, if they do a certain thing, they will lose money, there is a danger that they will not do that thing, which might mean that there is no progression.

Agencies need to be a little more proactive in outlining the routes that people could take given their skills, qualifications and aspirations. The report makes the point that a number of people have aspirations. Someone to whom we spoke wanted to be a teacher and had a reasonably credible route map for attaining that goal. However, if people are told simply, "Do not do that because you will lose this amount of money," the natural response is not to do it. Then, like the interviewee who is quoted in the report, they look back after five years and feel sorry that they took that advice.

John Wilson: There is an obvious response to that: if somebody is told that they will lose benefits or income by following a career path that they wish to take, society and various agencies could be driving them further into poverty in the short term in the hope that there may be financial gains for the household in the long term. People are presented with the choice of driving themselves further into poverty to take up an opportunity or continuing to put food on the table for their children. That is an issue.

I will ask about some of the policy suggestions in the report. One is that children should not be housed in flats. The other point that surprised me was the perception of the schooling that children receive in particular areas. There is a policy suggestion that we should zone children from poorer backgrounds so that they enter schools that are considered to be better. How did the focus groups and respondents come to those conclusions?

Keith Hayton: Quite a number of the people who were interviewed or attended focus groups lived in flats. We are not necessarily talking about high-rise blocks—although that tended to be an issue in Glasgow—because a number of people lived in low-rise blocks. They related quite a number of stories about the problems of getting two children and buggies down the stairs and out of the doors in low-rise flats, which might not have lifts in them. The people from high-rise flats said that they had nowhere to let their children out to play. If the children went out to ground level, the parents could look out the window but, if something happened, it would be too late by the time they got there.

The feeling about flats was quite widespread—it was not something that only one person or one focus group expressed. People were concerned

about the access difficulties that they experienced living in that environment. They had young children who wanted to go outside to play, but they could not let them out because they did not have back gardens. I did not provoke them into making that suggestion; it came from their experiences of living in flats.

In a number of the focus groups, people recognised that some schools were better than others, although we did not go into great detail about what they meant by that. At least one, if not two, had experience of trying to get their child into another school. They said that, if they live in a particular catchment area, it is difficult for them to put in a placing request that will get anywhere. That was based on their experience and perception.

A number of people in the focus groups made the point that they had failed at school—if I may use that expression to summarise the position. They had not achieved qualifications at school and said that, on looking back, they felt that they had wasted their time to an extent. They also said that they did not want that to happen to their children. Clearly, what I am saying is based on people's perceptions. People—we are talking about mothers and fathers—said that, if their children were to go to the same sort of school that they had attended, peer-group pressure would result in the children going down the same route that they had gone down, by which they meant playing truant and so forth. They did not want their children to leave school with no qualifications.

We are talking about a group of reasonably savvy people. They had reflected on their situation and on how they had got into it. In saying that they did not want the same thing to happen to their children and acknowledging the importance of the education system, some—but not all—of them were saying that there was not a lot that they could do to change things in the short term other than to express a desire to send their children to a school that they perceived to be a better school.

Both recommendations arose from the evidence that I gathered. It was not a case of my putting things to people. I did not say, "What about good schools?" or, "What about bad schools?" In so far as I could, I tried not to influence what people told me. I let them raise issues and we then explored them in some detail.

The Convener: What you describe did not extend to instilling the work ethic, did it? People did not say that they thought it was worth while for them to take a short-term hit for the wider benefit of their family. They did not talk about promoting the dignity of work to their children. I found it very depressing to read that. It confirmed all that I know about the benefits trap, with people talking about someone else having to find them a house or sort

the schooling for their kids. What you said in your report about the disempowerment of people who know the situation in which they find themselves made depressing reading. Is that negative outlook underlined by the benefits system, which focuses so tightly on short-term income provision, and the agencies that work with and campaign on behalf of the poor?

Keith Hayton: From the evidence that I collected, the answer in some instances is yes. However, other organisations try to encourage their client group to be outward looking. For example, we held a focus group in Glasgow with Rosemount Lifelong Learning, which is a dynamic organisation that tries to encourage people and bring them on. Instead of simply saying to people, "This is where you are, and this is where you are going to stay," it tries to take people somewhere. There are other examples, including the sure start project in Dundee with which I ran a focus group. It, too, tries to encourage the people with whom it works.

