



**OFFICIAL REPORT**  
AITHISG OIFIGEIL

# Social Security Committee

**Thursday 6 October 2016**

**Session 5**



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**SOCIAL SECURITY COMMITTEE**

**6<sup>th</sup> Meeting 2016, Session 5**

**CONVENER**

\*Sandra White (Glasgow Kelvin) (SNP)

**DEPUTY CONVENER**

Pauline McNeill (Glasgow) (Lab)

**COMMITTEE MEMBERS**

\*George Adam (Paisley) (SNP)  
Mark Griffin (Central Scotland) (Lab)  
\*Alison Johnstone (Lothian) (Green)  
\*Gordon Lindhurst (Lothian) (Con)  
\*Ben Macpherson (Edinburgh Northern and Leith) (SNP)  
\*Ruth Maguire (Cunninghame South) (SNP)  
\*Adam Tomkins (Glasgow) (Con)

\*attended

**THE FOLLOWING ALSO PARTICIPATED:**

Helen Flanagan (Public and Commercial Services Union)  
David Formstone (Social Work Scotland)  
Robin Haynes (Scottish Government)  
Andrew Jackson (Scottish Federation of Housing Associations)  
John McArdle (Black Triangle Campaign)  
Dr Jim McCormick (Joseph Rowntree Foundation Scotland)  
Elodie Mignard (Scottish Refugee Council)  
David Moxham (Scottish Trades Union Congress)  
Craig Smith (Scottish Association for Mental Health)  
Dave Sorensen (Scottish Government)

**CLERK TO THE COMMITTEE**

Simon Watkins

**LOCATION**

The Mary Fairfax Somerville Room (CR2)



# Scottish Parliament

## Social Security Committee

Thursday 6 October 2016

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

### Work Programme Priorities

**The Convener (Sandra White):** Welcome, everyone. I thank you all very much for travelling here this morning. Some of you have come from not too far away, but some have travelled greater distances. I thank you for appearing before the committee to give evidence.

I remind everyone to turn off their mobile phones because they interfere with the sound system. I am told that, if you sit about 1 foot away from your microphone, that is best for the recording system.

We have apologies this morning from Pauline McNeill and Mark Griffin.

Under agenda item 1, we have our third and final round-table discussion to gather stakeholders' views on the committee's priorities for its work on the proposed social security bill. I invite the witnesses to introduce themselves in turn.

**Helen Flanagan (Public and Commercial Services Union):** I am from the Public and Commercial Services Union.

**Craig Smith (Scottish Association for Mental Health):** I am from the Scottish Association for Mental Health.

**Elodie Mignard (Scottish Refugee Council):** I am from the Scottish Refugee Council.

**David Formstone (Social Work Scotland):** I am from Social Work Scotland.

**John McArdle (Black Triangle Campaign):** I am from the black triangle campaign in defence of disability rights.

**David Moxham (Scottish Trades Union Congress):** I am from the Scottish Trades Union Congress.

**Andrew Jackson (Scottish Federation of Housing Associations):** I am from the Scottish Federation of Housing Associations.

**Dr Jim McCormick (Joseph Rowntree Foundation Scotland):** I am from the Joseph Rowntree Foundation Scotland.

**The Convener:** Thank you. Before I ask the first question, I put on the record that I am in contact

with the black triangle campaign in the context of a constituency matter.

What areas, if any, do you believe the committee should prioritise in scrutinising the proposed social security bill?

**Craig Smith:** SAMH welcomes the prospect of the devolution of a limited aspect of the social security system to Scotland. The biggest scrutiny priority for us is the disability aspect, and in particular disability living allowance and the personal independence payment. There is a real need for radical change in how PIP is being delivered, particularly around the assessment process, the application process and the support that claimants receive while going through the process.

We have done a lot of work with our service users to gather evidence for our response to the consultation on the proposed social security bill, and a lot of issues have come up that are similar to those that have come up over the years on welfare reform, including the reforms to employment and support allowance and the work capability assessment.

The PIP assessments are having a long-term negative impact on people's mental health. The assessments are not addressing people's mental health or acknowledging that there is a huge concentration on people's physical abilities rather than on their mental health and its impact on their functionality.

There is a lack of support in the process. We have seen the impact that really good welfare advocacy and advice can have in helping people through the process, but there is still a backlog for that and barriers to accessing it. We have been involved in a good pilot that was funded by the Scottish Government through the Health and Social Care Alliance Scotland—the ALLIANCE—on providing dedicated welfare advocacy support to people going through not only the ESA process but the PIP process. Unfortunately, that work is no longer being funded. The pilot's results were excellent in that, during the process, people felt more confident and were more able to express how they felt and the impact that their health was having on them. They got better results from that and there was less need for appeals.

We know that the PIP process is not working given that 60 per cent of PIP appeals are successful, and that has huge impacts on claimants. There are particular issues around people's mental health problems and fluctuating conditions, which are not really recognised by the system.

**Andrew Jackson:** Local housing allowance is a distinct area of current benefit that I hope the committee will look into. We have briefed on the

issue and it is referred to in the committee papers. We are going to share our case studies with MSPs more widely, but we have an example for every member but one of this committee that shows that, because of what is proposed, some people will lose hundreds of pounds a month for their rent if they are in supported accommodation.

That touches on a wider point about the way in which the committee might choose to approach the Government's actions on the devolved benefits system. The consultation document focuses heavily on the list of benefits that are explicitly being devolved and it asks for broad thoughts on what else might be done and how things such as universal credit flexibilities might be used. However, if the Government starts by dealing with what it has been given and worries about the other stuff later, it is in danger of creating a system that replicates the problems of the current system, which is in an awful mess precisely because it has had things tagged on to it willy-nilly for decades. If the Government can be creative in thinking about what it might start off with and begin to seriously think about and plan some of the top-ups or, perhaps, new benefits from the off, it will save itself a lot of trouble in the long term.

I will give you a practical example of that. The proposal from the Department for Work and Pensions is that it will give the Scottish Government and the Welsh Government cheques to cover the shortfall that has been created by the cap on local housing allowance for those who are in supported accommodation. Essentially, that creates a grant pot, although it is not clear whether it will be the landlord or the tenant who will apply for that.

Because the measure will not be introduced until 2019, one line of thought is that we have plenty of time to work out what we are going to do when we receive the cheque. However, that thinking needs to be done now, because there are a lot of problems with that approach, one of which is that the benefits system works on a system of entitlement, with money rising as need rises, whereas a grant pot is limited. Also, tenants in supported accommodation now know that something is going to happen to their payments in three years' time but they do not know what, which causes them considerable anxiety, and landlords who are thinking of building new or developing current supported accommodation do not know where their income is going to come from or what shape it is going to take. When we are talking about building houses, three years is a length of time that will make them think that they should simply wait and see, but if they wait until three years have passed, that will make the lead-in time even longer.

It will help if the Scottish Government starts to think creatively about that now, and that applies to its approach to the benefits system more widely. The Scottish Government should think not about what Westminster is giving it but about what it could do with the powers that are available.

