



The Scottish Parliament
Pàrlamaid na h-Alba

Official Report

HEALTH AND SPORT COMMITTEE

Thursday 12 December 2013

© Parliamentary copyright. Scottish Parliamentary Corporate Body

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

Thursday 12 December 2013

CONTENTS

CHILD POVERTY	Col. 4615
----------------------------	------------------

HEALTH AND SPORT COMMITTEE
35th Meeting 2013, Session 4

CONVENER

*Duncan McNeil (Greenock and Inverclyde) (Lab)

DEPUTY CONVENER

*Bob Doris (Glasgow) (SNP)

COMMITTEE MEMBERS

*Rhoda Grant (Highlands and Islands) (Lab)

*Colin Keir (Edinburgh Western) (SNP)

*Richard Lyle (Central Scotland) (SNP)

*Aileen McLeod (South Scotland) (SNP)

*Nanette Milne (North East Scotland) (Con)

*Gil Paterson (Clydebank and Milngavie) (SNP)

Dr Richard Simpson (Mid Scotland and Fife) (Lab)

*attended

THE FOLLOWING ALSO PARTICIPATED:

Jackie Baillie (Dumbarton) (Lab)

Margaret Burgess (Minister for Housing and Welfare)

Aileen Campbell (Minister for Children and Young People)

Rt Hon Mr Alistair Carmichael MP (Secretary of State for Scotland)

Malcolm Chisholm (Edinburgh Northern and Leith) (Lab) (Committee Substitute)

Saranna Fordyce (United Kingdom Government)

Kevin Stewart (Aberdeen Central) (SNP)

Paul Tyrer (Scottish Government)

James Wolfe (United Kingdom Government)

CLERK TO THE COMMITTEE

Eugene Windsor

LOCATION

Committee Room 1

Scottish Parliament

Health and Sport Committee

Thursday 12 December 2013

[The Convener *opened the meeting at 09:30*]

Child Poverty

The Convener (Duncan McNeil): Good morning and welcome to the 35th meeting in 2013 of the Health and Sport Committee. I have stopped giving the usual warning about people using BlackBerrys—although I point out that phones and BlackBerrys should be switched off—and I now make an announcement about people using tablets. Some members are using tablets and other devices to refer to their papers.

I welcome Kevin Stewart and Jackie Baillie.

Under the first and only item on the agenda, we return to the issue of child poverty. Members will recall that, in October, we carried out some visits in Glasgow that were hosted by Save the Children, and in November we held a round-table discussion on the subject. We should bear that in mind and raise with the ministers who have joined us this morning some of the questions that came up in those sessions.

We have two Scottish ministers with us today—two for the price of one.

The Minister for Children and Young People (Aileen Campbell): Is that a compliment?

The Convener: I do not know how I will differentiate between the two of you and whether I will have to say, “Minister Margaret” or whatever. We will see how we get on.

I welcome Margaret Burgess, the Minister for Housing and Welfare, and Aileen Campbell, the Minister for Children and Young People. They are accompanied by Scottish Government officials—Alex Young, team leader, tackling poverty; Paul Tyrer, senior principal research officer, early years; and Stuart Robb, head of policy delivery, early years.

We are pressed for time because we need to be out of here at 11.40 as we are not allowed to sit at the same time as business is taking place in the chamber, so please bear in mind that constraint.

There is an opportunity for either minister to make a short opening statement. It looks as if we are pointing to the minister—I mean the Minister for Housing and Welfare. [*Laughter.*]

The Minister for Housing and Welfare (Margaret Burgess): Thank you for the

opportunity to be here to discuss child poverty in Scotland. I am joined by my colleague Aileen Campbell, the Minister for Children and Young People, who leads on early years and is taking the Children and Young People (Scotland) Bill through the Parliament.

I am sure that we all agree that every child in Scotland deserves the best possible start in life and none of us wants any child to be condemned to a life of poverty. Although child poverty has fallen since devolution from 28 per cent in 1999-2000 to 15 per cent in 2011-12, it is still too high. As you will be aware, recent analysis suggests that, by 2020, once all the United Kingdom Government welfare reforms have come into effect, 50,000 to 100,000 more children will be living in poverty in Scotland than did so in 2011.

We do not have to accept that. The Scottish Government’s white paper “Scotland’s Future” sets out why the people of Scotland are best placed to determine Scotland’s future. Independence is about giving ourselves the power to make our country as good as it can be and the ability to decide and to make choices. Independence would give us the opportunity to design our own welfare system based on Scottish needs and priorities—a system that supports people who work, provides support for those who cannot work and fosters social solidarity, and a system that is founded on democracy, prosperity and social justice. Not only would we halt the roll-out of universal credit and repeal the bedroom tax, but we would deliver a transformational extension of childcare, which would make it easier for parents to return to work.

In the meantime, we are doing what we can within our existing powers and resources to make Scotland a better place, including protecting the most vulnerable and tackling child poverty. Our long-term approach to tackling child poverty is to do it through early intervention and prevention. Our strategy focuses on the key aims of maximising household resources and improving children’s wellbeing and life chances. We report annually on the strategy, with the most recent report being published in September. The 2013 report highlights examples of projects that the Scottish Government has undertaken with local government and the third sector to address child poverty through actions across a range of areas including employment, housing, regeneration, health, education and childcare.

The actions include increasing funding for early learning to enable up to 600 hours for three and four-year-olds and all looked-after two-year-olds; putting an extra £9.2 million into the new Scottish welfare fund, which can help families to get essential household items; investing £40 million, with local government, in the council tax benefit

successor arrangements; providing an additional £7.9 million to improve access to advice; and, just this week, expanding our family nurse partnerships to give children who are born to young mothers a healthier start to life.

We are working with the ministerial advisory group on child poverty. Many of its members gave evidence to the committee last month. Stakeholders have raised a number of important issues with us including educational attainment and childcare, both of which will form key parts of our approach to tackling child poverty in the coming years. In addition, following advice from the ministerial advisory group, we will introduce a child poverty performance framework into the refreshed strategy. That will enable the Government and its partners to report on progress. I hope that the committee will find that useful in the coming years.

We do not underestimate the scale of the task that faces us. Tackling child poverty is and will continue to be challenging. The annual report outlines the work that is being done in Scotland with our current powers, but it also highlights the significant impact of welfare reform. We will do all that we can within our existing powers and resources to mitigate the effects of welfare reform and tackle child poverty. However, as “Scotland’s Future” sets out, with the full powers of independence, Scotland can become a better and fairer place for our children.

The Convener: We move directly to questions. Rhoda Grant has the first question.

Rhoda Grant (Highlands and Islands) (Lab): Will you provide a couple of practical examples of what you are doing to tackle child poverty?

Margaret Burgess: I mentioned a number of things that we have done. Key elements of the strategy are maximising household incomes and increasing children’s life chances and wellbeing. We are maximising household incomes through the provision of the social wage, which is key to the Scottish Government’s commitments to the people. The social wage helps families—indeed, everything that we are doing, including the council tax freeze, free prescriptions and free healthcare, helps families and children in poverty.

The annual report outlines a number of other initiatives that the Scottish Government has taken with the third sector and voluntary groups to tackle child poverty. The family nurse partnerships also help to do that, and Aileen Campbell, the Minister for Children and Young People, might want to talk about that later. In addition, we are looking at what we do on youth employment.

We must tackle the long-term drivers of poverty. The process will be long term; we cannot solve child poverty overnight because it is a complex

matter. However, the Scottish Government is focusing on the issue with its local government partners.

The Scottish welfare fund looks specifically at families and children who are under pressure because of household budgets. We are looking to increase childcare from 475 hours a year up to 600 hours a year, which will not only improve families’ budgets but allow women to get back into work. As I said, we are committed to the living wage, which takes people out of poverty, but people must have sufficient work of the right type and quality, too. I am sure that you are aware of the Joseph Rowntree Foundation’s recent report about the number of people in work who are in poverty. That is a matter of concern to us all.

Rhoda Grant: You mentioned that the social wage is one of your policies to tackle poverty. Is it not the case that those who are in poverty are not paying council tax or paying for prescriptions in any case? Although those policies may not help the most well off, they certainly do not help the least well off because there is no additional benefit to them.

Margaret Burgess: I think that there are additional benefits. I talked about the number of people in work who are now in poverty. Had the council tax reduction scheme that we have introduced with our local government partners not been introduced, the least well off—whether or not they are on benefit or on a low income—would have been subject to a 10 per cent increase in their council tax. That is one initiative. Many working people with a low income who paid for their prescriptions are now benefiting from free prescriptions as well, and what we are doing on the social wage is of benefit to people on low incomes and those who are in poverty.

Rhoda Grant: We are concentrating on child poverty. You talked about performance indicators. How are you going to measure your performance?

Margaret Burgess: We are developing a framework, which has gone to the ministerial advisory group. It will be part of the refreshed strategy and it links with other frameworks that we have. Paul Tyrer can talk a bit about the strategy and our framework.

Paul Tyrer (Scottish Government): I will take you back to September, when we published our annual report, and I will then talk about where we are now. After that, I will talk briefly about where we are going in the next few months.

Rhoda Grant: I am more interested in how you are going to measure your performance. I know that you report annually. I want to know whether the measurements are going to be robust and what steps you are going to take to measure performance in a shorter timescale.

Paul Tyrer: I will just be a minute. In September, we said that we recognise that the case study approach that the annual report takes has limitations and that we want to introduce a more analytical approach in future years. As the minister said, we have sent an outcomes framework to the ministerial advisory group, and it makes explicit the thinking that underpins the child poverty strategy—not just the activities and the long-term outcomes, but the short-term outcomes, the medium-term outcomes and how all those join together and are interrelated. The outcomes framework also links to other strategies such as the housing and regeneration outcomes that were published yesterday, and it will structure the revised strategy when it is published next year. That is where we are now.

In the spring, we will develop that into a performance framework, which you could see as a mini “Scotland Performs” national performance framework. Indicators will be agreed with the ministerial advisory group that will enable the ministers to check progress and will enable transparent and robust reporting so that you can hold the Scottish Government to account. It is about placing identifying markers in the sand to say where we think we should get to, and if we do not get that far, you can ask us about that.

Is that helpful?

Rhoda Grant: It is helpful, but I would like to know whether the outcomes that you mention will be soft outcomes or measurable outcomes. What data will they be measured against?

