



OFFICIAL REPORT
AITHISG OIFIGEIL

Social Security Committee

Thursday 18 June 2020

Session 5



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SOCIAL SECURITY COMMITTEE

12th Meeting 2020, Session 5

CONVENER

*Bob Doris (Glasgow Maryhill and Springburn) (SNP)

DEPUTY CONVENER

*Pauline McNeill (Glasgow) (Lab)

COMMITTEE MEMBERS

*Tom Arthur (Renfrewshire South) (SNP)

*Jeremy Balfour (Lothian) (Con)

*Keith Brown (Clackmannanshire and Dunblane) (SNP)

*Mark Griffin (Central Scotland) (Lab)

*Alison Johnstone (Lothian) (Green)

Shona Robison (Dundee City East) (SNP)

*Graham Simpson (Central Scotland) (Con)

*attended

THE FOLLOWING ALSO PARTICIPATED:

Alison Byrne (Scottish Government)

James Dornan (Glasgow Cathcart) (SNP) (Committee Substitute)

Shirley-Anne Somerville (Cabinet Secretary for Social Security and Older People)

David Wallace (Social Security Scotland)

CLERK TO THE COMMITTEE

Anne Peat

LOCATION

Virtual Meeting

Scottish Parliament

Social Security Committee

Thursday 18 June 2020

[The Convener opened the meeting at 09:00]

Interests

The Convener (Bob Doris): Good morning everyone, and welcome to the 12th meeting in 2020 of the Social Security Committee.

We have apologies from Shona Robison MSP. James Dornan MSP is attending in her place. Under item 1, I ask Mr Dornan to declare any relevant interests.

James Dornan (Glasgow Cathcart) (SNP): I have no relevant interests to declare.

Decision on Taking Business in Private

The Convener: Item 2 is to ask the committee to agree that item 4, which is consideration of the evidence that we will hear today under item 3, be taken in private. Given the online nature of the meeting, I will take silence as meaning agreement to take the item in private. That being the case, we are agreed.

Social Security Programme

09:01

The Convener: Item 3 is on the Scottish Government's social security programme. The committee will take evidence from Shirley-Anne Somerville, the Cabinet Secretary for Social Security and Older People; Ann McVie, deputy director of social security policy and reserved benefits; Alison Byrne, deputy director of the social security programme for the Scottish Government; and David Wallace, the chief executive of Social Security Scotland.

I thank everyone for joining us this morning. I know that it has not been long since we had you at committee, but we are keen to keep a weather eye on delivery of Scotland's social security programme, given the on-going Covid-19 pandemic.

Cabinet secretary, would you make your opening statement to the committee?

The Cabinet Secretary for Social Security and Older People (Shirley-Anne Somerville): Since my most recent update at the end of April, Social Security Scotland has continued to deliver much-needed benefits to the people of Scotland. Across the programme and agency, teams are progressing the priorities that I previously outlined.

We plan to deliver the Scottish child payment and child winter heating assistance by the end of 2020, subject to the ability of the Department for Work and Pensions to work with us and provide the necessary data on time. We will also roll out the job start payment, when that can be safely managed.

We are continuing to work at pace on delivering, as we replan. As well as preparing to launch those three benefits, we continue to progress the disability benefits for launch next year, and are enhancing our cross-cutting systems. That infrastructure work will move us from manual to more automated processes in many areas. That is important to ensure that our systems scale safely and effectively to the larger benefits without compromising on client experience.

We are, however, working in challenging circumstances. Our resource is reduced because some staff have been loaned to the central Covid-19 response, and many are balancing work with caring responsibilities, which means that they are unable to work all their hours. I am proud to be supporting and prioritising staff wellbeing, so that they can give their best during this difficult period.

There is no pause; all capacity is committed to delivering the three benefits this year, and to ensuring that the agency can still pay people and

that we are prepared for an increase in demand following the surge in universal credit claims.

The agency continues to deliver low-income benefits, which, with more than 6,000 applications in March, more people than ever are accessing, and this month the agency opened for new applications for best start grant school age payments.

As members know, we have also increased support to carers who are in receipt of carers allowance. The coronavirus carers allowance supplement is not application based and has not needed new agency processes or new data from DWP, which has meant that we have been able to deliver it without affecting other work. The additional £230.10 will be paid this month alongside the normal supplement, so 83,000 eligible carers will receive £460.20 in June.

That is an example of action that we can take through Scotland's social security system to assist the people who need our support. We are, however, responsible for only 15 per cent of social security spending; the majority of welfare remains reserved, particularly low-income benefits with a housing element.

Within the limits of our powers and finances, I am looking to the long term and considering how we can manage recovery and restart after lockdown, while facing the economic and social harms that have been caused by the pandemic. With the Cabinet Secretary for Communities and Local Government, we have established a social renewal advisory board to embed the learning from these extraordinary times, to identify actions to reduce poverty and disadvantage and to advance equality.

In order to support people as quickly as possible, we are focusing all available resources on delivering the Scottish child payment by the end of the year. It targets low-income families and will help to reduce child poverty in Scotland. At a time when thousands more people need help from social security, that support is even more crucial, so our focus, time and finances are targeted on introducing that important new benefit.

The agency is operating and people are being paid the money that they need when they need it. So that that can continue, we must avoid putting additional pressure on Social Security Scotland or the Government programme. To ask them to do more would risk jeopardising Scottish child payment delivery times, which would cause risk to outcomes for families and child poverty.