**Helen Flanagan:** On the priorities with regard to the devolved powers, we agree that, as PIP and disability benefits are the largest area, that should be the initial priority.

There are three key areas of PIP that we think you should focus on. One is the fact that there are only two payable rates and that the lower mobility rate is being got rid of. That, including the consequential impact on Motability, needs to be considered as a priority.

The other areas are quality in the involvement of the private sector and the way that the assessors handle the assessments. I am sure that all committee members have heard horror stories from their constituents about that. There needs to be a review of how decision making on the part of people in the DWP is affected by the decisions that are made by assessment providers. Our belief is that the work should be brought back into the public sector and the system should be reviewed to enable the staff who process the benefit to use and develop their skills and knowledge of the system, rather than just going on what an assessment provider says, which is what happens at present.

On the structure, we believe that there must be a full choice with regard to how claimants can access not only disability and health benefits but services across the board.

We strongly believe that the need for adequate staffing is a key area to consider. You might be aware that the DWP has cut 30,000 staff since 2010. Given that it is going through the largest piece of welfare reform in the history of the department, that has not happened because the workload has been dropping. The adequate and fair treatment of staff must be considered, because the DWP is a hostile employer towards its staff.

The other key area that must be looked at is something that is not really included in the consultation questions: what the Scottish Government could do to mitigate the worst elements of welfare reform, either through top-up benefits or through a review of what it can do to support claimants through the system.

**Dr McCormick:** My starting point is that the committee can do us a service by shining a bright light on the purposes behind the use of the new powers. In scrutinising how the Government is doing, the committee should hold firm to points around purpose. For example, are the powers to

be used to compensate for the extra costs of disability or notional loss of earnings from being a carer? Are they there to prevent or to mitigate poverty? The committee should really understand and be clear about the purpose behind how the powers ought to be used.

Universal credit, which Andrew Jackson mentioned, is the odd one among the new powers, because it is a shared or concurrent power, which requires data sharing between tiers of Government. It is important that we have really good—much better than we have seen so far—joint governmental scrutiny and working. I agree with Andrew Jackson's point about not waiting on that. Universal credit is here now and we already have some full service sites in Scotland.

The DWP has a test-and-learn approach. We should find out as much as possible about impacts on rent and the housing aspect and we should start to model the right method of payment flexibility and payment sharing within households. For example, we think that child benefit could be used as a really simple gateway benefit for carers to be the default person in the house to be paid universal credit. Let us test that.

My final point is about powers that are already devolved to Scotland, such as the powers over the council tax reduction. I know that another committee is looking hard at reforms to the council tax, but the reduction scheme is already devolved. We could do much more to improve work incentives and to remove the current council tax burden on the working poor. I encourage the committee not to forget about powers that have already been devolved as well as looking at ones that are to come.

**David Moxham:** It will not be a surprise to you, convener, that we think that the committee in developing its work and the Government in developing its legislation need to be highly mindful that we are developing a system in the context of work. A large proportion—indeed, the majority—of people who will be claimants will be working, will have worked recently or will be aspiring to work. Therefore, the Scottish Government's fair work agenda is absolutely vital.

I would like to briefly pick up on three aspects of that. One is that, as is widely recognised, a large proportion of employment in Scotland just now is precarious work. Last week, I met a woman who, at the age of 21, had had 22 different jobs and an amazing number of interactions with the benefits system during that period. Frankly, I was amazed that she was still sane, let alone seeking work. The quality of work is an important issue to bear in mind as we design new employability schemes. Those schemes must have quality built into them. The worst possible outcome for people is to go

into work and, in a very short period, fall out of work again.

The second aspect, which is also on the quality of work, is retention. There is a big burden on the public sector and on private sector employers to ensure that we have the best possible sickness management, the most supportive policies and the best possible interaction between public sector agencies such as the national health service and employers.

The third issue, which is rarely spoken about, is quality of work for the people who deliver the service. One of our big aims is to have a simple and dignified service for the people who receive it. To really deliver that, the workers in the service also need dignity in work. It has to be understood that, in providing a dignified and simple system, the issues might not look quite the same from the other side.

Like many people here, I am a veteran of public service reform, so I know that we often hear warm words about the expertise of the front-line worker being put to best effect. In developing the legislation, we need to find ways of listening to the people who deliver the service. I hope that, in doing that, we will break down some of the barriers in the benefits system that lead to confrontation between the person who delivers the service and the person who receives it.

09:45

**David Formstone:** I have another general theme, which perhaps echoes Jim McCormick's point about the purpose of benefits. In the Social Work Scotland submission, we outline some of our concerns and make a plea for retaining a distinction between the devolved social security system of income maintenance and the wider social welfare system, including social work services.

It is absolutely understandable that the Scottish Government would wish to provide some added value from the new system so that it delivers more than is being delivered by the DWP. The Scottish Government talks in its consultation document about outcomes and about benefits being a springboard for people, and they absolutely should be that in relation to employment and other areas.

Our concern is about some of the contradictions that have grown up historically, which Andrew Jackson alluded to. There is a confusion between care and empowerment and monetary benefits. DLA and PIP have care components but, often, those benefits are not used to fund care. There is a fudging, because many people use a good proportion of those benefits to pay charges from local authorities for social work services.

There are also references to the integration of devolved benefits or alignment with other services such as social work and self-directed support. We ask that that is at least unpicked before we go down that road. We very much side with the view of disability organisations, which is that the primary purpose of benefits is to tackle inequality. It is about income maintenance. The benefits provide for the additional costs of disability, and that purpose should not be combined with any wider social welfare functions.

We are not saying that social work does not have a function in redirecting and supporting people on benefits, helping them back into employment and that kind of thing, but we ask for clarity about those two systems.

**Elodie Mignard:** To add to the point about the purpose and principles of the system, I note that, at the Scottish Refugee Council, we strongly believe that social security should sit within a human rights framework—Scotland already has obligations in that regard—and guarantee the dignity of people who access social security. As David Moxham mentioned, we also need to consider the working conditions of the staff who will deliver the new system.

When we talk about a human rights approach, we mean that there should be a focus on human dignity, accessibility and equality. We ran an advocacy service for three years, and evidence that we published with Queen Margaret University in June 2016 showed that around 1,800 people accessed that service. There are difficulties for everybody in accessing current DWP services, but that figure shows that it is especially difficult for people who are new to this country, are new to any social security system and do not speak English. People rely heavily on organisations such as ours to navigate those systems, and that needs to be taken into account.

Our evidence shows that there are considerable delays in processing benefits, which leads to destitution. With the devolution of universal credit, we really hope that the Scottish Government will explore a more efficient process than the current timeline, which is too long and puts people in destitution and serious financial hardship. The new process should reflect the human rights framework and should mitigate poverty and guarantee human dignity.

On universal credit payments, we would support an option to have payments split between adults in the household in order to avoid issues around financial abuse. A lot of families will have been through traumatic experiences, which put a lot of strain on family life. Family breakdowns happen and we need to manage them effectively.

My other point is about the personal independence payment, which refugees are excluded from at present because of the two-year residency criterion. It is good that the Child Poverty Action Group recently won a court case for a refugee child to be entitled to disability living allowance and the DWP has not appealed, which is a success for the case.

