



OFFICIAL REPORT
AITHISG OIFIGEIL

Social Security Committee

Thursday 14 June 2018

Session 5



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SOCIAL SECURITY COMMITTEE

15th Meeting 2018, Session 5

CONVENER

*Clare Adamson (Motherwell and Wishaw) (SNP)

DEPUTY CONVENER

Pauline McNeill (Glasgow) (Lab)

COMMITTEE MEMBERS

*George Adam (Paisley) (SNP)

*Jeremy Balfour (Lothian) (Con)

*Michelle Ballantyne (South Scotland) (Con)

Mark Griffin (Central Scotland) (Lab)

*Alison Johnstone (Lothian) (Green)

*Ben Macpherson (Edinburgh Northern and Leith) (SNP)

*Ruth Maguire (Cunninghame South) (SNP)

*attended

THE FOLLOWING ALSO PARTICIPATED:

Anne Baldock (One Parent Families Scotland)

Mike Dailly (Govan Law Centre)

Rob Gowans (Citizens Advice Scotland)

Hanna McCulloch (Child Poverty Action Group)

Michael McMahon (Disability Agenda Scotland)

Bill Scott (Inclusion Scotland)

CLERK TO THE COMMITTEE

Anne Peat

LOCATION

The Mary Fairfax Somerville Room (CR2)

Scottish Parliament

Social Security Committee

Thursday 14 June 2018

[The Convener opened the meeting at 09:00]

Decision on Taking Business in Private

The Convener (Clare Adamson): Good morning, and welcome to the 15th meeting in 2018 of the Social Security Committee. I remind everyone to turn their mobile phones and other devices to silent so that they do not disrupt the meeting or the broadcasting. *[Interruption.]* A phone rang. Good timing.

Agenda item 1 is to decide whether to take items 3, 4 and 5 in private. Under agenda item 3, the committee will consider the evidence on passported benefits heard earlier in the meeting, and agenda items 4 and 5 involve consideration of private papers from the clerk. Does the committee agree to take those items in private?

Members indicated agreement.

Passported Benefits

09:01

The Convener: Under agenda item 2 we will take evidence on passported benefits from Rob Gowans, who is a policy officer at Citizens Advice Scotland; Michael McMahon, who is campaigns and policy manager at Disability Agenda Scotland; and Bill Scott, who is director of policy at Inclusion Scotland. Welcome, and thank you for your written submissions.

Should devolved benefits continue to be linked to the receipt of reserved social security benefits? What link should there be between reserved social security benefits and passported benefits in Scotland in future?

Rob Gowans (Citizens Advice Scotland): In general, the link between social security benefits—whether reserved or devolved—and the receipt of passported benefits is important. In many cases, somebody being in need of benefits serves as a good proxy for low income, and passporting prevents the need for further means testing.

There are complexities that arise from having passported benefits, which can be delivered by local authorities and the Scottish Government, based on United Kingdom Government reserved benefits. Some passported benefits, such as the warm home discount and BT basic, are delivered by other agencies. The link may present complexities, but they are already in the system.

Bill Scott (Inclusion Scotland): I very much agree with Rob Gowans that the link is a decent—if imperfect—proxy for poverty and low income, as well as disability. As most disability benefits are being devolved, any complexities could be ironed out at the Scotland level. Certainly, there is no better proxy for qualifying for low-income benefits such as free school meals.

Michael McMahon (Disability Agenda Scotland): I agree that there is complexity regardless of who owns the initial benefit. No passported benefit will ever come completely without some criteria. That is a given.

Regardless of what the passported benefit is linked to, we would like clarity on its purpose. It would be helpful if the committee, Parliament or Government could ensure clarity about whether the passported benefit's purpose is to address low income or poverty, to provide assistance to people who require it because of disability, or both. That would be helpful in ensuring that, whatever passported benefits are delivered, what they are connected to would not be the major issue.

The Convener: There was recently a court case down south about people on higher-level disability

benefit. They are now to receive a back payment that is being delayed. My understanding is that, although they will eventually receive a back payment after the summer, they are not being compensated for the loss of any passported benefits. How many people in Scotland have been affected by that and what could the loss of earnings be for someone who is affected?

Bill Scott: It is really difficult at the moment to tell exactly how many people will be impacted by that because the Department for Work and Pensions is conducting a trawl through all the cases to identify who may have been affected by that decision. Up to 220,000 people are potentially affected at a UK level. That would translate roughly into around 21,000 or 22,000 in Scotland because there is a higher proportion of disabled people here than in the rest of the UK, so there could be a large number of people who are unable to access passported benefits at the moment.

We raised the point in submissions several years ago and it was addressed in relation to concessionary travel. Many people are transferring from the disability living allowance to the personal independence payment and it is they whose cases are involved in that trawl. A very large proportion of the people who are affected have mental health issues, learning difficulties or autism, for example, and they have been disproportionately impacted by the situation. Luckily, some of those issues were addressed in relation to concessionary travel in that people with long-term mental health conditions and people with learning difficulties were granted at least limited rights to concessionary travel based on their conditions.

We would like that to be slightly broadened to take care of the matter in future. At the moment, entitlement for those with mental health issues depends on whether the person is receiving mental health treatment and is travelling to it. They retain the concessionary travel regardless of whether the journey is to the treatment. Also, someone with a learning disability is required to travel to see a support worker. That is not right and fair because, if the support worker travels to see them, they do not get concessionary travel. In the meantime, a large number—we suspect several thousand—have probably missed out on that passported benefit.

Ruth Maguire (Cunninghame South) (SNP): I will ask about passporting from universal credit. We have your written evidence but, for the record, I ask for your reflection on whether the passported benefits should be available to everybody who is in receipt of universal credit or whether there should be income limits for everyone. Is there anything that you want to say about the income limits? One Parent Family Scotland described

them as arbitrary, so I am interested to hear your opinion.

Rob Gowans: Universal credit presents a challenge for assessing at what point somebody's income would qualify for a passported benefit because many of the passported benefits are based on the legacy benefits system, in which the benefit was for a particular purpose. For example, if somebody was out of work due to ill health, everyone who was on the benefit for that would qualify for passported benefits.

Because universal credit takes in six of the existing benefits, income limits have been set. We state in our submission that a range of different income limits have been set, from everyone on universal credit qualifying in the case of the best start grant and funeral payments, to a limit of £610 a month for free school meals, £1,250 a month for help with prison visiting costs, £435 for help with NHS costs and vouchers and £408 for the current reserved healthy start scheme. In some cases, people might be on universal credit and qualify for a range of benefits at different times. If there was a more consistent income limit, that would help people to work out easily what passported benefit support they might be entitled to.

The other issue that we raise is that, unlike for the legacy benefits, there is no physical award letter printed off for universal credit, so authorities need to consider what evidence of someone's universal credit award they would accept. Some local authorities have taken to allowing a print-out of someone's online journal instead of an award letter. In an ideal world, there would be some automated information-sharing element. We would be in favour of that.

