



The Scottish Parliament  
Pàrlamaid na h-Alba

## Official Report

# WELFARE REFORM COMMITTEE

Thursday 23 February 2012



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**WELFARE REFORM COMMITTEE**

**1<sup>st</sup> Meeting 2012, Session 4**

**CONVENER**

\*Michael McMahon (Uddingston and Bellshill) (Lab)

**DEPUTY CONVENER**

\*Jamie Hepburn (Cumbernauld and Kilsyth) (SNP)

**COMMITTEE MEMBERS**

\*Margaret Burgess (Cunninghame South) (SNP)

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

\*Alex Johnstone (North East Scotland) (Con)

\*Drew Smith (Glasgow) (Lab)

\*Kevin Stewart (Aberdeen Central) (SNP)

\*attended

**CLERK TO THE COMMITTEE**

Simon Watkins

**LOCATION**

Committee Room 5



# Scottish Parliament

## Welfare Reform Committee

*Thursday 23 February 2012*

[Margaret Burgess *opened the meeting at 13:00*]

### Interests

**Margaret Burgess (Cunninghame South) (SNP):** Good afternoon, everyone, and welcome to the Welfare Reform Committee's first meeting. I note that the committee is very young. [*Laughter.*] I remind everyone to switch off their mobile phones and any other electronic devices if they have not already done so.

Agenda item 1 is the declaration of interests. In accordance with section 3 of the code of conduct for members of the Scottish Parliament, I invite members to declare any interests that are relevant to the committee's remit. I remind members that any declaration should be brief but sufficiently detailed to make clear to any listener the nature of the interest.

I will start, then we will go round the table. The only interest that I will declare is my long association with the citizens advice bureau service. I had 20-odd years' association with it and I was a director of Citizens Advice Scotland.

**Michael McMahon (Uddingston and Bellshill) (Lab):** I am a member of the GMB, which organises in areas that are connected with welfare reform and has a wide interest in it. The only other declaration that might be worth making is that I am the convener of the cross-party group on disability, which covers a lot of relevant areas. I work closely with a number of organisations that have made and will make representations on the Welfare Reform Bill.

**Jamie Hepburn (Cumbernauld and Kilsyth) (SNP):** The only interests that I need to declare are that I am a member of the Scottish steering committee of the people's charter—I do not know whether it will comment on the bill, but it might—and I am a lapsed member of the Poverty Alliance, although I intend to rejoin, and I expect that it will have an interest in the matters that we discuss.

**Alex Johnstone (North East Scotland) (Con):** I have inspected my entry in the register of members' interests and I do not believe that I have any relevant interests that I need to declare.

**Annabelle Ewing (Mid Scotland and Fife) (SNP):** The first relevant interest that I will declare is that I am a member of the Law Society of Scotland and a holder of a current practising

certificate, which will expire in October this year. I mention that in case issues that concern access to justice and legal aid arise down the line. My only other relevant interest is that I am a deputy convener of the cross-party group on disability.

**Drew Smith (Glasgow) (Lab):** My only relevant interests are in the voluntary section of my entry in the register of interests. They are my membership of GMB Scotland and of Unite the Union and my previous membership of the general council of the Scottish Trades Union Congress. All those organisations might submit evidence to us. I should also say that I am a member of my local housing association, which is Queens Cross Housing Association in Glasgow.

**Kevin Stewart (Aberdeen Central) (SNP):** I will be a member of Aberdeen City Council until 3 May. I am also a member of Unison—I say that in case that comes up.

## Convener

13:03

**Margaret Burgess:** Item 2 is the choice of convener. I ask for nominations for convener.

**Alex Johnstone:** I nominate Michael McMahon and offer him my enthusiastic support.

**Margaret Burgess:** Michael McMahon has been nominated. Are there any other nominations? As there are none, I ask the committee to agree that Michael McMahon should be chosen as convener.

*Michael McMahon was chosen as convener.*

**Margaret Burgess:** I congratulate Michael McMahon on his appointment and hand the chair to him with pleasure. I will run away—have nameplate, will travel.

**The Convener (Michael McMahon):** I will give Margaret Burgess a minute or two to find her place.

I thank colleagues for the endorsement. I know that these things are done by agreement, but it is still nice to be given this opportunity by my committee colleagues. I look forward to working closely with you all on the important task that is ahead of us.

It might be worth commenting on my nomination by Alex Johnstone, as I heard him on the radio last night denigrating the committee's work before it had started. His overnight conversion to enthusiastic endorsement of me in my role might augur well.