The report is not all gloom and doom. I make the point that there is no evidence that people do not want to work—they do not view that as a career option. Some people said that they felt strongly that, in the short term, looking after their children was the best thing that they could do. We spoke to quite a lot of people who had career aspirations. They want to do something, but have young children and view the problems that they face in the short term as insurmountable. Once people's children are slightly older and child care becomes less of a problem, the issue becomes whether they can resurrect their aspirations and move forward. The danger for people is that the weight of survival means that their wish to become a teacher or a paramedic, for example, tends to get forgotten in the day-to-day struggle.

One solution is for people to continue to engage with local groups such as Rosemount Lifelong Learning or sure start in Dundee. In that way, people can try to ensure that their focus is not only on their day-to-day survival. Those groups help and support people with that struggle, but they also remind them that there is something out there—something beyond day-to-day survival—that they can get into.

The big benefit of such groups is that people realise that they are not on their own. The report quotes a number of people who said that. It would be good if that feeling could be moved forward so that people asked not just what benefits they were entitled to but how they could get out of the situation they find themselves in.

11:00

The Convener: There has always been a debate out there in the newspapers and elsewhere about whether parents, particularly mothers, should work. What statements did you hear that confirm that the children are better off with their mothers? I do not mean where child care is not available or is not flexible enough to fit with a job's hours: I have in mind people who make a conscious choice to opt out of work and who say that, for family reasons, their children have to be with them.

Keith Hayton: Some participants challenged the notion that getting what they perceived to be a relatively low-paid unskilled job—with all the issues around identifying child care and getting their children into it—would be better than being a mother to their children. They did not say that they would look after their children until they were 16, or anything like that, but some certainly felt strongly that looking after their children when they were young was potentially the best use of their time. By no means all the participants felt that, but some of the more articulate ones felt that there are more and more drivers to getting them to work in what they perceive to be low-paid, low-skill jobs with conditions and hours that might make it difficult for them to manage child care. They therefore challenge the notion that doing such work is somehow morally better than looking after their children.

The Convener: Did that just confirm to you the negative choice between settling for less or having the certainty of benefits, which people know has damaged them and is likely to damage their children and their future prospects? Do people not just feel disempowered and feel that it is too difficult to get a job?

Keith Hayton: I would not necessarily say that. Some of the people who expressed the view that I have described were very articulate and had long-term aspirations. They did not say that they wanted to look after their children for the next 10 or 15 years, but that their children need them when they are young and that they would sooner look after their children than get a job that would not make them much—or any—better off and which would have associated problems, such as identifying child care. I stress again that not everyone said that. A number of people who attended the groups and who were interviewed were working, so it is not the case that everyone from whom I took evidence was on benefits. However, a minority had the view that, in the short term, parental child care is the better option.

The Convener: I have a final question. I am a bit confused about the people who were involved in the sessions. I got the impression that we had tried to identify people who were living in poverty,

but that we ended up with people who were living with difficulties. It may be presumptuous to say so, but I think that you have just confirmed that some of the people were not living in poverty, as we would describe it. Is that correct?

Keith Hayton: I think that, on the margins, that might be true for some of them. The participants were asked to estimate their weekly income, and that information is in one of the report's appendices. I think, on the basis of that information and knowing the benefits that they received, that the vast majority were living in poverty. I did not try to use the standard definition.

The Convener: You moved away from the standard definition in order to place those people in poverty.

Keith Hayton: Yes. It was just not practical to use the standard definition and say that, if people had 60 per cent of median household income, they could attend a focus group.

The Convener: Did I misread the paper or does it concede that the people were not, strictly, living in poverty, but were living in difficulties?

Keith Hayton: They were living in difficulties.

The Convener: But not in poverty.

Keith Hayton: I argue that, if we consider the income profile, they were living in poverty. I feel strongly that if I had gone through everything—their income, benefits and so on—and compared that to the 60 per cent of median household income, the vast majority would have met that statistical definition.

