



The Scottish Parliament  
Pàrlamaid na h-Alba

## Official Report

# WELFARE REFORM COMMITTEE

Tuesday 19 March 2013



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**CONTENTS**

	<b>Col.</b>
<b>DECISION ON TAKING BUSINESS IN PRIVATE .....</b>	<b>623</b>
<b>SUBORDINATE LEGISLATION.....</b>	<b>624</b>
Welfare Reform (Consequential Amendments) (Scotland) (No 2) Regulations 2013 [Draft] .....	624
Education (Free School Lunches) (Scotland) Amendment Regulations 2013 (SSI 2013/64) .....	624

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**WELFARE REFORM COMMITTEE**  
**6<sup>th</sup> Meeting 2013, Session 4**

**CONVENER**

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

**DEPUTY CONVENER**

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

**COMMITTEE MEMBERS**

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

\*Linda Fabiani (East Kilbride) (SNP)

\*Iain Gray (East Lothian) (Lab)

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

\*Kevin Stewart (Aberdeen Central) (SNP)

\*attended

**THE FOLLOWING ALSO PARTICIPATED:**

Marion Davis (One Parent Families Scotland)

John Dickie (Child Poverty Action Group in Scotland)

Eddie Follan (Scottish Campaign on Welfare Reform)

Clair Malpas (Cassiltoun Housing Association and the Scottish Federation of Housing Associations)

Lisa Marshall (Children 1st)

Richard Meade (Barnardo's Scotland)

**CLERK TO THE COMMITTEE**

Simon Watkins

**LOCATION**

Committee Room 6



## Scottish Parliament

### Welfare Reform Committee

*Tuesday 19 March 2013*

[The Convener *opened the meeting at 10:00*]

### Decision on Taking Business in Private

**The Convener (Michael McMahon):** Good morning, everyone, and welcome to the sixth meeting of the Welfare Reform Committee in 2013. Please ensure that your mobile phones and other electronic devices are switched off.

I invite members to decide whether to take in private item 4, which is a discussion about evidence that we might take in the future. Do members agree to take the item in private?

**Members** *indicated agreement.*

## Subordinate Legislation

### Welfare Reform (Consequential Amendments) (Scotland) (No 2) Regulations 2013 [Draft]

### Education (Free School Lunches) (Scotland) Amendment Regulations 2013 (SSI 2013/64)

10:01

**The Convener:** We have six witnesses before us. I will invite you all to introduce yourselves and make brief opening comments, if you want to do so. Because of the President of Malawi's visit and address to the Parliament this morning, we are a bit restricted for time; we have only an hour for this part of the meeting. I do not want to curtail discussion unnecessarily, but brevity will be welcome when possible—that goes for members' questions, too. We will try our best to cover everything by 11 o'clock, and I hope that we will enable the witnesses to achieve their aim of informing us so that we have an insight into their thinking.

**Lisa Marshall (Children 1st):** Good morning. Children 1st welcomes the opportunity to give evidence and participate in this round-table discussion on passported benefits. We welcome the committee's call on the Scottish Government to use its powers to mitigate the negative impact that the Welfare Reform Act 2012 is likely to have on some of Scotland's most vulnerable children and families.

We agree that the current priority must be to safeguard existing entitlement during the transition to universal credit. We therefore welcome the regulations. However, we think that the redesign of passported benefits presents the ideal opportunity to consider much wider issues. In that regard, we support the Scottish Government's intention to look more broadly at how passported benefits are delivered and we look forward to contributing to future discussions on the subject.

We strongly support the widening of eligibility for free school meals, to ensure that all vulnerable children in Scotland are entitled.

In relation to the draft Welfare Reform (Consequential Amendments) (Scotland) (No 2) Regulations 2013, we particularly want to draw the committee's attention to eight regulations that we think should be considered as part of the wider review.

In relation to regulation 2, although we recognise that such a provision is rarely used in practice, we are concerned that there is no

reference to state pension or pension credits. That omission means that kinship carers—my role is kinship care officer in the national kinship care service at Children 1st—who have a section 11 residence order under the Children (Scotland) Act 1995 in relation to a child who is later accommodated by a local authority might have an on-going financial liability to contribute to the child's upkeep.

On regulations 3, 8, 10, 11, 15 and 22, we understand that it is the Scottish Government's intention to introduce new eligibility criteria prior to the roll-out of universal credit. We would welcome a reference to state pension or pension credits as well as a review of the disposable capital level in relation to regulation 3.

On regulation 4, we think that there is an opportunity for the Scottish Government to mitigate the impact on Scottish families of the bedroom tax element of the Welfare Reform Act 2012. When an order for eviction is sought for rental arrears that result solely from the bedroom tax, we would like provision to be made for the sheriff to take into consideration whether the tenant has requested a move to a smaller property and whether the landlord is able to accommodate the request.

Thank you for your time.

**Clair Malpas (Cassiltoun Housing Association and the Scottish Federation of Housing Associations):** I work for Cassiltoun Housing Association as a regeneration officer, but I have also worked as a welfare rights officer for the past 16 years. I am also here on behalf of SFHA, as I am SFHA's policy adviser on welfare issues.