## Deputy Convener

13:04

**The Convener:** We will press on. Item 3 is to choose the deputy convener.

The Parliament has agreed that members of the Scottish National Party are eligible to be chosen as the deputy convener of the committee. That being the case, I invite nominations for the position of deputy convener.

**Margaret Burgess:** I nominate Jamie Hepburn.

**The Convener:** One nomination has been received, so I ask the committee to agree that Jamie Hepburn be chosen as deputy convener of the Welfare Reform Committee.

*Jamie Hepburn was chosen as deputy convener.*

**The Convener:** Congratulations on your appointment, Jamie. Jamie and I have had discussions prior to the establishment of this committee and have agreed consensually on most issues so far, which augurs well for our progress. I want to build on the support and co-operation that we have experienced so far.

## Welfare Reform Bill

13:05

**The Convener:** The purpose of agenda item 4 is to allow the committee to comment on the United Kingdom Welfare Reform Bill, which is entering its concluding stages at Westminster. I hope that allowing everyone to put on record their views of the bill will let us get them out of the way, so that we can move on to deal with the substantial work that we will have as a committee. Once comments have been made, I will talk about how the committee intends to consult and engage with those who will be affected by the reforms and what actions the committee can take.

I support sensible welfare reform. I want people to be in work rather than in benefit. However, not everyone can work and not everyone has a job, so we have to reform the welfare system with a view to protecting those who need help the most. My starting point, therefore, is that, in order to have welfare to work, we first need to have jobs. Regrettably, the Welfare Reform Bill in Westminster does nothing to create a single job. Instead, it will hurt people who are trying to do the right thing, or who cannot, for a variety of legitimate reasons, find work.

The welfare reform policies that are about to be implemented will undoubtedly have a huge impact on Scotland. This may be a Westminster bill, but the Scottish Parliament will have a major role to play in reflecting on, exploring and addressing its impact on individuals, the services they need and the agencies on which they will rely to deliver them.

Welfare may be a reserved issue, but the Scottish Government has responsibility for various aspects of how the welfare system operates in Scotland, such as that in relation to homelessness. The Scottish Parliament and this committee in particular have to hold the Scottish Government to account for how it responds to the challenges ahead.

The welfare reforms are wide-ranging, varied and cross-cutting, and will affect the work of various Government departments and a whole host of authorities and agencies, such as those for local government, housing, justice and equality. If this committee is to be a worthwhile body, it must ensure that the Parliament considers all aspects of welfare reform as they come to bear in Scotland, and that every resulting change is assessed and dealt with fairly and effectively by the Scottish Government.

**Jamie Hepburn:** I echo many of the convener's comments. I have no objection to the principle of welfare reform per se. Indeed, I think that most

people would agree that the system is overly complex and confusing, and that a simplification of it would be welcome. That is the starting point from which I would approach the issue.

That said, as with everything in life the devil is in the detail. If we reflect on the evidence received by those parliamentary committees that have considered the issue—I have experience of this, having been, until yesterday, a member of one such committee, namely the Infrastructure and Capital Investment Committee—we will find that reactions to the detail have not exactly been effusive.

I will focus on four areas relevant to our work programme, the first of which is housing. It is clear from evidence that the Infrastructure and Capital Investment Committee heard that the proposed changes could have severe consequences for housing. It was suggested that the proposed underoccupancy regulations would impact on 94,000 social housing tenants and there are concerns about the impact of direct payments on rent arrears and evictions, and therefore on the Homelessness etc (Scotland) Act 2003. Witnesses who gave evidence to the Infrastructure and Capital Investment Committee said that they had no sense that the welfare reform agenda reflects housing policy here in Scotland or the UK Government's housing policy in England.

The second area is child poverty. The Health and Sport Committee heard in evidence from the likes of Save the Children and Children 1st that the welfare reform proposals could have a negative impact on child poverty, which will concern us both generally and specifically in relation to the Scottish Government's targets for tackling child poverty.

Thirdly, there could be an effect on kinship carers. It is fair to say that the system that we have already does not properly reflect the efforts that we have made in Scotland to support kinship carers. Perhaps we have an opportunity to remedy that, so we might want to consider the issue.

The fourth area that we should consider in relation to the bill is what has become known as workfare. It remains to be seen how successful that will be, but I note that a number of companies that said that they would take part are withdrawing from the scheme. It could have an economic impact in Scotland as it might create a disincentive for companies to create paid work. Why should they do that if they can take folk on under the provisions in the Welfare Reform Bill?