The Convener: But you did not use that definition.

Keith Hayton: No.

Jim Tolson: I will follow up John Wilson's point about housing. You included in your report comments from members of your focus groups. I will remind you of some of those comments, so that you can see where I am going. One said:

"Provide more local housing. There is no decent housing in the area. Anything decent has been bought under the right to buy scheme".

Another said:

"Stop selling council houses unless they build some more".

However, the only point that I see in the report in relation to housing is about

"Addressing the shortage of housing to rent in rural areas".

As I and, I am sure, most members know, there is a lack of housing in rural areas, but lack of housing is also an urban problem. It is one of the main contributory factors to child poverty, but I do not see any recommendations on it in your report.

What recommendations would you add on the lack of affordable housing and different tenure types to help bring families, particularly children, out of poverty?

Keith Hayton: Do you mean in any type of area?

Jim Tolson: Yes.

Keith Hayton: There is a desire for more social housing, although of a certain quality. In the course of the discussions, concerns emerged about the quality of housing, even of relatively recently built housing. For example, there were concerns about poor insulation and space standards. The issue is not only about numbers; it is also about quality.

Flats were deemed to be unsuitable for bringing up children, for reasons that I went into. Issues were also raised about the general environment in which housing is set. Participants had a feeling that, particularly in urban areas, the external environment is not safe for children. Concerns were also expressed that rehousing policies often result in people having what they perceive to be undesirable neighbours. I have not tested that perception, but there are quotations in my report from people on issues such as drug users. It is not only about providing more housing, but about ensuring that the housing is in an environment that people perceive to be safe and where facilities for children are accessible, given that the vast majority of the people who were involved do not have access to private transport.

Does that answer your question?

Jim Tolson: That was helpful. All that I am respectfully suggesting is that, as your comments on housing were in the "Policy suggestions" part of your report, more of the points that you have just made could have been included. You have enlightened us on that, but I would like your report to say that housing is a key barrier to getting children out of poverty. You are right that housing is about quality as well as quantity, and that the problem applies in rural and urban areas and mixtures of the two. More such comments should be in the report, so that when people read it they find more focus on housing issues as a key barrier to getting children out of poverty.

The Convener: My apologies to David McLetchie and Patricia Ferguson—I jumped on to my second list, which has members who want to ask another question.

David McLetchie: We have talked a lot about perception compared to reality. I was interested in your conclusion on diet and poverty. It is perceived that poverty makes it difficult to provide children with a healthy diet. The report contains quotations from your focus groups about that, such as:

"If you want your kids to eat healthy it costs you a fortune";

'Trying to get fruit and veg into their diet is very difficult when you're on a budget'; and

'A healthy diet costs more'."

It is not immediately obvious to me that an apple costs more than a chocolate bar. Some fruits, such as apples and bananas, are less expensive than sweets that are commonly consumed. Was the assertion that a healthy diet costs more challenged in the discussions?

Keith Hayton: No, because my purpose was not to come in and tell people, "You're wrong. It's not like that." I encouraged people to articulate their views and opinions on what living in their situation was like. I did not say, "You're wrong—it's actually cheaper to buy an apple." That needs to be done in another forum or through another piece of work.

I realise that that sounds like a cop-out, but I could have ended up responding in that way to people's views on the benefits system and on almost all the issues that were covered. The quotations represent people's perceptions, but I stress that they are based on living in that situation day to day, so we must give those perceptions some credibility.

David McLetchie: Absolutely. If what I described is a strongly held and conditioned view, it is obvious that it will guide people's actions and have the consequences of which we are all aware. The committee will make policy recommendations to the Government. If that perception is deeply held, we must somehow counter it. It is not acceptable to allow that perception to linger in the public consciousness if it is manifestly not the case.

Keith Hayton: I agree totally. That goes back to the role for local organisations. I am not here to advertise Rosemount Lifelong Learning in Glasgow, but such organisations have credibility with people who live in such circumstances. That credibility means that they can convey that message, which is likely to get through and be believed.

