



# HOUSE OF LORDS

Revised transcript of evidence taken before  
**The Select Committee on the Constitution**  
Inquiry on

## **THE UNION AND DEVOLUTION**

*Evidence Session No. 14      Heard in Public      Questions 175 - 179*

FRIDAY 11 DECEMBER 2015

3.50 pm

Witness: Martin Sime

Members present

Lord Lang of Monkton (Chairman)  
 Lord Cullen of Whitekirk  
 Lord Hunt of Wirral  
 Lord Judge  
 Lord MacGregor of Pulham Market  
 Lord Morgan

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**Examination of Witness**

**Martin Sime**, Chief Executive, Scottish Council for Voluntary Organisations

**Q175 The Chairman:** Thank you very much for coming, Mr Sime. We are very grateful and I will start straight off with the first question. I would just like to ask you how and to what extent the difference in government policy between the United Kingdom and Scotland might affect the voluntary sector or does affect the voluntary sector.

**Martin Sime:** As you know from the past, the voluntary sector is a very diverse and complex set of organisations, some 50,000 organisations. They work across virtually every area of public policy. They have an interest in all kinds of things because of the diverse activities that they undertake. It would be fair to say that voluntary organisations work across and between both levels of government, and on issues that are devolved, semi-devolved and reserved. Therefore, they have a great interest in how government is organised, and how to access and influence government and acquire resources for their public benefit purposes.

**The Chairman:** At present, it sounds as though you are not finding any difficulties negotiating as between the United Kingdom and the devolved Parliament.

**Martin Sime:** I do not think I meant to imply that. In fact, the complexity of the devolution settlement as it is, never mind the additional layers of complexity that are about to be added, creates additional challenges for voluntary organisations. Those can be partly described as administrative. They might be, to a certain extent, geographical. There is a psychological aspect to it as well, because certainly in my professional lifetime before devolution I found Westminster and Whitehall much easier to influence and to access than since devolution, and I do not think that has all been from lack of trying. I feel voluntary organisations have to engage with all this complexity, and the more there is of it the more the challenges. I would say that, particularly in the current situation, where we have two Governments of quite distinct and different ideological and political purposes, then that challenge is ever more severe.

**The Chairman:** Are there any specific proposals in the Scotland Bill that is before Parliament at the moment that cause you alarm or concern?

**Martin Sime:** Oh, I think just about all of it. We will look back on this as a great example of a poor process leading to poor outcomes. If you put a bunch of politicians in a room—if you will excuse me—and ask them to resolve this matter, then they treat it as a game of chess, with the different pieces, the reserved and devolved pieces, being deployed according to short-term political advantage. What was conspicuous by its absence in the Smith process was the interest and voice of a citizen who has to experience the services that come out of the far end of these agreements. Where we have landed, particularly on welfare and employability, but also in other areas too, ill serves the delivery of public services to support citizens.

**The Chairman:** Instead of a politician, let me bring in a judge, Lord Judge.

**Q176 Lord Judge:** We have had different definitions given to us of the social union. One definition we have been given is that it “provides the social solidarity”—I am reading—“which binds the UK together, by redistributing revenue and pooling and sharing risk through welfare benefits” and through the pension system. First of all, is that a definition that you would recognise? Would you like to add to, alter or amend it?

**Martin Sime:** I would recognise it but not accept it. That is almost a political definition. I think the man on the street would understand a social union as being something that was not a political creation but was about the ties and societal connections that join us together in this island or set of islands.

**Lord Judge:** Exemplified in what sort of way?

**Martin Sime:** Exemplified in the human relationships and the connectivity that we all have with people who live on either side of these borders. It is a societal union in that sense. The social union as a political concept I have never entirely understood, because I think it is deployed as a political weapon to try to prevent the devolution of particular powers. The argument about not devolving welfare because it would undermine the social union is an alien concept to me. It prevents a rational discussion about which powers are best deployed at which level to support citizens.

**Lord Judge:** In the context of welfare, which powers should be devolved?

**Martin Sime:** I would prefer all welfare powers to be devolved, and I think we will end up there, whether it is in 10 years’ time or 20 years’ time. That is inevitable because, when you devolve significant other areas of public life, health in particular, as an act of public policy, you need to be able to align the different powers and levers at your disposal. The interface between health and welfare is absolutely critical for the health of public finances and the

delivery of public services. Therefore, to draw a line that says we will not devolve welfare because of this concoction of social union, but health is already devolved, is going to cause us trouble in the future.

Actually, I refer to the Chancellor's recent announcement of the 2% precept on social care in England as an example of a decision that is going to have quite profound impact in the longer term in Scotland. Similarly, if the UK Government decided that health insurance was part of the way forward to meet the health situation in England, that would have a profound impact on public expenditure in Scotland and cause us to think about how our health service was organised. Once you have set down on the road of devolution, as we have done in health, there is an inevitable divergence of practice. We can either try to compress that and reduce it, or we can celebrate it and learn from it. It seems to me that the idea of trying to contain devolution in that way is unhelpful and unrealistic.