Those are my comments for now, convener. There are some other things that we could consider in our work programme, but I will turn to that under agenda item 5.

**Alex Johnstone:** I support the concept of welfare reform. I suspect that most, if not all, of us can start from that positive position. However, we might differ in a number of respects. Most members will know that, when the Infrastructure and Capital Investment Committee expressed the desire for the Welfare Reform Committee to be formed, I dissented from that position in the report. I genuinely believe that welfare reform is necessary and that we need to work together to achieve it. I am disappointed that the Parliament has failed to agree to a legislative consent motion that would have allowed the Welfare Reform Bill to move forward in a more traditional manner.

I believe that the committee and its work should and must have the needs of the less well off in society at its heart. My concern is to ensure that at no point do we allow the committee to become a device to drive wedges between Scotland's two Governments. I will take a positive role in the process wherever I can. I hope that I will be able to express what might be a minority view and to ensure that we maximise the effectiveness of the committee within that.

**Annabelle Ewing:** I am pleased to serve on this important committee, which has a big job to do. The starting point is, of course, the UK Welfare Reform Bill. Like others, I am absolutely in favour of looking at reforming many things, including the overly complex welfare system, but I have deep reservations about many of the provisions in the bill. In particular, as I have said in debates in the Parliament, I am concerned about the proposed 20 per cent cut in benefits to disabled people. As I mentioned in declaring my interests, I am deputy convener of the cross-party group on disability, and I am aware of the deep and real concerns on the part of disabled people and their representative organisations about the effect that the bill will have on their daily lives. It is important that that is a focus of the committee's work as we consider how things will be implemented in practice.

I believe that the attack on disabled people represented by the bill is not in keeping with our intrinsic values in Scotland, so I hope that we do what we can within the constraints that we face because the bill emanates from Westminster and is, by and large, in a reserved policy area, until such time as we choose to do something different. I hope that the committee members will work hard together, as Alex Johnstone said, to do what we can to improve the potentially disastrous position that we envisage for some of the most vulnerable members of our society.

13:15

**Drew Smith:** Briefly, convener, I associate myself with your remarks. I do not support the UK

Government's position or the bill. Although we might have welcomed simplification of the welfare system, the opportunity has not been taken to improve it and the changes will be negative.

The changes to the welfare system will have a significant effect on Scotland and on devolved governance in Scotland. For example, reform will have a profound impact on housing policy, which is devolved. We need to be clear that actions taken by the Scottish Government cannot undo legislation on a reserved matter, but policy and legislation could have an ameliorative effect. I look forward to scrutinising the Scottish Government's approach and to our further discussions on how we will protect devolved benefits, particularly those for which receipt of a UK benefit might act as a passport.

**Kevin Stewart:** I, too, believe that the welfare system should be simplified, but the bill is rather destructive, to say the least. We should listen to what the folks who have already given evidence to other committees have had to say. At the Local Government and Regeneration Committee, it was quite obvious that folk did not know the detail in the bill, and the devil is always in the detail. Let us be honest about that.

It is good news that the Parliament has listened to organisations that called for the establishment of this committee, including Citizens Advice Scotland, Barnardo's Scotland, Action for Children Scotland and Children 1st, to name but a few. We are doing our duty by listening to them and establishing the committee to scrutinise the bill to the degree that I hope we will.

One of the things that people are concerned about is passported benefits. We should deal with that as quickly as we possibly can so that people do not need to fear that they will lose out for a while. I hope that the committee will co-operate in that regard.

I look forward to speaking more to witnesses who are experts in various areas because I believe that, as they come before the committee, the Westminster bill will continue to unravel.

**Margaret Burgess:** Like everyone here, I support the simplification of the welfare system, but that is not what the bill is about. It is about saving money. Although welfare is a reserved issue, the proposed reforms will have lasting and devastating consequences for many of our most vulnerable people. We heard that in evidence session after evidence session from the national organisations that Kevin Stewart mentioned. It is right to listen to them, because they work at the coalface with the disadvantaged and vulnerable people who will be affected by the welfare reforms, and they have told us that the effects will be devastating. It is therefore right that we have a



committee that scrutinises the bill and its potential impact on our citizens.

Like Kevin Stewart, I think that the first thing that we have to look at is passported benefits. We have to get that sorted out—we cannot have people losing out because we have not dealt with the issue quickly enough.