SFHA thanks the committee for the chance to speak about the regulations. We have three main points to make. First, SFHA welcomes the fact that all universal credit claimants will qualify for many of the passported benefits. That is a widening of the eligibility criteria, and we believe that it will simplify the system.

On the issue of budgeting and financial advice, it is important that claimants have access to clear budgeting advice at the point at which they will fall off their cliff edge—in other words, when their income pushes them off universal credit. Claimants could then make a strong financial judgment about whether they want to move completely off benefits or whether they need to budget more effectively for increased costs as they lose their passported benefits.

Our main concern with the passporting regulations is about evidence of entitlement. We have no guarantee that there will be a traditional-style award letter for universal credit. We believe that the Scottish Government should look at data-

sharing powers with the Westminster Government. That would provide a clearer process for people to get access to information and for the passported benefit authorities—the adjudication authorities—to access information from Westminster.

Finally, we would also like to see a provision in the regulations that allows for passporting benefits to continue while there is evidence of an on-going appeal. We believe that that is important as we have indications that there will be an increased number of appeals under universal credit and during the transition from disability living allowance to the personal independence payment. Such a provision would ensure that passporting continues when an appeal is pending. The necessary information could also be secured through data-sharing regulations.

Thank you for your time.

**Marion Davis (One Parent Families Scotland):** One Parent Families Scotland is pleased to have the opportunity to participate in this round-table discussion.

Lone parents—92 per cent of whom are women—are already at the forefront of welfare reform changes, such as changes to income support and jobseeker's allowance. Lone mothers will be hardest hit by the Government's programme of benefit cuts. According to analysis by the Institute for Fiscal Studies, they will lose an average 8.5 per cent of their income after tax by 2015.

Feedback via our helpline and our website from parents with whom One Parent Families Scotland works highlights that welfare reform is already affecting family wellbeing and will ultimately hinder the Scottish Government's work to achieve its child poverty reduction targets.

We know from our work in communities that the passported benefits that lone parents are most likely to mention as the most important to them are the health benefits such as dental care, optical vouchers and free school meals, as well as school clothing grants and education maintenance allowance.

We believe that universal benefits are efficient to deliver. Once a means test is introduced it is difficult to police and very expensive. Our position in our previous submission to ministers was that any universal credit entitlement should generally be enough to establish eligibility, due to the importance of entitlement for those in low-paid work.

In particular, we have looked at the issue of free school meals very closely. We believe strongly that there are ways to improve access to that benefit, and there is an opportunity to do that over the coming period.

**John Dickie (Child Poverty Action Group in Scotland):** The first thing to stress is how important and valuable devolved passported benefits can be to families. For example, free school meals alone are worth more than £700 a year to a family with two children here in Edinburgh, so they are an important source of support.

In that context, we very much welcome the commitment to protect current levels of entitlement. We believe that the draft regulations before the committee largely cover the need to ensure that no one misses out as a result of changes to the United Kingdom system during the transitional period.

More importantly, like others we welcome the approach that has been taken. The use of receipt of universal credit as the mechanism for passporting to key benefits sets a helpful precedent for simplicity and for avoiding poverty traps, not just during the initial pathfinder period but beyond.

The approach avoids the need for the development of a new, complex means test within universal credit. It ensures that, although the cliff edges that Clair Malpas referred to still exist at the point where people earn enough to lose entitlement to universal credit, they are not there below that point, where people are seen to need additional financial support. People will therefore not lose the £700-worth of free school meals just because they have increased their earnings by a few pounds—at least not until the point that they lose universal credit altogether.

That approach will support rather than undermine the aim of universal credit to make work pay. It will also ensure that nearly all children living in poverty will have access to key passported benefits such as free school meals.

The approach could also make a contribution to wider Scottish Government objectives on improving health and educational outcomes and tackling poverty, so we should see the regulations not in terms of trying to find a fix that maintains current entitlement in the UK system but as an opportunity to ensure that our passporting arrangements contribute to the wider Scottish objectives that I mentioned.

In summary, we very much urge the committee to recommend that the regulations before it continue to have effect as universal credit is rolled out across Scotland. If that happens, we will not only protect current entitlement levels but future proof our passporting arrangements and ensure that they are fit for purpose and can help families through the increasing levels of child poverty and hardship that we are going to see over the next five to 10 years.

**Eddie Follan (Scottish Campaign on Welfare Reform):** Although I am the Poverty Alliance's policy and campaigns officer, I am representing the Scottish campaign on welfare reform, which is a very broad coalition of 40 leading organisations in the field. As most of the witnesses at the table are also members of the campaign I am sure that, if I get anything wrong, I will soon be put right.

I apologise for the length of our submission but because the coalition is so broad we sent the committee our response to the Scottish Government consultation. We welcome the fact that entitlement to universal credit will be used as a criterion for a number of passported benefits and that the Scottish Government has said that no one who is currently entitled to such benefits will lose out. We must ensure that that policy intention is tested. We also urge the Scottish Government not to means test disability-related passported benefits in future.

We must look on the redesign of the passporting system as presenting a greater opportunity. The Government itself has said that it will look more broadly at how such benefits will be delivered, and we very much hope that its approach is based on certain fundamental principles: first, that people are lifted out of poverty; secondly, that we treat people with dignity and respect; thirdly, that the approach is humane at its core and avoids stigmatising or demonising claimants; and finally, that the system is simple and easy to understand.