I am committed to delivering new benefits as soon as we can do so reliably and safely. I will, of course, continue to keep the committee updated.

The Convener: That was very helpful. You mentioned the Scottish child payment, which is the first area that we would like to explore. You said that you still anticipate that it will be open for applications before Christmas. When does the Scottish Government anticipate the first payment being made under the revised timetable?

Shirley-Anne Somerville: As I confirmed in the statement that I made to Parliament on 1 April, we are determined to deliver the Scottish child payment as soon as is practically possible. We hope to start taking applications for the payment for children under six by the end of 2020, with payments being made in early 2021.

I am afraid that I am not in a position to give more definitive timelines at this point. The child payment is not a straightforward benefit to build, and it will be delivered via a series of three very large releases during the next few months, to give the agency the functionality that it needs to manage the anticipated—[Inaudible.]—volume options.

We are determined to deliver the child payment as soon as possible: I absolutely recognise that the need for the payment is greater than ever.

The Convener: I appreciate that. I will ask some technical questions about how we get to delivery of the payment.

I do not underestimate the challenges for the Scottish Government and the delivery team. One thing that the Government will have to do is respond to the Scottish commission on social security's report on the draft regulations. It would be good and helpful to know when the Government expects to respond to that report and when it expects to lay regulations in Parliament.

Shirley-Anne Somerville: As always, I am very grateful to the commission for the detailed work that it submits with its recommendations.

The Government has responded, and has already made some changes to the draft regulations, in line with the comments that it received from the commission during the scrutiny period. Those were detailed in an earlier position paper that we published in January. We endeavour to reply to the SCOSS recommendations as soon as we can.

I am afraid that I cannot give exact dates on which the regulations will be laid; it is rather too early for that. However, given that we hope to launch the benefit by the end of the year, I anticipate the regulations being laid in the autumn, perhaps shortly after Parliament's summer recess, if everything goes to plan.

The Convener: I appreciate that, and I also appreciate the need for broad brush strokes when talking about the timeline, because as soon as you

pick a date there could be slippage through no fault of the Government or the wider delivery team. However, it is quite helpful for us to get as much information on it as possible, so please keep the committee updated.

We know that one of the reasons for delays relates to staff recruitment, as you said in your opening statement. Staff have been redeployed to do front-line Covid-19 response activities. Can you tell us how many staff still need to be recruited to deliver the Scottish child payment, and whether the agency has been able to get on with some online recruitment?

Shirley-Anne Somerville: Perhaps I will bring in David Wallace after I make some remarks on that.

We were able to complete the recruitment process for people who had already been offered posts pre-lockdown. That has been a challenging method of operating, in that we have brought people into the agency without their ever having entered an office. We have sent material and equipment to their homes and all their training has been done online, which is not exactly ideal. The process has been successful, but challenging.

As the whole of Government has, we have had a recruitment freeze during the period, which has meant that we have been unable to move forward with some later recruitment rounds that we had hoped to do. Of course, we are looking to see how we can move forward on that innovatively, when it is safe to do so and following Scottish Government guidance.

David Wallace will say a little more about where we are with the staff who are in place and how staff have been moved to support the wider work of the agency during this time.

David Wallace (Social Security Scotland): I will say something about where we are with the agency. It is important to recognise people going off to do other activities affects the social security programme as well as the agency. I will cover the matter very much from the front-line operations perspective.

As the cabinet secretary has outlined, we were relatively fortunate in that we had planned for the vast majority of our people to join in May and June, and have been able to bring in the people who were successfully under the wire in terms of recruitment. There are challenges, which we covered previously, including getting kit to people around Scotland and making sure that they are inducted into the organisation and trained. We have been doing that in a way that we had never originally planned for, which has been challenging.

Across the piece, those people are starting to come out of their online training activity and we

are starting to see the first indications of how successful the training has been when we put them into a live service environment. Obviously, that does not include the Scottish child payment at the moment. We are getting people used to the best start grant systems so that they can do some live activity.

However, additional recruitment poses a slightly different challenge for us in relation to whether we want to move to a fully online recruitment process. We are exploring that with Scottish Government colleagues, but we are concerned about the quality impact of bringing people in through a fully online system.

The people who had contracts before lockdown are well embedded in the organisation, albeit virtually, and are starting to flow through from the training environment into live activity.

The Convener: [*Inaudible.*]*—*the policy intent around this, because we have been looking at the technical aspect rather than at what we are trying to achieve with the payment.

How many staff do you have on board who have—understandably—been redeployed to do other activities and will be brought back to do the Scottish child payment? How many people are pending for recruitment?

David Wallace: I apologise, convener; I missed the start of that question. I will answer from my perspective, unless it was targeted at the cabinet secretary.

The Convener: No, the question was for you, Mr Wallace, because you are doing the delivery end of making the Scottish child payment work.

How many staff have been deployed to do other activities that you can then bring back to the front line of Scottish child payment delivery, and how many staff remain to be recruited, whether through online or traditional recruitment? Can you give us numbers around both those things?

David Wallace: When we originally planned for a child payment, we anticipated that we would need about 300 additional front-line staff. We have about 180 brand new staff already in the system, to be targeted at work on the Scottish child payment.