**The Convener:** It has been helpful to allow members to express their personal views before the committee starts to move together to engage with wider Scottish society.

I want to say a little about the committee's role. First, I thank the organisations that have made effective representations to bring about the committee's establishment. A number of colleagues have already made that point, and it is vital to acknowledge that the committee exists because civic Scotland demanded that the Parliament respond to it. I include all those who gave evidence on the legislative consent memorandum as well as those who made the initial representations to the Presiding Officer and via political parties.

In establishing the committee, the Scottish Parliament is sending a clear message that it appreciates the severity of the concerns about welfare reform. Our cross-cutting remit will let us scrutinise the complex impacts of the reforms on children, disabled people, carers, one-parent families, those who live in poverty or are at risk of being in poverty and many others, and I am sure that the committee will want its work to be led by the experience of individuals across Scotland and to take a collaborative approach with organisations that represent and assist those people. We want to hear from those individuals so that we can act as a mouthpiece for personal experiences. There is no more effective way of making Governments sit up and listen than publicising the real-life experiences of individuals.

The work programme paper proposes that the committee set up an inbox specifically for people to send in their personal experiences. That can also be done in writing, by phone, by textphone or in whatever format suits. Every representation received will be considered by the committee to inform decisions about the issues that we will focus on and, in gathering evidence on those issues, we will seek to use the most accessible and inclusive formats. In my view, formal evidence sessions in the Parliament alone will not suffice. Over time, committee members will need to visit people on their own turf to ensure that we get the most candid evidence from them in a more informal and relaxed atmosphere.

We want to spread as effectively as possible the message that we are here—and are here to listen. Among other things, we must link into the

community outreach work that the Parliament has undertaken for disadvantaged groups, which might not know where to start to get their message heard. Of course, wherever appropriate, we will use the internet and the press to spread the word.

We also want to hear from organisations. The current benefits system is immensely complex, and public and third sector organisations face a huge task in advising individuals who are uncertain of the impact of reforms.

I imagine that we will want to work closely with the Scottish Government and local government to monitor the implementation process and ensure that all possible steps are being taken to mitigate the impact of change, including any disproportionate impact that UK reforms have north of the border. We want to share information with other UK Administrations to see whether approaches to mitigating the impacts of the UK bill elsewhere could be used in Scotland.

Having listened, the committee can add its momentum to bringing about change in a variety of ways. For example, it can commission and publicise research to highlight the areas of Scotland where, and the individuals and families for whom, welfare reforms are having negative consequences; it can make representations on the consequences of reforms to the UK Government and the Scottish Government by, for example, inviting ministers to appear; and it can convey case studies to the press to make it certain that the day-to-day reality of reform remains firmly in the public eye. We will do that as regularly as possible.

Of course, the committee can also promote chamber debates in which all MSPs can participate. The resulting resolutions can reflect the will of the whole Parliament and send clear messages to Westminster that the issue is of national significance in Scotland.

That is all that I want to say at this early stage in the committee's life. We will now discuss the specifics of our work programme.

## Work Programme

13:23

**The Convener:** Item 5 is consideration of approaches to developing a work programme. I refer members to paper WR/S4/12/1/2, which, as the committee will note, makes it clear that the Scottish bill on welfare reform is likely to take up much of the committee's time, certainly between spring and summer. In advance of the bill's introduction, an initial round-table discussion on 13 March has been proposed, and that proposal has already been discussed with members to allow clerks to warn stakeholders that they should get the date in their diaries. The paper also invites initial consideration of the committee's work programme following the bill's passage.

I ask our clerk, Simon Watkins, to speak to the paper.

**Simon Watkins (Clerk):** I want to update members on the Scottish bill that will come before the committee, because it will have a significant impact on the work programme. We understand that the bill will be introduced before Easter and that the Scottish Government wants it to complete its passage by the summer. That will allow the subordinate legislation, to which several members have referred, to be introduced in the autumn and the whole package of measures to be in place well before the old welfare system disappears on 1 April 2013.

On the one hand, the timescale for the bill is rapid. It allows approximately three to four weeks of consultation with stakeholders—probably three meetings at stage 1 and a single meeting at stage 2. On the other hand, it is vital that the new welfare system is in place by 1 April 2013, when the old one disappears, and we understand that the bill will be a short, enabling one.