Michael McMahon: A major concern for us is the setting of limits that create cliff edges, whereby people's income can end because of minor changes in their circumstances. We want to see a real emphasis in the system on avoiding such scenarios.

The setting of arbitrary cut-off amounts can always be contested, but you can look to avoid major problems for low-income families by ensuring that there are no cliff edges for them to fall off because of minor changes in their circumstances.

Ruth Maguire: Are the limits set correctly or do they need to change?

Bill Scott: The limit is wrong for free school meals, for example: it is set at around 16 to 17 hours on the minimum wage, but a lone parent could be required to work up to 25 hours on pain of having a benefit sanction if they do not take up the extra hours offered.

I will give a concrete example of the cliff edge. I admit that this is a rough, back-of-an-envelope calculation—so if someone works it out more exactly, that is fair enough—but, based on some of the figures supplied by CPAG, a lone parent with four children, all of school age, who increased their hours from 16 to 25 would actually be worse off after that increase. Although their earnings would increase by about £3,000 a year, because of the clawback from universal credit of about two thirds of that and the school meal costs, which are more than £400 a year for each child, they would be worse off. Even a three-child family would barely be better off over the entire year. That has implications.

We had more deaths than births in Scotland over the winter months this year. That causes me—and it should cause everyone in this room who is older—quite a bit of concern. It is not just immigration that can cause the population to grow; the birth rate does that, too. We seem to be penalising families who have more than two children, and yet we could be dependent on those children being future taxpayers, care providers, NHS staff, teachers and so on. Large families are being penalised just now. People who see that will avoid complication if they can do, the birth rate will probably reduce even further, and we will face real problems in a generation from now.

09:15

In general, the cliff edges need to be addressed. I would prefer universal credit to be a passport to free school meals for all children in those families. When a family where there is a disabled child or a disabled parent retains universal credit despite having a higher income due to earnings, that is because of the extra costs of disability. The family gets more money from the state because the state recognises that they are penalised by additional costs. However, the state then takes the money back through school meals charges, hospital visits or whatever.

If we cannot abolish the limits, we need to take a serious look at them and standardise them at a lower level than is currently the case, because we are currently penalising a lot of low-income families.

Ruth Maguire: Thank you, that is interesting and brings us back to the point about clarity on what passported benefits—indeed, all benefits—are for.

Jeremy Balfour (Lothian) (Con): Rob Gowans's submission made for interesting reading, in particular the section entitled, "New Scottish disability benefits and Motability". You argue that people who are not on the higher mobility rate of PIP should be entitled to an award

of a car. Will you explain how that would that work? Are there costings behind the suggestion?

Rob Gowans: The suggestion came from consultation that we did with citizens advice bureau advisers and clients. Since the transition from DLA to PIP, a large number of people have lost access to the Motability scheme, because they are not receiving the top rate of the mobility component of PIP, although they were receiving the top mobility rate of DLA. That has caused a number of problems, especially for people in rural areas, where they might not have access to public transport to get them to where they want to go. The transition has presented barriers to people's ability to get around.

One suggestion that we have made is that people who are on the lower mobility rate could pay more towards the cost of Motability. That would give more people access to the scheme, which is very popular. Our clients really appreciate the benefits that the scheme can bring.

However, the main point about the new disability benefits is that we are keen that the qualifying conditions for receipt of the enhanced rate of the mobility component be changed. Currently, a person meets the conditions if they are able to walk less than 20m, whereas the cut-off for DLA was 50m, which was a fairer assessment of someone's abilities in determining whether they should qualify for the Motability scheme.

Jeremy Balfour: I think that you also said that currently people over 65 cannot get enhanced rate PIP. I read in your submission that you suggest that that arbitrary cut-off date should be removed and that people of any age should, at least, be able to apply. Have you got an estimate of how much that would cost?

Bill Scott: That should not cost anything. CAS argues that the Motability scheme should be opened up to people who are on lower-rate mobility PIP and are unable to walk 50m, which was the old test for higher mobility rate DLA.

In Scotland—according to projections, which appear to be pretty accurate—about 46,000 to 47,000 people will lose entitlement to the higher mobility rate when they transfer from DLA to PIP. A large proportion—almost 50 per cent—of people who are currently entitled to the higher mobility rate will lose that entitlement. At the moment, they lease cars from the Motability scheme, so they pay for them. There is no public subsidy, as such; the benefits pay for the leasing of the car. If eligibility to apply to lease a car was opened up, the leasing would still be paid by benefits, although the person might have to top that up with payments from earnings or other benefits. Many disabled people would like to be able to do that, as would older disabled people who qualify only for attendance

allowance, because the onset of their impairment or the decrease in their mobility has happened after they are 65. My mother is one of those people—she qualifies for the highest rate of attendance allowance, but cannot lease a mobility vehicle. She would use her attendance allowance payment to pay for leasing a vehicle, rather than for taxis and so on.

Jeremy Balfour: That clarification is helpful. You are not suggesting that people who are over 65 should be allowed to apply for the mobility component of PIP, but that rather than using the benefit to which they are already entitled to pay for taxis or care, they could put it towards the cost of leasing a vehicle. That would be true for people who are on the lower rate of PIP, too, because they could buy into the Motability scheme, rather than using PIP for care. Is that correct?

Bill Scott: I am not necessarily arguing against extending PIP to over-65s, but I am saying that under the current system, the restriction on eligibility prevents older disabled people from exercising rights that younger disabled people of working age can exercise. Many older people would like to be able to lease a car because with out-of-town shopping centres and so on it is now so much more difficult to access shops. My mum has had two knee replacement operations and has arthritis in her spine—it is incredibly difficult for her to get to shops that are even 200 yards away. Many older disabled people would like eligibility to lease a vehicle extended to them.

Jeremy Balfour: That is helpful and clarifies a bit of the submission that I must have misread.

I have a quick question on the point that you made about people who lost their cars because of the change in regulations. Do you have figures on people who now have a car—in particular, people with mental health issues, who were not entitled to that before because they could not get on to the scheme? Has any work been done to discover how many people with mental health issues who were not entitled to a car under the old DLA regulations now have one?

Bill Scott: No. Again, that is partly because of the decision last year that said, in essence, that people who need to be accompanied on most of their journeys could qualify for the enhanced rate of PIP. The review will change the figures quite considerably because, as things were, about 34 per cent of people with mental health issues lost all entitlement to PIP, including any mobility award that they had. That position will change quite dramatically after that sifting has been conducted and those backdated awards have been made.

You are right that some people have benefited, but overall about 46 or 47 per cent of people have lost their car because they have lost entitlement

altogether or have been awarded the lower-rate mobility award. There have definitely been a few gainers, but nearly half have lost out.