We hope that, with the devolution of PIP, it will become accessible to refugees. As part of the Syrian resettlement programme, many refugees are chosen to come to the UK and Scotland because of additional vulnerability, which often includes disability. People who have been through the asylum process will also have other health issues that can be supported by the personal independence payment.

**John McArdle:** The committee should look at all these issues through the lens of human rights. It is well known that the United Nations special rapporteurs were here in Scotland last December, gathering evidence for the on-going investigation of the UK Government for grave and systematic human rights abuses of disabled people under the UN Convention on the Rights of Persons with Disabilities.

At the time of the Scottish independence referendum, we were promised that there would be

“a system of government as close to federalism as you can have”.

We made a submission to the Smith commission, demanding that all powers over social security be remitted to the Scottish Government, but that has not happened.

Frankly, disabled people now face the catastrophic impact of cuts in their social security due to the migration from DLA to PIP. Let us not forget that George Osborne stood up in the House of Commons and declared that there would be a 20 per cent reduction in the disability budget through PIP. The testing is as far away from evidence-based medicine as it is possible to be. It is underpinned by something called the biopsychosocial model of disability, which is completely unscientific and not worthy of being used in a social security system. It is the same system that underpins the work capability assessment. It was imported from the United States, and Unum Provident Insurance, which was told by the insurance commissioner of California that it was operating “disability denial factories” and was banned from 50 states and fined billions of dollars, advised the UK Government in drafting the test.

The Scottish Government must reject the underpinning of both tests, and it must speak out more forcefully about the number of people who



have died or committed suicide after a work capability assessment. We get reports from all over the UK that people have gone for a work capability assessment and have subsequently lost their disability living allowance on the basis of the answers that they gave. That is the knock-on effect; the test is a gateway. Disabled people and people who have been put into the work-related activity group—WRAG—are being found to be fit for work and are on the work programme. That is happening more and more because the goalposts have been moved.

Our campaign began in June 2010 when a man called Paul Reekie hung himself after a work capability assessment, and we have been campaigning solidly since then to make the system safer. It was our campaign, through our medical adviser, Dr Carty of Leith, that put forward the motion to the British Medical Association conference in 2012 that the work capability assessment regime should be scrapped

“with immediate effect and be replaced with a rigorous and safe system that does not cause avoidable harm to some of the weakest and most vulnerable in society.”

Since that motion was passed and became BMA policy, we have sought to get it implemented by raising awareness of the existence of regulations 29 and 35 of the Employment and Support Allowance Regulations 2013, which detail exceptional circumstances in which, because a person’s physical and/or mental impairment would represent a substantial risk of harm to them, they should not be found fit for work or found to have limited capability for work. Unfortunately, because of an impasse in the contractual arrangements between the BMA and the DWP, our success has been limited in getting knowledge of those regulations put out there. Local medical committees around the UK are simply refusing to provide disabled people with the letters that they need to support their applications, and the DWP refuses to build those regulations into the system despite some assurances that it gave and despite a successful judicial review by the mental health resistance network, which found that the WCA discriminates against people with mental health problems.

None of that has been put into place, so people are still being wrongly found to be fit for work and are committing suicide. It is not just one or two people. One death is too many, but when we are getting stories of people committing suicide every other week and it is in the newspapers, we really need to speak up. Flagrant human rights abuses are taking place on Scottish soil today.

The Scottish Government must demand from the United Nations a copy of that report, which is being sent only to the UK Government. If human

rights are devolved to Scotland, our First Minister has a right to look at that report.

**The Convener:** Mr McArdle, I take on board everything that you have said. A number of members who are here today will have seen the cases that you are referring to. You are talking about physical and mental disabilities and the committee can certainly write to ask for a copy of that report. Damian Green is coming to give evidence to the committee and we can raise that specific point with him. Would that be okay for now? I want to go around the table and hear from others. Did you want to make another salient point?

**John McArdle:** I would like to make a point.

**The Convener:** Okay, but time is short. You will be able to come in again; it is not a problem.

**John McArdle:** I will be brief. The black triangle campaign has submitted a report to Police Scotland and it has been sent to the procurator fiscal’s office. The report is on the deaths of David Barr, Paul Donnachie and Miss D E, whose case was documented by the Mental Welfare Commission for Scotland. We believe that an offence has been committed in Scottish law in that a public official has wilfully failed to carry out their duty. The PF’s office is currently looking at the case.

If disabled people cannot rely on the law to uphold their civil rights, it is a sad day for Scotland. We hope that, as part of the seven-year action plan for human rights in Scotland, all public agencies will put human rights at the heart of their decision making.

**George Adam (Paisley) (SNP):** Good morning everyone. I would like to carry on from where John McArdle left off. He and Helen Flanagan from PCS have told us very powerfully about the inhumanity of the current Westminster regime for DLA and PIP. We have also heard quite a bit of evidence about it.

I would like everyone to give me their ideas on one of the bizarre aspects of the situation. We were told by Bill Scott of Inclusion Scotland that 70 per cent of the old DLA system was done as a paper exercise, and that only 1 per cent of claims were found to be fraudulent, which is probably the fewest in the social security system in general. Now, 95 per cent of them are face-to-face interviews, which adds pressure. A lot of people are dealing with long-term conditions that could end up getting worse. I can use MS as an example of one with which worry and stress will automatically give someone an attack, and there are other conditions like that.

To come back to Helen Flanagan’s point, the cost is about three-and-a-half times the cost of the

old system. We had a system in which disabled people were, in effect, just a number, as far as the chancellor was concerned; the Government was making cuts and that was it. We now have a system that is more expensive and a private company is, in effect, making a profit out of the misery of disabled people.

We keep talking about dignity and respect. They are strong words and the Scottish Government keeps using them. People ask whether there is something radical that we could bring to the system. If we brought dignity and respect to the system, it would be a good start.

What do the witnesses, especially Helen Flanagan and John McArdle, have to say about what I have just said?

**Helen Flanagan:** The private sector was involved in the DLA, but, as you say, it was largely a paper exercise. You are also right to talk about face-to-face assessments.

I remind the committee that we represent the majority of the 54,000 people who work in the DWP. After the assessments, our members often receive PA3 or PA4 forms that do not contain enough information. They have to send forms back to assessors to carry out assessments again—although not face to face—before returning the forms to the individuals who process them. That is another cost and it takes more time for claims to go through, which is not fair on the individuals who are making the claims.

10:00

It is surprising that Atos and Capita were given their contracts, given their history with the WCA. John McArdle has given a few examples of the disastrous impact of the WCA on people who claim benefits. People around the table will also be aware of the huge backlogs—which sometimes went on for six to eight months—when PIP was set up, during which people had to wait until their assessment had taken place.

In terms of assessments and the private sector, if an individual wants to provide additional evidence for their claim for personal independence payments because they fear that the assessment will not be adequate or full enough, they are required to pay for medical evidence themselves. That has a detrimental impact on people with a low income. As I said in my opening comments, that work should be brought back into the public sector. It is abhorrent that companies make a lot of money out of people waiting and out of people's suffering. If there is to be an assessment system, the assessments could be done within the NHS and the forms could be processed by people working for the Government. That is our position,

based on the experience of our members who work in the DWP.