Our view, therefore, is that the urgent priority in the short term is to protect and as far as possible enhance entitlement to mitigate the welfare cuts. In the longer term, however, we need to move beyond the broad principles. After all, at the moment much of the detail about universal credit remains unknown.

**Richard Meade (Barnardo's Scotland):** I thank the committee for the opportunity to participate in this morning's evidence session.

Like everyone else on this side of the table, Barnardo's Scotland is very concerned about the welfare reform programme's impact on some of Scotland's most vulnerable families and children, really welcomes the Scottish Government's efforts to mitigate those effects, and supports the regulations and proposals that have been introduced.

Again, like everyone else, we see this process as an opportunity to examine all the passported benefits in Scotland, how they are offered, who gets them, how they are targeted and so on, and we certainly believe that they should be tied into the Scottish Government's priorities and strategies, including the child poverty strategy, the wellbeing indicators that will be set out in the

forthcoming children and young people bill, and the national indicators.

In short, we see an opportunity here and we welcome the regulations.

**The Convener:** Thank you very much. I open up the discussion to questions from members.

**Jamie Hepburn (Cumbernauld and Kilsyth) (SNP):** Eddie Follan highlighted the point in his opening remarks but I note that the Scottish campaign on welfare reform submission says:

“the intention behind the new Regulations is ... to make receipt of universal credit the criteria for entitlement to a number of passported benefits which are at the moment accessed via a range of current benefits. ... such an approach is the most effective way forward.”

I believe that John Dickie is of a similar opinion. Can you set out in a bit more detail why you have reached that position?

**Eddie Follan:** Can I pass that question to John Dickie?

**Jamie Hepburn:** Anyone can take it.

**Eddie Follan:** Sorry about that, but I know that John Dickie will know about it in more detail than I do.

10:15

**John Dickie:** The issue goes back to what I said in my introductory comments.

We have done some modelling at Child Poverty Action Group to look at what alternatives there might be in terms of finding thresholds within universal credit at which an equivalent point could be created for people to be passported to key devolved benefits. The problem is that one ends up creating cliff-edge points at which people on low incomes lose entitlement to literally hundreds of pounds' worth of benefit—for example, free school meals. The other complication is that we do not know what the award notification will look like and how clear it will be, what income thresholds will exist within universal credit, or what information there will be to allow passporting to take place.

The obvious, and simplest, solution is to say that any universal credit should be enough to entitle people to the key passported benefits. We need simplicity and to avoid having to create new means tests for devolved benefits within universal credit here in Scotland; we need to avoid creating income thresholds that do not take into account the number of children in a family or the circumstances within it—for example, whether there is a disability. Clearly, the level of income for a family with three children, one of whom is disabled, does not go as far as for a family with one child. The original UK benefit takes those

things into account, so creating a new system within that which also takes those things into account would be difficult; it would mean a lot of duplication of effort. Therefore, the need is largely for simplicity and to make entitlement very clear cut.

**Jamie Hepburn:** That is helpful. Marion Davis, I presume that that is why you said in your submission that universal benefits are efficient to deliver. Have you arrived at that position because of the essence of what John Dickie has just said?

**Marion Davis:** Yes, particularly on the issue of free school meals. At the moment, parents who work more than 16 hours a week are entitled to working tax credit but do not get free school meals for their children. That creates a benefit cliff edge, as John Dickie said, and reduces the gains from work. The cost of school meals can add up to about £800 over a year for a lone parent with two children; for a parent with three children, it could be more than £1,000.

We argue strongly that universal access is the best option to give support to lone parents to move into work, although our favourite option would be to use universal benefit as a trigger—not just for economic reasons, but for health reasons. We have read so much about the poor health of Scotland's children and the food that they eat. It will save money in the end if more children have access to school meals and a healthy diet. That is a consideration: although it may be more expensive at the start, we should look at the on-going and long-term reduction in costs to the health service.

**Jamie Hepburn:** Almost every written submission, and most of you in your opening statements, welcomed the direction of travel in the regulations. Is it because of the use of universal credit as the trigger for these passported benefits that, broadly speaking, you welcome the approach that has been taken? I see that everyone is nodding. Thank you.

**Kevin Stewart (Aberdeen Central) (SNP):** I want to turn to Lisa Marshall, whose emphasis was on kinship carers. She talked about pension credit and the state pension. Kinship carers do a great service and save the state a huge amount of money, as well as ensuring the best possible life for their relatives. Could you expand on where you feel that kinship carers will lose out?

You also talked about the bedroom tax. On a visit to a housing association here in Edinburgh, some of us came across people with direct payments who were extremely worried about the bedroom tax and how it would affect their ability to care for their grandchild. Will you tell us a little more about your concerns in those areas?



**Lisa Marshall:** There is real confusion as to how the bedroom tax will affect kinship carers. Iain Duncan Smith recently announced in England that foster carers will be exempt. There is confusion over the definition. In England the definition of foster carers includes kinship carers, whereas in Scotland it does not. There could be a really negative impact on Scottish kinship carers, who will not qualify for the exemption.