We have also been able to repurpose staff who were already in the organisation—most notably, those whom we brought in for local delivery. Again, the committee has had conversations about the local delivery arm of the agency. Those staff were originally targeted for use on the wave 2 benefits, so the slight reprogramming of wave 2 benefits has allowed us to repurpose them to work on the Scottish child payment. There are a lot of moving parts in relation to demand for and supply of recruitment, but our being able in particular to

repurpose local delivery staff to work on the Scottish child payment gives us a level of comfort about our ability to deliver it.

In relation to my previous point, I note that we are still waiting for people to complete virtual training. We want to ensure, as they do so, that they are productive and can respond to client needs in the same way as people who have been through more traditional training and induction.

09:15

The Convener: We are talking about technical delivery of the programme. I remind anyone who is listening that the plan before the Covid-19 pandemic was that in the first tranche of payments, which was for children under six, £71 million a year would go into the pockets of the parents of the 170,000 poorest children in Scotland, and that the payment would support 410,000 children overall once it was fully rolled out. It is imperative that we get money into the pockets of the poorest families as quickly as possible.

I appreciate all the work that the Scottish Government and Social Security Scotland have done, but it would be remiss of me not to mention the recent report by Save the Children and the Joseph Rowntree Foundation, which included a survey of 3,000 United Kingdom families, including 400 in Scotland, who receive the child element of universal credit or child tax credits. The survey found that 65 per cent of those families had mental health issues due to money concerns, and that 61 per cent had had to borrow money to pay bills. There was a variety of other quite staggering figures about the impact of the Covid-19 pandemic on the poorest families.

Save the Children and the Joseph Rowntree Foundation suggested that the UK Government could give such families a £20-a-week increase in the child element of universal credit, or child tax credits, for the foreseeable future in order to mitigate the worst impacts of Covid-19 on the poorest families. I strongly support those calls. Is the cabinet secretary seeking to have constructive conversations with the UK Government in order to win that powerful argument?

Shirley-Anne Somerville: As you can imagine, a number of letters have gone back and forward between the Scottish and UK Governments on the issues. As I pointed out in my opening statement, many benefits, particularly for people on low incomes, are reserved to the UK Government. There are a number of mechanisms that only the UK Government can use, such as making changes to universal credit. The benefit cap has also been shown to have a grave impact: many people are suffering from the impact of the benefit

cap, which can be removed only by the UK Government.

I have sent a number of letters to Thérèse Coffey—my colleagues Aileen Campbell and Kevin Stewart have also sent letters—on various aspects of what could, should and can only be done at UK Government level. Unfortunately, the UK Government has not sought to move on many of the issues that we have raised, but it has made changes. I fully appreciate that the Department for Work and Pensions is also working under extreme pressure at the moment, but even in those circumstances it could still make a number of changes that could really assist families on low incomes.

The convener mentioned some issues. I add the benefit cap. I have raised many more in the letters that I have sent.

Tom Arthur (Renfrewshire South) (SNP): I have a very brief supplementary question. We are all coming to terms with the fact that there was a pre-Covid world and there will be a post-Covid world. Before Covid, any agency that delivered a Government programme would have found it difficult to predict through scenario planning the sheer scale of the impact that the pandemic is having.

Beyond the immediate impact of the pandemic on the delivery of the social security programme—in particular, on the Scottish child payment—and given that we can expect a huge increase in claimants in the coming months and into next year, what impact, if any, will that have on delivery and policy aspirations in relation to the Scottish child payment?

Shirley-Anne Somerville: You rightly raise the point that the number of people on universal credit is rising dramatically, which suggests that there will be an increase in the number of people who will be eligible for the best start grant, for example. We are aware that that will have a budget impact on the Scottish Government; it is a demand-led budget and if people are eligible and they apply, they will receive their payments. We are still modelling the impact because, as I am sure the committee can appreciate, it is difficult to foresee what will happen to the economy over the next few months.

I recognise that we have a responsibility to question whether we are doing everything that we can to ensure that people, many of whom will be new to the benefits system and might not know about the best start grant, are aware of both the grant and their eligibility for it. That is why we are very keen to encourage further marketing and development of that and, once the agency has the capacity to do so, we fully intend to issue an invite to those who are moving on to universal credit and

who may not be aware of the best start grant or best start foods to encourage them to apply. We hope to do that soon, but it will be determined by when the agency feels that it is capable of taking on the increased demand that will flow from those invite-to-apply letters. We take our responsibility to encourage benefit take-up seriously and that is one of the ways that we are looking at our policy.

Further down the line, there will be other aspects that will be for the advisory board on social renewal to consider. We suggest that one of the circles that will flow in to the advisory board looks at what more could be done to maximise people's income—although it is up to the circle what it looks at. Income could be maximised through social security but, as we are finding during the pandemic, social security is sometimes not the quickest way of getting money to people. There may be better ways of doing that, and I hope that the advisory board will consider that issue seriously and come back with some bold recommendations.

Tom Arthur: Convener, I am conscious of the time, so I will stop there.

Jeremy Balfour (Lothian) (Con): I will ask two questions on the child disability benefit. The first question is on the draft Disability Assistance for Children and Young People (Scotland) Regulations 2020, which have been published and have gone out for comment; the Scottish Commission on Social Security made some interesting remarks about drafting and policy intent. Obviously, because of the crisis there has been a delay. When will a fresh draft of the regulations be available for scrutiny, and do you agree that it would be sensible for the commission to look at the draft regulations again as, presumably, there will be some major changes in light of its comments?