I agree totally that such views need to be challenged; at issue, however, is the process by which they are challenged. For instance, I am not convinced that a national advertising campaign is a way forward—many people in the target group would miss that. However, working through organisations with which those people have contact would provide a good chance for the message about diet and other messages about the benefits system and progression to get through.

David McLetchie: Many of the people whom we are talking about—those whom you met in your focus groups—are not in work. In theory, they have more time to prepare meals with fresh vegetables and so on. Is part of the problem the fact that some generations lack the ability or skills to prepare fresh fruit and vegetables, for example, so they rely unduly on more expensive convenience meals?

Keith Hayton: That might be one of the underlying issues, but that was not explored for the report.

Alasdair Allan: On diet, was there any indication that people were referring to transport problems? In many areas where people who are in poverty live, the range of shops is so poor that they cannot buy fish and there is no fruit or veg to speak of. Did that emerge from your work?

11:15

Keith Hayton: No, it did not. To the best of my recollection, people did not make that point either in the report or in the evidence. However, I would guess that, were the matter to be pursued, it might be a factor.

A lot of areas, such as outer estates, are not isolated for people who have cars, and people who live in those areas can also get to the centre of the town or city by bus. However, going elsewhere, such as to one of the large supermarkets, is probably very difficult if one does not have a car. You know as well as I do that large supermarkets tend to be located in places that are not accessible by public transport, which means that people need a car to get there. Transport issues may be a factor, but that is not something that people brought up.

The Convener: Poor diet is not a problem exclusively for poor people. Some of the projects are confirming that fruit may be expensive at the fruit barrow, but we are providing subsidised fruit. Do not recent studies show a link between children from families who have better incomes and those from families on low incomes, in that they eat the same things? Curries and takeaways are now available to us all.

Keith Hayton: That is possible. I know that I eat such things.

You will be aware of Government initiatives that have been rolled out to make fruit and vegetables available in the archetypal outer-estate corner shop. There are attempts to address the issues, but I do not know how successful they will be in the short term.

Patricia Ferguson (Glasgow Maryhill) (Lab): I am interested in the dilemma that there seems to be around child care, especially for women who

could get work. One of conclusions of the report, at paragraph 7.15, is that child care for all children aged six years and under should be free. Is there any evidence that people can get wider family support? Did the people with whom you were working say that the family support that they might hope for and which we hear a lot about and see a lot of these days, is not available? Did those who want to make a positive choice to work rather than stay at home say that they need additional financial support to allow them to do that?

Keith Hayton: Off the top of my head, I would say that family support existed for about 50 per cent of cases. The others did not have family support for a variety of reasons. First, their family might live a long way away. That need not be hundreds of miles away—there is an instance in the report of a person from Newton Stewart who had become homeless and was rehoused in Stranraer. Her family is in Newton Stewart, which means that, to all intents and purposes, she does not have family support.

Secondly, some of the people were leading relatively chaotic lives and were estranged from their families as a result of that. A number of other people made the point, in slightly abusive terms, that they could not get any support from their families. There was a mix. A substantial percentage of the people who participated in the research did not, for various reasons, have family support.

I do not think that the people who saw child care as the best option were arguing for more money. I think that they were arguing quite sincerely that it would be the best option, particularly while their children were young. Some had experience of having to get children to a child minder or nursery and then getting to a job, but had found that they were materially not an awful lot better off at the end of the day. They also felt that the amount of stress that they put themselves and the children through was so considerable that, in any cost benefit analysis, the balance for them lay heavily with looking after the child. I do not think that they were suggesting that they need more support, as such.

Patricia Ferguson: I asked because of the way in which paragraph 7.15 is worded. The conclusion mentions:

“Ensuring that mothers were able to choose between working or staying at home”.

Do people feel that additional support is needed to allow them to make that choice?

Keith Hayton: Behind that wording is a view that policy generally is moving down the road of forcing people to work, so there would not be a choice. Even if people want to look after their children, they will not be allowed to do so because

benefits changes and other measures will mean that they will have to get a job—full stop.