A timetable of that nature implies regular meetings for the committee. The meetings will probably be almost weekly in the period immediately after Easter through to May. I wanted to make members aware of that. The clerks are drawing up a provisional timetable that will allow the bill's passage to follow that timetable. We will circulate that in the next few days and meet members informally to run through it.

Given the timetable, the committee will need to make early decisions on how to handle the bill—at its next meeting, on 13 March, in fact. If the committee agrees, I propose that we consider that in private, which is the normal practice for a bill that has not yet been introduced, as will be the case with this one.

The detailed discussion on the bill can wait until the next meeting, but I wanted to make members aware of its impact prior to the discussion of the wider work programme. In the medium term, the committee has plenty of scope to undertake work of its own choosing and potentially some fairly innovative activity. Of course, the committee has the remainder of the parliamentary session to do that. It would be helpful to have an initial discussion to allow us to plan for some of that activity.

**The Convener:** I open up the meeting to colleagues to ask the clerk technical questions or to make any comments on the paper—to add to the suggestions in it or to pass judgment on any of them.

**Jamie Hepburn:** I endorse the paper that Simon Watkins talked about, which sets out a sensible approach. In essence, it sets out three phases of work, which is a good way to think about the matter.

Kevin Stewart and Margaret Burgess talked about wanting to get the new bill through as quickly as possible. Although we cannot give a blank cheque and we need to see what the bill says, we should seek to make the process as quick as possible. We have an indication of the timescale for the bill, which will determine the initial part of our work programme. Thereafter, we do not need to fix our programme for the lifetime of the committee, although I return to my comments about the UK bill.

There are certainly areas that I want us to consider in the third phase, as it is termed, during which we can go into some of the issues in depth. Given the timescale, the programme that the clerks have worked out is sensible and we should agree to it.

**Kevin Stewart:** I endorse much of what Jamie Hepburn said. I thank the clerks for putting together the paper. I cannot stress enough the issue about passported benefits, which has certainly been hitting my inbox a lot.

We should allow ourselves flexibility about our later work, because new issues are arising almost daily. During the early evidence, we will hear from folk about things that we have not yet thought about and impacts that probably no one has thought very much about, so it is probably best to allow flexibility in our in-depth look at the Westminster bill. We should not paint ourselves into a corner now in relation to the later stages of the programme, because more and more issues will crop up as we go along.

**The Convener:** I totally agree with that. Jamie Hepburn and I discussed that issue earlier and we said at the outset that we want to retain a degree of flexibility, for exactly the reasons that Kevin

Stewart set out. If we are to listen to those who give evidence, it should be for them to direct us towards the topics that they want us to consider and for us to respond as effectively as possible to the concerns that they raise. In essence, we are setting out a structure within which we will do all that, but we are keeping it as flexible as possible.

13:30

**Annabelle Ewing:** The paper was well produced and I am happy with the basic approach that is suggested, which makes sense. I take the point that several committee members have made about the need to proceed as quickly as possible with enabling legislation on passported benefits, because people are worried that there will be a gap. We will of course help to ensure that there is not a gap. It is important to prioritise that.

The suggestion that we should set up an inbox for e-mails is a good one. I am pleased that there is to be a mechanism for that input to inform the committee's work, rather than just have it sitting there on the website.

I have one specific question. When we come to the second phase of our work, which is considering the enabling bill, is it the intention that we meet on Tuesday mornings? I would just like a vague idea for my diary.

**The Convener:** In essence, we are scheduled to meet on Tuesday mornings. We have indicated that we need to set the ball rolling on 13 March. Because we want to have round-table sessions and begin to look at the Scottish bill, we might initially have to meet regularly on Tuesdays, but there will be flexibility.

**Annabelle Ewing:** But it will be Tuesdays.

**The Convener:** It will be Tuesday mornings. If a short meeting of an hour or so would address a specific issue, we could do that in a Thursday lunch time rather than meet on Tuesday morning for one hour. That has been built into our thinking. In essence, we are scheduled to meet on Tuesday mornings, but we will try to work round that and be as flexible as possible about when we meet to address issues as they arise.

**Annabelle Ewing:** Okay. Thank you.

**The Convener:** I thank members for considering the proposals. We have made a good start. I look forward to our meeting on Tuesday 13 March, at which we will set the ball rolling with our first round-table discussion. More information on that will come out as soon as we have it. Many organisations have already been contacted and have welcomed the opportunity to meet us and to guide us from the outset. We look forward to productive engagement with them as we progress. I thank members for attending.

*Meeting closed at 13:32.*



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