

PARLIAMENTARY DEBATES

HOUSE OF COMMONS
OFFICIAL REPORT

Third Delegated Legislation Committee

DRAFT SCOTLAND ACT 1998
(TRANSFER OF FUNCTIONS TO THE SCOTTISH
MINISTERS ETC.) ORDER 2020

Monday 2 March 2020

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The Committee consisted of the following Members:

Chair: MR VIRENDRA SHARMA

Begum, Apsana (<i>Poplar and Limehouse</i>) (Lab)	† Morris, David (<i>Morecambe and Lunesdale</i>) (Con)
† Byrne, Ian (<i>Liverpool, West Derby</i>) (Lab)	† Murray, Mrs Sheryll (<i>South East Cornwall</i>) (Con)
† Edwards, Ruth (<i>Rushcliffe</i>) (Con)	† Randall, Tom (<i>Gedling</i>) (Con)
† Elmore, Chris (<i>Ogmore</i>) (Lab)	† Ross, Douglas (<i>Parliamentary Under-Secretary of State for Scotland</i>)
† Hendry, Drew (<i>Inverness, Nairn, Badenoch and Strathspey</i>) (SNP)	† Saxby, Selaine (<i>North Devon</i>) (Con)
Kendall, Liz (<i>Leicester West</i>) (Lab)	† Tomlinson, Michael (<i>Lord Commissioner of Her Majesty's Treasury</i>)
† Law, Chris (<i>Dundee West</i>) (SNP)	
† Lloyd, Tony (<i>Rochdale</i>) (Lab)	
† Lord, Mr Jonathan (<i>Woking</i>) (Con)	Leoni Kurt, <i>Committee Clerk</i>
† Mayhew, Jerome (<i>Broadland</i>) (Con)	
† Millar, Robin (<i>Aberconwy</i>) (Con)	† attended the Committee

Third Delegated Legislation Committee

Monday 2 March 2020

[MR VIRENDRA SHARMA *in the Chair*]

Draft Scotland Act 1998 (Transfer of Functions to the Scottish Ministers etc.) Order 2020

4.30 pm

The Parliamentary Under-Secretary of State for Scotland (Douglas Ross): I beg to move,

That the Committee has considered the draft Scotland Act 1998 (Transfer of Functions to the Scottish Ministers etc.) Order 2020.

It is a pleasure to serve under your chairmanship, Mr Sharma. I am grateful for the opportunity to debate the draft order, which was laid before the House on 31 October 2019.

The draft order is part of the Government's ongoing commitment to devolution. The Scottish Government have committed to introduce a grant called the job start payment for young people aged between 16 and 24 years who have been out of paid employment for six months or more and who submit an application for such a payment, but Scottish Ministers do not have executive competence to provide assistance to that cohort of young people for the purpose of helping them to retain employment. Section 31 of the Scotland Act 2016 gives the Scottish Parliament powers in that area by creating some exemptions to the reservation of the subject matter of the Employment and Training Act 1973, but those exemptions do not extend to providing such assistance. My right hon. Friend the Secretary of State for Work and Pensions has therefore agreed to share with the Scottish Government the existing powers in the 1973 Act, which allow for the making of arrangements to provide that assistance. Under section 63 of the Scotland Act 1998, the draft order will achieve that by amending the 1973 Act to make those powers exercisable concurrently by the Secretary of State and Scottish Ministers.

To be clear, the order will only give Scottish Ministers the necessary powers; it does not set the policy itself, which is a matter for the Scottish Government under the scrutiny of the Scottish Parliament. Furthermore, the powers of the UK Government will not be reduced as a result of the order, as the functions are simply being shared with the Scottish Government.

I will explain briefly what the Scottish Government intend to do with the powers transferred under the draft order. As I said, the Scottish Government will introduce a grant to be known as the job start payment. The proposal is for a one-off cash payment of £250 for young people who do not have children, and £400 for those who do, to help with the initial costs associated with entering and remaining in work. It can be used for food, travel or clothing, thus removing some of the initial pressure of starting a new job. Eligible young people will be able to apply until their 25th birthday. Care leavers will be able to apply until their 26th birthday,

and will only have to be out of paid work on the date of their job offer, rather than for the previous six months, in order to be eligible.

The job start payment is expected to be introduced in spring 2020; it depends on this order being made. The payment will be administered by Social Security Scotland, the Scottish Government's benefits delivery agency. Any costs associated with delivering the payment will fall solely on the Scottish Government. It is for the Scottish Parliament to scrutinise the spending decisions of Scottish Ministers. In the Scottish Budget for 2020-21, announced on 6 February, £2 million was allocated to fund the benefit expenditure for the job start payment.

The UK Government view the draft order as an addition to the support already provided across Great Britain to people searching for work within the reserved competence. It demonstrates that the UK Government remain committed to strengthening the devolution settlement and shows Scotland's two Governments working together. On that note, I commend the order to the Committee.

4.32 pm

Tony Lloyd (Rochdale) (Lab): It is a pleasure to serve under your chairmanship, Mr Sharma. Neither I nor the Minister anticipate any dissent, but I have a number of technical questions about the draft order. I will be grateful for a response.

Extra provision for those who have left care is obviously welcome. It is important to recognise the extra burden faced when obtaining employment by those who come through the care system anywhere in this United Kingdom. Will the Minister state for the record what I think is the case, which is that residence in Scotland will be a necessary condition of being able to apply for the grants, but anyone who has come through the care system in any part of the United Kingdom—England, Wales or Northern Ireland—will be eligible to apply for, and to be granted, the same facilities as those who have come through the care system in Scotland?

