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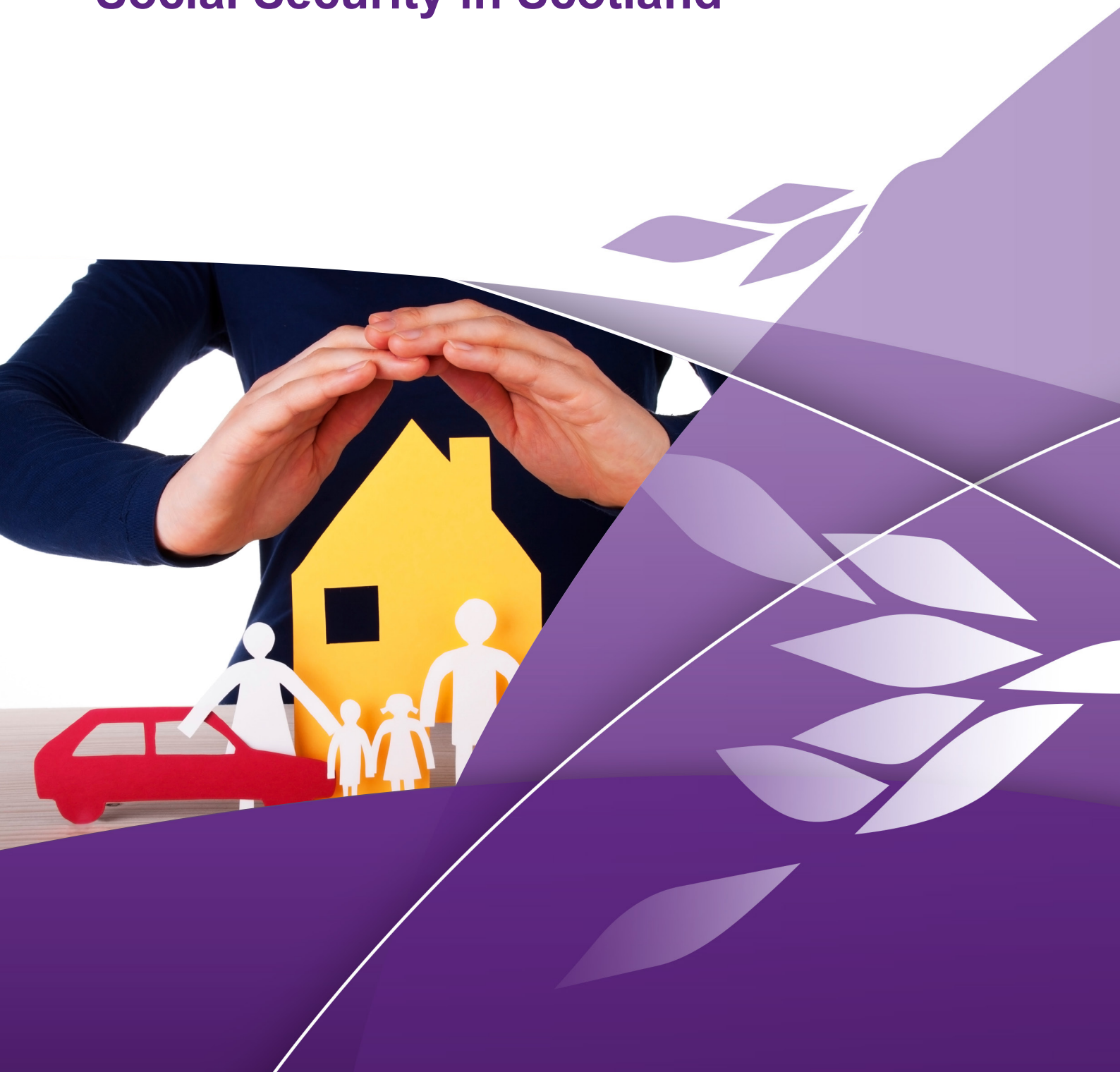
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Welfare Reform Committee

The Future Delivery of Social Security in Scotland



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Welfare Reform Committee

To monitor the implementation of the UK Welfare Reform Act 2012 and other social security legislation as it affects provision in Scotland and to consider relevant Scottish legislation and other consequential arrangements.