At the moment, there are around 3,800 known kinship carers who look after children through the local authority or through residence orders, but there could be up to 20,000 kinship carers across Scotland who look after children voluntarily. Those people, who would not necessarily be able to evidence that they are caring for a child in their household, might lose out because of the bedroom tax.

Kinship carers often have children for periods: it might be that they have them for a couple of months and then the children go back to their parents for a month or two before that arrangement breaks down and they come back again. Kinship carers often have children on an on-and-off basis, and they might have to give up their house with an extra bedroom even though they might need it again further down the line. There is real confusion about what the position will be when the bedroom tax comes into play, and there is a lot of anxiety.

**Kevin Stewart:** Has Children 1st or any of the other organisations done any major analysis of the situation that you have just talked about in which folks look after their grandchildren for short periods, before and after they go back to their parents? Has there been any analysis of how often that situation is the norm?

**Lisa Marshall:** We have not done any sort of in-depth or concrete research on the subject but, from the work that we do, we know anecdotally that it happens a lot.

**Kevin Stewart:** Okay; thank you for that.

**Iain Gray (East Lothian) (Lab):** I have a follow-up to that question for Lisa. You made some specific suggestions about how the draft welfare reform regulations might change to take account of issues to do with state pension and pension credits. Can you elaborate on that idea?

**Lisa Marshall:** Of course. Regulation 2 of the draft regulations covers circumstances in which a child is taken into care and the family can be asked to make payments to the local authority to maintain the child. We know that local authorities very rarely put that into practice, but the regulation omits any reference to state pension or pension credits.

Let me give you an example. A kinship carer could take on a child and legally go through the court to get a section 11 residence order. Things could then break down and the child could be taken back into being accommodated by the local authority, as it were. The majority of kinship carers are grandparents, so grandparents who are on the bare minimum state pension could be asked by the local authority to pay a contribution to the maintenance of the child who is then in care. We think that there is a real issue there.

People who are in kinship care arrangements tend to be at the lower end of the income scale in any case. That is a generalisation, but there are real risks because there is no reference to pension credits or state pension.

The other relevant regulations are those that relate to legal aid and court fees. Again, there is no reference in them to people on pension credits or state pension, so kinship carers who look to formalise arrangements by going to court to obtain a section 11 order are not caught within the regulations and they could have to fork out the payment. We know of families who have used all their life savings to pay solicitors in going through the process to get that order. We are just trying to make sure that those families are catered for.

**Annabelle Ewing (Mid Scotland and Fife) (SNP):** Good morning to all of you, and thank you for coming along.

I want to pick up on a couple of points. Although I welcome the exceptions to the bedroom tax that were announced last week, the vast majority of vulnerable people are still affected by it.

Do any of you have a crossover or expertise with family law issues? An issue that has still not been resolved relates to a parent who does not have a residence order but who seeks contact with a child. Could the age of the child and the number of bedrooms and so on be an important element that the sheriff would be required to take into account when considering an application for contact? What thought has been given to that? What advice could be given to individuals to help them? I would have thought that the tax would be a serious infringement on their right to family life.

**John Dickie:** I reiterate what Annabelle Ewing said: we welcome the concessions that have been made on the bedroom tax in the past week or so, but the bottom line is that we need to continue to push for it to be rejected altogether. It is hitting families in all kinds of circumstances. We need to continue to raise awareness of the impact that the tax will have on different kinds of families, whether they are kinship carers, families affected by disability or families in which parents are living apart.

I would need to go away and think about the legal advice that could be given to families who face that situation—and perhaps speak to colleagues about it. We are experts in the benefits side but the family law side is not our area of expertise.

**Annabelle Ewing:** I have thrown the question out there because one particular change to the welfare regime has so many impacts. As we go forward, others will become apparent. It is important that we try to keep a close eye on the fallout of these changes on society.

Lisa Marshall made an interesting point about the suggestion that the sheriff should take into account whether a request to move had been made by the tenant to the housing association, social landlord or whatever. What have you devised to flesh the suggestion out?

**Lisa Marshall:** We have not fleshed it out in any considerable way. We just feel that there is an opportunity. It is widely known that local authorities and housing associations do not have enough small properties to accommodate people. Our thinking was that if it gets to the stage at which someone's rental arrears are based solely on the bedroom tax and there is nothing else in the mix—there are often lots of other reasons for seeking eviction—the sheriff should have to consider whether the tenant has asked to be moved and the landlord could not accommodate that request. If that was the case, there would be nothing more that the tenant could do. If everybody put their hand up and said, “Yes, I'd like to be moved to a smaller property,” there would not be enough smaller properties to accommodate them.

**Annabelle Ewing:** I absolutely take your point about the impact. I would certainly wish to see the tax scrapped—it is a completely ill-thought-out policy. However, I foresee problems with that suggestion. The premise is that a tenant would say that they wished to move but in many instances a tenant would not really wish to move, perhaps because they have been in their existing property all their lives. It is an interesting idea but I am not entirely convinced that it is the best way forward.

I see other ways forward, for example not to have the tax in the first place and to have control over these things here in Scotland so that we do not have to be subject to other people's policies. It is instructive to see that experts such as those on our panel are turning to the practicalities to see what we can devise together.