Shirley-Anne Somerville: I do not at this time intend to request the commission to formally scrutinise another full set of the revised regulations, but we are considering whether, as a result of the replan and the decision to separate the child winter heating assistance regulations, we may have to send revised provisions on child disability payments to the commission. My officials are engaging with the commission's secretariat to discuss that further.

As I mentioned in my statement to the Parliament, it is hugely unfortunate that we have had to move the timing of when we hoped to deliver the child disability benefit. I do not have a timeframe to give the committee for when we intend to respond to the laying of the commission's report. However, we are moving forward with and looking seriously at the development of the child disability payment.

We have made substantive policy changes for the child disability benefit, as set out in the draft regulations that were provided to SCOSS this year, and I am considering the commission's report. However, I do not expect to involve major policy changes that would impact the regulations. I will get back to the committee in due course about when we hope to move forward with the child disability payment; that is still part of our replanning work. As with many aspects that we will touch on today, it is a joint programme between the Scottish Government and the DWP. Before we can take that work on, we also need close working with our colleagues in local authorities and health and social care, so the timing of that is not entirely within our gift.

Jeremy Balfour: Is the DWP happy to continue to make those payments on behalf of the Scottish Government? Have there been discussions about how long that will go on for?

Shirley-Anne Somerville: Yes, we have had discussions with the DWP; the payments are being undertaken by agency agreement. Given the strange and exceptional circumstances under which we are working, there is an agreement that the DWP will continue to make payments until the Scottish Government is able to introduce the benefit. As I said, we hope to do that as soon as is practically possible. As we move forward with the joint programme, we are working closely with the DWP to understand its requirements as well as ours; that replanning work continues in both Governments.

Jeremy Balfour: The second area that I will explore is the role of case law, including case law that has already been decided by tribunals. That is in relation to not only child disability benefit, but all the new benefits that are being introduced. The bill that is going through the Parliament at the moment does not mention the matter. From my reading of the papers, and I might be wrong, there is a lack of clarity about what cases will apply and how tribunals and upper tribunals will apply case law. Will that appear in regulations or are you planning other ways of making that legally binding on tribunals?

Shirley-Anne Somerville: It is important to ensure that people's rights are respected and move forward. The commission reports on the disability assistance for children and young people regulations.

We are supportive of the approach to the inclusion of case law that we have taken in those regulations.

The disability and carers benefits expert advisory group—DACBEAG—has provided advice in relation to the inclusion of UK case law in the disability assistance for working age people

regulations and I am considering that advice. I thank the group for its helpful and detailed work on that.

As well as the work that we are doing with the commission and DACBEAG, we continue to have discussions with stakeholders. As we go through the pandemic, that work has not stopped. We will continue to discuss with stakeholders areas about which they have the greatest concern and areas on which we still need more information. As we move forward with the regulations, stakeholders rightly point out that we need to get them right first time and we are determined to do that.

Jeremy Balfour: Thank you, cabinet secretary, and thank you, convener.

Alison Johnstone (Lothian) (Green): First, I want to ask about child winter heating assistance. For the majority of payments, clients will not be required to make an application, but Social Security Scotland needs data from the DWP. Does the cabinet secretary regard that as a barrier, given the pressure that the DWP is currently under as result of the increase in demand for all sorts of benefits and payments?

09:30

Shirley-Anne Somerville: We have not received that data as yet—those arrangements are not currently in place, but we are working closely with the DWP on that. The DWP will, of course, have to do a lot of replanning work, not just around the devolution of benefits but across its very large total work programme. Once it has confirmed the dates for when we can move forward to test the child winter heating assistance scheme, we will be in a stronger position to agree on when we can launch it.

As I said in my opening remarks, we still intend to launch the scheme this year, and I look forward to that, but that is reliant on the DWP's own replanning work. As you can imagine, my officials are in close contact with the DWP as we move forward with the replanning exercise to ensure that no changes are made to the wider programme that would have any adverse impacts on our planning for child winter heating assistance.

Alison Johnstone: I appreciate that, in order to qualify for the scheme, families are required to be in receipt of the highest rate of the care element of child disability living allowance. In April, the Scottish Government announced a new system of disability benefits consultations rather than assessments per se. At that time, you said that a new service run by health professionals would be needed to implement the consultation system. It is clear that the workload of professionals is currently immense, but perhaps you can indicate to the committee what preparatory work might be under

way to set up the new service, and when the new system for assessing eligibility might be online.

Shirley-Anne Somerville: That system is not required for the provision of child winter heating assistance, so we can move forward with that.

The timeframe depends very much on when we can have access to, and hold discussions with, colleagues in health and social care and in local authorities. We need practitioners at that level to help with decision making.

I am afraid that I cannot give any details of the timeframe; as Alison Johnstone can imagine, we cannot make a forecast at this time. Nonetheless, we are still moving forward with the work that we can do, which includes the preparatory work for the disability assistance packages. Some of that work does not require us to work with health and social care professionals—we can still do that in-programme behind the scenes; I can give the committee further detail on that if it is required.

If that answer satisfies Alison Johnstone, I will leave it there.

Alison Johnstone: Thank you, cabinet secretary—I am grateful for that. The proposed system seems to be a lot fairer, and I am sure that you share my view that we do not want to delay it any longer than necessary.