**Adam Tomkins (Glasgow) (Con):** First, it would not be wise for anybody to comment in this forum on individual cases that are live in the Scottish criminal justice system—we should let the system do its work.

I will pick up on two points that were made by David Moxham and Jim McCormick in their earlier remarks. I was struck by what David Moxham said about the importance of the quality of work in the devolution of employability schemes. We had a debate in the chamber yesterday afternoon about exactly that, and a number of us talked about the importance of sustained job outcomes in good quality jobs. Irrespective of party or background, we all want more people in work, more sustained job outcomes and more good quality employment. The question is, how can we design a devolved employability scheme to achieve it?

David Moxham also spoke about the importance of engaging with not only those people who are reliant on the services that are being devolved—that is essential—but those who deliver the services, too. To what extent has the Scottish Government been engaging with, for example, DWP staff in the listening exercise that it has embarked on as part of the social security consultation?

Jim McCormick made a very powerful point about not overlooking the social security powers that were already fully devolved before the Smith commission and the Scotland Act 2016. I am thinking, in particular, about council tax. Could you say a bit more about what incentives could be used to take the working poor out of council tax that are not being used at the moment in Scotland?

**The Convener:** We have gone off on another track.

**Adam Tomkins:** I was following up on the evidence that we have heard so far.

**The Convener:** That is fine, Mr Tomkins. Mr McArdle wants to reply directly to George Adam's question and to what Helen Flanagan said .

**John McArdle:** I will reply to Mr Adam's question. Not long after we began many years ago, the Black Triangle Campaign and our sister campaign in England, disabled people against cuts, signed a memorandum of understanding with PCS to campaign jointly against the involvement of private for-profit companies in the disability assessment regime. There is unanimous consensus across the disabled people's movement in the UK that they must go. That is not to mention the often-criminal behaviour of the companies concerned—I am talking about

Maximus, whose history in the United States court system is appalling. We do not want any of that.

I watched last week's committee meeting online. Somebody spoke about rights and responsibilities. That cuts both ways. Government ministers—in particular, the secretary of state—have a legal responsibility to respond to senior coroners' reports to prevent future deaths. I wanted to put that on record.

**Alison Johnstone (Lothian) (Green):** A lot of the discussion earlier was about SAMH. In its submission, the Scottish Refugee Council spoke about the need for advocacy. In her introduction this morning, Elodie Mignard spoke not just about appealing benefits decisions but about even being able to access the system in the first place. How should we ensure that people in Scotland are able to access a Scottish social security system in an equitable and fairly straightforward way? Do we need greater investment? Do we have enough advocacy services? I will be interested to hear your views.

PCS has highlighted a welfare charter in its written submission. What kind of rights does Helen Flanagan think a charter should include? A charter might address some aspects of ensuring that people are treated with dignity and respect.

**Elodie Mignard:** It is absolutely right to say that advice, support and advocacy are needed at the stage of making a benefit claim. We ran a holistic integration service from May 2013 to June this year, so we have two and a half years' worth of evidence of how people have been accessing the benefits system in Scotland. We thought initially that the service was designed to give more support to people who have higher support needs and to encourage people who speak English and understand the system to navigate it on their own. We found that everybody needed us—that was quite striking.

I will tell you about the main issue with new refugees. When somebody is granted leave to remain in Scotland, they receive a biometric resident permit, which is their identification card. There is a protocol between the Home Office and the DWP to issue a national insurance number, but we have evidence that it is not functioning. As part of the Scottish Government's new Scots strategy for refugee integration, we have been working closely with the DWP to review the processes. There is a recognition among statutory stakeholders that something needs to be done.

I mentioned the national insurance number because 80 per cent of refugees will claim jobseekers allowance, which is done online. The system does not work if the person does not have a national insurance number. It is an information technology problem that is not being fixed, and it is

a practical issue that has massive consequences. Those people need to make a claim on the phone, but they may not speak English. Even if they have good English, welfare language is a different language, so they will struggle.

The DWP is very compartmentalised, with contact centres and benefit delivery centres; there is no way to have face-to-face contact. These processes are extra-difficult to navigate. There are complex questions about savings, shares and bank accounts abroad that people just do not understand. We have to sit with people for an hour or an hour and a half while they make a phone call to make a benefit claim. Then there will be delays, because it will take on average at least 28 days to process a jobseekers allowance claim. By the time the claim has been processed, Home Office support will have stopped, and we will assist people in accessing a crisis grant from the Scottish welfare fund. The Scottish welfare fund, which is administrated by the Scottish Government and local authorities, is a fund that is accessible through the intervention of third sector organisations. We are a recognised organisation for supporting people to claim a crisis grant. The application process involves a phone call or an online application, and there is no access to interpreters on the phone. Those are the resources that we are talking about.

It is difficult to answer your question about whether there are enough advocacy services. I would be tempted to say, "Not really." Our funding stops in June. We are lucky to have secured further funding, but we ran a limited service over the summer. We had to refer people to citizens advice bureaus, which could not cope.

**The Convener:** After Helen Flanagan talks about the welfare charter, I will invite Dave Moxham and Jim McCormick to answer Adam Tomkins's question.

**Helen Flanagan:** I will try to be brief. The welfare charter concept that we referred to in our submission is something that we go into in greater detail in our response to the public consultation. PCS, Unite and Community represent unemployed workers, and the unemployed workers centres have put together a welfare charter, which is a public document that sets out some ideas that the Scottish Government could consider, including the idea—this goes back to what we discussed at the outset—that at the heart of a social security system should be the desire to eradicate poverty and lift people out of poverty.

In addition, claimants should have clear rights. In that context, there is a proposal for a claimants ombudsman, who would cover how claimants can get help through the system, the right to fair and decent work, and the right not to be pushed into precarious work. I am not sure whether members

of the committee are aware of this, but there is a DWP customer charter. However, it is not something that people can rely on, nor is it very strong. We are talking about something much stronger for the Scottish Government, for the people who administer the system and for the people who claim the benefits.

**The Convener:** Does Craig Smith want to come in on that point?

**Craig Smith:** I have a quick point to make in response to Alison Johnstone's question about advocacy. Our position is that there is not enough advocacy support. We know from speaking to our service users that there is a huge backlog in accessing advocacy and welfare advice.

There are different models for how we could address that. The issue is partly about resources, which will be needed. Under mental health law, people have an automatic right to an advocate. That should be considered for people who engage with the social security system, although that would have significant resource implications.

We know that advocacy works and can make a difference. As I said earlier, I was on the national steering group for the Health and Social Care Alliance Scotland welfare advocacy project, which was funded by the Scottish Government and delivered locally through four local advocacy projects. It provided support to people through the work capability assessment and the PIP face-to-face medical assessment. It made people more confident and gave them the ability to speak with confidence. It also made a huge difference to assessors' behaviour, to the results and to the need for appeals. Unfortunately, that project is no longer being funded, which is a shame. I think that there is a need for investment in advocacy.