**Marion Davis:** I will go back to the issue of contact parents. One Parent Families Scotland is concerned with family wellbeing and the best interests of the child, and the bedroom tax will go against where we want to go with those issues. It

will take us in the opposite direction to where we want to go in improving family relationships when a family has broken up and one parent's contact with their child is restricted because of the change.

10:30

The wide-ranging changes will not just hit parents one at a time. Last week, we dealt with a case in which someone with five children is being affected by the bedroom tax and the benefit cap. Her situation is pretty dire because her income will be reduced and her costs will go up because her rent will not be paid. A combination of welfare changes are all interconnected and will have a devastating effect on particular groups.

**Linda Fabiani (East Kilbride) (SNP):** Annabelle Ewing pre-empted me somewhat with her question about the bedroom tax. I understand that everyone does not want that to happen; we all start from that position. I also understand that there are practicalities to be considered when we look at how the problem can be addressed. For me, it takes away from the allocation policies of different landlords, for example, and touches on issues such as the point at which children should have their own room. Such issues have been worked on for years and I worry that the bedroom tax will turn the clock back.

I am interested in the view of Clair Malpas, as a representative of landlords, on the effect that the reform will have on housing association allocation policies across the country. Unless we do something radical in our own country that stops this kind of thing, what effect will it have further down the line on landlords being obliged to provide much smaller houses so that all the people who have made transfer requests can be moved? That seems to be opening a can of worms and I am interested in the views of the landlords.

**Clair Malpas:** Obviously, I am wearing two hats today by representing the SFHA and my own organisation, both of which would rather that there was no bedroom tax. A quarter of my tenants are affected by the bedroom tax and we have been working quite hard to mitigate its effects.

I have also been working with the housing association sector, and some landlords are changing their allocation policies to match the Department for Work and Pensions bedroom requirements. That is a shame, because the requirements take the decision out of the landlords' hands. In Castlemilk, we allocate children their own bedrooms at a much younger age simply to give them a good space to study and so that they have their own private space; it also gets children off the streets. That allocation policy worked, so we are sticking with it.

On the rent arrears argument, my personal view is that it will be difficult to distinguish between bedroom tax arrears and normal arrears. Let us face it: arrears are just arrears. How can the two be separated out? As a social landlord, we take every step possible before we evict. We try to offer as much advice and assistance as we can. Eviction is not a cheap option and it is not the one that we want to go for. It is always the last course of action. There would have to be a significant amount of bedroom tax arrears before we even looked at an argument for eviction. Once universal credit and direct payments come in, the situation will become even more complicated.

From a personal perspective, and from the SFHA's perspective, at the end of the day bedroom tax arrears are arrears. If arrears are mounting and bedroom tax is part of the mix, it is just part of the arrears that the tenant owes.

**Linda Fabiani:** I have one wider point to make. I think that Eddie Follan said that we should try to avoid stigmatisation, and I do not think that anyone would disagree with that. However, we are facing the imposition of policies that will stigmatise people whether that is because they live in social rented housing, or are not working, or do not have a well-paid job, and to an extent we are helpless. Within the limitations that we in Scotland have to operate under, how can we avoid that stigmatisation?

**Eddie Follan:** We have an opportunity to do that by reviewing passported benefits. That is a huge opportunity for Scotland to look at an area that affects many people, as John Dickie said. Mitigation has to be a huge part of that. At the same time, we must look at how we link to the wider Scottish Government policy agenda. We could look at passported benefits as part of the solidarity target, or as part of a review of Government policy on fuel poverty, for example, and the link with that agenda. I am sure that others will have a similar view.

**John Dickie:** Perhaps we cannot do anything here in Scotland on specific issues, such as some of the benefit cuts that are coming at UK level. However, within the range of very important devolved benefits, including free school meals and local authority school clothing grants, we can find ways of ensuring that the mechanisms that we have in place for passporting people to benefits that are within the control of the Parliament and Government in Scotland are designed in such a way as to minimise any stigma. We think that the ideal way of doing that for school meals is to remove the means test altogether for free school meals.

The introduction of universal credit creates an opportunity to move in that direction, at least in part, so that we expand entitlement and potentially

reduce stigma because there is no additional means test. That should be very straightforward. It will be quite easy for a family to evidence that it is receiving universal credit and therefore for the children to become entitled to a free school meal. Parents who are going through the process of claiming a free school lunch for their children will face less of a barrier.

Across every passported benefit, it is important that we look at how we can minimise any risk of stigma for the child, or any risk of a barrier to parents in having to go through another process and fill in another application form to get a benefit that is within the remit of the Scottish Government and the Scottish Parliament, or of local authorities.

There is perhaps nothing that we can do about the additional pressure of the bedroom tax, or perhaps there is a limit to what we can do about what that tax will impose directly with regard to housing policy. However, we can relieve other pressures on family budgets, such as the pressure to pay for school lunch or to find the money to equip a child with school clothing or physical education kit. We can directly relieve such pressures on families.

We can also relieve pressure by investing in energy assistance programmes. I wanted to flag that up to the committee, because we need to ensure that the committee scrutinises passporting arrangements for new energy assistance schemes. There are areas in which we can relieve pressures on family budgets, which at least means that there are more resources for juggling with the challenges and cuts that are being imposed from elsewhere.