My second question is slightly more difficult. Probably something in the order of 700,000 people in Scotland are on a zero-hours contract. Such new and unusual forms of employment contract lead to very different work-life balances from those we would have assumed in the past. Clearly, there may be complications for those on low or zero hours in having their employment status recognised for the purposes of the grants. Can the grants be extended to people in that situation? Obviously, these unusual contracts exist in problematic work all over the UK, and it would be difficult—indeed, unfair—for those who are making their best effort to get into the world of employment to find themselves shut out of the scheme because of technicalities.

My final point is arguably much more political. We know that one issue we still face is low pay in work. The grants—£400 for those with children, £250 for those without—are a powerful incentive and go some way to recognising the real costs of moving into the world of work for those who do not have previous experience. Had the Government accepted the minimum wage of £10 an hour proposed by the Labour party during the last election, the uplift would have been considerably bigger, putting £2 billion into the Scottish economy and in effect floating a considerable number of those seeking work way above the level of the grants.

I do not want to be churlish and pretend that this scheme is not welcome, but I hope the Minister accepts that the politics of low pay and of bringing the whole of these four nations of ours up to an acceptable working wage is real. For younger people aged between 18 and 20, the living wage will be little more than £6.45 an hour. That is a low wage by any standard. Clearly, the capacity to lift those people beyond that would make a real difference. Nevertheless, we give our wholehearted support to the order.

4.37 pm

Drew Hendry (Inverness, Nairn, Badenoch and Strathspey) (SNP): It is a pleasure to serve under your chairmanship, Mr Sharma. I do not think anybody will be surprised to hear that Scottish National party Members support the measure. It is the right thing to do. Of course, Scottish Ministers should already have the power to make this change themselves, without recourse to this place. The transfer to the Scottish Government of power over areas covered by the Employment and Training Act 1973 will enable the Scottish Government to assist young people between the ages of 16 and 24. As the hon. Member for Rochdale said, this payment will be a powerful incentive, so I make no apology for repeating the details of this great initiative.

The Scottish Government are introducing a new job start cash payment of £250, and £400 for a young person with children, available to those between the ages of 16 and 24 who have been out of work and receiving a low-income benefit for six months prior to finding employment. As mentioned, care leavers will not have to meet this qualification and will be supported until their 26th birthday. This change has the potential to have a transformational effect for a lot of young people seeking to make their way in the world. The payment can help with travel costs, clothing, lunches and other expenses that need to be met before someone receives their first salary. If all goes well in this place, it will be launched this spring.

The Scottish Government are doing all they can within the constitutional and financial restraints placed upon them to build a social security system for Scotland based on dignity, fairness and respect. Clearly, we are pleased that the UK Government have agreed to share this function of making arrangements so that the Scottish Government can deliver the new payment, but I feel compelled to say that it is ridiculous that Scottish Ministers are forced to get permission from the UK Government, instead of having the powers themselves. We want the Scottish Parliament to have full power over social security, so that we can introduce inclusive and progressive policies, without being at the whim and favour of the Westminster Government.

4.39 pm

Douglas Ross: I thank those who contributed to the debate, which was generally consensual, with some exceptions towards the end of the remarks by the hon. Member for Inverness, Nairn, Badenoch and Strathspey.

Let me start with the remarks by the hon. Member for Rochdale. A shiver went up my spine as soon as he said he had some technical questions, given his questioning of the Secretary of State at Scotland questions a couple

of weeks ago. The hon. Gentleman asked about people resident in Scotland who left care in other parts of the UK. An individual will be eligible for the policy when they are resident in Scotland on the day of the job offer; they could, therefore, have left the care sector in England or Wales and moved up to Scotland. Where they are based on the day they apply under the policy and they have a job offer will determine their eligibility.

The hon. Gentleman also asked about zero-hours contracts. The Committee has not yet discussed the consultation the Scottish Government held on the policy. There were 96 responses to that consultation. As a result of suggestions in those responses, applications can now be made in respect of employment expected to average 12 hours per week over a four-week period, rather than the original 16 hours per week. That addresses some of the concerns the hon. Gentleman raised. That point was raised by a number of people who responded to the consultation, and the reduction from 16 hours to 12 hours was made as a result.

Finally, although the hon. Gentleman said he did not want to be churlish or too political, he said there would have been greater benefits for Scotland if the Labour party's proposals for a minimum wage had been adopted. I try not to be too churlish or political when I say that the Scottish Labour party went from seven MPs to one at the last election, and that Labour was returned as an Opposition party and we were returned as the Government, with the biggest majority since Margaret Thatcher's. We broke down the red wall because we had policies that people across the United Kingdom related to. They believed this Government and this Prime Minister would improve their lives, and I think that is why we were returned with such a large majority. I will come back to the point, Mr Sharma; I was trying to address the issues that were raised, which strayed slightly from the proposals in the draft order.

Although the hon. Member for Inverness, Nairn, Badenoch and Strathspey was a bit critical and asked why the Scottish Government should have had to ask for the draft order—that is the devolution settlement we have—he welcomed it, which shows that we can work well together. The policy shows that we have the shared interest of ensuring that young people can remain in employment when they get a job offer. We want to work together as a UK Government and a Scottish Government to deliver for the people of Scotland, and this policy does exactly that. The SNP Government held a consultation in Scotland, we introduced the draft order, and we have held discussions in this place and the other place. Surely, the fact that the UK Government and the Scottish Government can agree on such policies to improve the lives of young people through work is something we can all celebrate.

This Government are committed to working collaboratively with the Scottish Government to ensure a functioning settlement for Scotland. The draft order facilitates the introduction of the job start payment for young people in Scotland, which shows the UK Government's commitment to working with the Scottish Government to deliver that.

Question put and agreed to.

4.43 pm

Committee rose.