Jeremy Balfour: My final question is on a slightly different area. We will possibly end up having different regulations from England and Wales for many benefits that have been devolved. For passporting, do we just accept that the different regulations and rules apply? How will that work in practice for assessments—in particular with regard to the relationship between the DWP and the new Social Security Scotland agency? Do you have concerns about the DWP working with one set of rules and the Scottish agency working with different rules and those rules not fitting together? How can that be dealt with early?

Bill Scott: Obviously, all the new regulations in Scotland around assessments have still to be made. One of the proposed amendments to the legislation that was, I am glad to say, accepted means that people will not necessarily need to prove that they cannot walk—if, for example, they are amputees—because that seems to be unnecessary. That amendment is now part of the Social Security (Scotland) Act 2018.

There could well be differences between the schemes in England and Wales and in Scotland, but we will not, I understand, take administrative control for at least another three years, so there is time to sort out any complexities and differences that might arise in the system. I would certainly argue for differences in Scotland from the situation in England and Wales. However, we will have to see what can be afforded, as much as Inclusion Scotland would, as a disabled people's organisation, like to see various differences.

Rob Gowans: The issue of differences probably needs to be considered when setting the eligibility criteria and the regulations for the new disability benefits, but it would be within the gift of the Scottish Government and the Scottish Parliament to set those. Other passported benefits—for example, blue badges and concessionary travel—are within the powers of the Scottish Parliament, so they will have to be looked at to ensure that nobody falls through the cracks, and that people do not cross over into reserved territory.

Michael McMahon: A number of working groups have already been established and are bringing up such issues. There is ample time to identify the problems and to ensure that people get the opportunity to address issues that come up. It will take willingness on the part of officials and politicians, but that is their task and they should be held to account to ensure that that is how we move forward.

The Convener: I presume that use of the age of 65 is to do with the historical eligibility for the state

pension at 65. Are there plans to change that? Obviously, the WASPI women—the women against state pension inequality—will have to wait until they are slightly older than 65 before they become eligible for the state pension.

Bill Scott: The confusing thing is that the 65 age limit is not the barrier; it is whether the person applied for a disability benefit before or after they were 65. Anybody who claimed DLA before they were 65 and who received the higher mobility rate entitlement then and carried that over into their retirement retains the ability to lease a Motability vehicle. However, somebody who acquires an impairment, or whose condition deteriorates after they are 65, and only then realises that they can apply, can claim only attendance allowance: therefore they lose out.

09:30

As has been said, the authorities may look at the age 65 limit in the future and move it upwards, in line with the retirement age. It seems to me that it would be sensible for them to do so. However, Jeremy Balfour has already alluded to there being arguments about it being unfair on the older generation that they cannot get awards for mobility simply because of their age at the time of application.

Jeremy Balfour: Convener, I should have declared at the start of the meeting that I am in receipt of PIP.

The Convener: Thank you.

Alison Johnstone (Lothian) (Green): I would like to follow up a couple of points on attendance allowance, which does not have a mobility component and therefore does not passport to the blue badge scheme and to Motability. It seems to me that that should be reviewed. In a submission to our predecessor committee, the Welfare Reform Committee, Age Scotland said that it had been

“unable to find any published official rationale for why”

attendance allowance does not have a mobility component, while DLA and PIP do. It went on to say:

“This situation seems to imply that older people who have a disability somehow have less need to move around, or less need for financial support to allow them to do so, than those who experienced disability earlier. ... This is manifestly discriminatory; it means that the age of a person when they became disabled determines the support available, not the severity of the disability itself.”

Is that your understanding? Do you think that we need to review the criteria, which seem to be a bit arbitrary and random?

Rob Gowans: Yes. Citizens advice bureau clients often find the cut-off age for attendance allowance unfair if they have become disabled

after the age of 65 and they do not necessarily qualify for any support with mobility. The arguments that I have heard for having that cut-off are broadly cost based and, in some cases, relate to the effects of the ageing process.

However, there are many people whose disabilities are not necessarily connected with that process. For example, I had a client whose wife did not qualify for the Motability scheme because she received attendance allowance. However, she had also recently had both legs amputated, which was not necessarily related to ageing. We think that that should definitely be looked at as part of developing the new disability assistance and the question whether there should be mobility support for people over 65 as well as those under that age.

Alison Johnstone: Is that view shared by other witnesses?

Michael McMahon: That argument stands. This is an opportunity to do the type of review that is being called for. There are, in the system, a lot of historical anomalies that have been identified over time. Sometimes, when we unpick things, it can lead to unintended consequences. That does not mean that we cannot look to see whether the changes that are being asked for because of perceived anomalies would have opportunity costs. If people are restricted in their movement, through whatever circumstances, that can lead to on-going difficulties that have costs for health and social services. Therefore, not maximising people's ability to get out and about could, in the longer run, cost more than providing the necessary support at a time when they might have been kept active and mobile.

Alison Johnstone: I suppose that, with disability assistance coming online in the next few years, this is an ideal opportunity to get it right and to revisit how Motability is assessed and what we can do to ensure that everyone who needs access gets it.

Bill Scott: As I have said, we are creating a society in which it is increasingly vital that people have means of transport, but bus usage is falling. It is becoming harder for people, especially older and disabled people, to live in rural areas. That has cost implications for the central belt because people tend to move to where they can access services. We could be looking at further depopulation of rural areas as a result. As a society, we need to think through many things in relation to how we address those issues, particularly because Scotland is much more rural than the rest of the UK.

Ben Macpherson (Edinburgh Northern and Leith) (SNP): The word “opportunity” has been mentioned, and we have gone through a number of the different aspects that relate to people

missing out on passported benefits due to their not receiving the qualifying benefit, as well as issues around whether they are in receipt of universal credit. Is there anything that you have not touched on yet that you see as an opportunity? Is there anything in the Social Security (Scotland) Act 2018, once implemented, that would be beneficial in addressing passporting rights?

Rob Gowans: A few improvements could be made to the system, particularly in relation to information sharing and automating the application process. For example, it would be helpful to allow information to be shared so that application forms could be pre-populated.

We would also encourage there being a range of ways to apply for passported benefits. A number of local authorities have moved to a digital-by-default system, which has meant that people can only apply online for blue badges and free school meals, and which presents a barrier to a large number of people. That could be dealt with outwith the devolution of benefits, and we certainly want it to be looked at and people to be given a range of ways to apply.

Bill Scott: The new online system has the potential to be used to automatically award passported benefits, such as the blue badge or concessionary travel, so that people do not have to go through a separate application process. A person would make an application, and if they were awarded the relevant rate or had a condition that entitled them to those benefits, they could just be awarded the benefits by the new agency without having to go through a further process. Several conditions, such as Parkinson's and visual impairment, give automatic entitlement to concessionary travel, for example. That would increase take-up and reduce costs for people who really do not need additional costs that they have to meet; essentially, it would help to alleviate poverty.

It is not just learning disabled people who have problems using online systems. A large proportion of older disabled people do not use the internet at all, so applying for a blue badge becomes very difficult, which it need not be. There is definitely potential there.