**The Convener:** Dave—

**Craig Smith:** I am sorry; I have a last little point. Obviously, the suggestion about advocacy is partly a sticking plaster. The fundamental thing is to get the system right when it comes to face-to-face assessments. We would not have such a demand for advocacy if we reduced the number of face-to-face assessments. The figure needs to be reduced dramatically, because 95 or 96 per cent of people who apply for PIP have to go through face-to-face assessments. That just does not make sense, particularly for people with long-term progressive or significant conditions, which include some severe and enduring mental health conditions.

**The Convener:** I invite Dave Moxham to respond.

**David Moxham:** I think that I recall the questions. In reverse order, Adam Tomkins asked about the extent to which the Government has engaged directly with those who deliver key

services. At the instigation of the Minister for Social Security, we had a preliminary discussion with her on precisely that area. We were looking at the type of forums that we can create to do something positive by bringing together the expertise of those who deliver on the ground with the experience of claimants—those who actually experience key services. There is nothing better in public service than to get the experience of the claimant; however, it is also good to hear how services operate at the front line.

You also asked me to redesign, in five minutes, an employability system for Scotland.

10:15

**Adam Tomkins:** Four minutes.

**David Moxham:** Thanks very much for that. I just have a couple of reflections on that. We talk about resources a lot, and £8 million—or £28 million, with the Government's additional funding—is not a lot of money to start with. International and European evidence indicates that the most important thing for a lasting outcome is significant investment in people. I do not like talking about cash value all the time but, as long as the job sticks and is suitable for the person, we massively undervalue the cash value of front-end investment.

There is an enhanced role for the public sector as an employer. The public sector could do more to intervene directly and to provide safe places for people who are returning to work. I am a veteran of the future jobs fund, which was created by Alistair Darling in the eye of the last recession. There were many inadequate responses to that crisis, but one of the more adequate ones was the clear aim of job creation to boost the economy and help people who are further away from the jobs market.

I suspect that you will probably take a different view about the extent to which Government and Government agencies should intervene in employment matters. However, my final point is that we have a range of agencies out there that, to some extent—whether it is through fit notes or access to work—take a view about the quality of work, or adaptations that may need to be made for work. There is a strong argument for looking at how that can be pulled together and made more coherent, so that there is genuine empowerment of those who are providing the pathways back into work to make serious and clear recommendations about what sort of work needs to be provided, particularly for people who are long-term sick and going through occupational health rehabilitation.

**The Convener:** Does Jim McCormick want to respond specifically to Adam Tomkins's question?

**Dr McCormick:** Yes. On Adam Tomkins's point about employment services, there is a lot of good-quality international evidence from very different countries—for example the Netherlands and Australia—of decentralised systems that have, over time, got much better at sustained job outcomes and progression. In Scotland, we should try to leapfrog the lessons of the work programme, work choice and all of that and set a new high-level incentive for our services, which would be about earnings progression—not whether people are off benefit or six months in work but whether they are attaining and moving on to high-quality training and the best possible wage that they can command for their skill level. That is an ambitious, long-term goal, but it is that kind of different purpose that helps to start shifting outcomes. It needs adequate resourcing—that is the obvious point.

I have a few points to make about council tax reduction and rebating schemes. First, it is important in Scotland—and Wales in fact—that we have not gone down the route of localising schemes. We have a great advantage in being able to have a coherent national scheme with local delivery. The problem, though, is that take-up remains low, especially for older households. As an aside, I think that we could probably almost end pensioner poverty if everyone was claiming the entitlements to which they were eligible. Take-up is a big issue, and the evidence says that national take-up campaigns do not work. What works much better for low take-up groups is campaigns that are local and face to face, for example in the local media.

There is a question about adequacy in uprating. I do not think that we have had a proper debate in Scotland about the basis on which we uprate every financial year the adequacy of council tax rebating.

There is also the question whether our rebating takes adequate account of additional costs, most clearly for households with people with disabilities and perhaps for households with children. The Scottish Government has a very welcome commitment to improve the rebating scheme for low-income families with children, but we could do much more around the taper rate.

That takes us to the point about people moving into work. Council tax debt and legacy debt are chased down very quickly when people move into work. That often undermines work in a sense, as people often carry debts that they could not pay in the past. It is a matter of looking at a fair form of withdrawing support as people start to earn to maintain work incentives, and fair treatment of legacy debt. Those are big responsibilities already within our powers in Scotland.

**The Convener:** A whole list of people want to speak. Some have just jumped in on specific issues. Does Gordon Lindhurst want to come in on that specific point? He has been waiting for a while to come in.

**Gordon Lindhurst (Lothian) (Con):** Yes. Thank you, convener.

I have a question for Dr Jim McCormick, who has just touched on work incentives. I speak to constituents who are unemployed, claiming benefits and able to work. They want to work and they usually have no difficulty with most of the things that people here have said, but they want a system that works for them and does not take away their ability to get into work when they can. Dr McCormick has just touched on that. In the overall context, how important is maintaining work incentives for those people?

**Dr McCormick:** I am not an expert on all the evidence, but there are certain groups in the population for whom the return on every hour that is worked is particularly important. There is very good evidence, for example, that for single parents every pound and penny that is earned and can be retained from work matters hugely for their work opportunities and the decisions that those households are able to make. We know that that has been the case for the past 20 years, when employment rates have been rising.

There are various things in the mix. I have mentioned local tax; rents are in there, too. High housing costs—not least in Edinburgh but in other parts of Scotland too—can be the tipping point that undoes the calculation that says that a person will be better off in work. For most people, basic benefits are inadequate and they will be better off in work, all things being equal, but all things are not equal. There are high housing and childcare costs. It would be a very illogical decision by a person to choose to commute a very long distance for low-paid work, as transport costs mean that they would be worse off. We must understand the nature of the local economy.

There is no route to inclusive growth in Scotland if it does not involve higher-quality work in the care, retail, hospitality, tourism and food and drink sectors. Those are the growth sectors with the problem of low pay and high turnover. Although inclusive growth is an issue for Gordon Lindhurst's other committee—the Economy, Jobs and Fair Work Committee—understanding the interface between the new powers and those who are of working age and are able to work is really important.

Finally, really bearing down on the costs that people face is a big thing that we can push on in Scotland. Solving poverty is not just about

boosting incomes; it is about holding down the costs that low-income households face.

**Gordon Lindhurst:** Is a local approach part of what you are talking about? I think that you referred to that. How does that come into it? Obviously, we can take a local approach with the new powers in the sense of taking a Scottish approach to at least some extent. Are you thinking beyond that to the local council level? How do you see that developing?

**Dr McCormick:** The starting point is to understand that I am addressing in particular the position of the low-income or low-paid households that make up half of all households in poverty—the working poor. The nature of the work that they can feasibly access is almost always quite local. In a typical local authority or city region, we must understand what the powers look like around transport costs and regulation; on-the-job, high-quality training; and how the childcare market operates. It is necessary to map those out locally.