Paul Tyrer: They must be measurable and must use the Scottish Government’s national-level data, for the most part. That will enable everybody to see how well we are doing over time.

The Convener: I presume that you have seen the evidence from our round-table session, which talks about the need to have a clearer sense of progress, the need to set out how child poverty is built into other strategies and the fact that the strategy describes interventions but provides no analysis of their impact—the list goes on. If you are serious about the work, why have we not been monitoring the outcomes of that targeted spend? It is the language of the Government that we measure outcomes, not inputs. Why have you not been measuring outcomes or impacts?

Margaret Burgess: There has been some measurement of what we are doing. We set up the ministerial advisory group to advise ministers on how best to proceed, and that group—which has attended the committee—has said that, overall, it believes that our strategy is the correct one and the right way forward. It did, however, raise concerns about the case study approach and some of the analysis that we were doing. We have

taken that on board and we are now putting the framework together. We will be able to bring it to the committee and to Parliament so that you can judge whether we are achieving what we set out to do.

We will commission some research at the start of the new year to consider whether the activities that we are considering are the most effective measures to help us to deliver the outcomes. We are putting a bit of work into it.

09:45

The Convener: This is no criticism of you, minister. I am talking about why, historically, that work was not part of the efforts to tackle child poverty and poverty in general. If we are serious about tackling poverty, why was that not part of the package when the spend that we put into the measures was being examined? We have had a list of measures and spend today, but it would be helpful to get some totals for the spend that is actually going into tackling the relevant aspects of child poverty.

I have a final question. Who is the champion for tackling child poverty in the Scottish Cabinet?

Margaret Burgess: The Deputy First Minister champions that. It is up to all ministers, however.

Aileen Campbell: As Margaret Burgess indicates, there is cross-portfolio interest in the issue. At Cabinet, I sit within the education team. A number of the people who gave evidence last week spoke about a number of issues and areas of Government that have an impact on child poverty, so there is cross-portfolio interest. Some of the areas of work that I am developing around the early years and the Children and Young People (Scotland) Bill have an impact on our wider approach to tackling child poverty. As Margaret Burgess said, matters around welfare and poverty rest with the DFM, but we all have an interest in the area. We are all keen to make inroads into child poverty—as you all are.

The Convener: The point that I am making is that, when everybody is responsible, no one is clearly in charge.

Margaret Burgess: I point out that the Deputy First Minister chairs the ministerial advisory group on child poverty. The issue is an absolute priority for the Government. That is the level that we have taken it to—three ministers sit on the advisory group, and we are listening to and taking the advice of its expert members.

The Convener: Perhaps it should have been the cabinet secretary who came here this morning—I do not know how we arrived at our choice.

Aileen Campbell: I understand that she is at another committee.

The Convener: That is fine.

Aileen Campbell: Margaret Burgess is the vice-chair of the advisory group, and I attend it as well. That reflects the wider, cross-portfolio interest that we in the Government have in tackling child poverty. The fact that we both want to contribute to the committee's work to examine this very important issue, regardless of party affiliation, is a positive thing. However, the committee's work resides with the Parliament, of course.

The Convener: I accept that. I do not mean any offence to the ministers who are with us this morning, but the person who fights for a slice of the budget is in the Cabinet.

I address these remarks to Mr Tyrer, who seems to be the person who will now have a strategy for measuring outcomes. As regards the failure to measure outcomes, and given the concerns of people who have given us evidence, who is the person who failed to ensure that there was that type of scrutiny? Are they with us today? I see you looking elsewhere, but you are getting no help—I am afraid you're het.

Paul Tyrer: I can speak only for myself. I have been in post for a year, and one of the priorities for me in coming in was to see if we could encourage more robust reporting.

The Child Poverty Act 2010 has four targets. Three of them have been set, and one of them is going to be set. In a sense, those are overarching ways of measuring how we are doing on child poverty.

Aileen Campbell: I do not necessarily agree with the way in which you have characterised things, convener. Child poverty has reduced over the whole course of devolution. To suggest in the way that you have done that there has not been a robust way of monitoring progress is inaccurate. The advisory group is telling us that we need to drill down a wee bit further, and we are therefore developing a more robust way of monitoring progress.

The Convener: I did not say it; the people who are members of your advisory group said it. They told us that in evidence, and it is reflected in our notes. They are saying all these things. I do not know why it has taken a committee hearing to bring the issue out. If you have been talking to the people on the advisory group, they must have told you that there needs to be a better understanding of what works locally, that we need to measure outcomes and that we need to have targets.

Aileen Campbell: We know that we measure outcomes. As Paul Tyrer and the minister have told you, that is why, on the advice of the advisory

group, we are moving forward by making sure that we have a robust mechanism to analyse—

The Convener: We are happy. A sinner repents. I call Malcolm Chisholm.

Malcolm Chisholm (Edinburgh Northern and Leith) (Lab): I will continue on the same theme. I welcome the fact that there is going to be a performance framework. Just to repeat briefly what the convener said, the absence of a measurement framework featured quite strongly in our round-table meeting. Also, to take just one example from the written evidence, One Parent Families Scotland said that there needed to be a more

“consistent and transparent approach to monitoring”

and evaluation, with

“Specific, concrete targets along with timelines”.

Can you say anything about evaluation, targets, and timelines? Would that be part of the performance framework?

Paul Tyrer: Yes is the short answer. We will be using evaluation evidence to determine how we are doing with particular outcomes where there is no national level data. When we are funding fairly small services, we will be looking to encourage organisations to implement self-evaluation so that they can learn about the services that they deliver and how they can be improved as they develop them.

Malcolm Chisholm: Another point was made about the absence of a delivery plan. The more general point, that is perhaps more controversial and difficult, is that the lack of a national strategy partly is because of the view that was taken of local government. For example, it was pointed out that single outcome agreements do not refer to a national strategy on child poverty. By the way, I heard some of that at the Finance Committee, so I might get confused about what I heard at the Finance Committee and what I heard at this committee. It does not really matter, because the evidence was certainly given. Evidence was also given that no guidance was given to community planning partnerships on a child poverty strategy.

The evidence that I have heard here and at the Finance Committee gave the sense that an awful lot has been left to the discretion of local government. A related point that came up at our round-table meeting was made by organisation after organisation saying that there should be a statutory duty on local authorities to take action on child poverty, or we will end up with an uneven picture of the priority that is being given to child poverty by different local authorities. The preference of the organisations from which we heard was for a statutory duty but I suppose that I am offering you a fallback position. If there is no

statutory duty, can there at least be a requirement within the single outcome agreements, the guidance to community planning partnerships, and whatever other devices are available to allow the Government to ensure that local government delivers national priorities?

Margaret Burgess: We are certainly looking at community planning partnerships and single outcome agreements, and doing more about building child poverty strategies into the agreements and guidance that we produce for community planning partnerships. The new single outcome agreements focus on priorities such as employment, the early years, health inequality, safer communities, physical activity, childcare, and routes into employment. They are all key issues in tackling child poverty, and we anticipate that the CPPs will address those issues.

The CPPs also have to report annually on their activities and work with local government to ensure that they are meeting the national priorities, including child poverty.

We also considered a statutory duty, but Robert Nicol, the Convention of Scottish Local Authorities representative on our task force, did not agree with that approach. At this stage, we think that that is probably correct, because we have to ensure we do not limit how others who might be involved in the child poverty strategy work in the field of child poverty and the wider community planning partnerships. We are considering taking the strategy forward through the community planning partnerships with single outcome agreements.

However, we want to strengthen community planning, and all our work on the framework, the evaluation and the monitoring will be carried out with the ministerial advisory group on child poverty, which comprises the people who gave evidence to the committee last month, and, indeed, the committee itself. All those people will be able to input into the final framework as it is produced as well as the operation of the evaluation and will quite rightly be looking over our shoulder to ensure that we deliver what we say we are delivering.

Malcolm Chisholm: If it is all right, convener, I would like to ask a final question.

Another theme that has emerged and which is related to the issue of evaluation is the need for an approach in which we say, "Let's evaluate and then do the things that we know from evidence actually work." That also relates to the discussion about national and local initiatives, because the feeling was that some really effective national initiatives were getting lost. Douglas Hamilton among others spoke very highly of the working for families programme—which I was involved with in my time as minister, although that is not

particularly why I am mentioning it—and highlighted it as a really good national initiative that helped to get parents into worthwhile jobs through support, particularly during the transition to employment. It does not exist in a national form any more, although there might be some traces of it left in certain local authorities, and there is a sense that we have lost some of those good national initiatives. How can you capture such things and ensure that people invest in initiatives that really work?

Margaret Burgess: That comes back to my earlier point about the framework and how it deals with organisations such as the one that you mentioned, which we would all agree delivers an excellent service and receives funding from the Scottish Government. The issue is how, with our assistance, such organisations can evaluate these things through the framework and how we can fit in the various local and national strands and see what is and is not working. The further research that we will be commissioning might focus on the activities that we should be looking at, because we want to ensure that nothing is left out.

Aileen Campbell: As Malcolm Chisholm will know, a lot of the emphasis in the early years task force's work is on evidence-based approaches that have been set and influenced by the experts and practitioners who sit around the table and guide some of our policies. Moreover, the Children and Young People (Scotland) Bill, which has not yet been passed, presents us with a number of opportunities to put together detailed guidance on how we move children's services plans forward at a strategic planning level and to consult and work with other stakeholders, including the Child Poverty Action Group, in developing robust guidance that will allow us to monitor and evaluate developments in local authorities.

Aileen McLeod (South Scotland) (SNP): Good morning, ministers. You have outlined some of the initiatives that you are putting in place to reduce the levels of child poverty in Scotland but very real concerns have been expressed that progress is being made all the harder and all the more challenging by Westminster's damaging welfare reform cuts, which are hitting some of the poorest and most vulnerable families and children. How do you think those cuts will impact on child poverty levels in Scotland? A couple of weeks ago, John Dickie of the Child Poverty Action Group told the committee that, because of the UK tax and benefits policy, there will be massive rises in child poverty. Indeed, you have already mentioned the key statistic that between 50,000 and 100,000 more children will be living in poverty in Scotland by 2020.

10:00

Margaret Burgess: The welfare reforms present a real challenge. The figures that indicate that in Scotland 50,000 more children—that is the minimum figure; the estimate is between 50,000 and 100,000—will be in child poverty by 2020 is frightening.