Bob Doris: I want to go back to the report's education section, which I read with interest. Let me quote from paragraph 4.9:

"Once children were at school it was felt that the education authorities were too ready to expel pupils who were disruptive or who had poor attendance records:—

'If they sneeze they get excluded'; and

'Teachers can exclude you for anything now' ...

'Stop banning children for trivial reasons such as having pink hair. It doesn't affect their work and if they're happy inside it will improve their performance'."

I put those quotations on the record because it seems to me that we should ask whether some parents have an unrealistic expectation of what happens in schools. Are some parents in denial over what their children do at school?

Keith Hayton: Both points of view might be true. There is a feeling that some children—this is not the case for children who do not live in poverty or who live with their natural parents—live in difficult circumstances and so when they go to school, they have a lot of baggage. There is a feeling that education could perhaps be a little bit more understanding and forgiving of those children.

There are also financial factors. The report contains some quotations about schools having a no uniform day, when the children are expected to bring in £1 for not wearing a uniform. The report refers to a parent who explained how difficult it was for her to find £1.

The education system needs to be a little bit more understanding about some children's circumstances, which might impact on their behaviour. Understanding is also required about the fact that, at points in the benefits payment cycle, some families find it difficult to provide £1. That is not to suggest that earlier comments might not also be correct—some people might be in denial about what their children do and how they behave, but some give and take could make the situation a little bit better.

Bob Doris: I agree about the need to ensure that teachers have more understanding of the children's home backgrounds so that they are aware of the bigger picture and can deal with the children more sensitively. Many schools have fantastic guidance systems that are very sensitive in dealing with such issues.

In our earlier discussion on schools, we talked about how some parents' experience was that they wished they had stuck in at school and done better. If parents who are in poverty, or who are at risk of poverty, have had negative experiences of school, which they rebelled against as a structure of authority in their lives, is it possible that, when

their kids come home and say "That teacher is picking on me"—which is never the whole story, as we know—the persecution complex that the parent had as a child comes flooding back? Are some parents perhaps all too ready to believe and support their children as being the victim of the piece? That might be the case in some instances, but if it is, we should not just sit back and say, "That's disappointing." We need to deal with that by engaging parents who have negative experiences of education and getting them back into the process. Did I miss the part in your report that makes suggestions about how to do that? If the report does not do that, could you make some suggestions today? The issue is important, because the better a child's education, the less likely they are to become an adult in poverty.

Keith Hayton: You have not missed anything about that in the report, because there is nothing in the report about it. It was difficult to do at times, but I tried to ensure that the report presents the views of the people who were interviewed and who attended the focus groups, and avoids passing judgment on those views. I did not want to say, "You're saying that because you were like that at school." One reason why is that I have no evidence to back up such a view—I have not done a case study of a child with pink hair, for example—and another reason is that my remit was to present people's views and opinions, not to express mine. I am sure Bob Doris will accept that that is a difficult thing to do. I could quite easily have said lots about what the people said.

At the end of the focus groups and interviews, people were asked what they wanted to happen. That, rather than my opinions, which might be different from those of the people who participated in the research, is what can be found in the recommendations.

John Wilson: I am interested in a comparison between the focus group and the interviewees. Table A1.4 in the report, which details the economic status of the people in the focus group, shows that five people, or 9 per cent of the focus group, were in full-time or part-time employment, while table A2.4, which details the economic status of those who were interviewed, shows that 23 per cent are in full-time employment and 40 per cent are in part-time employment, which means that 63 per cent of them were in some sort of employment.

Furthermore, the table that details the weekly household income of those who were interviewed shows that 43 per cent are on incomes that amount to more than £20,000 a year; 32 per cent are on incomes that amount to more than £25,000 a year; and 14 per cent are on incomes that amount to more than £30,000 a year.

This committee is engaged in an inquiry into child poverty. Do you think that that is reflected in the report, given that many of your interviewees are earning levels of income that are clearly above 60 per cent of the median income, which is the threshold for inclusion in the child poverty figures?

The figures for the household resources of those who were interviewed show that only four were receiving housing benefit, which would be seen as a trigger benefit. I am trying to square the figures to get an accurate reflection of child poverty, but that is made difficult by the fact that many of your interviewees are earning relatively good wages that place them well above the threshold for inclusion in the child poverty figures.