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Note: The membership of the Committee changed during the period covered by this report, as follows:

Hugh Henry joined the Committee on 2 September 2015 , replacing Michael McMahon (Scottish Labour Party, Uddingston and Bellshill)

Neil Findlay joined the Committee on 2 September, replacing Margaret McDougall (Scottish Labour Party, West of Scotland)

The future delivery of social security in Scotland

1. This report sets out the findings and recommendations made by the Welfare Reform Committee on its inquiry into “The Future Delivery of Social Security in Scotland”.
2. In order to inform its scrutiny the Committee conducted visits to Highland Council and to various ethnic minority representative organisations in Glasgow on 30 August and 1 September respectively. On 7 September it hosted an event for all previous ‘Your Say’ witnesses so that they could provide updates on their experiences of the benefit system and their views on how a new Scottish social security system should look.
3. The Committee took oral evidence on 15 and 22 September, 6 and 27 October, and 3 and 10 November 2015. The Committee also issued a call for written evidence which ran from 1 July to 28 August 2015. A total of 98 written submissions were received. A chamber debate on the Future Delivery of Social Security in Scotland was held on 12 November. Details of the written submissions and those who attended to give oral evidence are available in the annexe.
4. Many people made recommendations for the future based on what could be changed or improved with the current system. As such the recommendations and conclusions in the report may reference current benefits. However, this does not mean that the Committee is pre-empting any decisions or discussions that the Scottish Government may be undertaking about how it would like to approach the new Scottish social security system.
5. If a recommendation references a current benefit that may be redesigned by the Scottish Government in future, the Committee asks that the Scottish Government focus on the principle and spirit of what is recommended and how that may be applied to the new system.
6. The Committee reports to the Parliament as follows—

Executive Summary

7. The design and implementation of a new Scottish social security system is probably one of the biggest political tasks facing Scotland over the next 10 years. The Scottish Government is undertaking a major consultation exercise on this topic, which is to be welcomed. The Welfare Reform Committee believes that wherever possible, this system should be based on a strong political consensus. For this reason we have chosen to examine the issue to contribute to that foundation.
8. The Committee has examined the existing delivery of social security in Scotland over the past three years. It has witnessed the impact of the current regime on claimants - its failings and strengths. It seeks to bring this experience to bear in examining how that regime may be improved.
9. Witnesses suggested that elements of the current system appear to operate under an umbrella philosophy which regards those on social security universally as 'skivers'.¹ The Welfare Reform Committee rejects this narrative and believes that it is neither realistic nor helpful. We have witnessed many claimants fighting to get back into the labour market, or otherwise improve their chances of contributing to society, in situations where the current system can act as a hindrance rather than a help.¹
10. We believe that a new Scottish social security system requires a **huge culture shift**. Time and time again we have heard complaints from benefit recipients about how they have been treated by the system. "Most of the way, the way they treated you was as a piece of dirt", as one claimant on the Work Programme put it to us. Clear leadership from the UK Government's Department for Work and Pensions (DWP) and the Scottish Government will be required to achieve this.
11. The Committee has a number of scheme-specific recommendations to make but we believe that, even if the system remained substantially the same, significant improvements could be achieved by a culture shift to a more positive attitude towards claimants.
12. We believe that a brand-new philosophy and set of **principles** is necessary in order to underpin the new Scottish social security system and make it more successful. Most importantly, a new Scottish social security system should be based upon preserving the **dignity** of, and showing **respect** for, claimants. We believe that this principle should run through the entire social security system and be enshrined in the primary legislation.

¹ John Lamont notes his dissent from this sentence.

13. The current system is regarded by many claimants as punitive, particularly in regard to the sanctions regime. The Committee accepts that there will be situations where conditionality will be required, but it is essential that the system is **non- punitive** in nature and that sanctions are only used genuinely as a last resort.
14. The other major principle which we advise the Scottish Government to adopt is to make the new system **person- centred**. The current social security system often appears to be designed for bureaucratic convenience. The fact that a whole advocacy industry has grown up to support claimants through the process is an indication of how the system is not currently person-centred. Ultimately we would like to see a system where the need for advocacy and support disappears for the vast majority of claimants.
15. If the demand for advocacy support is to reduce, the new system must be much more accessible than at present, include clear and **simple** communication in **plain English** and overall be much more **transparent** and easily understood.
16. Creating a fully person-centred system has a number of other implications. It implies that the system as a whole is much more **joined up** and **coherent** than at present. This will not be easy to achieve. It also implies that the principle of '**passporting**', which allows claimants to automatically qualify for other benefits and support, is used wherever possible. This will minimise the input required from benefit claimants, some of whom are seriously ill, but also make the overall system as efficient as possible.
17. It is important that the basic **human rights** of individuals are not infringed by their interaction with the social security system and that the **right to participate** in society, particularly of those with significant disabilities, is recognised.
18. There are a number of other qualities that one would desire from any new system. It should be **fair** and **consistent**. It should be **helpful** and **supportive** overall, and it should be **speedy** and **responsive**. Some of the main reasons given for using food banks by users are delays in benefit decisions, low income and the impact of benefit changes. ²
19. It is of course easy to list the principles that are desired in a new Scottish social security system. The Committee appreciates that achieving them all will be a substantial task, particularly as we face a number of big issues and tough choices.