We are doing what we can within our existing powers to mitigate the welfare reform cuts. As I said earlier, we have topped up the Scottish welfare fund by £9.2 million, to keep it at that level for the next two years; we have provided money for the council tax reduction scheme; we have given money to advice services; we are helping housing organisations and groups; and we fund a number of organisations that deal with child poverty. However, we cannot mitigate all the impacts of the United Kingdom Government's welfare reforms.

"Scotland's Future" shows the way in which we can reduce child poverty in Scotland. We need flexibility with regard to our own resources so that we can immediately stop the bedroom tax, which impacts on children not only in situations in which parents are struggling to find the money to pay the bedroom tax but also in general, as children are being forced into certain sizes of room just because their parents are poor, whereas we all know that the more space a child has, the better it is for them. That goes against what we want to do in housing and is unacceptable to me. It certainly would not happen in an independent Scotland.

So far, we have seen the impact of only some parts of welfare reform, such as universal credit, but much more is coming down the line. There are problems with sanctions on benefits, which are having an impact on families with children. The way in which universal credit is paid will have an impact on women, who tend to be the ones who manage the finances and make sure that the money goes to where it should go in terms of expenditure on children. There are lots of areas that we are concerned about.

We will mitigate where we can to prevent children from falling into poverty, but we cannot deal with what is coming from the UK Government in terms of the projections for welfare reform in future years.

Aileen McLeod: If this Parliament had powers over the key levers such as tax and welfare, what more would you want to do?

Margaret Burgess: If this Parliament had control over its welfare spending, we could align it with our housing policy and ensure that there was no such thing as the bedroom tax. We could grow our economy, because the solution is about growth, recovery and the promotion of the living wage. It is a nonsense that we have a national

minimum wage that people cannot live on. That does not make a lot of sense to me. We have to ensure that the work that we have is quality work. We can diversify the schemes that we have for young people and women. We are doing a lot in that regard. There are more women in work now in Scotland than there were four years ago. We must encourage that. Childcare is important.

As was said earlier, the issue of child poverty does not sit on its own. Poverty is complex, as is child poverty, and we must tackle all the areas that are involved. We cannot tackle the issues holistically without having control of our own finances and economy.

The Convener: On the employment issue, some interesting points of view were raised by the business community at the round-table discussion on 19 November. One representative raised the issue of engagement with employers and developing ethical employers. I know that that is only one strand and that the big issues that you mentioned have a big impact, and there is broad agreement about how we should be dealing with those elements, but, with regard to the living wage, the development of the workforce and training, what engagement takes place with businesses to ensure that we are challenging them to be ethical employers, to pay the living wage, to train people and to support sustainable jobs? Part of the problem that we have now is the rise in poverty among those who are in work but cannot escape benefits or access secure or sustainable jobs. What is the Scottish Government doing to engage with that group of employers?

Margaret Burgess: We have a number of engagements with business across the portfolios. Jane Wood, to whom I think that you were referring, sits on the ministerial task force on poverty. She brings a business perspective to its work. We recognised that it was important to encourage business to get involved. The Scottish Government is promoting the living wage. We have to make employers feel good about paying the living wage and to give them credit for doing so. All that is important, and we have to get more employers on board.

The Convener: Perhaps that is something that you can take up when you think about the strategy. I thought that it was worth while mentioning the idea of having a real focus on business. It is good for the brand of the big employers to treat people fairly.

Aileen Campbell: As well as Jane Wood sitting on the advisory group on child poverty, the early years task force has had a refresh. We are very keen to engage with the business community on that, too.

One small way in which we have tried to engage with employers on how flexibly they allow their employees to work is by sponsoring an award from the Institute of Directors to highlight to companies the fact that allowing their workforce to work flexibly helps with childcare and boosts morale. John Swinney and I hosted a summit on flexible working, which involved engaging with small businesses and larger corporate entities. We have engaged proactively with the business community in a number of ways in an effort to show businesses that they can have an impact on some of the wider societal problems that we are all grappling with. Jane Wood is a good advocate of that. She illustrates the fact that businesses want to be part of that discussion and to contribute to the wider agenda. The task force is looking to have more business representatives. Our sponsoring of the IOD award—that was last year, I think; I forget—is a good example of how we can try to make inroads with the business community.

The Convener: Hopefully, the early years task force will benefit from the refresh. It will be interesting to hear whether that is the case.

Colin Keir (Edinburgh Western) (SNP): Good morning.

My question was partially answered earlier on. Most of the work that has been done is quite historical—it has been done over a number of months and years. We have just had the autumn statement. Was there anything in it in response to which the likes of the task force will have to rethink things, because it goes beyond how bad it was thought that the situation could get? Was there anything in the autumn statement that has made you rethink your strategy?

Margaret Burgess: Do you mean the current strategy, which we are refreshing?

Colin Keir: Was there anything in the autumn statement that has made you stop and think that you will have to do something extreme, because it goes beyond what you thought was possible?

Margaret Burgess: In terms of the austerity measures in it and the cap on total expenditure on welfare, the autumn statement causes us concern. A number of things in it cause us concern, but what concerns me in relation to child poverty is the relentless attack on the welfare state and benefits. That does not help those who are trying to get back into the workplace, and it means that support is not available for those who are stuck in the benefits system. That is what struck me about the autumn statement.

As far as what we will do is concerned, the autumn statement reinforces my absolute belief that we need to have control over our own resources and to have our own welfare state to ensure that we can have policies that are flexible

enough to meet the needs of Scotland and to avoid the increase in child poverty that we know—the UK Government does not deny this—is coming.

Bob Doris (Glasgow) (SNP): Before the meeting, I looked at Citizens Advice Scotland's briefing on welfare reform. It gives a couple of figures. It says that 12,000 families are worse off by up to £2,600 per year because of working tax credit reforms and that more than 73,000 families are worse off by an average of around £545 a year because of child tax credit reforms.

As part of your working relationship with it, would the UK Government give you information on those families that have had an income shock as a result of its reforms, which have resulted in less money going into the pockets of vulnerable families?

Margaret Burgess: We get some information from the UK Government—perhaps Paul Tyrer can confirm that.

Paul Tyrer: Sorry—I did not hear the last bit of Bob Doris's question.

Bob Doris: Citizens Advice Scotland estimates that approximately 12,000 families will be worse off as a result of working tax credit reforms, and that more than 73,000 families will be worse off as a result of child tax credit reforms. Is there any data on those families? I know that there are confidentiality issues, but is the data on who and where those families are made available to the Scottish Government via the Department for Work and Pensions in order to give you a better idea of whether the UK Government is pushing people further into child poverty?

Paul Tyrer: We will need to come back to the committee on that.

Bob Doris: Okay. I am asking the question in order to tease out what the Scottish Government is doing proactively to tackle child poverty. I had written down three examples: family-nurse partnerships, the early years collaborative and the third sector early intervention fund. Those are three proactive measures to tackle child poverty, but the Scottish Government is also trying to implement a series of mitigation measures.

I am trying to establish what the balance is with regard to the Scottish Government's strategy. I am conscious that every pound that you put in to mitigate the issues that welfare reform creates, which directly impact on child poverty, is a pound that you cannot spend on proactive measures to lift children out of poverty.

Can the ministers give me some idea of the balance between those two spends? How much money are we putting into mitigating the effects of welfare reform rather than spending that money on

lifting children out of poverty? In other words, how much are we spending on stopping things getting worse rather than improving them?

Aileen Campbell: You mentioned childcare, on which the committee heard evidence last month. A fairly hefty amount of money is accompanying the first step towards transforming childcare, and we want to use that money to support families, which will save them on average £700 per child per year. We are doing that—as Margaret Burgess outlined—as part of our approach to maximise household budgets, which is a proactive step towards helping families to protect their budgets.

You hit the nail on the head: while we are doing those things, there are external forces that are impacting significantly on families. We are doing all that we can through early intervention; that includes the early years collaborative that you highlighted, which involves developing an evidence base for small-scale changes before we ramp it up to allow young people to have fulfilling lives and positive outcomes.

The wider welfare reforms that are happening impact on a great deal of our work, particularly in relation to families and children. Although we do what we can to protect the wellbeing of children and give them the best possible start in life with the powers and tools that we have, ultimately, if poverty figures go up as a result of welfare reform, a lot of that work can be undone.

The Scottish Government's white paper outlines why poverty is a barrier to educational attainment. While we have responsibility for education but not for tax and welfare, a lot of our work is being undone because we do not have the tools to tackle some of the issues around poverty. You have provided good examples of proactive work that the Government is doing but, ultimately, if we do not have all the tools to tackle poverty, some of that work and its outcomes can be undone.

Bob Doris: We had a similar discussion on budgets when the committee scrutinised the Scottish Government's budget line on health inequalities, which did not capture all the moneys that were being spent on tackling those inequalities.

Is there still work to be done on capturing all the spend across national and local Government that is invested in tackling child poverty? I am not sure that there is a clear picture in that regard because—as the convener pointed out—of the cross-portfolio approach to tackling the problem. Can we do more to capture the overall spend? That is important, as it would allow us to measure it against the outcomes. I am delighted that there will be closer scrutiny of what local authorities are doing to tackle child poverty, as there has perhaps

not been as much light shone on that area as there should have been.

10:15

Aileen Campbell: You are right to reflect the fact that trying to analyse some of the figures is complex because of the cross-portfolio nature of the spend.

I point to the early years change fund, for instance, which is about bringing partners together at a community planning partnership level to talk about how they can use the totality of their collective spend on early years and get the most out of that money. That is a £272 million fund to which the Government contributes £50 million. It is administered by the early years task force.

The public do not see the demarcation lines in where public finances come from. They just want to know that they will receive a good-quality service. The task force is one way of bringing people together. Individual community planning partnerships are getting round the table to talk about how they can use the money in the best way. We are in the fairly early stages with some of those outcomes, but the relationship with the task force means that we can get a review of what some of the community planning partnerships have used and changed to have an impact on the early years of a child's life.

That is a fairly tangible example of one way to maximise the totality of spend across a variety of agencies.

Bob Doris: That is very helpful. Thank you.

Gil Paterson (Clydebank and Milngavie) (SNP): I will ask about the lack of gender equality in regard to child poverty. It is an uphill battle and we have been fighting it since the Parliament's inception. We seem to get halfway up the hill and get knocked back down again.