The Convener: I am not sure whether James Dornan wants to follow up on any of that before we move to the next theme of questioning.

James Dornan: I have just one question. Is the cabinet secretary comfortable with the data-sharing arrangements that are currently in place with the DWP?

Shirley-Anne Somerville: Those arrangements satisfy our current requirements. There is always a challenge, given that this area is a moving feast—once we have agreed on what is needed for where we currently are, we rapidly move on to the next set of asks and requirements for each Government. The arrangements are working well at this point.

It is obvious that the work will be impacted by Covid-19, and the UK and Scottish Governments will be required to replan. However, at this point, I have no concerns about data sharing with regard to how work on child winter heating assistance or other sharing agreements is moving forward.

James Dornan: Thank you.

Tom Arthur: My question is about the job start payment. I appreciate, cabinet secretary that you said in your opening remarks that you are not able to give an exact date, and I am not going to ask for a ballpark estimate, but it would be helpful if you were able to give one.

Will you unpack some of the work that is still needed before the job start payment can begin?

Shirley-Anne Somerville: I am going to disappoint you, Mr Arthur; I am not even going to give a ballpark estimate. We had hoped to have already launched the job start payment, but, as I stated in the Parliament some months ago, the obvious priority was to ensure that we had stability in both the agency and the programme. The launch of a benefit was not a sensible prospect while everyone was still getting used to remote working from home.

We intend to roll out the job start payment when that can be safely managed by the agency, taking account of the other work that it is currently doing, or is required to do—for example, on the invite to apply, which I have mentioned.

Work does still remain—such as service design level work, for example on finalising the online application form and the operational guidance for that; the publication of the policy impact assessments; and some final pre-launch preparations by the agency, such as making changes to telephony and web chat services for the job start payments.

We will provide the committee with further detail about the launch date as soon as we are confident of it.

Tom Arthur: Thank you, cabinet secretary. I appreciate that the next question will also be difficult to answer, given all the uncertainty.

Have you had any preliminary reflections on the job start payment—not just on its delivery, but on its policy intentions and eligibility—given the expectations of a significant rise in unemployment in the coming months?

Shirley-Anne Somerville: Absolutely. I assure the committee that we have looked in the round at the use of social security as a tool to assist with the Scottish Government's response to the pandemic. That was shown in our work on the carers allowance supplement.

I have asked officials to have a look again at the job start payment, to sense check what could be done, because I recognise the particular challenges that young people might have in the labour market as we move forward.

However, I point out that the job start payment is legislated for in a very different way to the other benefits that we are moving towards. It required a section 63 order under the Scotland Act 1998 from the Westminster Parliament; therefore, there are a number of areas that the Scottish Government does not have the ability to change.

Generally speaking, we do not have legislative competence over matters that concern

employment support. Those have had to be negotiated, agreed and moved forward in the Scotland Act 1998 (Transfer of Functions to the Scottish Ministers etc) Order 2020, which was made at Westminster under section 63 of the 1998 act.

For example, we cannot change residency, the age of applicants, or the requirement for the applicant to have been out of paid work for six months when they receive the job offer. The eligibility conditions are set out in the section 63 order. As I am sure the committee will appreciate, that took a fair amount of time to work through the Westminster Parliament, and it had to be agreed by both Governments.

Therefore, it is not simple for us even to look at what we would wish to change in regulations and then build that into a regulatory timetable in the Scottish Parliament. Many of the issues that the committee and stakeholders might want us to consider are not within our gift to change unilaterally.

Tom Arthur: My final question follows up on that. Would it be far easier for the Scottish Government to respond if those powers rested with the Scottish Parliament?

Shirley-Anne Somerville: As I said, it took a number of months—that is putting it mildly—to agree the section 63 order. Such things make it much more difficult for us to move forward. We are dealing with an area where we do not have the powers. We had to negotiate a section 63 order to allow us to begin the job start payment. As I have demonstrated, that makes it difficult to change the eligibility or to move forward with anything similar to that, because we do not have the powers. Even if the Scottish Government wants to do something like that, we do not have the ability to do so.

The Convener: Before we move on, our deputy convener, Pauline McNeill, might have a supplementary on that theme.

Pauline McNeill (Glasgow) (Lab): Yes, I have a quick question. Cabinet secretary, you have covered extensive ground with Tom Arthur. Can you say how you want to change the eligibility in relation to the age of the applicant and the period of not being in employment?

Shirley-Anne Somerville: We cannot change it. We could ask the UK Government, but it would be a year down the line before we had anything agreed, by which point everything would have moved on. We could spend a lot of time talking about that hypothetical situation, but we still would not be able to move forward to deal with the impacts of Covid-19. Therefore, we have not considered what to change, given the sheer timescale that is required to make changes. I am afraid that it is all rather too hypothetical, and I

would rather that my officials concentrated on the work that we can do rather than deal with that hypothetical situation.

Mark Griffin (Central Scotland) (Lab): I want to ask about how the council tax reduction scheme interacts with universal credit, as opposed to the legacy benefits. The cabinet secretary will know that those on universal credit are sometimes worse off to varying degrees because the council tax reduction scheme does not quite align with universal credit. Does the Scottish Government know or have an estimate of the proportion of council tax reduction claimants who will be worse off because the current rules do not work well with universal credit?