The other thing to note is that the Work and Pensions Committee at Westminster, which has just completed an inquiry into the Motability scheme, pointed out in its report that three agencies are involved in the scheme: a private company, Motability Operations; and two charities, Motability and the Motability Tenth Anniversary Trust. Collectively, they operate the scheme, but they are all supposedly separate legal entities. The difference is that the private company donates its profits to the charities, which is a nice arrangement.

The issue is that, currently, the operations side of the private company is sitting with something like £2.4 billion in reserves, which is a 300 per cent increase on the level of reserves that were held in 2008. The potential is there for that company to offer the leases at a reduced rate and thereby reduce the level of reserves. However, it does not want to do so, even though it is open to little risk given that the payments come from the social security system, which means that they are guaranteed as long as the person is in receipt of the benefit. Despite the low level of risk, the company has a high level of reserves in comparison with the value of the cars that it leases.

I know that that issue is not one that is within your power to do something about, but I would like you to raise with colleagues at Westminster the fact that, if the lease costs were reduced, many more disabled people would be able to afford to lease the vehicles and, therefore, we would begin to address some of the issues around transportation in a modern society.

Michael McMahon: As the new system comes into operation, we might have an opportunity to address one of the biggest bugbears for many people who work with people with disabilities, which is the postcode lottery around the delivery of services. If it is possible to have criteria set across the country but still retain flexibility at a local level, that would be ideal. The difficulties are created when the criteria for people with the same disabilities and income levels are nationally set, but the charges at the local authority level are different. That creates a lot of problems. There are opportunities to reduce the extent of that postcode lottery, if not eradicate it.

Ben Macpherson: Can you give me an example of the postcode lottery?

Michael McMahon: The blue badge scheme is a good example. In some areas, there is no charge for a blue badge, but in other areas there is a charge, regardless of how disabled someone is. Those disparities create a lot of annoyance, if nothing else—people look at the systems and see that there is an inherent unfairness. We have an opportunity to consider such issues and work with local authority colleagues to ensure that, when criteria are set across the country, the flexibility, which it is important to retain, works to deliver more services for the money that is available. Otherwise, we end up with a situation in which people in one area are charged and people in another area are not charged.

Bill Scott: The school clothing grant is another relevant example. It is important to a lot of low-income families, and standardising the level of grant is a big step forward. However, the qualifying criteria vary from local authority to local authority.

Someone on universal credit in one local authority area might get the grant whereas someone on universal credit in another local authority area might not. The grant being standardised at £100 is no use to someone who cannot access it. There should be national qualifying criteria, with local flexibility around the way in which the assistance is delivered.

09:45

Ruth Maguire: I acknowledge that the specific things that you have raised are a problem. I hope that work is under way to standardise the qualifying criteria for the school clothing grant. I know that some local authorities had the criteria at a lower level so that they could provide the grant to more people, for example. That is a local choice. What does a system that has criteria that are nationally set but locally flexible look like? It would be helpful to have an example because it feels like a continual wrestling match.

Bill Scott: In the case of the school clothing grant, the local authority becomes a bulk buyer so it might be able to negotiate a preferential rate for the purchase of school uniforms with a particular provider or set of providers and get more bang for its buck, which would be helpful. That is an example of how a local authority could use its purchasing power to achieve a certain amount of local flexibility in delivering something—in this case, the school clothing grant.

Rob Gowans: Free school meals are an example where entitlement is set nationally but delivery is done locally, and can be done in a range of different ways.

The new minimum for the school clothing grant might be another example because, as I understand it, there would be nothing to prevent local authorities from paying a higher school clothing grant if, for example, the cost of school uniforms locally was higher, if there were particular needs or if they just wanted to pay a higher grant.

The eligibility criteria for the school clothing grant need to be looked at. The criteria can vary quite noticeably among local authorities. Most use the same criteria as apply to free school meals, but in some local authorities fewer people qualify for a school clothing grant than qualify for free school meals. It might be worth looking at both an acceptable minimum qualifying level for the school clothing grant as well as the level of the grant, while keeping it as something that is locally delivered.

George Adam (Paisley) (SNP): I am particularly interested in what Bill Scott said in response to Jeremy Balfour and Alison Johnstone about the Motability scheme and the level of flexibility. Does the Westminster Parliament have

any sway over the charities involved in order to create the flexibility that you are looking for?

Bill Scott: According to the charities involved, no, because all charities have to be completely independent of political influence. However, the DWP, according to its own minister, has some sway over them. When it was realised that a large proportion of people would lose the higher rate of mobility award on transferring across to the personal independence payment, there were exchanges and meetings between the charities and the minister's office, and a transitional protection scheme was eventually devised. There was some compensation for those who were losing the higher rate in the form of a cash payment—almost to compensate them for the loss of the vehicle, although they could buy back the vehicle if, for example, it was a certain age. The compensation scheme that was developed definitely involved meetings and correspondence between the minister's office and the charities, so whatever the charities say, there is definitely some influence.

As I said, although there is no public funding in the normal sense of the term—there is no grant or anything like that going to the Motability charity—all the funds come from a public source. The charity is a monopoly provider because nobody else is allowed to compete with it for the contract to provide mobility vehicles. Due to that, it gets quite considerable tax concessions for both VAT and vehicle insurance, which are worth about £800 million a year. Therefore, there is a way of influencing how the charity goes about its business as a charity and a provider. I hope that that aspect will be addressed.

George Adam: I am interested in the issue because in a previous life I worked in that industry, and we had a fleet that was the largest in the country. At the time, 80 per cent of the market was fleet, but it is now 50:50. However, that fleet was—it still is—the largest fleet in Scotland and in the UK, so we could negotiate with manufacturers. I find intriguing your idea about flexibility and possibly extending the scheme: people would have to use it to get a vehicle by paying extra, but they would not pay anywhere near as much as Joe Bloggs coming in off the street would have to pay. The scheme could continue in that expanded way, which would not necessarily put any more financial strain on the benefits system but would make a huge difference to some people's lives and to their mobility. That could be done with that buying power alone, as you rightly said, which most manufacturers use just as a way of increasing market share.

Bill Scott: Yes, the scheme has a considerable influence. As you will know, because you have worked in the industry, there is considerable

influence on the cost of second-hand vehicles throughout the country. The Scottish Government could use its bargaining power, because it will be in control of the new benefits, to negotiate with the Motability charity and I would hope that it could influence, although not unduly, the eligibility criteria and so on. The eligibility criteria could be set in a way that, as you said, would open up cheaper vehicles to a larger number of people, which could have great benefits in terms of access to health and other local services, retail and so on. It would be worth using that power to negotiate a better deal.

George Adam: This is the first time that my previous experience in life has been any use in this job. *[Laughter.]*

Michelle Ballantyne (South Scotland) (Con): I have a couple of questions, the first of which is really a point of clarification and of interest. I was not aware of the massive reserve that Bill Scott thinks the private Motability company holds. What does that reserve equate to in terms of the monthly operating costs? Do you know how many months' worth it holds?