Big issues and tough choices

Coherence

20. The passing of the Scotland Bill will create a shared competence in social security in Scotland. The system, which was previously the almost exclusive preserve of

the Department of Work and Pensions (DWP), will now be accountable to both the UK and Scottish Parliament and will be delivered by agencies reporting to both.

21. The Scotland Bill will, even without any other changes, therefore create a more complex system of social security in Scotland. In this context, it is absolutely vital that the new system is as coherent as possible. We believe that this cannot be achieved without very good inter- governmental relations between UK and Scottish Governments and complete transparency, including a commitment to the open sharing of data. The Committee believes that this relationship will have to deepen significantly if this coherence is to be achieved.

Scottish Agency versus DWP

22. The Committee recognises that the decision to proceed with a Scottish agency or contracts with the DWP to provide services is a major dilemma. On the one hand, contracting with the DWP provides a higher level of continuity and presumably reduces risks in transition and start-up costs. On the other, creating a new culture would be easier with a new organisation and it would have more de facto autonomy and fewer of the scale problems which seem to affect the DWP, e.g. in the roll out of Universal Credit. Evidence that the Committee has received seems to suggest that it may be difficult to amend DWP systems to cope with Scottish variances and that the costs could be significant. However, we need to also bear in mind that people could potentially be claiming a mixture of reserved and devolved benefits which could increase difficulty in dealing with different agencies. These may be key factors in decision-making on this issue.

National versus local

23. The Committee believes that there is a difficult balance to be struck between responsibilities at national and local level. It believes that a national framework of entitlements etc. is necessary to avoid the risk of creating a 'postcode lottery' in benefit provision. However, it recognises that there are many advantages in local provision, including the scope for integrating services. It does not share the view that local authorities should be excluded from consideration.

Short-term versus long-term

24. Creating a Scottish social security system in a shared space with the Department of Work and Pensions is an enormous undertaking. Hundreds of thousands of people will require to be paid on day one of the new system. The Committee recognises that all parties will need to be pragmatic in the way that they approach creating the new system, particularly in the short-term. This may mean that short-term solutions need to be devised, which will be significantly different from the medium and longer term ones, to ensure proper continuity in payments etc.

Top-ups versus status quo

25. What any Scottish Government is able to achieve within its new responsibilities will be heavily determined by the financial settlement reached with the UK Government through the Fiscal Framework. The Committee's specific recommendations do include some with modest cost implications. However, at the time of producing this report, the Fiscal Framework has not been agreed and it is not therefore sensible for the Committee to make any recommendations with major cost implications, such as the extent to which a Scottish system should include top-up benefits. However, this is a fundamental issue and should be subject to a national debate, at the Scottish Election and beyond.

Scheme-specific recommendations

26. The Committee also has a series of conclusions and recommendations for the particular social security schemes that the Scottish government will inherit. A summary which provides an indication of the most significant points is given below:
- The Committee believes that the Scottish Government should introduce long-term Disability Living Allowance / Personal Independence Payment awards for those with severe, long term disability or illness. This would vastly reduce the stress on severely ill people of multiple assessments, continuous form filling etc. and save money by reducing bureaucracy. This measure will require close consultation with affected groups and others.
 - The Committee believes that carers make a vital contribution to Scottish society and economy. It supports the proposed increase in Carer's Allowance to at least the amount paid in Jobseekers Allowance. It encourages the Scottish Government to consider how it can reduce bureaucracy and complexity for carers.
 - The Scottish Government should i) pay the housing element of Universal Credit directly to landlords on a fortnightly basis (unless otherwise requested), and ii) allow more than one payment per household, if necessary.
 - Our evidence has shown that there remains a series of problems which, when taken together, could create significant issues with the operation of Universal Credit, which have still not been resolved over two years since our visit to a pathfinder project. The UK Government needs to ensure that these are dealt with now.
 - The Scottish Government should immediately use its new power to abolish the 'bedroom tax' and remove the situation where the state is currently "robbing Peter to pay Peter"³. This will allow Discretionary Housing Payments to be returned to their original purpose of providing flexibility in difficult circumstances.ⁱⁱ

ⁱⁱ John Lamont MSP notes his dissent from this paragraph.