I will tie my question into welfare reform. Women will lose out because of the way that the universal credit system is structured with single monthly payments to one member of the household, which is likely to be the male partner in many cases. If that is the case, what impact is it likely to have on the Parliament's and Government's policy on gender equality?

Margaret Burgess: You are absolutely right. As I said earlier, the universal credit payment will go to one individual. The DWP has given a figure for the percentage of payments that will go to the male partner. There is a real concern about the impact of that on child poverty because there is evidence that, when the money goes to the mother of the child, it goes directly to the child and is spent for the purposes for which it was meant.

The Scottish Government has said clearly that it would halt the roll-out of universal credit after independence because it is not working, it is not suitable for Scotland or fit for purpose. However, we have made, and will continue to make, the point to the DWP that it is not right that universal credit should be paid to one member of the household.

There are a number of other issues in the proposals for universal credit that will impact adversely on women. The earnings disregard could have such an impact because it weakens the incentive for a second earner in the household. That causes us concern and we are examining the impacts that could happen down the road with universal credit.

We all know that universal credit has been delayed considerably in the UK as a whole, but we still have concerns about the proposals. You highlighted one of them, which is that it will go to one person in the household, which is not at all satisfactory.

Gil Paterson: There is a series of measures that are likely to impact on women in particular. Of course, if they impact on women, they will surely impact on children. Such measures are bedfellows in the true sense of the word in that there is an impact on poverty that then reaches children. Have you had any dialogue with the Government in London? What is its attitude? Is it sympathetic? Is there any movement in that regard? What I should probably ask is whether you are having any dialogue.

Margaret Burgess: We have had and continue to have dialogue with the UK Government on any measure that we think would adversely affect the people of Scotland and the children of Scotland. We have raised with the UK Government issues such as the benefit freeze, the change from the retail price index to the consumer price index, the removal of the baby element of child tax credits, the requirement for people on income support to move on to jobseekers allowance when their youngest child is five, the universal credit, the payment of universal credit to one person in the family and the bedroom tax.

I have set out what we would do with our own powers, but we continue to make the case strongly to the UK Government about the impact of its reforms on the people of Scotland, and our children. I will continue to do that—we will not give up on that. However, it would be fair to say that there has been little give from the UK Government on any of our requests.

Gil Paterson: As you are aware, the Secretary of State for Scotland is coming in later. You have already answered a similar question to the next one that I will ask, which is about what action you

have been taking to mitigate child poverty. It would be helpful if you could tell us what measures you have taken specifically in relation to gender inequalities.

Margaret Burgess: Overall, we have highlighted issues relating to gender inequalities. We took a number of initiatives in relation to the Scottish Trades Union Congress's women's conference on women and work. The increase in hours for childcare is to reduce inequalities and get more women into work. The training and college places are to encourage more women into work. We are doing a lot, within our powers, to get women back into work and try to reduce gender inequality.

However, what the UK Government is doing to benefits and working tax credits, with the reduction in the childcare element of working tax credits and the taper for working tax credits—in the main, it is women who get working tax credits—is all going against what we are trying to do here in Scotland.

Aileen Campbell: The work that we are doing in the Children and Young People (Scotland) Bill, such as the increase in hours for early learning and childcare—up to 600 hours a year—will predominantly impact on women who are looking after young children. While, in itself, the increase in hours is a good thing, the key to enabling women to access training and employment is to deliver it flexibly, which will allow women to access those opportunities far more easily.

Although that is only the first part of the journey towards the transformation of childcare, and we have set out our ambitions in the white paper, it will make a practical and positive difference to women.

The minister is right to point to the work that happens in my portfolio and her portfolio. However, Angela Constance has done a lot on getting women into work, through the STUC conference. There is also the discrete portfolio interest that Shona Robison has in relation to equality, which shows that this is about working right across Government to ensure that women's issues are far further up the political agenda.

Gil Paterson: Lastly—

The Convener: I am sorry, Gil. We are under real pressure. I have three members still to ask questions, so I ask for your indulgence, please.

Nanette Milne (North East Scotland) (Con): My question is about education. It is fairly clear to me that to break the cycle of poverty in the long term we must improve young people's employability and educate them to be fit for the workplace.

It was pointed out during our round-table discussion that we need to look at the long-term

effects of an educational achievement gap and that there is a significant difference between the Scottish strategy and those of England and Wales and Northern Ireland because there is no reference to an attainment gap in schools in the Scottish strategy. Would you like to comment on that?

Aileen Campbell: This evidence session is quite timely, given last week's programme for international student assessment—PISA—results, which showed that Scotland was the only area in the United Kingdom to reduce the educational attainment gap. Some of the actions that we are taking in Government are bearing fruit. The reduction in the attainment gap between some of the most deprived children and those from other areas is a positive thing that we can point to as making a tangible difference.

The children who were assessed for the PISA study were a tranche of young people who were not going through curriculum for excellence, which is about ensuring that young people are effective learners and good contributors to society. The curriculum for excellence will positively benefit young people and their attainment in future.

Of course, my colleagues Alasdair Allan and Mike Russell will be developing the benchmarking tool that will allow schools to look at comparator schools in similar areas—perhaps areas of deprivation—and see how they compare so that they can enable themselves to move forward and help their young people to attain greater levels.

Those are positive, tangible areas in which we are making real progress in closing the attainment gap and that was borne out by last week's PISA results. However, we are not resting on our laurels—or taking our foot off the gas—in ensuring that young people get the life chances that they deserve and allowing their educational attainment to flourish.

Nanette Milne: I worry about skills mismatch in Scotland. I come from an area in which the oil and gas energy industry is very short of people with skills and seriously wants them. There are other parts of Scotland with the skills. There must be some means of joining that up, which I think would eventually break the cycle. I am not saying that it would happen tomorrow, but it would break the cycle of childhood poverty.

Aileen Campbell: The Wood commission report showed that there are opportunities to ensure that we focus on potential skills gaps. There have been college reforms and my colleague Angela Constance is doing work to try to ensure that young people are given the tools that they need to access the job opportunities that present themselves, some of which the committee has highlighted. An awful lot of work is being done. I

am aware of the time constraints on this evidence session, so if the committee wants further information on that work, I am sure that my colleagues would offer to write to the committee with it.

The Convener: Thank you. I appreciate the offer.

Kevin Stewart (Aberdeen Central) (SNP): I know that we are short of time, so I will be brief. I want to return to the local government aspect of poverty strategies, particularly in terms of single outcome agreements and the involvement of community planning partnerships. I was a councillor not long ago in Aberdeen City Council when we initiated a poverty strategy, which was championed by Jim Kiddie, and tried to embed it in everything that we did. Is the COSLA representative on your task force looking for best practice that already exists in local authorities? Can such best practice be exported across the board so that others do not try to reinvent the wheel, as is often the case?

Margaret Burgess: Yes. We anticipate that best practice will be shared. When we form our guidance, part of it will be about looking at best practice. We hope that our COSLA colleague on the task force will take part in that. We will look at what is going on out there and where things are working well. We have always said that we will do that and that we do not want people to try to reinvent the wheel; if something is working, we must look at it and see whether we can spread it to other CPPs.

Aileen Campbell: I also highlight the opportunities through the Children and Young People (Scotland) Bill to ensure that there is joint planning between local authorities and health boards. When I attended the Local Government and Regeneration Committee, of which Kevin Stewart is the convener, we talked about the good examples that exist of CPPs reporting on activities around early years. I think that there are examples of that in West Lothian and Aberdeen. The early years collaborative work is fostering a particular approach so that local authorities and community planning partnerships can get together and share best practice in an open environment that allows CPPs to replicate best practice, if that is appropriate, or monitor their work to see how they can improve it. There are therefore lots of ways of sharing best practice to move things forward.

10:30

Jackie Baillie (Dumbarton) (Lab): We all share a sense of impatience and frustration that we are not making more progress on child poverty, for whatever reason. However, we must acknowledge that the period from 1997 to 2007 saw the greatest

falls in child poverty. Indeed, the rate of child poverty was lower in Scotland than in anywhere else in the UK, and since then it has largely flatlined.

Like the convener, I very much welcome the performance framework. We have operated without one for three to four years, we have operated without a delivery plan and we have operated without targets; in effect, therefore, we have put tackling child poverty on pause for years. I very much welcome the renewed focus on it.

On the basis of that renewed focus, can you advise me whether you will now go back to the budget? From 2007 until now, you have stripped out of the budget almost £1 billion of anti-poverty strategies, so that would be a fantastic way of reinforcing your commitment to tackling child poverty that would support the refreshed strategy.

Margaret Burgess: I disagree absolutely: the Scottish Government has not had tackling child poverty on pause for the past four years or at any time. Tackling child poverty is a priority.

We have not stripped money from the budget. The social inclusion money—I presume that that is what Jackie Baillie is talking about—was rolled into the local government settlement, to allow local government more flexibility in targeting what they were doing with anti-poverty measures. In some areas, community planning partnerships have that money for their anti-poverty measures. The money was not cut from the budget; it was rolled in—the ring fencing was removed.

Jackie Baillie: I will provide the minister with the full list of where all the budget lines have been impacted, particularly in relation to anti-poverty measures, if that would help to increase the budget.

A constant theme that appears to be emerging is whether ministers have the power to do things. It strikes me that you have the power to do things in childcare, which we would all agree is fully devolved. You can do things now, and you have consequentials from the autumn budget statement. I ask the Minister for Children and Young People why that is not happening.

Aileen Campbell: In the white paper, we have set ourselves quite ambitious aspirations for childcare, and in the Children and Young People (Scotland) Bill we have taken the first step of increasing free childcare to 600 hours.

In her speech to the Labour Party conference in the spring, Johann Lamont talked about maternity leave and paternity leave being key to transforming childcare. Those are both things over which we do not have competence, so even in its own narrative, the Labour Party is talking about areas in which we have no responsibility.

The point in the white paper is that, through our aspirations to transform childcare, we will enable women to get into work, from which we will recoup tax returns. At the moment, however, those tax returns do not come to us; they go straight to Westminster. By having full competence and full powers, we will deliver the transformation of childcare that we want. I do not know whether the Labour Party has managed to come up with any ideas about how it would move childcare forward, but judging by the exchanges that we see at First Minister's question time, there seems to be a vacuum where its ideas should be.