Bill Scott: It is worth something like twice the operating costs.

Michelle Ballantyne: So it is two years' annual running costs, which is way above the charity's requirements.

Bill Scott: It is way above any requirements. Because of the crash in 2008, the company was exposed to some risk in the second-hand car market. There was about a 20 per cent loss in vehicle resale value, but the reserve meant that the company coped with that more than sufficiently—and the reserve was only around £568 million at that point. There is definitely scope for the company to use more of the profit that it currently puts into its reserves to reduce the cost of vehicles, which could benefit a very large number of people. There are 659,000 people still in the scheme at the moment, so widening the scheme could benefit more than 1 million people, and the company could still maintain an adequate level of profit.

Michelle Ballantyne: That takes me nicely on to my next question. You mentioned that one of the complex issues is affordability. We would probably all like to give people everything and answer all their queries, but the reality is that there comes a point where decisions have to be made. You referenced what Michael McMahon said on the issue of spend to save and said that if we get it right in terms of what we spend and what we give in benefits, we can save a lot of money down the line.

How well equipped are we in Scotland to do that and to target our benefits effectively so that we

make real changes with regard to poverty, the impact on, for example, the NHS and future opportunities for children? Do we have the baselines? Can we make effective decisions or are we slightly wallowing in just trying to be nice?

Michael McMahon: There are enough organisations and university research bodies that examine such matters. In my previous life as an MSP, I experienced on the Finance Committee a lot of advice and information from organisations that can consider such issues, provide a cost benefit analysis of social services and social provision and make positive suggestions for improvements. Such analyses take place in the health service regularly. The wherewithal exists to do that and, if it is seen to be lacking in any way, I am sure that the Parliament can find ways of identifying resources to try to find the information that would allow good policy decisions to be made on the basis of facts.

Bill Scott: I cannot answer on Motability because the research has not been done, but it has been done for free school meals. Where universal provision was made in pilot areas, children's level of attainment increased by two months over their peers in schools where there was no universal provision.

Michelle Ballantyne: Was that at primary school?

Bill Scott: Yes. They were two months ahead of their peers in primary school. That is partly why there is increasingly universal provision for primaries 1, 2 and 3. It also improved their health.

The most marked improvements were among children from the lowest-income households. If we really want to address the attainment challenge, we must address the needs of children from low-income families. I go back to something that I bring up regularly: according to the New Policy Institute, 49 per cent of children who live in poverty are either disabled or the children of disabled parents. The levels are similar for children of lone parents. If we address their needs through the universal provision of free school meals, we will address child poverty, attainment levels and health issues.

We can factor that in for the rest of somebody's life. For instance, if they do not have osteoporosis when they are a pensioner, that relieves the care burden. We can gain all sorts of benefits from universal provision or provision that, if not universal, is based on a good proxy for low income.

Michelle Ballantyne: I gave evidence to the Finance Committee a long time ago and afterwards did not see the changes that I thought I had clearly evidenced would make a difference. It has struck me over the years that one of the

problems is joined-up thinking. Free school meals work really well at primary level, but, when we get to secondary level, a lot of the youngsters go down the street. They do not want to be isolated or alienated. They want to be with their mates and go down the street with everybody else. Therefore, they do not always use their free school meals. That is a real problem.

As was said earlier, it is the same with school uniforms. We could do better by people by using the power of buying in bulk, but people's freedom to choose where they buy school uniforms dissipates the ability to use that power.

Have you considered how policy needs to join up to make universal benefits more effective and to ensure that we do not stigmatise people who are on benefits that are not universal, who really need them and who should be using them?

10:00

Rob Gowans: Stigma is an important issue. Some local authorities have done quite a bit of work on how they can reduce the stigma associated with free school meals, for example, such as ensuring that vouchers are all the same colour—that is a fairly simple change that can make a big difference to people who feel stigmatised and so do not claim the support to which they are entitled. Many organisations have done work on that, including the Poverty Alliance and several organisations that will be on the next panel of witnesses.

Careful consideration is needed when designing benefits and their delivery to ensure that if they are targeted they are done so in a way that does not encourage stigma. We know from our experience that stigma can lead to people not claiming benefits to which they are entitled. That careful consideration is very important.

Michael McMahon: We must also bear in mind that sometimes there is stigma as a result of not having a service available. A young person with a learning difficulty at primary school might have difficulty counting up change to pay for their school meal. That needs to be balanced against the potential stigma of having a free school meal. Those balances must always be taken into account. That is why the starting point should be to extend the services as widely and universally as possible.

Bill Scott: Stigma is still an issue. If you look at entitlement and take-up rates, you see that there is a close alignment. If there is a high entitlement level in an area of multiple deprivation, there will also be a high take-up rate, because there is little stigma attached to that because everyone is doing it. In contrast, in schools where there is a more mixed intake and a lower level of entitlement, the

take-up rate is much lower, because the stigma attached to it is much higher.

We really need to address those issues. As Rob Gowans said, some of them have simple solutions. However, others are more complex to address. The culture is to go to Gregg's, the chippy van or the burger van outside the school—workers do that, too. Pupils do what they see parents and older brothers and sisters doing. If we want to create a healthy eating culture, we need to address those issues. It is not just to do with entitlement, but to do with the sort of food culture that we want to foster in our society.

The Convener: The committee has been looking at automation, which has been mentioned today. We can passport entitlement, but there is an issue about getting people to access and take up benefits. Mr Gowans mentioned data sharing in respect of universal credit and the fact that there is nothing as simple as a letter that says that a person is on universal credit, which they can then show elsewhere. Do you have any other examples of those data sharing pinch points that could inform the committee's work?

Rob Gowans: The main pinch point is where data is held by different authorities—universal credit data is held by the DWP, whereas passported benefits are administered by local authorities or the Scottish Government. I know that the issue will be considered in the context of the Social Security (Scotland) Bill and the regulations for the new benefits. The committee might give consideration to whether there could be data sharing arrangements to make it easier for people to receive benefits without needing to make additional applications or at least to make it as simple as saying "Yes, I would like to receive the benefits to which it has already been established that I am entitled."

Some local authorities have done work with their housing benefit and council tax reduction records to see who might be entitled to free school meals and school clothing grants. That is particularly positive work to ensure that the information that is held is used so that people can receive all the support to which they are entitled.

The Convener: As there are no further questions, I thank you all for your attendance.

10:05

Meeting suspended.

10:08

On resuming—

The Convener: I warmly welcome to the committee our next panel of witnesses. Anne

Baldock is the financial inclusion team leader at One Parent Families Scotland, Mike Dailly is a solicitor advocate and principal solicitor at the Govan Law Centre and Hanna McCulloch is the policy and parliamentary officer for the Child Poverty Action Group in Scotland. I thank the witnesses for their submissions prior to the meeting.