Would you like to revisit the work to interview people who face the reality of child poverty? That would enable you to undertake a better analysis of the real issues and of how people at the bottom end of the income spectrum—which is who we are concerned about in this inquiry—are surviving and dealing with the problems that are associated with child poverty.

11:30

Keith Hayton: You are right to point out that the profiles of the focus group and the interviewees are different. I have no doubt about saying that the vast majority of the focus group participants live in poverty—you quoted various figures on that.

The report makes it clear that the initial sample of interviewees was biased. We rectified that, albeit relatively late in the day. That is why some interviewees had relatively high incomes, as you said. I am not in the least convinced that that means that what the report says is not valid. For instance, we talk about the benefits system. People—such as some of the interviewees—who have no experience of that system have no opinions on it. That does not come out in the report, simply because they did not know the answer.

I accept totally your point about the difference, but I do not accept that what the report says is not based primarily on the views and opinions of people who live in poverty, because the interviewees who had relatively high incomes did not have opinions on some issues.

John Wilson: Being in receipt of housing benefit could be used as a trigger. If you had interviewed a group of people whose income levels were below £15,000, you would have found that more received housing benefit. That would raise questions about the type of housing in which people live when they receive housing benefit. They do not have a choice about the housing in which they reside, because of the allocation policies that relate to housing benefit. That

particularly affects single parents, who might find when they apply to a local authority or a registered social landlord for housing that most of the available properties are flats, especially if they present themselves as homeless.

I will follow up the convener's earlier line of questioning. We have used the example of the person who felt that returning to full-time education would have been better. I picked up the idea that that person felt that they would lose benefits if they returned to full-time education. However, did you determine in discussions whether that person would have taken the opportunity to return to full-time education if they had continued to receive the same benefits?

Keith Hayton: I cannot give a definitive answer, but the impression of that conversation in the focus group was that that person would have returned to full-time education. Their comment was made with the benefit of hindsight, but their view was that they did not take that route because of its financial consequences. If it had had no financial consequences, they said that they would have entered education and training.

John Wilson: The route into further and higher education is still littered with dangers. I do not know about other members, but I am aware of people who returned to further education but found that, because of a lack of child care, benefits and other support, they had to drop out of their course. Several FE colleges are littered with people who—with good intentions—have returned to full-time education but feel that they cannot continue because of the lack of child care, benefits and other support, or who feel that continuing would be severely detrimental to their children and families.

Keith Hayton: You are right that that emerged as an issue. People made the point that some colleges have crèches, but that often there are long waiting lists for them. Other colleges that do not have crèches give financial support, but in some of the rural areas in particular, people said that there is no point in giving financial support because there is no provision that they can buy into. Child care seems to be a key issue in getting people into education.

Mary Mulligan: The report suggests that providing free child care for all those aged six and under might be an option, although I notice you say that it is an ambitious suggestion. Why was the age of six chosen?

Keith Hayton: Suggestions were made by the people I interviewed or who were in the focus groups. I have tried to distil them and present a fair summary. I do not know why the age of six was suggested, but that was what—

Mary Mulligan: It came from the focus groups.

Keith Hayton: Yes. If I had quizzed them and said, "What about five?" they might have said, "Oh yes, that's fine as well."

Mary Mulligan: There are often two issues around child care. One concerns the child who is at home all day and therefore can be taken to child care, and the other concerns children who attend nursery or school and therefore child care is needed outwith those hours. You mention flexibility of child care in the report. Will you say more about that?

Keith Hayton: A key issue about that flexibility relates to the type of jobs either that people had experience of or found they could get at that moment. Care jobs figured significantly in some areas, but the problem was that most of them offered 12-hour shifts, or so I was told. The child care implications of that are pretty horrendous—you would never see your child, assuming that you could get child care.