Shirley-Anne Somerville: We do not have a recent estimate for the proportion of council tax reduction claimants who will get less CTR because they are on universal credit rather than legacy benefits. We collect data on things such as the number of cases and the value of awards, but that does not provide sufficient detail on earned income for all households that receive council tax reduction.

The data covering 2020-21, which is the period including lockdown, will be available only through survey evidence, but that will not be available for some time. Current modelling predates the pandemic and therefore does not reflect the changes in case load and composition that have happened this year and will continue to happen this year and beyond. However, we continue to review the analytical work in relation to council tax reduction and, as and when new data becomes available, that will of course be published. It will take some time before we can robustly model the council tax reduction case load that has been impacted by the pandemic.

Mark Griffin: I know that we do not have the most up-to-date figures, but we know from the DWP that, in April, around 140,000 more people were on universal credit compared to February, and I expect that the figure will have risen even further. Has the Scottish Government given any thought to mitigation measures to support those people who have moved from legacy benefits to universal credit in recent times and who are, potentially, losing out on council tax reduction?

09:45

Shirley-Anne Somerville: Overall, the scheme assists around half a million households to meet their council tax liability. We believe that it has been working well during the pandemic. Citizens Advice Scotland published a survey on 5 June that showed that the percentage of respondents concerned about making council tax payments fell from 29 per cent in April to 22 per cent in May.

Although I would readily admit that that figure is still higher than I would like, it indicates that people are, I hope, using the council tax reduction scheme.

On Mr Griffin's questions around mitigation, our decision not to make any major adjustments to the current council tax scheme reflects the fact that, during the pandemic, there is limited operational capacity to deliver those changes in local authorities. Although some people who are on universal credit may be getting less council tax reduction than they would have were they on legacy benefits, those will, of course, be new claims.

Mark Griffin: Does the Scottish Government plan to monitor levels of council tax debt in order to keep a watching eye on whether that is increasing and to get a handle on whether new universal credit claimants are having issues with making their commitments to council tax payments?

Shirley-Anne Somerville: Certainly, we are concerned overall about the issues of debt and the financial impact that the pandemic will have. That is why we have called on the UK Government to retain the job retention scheme for as long as it is required. There is a concern that, if that were to end too early, we would see a further increase in unemployment in many sectors and a build-up of financial difficulty as a result.

We are keeping a very close eye on that not only within the management information that we have in the Government and in our discussions with local authorities but in discussions with a number of the stakeholders that are on the front line of dealing with the issues that people have with financial debt. At Government level as well as in our relations with local authorities and our stakeholders, we are endeavouring to keep up to speed as much as we can about the impact that this is having on people's lives.

Graham Simpson (Central Scotland) (Con): I was going to ask some questions about staffing, but that was covered earlier. I will therefore ask a couple of questions about budgets. The administrative budget for Scottish social security has gone down by £26 million, which is a bit of a surprise. What effect has that had?

Shirley-Anne Somerville: [*Inaudible.*]—have been because of the replanning work that we have taken forward. For example, there has been no staff recruitment over the past three months in line with the guidance from the Scottish Government. We have also not been able to move forward with some of the work that we would have been doing on the disability assistance packages.

If Mr Simpson would like to delve into particular aspects of the agency's budget, I am sure that

David Wallace would be happy to pick up on them. However, in essence, it is because of the changes to the replanning work, a requirement to have fewer staff and, indeed, an inability to get staff through the door. The replanning work in the programme has required the budget to change. We have not changed the programme because of a problem with budget; the replanning has dictated that budgets are not required at this time.

Graham Simpson: I understand that. Does Mr Wallace have anything to add?

David Wallace: Yes. I reiterate the point that the cabinet secretary has just made. The majority of our administrative budget at the moment covers people. As we said earlier, a chunk of our new colleagues were being brought in for the Scottish child payment. We honoured those contracts and commitments and have been bringing people in during lockdown. The agency has been recruiting constantly since it was established and the later recruitment campaigns were paused as lockdown started, so that money has not been required.

From the agency's perspective, there has not been an impact in the sense that we are having to make decisions based on that budget; it is the opposite. In effect, the budget reflects the decisions that we have made.

Graham Simpson: I would like to ask the cabinet secretary a question about the budget for the Scottish welfare fund. An extra £45 million was put into the Scottish welfare fund, £22 million of which went to councils straight away, and £23 million of which was held back. What has happened to that £23 million? What are you planning to do with it?

Shirley-Anne Somerville: You are quite right to say that we phased the money that went into the Scottish welfare fund. The first tranche is with local authorities to deal with the increasing demand for crisis grants. We will look at how the remainder of the money needs to be distributed.

We distributed the money in two phases because we simply did not know how the crisis was going to impact on local authorities, whether the pressures would be spread differently geographically, and whether we needed to phase the money in and distribute it differently from how we would using the normal formula. That would depend on the impacts of Covid-19 in different areas.

The money remains with the Government and, should local authorities require to draw it down, it is there. When we are nearing the point of the money being required by local authorities, we will discuss with the Convention of Scottish Local Authorities how to distribute it.

Graham Simpson: When you say that the money could be distributed in a different way from normal, what do you mean by that?