There was a different question about where the powers lie, but it is necessary to understand what the decision making and opportunities look like for people in those positions. With the best will in the world, Governments and Parliaments are not the best bodies to understand those experiences, but the more that we can draw on good evidence and advocacy input from people in those positions—as many of the cities in the north of England are starting to get their act together and do—the stronger the position that we will be in to make it stack up locally.

**Andrew Jackson:** Some of the points that Mr Adam and Mr McArdle made indicated that we do not want the issues with the way that the DWP operates to migrate to the devolved system because of an overreliance by the Scottish Government on the current set-up when it tries to implement the new system. That is important to recognise. Jeane Freeman, the Minister for Social Security, has spoken about the 15 per cent of spending on benefits that will be devolved, versus the 85 per cent that will be reserved and how difficult the transition will be. The committee should pay close attention to the nuts and bolts of that, otherwise we will end up with the principles being completely compromised by the operational aspects of the system.

To pick up on Mr Tomkins's point, within the third sector more widely and certainly within the housing association sector, there are many good examples of employability schemes in which the nature of the interaction between the support workers and the people who are looking for work is fundamentally different from that in some of the schemes that existed in the past. I would be happy to put members in touch with registered social landlords and others that operate those schemes.

For example, Port of Leith Housing Association in Edinburgh has a good one.

We should think of advocacy and employability as part of the social security system as opposed to thinking of them as adjuncts to a rigid, here-is-your-money, transactional system that we may or may not fund depending on what cash we have available. If Scotland is going to design a social security system based on the principles that Mr Neil outlined prior to the election, it should and can encompass those things from the off, instead of saying, "Let's take the DWP model and bash it about a bit, so that, hopefully, it looks a bit better," and sticking some stuff on the side. We should start with a blank sheet and ask how the powers and money that we are getting contribute to the vision that we have for a social security system. We should start more robustly from that premise, rather than thinking about how we can fix what we are given.

**Ben Macpherson (Edinburgh Northern and Leith) (SNP):** Good morning, all. There has been powerful comment about the conditionality and sanctions regime in benefits for disabled people and other vulnerable groups. I will ask about conditionality and sanctioning in respect of the employability programmes.

PCS notes powerfully in point 3 of its written submission:

"An employability programme should be about support, not penalising."

I would be interested to hear more comment on that.

I would also like to pick up on what Jim McCormick said about how the new powers integrate with reserved matters, as well as on what David Moxham said about the importance of the security and quality of employment for moving beyond the social security system into work. How important is quality work—paid at a real living wage and in a secure environment—in preventing claimants and customers from coming up against the sort of costs that Jim McCormick mentioned? How detrimental are zero-hours contracts and other aspects of insecure work?

**Helen Flanagan:** It is reasonable to say that the work programme in the UK was a disaster and a huge waste of public funds. It did not work for the vast majority of people who were put through it. I think that 70 per cent returned to the DWP afterwards.

10:30

Other data that we have shows that between 2011 and 2014 only 3 per cent of the 1.5 million people referred to the work programme found lasting work and only 18 per cent found at least

three months' or six months' work from it. The programme also had high levels of sanctions. Comparing data for similar periods, people were found to be five times more likely to be sanctioned in one year alone—2014—than to find a job from 2011 to 2014. The programme was ineffective, but it had high sanction levels. There is lots of other research and data that establish and prove that sanctions are an ineffective way to get people into work, and I think that people around this table largely agree on that. I am pleased that the minister, too, made that point in her recent appearance at this committee.

We would welcome the Scottish Government progressing what it indicated as recently as yesterday, which is removing the conditionality from the employability side of things. It is a shame that the Scottish Government's powers do not go further so that it could look at removing conditionality and sanctions from the employment system as a whole, but we think that that needs to be looked at.

I was going to ask to come in on the issue of employability in relation to the work programme, because there is data that shows that people would be more likely to find work if they had no support from the work programme at all. I think that that shows that using the private sector and the third sector is not effective. We believe that a better employability system would be delivered by the public sector. That could be done in a range of ways, such as using job centres, if they were better resourced and staff were allowed to support people better; or it could be delivered by Skills Development Scotland.

I will comment briefly on DWP engagement, because there was a question on it and, given that PCS represents people who work in the DWP, it would be relevant for me to answer that question. Dave Moxham was entirely correct to say that, as a union that represents people who work in the DWP, we have had engagement from the Scottish ministers. However, the committee will probably not be surprised to hear that there has been very little engagement from the DWP side with the union and the staff working in the DWP in the UK and in Scotland specifically. It is quite a worrying time for the people who work for the DWP because it is unclear to them what the devolution of benefits means. I know that the committee does not have powers over the DWP, but it would be good if the committee could look into that engagement aspect and encourage the DWP to step up its engagement.

**David Moxham:** I want to touch on a couple of points that Ben Macpherson raised. With regard to employability, in a labour market where there are not enough jobs and there is what is essentially a target-driven employability scheme, it is a bit of a

sellers' market. As Helen Flanagan said, if you are one of those people in the private or voluntary sectors and you are looking to hit your target, then there are disincentives, to be frank, to checking the quality of employment that you are placing somebody in. I will not go into the detail here, but there should be some very clear benchmarks. Putting somebody from an employability programme into a zero-hours contract job makes little sense. It makes sense to go a bit further than that and look at the general level of security of employment, of hours and wage rates, because the quality of a job will matter to whether it is likely to be sustainable.

As I said earlier, there is an interventionist role for the employability schemes. Helen Flanagan made the very good point that the public sector should and could have a key role in that. The public sector needs to look at itself as a provider of those jobs, because at least it has certain provisions, which are not always but generally adhered to, on security of employment, wage rates and so on. Some people might say that that is a bit unfair on the general public who do not have that level of security, but we are looking at tailored solutions that are meant to be lasting. If they are tailored and lasting, then, being frank and going back to the money aspect, the saving for the public purse in the medium to long term is quite significant.

**Dr McCormick:** Ben Macpherson asked about quality of work, especially in relation to relatively low-paid work. We know from our evidence and other evidence, including from Oxfam's "Decent Work in Scotland" report, that people's expectations are often very modest. Of course there is an aspiration to be paid the living wage but, beyond that, issues to do with quality of work are quite small things, such as predictable working hours. For example, if someone has been working on average 15 hours a week for the past year, their employer should be willing to guarantee 15 hours a week as a minimum, rather than leave them not knowing from one week to the next. Alternatively, following recession, lots of contracts go from permanent to temporary and never switch back to permanent when they could, given how the business is doing.

It is really important that human resources functions and middle managers in companies support people who are poorly skilled and could benefit from progression support. We have come across workplaces in Scotland where staff are permanently locked out of training opportunities. For example, there are care homes where people have permanent night shifts, but training is always provided during the daytime. There are issues about rotas, shift patterns and predictability of hours.

To make things even more complex, we need to take a sector by sector approach, because the care sector is different from the retail, hotel and other sectors. There is no shortcut. We need to really understand what is happening in the wiring of companies and businesses. We also need to pay attention to what is happening in workplaces where staff do not have union protection and find other routes to give employees a voice, especially low-paid workers.