We are doing what we can with the powers that we have. With the powers of independence we will be able to improve the life chances of children across Scotland.

Jackie Baillie: That was such a disappointing response. There are women and families out there now who are desperate for childcare—

Aileen Campbell: I—

Jackie Baillie: Please do not interrupt, minister.

People are desperate for childcare now. You have the power and the money to deal with it, and I am disappointed that you are not doing that.

My final question—

Aileen Campbell: Convener—

Jackie Baillie: —is on the bedroom tax, and I would like to direct it to the Minister for Housing and Welfare. On the bedroom tax, you could support a member's bill that would protect people from evictions. You have the power to do that. On top of the £20 million that you have made available, which is truly welcome, you also have the power to put in place an additional £30 million. At the moment, you refuse to do that. People are left wondering why that is. People are genuinely facing rent arrears that they cannot cope with, and they are looking to the Scottish Government to provide a lead.

Margaret Burgess: The Scottish Government has provided £20 million to top up discretionary housing payments, which is the only way that we can help individuals who are having difficulties with their rent. That £20 million takes seven out of 10 people out of the bedroom tax immediately—right away. Seven out of 10 are removed from the bedroom tax with that funding. It is incorrect to suggest that there is another legal way that the Scottish Government can assist people with rent payments.

We are assisting where we can. Very early on, we took action on the bedroom tax and said that we would repeal it in an independent Scotland. That was six months before any other party was prepared to say that. We have put our money

where we believed doing so was right. We listened to Shelter's arguments about looking at a way to assist individuals with their rent payments. The only legal way that we can do that is through discretionary housing payments. However, discretionary housing payments are a reserved matter and the UK Government puts a limit on how much the Scottish Government can contribute.

That is what we have done, in addition to all the other welfare reform mitigation measures that we have taken. The Government has taken that action and the public understands absolutely that what we have done is helping them.

Aileen Campbell: On childcare, absolutely we are listening to parents—

The Convener: Minister—

Aileen Campbell: —and we are taking a very substantial step forward in the Children and Young People (Scotland) Bill.

The Convener: Minister! I am in charge of this committee. There are enough issues around the table. I am sure that we are all anxious, as I said at the beginning, and the discussion has got heated and political, which is fine. However, I seek the indulgence of committee members who would like to come back in. We have a session now with the Secretary of State for Scotland to deal with some of these issues, and we have only until 11.25. I am sure that he would be delighted if he had only 15 minutes before the committee, and if that is what members want, I will bring in Aileen Campbell again and then other members.

Do I have agreement to end this session?

Members *indicated agreement.*

The Convener: Thank you very much.

10:37

Meeting suspended.

10:41

On resuming—

The Convener: We will continue our session on child poverty. I welcome the Rt Hon Alistair Carmichael MP, the Secretary of State for Scotland; Saranna Fordyce, from the UK Government's child poverty unit; and James Wolfe, from the UK Government's Department for Work and Pensions.

I understand that the secretary of state wishes to make some opening remarks before we move to questions.

Rt Hon Mr Alistair Carmichael MP (Secretary of State for Scotland): If I may, Mr Chairman—that would be helpful. I thank you for the invitation.

In all my years as a back bencher at Westminster, I have preached the sermon about the need for greater interaction between Scots at Westminster and the Scottish Parliament. I now hope to be able to put some of that preaching into practice.

You referred to my two minders for the day. I expect to field most of the questions myself, but on points of technicality and detail I will occasionally bring them in. If it assists the committee in considering the matter further, Saranna and James will also be more than happy to provide any information or data that the committee requires.

I am grateful for the opportunity to discuss child poverty. I understand that the committee is carrying out what it considers to be a short, sharp investigation as part of its wider scrutiny of health inequalities in Scotland. I hope that it will be useful for me to share the UK Government's views on the issues, including in relation to our reserved responsibilities.

I am sure that everybody in the room is signed up to tackling child poverty. Child poverty is an affront and we all want to address it. Dealing with it goes to the heart of what we mean when we talk about a fairer society, and to tackle it we need to bridge the attainment gap in education, deal with health inequalities, improve the quality of our housing stock, improve employability and respond to the pressures of in-work poverty. All those issues are inextricably linked to the state of our economy.

Over the past few days, as I have prepared to come here, it has struck me that there must be greater opportunity for co-operation at a formal level between the UK Government and the Scottish Government—and probably this committee as well. We do that in relation to employability and other matters, and I would be more than happy to see a joint working party or group set up if there is an appetite for that. I hope that that would involve not just the Governments, but parliamentarians such as yourselves.

We need a fair, affordable welfare system that supports our aims and helps to tackle worklessness while ensuring that the most vulnerable get the support that they need. The Joseph Rowntree Foundation publication "Monitoring poverty and social exclusion in Scotland 2013", which featured last weekend, found that child poverty is at its lowest level for 25 years. That is consistent with the latest statistics that have been released through the report "Households Below Average Income: An analysis of the income distribution 1994/95—2011/12", which was published in June, which also show that relative child poverty is now at its lowest level since the mid-1980s. That is good as far as it goes, but we cannot be complacent. Our economy

is still in recovery mode, and if we still have one child in poverty, that is one too many.

10:45

I am conscious that we are all working with the constitutional question as a backdrop, but I do not want it to get in the way of the UK Government working in partnership now with the Scottish Parliament and the Scottish Government, while we share the levers that could help us to respond positively to the challenge—the UK Government on welfare and the economy, and the Scottish Government on education, health, skills, childcare and housing. It is a partnership that also extends to local authorities, the third sector and business, as we all do what we need to do to reduce child poverty in Scotland and the rest of the United Kingdom.

Employability is a prime example of where we can work together. As part of its work on universal credit, the DWP is planning to work with 1.6 million in-work claimants to help them progress within the workplace, to tackle in-work poverty and to deliver financial independence. The Scottish Government can complement that, given its devolved responsibilities for training and skills. While we are faced with a situation in which children in the poorest areas of our country can expect to live, on average, 14 years less than children from wealthy areas, the need to address health inequalities is clear, using the devolved levers around education to address such things as lack of exercise and poor diet.

Free school meals featured in the autumn statement, and consequentials from that will flow to the Scottish Government. It is for the Scottish Government to decide whether it wants to seize that opportunity and make a difference in relation to not only diet but the associated benefits around attainment.

Finally, the quality of our environment matters when it comes to defining what we mean by poverty. That is why we need to do all that we can to improve our social housing stock. In 2011, the UK Government provided £1.6 billion for the decent homes programme, to help local authorities to improve social housing.

In last week's autumn statement, the Government made a series of further announcements that are relevant to our discussion today and which demonstrate that action is being taken now. As a result of those spending decisions, the Scottish Government will see a significant increase in its budget over the next two years, taking the financial consequentials to more than £2 billion since the autumn of 2010. That is an extra £2 billion to spend on Scottish needs and priorities.

The Government has also confirmed that it is making an additional £40 million available across the UK for discretionary housing payments in both 2014-15 and 2015-16, to ensure funding to support those affected by underoccupancy reductions. That will not reduce for the next two years.

There are 138,000 young people under the age of 21 in Scotland whose jobs will be supported by the abolition of employer national insurance contributions.

I do not pretend that those are direct answers to addressing the complex challenges of child poverty, but I suggest that they will help. The coalition Government came to power facing unprecedented economic challenges. Employment is the best route out of poverty. A stable economy and growth are essential for job creation. That is the first priority if we are to succeed in tackling child poverty.

In the current climate, deficit reduction is not optional in order to build a stable economy. Despite the difficult context, the UK Government has always been clear that it remains committed to ending child poverty. I see that the committee's own news release about the inquiry recognises that there are no easy answers, but it is essential that we focus our investment where it can make the biggest difference.

I look forward to our discussion and to the continuing relationship between my Government, the Scottish Parliament and the Scottish Government on a matter of fundamental importance to us all.

The Convener: Thank you for your opening statement.

Aileen McLeod: I thank Alistair Carmichael for his opening remarks. I note, Mr Carmichael, that you referred to child poverty as an "affront" and said that you want a "fair, affordable welfare system" and that "we cannot be complacent". For the record, how many children in Scotland do you believe will be living in poverty by 2020 as a result of the UK Government's welfare reforms and austerity measures?

Mr Carmichael: I suspect that you are referring to the figures from the Child Poverty Action Group—am I correct?

Aileen McLeod: Yes.

Mr Carmichael: I believe that it has cited a figure of 200,000 or something of that sort.

Aileen McLeod: No, secretary of state. The figure is actually 50,000 to 100,000.

Mr Carmichael: I am sorry—I am confusing my figures. The figure is 65,000.

I drilled down into that figure in preparation for this meeting, and the honest answer, I think, is that no one can know. The Child Poverty Action Group's figures are based on its analysis of figures from the Institute for Fiscal Studies, which are essentially static. In other words, they make the assumption that everyone will remain on benefits in the way that the benefits system has worked hitherto. The whole point about the migration to universal credit is that it is designed to get people off benefits and into work. It will have a behavioural transformative effect, and it is very difficult to predict outcomes in that respect.

Let me give you an example of the difficulty that we are talking about. The Child Poverty Action Group predicted that the number of children in child poverty in 2011-12 would reduce by 100,000; in fact, the number reduced by 300,000 because of the other factors that I have already outlined. I do not think that there is any room for complacency but I also do not think that extrapolating figures on the basis of half the picture is necessarily helpful.

Aileen McLeod: The figures are still pretty shocking for the number of children who will be pushed into poverty as a result of the UK—

Mr Carmichael: I am sorry, but that is a bit of an assumption.

Aileen McLeod: I should also mention a report produced a few weeks ago by GPs at the deep end, which comprises 360 general practitioners from some of Scotland's most deprived areas. That report also refers to the Child Poverty Action Group's figure of 60,000 for the number of additional children who will be pushed into poverty in Scotland. I certainly recommend that you read "Deep End Report 21—GP experience of welfare reform in very deprived areas", because the group is very critical of the UK Government's welfare cuts, and that you visit some of the GP health centres in Govan or Drumchapel so that you can see at first hand the very real mental health and wellbeing challenges that many children and families in Scotland are facing and which the deep-end GPs are having to deal with.