**Eddie Follan:** SCWR has been encouraged by the language of mitigation. Action has been taken on the welfare fund and, as John Dickie mentioned, we must also look at fuel poverty.

We know that the Scottish Government looked last week at a gap in the fuel poverty budget and at eligibility between current programmes and the new energy assistance programme. We are encouraged that the language of mitigation is being used and we need to see that continue. That is why we must think about passported benefits in terms of mitigation, certainly in the short term. In the longer term, we need to look at how that fits with other Government policies, as I said. However, we view the direction as encouraging. As we move in that direction, the Government needs to continue to engage with organisations such as those that are represented here and the campaign on welfare reform to ensure that we get it right.

**Jamie Hepburn:** I want to explore the issue of the bedroom tax a little further. Do any of the

witnesses support the underlying principles of the bedroom tax?

You are all indicating that you do not. There has been talk of mitigating the tax's effects. Do you all accept that an approach that seeks to mitigate the bedroom tax—the underlying principles of which we all say that we do not accept—is somewhat limited? If this Parliament had legislative responsibility for welfare, would you ask us to mitigate the effects of the tax or not to legislate for it in the first place?

**John Dickie:** We would give exactly the same message to this Parliament as we are giving to the UK Parliament, which holds the powers at present: the policy must be reversed and we should not impose the bedroom tax.

**The Convener:** I have a couple of questions. I could start by asking, "If the moon was a balloon, would you burst it?" but the serious issue for us to consider concerns the regulations that are before us, and we should focus on what we can do with them.

I am not directing this question at anyone in particular, but I am sure that you will all have a take on it. There seems to be a postcode lottery with regard to the criteria for school clothing grants. Could something be done, such as providing national guidance or standards, to alleviate some of the concerns in that regard? People who are in similar circumstances but who live in different local authority areas will have to meet different criteria, and will therefore not receive the same level of support. Have you examined that issue? Do you have any suggestions for addressing those concerns?

**John Dickie:** Several of the organisations that are represented here today contributed to the Scottish Government working group that considered the issue of school clothing grants several years ago. One of the group's key recommendations was that there should be national guidance to set out a minimum amount for the grant and minimum eligibility criteria. There has been no progress on that, as far as we are aware, but we still think that such guidance is necessary.

There is a wide discrepancy in the level of grant that is provided by different local authorities. Some local authorities have increased the level of school clothing grant in order to relieve the pressure on family budgets as part of their wider mitigation of welfare reform, whereas others have recently decreased or held those grant levels. There are also different eligibility criteria in different parts of the country. The provision of guidance to set out minimum criteria and a minimum level of grant would be very helpful.

**Marion Davis:** In support of John Dickie's position, I note that school clothing grants are very important to lone parents. In the context of welfare reform, we have said that anything that can be done to improve disposable income would be very positive. The difference in the support that is given to parents through school clothing grants can be quite extreme depending on where they live, and we would very much support national guidance on that.

There are also issues around access to school clothing grants and free school meals. We have found that some parents in Glasgow who are on benefits do not get those free meals or grants for their children because they do not have a bank account. That is unfortunate, and we need to look at the processes that are involved. When someone gets an application form and cannot fill in their bank account details, that becomes a barrier that prevents them from being able to claim those two benefits, so there is a wider issue in that regard.

**Richard Meade:** It is important that we ensure that families get the benefits to which they are entitled—whether those are national or local—and that we make the process as easy as possible, particularly now that people are feeling much greater financial pressure.

A lot of families that use our services are not necessarily getting all the benefits, such as free school meals and clothing grants, to which they are entitled. Those little things can be very helpful and can make a huge difference to the families in question. When we address the issue of how passported benefits will work in the future, we must ensure that the take-up is as close to 100 per cent as we can get it.

**Kevin Stewart:** Often nowadays, school uniforms can be picked up for quite small sums of money. Lots of folk get them quite cheaply. Is it still the case that some local authorities are very restrictive about where folk can go with the vouchers? Is it still restricted to some of the more expensive shops and suppliers, where folk do not get as much as they would if they had the freedom to go to the supermarkets to buy the clothes that they need for their kids?

10:45

**John Dickie:** That was certainly an issue the last time we looked at it. I think that it was discussed at the Scottish Government's working group as well. It is an issue not only at local authority level, because individual schools might have a particular uniform with particular braiding on the blazer, for which there is a single supplier. There would be an additional cost attached to that, compared with getting a blazer from Asda or

wherever. Part of the wider national guidance should specify that if schools have additional criteria and more restricted suppliers, arrangements need to be in place to ensure that the additional costs of that are met for children from families on lower incomes. That needs to be part of the whole approach to school clothing.

**Kevin Stewart:** We are actually penalising folk and not giving them the choice that others might have to buy things much more cheaply. Folk could provide much more for their kids if they were given that freedom of opportunity.

**John Dickie:** Yes. We did not take a view on whether schools should have those criteria, but that issue certainly needs to be taken account of and we have to ensure that there are no additional barriers or costs and that there is no discouragement to children from low-income families.