I will open with a question that is similar to the one that the first panel was asked—I think that you were all here for that evidence session. Is the link between reserved social security benefits and devolved benefits tenable going forward? Should there be any changes to that?

Hanna McCulloch (Child Poverty Action Group): Our key concern is addressing child poverty in Scotland, and it is clear that that is also a concern of the Scottish Parliament, given the cross-party support for the Child Poverty (Scotland) Act 2017.

Passported entitlement provides a useful proxy for identifying the right families, and it has the potential to simplify what can be a complex process, to reduce administrative costs and—most important—to boost the take-up of important entitlements, particularly among families on the lowest incomes. Over the past few years, there has been progress in simplifying the landscape—in relation to best start grants, for instance—and we must continue to build on that progress.

The key concern about the link between reserved benefits and devolved passported benefits is that the passporting benefits must be the right ones—the right people must be identified—and the people who are entitled to those passporting benefits must be able to access them reliably. That is a big concern in relation to universal credit. I can add more detail about our concerns over universal credit as a reliable passporting benefit.

We are also concerned that, where there is an additional requirement on top of a passporting benefit—for example, the earnings limit for free school meals—it must be fair and set at the right level. It should not exclude families who could really benefit, and who benefited previously, from some of the passported benefits.

The Convener: There will be ample chance to comment on universal credit.

Mike Dailly (Govan Law Centre): We have a unique opportunity to enhance and improve the accessibility of passported benefits. We think that access should be streamlined and, where possible, automated in order to improve the experience of the person who is receiving the benefits. We think that that would help to maximise take-up, which is important. It would reduce the costs of administration and

bureaucracy, so it would be good for public bodies, too. It would reduce waiting times and it would eliminate mistakes. Ultimately—this is the key thing—it would give people dignity, because they would not have to tell their story every time they wanted to apply for something.

I hope that we will be able to talk about how we can use this opportunity to do some radical things in Scotland. We are thinking about the new Scottish social security agency having the ability to do proactive things. We heard from the earlier witnesses that, if someone received a particular benefit, it could open the door to everything else for them. It would be wonderful if Scotland had such a progressive, proactive system, whereby a person did not have to fill in lots of paperwork online or make phone calls but, instead, received one of those benefits and everything else opened up for them.

Anne Baldock (One Parent Families Scotland): OPFS believes strongly that the link should be maintained. People who are applying for passported benefits face having to find out what passported benefits are available. There are different rules about the income limits, and people are applying when they might be facing difficult situations, such as child disability. If there was a streamlined point of award of benefits, as my fellow witnesses have said, people would automatically be awarded the appropriate passported benefits—where applicable, as it would not be possible to deliver all passported benefits at that point. Where those benefits could not be delivered automatically, the award letter would explain what passported benefits the person was entitled to and what they needed to do to claim them.

Passported benefits supplement basic benefits, which have been frozen for the past couple of years by the national Government, and it is important to recognise the increase in the real cost of services that those passported benefits cover. We have a unique opportunity to look at the levels of passported benefits and how people are affected across the country.

10:15

There are wide differences in how a lot of passported benefits, such as clothing grants and free school meals, which we have all been talking about, are treated. The criteria for clothing grants are different across the country. In some council areas, if a teenager claims education maintenance allowance, their parents cannot get a clothing grant; in other council areas, the family can get both benefits. We would like conformity, so that what happens under the DWP links up with the new Scottish social security system.

The Convener: Ms Maguire, you asked the first panel about universal credit.

Ruth Maguire: I am sorry that people will have to hear the same questions again. I will try to rejig things a little so that this is not too dull. The first panel talked about their concerns about passporting from universal credit, and I am interested in your reflections on the issue. For example, we heard that the earnings limits create a bit of a cliff edge for families and potentially a disincentive to work more hours.

Hanna McCulloch: Those are two separate issues for me to address: universal credit as a passporting benefit and the earnings limit.

In many ways, universal credit is a good indicator of households in need, given that it involves an income calculation to identify low-income families that require additional resources. However, in practice, there are real difficulties with the process of using universal credit as a passporting benefit. Your first panel talked about evidencing entitlement, for example. A person who was in receipt of tax credits would receive an award letter that clearly detailed their income and their likely entitlement in the coming year. The letter was a tangible thing that could be produced to establish entitlement. The process is not the same with universal credit, for which the details of entitlement are in an online journal and tend to relate to the previous month instead of projecting entitlement over the coming year.

That approach has the potential to cause difficulties—for instance, with the entitlement to free school meals. This is a slightly separate point, but, if someone's income fluctuates from month to month, their entitlement to universal credit will also fluctuate from month to month. A person on a zero-hours contract might have worked a lot in the month before they apply for free school meals, so they will not have been entitled to universal credit in that month, which can create practical problems.

The other important aspect of universal credit is that it is mired in administrative problems, errors and delays. One in five people who apply does not get it at the end of the five-week period in which they are supposed to get it. If a person applies for free school meals during that period, they might have difficulty in establishing their entitlement. We also have evidence of people who should be entitled to universal credit—students in particular circumstances, for example—who are given the blanket answer, “No, you are not entitled.” Such errors have a knock-on effect if there is no flexibility in universal credit being the be-all and end-all as the passporting benefit.

I can come back to the income limits later, if you like.

Mike Dailly: Govan Law Centre supports CPAG's position. Our fundamental position is that universal credit is flawed and is a source of misery for people across Scotland and the UK. It would be wonderful if it were scrapped, because it is the source of a multitude of problems. The best that we can do in Scotland is mitigate those problems.

We believe in the principle of universality. We have talked about free school meals—I remember that we drafted the School Meals (Scotland) Bill in, I think, 2000. Other witnesses have talked about the problems with stigma. If certain benefits, such as child benefit and free school meals, became universal, that would solve all the problems that we have been talking about. Anyone who was in receipt of universal credit would be eligible for free school meals. We could do progressive things like that.

The Scottish Government has already been flexible and progressive in relation to the position on council tax reductions. It has reduced the ability of local authorities to estimate when someone on universal credit has fluctuating income. We need more of that kind of approach.

Ultimately, the difficulty is that we have universal credit. To be absolutely candid, it is creating problems that we are constantly trying to mitigate in Scotland.

Anne Baldock: I whole-heartedly agree with what the previous speakers have said. Universal credit, in and of itself, causes problems for single parents, who make up a group that is particularly badly affected by the changes in relation to universal credit. That is especially the case with young lone parents, who will no longer receive the higher rate of personal allowance under universal credit. That immediately reduces their income by £23 or £24 a week. On top of that, they have to work their way through the mire of passported benefits. Anything that can be done to make the award one that applies across the board for people on universal credit, regardless of whether they are in work or out of work, would be welcome and would make a huge difference to single parents. We have the opportunity to find ways of doing that.