Has the UK Government estimated the cumulative effect of the UK Government's welfare cuts on child poverty?

Mr Carmichael: On your first point, I am always happy to take people's guidance on diary engagements and will certainly take your suggestion on board. You have an advantage over me, because I have not read the deep-end report. Does it simply lift the Child Poverty Action Group figures or does it apply the analysis that I referred to and reflect the difference that comes from people moving from benefits into work?

Aileen McLeod: It specifically references the Child Poverty Action Group figures.

Mr Carmichael: So it does not apply that particular analysis. In that case, I would be delighted and indeed very keen to meet the deep-end GPs and have a discussion along those lines, because that will give a fuller picture of the potential for progress. We expect something in the region of 300,000 people across the UK to move into work as a result of the introduction of universal credit. We know that there are technicalities associated with that approach—indeed, it represents such a radical reform of the whole benefits system that it was always going to have issues—but it has enormous potential to make a difference to outcomes at the end of the day. There are figures on the impact of benefit changes—I think that those were published along with last week's autumn statement. I do not have those to hand, but I will supply them to the committee.

The Convener: Your answer would have been more convincing had you produced a figure. You are quite entitled to disparage the Child Poverty Action Group's figures, but surely, with all the power and resources that come with the Government embarking on such a significant policy, you would have an expected outcome for the impact of the policy. If we are serious about child poverty, that outcome would include a figure for whether child poverty would increase or decrease. Which is it?

Mr Carmichael: First, I have no wish at all to disparage the Child Poverty Action Group; indeed, I am a long-standing admirer of CPAG. I am trying to bring to the committee's attention the difficulties. I am sure that the IFS and others would accept that, when modelling, the predictability of figures is a very difficult issue. I referred to the 2011-12 figures because that was a forecast made one year out. If it is as difficult as that to forecast one year out—

The Convener: I understand that, but are you telling the committee that the UK Government has not done any work on the impact of welfare reform on the levels of child poverty, or do you have figures that you can share with us?

Mr Carmichael: A note has just been pushed into my hand, but I see that it does not necessarily answer your question.

The Convener: The point has been made; in the interests of time, we will move on.

Mr Carmichael: I apologise that the figure of 200,000 was misleading. The figures that we have produced estimate that universal credit will lift about 250,000 children out of poverty. On that basis, the Government can rightly say that we are

still committed to meeting the 2020 target and that that is a realistic aspiration.

The Convener: Unfortunately, my task is to get us through this session and ensure that all the members who want to ask questions get to do so. I would appreciate sharp questions and concise answers.

Malcolm Chisholm: You have emphasised that people are moving into work, and we accept that, but the reality is that more than half the children in poverty are in families that are working. The big improvements in child poverty were, it must be said, brought about under the previous UK Government, and tax credits were a key part of those improvements.

I am concerned that a lot of people who are on tax credits are worse off, because the credits are not uprated with the cost of living. Particularly with reference to childcare, a lot of people benefited from the 80 per cent disregard, but that has reduced to 70 per cent. Those changes—to highlight only two—have meant that many people who are reliant on tax credits are worse off. Clearly, a lot of people in poverty are in that situation. In contrast, many better-off families get 85 per cent of their childcare costs paid. It seems that the cuts that you are making are affecting disproportionately those who are on the lowest incomes.

Many examples could be given of how the situation will get worse under universal credit. For example, single parents who work 16 hours or more—a key group with regard to child poverty—will have a less generous earnings disregard under universal credit than under working tax credits. Although the emphasis on work is correct, because tax credits are an important element of that, the cuts in tax credits for the lowest earning families are a key factor in driving up child poverty.

11:00

Mr Carmichael: First, I will respond to the point about child tax credits. When those credits came into force in 2003, everybody across the political spectrum thought—with varying degrees of enthusiasm—that that would be a good and effective way to go. However, the law of unintended consequences came into play. As a constituency MP, I still deal with reclaims of overpayments from the introduction of the credits in 2003. The system was unnecessarily complex and bureaucratic, and it meant that a lot of people did not get the benefits to which they were entitled. One of the main drivers of the universal credit is that it brings a single point of access to assistance, and the process is much more straightforward for people.

The honest assessment was that, although the initial impact of child tax credits in reducing child poverty was good and encouraging, there was a feeling in the latter period—from 2005-06 onwards—that the impact had stalled somewhat and that the system was not delivering the range of changes or the rate of progress that were wanted. To be honest, whoever came into power in 2010 would have introduced a universal credit of some sort, shape or form. I think that that is the view from the member's own front bench at Westminster.

Malcolm Chisholm: We could have a long discussion about that, but I promised to ask just two questions.

My second question is about food banks. For me and a large number of people, food banks in a way encapsulate all that is going wrong with the current poverty policies. How do you account for the great rise in food banks and what will you do about it? I suppose that part of the issue has to be the widespread use of sanctions and the rather draconian sanctions in the benefit system, which affect even lone-parent families, for example. I would like your comments on that, because I think that the massive increase in the need for food banks is totally unacceptable to most people.

Mr Carmichael: Food banks are not new, of course. You will know that they have been around for some years. One thing that the Government has done that the previous Government refused to do has been to allow Jobcentre Plus to make people aware of the availability of food banks and refer people to them. I share Malcolm Chisholm's concern. The existence and expansion of food banks causes me concern. One has just been set up in my constituency, which I will visit at the weekend.

I go back to the point that I made in my opening comments about the complexity of the issues. It is for the Governments in Edinburgh and Westminster, and probably local government, to talk to those who run food banks, find out the range and nature of the work that they have to do and see where Government assistance might be of help to them.

I think that James Wolfe has a point on universal credit.

James Wolfe (United Kingdom Government): Yes. I wanted to come in on childcare and what is happening with universal credit. I would like to expand slightly on that for the committee.

Obviously, one of the fundamental aims of universal credit is to ensure that people do not suffer from high withdrawal rates as they move into work or increase their hours. There are some large cliff edges in the existing system, particularly around childcare. In essence, a lone parent who

works up to 16 hours has no access to the childcare element of working tax credit, but they suddenly get it at 16 hours.

There are two sides to the picture. Smoothing out that process is beneficial for people who can work only small numbers of hours. We hope that that will help a lot of people who cannot move straight into 16 hours to get into work for the first time. However, that means that, by definition, some of the big gains disappear because it is clear that, with a cliff edge, there will be people who are just on the right side of that cliff as opposed to the wrong side. With universal credit, there is a much smoother system that gives a more consistent withdrawal rate for people as they increase their hours and incomes.

We originally said that, to help make that possible, we would put an extra £200 million into childcare to support the expansion to include people who work less than 16 hours. As you know, we have subsequently said that we will put an additional £200 million towards improving the childcare offer within universal credit, alongside the introduction of tax-free childcare.

Wherever systems interact, as the tax system and childcare credit do, there will be some kind of overlap where the systems are in parallel with each other. That shows that getting rid of most of the overlapping withdrawals through universal credit is exactly the right thing to do. Those examples tend to occur where there are two tapers overlapping. We are moving in the right direction on that.

Malcolm Chisholm: As I said, the system worked in the opposite direction for single parents who work for more than 16 hours. My main point about childcare is about what has been withdrawn over the past couple of years. The childcare tax credit disregard has been reduced from 80 per cent to 70 per cent, which has been a key factor in increasing poverty among families over the past couple of years.

The Convener: I ask the committee to follow Malcolm Chisholm's example and ask two sharp questions. I remind the witnesses about giving concise answers.

Bob Doris: Mr Wolfe, it is important to put some things on the record and to deal in facts, rather than some of the information that you have given. Under working tax credit reforms, 12,000 families in Scotland have lost out by up to £2,600 a year. As for child tax credit, 73,300 families have lost out by £545 a year. That was not the subject of my question, but you went on at length, Mr Wolfe, about your statistics, so I thought that we would deal with the reality that my constituents are facing. I wanted to place that on the record. I am

happy to show the source for that information at a later date if you wish.

I return to the idea of sanctions, and I want to speak about an individual case. Citizens Advice Scotland has made me aware of a case in which a client was going to Jobcentre Plus, and their partner could not make the appointment there because they had a work placement to go to, which was organised by Jobcentre Plus. They were advised that they should go to the work placement rather than the jobcentre interview, but they were still sanctioned, and they lost benefits. That is under the new sanctions regime. That is the reality. In one year alone, there have been 53,270 sanctions. It appears that Jobcentre Plus, under the guidance of the DWP, has taken a gung-ho attitude in order to take benefits away from the most vulnerable people in society.

I wish to link that directly to child poverty and the growth of food banks. In a six-month period alone, 23,000 Scots—an increase of 19,000—had to access food banks. That included 7,000 children. Do you accept that there is a link between inappropriate sanctions by the DWP on the most vulnerable people in Scotland and the growth in food bank use by children and the people whom I and the other members round the table represent? Will you commit to reviewing the sanctions process, which is clearly not fit for purpose?

Mr Carmichael: As regards the case that you bring to my attention, I will take it away with me. In fact, I am meeting Margaret Lynch of Citizens Advice Scotland this afternoon. If she has the details of that case, I will certainly take it back to the DWP.

I urge a small measure of caution regarding the work of Jobcentre Plus. I am pretty sure that I am not the only MP in Scotland who has a good strong working relationship with the staff of Jobcentre Plus in their constituency. I recently visited the staff in the DWP office in Dundee, and I was enormously impressed by the strength of their commitment and the work that they do, often in difficult circumstances and with some of the most challenging members of our community. That deserves a measure of recognition.

The situation that you have described sounds ridiculous, and it would be a wholly inappropriate instance for a sanction. I would not seek to defend that, if that is the situation that actually transpired. On the question whether there is a direct link between the number of sanctions and the use of food banks, I do not know whether you have any direct evidence to suggest that there is such a link. If you do, we will take it away and look at it. There might be, as sanctions are normally the result of the conduct of the claimant, so I would not be at all surprised if that was the case. If there are ways of

making the system work better, I am sure that the DWP will listen to them.

Bob Doris: You admitted in earlier evidence that there was a direct link. You said that you had changed the rules to allow the DWP and Jobcentre Plus to give direct referrals to food banks, so you have in effect institutionalised the process.

There have been 53,270 sanctions. I gave one example and Kevin Stewart spoke about several others of which he and I are aware. I ask again: do you have the power to commit to a full review of the use of sanctions, or do you have to ask David Laws, who is responsible for that area?