**Ruth Maguire (Cunninghame South) (SNP):** I appreciate all the written evidence and the comments that we have heard, which have been powerful. It is right that we focus so much on the people who need and use the system, but I also welcome a bit of focus on the staff who have to deliver services, and I would like to explore that. How do we rebuild trust in the system, from a client's perspective and from the staff perspective?

**The Convener:** Does anyone want to start off on that? Helen Flanagan?

**Helen Flanagan:** I will try.

From the staff perspective, there has to be a complete redesign in the way that the new social security agency is structured, including consideration of the terms and conditions. We were pleased to hear the minister's idea about co-production and we are in discussion with civil servants about what that might mean. We are exploring that, so that staff have a key part in designing the system and structures and how the benefits will work.

Because the system will be only partially devolved, it will be difficult to address some of the cultural problems that arise from the DWP. The front-facing side of the benefits system will still be under the DWP, in the form of jobcentres, and the majority of working-age benefits will remain reserved. Where possible, having access to DWP front-facing officers would be a benefit, so the new social security agency should have some kind of front-facing element. That does not necessarily mean setting up new workplaces. The DWP is currently looking at co-location, in part because mass DWP office closures are on the horizon. Having a positive influence in DWP workplaces would be a start.

For the main part, we would build trust through co-production and staff involvement in designing the system and ensuring that there are fair working conditions, adequate staffing and fair policies for people who work in the agency. As has been said, we cannot say that the users will be treated with dignity and respect if those who deliver the services are not also treated in that way.

**David Moxham:** This is a quick observation that harks back to all the discussions that we have had

over the years about public service improvement and change. A workforce who are confident of their own security of employment and remuneration are far more positive participants in public sector change than a workforce who are frightened about losing their jobs. It is as simple as that.

**Craig Smith:** It is really difficult to rebuild trust, but a few things can be done. The key issue that came out of the research that we did recently in focus groups of our service users is the fact that there is a complete lack of trust in the system. That is a legacy of the work capability assessment, the ESA process and now the PIP process. It is crucial that there is good training on the staff side. We are still hearing about a lot of distressing and stigmatising experiences that people are having at the front line when they access benefits or during assessments. Training around disabilities, specifically in mental health and in how to help someone when they are in crisis, has a huge role to play in addressing that. The new social security agency, when it comes, will present an opportunity to have, as Helen Flanagan said, a co-production approach involving staff and those who use the services—disability groups, disability organisations and others—in building a different culture. The problem is cultural and the culture takes a long time to change.

There is also a need to manage expectations. We know that people who receive PIP or carers allowance may well be receiving ESA through the DWP process, and we need to provide good-quality information to claimants. For people who have been through multiple reassessments and multiple changes in the welfare system, it is a challenging time for another change to be happening. That change really needs to happen, however, and it needs to be communicated in an accessible and understandable way, with people being given plenty of notice of any changes.

Training and co-production are key, as is listening to the voices of people who are experiencing the system as it is. It is a challenge and it will not go away overnight, so there is a huge need to manage expectations and understand that people will be navigating two systems.

A wider but related point is that there is a real need for good-quality information-sharing processes. That issue came out strongly when we spoke to people in the focus groups. I was unsure how people would respond when they were asked how they felt about public bodies sharing information about their health or their social care in order to make a more informed judgment about a PIP claim without a face-to-face assessment. Overwhelmingly, however, people were keen for information about them to be shared if that was



done with their consent and in a legal context of data protection. High-quality information sharing can be used as a trust-building measure as well if it helps people to navigate the system and reduces the need for face-to-face assessments, but it is difficult to manage and needs to be done properly and legally.

**The Convener:** Thank you. It is a difficulty, but we will get round it, I hope. Your point about data protection is very helpful.

**John McArdle:** We are keenly aware that the budget for the work programme was severely cut—by about 85 per cent, I think—and that the block grant has been cut by 10 per cent. We are trying to petition for the mitigation of cuts and for bridging arrangements to be put in place until PIP is being operated by the Scottish Government. We think that how we look after people who are sick and disabled is a defining feature of our society in Scotland, so we would like that to be prioritised. We recognise the financial difficulty that that will pose, but where there is a will there is a way.

I appreciate what has been said about the importance of advocacy. The citizens advice bureau in Leith is currently facing great difficulties and is trying to raise £20,000 to stay open. It is critical that people get the advice that they need and we would love to see the establishment of a disability law service or a hotline that could put people who are having problems in touch with agencies that could help them, because we know that where people have advocacy, the likelihood of a good outcome is much, much higher.

10:45

We would like to see a complete end to sanctions. We believe that they are a violation of the fundamental human rights of individuals. It is a human right to be able to eat. As Ken Loach said, “Hunger is being used as a weapon.”

We were horrified to see, I think under the Scotland Act 2016, that an instrument that is used to devolve power to Scotland actually imposes an obligation, saying that the Scottish Government must not mitigate where a DWP sanction has been imposed.

We believe that the sanctions regime itself is unlawful under human rights legislation, because in the determination of an individual’s civil rights and obligations there must be access—under article 6 of the European convention on human rights—to an independently constituted tribunal. That does not happen under the present system and that needs to be challenged.

Where people are sanctioned and are made destitute and have to rely on food banks, the Government has every right to step in to protect

people whose human rights have been breached in that manner. I urge the Scottish Government to consult its legal service on the issue.

Finally, before I leave, I will present a book to you, Convener. It is called “Cash not Care: the planned demolition of the UK welfare state” by Mo Stewart, an ex-Women’s Royal Air Force veteran. Six years of work has gone into the book and I believe that it is the most authoritative account of what has gone on and a textbook example of what not to do with a social security system. I recommend that every member of this committee gets a copy of this book by Mo Stewart because you will find it invaluable for your work.

**The Convener:** Thank you very much, Mr McArdle. We do not normally get advertisements but that is not a novel—that is information that I will be very glad to read.

**John McArdle:** It is evidence.

**The Convener:** Yes. George Adam wants to come in with a very small point.

**George Adam:** John McArdle has framed everything that we are discussing, especially in relation to the work programme, in so much as 87 per cent of the budget has been cut. I was interested that Helen Flanagan said that the work programme has been a disaster. That is completely opposite to what some of the members around this table said in a chamber debate yesterday. We were led to believe that part of the reason why the programme was cut was that it was so successful—that people were in work and they had moved forward. It is interesting that Helen Flanagan and her members, who are at the coalface, are saying something entirely different from what the ruling Westminster Government is saying.

**The Convener:** Point taken, George. Jim McCormick wanted to come in and then Elodie Mignard.

**Dr McCormick:** I have a brief response to Ruth Maguire’s point about trust and Helen Flanagan’s point about co-location. We are supporting a demonstration project in Glasgow that I hope will be of interest. It is a co-location model in Springburn and Parkhead and it involves health centres and two jobcentres for the first time. It is a really simple model and involves them opening their doors to housing advice, debt advice, childcare and training support—the kind of things that people need, all under one roof. It will avoid referring people on to multiple agencies or the “Come back next Tuesday morning when someone can see you” approach. It is real time and it will involve crisis response as well as giving people opportunities to find what they are looking for. The fact that DWP is supporting two jobcentres to be involved in it is potentially really

significant. We can tell you more when we have the results. Thank you.