We have done quite a lot of work with the Government on the early years assessment. It has been great to see the amount of work that has been put into designing a system that is easy to access and into considering who needs the assessment and what the best way to deliver it is. We would like to see that approach being applied to passported benefits.

As Mike Dailly said, the problems with universal credit are varied and numerous. There are problems around the amount of time that the initial assessment of a claim takes. Proving identity is

also a big problem and can be an on-going problem. I do not have the exact figures, but research shows that a lot of universal credit claims have been pushed back because of the need to prove identity. A lot of lone parents do not have either a passport or a driving licence, so they have no simple way of proving their identity, and, during the time that it takes them to do so, they have no entitlement to universal credit.

The existing benefit cap for housing costs will leave an award of 50p, so that people can claim discretionary housing payments. Under universal credit, the benefit cap goes right the way through—it goes right down.

There are a lot of problems with universal credit. Added to that is the issue that Hanna McCulloch talked about with regard to the different income limits that apply in relation to people claiming what were tax credits. The situation has been made even more complex.

We firmly support the Scottish Government putting in place a system that is automated and simple and that has limits that apply across the board.

Ruth Maguire: Do you consider that the income limits for the passporting of benefits are set correctly?

Anne Baldock: No—they are too low.

Ruth Maguire: Do other panel members have any reflections on the income limits?

Hanna McCulloch: I, too, consider that the limits are too low. CPAG's welfare rights workers have identified potentially vulnerable groups who are very much in need of the passported benefits but who would be excluded from them. An example is the £610 monthly earnings limit for free school meals. Someone who receives statutory maternity pay gets about £145 a week, which works out as £629 a month, so they would not be entitled to free school meals for their children. They might have young children at school and be very much in need of financial assistance, but they would just miss out on the entitlement.

As the previous panel mentioned, the wider problem is the arbitrary nature of the income limits. At least with universal credit, the amount that someone gets is, for the most part, based on their circumstances, so the number of children that they have and their needs are taken into account—again, for the most part. Nevertheless, a set income limit applies regardless of whether they have one child or five children. Furthermore, the amount is a very low rate at which to set a cliff edge. Unless there is universal entitlement, which is our preferred option, there will always be a cliff edge, but at least when the cliff edge is at the end of a person's entitlement to universal credit the

income level is set relatively high. Someone should not face that income limit when they work 16 hours a week and do not want to take on an extra hour in case they lose their entitlement to free school meals for their children.

Mike Dailly: I agree with Hanna McCulloch and Anne Baldock. We need to bear it in mind that, with the economic policies of austerity that we have had, whereby social security benefits other than some pension benefits have been frozen, people's day-to-day living costs have been going up exponentially. Utility and fuel bills have been going up by 5, 10 or 15 per cent. At the same time, the pound has been devalued by about 15 per cent because of Brexit. We are an island nation, so we import. People's costs of living have been going up and up, but the income limits are set low. We certainly have to revise them.

Alison Johnstone: A major issue with passporting is that someone can lose their entitlement to a benefit if their claim for the benefit from which they were passported is rejected. CPAG's submission suggests a safety-net approach that provides

"an alternative route to access passported benefits—to ensure that individuals do not lose out on passported benefits because of"

problems with the passporting benefit that provided the entitlement.

I would be grateful if you could expand on what you mean by that safety-net approach, and I would also like to hear the other witnesses' views on that issue.

Hanna McCulloch: There are a few circumstances in which that approach might be useful and a few ways in which it might be done. I have mentioned the problems with the fluctuating entitlement to universal credit, which leads to fluctuating entitlement to passported benefits. A few approaches have been taken to provide a bit of a safety net. I understand that, in Highland, a family can receive free school meals for eight weeks while they await a decision on universal credit. Therefore, where there is a delay, the bridge is gapped.

There is a more comprehensive approach to free school meals in England and Wales. A person who was eligible for free school meals in March this year will not lose that entitlement until March 2022. Therefore, regardless how their universal credit fluctuates, they know that they will not lose free school meals, which provides security for families.

Council tax reduction is another area in which there has been flexibility. I am not a welfare rights worker, so I can come back with more detail in writing, but I understand that the regulations allow decision makers to estimate a person's income,

which is based on universal credit entitlement but does not stick hard and fast to it.

10:30

Therefore, if there seems to have been a mistake or there has been a lot of fluctuation—for example, where a person's income is very high in one month, such that they are not entitled to universal credit—decision makers can use a bit of discretion and common sense in looking at what that income actually is. Just having space not to have to take universal credit entitlement as gospel could be very important in making sure that people do not arbitrarily fall off from being entitled.

Mike Dailly: We would certainly agree with the idea of a safety net. It would be useful if the Scottish social security agency produced national guidance to help the bodies that issue passported benefits. I am thinking about the issue of transition in people's lives and, for example, the idea that people who want to get on in life will get into work. The reality is that they will have to wait for, say, a month before they will be paid. Therefore they will have the transitional period that Hanna McCulloch has talked about, in which things might be quite tough for a number of weeks before they can have everything running smoothly. It would be extremely valuable if we were to have, across Scotland, a national approach that recognised transition in life. Therefore if someone were to lose a passported benefit, it would not mean that they did not immediately need it any more but that they needed to have it until that period of weeks or whatever passed and they were okay.

Anne Baldock: I would certainly agree. As Hanna McCulloch has said, the idea that is used for council tax reduction is a very good model. When a person comes off some benefits, their entitlement to housing benefit and council tax reduction runs on for a short period of time. If the entitlement to passported benefits could be included in that, as Mike Dailly has said, it would act as a buffer for those transitions in which people have to wait for four weeks to be paid, but they would need to have their universal credit recalculated because of the entitlement to childcare and so on. If there could be a buffer during that period—or any transition—it would make a big difference.

Alison Johnstone: It sounds as though we have opportunities to improve the system.

I would also like to discuss the issue of national administration. A very large number of passported benefits are administered by various organisations—for example, the Scottish Legal Aid Board administers passporting to legal aid, and Transport Scotland assesses eligibility for concessionary travel. Would it make sense to

administer benefits with national criteria centrally, through the new Scottish social security agency?

Mike Dailly: There is an attraction to that. We would be looking at passported benefits such as legal aid, which you have mentioned, and the various ones that are administered by local government, NHS Scotland and Transport Scotland. Would it not be wonderful if, through its information technology system, the Scottish social security agency could enable all those other passported benefits to kick in? We already have an arrangement with the DWP in relation to UK benefits. It would be wonderful if there could also be an arrangement with it to make that happen for everything. I suspect that that would take some time, but we have time anyway. If we think about it, now that we have this opportunity—which does not come along very often—why should we not design the system to fit the individual consumer or person, so that it makes things as easy as possible? The benefit of that for public bodies and local government is that it would streamline their whole administration process. There is a lot of opportunity here not just to improve the experience of the individual who receives passported benefits but to streamline the whole system that includes all the different organisations that are involved.