Other jobs had shift patterns: retail figured significantly. The problem is the interaction between the labour market and child care. Often, many of the jobs in certain areas have hours and conditions that are outwith—I was going to say the hours of 9 to 5, but that is not the case generally—the hours in which it is relatively easy to get child care provision. That is where the earlier point about family support might be crucial, although not everyone has family support. The report makes the point that some people felt guilty if they had to rely on family support all the time. It might be difficult to do that day in, day out, which is what you need if you are to get a job.

Mary Mulligan: Was there any mention of how free child care would be funded?

Keith Hayton: I do not think that the people I spoke to felt that it was for them to consider. That is your responsibility.

Mary Mulligan: I just wondered whether they thought that child care would be provided by employers, the local council or whomever.

Keith Hayton: My guess is that they would see it as being the local council's responsibility, whatever that might mean—it might mean the Government. Several quotes in the report show that people's experience of most employers was that they were not very child friendly. They might have had the rhetoric of being child friendly and flexible, but people's experience was often that they were not. They were expected to be flexible, but the employer was not. At least one person in the report is quoted as saying that there is flexibility in the public sector but not in the private sector. I would be surprised if the participants saw employers as providing free child care.

The Convener: I have a couple of quick questions. You identified that people were maximising their benefits with some success. I referred to the impact of increased fuel prices on income. Was there any indication that people were equally well informed about social tariffs, energy saving and how they could reduce the impact of fuel bills?

Keith Hayton: The straightforward answer is no. Concern was often expressed about things such as poor insulation, but no solutions were offered and they did not say that they knew where to go.

The Convener: Maybe the committee should look into that.

You identified some people as being already in receipt of benefits that make it unrealistic for them to accept a job that pays the minimum wage, because they receive more in benefits than they would earn on the minimum wage.

Keith Hayton: Yes.

The Convener: You say that, as a result of that, employment is not financially worth while for them and that the only way out of poverty for them is for the Government to raise the level of the benefits that they receive. To what level would those benefits need to rise to address that situation and to address the issue of poverty for those families?

Keith Hayton: The straightforward answer is that I do not know. The situation varies dramatically depending on things such as how many children people have. There is a danger of the benefits system interacting with the labour market. For instance, my guess is that, if the level of benefits rose substantially, the labour market would respond to that. It is probably a bad example to talk about at the moment, given the fact that the level of unemployment is rising, but if benefit levels rose substantially and more people felt that they were better off on benefits, employers might find it difficult to recruit staff, and it is likely that wage levels would rise in order to attract people back into the labour market. That is not a very good answer, but I cannot give you a pounds-shillings-and-pence answer.

The Convener: What evidence do you have for the view that, in countries where the level of benefits is higher, people are encouraged to get into work because the minimum wage is increased?

Keith Hayton: I cannot give you any evidence for that off the top of my head, but I could look into it.

The Convener: You go on to say that it is pretty unrealistic to think that, at this time, benefits would be raised to such a level, therefore is it not realistic to say that the best route out of poverty for people

who want to provide a future for themselves and their families is getting a job?

Keith Hayton: Possibly in the medium term. People have different expectations and aspirations. Some of them are working—not everyone who was involved in the research was on benefits. Some were on benefits but others aspired to get into work. That will be the case in the medium term for quite a number of them.

The Convener: The committee is interested in people's attitudes to getting a job, then getting a better job and getting a career. Was any frustration expressed about people's inability to move on in a job or to get a better job?

Keith Hayton: Not frustration, but there was a realisation that many people's lack of skills, qualifications and experience meant that the only jobs that they could get were what used to be described as entry-level jobs, although for a lot of people, once they get in, that is where they stay.

I was interested to read the evidence that you received at the start of the inquiry, which talked about progression. I have done work on the labour markets over the years, and in my experience progression is a myth for a lot of people. There is an idea that the labour market is some sort of ladder, and that someone starts by filling shelves and ends up as the chairman of Morrisons, for example. There may be exceptions who can say that that actually happened, but that does not happen for the vast majority of people. Often, employers want someone just to do a job—filling shelves or whatever—and they are not interested in seeing that person progress. It is as simple as that. I question whether the progression that some people claim exists in the labour market always does.

11:45

The Convener: There is no progression for those who remain on benefits—none at all.