Finally—just to put this on the record—I have a wonderful relationship with Jobcentre Plus in the Glasgow region. The staff are incredibly helpful, but they have to implement the guidelines and rules that the UK Government provides. Can you commit to a full review of sanctions?

Mr Carmichael: First, there are no targets for sanctions in relation to benefits. That is just downright wrong—

Bob Doris: I asked for a review, Mr Carmichael.

Mr Carmichael: You know that I do not have executive responsibility, and that a review would be a matter for the DWP, not even for Mr Laws.

Bob Doris: Will you request one?

Mr Carmichael: I will find out from the DWP—I imagine that it has on-going reviews of such things. I do not know the details, but I know that virtually every other aspect of welfare benefits policy is under constant review, so I would be astonished if that was not the case.

Bob Doris: Thank you. Perhaps we can get Mr Laws to the committee at some point to ask him for a fundamental review of sanctions.

Mr Carmichael: Why Mr Laws? I would have thought that Iain Duncan Smith would be—

Bob Doris: You are right to suggest Iain Duncan Smith; I mentioned Mr Laws because he is responsible for child poverty. Perhaps we should get them both here together to discuss the interaction between sanctions and child poverty.

Rhoda Grant: On a point of clarification, secretary of state, you talked about relative child poverty in your opening remarks. Is the fact that there are fewer children in relative child poverty a result of people being poorer on the whole—as incomes have fallen, fewer people are counted as living in relative poverty—or is it because incomes have increased for those who were in poverty and people are being lifted out of it? You probably do not have that information with you, but it would be helpful for us to get it.

Mr Carmichael: There are different reasons for that at different times. You are right that there has been an overall fall of 8 per cent in average incomes, as a consequence of which the barrier at which people fall into relative poverty shifts. That highlights some of the difficulties in relying on figures of that sort for any purpose, because they do not always show the whole picture.

We can get you some fuller information on that. I know, for example, that the improvement in the figures was partly down to the increase in the year 2011-12, when inflation was running at 5.2 per cent at the point at which indexation was fixed but, thereafter, inflation fell quite steeply in the succeeding year when the money was actually being paid.

Those types of factors can all have an influence. To come back to my overall point, however, one can do only so much by changing benefits, working with credits and all the rest of it, but to make a transformative difference to people's lives—and young people's lives in particular—it is necessary to get people off benefits and into work.

Rhoda Grant: I would appreciate more information on that. I will move on to sanctions, which colleagues have discussed. I will not repeat what they have said, other than to say that I have had cases from Citizens Advice Scotland in which sanctions appear to have been misused and used inappropriately, which has driven people to food banks and the like. It would be useful to have a closer look at that.

Is Jobcentre Plus given advice on how to implement sanctions when there are children in the family? It seems to me that, regardless of the circumstances, it is unfair that the parents' actions have an impact on a child's income, regardless of whether the sanction was fair or unfair in the first place. What is the minimum income that a family with a child needs to get to ensure that the child is fed and cared for?

11:15

Mr Carmichael: I ask James Wolfe whether he has information on that?

James Wolfe: I will be really clear for the committee about the DWP's policy on sanctions. First and foremost, there are no targets for sanctions. It is made clear to our staff that sanctions are to be used as a last resort. A hardship regime is in place for situations in which a sanction is applied that might cause hardship to the family and children, which is precisely the situation that Rhoda Grant describes. Clearly, it is a concern when we hear about sanctions being misapplied which, on the face of it, sounds likely in the case that has been described. I will happily

take that back and discuss it with colleagues in the DWP, but the policy position is absolutely clear.

As you probably know, alongside universal credit, we are introducing something called the claimant commitment. That is designed to provide the individual with a much clearer statement of exactly what the DWP expects from them in return for receiving their benefit, whether it is universal credit or jobseekers allowance. The initial analysis from the universal credit areas indicates that people find the claimant commitment a lot easier to understand and to operate with in terms of understanding what they have to do.

I am happy to investigate individual examples, but work is in train in the DWP to try to ensure that we are as clear as possible with people so that they know what they have to do, they understand and accept that it is reasonable and we avoid any situation such as the one that has been described in which sanctions are applied inappropriately.

Rhoda Grant: My question was not so much about that; it was about what the minimum income less sanctions is that a family with children would get.

Mr Carmichael: Do we have that figure?

Saranna Fordyce (United Kingdom Government): I do not know the precise figure. The elements for children are protected from the sanctions, but I am not entirely sure what the figure is.

The Convener: Mr Wolfe, you mentioned the hardship regime. Will you expand on that? Does it cover Rhoda Grant's point?

James Wolfe: I suggest that we provide a written submission on the matter, because there are a number of elements to it, including the amount of the sanction, the elements of the benefit that are sanctioned and those that are protected from a sanction. Additionally, there is the question of hardship and whether an additional payment can be made. I will send through the detailed rules rather than try to describe them now.

Rhoda Grant: That would be helpful. Perhaps you could also send the criteria for using sanctions, because what we are hearing and what appears to be coming out from the Government are absolutely different.

Mr Carmichael: It is worth saying that the use of sanctions is not new. It has been part of the benefits system for as long as I have been a member of Parliament. I accept that sanctions are sometimes used inappropriately and in a way that has unnecessarily draconian consequences. In my experience, that often comes back to the sheer complexity of the benefits system. Anything that simplifies that and leaves Jobcentre Plus staff and

claimants in a clearer position about where they stand must be good.

The Convener: However, you must understand the important point that members have made about the 126 per cent increase in the use of sanctions. We are particularly concerned about the evidence that we have heard about the impact of those sanctions on families and children. Rhoda Grant made that point strongly.

Mr Carmichael: I see the impact myself every week in my communities—I am not blind to it.

The Convener: We need to find out how we can deal with it.

Richard Lyle (Central Scotland) (SNP): Good morning, secretary of state. You said a minute ago that you want people to get off benefits and into work. We have a national minimum wage of £6.31 and a living wage of £7.45. Do you agree that child poverty is also linked to the fact that people go into work but get very low pay?

Every year since 2008, the national minimum wage has failed to keep up with the cost of living. Why is that? Basically, its value will be no higher in 2017 than it was in 2004. Will the Government commit to raising the national minimum wage by at least the rate of inflation? Do you have a plan for tackling low pay? I am sorry for having a pop but, if MPs are going to get an 11 per cent increase in salary, why should people who are on the national minimum wage or even on the living wage not get a decent increase?

A couple of weeks ago, in response to a question from me, one of our witnesses said:

“If you pay more, it is good for your business. It is good for your reputation in the community and you will get more customers because people will see you as an ethical employer.”—[*Official Report, Health and Sport Committee*, 19 November 2013; c 4601.]

If people get a decent wage or a better wage, would not that make the economy better?

Mr Carmichael: I think that that is absolutely right. I do not know whether Mr Lyle picked up on the fact that my colleague Mark Harper, who is the Minister of State for Immigration, made exactly that point to the chief executive of Domino's Pizza just the other day. We are already working on the issue. My colleague Vince Cable commissioned the Low Pay Commission to look at it and come back with proposals. I think that we expect the report on that to be produced by the end of February 2014.

However, there are things that can be done in relation to low pay apart from increasing the minimum wage. One thing that has made a real difference since 2010 has been the raising of the threshold at which people start to pay income tax. That used to be just over £6,000 but, by 2015, it

will be £10,000. That has the greatest impact on the people who are on the lowest incomes, and it takes some people out of paying tax altogether. We were told that increasing the threshold to £10,000 was something that could never be done, but we will have done it by 2015.

I think that there is potential to go beyond that. This is not Government policy, but it is certainly my aspiration to make further progress on that over the next parliamentary session. I think that, as things currently stand, someone who is on the minimum wage and who has a full-time job will earn about £12,500. I think that it would be a reasonable aspiration for the Government that holds office from 2015 till 2020 to take people who earn up to £12,500 out of paying tax. That would be as clear a signal as it would be possible to send about the value that the Government attaches to people getting into work.

On the 11 per cent wage rise for MPs, I could not agree with you more. I made it very clear earlier this week that for as long as there is public sector pay restraint I will not be taking that 11 per cent. I understand that the situation is to be reviewed by the Independent Parliamentary Standards Authority immediately after the 2015 election. I would never be as presumptuous as to take for granted my voters in Orkney and Shetland and assume that I will necessarily be the MP for Orkney and Shetland in 2015, but I am hopeful—I have just been reselected by my local party. I think that it is important that people in positions such as mine are prepared to make such gestures. For that reason—although I have not been killed in a stampede of people wanting to thank me for it—we took a 5 per cent cut in ministerial and MPs' salaries in the coalition Government in 2010 and then froze the level of MP and ministerial salaries for the duration of the parliamentary session.

Richard Lyle: Would you not agree that the figure that you mentioned—£12,500—is a poor wage? Many people want to get off benefits and to have a job, but £12,500 is not a great wage.

Mr Carmichael: It is not a great wage, which is why I think that it is undesirable, at the very least—one might even say that it is unacceptable—for the Government to want to take a big chunk out of it.

There is a cost associated with that. The raising of the income tax threshold has already made a significant difference to the lives of people who are in low-paid work. I worked in the hotel and catering industry before I trained as a solicitor. I have done low-paid jobs and I know what it is like to live on a kitchen assistant's or a waiter's wage: it is not easy. For the Government to send out the signal that we know that it is difficult, and so we will not take money from people, would be as strong an

encouragement to get people into work as could be found.

The Convener: With all due respect, you do not know what it is like to be trapped in a life on low pay. I think that none of us around the table knows what that is like. There is a big difference between being on low pay as a student and being on low pay for life.

Mr Carmichael: For the record, convener, I have worked full-time as a waiter and kitchen assistant.

The Convener: You have done well.

Mr Carmichael: You are very kind.

The Convener: We are now in our last 10 minutes, because business in the chamber will be starting. Gil Paterson and Colin Keir will be next, after which we will come to our other visitors.

Gil Paterson: First of all, I am not ashamed to admit that I lived in poverty for a long time when I was very young. I know all about it.

In your preamble, you mentioned additional money for the Scottish budget. I know that you were a lawyer before you entered politics; as someone who was in business, I know that if you take £10 from me and give me £1 back, that £1 is not additional money, is it?