**Linda Fabiani:** I was really quite shocked to hear Marion Davis say that in Glasgow people cannot access grants that they need because they do not have a bank account. That seems like a very self-defeating policy.

**Marion Davis:** We were quite shocked as well, because it was not something that we were aware of.

**Linda Fabiani:** Are you aware of it happening elsewhere or was that an isolated case?

**Marion Davis:** It came up recently. A member of staff in Maryhill was surprised to find that some of the parents were paying out for school clothing and could not afford school meals so were doing packed lunches. That was simply because of the nature of the form for the grant; it asked for bank account details, but the parents did not have bank accounts. They had post office accounts, but that was not deemed to be acceptable. There is an issue around access to bank accounts. The problem can be as simple as the cost of providing the proof of identification that people need to get a bank account; they might not be able to afford to get a passport. There are certain criteria that people have to meet to get bank accounts. We are looking at how we can take up that matter with the council.

**Linda Fabiani:** It seems that on the one hand we are trying to mitigate the effects of something that is coming from Westminster, but on the other hand we are dealing with something that is coming directly from Glasgow City Council, which is very local. It seems bizarre.

**John Dickie:** There are opportunities to ensure that as universal credits are introduced, the Scottish Government, the UK Government and local authorities find ways of sharing information so that, rather than families having to go through

another application process to access a school clothing grant or a free school meal, that benefit is just provided to them. We know that if they are entitled to the universal credit, that information is there at one level of government, so why is it not just shared immediately with local authorities and schools so that school meal provision is made without the need for additional applications? Hopefully over the coming months we can get into the detail of how we can maximise information sharing and get processes of automatic entitlement built in to avoid application processes that throw up the sort of problems that Marion Davis talked about. Such problems add to the stigma of accessing benefits, which discourages too many low-income families.

**Clair Malpas:** Data sharing, so that people do not have to go through another application process, is key. It is also to do with what evidence people have to provide. Sometimes if clients do not have award letters, they will be told to go and get a bank statement, because that will show what benefits they are on. The bank then charges them for that bank statement. In order to access the benefit, they might have to pay £10 for a bank statement, which seems crazy. It is important to have the simplest lines of verification of information.

**Annabelle Ewing:** I will slightly broaden out the discussion—I think that we are running up against our time limit anyway. The panel may know that the committee is to meet the UK Secretary of State for Work and Pensions, Mr Iain Duncan Smith, next week—sadly, that will not be a formal session, as he refused to have such a session, but I suppose that something is better than nothing. If the panel members had the opportunity that we will have next week, what one issue would they raise with the secretary of state?

**The Convener:** While the witnesses think about that, I say that I will give them all the opportunity at the end to round off their contributions and give us an idea of issues that they want us to focus on.

I have a couple of specific questions. One is for Clair Malpas and relates to the bedroom tax. A suggestion about non-eviction for arrears has been debated; I do not know whether other organisations that are represented this morning have looked at that. The suggestion is that the introduction of universal credit could be the arbiter of whether arrears were caused by the changes. If someone was not in arrears when the new benefit system kicked in, but they fell into arrears after they had lost 14 or 25 per cent of their benefits, would it be reasonable to assume that the changes caused the arrears?

**Clair Malpas:** I suppose that it could be reasonable that the bedroom tax caused the arrears but, from a landlord perspective, how far

down the line would we as a small organisation have to carry the arrears? That would affect how we could afford to operate as a business.

**The Convener:** I asked the question because the debate is taking place. I am just trying to get information about whether people have looked at what could be considered to be a reasonable assessment of the cause of arrears. If the witnesses do not have answers on that, that is fine—I was just asking the question.

John Dickie's submission mentions healthy start vouchers. It sounds as though the Scottish Government could do something about them. Have you discussed that with the Scottish Government? Will you give us an idea of how much it would cost the Scottish Government to continue the arrangements if the UK Government decided not to allow them to continue here under the changes?

**John Dickie:** We flagged it up to the Scottish Government that we should look at the healthy start initiative in relation to passporting. The response, which is right, was that healthy start is administered by the national health service in England. The UK Department of Health is looking at how passporting arrangements for healthy start will work under universal credit.

As health is a devolved responsibility, it struck us that the Government in Scotland could do something, rather than just leave it to the UK Government, to ensure that access to healthy start is in line with the broader approach to passporting that the Government in Scotland wants to take. To be honest, I am not sure of the details of where legislative responsibility lies, but exploring the issue is important. Health is devolved and healthy start vouchers are administered by the NHS, but it looks as if passporting arrangements are just being left to the Department of Health.

There are two points, one of which is whether we can do something different in Scotland. At the minimum, we must have assurances that the approach that the Department of Health is taking at UK level is in line with the Scottish Government's commitment to protect current entitlement levels.

**The Convener:** Do you have statistics on the number of people who receive healthy start vouchers and would be affected if the vouchers did not continue?

**John Dickie:** I do not think that it is expected that the vouchers will not continue, but we do not know yet the arrangements for passporting to them—the UK Government has not published those arrangements. We do not expect the vouchers to disappear or the arrangements not to exist, but we think that this Parliament should

scrutinise the situation, as it relates broadly to the devolved responsibility of health.