Alison Johnstone: Given the focus on independent advocacy during the passage of the Social Security (Scotland) Bill, it would make sense for an independent advocate to deal with one form at one time. It would be remarkably inefficient if we kept asking people to fill in different forms at different times.

Mike Dailly: Yes, it would.

Hanna McCulloch: We do not necessarily have a position on who delivers the benefits. It is all about the experience of the individual—we want to ensure that there is a minimum entitlement; automation, where possible; and support with claims. For us, it is less important who delivers that; what is important is that the process is straightforward from the perspective of the person who uses the system.

There is also an opportunity to make accessing the passported benefits feed a person into the wider system of information and advice. For example, we know that families will be able to access best start grants when a child is born, when the child starts nursery and when they start school. It might be possible to use contact with universal services at those points as a way of directing people to information, advice and wider entitlement. That local contact with people could serve that purpose, too.

Anne Baldock: If there is conformity, that will mean that, when someone has got their award

and their passported benefits, there will be a streamlined connection between the two systems that will make it easier for people who provide advice and support and people who have to make appeals, as well as the person who applies for those benefits. Anything that can streamline or make the process easier must be welcomed.

Another welcome development would be the ability for applications for passported benefits to be made on different platforms. Universal credit can be accessed only through a web-based system. Single parents can have particular difficulties in getting access to digital forms. If different ways of applying for the same benefit could be made available and everything were administered in the one place, that would be a big improvement.

Michelle Ballantyne: I want to pick up on the point about national conformity and everyone getting the same entitlement. I was thinking about what has been said about transport. I live up a valley where there is no public transport whatever. Regardless of how far someone could walk, they would not be able to access anything without having a car and therefore Motability would be very important for them. However, I have friends who have a bus stop on their doorstep and can get anywhere very easily. How do we marry national conformity and local flexibility? If we have national conformity, my worry is that people who need a benefit the most might get less than they need and those who do not need it quite as much might get slightly more than they need, with the result that nobody will win. Over the next two to three years, we will have to wrangle with how we build fairness into the system so that people get what they need.

Mike Dailly: You are right—everything has to be paid for, which means that everything has to be costed. Ultimately, it is for policy to set out the parameters. The Govan Law Centre's position is that the parameters should be set as wide as possible, because that works from the point of view of take-up and prevention.

In response to your specific question, we need to give local government discretion, but I suggest that it should have the discretion to go over and above what we accept as a minimum level—a safety net, if you like—across the country. One of the problems is that there is a postcode lottery. For example, whether someone can get a crisis grant from the Scottish welfare fund, which is administered by local authorities, varies throughout the year because of pressures on budgets. Whatever we could do to make that more consistent would be helpful. However, I take your overall point that, at the end of the day, everything has a cost.

Michelle Ballantyne: My point was about need, rather than cost. I was talking about ensuring that

people get what they need, rather than everyone getting it regardless of where they are.

Mike Dailly: We are not talking about universality when it comes to passported benefits, because there are criteria to be met. It is in the nature of passported benefits that someone has to be on a very low level of income to get them. I am not sure that the issue of need is problematic, given that, by definition, to access the benefits, a person has to have the need.

Michelle Ballantyne: It is about level of need. In my example, everyone might have the same need for transport, but the level of need is different for someone who lives miles from any public transport and therefore has little or no option and whose taxi allowance would be used up incredibly quickly, compared to someone who lives in the centre of a city, where everything is relatively close by and can be easily accessed. The need of that person is very different from the need for Motability-type access.

Mike Dailly: That point goes to the need for better public transport infrastructure and perhaps nationalising the provision of transport.

Michelle Ballantyne: Hmm.

The Convener: Let us move swiftly on.

Jeremy Balfour: My question has been answered, convener.

Ben Macpherson: Given the nature of your work, Mr Dailly, do you want to say anything about legal aid?

Mike Dailly: The legal aid position in Scotland is not perfect. We have a soft cap. In relation to the committee's interest in passporting, for those in receipt of certain benefits, the process of applying for legal aid is fairly simple and streamlined and people do not have to fill in a complicated financial form for the Scottish Legal Aid Board. That works really well. I do not want to stray into talking about legal aid in general.

Ben Macpherson: It is good to have that clarification.

Michelle Ballantyne: I have a last question out of curiosity. In your submission, you said that you would scrap universal credit as it does not work, but you also said that it does not work for one in five, which implies that for 80 per cent of people it is as good as any other system. If you do not want a universal, single application to the system, what is it that you want? Do you want to go back to separate applications for all the different things? I am curious to know how you think the system should look.

Mike Dailly: We have been talking about a single application process to access a range of different things, so the question that you pose

does not necessarily have the correct premise in relation to passporting.

One of the key difficulties in the design of universal credit is that it has been used as an opportunity to do some very regressive things. Universal credit as a concept—the idea of having a single process for social security—is wonderful. However, in reality that is not what has happened with universal credit.

One of the big concerns that we have at Govan Law Centre is that in delivering social security benefits, the DWP gets things wrong all the time and it does things in a way that is incredibly inhumane, for example in the assessment of medical evidence. In about 90 per cent of mandatory reconsiderations, the decision of the DWP is overturned, and 60 per cent of appeals to the First-tier Tribunal are successful. That tells you that we have created a system in which the DWP gets it wrong all the time, excludes people from what they are entitled to and creates misery.

That is why we need to take the opportunity to do something that is absolutely different.

Michelle Ballantyne: That did not answer my question, but I will leave that with you, Mr Dailly.

10:45

George Adam: What Mike Dailly just said is the point of the debate that we are having and is what we need to consider given that we have that opportunity. It will be difficult and there will be challenges, such as sharing data with the DWP and everything else. The benefits system has been looking for a one-stop-shop for decades and it has become almost a holy grail. This is probably the first time that we have had a chance to relax, pause and consider ways to deliver it.

I am backing up Mike Dailly's point. Should we not be looking at ways to try and make it work? It is extremely difficult, because there are so many challenges, including with the DWP and data; some of the benefits that are being devolved to the Scottish Government are manually based, so that sharing and moving the data across will be a major difficulty.

Mike Dailly: I completely agree. To get philosophical, when we design a law and it is passed by the Scottish Parliament or at Westminster, it is a manifestation of political choices. Those choices are often quite discriminatory—"We don't want to give help or resources to this group of people". The social security system in the UK has made those choices and has got progressively more discriminatory against groups of people, for example women having more than X number of children.

The opportunity in Scotland is to start the whole process by thinking of the human being and how we can do the very best for that individual. Mr Adam is right to say that it is complicated and there is no easy solution. However, if we start with that premise—I think that that is what we are doing in Scotland—we will create a much better system than the one that we currently have.

The Convener: I thank all the witnesses for attending the committee this morning. Your evidence will be extremely helpful in the committee's deliberations.

10:47

Meeting continued in private until 10:59.

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