Keith Hayton: I agree, but I return to the point in my report that there was no evidence that people did not want to work. Many of the people were keen to work, although not necessarily at that time, and they wanted a job that would get them out of poverty. The report gives examples—one person wanted to become a teacher and another wanted to become a paramedic.

The Convener: Those are not typical examples of people on benefits. You have mentioned that issue a couple of times. There may be people who have decided to take a career break and who eventually want to be a teacher or develop another career, but those are not typical examples of people who are trapped on benefits, are they?

Keith Hayton: They might not be. You made a point earlier that the report is very negative. The point that I am trying to make is that some of the people did not feel that they were trapped; they felt that they were trapped in the short term, but they had aspirations. I accept that not all of them had aspirations, but some did and I have given examples of them. As my report states, those aspirations may be unrealistic and may never be realised, but at least some people have aspirations and a wee bit of hope. They think that they can get out of their situation at some stage, which perhaps makes day-to-day life in poverty that wee bit easier to bear. That sounds a bit evangelical, but I sincerely believe that some of the people felt that they would not always be in the same situation. They thought, "Once wee Herbert is a bit older, I will be able to move on."

John Wilson: Did you do any analysis of the types of jobs that were available to the focus group members or the interviewees? You have talked about people's aspirations to be a teacher or a paramedic, but what jobs were available in the areas? My understanding from work that I did prior to becoming a member is that, although people have aspirations to do certain jobs that they perceive to be well paid, they are not in fact well-paid jobs. In many cases, people enter the labour market at the minimum wage or just above it, as you described. That raises a range of issues about the costs of employment. For example, as a result of travel costs and other associated costs, there is a cost of employment for someone who takes up a job five or 10 miles from their home. My main question is whether you analysed the types of jobs that were available.

Keith Hayton: The answer is no, although in one of the focus groups, in Stornoway, two of the people had just come from an interview at Jobcentre Plus and told me that the available jobs were hairdressers and mechanics. I do not know whether that was true. I did not study the vacancy figures to find out what they were so I could challenge people on them.

The Convener: Thank you, Mr Hayton, for your report, your time and your evidence, which will be very helpful to the committee.

As previously agreed, we will now move into private to consider agenda item 6.

11:48

Meeting continued in private until 12:52.

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

No proofs of the *Official Report* can be supplied. Members who want to suggest corrections for the archive edition should mark them clearly in the daily edition, and send it to the Official Report, Scottish Parliament, Edinburgh EH99 1SP. Suggested corrections in any other form cannot be accepted.

The deadline for corrections to this edition is:

Friday 13 February 2009

PRICES AND SUBSCRIPTION RATES

OFFICIAL REPORT daily editions

Single copies: £5.00

Meetings of the Parliament annual subscriptions: £350.00

The archive edition of the *Official Report* of meetings of the Parliament, written answers and public meetings of committees will be published on CD-ROM.

WRITTEN ANSWERS TO PARLIAMENTARY QUESTIONS weekly compilation

Single copies: £3.75

Annual subscriptions: £150.00

Standing orders will be accepted at Document Supply.

Published in Edinburgh by RR Donnelley and available from:

Blackwell's Bookshop

**53 South Bridge
Edinburgh EH1 1YS
0131 622 8222**

Blackwell's Bookshops:
243-244 High Holborn
London WC1 7DZ
Tel 020 7831 9501

All trade orders for Scottish Parliament documents should be placed through Blackwell's Edinburgh.

Blackwell's Scottish Parliament Documentation
Helpline may be able to assist with additional information on publications of or about the Scottish Parliament, their availability and cost:

Telephone orders and inquiries
0131 622 8283 or
0131 622 8258

Fax orders
0131 557 8149

E-mail orders
business.edinburgh@blackwell.co.uk

Subscriptions & Standing Orders
business.edinburgh@blackwell.co.uk

Scottish Parliament

RNID Typetalk calls welcome on
18001 0131 348 5000
Textphone 0845 270 0152

sp.info@scottish.parliament.uk

All documents are available on the Scottish Parliament website at:

www.scottish.parliament.uk

Accredited Agents
(see Yellow Pages)

and through good booksellers