**Lord Hunt of Wirral:** My Government in Wales have expressed serious concern about welfare devolution as undermining the concept of common social citizenship across the union, because they worry about the effect of service delivery and policies diverging around the UK. Does it not worry you?

**Martin Sime:** They are not worried about that in terms of health and education, but they are worried about it in terms of welfare.

**Lord Hunt of Wirral:** Social security benefits.

**Martin Sime:** My organisation has argued for decades that employability services ought to be devolved to align with the responsibilities that the Scottish Government currently have on skills and support to the voluntary sector, and other areas that impact on services to unemployed people. We are reaching the situation, which I think is unhelpful, where an unemployed person gets a bus into the high street, and if he turns left there is the Jobcentre Plus and the benefits service; if he turns right there is Skills Development Scotland and the college network. The citizen is completely unsighted as to which way he should turn and which service would best meet his needs to get back to work. That complexity is enhanced by the failure to devolve benefits.

I can think of many examples that my members face of the benefits regime, the introduction of universal credit and the sanctions that have been imposed on many of the people whom voluntary organisations work with, which have undermined their ability to help those individuals properly establish themselves as independent citizens and move forward with their lives. As to the idea that there are some powers that can be devolved in this sense and other

powers that ought to be retained for the notion of some sort of integrated, cross-UK positioning, that boat sailed when devolution was first established.

**The Chairman:** Lord MacGregor may not want to ask his next question, but let us encourage him to do so.

**Q177 Lord MacGregor of Pulham Market:** Should there be a minimum level of welfare benefits set across the UK, which devolved Governments can supplement but not reduce?

**Martin Sime:** At the start of this process, maybe two years before the referendum, having discussed this matter widely with our members, we set out that all welfare and employability should be devolved. We undertook a little public opinion sampling on this matter in the run-up to decisions about how the referendum was going to be organised. We discovered that some 70% of the public favoured what was called devo-max at the time. Devo-max has had various incarnations, but devo-max broadly means everything except defence and foreign policy to be devolved, on the principle that Government should raise the funds that they spend. It seemed to me that, although that concept enjoyed strong public support, and in terms of political affiliation there was very little to choose between the major parties in Scotland in terms of their supporters also supporting this, it is a political orphan. In other words, it was not supported by the current Scottish Government and it was not supported by the UK Government or indeed by the Labour Party.

You have had John Curtice here. If you read your opinion polls you will find almost exactly the same situation now. The public still support a version of devo-max that involves the devolution of all welfare powers. I am not answering your question, in the sense that your question is based on a premise that there ought to be some powers that are reserved. I have not heard an argument that I would recognise about the value of that, in terms of the ability of politicians to deploy these powers to support citizens.

Just now, you have the UK Government with its positioning on welfare, which has been received in an entirely hostile way in Scotland, and for good reason, and further cuts in welfare budgets to come and an austerity approach to welfare. Many of my members have to pick up the pieces from those decisions, and there is some really terrible hardship in terms of poverty and deprivation. The growth of food banks is but an example of that in Scotland. They would see no case for continuing with that regime in Scotland, and, indeed, the Scottish Government positioning on these matters is almost diametrically opposed to the UK Government, so we have two welfare regimes with completely different purposes. They do not really speak to each other and a citizen has to navigate both. That is a direct result of how

the Smith proposals have come to pass and just a complete absence of putting a citizen at the centre of those processes.

**Lord MacGregor of Pulham Market:** If you move to that position of devo-max as far as welfare benefits are concerned, presumably it is accepted that, if it happened in Scotland, the Scottish Government would have to raise the finance to provide them?

**Martin Sime:** Yes. Devo-max assumed that all the responsibilities of the Scottish Government would be backed with sufficient tax-raising powers to cover those responsibilities. That is a position that resonates with an individual on the street who thinks that Government should raise what they spend. Similarly, local government should raise what it spends. This business of the higher level of government determining what the lower level of government spends is not rational or helpful. That may take us to a degree of federalism, whatever the word is, but I think the public would recognise that accordingly.

**The Chairman:** All the parties to the Smith Commission agreement accepted the proposal to go for a minimum level of welfare benefits and the option to supplement from their own resources if they wished. If your policy was pursued, is it not the case that richer devolved areas in the United Kingdom would be better able to afford welfare benefits than poorer devolved areas, and that therefore you might get discrepancies in the welfare payments, which would be regarded across the country as rather unfair?

**Martin Sime:** There is discrepancy in all kinds of areas of public life that is similarly unfair. As your previous two panellists confirmed, the further you devolve, the more you create divergence, and the more you create divergence, the more you may need to consider ways to equalise those arrangements. It just depends where you start from. I think we would all, certainly from voluntary organisations, like to see a level playing field in terms of Scottish citizens and their access to support and assistance from the Government. To isolate welfare in this matter without thinking about health and education seems to me to be an arbitrary line. Why should welfare be any different from those other public services?

**Q178 Lord Morgan:** You were just mentioning access to government for ordinary citizens and I wondered how this applied in terms of your membership. It has been said that individual citizens find great difficulty in seeing what the line of accountability is to the devolved Government in Edinburgh and to the Government in Westminster and Whitehall. There is a further problem of asymmetry between the devolved Governments. Is this a particular problem of finding out the facts for your membership?