**The Convener:** We look forward to that. Certainly in the debate, the minister and other members mentioned that we need to look at a much more holistic approach because everything has a knock-on effect. I am very aware of that, particularly in the benefits system.

**Elodie Mignard:** I want to add something about how to build a system that people trust. I totally agree with what has been said already—it will take time.

The first thing to think about is clarity. The systems—the Scottish welfare fund and the DWP—are not clear to people. Take the specific example of refugees. When they engage with the job centre, they see more government officials and a lot of similarities with the Home Office, because they engage with the DWP every two weeks in the same way that they did with the Home Office. The DWP is another organisation that gives them money—if they do not go to sign, the money is cut—and it is an organisation that has a reputation for being punitive. Those are the similarities, and refugees need time to understand what the role of the DWP is. We work with the DWP on that a lot: a work coach explains to refugees what the DWP is there for, what it does and what its purpose is. Clarity is very important.

Co-location will help, as bringing together different organisations avoids people being ping-ponged to different places and it simplifies the system. Although it is important that advocacy is independent, there could be ways of working with third sector organisations—not necessarily to be in those places but with easy access to those places. Building trust requires the principle of being non-punitive. Everybody has talked about sanctions so I will not dwell on that point.

My final point is that the system needs to think about the diverse needs of the Scottish population and that will take time. We heard about training—which is necessary, but is not enough—and my organisation has been involved in delivering some training to the DWP. I have met DWP staff who understand the issues. The next step is making those changes applicable within the environment that DWP staff or benefit agency staff work in, so we go back to that environment and to the system and structure in place.

**The Convener:** Thank you very much. It has been a very interesting session with a lot of good questions and answers. What has emerged is that we need clarity and that we need people to work together. In the case of the DWP staff who I and others have met, they want to do their job properly but they are hindered in certain aspects. We have to ensure that everyone works closely together

with a holistic approach. We do not have enough time to get into some of the issues that I would have liked to raise, but I am sure that they will come up eventually. We need to ensure that people are treated with dignity and respect, and that, as Mr McArdle said, those horrific instances are not revisited.

I thank you all again for your contributions, which have been excellent. I suspend the meeting to allow the witnesses to leave.

10:52

*Meeting suspended.*

11:02

*On resuming—*

## Subordinate Legislation

### Council Tax Reduction (Scotland) Amendment (No 2) Regulations 2016 (SSI 2016/25)

**The Convener:** I resume the meeting and remind members that we are in public session. The next item is subordinate legislation. We will take evidence from Scottish Government officials on the Council Tax Reduction (Scotland) Amendment (No 2) Regulations 2016. I welcome Robin Haynes, the head of council tax, and Dave Sorenson, a statistician. I look forward to hearing your evidence. The regulations were considered by the Delegated Powers and Law Reform Committee at its meeting on 13 September and it agreed to draw the regulations to the attention of the Parliament on the ground that they may raise a devolution issue—that is one of the grounds against which the committee considers all instruments.

We will go straight to questions, if that is all right. I will ask the first question. Under the heading “Financial Effects”, the policy note states:

“It is estimated that the maximum additional Council Tax income foregone by local authorities as a result of these Regulations will be £18 m for the increase in child premium and £7 million for the Band E to H exemption.”

Will there be any cost implications for local authorities or will the Scottish Government mitigate the costs?

**Robin Haynes (Scottish Government):** Thank you for your kind words of introduction, convener.

The numbers that you quote appeared on a policy note that was submitted in error by somebody in my team. I apologise to the committee for the fact that a withdrawn policy note has caused confusion. It was an early draft that was presented in error, for which I apologise.

There are some revised numbers, and I will explain how they were reached. The numbers on the withdrawn policy note featured in material that was placed in the Scottish Parliament information centre on 2 March, when the First Minister in the previous Administration made an announcement about the then Government’s council tax policies. As members will be aware, those policies were repeated in the SNP manifesto and, after the May election, it was our job as civil servants to work out how to give life to those policy intentions.

After the May election, Dave Sorenson and I, along with other colleagues, had a further look at them. Perhaps Dave can give more detail, if necessary. The revised numbers are £8 million for

the increase in child premium and £6 million for the relief scheme for low-income households in properties in bands E to H.

The difference between the two sets of numbers arises from two factors, the first of which is methodological. The first iteration of the calculations was arrived at by Mr Sorenson and other colleagues using information on some sample households that was drawn from the family resources survey and was aggregated up. The second set of numbers was derived from a data set that the Scottish Government receives from all local authorities that gives detail on every council tax reduction application. The second data set is clearly more comprehensive.

The second factor is that, after the May election, we engaged with the practitioner community to take practitioners’ advice about how to enact and give life to the policy intention of the elected Government. Some of those discussions were informal, but some of them were very formal. The Convention of Scottish Local Authorities and the Scottish Government have something called the settlement and distribution group, which addresses the local government finance settlement and its distribution among the 32 local authorities. A sub-group of that was formed and was given the task of looking at the regulations that the committee is considering today. It comprised ourselves and other colleagues from the Scottish Government, officials from COSLA and, most important, a number of local authority directors of finance and a number of local authority head of revenue and benefits practitioners, whose day job involves their being all over the administration of council tax and the council tax reduction scheme.

Over the course of a number of meetings of the sub-group, the estimates of the amount of council tax revenue that would be forgone as a consequence of the regulations was considered in great detail, and the figures were arrived at as a consequence of those discussions. Indeed, the sub-group of the settlement and distribution group endorsed those numbers, so they were reached with the benefit of significant input from practitioners in the local government finance community.

**The Convener:** Thank you. Do you want to come in, Mr Sorenson?

**Dave Sorenson (Scottish Government):** I can speak about the methodology in as much detail you wish.

I reiterate what Mr Haynes said. The current estimate, as approved and endorsed by the local authority community, is that the increase in the family premium will result in £8 million more per year of CTR cost, or income forgone by local

authorities, and it has now been agreed, through the same process, that the bands E to H relief scheme will cost £6 million per year.

**The Convener:** Thank you for that explanation. It is always a good idea to get clarification of such issues.

I return to my original question: will there be no cost implications for councils? Is the cost of the measures in the regulations covered completely?

**Robin Haynes:** That is a good question. The amounts of money that we have been talking about can be described in two ways. They are the amount of council tax reduction that is awarded to applicants, but the reverse of that coin is that they are council tax revenues forgone.

The figures that I mentioned have now been endorsed, albeit that they have not been recognised by the settlement and distribution group itself, because it was nervous about endorsing something that local government was not entirely in agreement with at that stage. Nevertheless, those numbers are agreed as fact. I think that Mr Mackay made it clear in the evidence that he gave to the Local Government and Communities Committee yesterday that he expects those numbers and other things relating to the implementation of the reforms to be part of his wider discussion with local government on the budget settlement going forward.

**The Convener:** As members have no further questions, is the committee content to note the instrument?

**Members** *indicated agreement.*

**The Convener:** I thank the witnesses for their evidence. You can leave now.

*Meeting closed at 11:09.*

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