

PARLIAMENTARY DEBATES

HOUSE OF COMMONS
OFFICIAL REPORT

Ninth Delegated Legislation Committee

DRAFT SOCIAL SECURITY (SCOTLAND) ACT 2018
(DISABILITY ASSISTANCE, YOUNG CARER
GRANTS, SHORT-TERM ASSISTANCE AND
WINTER HEATING ASSISTANCE)
(CONSEQUENTIAL PROVISION AND
MODIFICATIONS) ORDER 2021

Thursday 8 July 2021

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Monday 12 July 2021

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The Committee consisted of the following Members:

Chair: DR RUPA HUQ

Barker, Paula (*Liverpool, Wavertree*) (Lab)
 Caulfield, Maria (*Lewes*) (Con)
 Duguid, David (*Parliamentary Under-Secretary of State for Scotland*)
 † Edwards, Ruth (*Rushcliffe*) (Con)
 † Elmore, Chris (*Ogmore*) (Lab)
 Freer, Mike (*Comptroller of Her Majesty's Household*)
 Harris, Rebecca (*Lord Commissioner of Her Majesty's Treasury*)
 McKinnell, Catherine (*Newcastle upon Tyne North*) (Lab)
 McDonagh, Siobhain (*Mitcham and Morden*) (Lab)
 † Mak, Alan (*Lord Commissioner of Her Majesty's Treasury*)

Mann, Scott (*Lord Commissioner of Her Majesty's Treasury*)
 Morris, Grahame (*Easington*) (Lab)
 Pursglove, Tom (*Corby*) (Con)
 † Stewart, Iain (*Parliamentary Under-Secretary of State for Scotland*)
 Thomson, Richard (*Gordon*) (SNP)
 Throup, Maggie (*Lord Commissioner of Her Majesty's Treasury*)
 † Twist, Liz (*Blaydon*) (Lab)

Robi Quigley, Ffion Morgan, *Committee Clerks*

† **attended the Committee**

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Thursday 8 July 2021

[DR RUPA HUQ *in the Chair*]

Draft Social Security (Scotland) Act 2018 (Disability Assistance, Young Carer Grants, Short-term Assistance and Winter Heating Assistance) (Consequential Provision and Modifications) Order 2021

11.30 am

The Chair: Before we begin, I remind Members to observe social distancing and to sit only in the allotted marked places. I remind Members that Mr Speaker has deemed that masks should be worn in Committee. Our colleagues from *Hansard* will be very appreciative if you could send your speaking notes to hansardnotes@parliament.uk.

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

That the Committee has considered the draft Social Security (Scotland) Act 2018 (Disability Assistance, Young Carer Grants, Short-term Assistance and Winter Heating Assistance) (Consequential Provision and Modifications) Order 2021.

It is a pleasure to see you in the Chair today, Dr Huq.

The draft order was laid before the House on 17 May this year, and I am grateful for the opportunity to debate it today. It is part of the Government's ongoing commitment to devolution. Before I turn to its provisions, I thought it might be helpful to place it in context.

The order is to be made under the Scotland Act 1998, which devolved powers to Scotland and legislated for the establishment of the Scottish Parliament. The Scotland Act 2016 was the next major update to that settlement, delivering the cross-party Smith commission agreement. The commission had been established following the 2014 referendum on Scottish independence. As a result of the Scotland Act 2016, a wide range of powers, including social security powers, have now been transferred to the Scottish Government and Scottish Parliament.

Scotland Act orders are used to implement, update and adjust Scotland's devolution settlement. The Scottish and UK Governments work closely together to agree the content of those orders. The draft order is a section 104 order, which allows for necessary legislative amendments in consequence of an Act of the Scottish Parliament. It will ensure the safe and secure transition of powers to the Scottish Government under the Scotland Act.

Turning to the purpose and effect of the draft order, it amends social security and tax legislation in the United Kingdom as a consequence of the Social Security (Scotland) Act 2018, which I shall refer to as the 2018 Act. Under the Act, the Scottish Government are able to introduce new forms of assistance using the social security powers devolved under section 22 of the Scotland Act 2016. Section 31 of the 2018 Act allows the Scottish Government to provide financial support for people in Scotland with a disability.

On 26 July this year, the Scottish Government will introduce the first form of disability assistance for children and young people, called child disability payment. The payment will operate in broadly the same way as disability living allowance for children, the reserved benefit that it will replace, currently provided for by the Department for Work and Pensions. The UK and Scottish Governments' intention is to ensure that there is equal treatment, with similar reserved benefits for specialist tax and benefit disregards.