**Martin Sime:** It is, and it has always been the case that citizens tend not to have a very detailed understanding about which level of government is responsible for which. An MP's or

an MSP's postbox will tell you that they just go to the first representative they know and leave it to them to sort out. Of course, the more complex these matters become, the further divorced citizens get from an understanding about how government works, the more alienation you get from the political process. That is to be regretted. I feel that government needs to be rational and simple and straightforward, and needs to spend more time actually explaining itself to the public about how it works, so that the public are able to access government and exert influence over government when they need to as citizens.

Can I just use as an example the fiscal framework that is currently being negotiated between the two Governments? It has been done in such an obscure way, lacking any transparency, there are no opportunities for citizens to engage, let alone even understand the notions that are being discussed. Yet everybody would recognise that the fiscal framework could have a fundamental impact on the quality and resources available to government in the future. We cannot conduct our 21st century government in this kind of secret way and expect citizens to have respect for the political process. It is simply not good enough.

**The Chairman:** We are completely at one with you on that point.

**Lord Morgan:** What alternative are you suggesting? In what way could they make their impact? Should it be a sort of social convention, as some people have suggested, or constitutional convention?

**Martin Sime:** I think you will find that the Scottish Parliament is very porous and open to influence and engagement from citizens and voluntary organisations. My members queue up to give evidence to its committees.

**Lord Morgan:** To parliamentary committees?

**Martin Sime:** To parliamentary committees. Every day of the week, there is a reception that engages citizens in the work of the Parliament, with them meeting MSPs. I compare that openness and accessibility to the situation at Westminster with a certain amount of dismay. The two are not the same, because there are issues about scale and distance and things like that, but the way in which the Parliament goes about its business is to be commended and has brought a real sense of commitment and engagement from many walks of public life in Scotland, which was absent before. That is still in its infancy, but it has been one of the more positive aspects of the regime.

**Q179 Lord Cullen of Whitekirk:** I come to an issue that you may have heard being put to the two previous witnesses, which is this: should powers be devolved to a lower level than the UK Government and lower than the devolved national Governments? If there is a case for that, have you any view as to what powers should be devolved to that lower level?

**Martin Sime:** There is a very healthy debate going on just now in Scotland about local government and how local it is, and how to establish a level of government where citizens are able to engage and be involved at a scale that is appropriate. It transpires that Scottish local government has the largest number of citizens per local government unit of any local government in western Europe, which is unhelpful. If you take Norway, for example, I might get this wrong but it is something like 160 local government units in Norway compared to Scotland's 32 on a similar population size. Making local government local is part of a healthy discussion that is going on in Scotland.

I have to add a little caveat to this, which is that I do not think it is for central powers to decide which powers are allocated beyond the Scottish Parliament. That is the sort of mendacious approach that will not be well received in Scotland. It is a matter for the Scottish Government to work out how to devolve powers beyond the Scottish Parliament.

There is a broad support for the proposition that more powers should be exercised more locally, but I would not want this debate about where powers are exercised to be simply one about which layer of government. There is a very important set of developments around rights-based approaches to services and around personalisation in health and care, which may and should, in my view, be extended to welfare and employability, so citizens get the power to make choices about the services that best meet their needs. That plays a very important role in any discussion about where future power in our system lies.

**Lord Cullen of Whitekirk:** Do you see scope for deals dealing with particular areas to stimulate economic growth?

**Martin Sime:** Those are not anything to do with political devolution. In my mind, they are contracts to deliver public services. Therefore, the city deals as experienced in England, and as proposed in Glasgow and elsewhere, are not political instruments, to my mind, and nor should they be. I am not in favour of the UK Government trying to bypass the Scottish Government, as has been done in Canada with Quebec, and go straight to local government with ways of undermining the authority of the Scottish Government. It would be a misjudgement of the mood of Scotland for that to happen. You may get some willing local councillors and officials, but I think that is about as far as the public enthusiasm for that will go.

**The Chairman:** That was very interesting, Mr Sime. I absolutely agree with you that it is not for us at the Westminster Parliament to get involved in further decentralisation, although the principle of decentralisation is one that we warmly support. I had a hand myself in the change from a two-tier local authority structure with the regions, Strathclyde and Lothian, to the

all-purpose local authorities that we still have today. That is only the halfway house. That is what we did when we were in office. We could not do more then. It is not for us to do more now, but I was interested in your views, which are very interesting. We shall see what happens, shall we not? Thank you very much for coming.

***Martin Sime:*** You are very welcome.

**The Chairman:** It was much appreciated. We hope you enjoyed listening to the earlier parties.

***Martin Sime:*** I did, yes.

**The Chairman:** We are very sorry that Mr David Moxham could not join us.

***Martin Sime:*** So am I. He could have told you all about the Trade Union Bill and how he hopes that the STUC would have the opportunity to exempt themselves from such legislation. Thank you very much.

**The Chairman:** Thank you.