Mr Carmichael: Absolutely not. That is why I used the phrase "from autumn 2010".

Gil Paterson: It is probably down to the way you guys do the counting. When you ask two lawyers a question, you get three invoices back. *[Laughter.]*

Mr Carmichael: I no longer have to defend the practices of the Law Society of Scotland.

Gil Paterson: Quite.

The real substance of my question is the gender impact. Many of the benefits that universal credit replaces went to carers of children—namely, women—however, under universal credit, households will receive a single payment. Let us not kid ourselves here: that money is going to get into the hands of men and, as we know from history, some men do not pass that money to the main carers, who are women. My straightforward question is this: how are you going to guard against that? That element of the universal credit policy will have a negative gender impact and we know—indeed, there is no question about it—that it will affect the poorest people in society, who will be the children in those households.

Mr Carmichael: We know that in the region of 7 per cent of cohabiting couples and 2 per cent of married couples manage their finances separately. I am not entirely sure that what you suggest will be

the case, but those who need support to adjust to the change will receive it. Having been involved with the women's aid movement in Aberdeenshire before I was elected, I can speak with some passion on the matter and can tell the committee that where there is domestic violence the arrangements will be composed differently in order to ensure that the position of victims of such violence is not made worse by virtue of the single household payments.

Gil Paterson: It is refreshing to hear that you are looking at one particular sector but, of course, this is a problem across society. You do not need to be poor to be beaten up by your partner.

Mr Carmichael: No, indeed.

Gil Paterson: However, my question was not about domestic violence but about the impact on children in a household where the man is likely to take the money and spend it on drink, on drugs or elsewhere and the children themselves do not see any of it. How are you going to ensure that that does not happen? How will you ring fence or guard against that situation?

Mr Carmichael: I do not think that there are many meaningful ring fences in place at the moment for individual benefit payments. As I have said, according to the figures, only 7 per cent of those who are not married but are cohabiting and 2 per cent of married couples manage their finances separately.

I know that what Mr Paterson is saying has a substantial degree of truth in it, but I do not think that we can change that through something as mechanistic as payment to one partner or another. You are talking about something that is, regrettably, by no means uncommon in Scottish society today. In the sort of situation that you have described, which is in effect an abusive relationship, the fact that the money was paid to the wife would be absolutely no guarantee that she would get to keep it. We both know the truth of that.

11:30

Gil Paterson: Convener, I am aware that you need to let other folk in, so I will leave it at that.

Colin Keir: I want to go back a bit to tax thresholds and how you are going to be raising them. What will that do for the people who are under the threshold as it is set now? You have said that universal credit is straightforward, but you also said that there are technicalities—

Mr Carmichael: There are technicalities with implementation of universal credit, but not with the application, from the claimant's point of view.

Colin Keir: The first question is about the fact that there is nothing about raising of tax thresholds that will affect those who are under them already.

We have mentioned the difficulties with implementation of universal credit and my colleagues have brought up the problems with sanctions. We found one person coming out of a meeting referring to the local DWP office as Lourdes because they went in disabled and came out without their benefits. It might not be what is in your mind, but it is in the minds of others that the benefits system in this form is nothing more than a shambles. Do you think that?

Mr Carmichael: The first question was on the help that is available to people who are earning beneath the threshold for paying income tax. At the moment, we have tax credits; in the future universal credit will give those people the help that they need. It is worth bearing in mind the fact that it is estimated that, in Scotland alone, something in the region of 300,000 households will be an average of £166 per month better off as a result of the introduction of universal credit. That is a significant sum and you would be ill-advised to dismiss it lightly.

One of the reasons why I am concerned about the white paper is that it is apparently the Scottish Government's intention to walk away completely from implementation of universal credit if it has the power to do so. That would be a highly regressive step.

It is wrong to conflate that issue with the implementation of sanctions. If there is a problem with the implementation of sanctions, that can be taken away, looked at, and dealt with. Again, however, I urge caution. When people such as Colin Keir and I talk about these things, what we say is heard and listened to, and it has an impact on the work of Jobcentre Plus staff and how those who deal with claims in very difficult circumstances and sometimes with very challenging individuals are treated. I urge that one small measure of caution.

Colin Keir: I am not apportioning blame to members of Jobcentre Plus staff.

Mr Carmichael: You referred to Jobcentre Plus as Lourdes. I do not think that that was helpful.

Colin Keir: It is fair to say that it is helpful for you to know what comes across my desk as a constituency MSP.

In the Treasury's analysis, and in the autumn statement, according to CPAG, since 2010 and implementation, the poorest families will be £880 worse off.

Mr Carmichael: I am sorry. What part of the Treasury analysis does that come from?

Colin Keir: CPAG are making claims based on the autumn statement and the effects from 2010.

Mr Carmichael: From 2010?

Colin Keir: Yes. We are talking about the length of time that this has been going on.

The Convener: Can we agree that if there is a dispute about the figures we can get something back from the secretary of state? I have got five minutes to allow our visiting members in. I will need to share the time between them, because we are going right up to the wire.

Jackie Baillie: My question requires a simple yes or no answer, if that is possible.

Secretary of state, it will be no surprise to you that the majority of parties in the Scottish Parliament are against the bedroom tax. I am ever the optimist, so I wonder whether there is a prospect of your repealing it, because it is substantially aggravating child poverty.

In the event that you do not repeal it, we will pursue mitigation. We are asking the Scottish Government to spend £50 million of its budget to mitigate the policy fully. The Chief Secretary to the Treasury, Danny Alexander, told a meeting of conveners in this Parliament that there is nothing to prevent the Scottish Government from doing so. He said that the Scottish Government has the power, it is the Scottish Government's choice, and the UK Government would not claw the money back. Is Danny Alexander right, or is Margaret Burgess right?

Mr Carmichael: I would never contradict Danny Alexander, especially not on a matter as detailed as that. My understanding is that that is the position. I understand that Danny Alexander has been in correspondence with some Scottish Parliament members—the correspondence might or might not be in the public domain.

Jackie Baillie: Thank you.

Kevin Stewart: I was glad to hear the secretary of state say that he would like to see greater interaction between his colleagues at Westminster and the Scottish Parliament. He might persuade Iain Duncan Smith and the Lord Freud to appear formally before this Parliament's Welfare Reform Committee, which they have thus far refused to do so.

Aileen Campbell and Mr Carmichael both talked about attainment in the context of bringing folk out of poverty. Mr Carmichael's Cabinet colleague Michael Gove, the Secretary of State for Education, has said that children should have

"rooms of their own in which to do their homework ... in which to achieve their full potential."

Here in Scotland, 15,500 families with children are affected by the bedroom tax. I think that those children deserve a room of their own. Does Mr Carmichael agree?

Mr Carmichael: Of course, the purpose of the changes to housing benefit occupancy regulations is to get a better fit between the housing stock and the families that require to occupy it. One of the upshots of the change should be that more housing stock is available that is more appropriate to the needs of the families who will occupy it.

Michael Gove is absolutely right about attainment, and that is one of the things that has informed thinking at—

Kevin Stewart: Do you agree that the children whom we are talking about should have a room of their own? Should poor kids who are affected by the bedroom tax be given the same opportunities as others have? Yes or no? It is that simple.

Mr Carmichael: They will not get a room of their own if the housing stock—

Kevin Stewart: Yes or no?

Mr Carmichael: They will not get a room of their own if the housing stock is not there for them because of underoccupancy. If I may say so, this—

Kevin Stewart: These are children who are already in homes with rooms—

The Convener: Mr Stewart. Please allow the secretary of state—

Mr Carmichael: This is a tactic with which I am becoming increasingly familiar: talking over me when I start to give an answer that someone does not particularly like.

Kevin Stewart: You are not giving an answer. That is the problem.

The Convener: Mr Stewart!

Kevin Stewart: Sorry, convener.

Mr Carmichael: May I explain, for the benefit of the committee? The power to manage housing stock lies with the Scottish Parliament and the Scottish Government. Across the piece, there are a number of areas where the Scottish Parliament and the Scottish Government could make progress in delivering the sort of service that would make a real difference to young people and lift them out of poverty—

Kevin Stewart: Convener—

Mr Carmichael: Housing stock is one of those areas. Another is childcare. The Scottish Government has the power to deliver the childcare policies that it says are necessary. The fact is, though, that it has not taken—

Kevin Stewart: Convener, the answer is not about the question that I asked.

The Convener: Mr Stewart, you would not put up with this at the committee that you convene. I will give you an opportunity to come back in when the secretary of state has finished his answer.

Mr Carmichael: The fact is that the Scottish Government already has substantial powers on housing and childcare, for example. The money is there, because the Scottish Government has had the Barnett consequential on childcare; the Scottish Government has chosen not to bring provision up to the level that there is in England.

The Convener: Mr Stewart, you have the final minute of this meeting, at which you are a visitor this morning.

Kevin Stewart: Thank you, convener. Mr Carmichael did not answer my question; I will ask him another.

You mentioned victims of domestic abuse. Should victims of domestic abuse have to suffer the consequences of the bedroom tax? Yes or no?

Mr Carmichael: No, they should not. That is why a Government that spends its time dreaming of independence would be better to get on and deliver with the powers that it has under devolution.

The Convener: The parliamentary—

Kevin Stewart: Will you scrap the bedroom tax?

The Convener: Mr Stewart! We will discuss this after the meeting closes.

Secretary of state, the parliamentary rules require me to close the meeting at this point—that has put additional pressure on us.

Mr Carmichael: I understand that.

The Convener: We appreciate your visit, and if you stay behind for a minute I would like to pick you up on your earlier remarks about how we could work together.

Mr Carmichael: I am more than happy to do that.

Meeting closed at 11:40.

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

Available in e-format only. Printed Scottish Parliament documentation is published in Edinburgh by APS Group Scotland.

All documents are available on
the Scottish Parliament website at:

www.scottish.parliament.uk

For details of documents available to
order in hard copy format, please contact:
APS Scottish Parliament Publications on 0131 629 9941.

For information on the Scottish Parliament contact
Public Information on:

Telephone: 0131 348 5000
Textphone: 0800 092 7100
Email: sp.info@scottish.parliament.uk

e-format first available
ISBN 978-1-78392-328-1

Revised e-format available
ISBN 978-1-78392-344-1

Printed in Scotland by APS Group Scotland