For the equivalent reserved benefit, the disability living allowance, the UK Government provide a VAT zero rate for the leasing of vehicles to individuals under the scheme, a VAT zero rate for the onward sale of the vehicles by the lessor and an exemption from the insurance premium tax on the insurance covering vehicles leased under the Motability scheme. The draft order extends those provisions to ensure that people on child disability payment also benefit from the reliefs.

The draft order also extends the definition of a disabled person in certain taxation legislation to include individuals in receipt of a qualifying rate of disability assistance for children and young people. This ensures that eligibility for child disability payment receives the same treatment as for reserved benefits in terms of inheritance tax, income tax, corporation tax, child trust funds and individual savings accounts. The order also amends reserved social security legislation to ensure that the three forms of disability assistance to be introduced by the Scottish Government are disregarded in the calculation of reserved income-related benefits in the same way as the benefits they replace—namely, disability living allowance, personal independence payment and attendance allowance.

Finally, the Scottish Government introduced child winter heating assistance, the young carer grant and short-term assistance in 2020. The order amends legislation to ensure that there is equivalent provision for Northern Ireland with respect to disregarding benefits as income or capital. Making these changes is not within the legislative competence of the Scottish Parliament, and therefore the UK Government are facilitating that through the order. This will ensure that people in Scotland are not disadvantaged by devolution, meeting the principle set out within the Smith commission.

To be clear, the order makes only technical amendments to reserved legislation and does not set the policy for child disability payment. Furthermore, the powers of the UK Government will not be reduced as a result of the order. The order is a sensible and pragmatic step on the part of the UK Government in our commitment to make devolution work and reflects the continued strong co-operation between the Scottish and UK Governments. I therefore commend the order to the Committee.

11.36 am

Chris Elmore (Ogmore) (Lab): It is a pleasure to serve under your chairmanship, Dr Huq, I think for the first time. I say to the Minister from the outset that the Opposition do not oppose the order. As he set out, it allows provisions made under the 2018 Act in Scotland to work effectively. We fundamentally agree with the position that the Minister set out. However, I will make some brief observations.

First, we are now in the middle of 2021, but only in recent months have people in Scotland begun to receive the Scottish child payment. That policy was announced by the Holyrood Government in June 2019, when they said 170,000 children could benefit. In the end, it has taken more than 20 months before families started receiving the benefit. The SNP might say that a pandemic caused the delay, but I suggest that a pandemic that forced thousands into financial difficulties is exactly when social security is needed most. I have a feeling that the Minister might well agree.

The Scottish child payment, although welcome, does not go quite far enough. According to the Child Poverty Action Group, more than a third of Scottish children growing up in a family where someone has a disability live in poverty. That is not the only issue with social security in Scotland. Valid concerns are being raised about the Scottish welfare fund, which should act as a lifeline to many families. Instead, organisations have highlighted mounting evidence that the fund is neither adequate nor accessible in all cases. In fact, a report last year found that, in some local authorities, as many as 69% of crisis grant applications made in the most desperate of circumstances were rejected. The SNP should spend less time game-playing at Westminster and more time responding to these urgent issues. Labour in Scotland, along with many stakeholders, have called for an urgent review of the Scottish welfare fund, and we hope the SNP will listen.

Of course, the welfare problems in Scotland are made worse by the cruel and reckless policies of the UK Government, which often exacerbate poverty, such as the two-child cap and the potential ending of the £20 uplift to universal credit. When Labour campaigned for the creation of the devolved Parliaments, it was so that Governments in different parts of the country could make different choices. With the devolution of social security, the aim was to build a fairer and more dignified welfare system. The SNP Government must start using the full extent of powers available to do exactly that.

It is time for them to shift away from merely transitioning benefits to the Scottish Parliament and start reforming the eligibility and adequacy of benefits so that people across Scotland have enough income to live a dignified life.

It is the responsibility of both the Scottish and UK Governments to work towards the eradication of poverty. I hope they both take that duty as seriously as they ought to. As I say, the Opposition do not oppose the order and welcome the position of the Minister. It is just a shame that it has taken such a long time for Holyrood to decide to undertake these changes.

The Chair: SNP Members are not here, and are conspicuous by their absence.

11.39 am

Iain Stewart: I am grateful for the support from the Opposition, and particularly for the comments of the hon. Member for Ogmore. Some of his points were rightly directed at the Scottish Government and are for them to respond to. However, I will say is that this Government are always willing to work with them to facilitate those powers and the administration of them when required. I do not believe there has been any delay on our part.

It is notable that no Member from the Scottish National party is present. I absolutely concur with the hon. Gentleman's point that it would be rather better for them to invest their energies into using the powers that they have, rather than forever asking for more powers to be added. This order is a sensible and pragmatic step to continue the devolution of welfare powers and it reflects the strong co-operation between the Scottish and UK Governments.

Question put and agreed to.

11.41 am

Committee rose.