Shirley-Anne Somerville: That money is usually distributed using a formula that is based on the Scottish index of multiple deprivation, which seems to be sensible for regular times. These are not regular times, so if there were to be a large requirement, whether it be for public health or employment, and we were seeing a greater increase in a particular geographical area, it might be sensible for us to vary how we distributed that money, rather than using normal practices. Because we are not living in normal times, it seems sensible to have a sense check to see whether there is a fairer way to distribute that money in the circumstances in which local authorities are finding themselves. I suppose that it is a way of ensuring that we have maximum flexibility to deal with the strange circumstances in which we are all working.

Graham Simpson: It sounds like you might be asking councils to put in bids.

Shirley-Anne Somerville: No, not necessarily. As I say, this is about maintaining maximum flexibility and seeing how things are developing across the country. They might not develop evenly, so it makes sense for us to have that flexibility at this time.

Graham Simpson: I have one final question about staffing and how staff are coping with having to work from home. It is not always an easy thing to do, particularly when you have a whole army of more than 200 new people. How are they managing on a practical, day-to-day basis?

Shirley-Anne Somerville: I will bring in David Wallace again to talk a bit about the agency, but first I will pay tribute to the staff in both the social security directorate in the Government and the agency. Those staff have moved exceptionally quickly to work in difficult circumstances. Those in the agency have delivered an exceptionally high performance for the clients they are there to serve. I pay particular tribute to the extra 200 staff who have met each other—and indeed everyone else—only virtually since they started.

A great deal of work is going on to ensure that both the directorate and agency staff are supported. I have taken part in a number of all-staff calls in which around 1,700 staff from the agency and directorate listen to me for a bit; that is probably not the most important part, but they can put questions to me and the directorate.

The directors and deputy directors are very keen that we support people through this time. As committee members will know from their personal experiences, it is not easy working from home, and we are asking many people to work from

home who have not done so before. Many of our staff have caring responsibilities, and we take our commitment to support them and their welfare very seriously.

However, it is a very difficult time. I point to the programme as an example of that. The people involved are used to working in a very collegiate way, and they all get round the table to get the programme developed in a collegiate manner. That has all been moved online. It is the same for our policy officials; everyone is working in a very different way. We take their welfare seriously, and they are performing well.

The fact that people are working from home means that they are not working their usual hours, and we support them to do that. It has meant that there are limitations to what we can achieve. However, I pay tribute to everything that people are doing under very difficult circumstances to move forward and achieve so much this year both in the agency and in the directorate.

I will stop and let David Wallace pick up on some of the work that is being done in the agency, particularly on some of the new ways of working that it has developed using telephony and web chats, and on its overall support to colleagues.

David Wallace: What I say goes for the agency, but it also probably covers programme and policy colleagues.

We are enormously proud of the work that is being done in very strange circumstances. As the cabinet secretary said, our staff have childcare and caring responsibilities, so we have been flexible about when people are able to work and when they are not.

As well as having people who are new to the organisation, we deliberately reached out and brought into the cohort of new starts people who had been further away from the job market for a while—we have had conversations with the committee about that previously. When we first spoke to those people, I was enormously pleased that we had people from different backgrounds, who possibly had not worked for a number of years or who had caring responsibilities. We deliberately got a workforce that mirrors society generally. Therefore, inevitably, those people have responsibilities.

We are delighted when the cabinet secretary can join the all-staff calls, but we also have such calls routinely. The agency has done about six calls, which are mirrored elsewhere. The calls are an opportunity for the staff of what is now a large organisation to all be together at the same time, albeit virtually.

We have done some good work with See Me Scotland, and we are getting good results back

from that on mental health and the work that we have done with that organisation. The initial report back from it is very positive. We are one of the few organisations that are seeing positive indicators across its framework.

We were also one of the organisations that decided very early to do a pulse survey about how people were feeling so that we could deliberately take action and have a plan about how people were working. An individual staffing element that I have particularly enjoyed is that we have introduced what is in effect a random 15-minute call with people; that is fantastic.

I should briefly say a word about web chat, which the cabinet secretary mentioned. It has been a huge achievement to introduce that significant change and new business process during lockdown. The web chat facility, which enables clients to speak directly to a client adviser online, has been welcomed by clients and advisers. On telephony, we are clear that, although we are introducing web chat, we have to keep all the channels open to our clients. That is one of our commitments, and it remains a challenge.

That is a flavour of our activity. I could say much more about the good work that the teams are doing, but I am conscious of the time.

10:00

Graham Simpson: It is very impressive.

The Convener: You got good value for money there, Mr Simpson. We have a couple more questions before we finish the session. Pauline McNeill will lead on the final theme shortly, but Keith Brown has a question first.

Keith Brown (Clackmannanshire and Dunblane) (SNP): It is commendable that the agency and the Government have achieved a £27 million reduction in administration costs while taking care of the staff. We heard earlier that the Government is concentrating on ensuring that the moneys go out for the benefits that are currently being paid, which I think is the right emphasis. However, despite the cabinet secretary's inability, for obvious reasons, to give a timescale for benefits that are due to be paid in 2021-22, can she say anything further about the work and planning that staff are doing on the timetable, even though she cannot be more detailed about the timetable itself?

Shirley-Anne Somerville: I will bring in Alison Byrne from the programme to talk about some of the work that it has been doing this year. I mentioned briefly that a lot of preparatory work is still going on and still requires to be done before we launch the Scottish child payment. There are

major launches and go-live dates that we will be moving forward with this year. Obviously, that does not involve a go-live date for a benefit, but it involves substantial cross-cutting work. Alison Byrne can give you a flavour of what is happening this year.