I do not have the details at the moment about the number of people who are entitled to healthy start vouchers, but we can do work and provide the figures. We can also look at uptake of the vouchers, which is an issue. The discussion around passporting provides an opportunity to look at how we can boost the take-up of passported benefits rather than simply protect the current levels of entitlement. Why are too many parents not taking up their healthy start vouchers? Is there something that we can do in Scotland in looking at passporting to boost the take-up of healthy start vouchers?

**The Convener:** The committee will look at the evidence this morning and see whether there are any issues that we need to raise with the Government and ask questions about. We could certainly make inquiries about that matter.

That allows us to go to the round-up. We have only five minutes. I know that some of you have already suggested questions that you would like to be posed about the regulations. I return to Annabelle Ewing's question. Is there anything specific that you would want the committee to take forward? If there was something that we could take forward on your behalf, what would it be? We are looking at the regulations with the Scottish Government. Is there anything in them that you would like us to take forward?

**Kevin Stewart:** Or the UK Government, convener.

**Annabelle Ewing:** I specifically referred to the meeting with Iain Duncan Smith next week.

**The Convener:** That question has already been posed.

**Annabelle Ewing:** I was waiting for the answers to that question.

**Marion Davis:** We are probably all stunned because there is so much that we would like to say to Iain Duncan Smith. However, we would like him to be asked to revisit the introduction of the policy that means that lone parents' access to benefits when their child is five is conditional on their looking for work. If they do not do so, they will suffer a cut in their benefit. We do not think that that is in tune with the eradication of child poverty policy. We would also like the work programme to be revisited, and the questions why the voluntary sector cannot participate in that and whether it was good value for money to have privatised the work programme and not to have kept it within the DWP to be looked at.

**Richard Meade:** We would like sanctions for people on benefits to be looked at, particularly for those who are seeking work. We work with a

number of young people through our Barnardo's works programmes. They can be sanctioned now for not meeting the criteria to claim their benefits through not having turned up at a job centre with a properly filled-in form, or having missed an appointment for a totally legitimate reason, and the conditions will be much worse under the new system. There will be sanctions targets to meet, and we are really worried that young people will be sanctioned for benign reasons for up to three years potentially. Obviously, that is a real concern in respect of their welfare and the money that will be available to them to keep them out of poverty, particularly if they have dependants. If we are talking about the universal credit criteria being the eligibility criteria for passported benefits and someone has been sanctioned, they could lose all of their passported benefits, too. We implore the Scottish Government and the UK Government to look again at sanctions and how someone who has been sanctioned can still claim passported benefits that might support them and their family.

**Lisa Marshall:** Again, I thank the committee for its time this morning.

I suppose that the one issue that Children 1st would like to be raised with Iain Duncan Smith, if possible, would be the recent announcement that foster carers in general will be exempt from the bedroom tax. We would like to ask whether the UK Government is aware of the difference in definitions, which means that kinship carers in Scotland could really miss out.

**Clair Malpas:** As members would probably expect, I would like bedroom tax issues to be raised. The whole policy should be revisited—obviously, that is a big wish. There is also the issue that was raised earlier about looking again at allowing an extra bedroom if an access arrangement is in place. That is a crucial issue for people.

Increasing funding for discretionary housing payments should also be looked at, particularly in the first year of the bedroom tax coming in. It is no secret that, in Glasgow, if a bedroom tax DHP was awarded for everybody, it would run out of money in three months this year. Increasing funding for the first year of the bedroom tax in particular and allowing an extra bedroom for access arrangements should be considered.

**John Dickie:** The single biggest threat to Scottish Government and Scottish ambitions to end child poverty as a result of the UK policy is around the uprating policy. That is the biggest driver in the forecasts of increased levels of child poverty.

The Institute for Fiscal Studies identified the initial decision to switch the uprating of benefits and tax credits for families both in and out of work

from the retail prices index to the consumer prices index as the biggest driver in increasing levels of poverty. Since then, we have had the proposal to cap any increases in benefits and tax credits to 1 per cent. That will drive even more children and families in Scotland into poverty. I suppose that the challenge is, how do we in Scotland take forward the Scottish child poverty strategy when such a threat is undermining the efforts that we are making?

More specifically and pragmatically, we should consider the issue of information sharing so that we can ensure that, as universal credit is rolled out in Scotland, we share information that allows families to access passported benefits without any additional need for further application processes.

11:00

**The Convener:** Eddie, do you want to have the final minute?

**Eddie Follan:** I support what my colleagues have said—they are all members of the SCWR.

I would bring the focus back to Scotland, and the huge opportunity that the powers that we will have over passported benefits gives us to consider mitigation. As John Dickie said, we should think about not only maintaining what we have, but extending it. We should go back to the principle of lifting people out of poverty. We should also make links with work. One of my other roles is co-ordinating the Scottish living wage campaign. That policy proposal has developed well and has gained a lot of credence, at least in the public sector. We should consider how benefits match up with that policy. We need to think about that when we look at the wider Scottish Government agenda.

**The Convener:** I thank our witnesses for giving evidence. We have reached the end just about in time.

We will take forward the issues that have been raised and we will ensure that any responses that we receive from the Governments or from Mr Duncan Smith get into the public domain as quickly as possible.

11:02

*Meeting continued in private until 11:15.*





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