We cannot give a timetable at this point, but we are determined to keep moving forward with what we can do and what is within our control. With your permission, convener, I will bring in Alison Byrne to give you a flavour—given the time constraints, it will have to be just that—of what we are determined to move forward with and to show how we are still delivering where we have the ability to do so.

Alison Byrne (Scottish Government): As the cabinet secretary said, one of the programme's key priorities for delivery this year is the Scottish child payment. It is not a straightforward benefit to deliver, and we will be doing it over three significant releases—one in July, one in September and then, obviously, one towards the end of the year.

The committee touched on the expectation that applications to Social Security Scotland will increase as a result of Covid-19. One of the key overall priorities in the programme at the moment is to improve the efficiency and effectiveness of the agency's systems so that it can cope with that. Therefore, the releases for the Scottish child payment do much more than simply support the end-to-end benefit delivery; they include a swathe of functionality on redeterminations and appeals as well as finance, fraud, error and debt, which we in the programme tend to call the cross-cutting services. It is a huge piece of work.

In addition, we have put in place a new continuous improvement team, which will be on the ground in June. The team will examine the agency's existing processes and consider how we can make them more efficient and effective to ensure that the agency is in as strong a position as possible to respond to the current crisis. We are also bringing forward delivery of a range of cross-cutting services that would have been delivered as part of the wave 2 benefits in order to further enhance the low-income benefits and to provide support for the disability benefits as we go forward.

In addition, as the cabinet secretary has outlined this morning, we are continuing with the build for child winter heating assistance and the job start payment, which we hope to launch by the end of this year.

As the cabinet secretary said, it is a full delivery programme for the remainder of 2020. We are taking forward work on impact and planning in relation to the disability benefits, but because

there is still such a high degree of uncertainty, that work will be on-going for some time to come.

Keith Brown: Given the time constraints, that is all from me. Thank you.

The Convener: That probably overlaps a little with the deputy convener's theme. I thank Pauline McNeill for her patience.

Pauline McNeill: My area of questioning has largely been covered.

Cabinet secretary, there is incredible pressure on your staff and on the social security system—that is taken as read. My question follows on from Keith Brown's line of questioning about how much the timetable is going to shift. There are so many uncertainties that it will be hard for you to give the committee any indication on that. However, we have previously debated many times the importance of having these powers and how we can do things differently, and we are concerned that things will be significantly delayed.

Is there on-going modelling for different scenarios? So far we have lost three months, and it looks like that will stretch to six months; we do not know what the endgame is. There must be people somewhere who are analysing what a loss of three months and a loss of six months will look like. Can you tell us whether the delay will be longer than a year? Is that a possibility?

Shirley-Anne Somerville: As Pauline McNeill noted, and as I am sure that the committee is aware, we really cannot give a timetable—even a rough indicative timetable—at this point. As I said earlier, so much of this is not within our gift. We need to work jointly with the DWP, which I fully appreciate is currently under extreme pressure and is therefore not in a position to be able to work with my officials on replanning on the scale that we would expect under normal circumstances. Both Governments are determined to take that work forward, but we just cannot do it at this time.

As I have said to the committee on previous occasions, a key aspect relates to when we can get the access to health and social care staff that we require to allow us to take forward the design work through the consultation process, as Alison Johnstone mentioned earlier. We can do some things without their involvement, but there comes a point at which we cannot move forward, given that the whole purpose is to ensure that the assessment process will be done in a very different way, with health professionals at the centre. Much of what we are looking to do depends on when we can start to get access to those professionals and have the detailed conversations that we want to have. It is about when that work can start, not just how much time has passed since lockdown began.

The other important aspect relates to data-sharing agreements with local authorities and the national health service. As Pauline McNeill knows, and as I know, it is not as if local authorities or NHS boards are currently sitting with the spare capacity and time to look at the data-sharing agreements that we require.

Those are the two main stumbling blocks that are preventing us in Scotland from getting our ducks in a row, and there is the added complication of dealing with the DWP. I am afraid that I just do not have the ability to give the committee a new timetable. The replanning work is taking place within the programme with regard to what we can take forward ourselves and how quickly we can do that. However, without knowing where the moving pieces that I have described will be in a couple of months' time, we cannot take things much further forward.

The Convener: Do you have any further questions, Pauline?

Pauline McNeill: No.

The Convener: I am sorry that you had to wait until the end of the meeting to get in; doing things in a virtual setting is not ideal. I thank all MSPs for their patience and, most importantly, I thank Shirley-Anne Somerville and her team, and David Wallace, chief executive of Social Security Scotland.

We are determined that the committee will continue to scrutinise, in an appropriate fashion, the delivery of Social Security Scotland benefits and the Scottish Government's policy commitments. We get that the current circumstances are challenging, and we understand that we keep asking the same questions and you say that you cannot give us the clarity that we desire, but it is the committee's purpose to monitor the work and to keep asking those questions. We seek to work constructively and in a collegiate way if we can, but we need as much certainty as we can get, given our role as Scotland's Social Security Committee.

I thank all our witnesses this morning.

Item 4 is consideration of the evidence that we have heard at item 3. The committee agreed to take item 4 in private, so we now move into private session.

10:10

Meeting continued in private until 10:48.

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