- The Committee has concerns about the profitability element of the main ‘Welfare to Work’ programmeⁱⁱⁱ. It believes the Scottish Government should allow new players to participate and incorporate local strengths into the Work Programme.
- The devolution of the Work Programme also creates an opportunity for the Scottish Government to use its influence to create a programme where sanctions are used genuinely as a last resort. However, the Committee has concerns that there may be tensions between the approach that the Scottish Government may wish to take on conditionality and sanctions and the approach of the UK Government, where responsibility remains.
- The devolution of the Regulated Social Fund creates an opportunity to simplify access to funeral grants – there would seem to be scope for negotiation jointly with local authorities and the industry to create a better state-supported funeral. There are also opportunities to improve access to and awareness of Sure Start Maternity Grants.

ⁱⁱⁱ John Lamont MSP notes his dissent from this sentence.

Introduction

27. There has been a debate around the Smith Commission on what social security powers should be devolved to the Scottish Parliament. There has been a subsequent debate about whether the Scotland Bill fulfills the social security powers recommended by the Smith Commission. This report deals with neither of these issues. Instead it focuses on how those powers which are contained in the Scotland Bill should be used to improve the delivery of social security in Scotland.
28. The Welfare Reform Committee has examined the delivery of social security in Scotland over the past three years. It has witnessed the impact of the current regime on claimants as well as its failings and strengths. It seeks to bring this experience to bear in examining how that regime may be improved.
29. Witnesses suggest that elements of that regime appear to operate under an umbrella philosophy which regards those on social security as ‘skivers’.⁴ The Welfare Reform Committee rejects this narrative and believes that it is neither realistic nor helpful. We have witnessed many claimants fighting to get back into the labour market or otherwise improve their chances of contributing to society, in situations where the current regime can act as a hindrance rather than a help.
30. We believe that a new Scottish social security system requires a brand-new philosophy and set of principles in order to underpin it and make it more successful.
31. Time and time again we have heard complaints from benefit recipients about how they have been treated by the system. Donna, a Work Programme participant said—

 ” most of the way, the way they treated you was as a piece of dirt⁵
32. Heather, a Personal Independence Payment applicant said—

 ” I felt bullied and pressured, and so humiliated, I showed my scars. She looked very disbelieving and said, “I can’t even see it.” I felt increasingly upset and so showed her fresh cuts on my chest. She replied “is that it?”⁶
33. It has even been suggested to us that if the system remained substantially the same, but the way claimants were treated was more positive, then this in itself would result in a marked improvement in the service overall.
34. For this reason we believe that agreeing a set of principles, including for instance dignity and respect, to underpin a new Scottish social security system is essential.

Principles of a Scottish social security system

35. Most importantly a new Scottish social security system should be based upon preserving the **dignity** of, and showing **respect** for claimants.
36. This Committee brought about an amendment to the Welfare Funds (Scotland) Bill to ensure that Scottish Welfare Fund claimants were treated with dignity and respect and we believe that this principle should run through the entire social security system.
37. Rachel Stewart from the Scottish Association for Mental Health (SAMH) said—

” There is not the same stigma in going to the NHS to get help when you are not well as there is in accessing benefits when you are not well. Those two systems were set up around the same time and linked up together, and I do not know why their directions have diverged.⁷
38. In a new Scottish social security system we would like to see the same dignity and respect that is normally offered to NHS patients offered to benefit claimants.
39. As was noted in the previous Committee report on the [‘Sanctions Regime: Tough Luck or Tough Love?’](#)⁸ the current system is regarded by many claimants as a punitive one. We wish to see this aspect eradicated from a Scottish system. The Committee accepts that there will be situations where conditionality will be required, but believes it is essential that the system is **non-punitive** in nature and that sanctions are only used genuinely as a last resort.^{iv}
40. The other major principle which we advise the Scottish Government to adopt is to make the new system **person-centred**. At present the current social security system often appears to be designed for bureaucratic convenience and the fact that a whole advocacy industry has grown up to support claimants through the process is an indication of how un-person centred the current regime is. Ultimately, we would like to see a system where the need for advocacy and support disappears for the vast majority of claimants
41. If the demand for advocacy support is to reduce, the new system must be much more accessible, include clear and **simple** communication in **plain English** and, overall, be much more **transparent** and easily understood.
42. Creating a fully person-centred system has a number of other positive implications. It implies that the system as a whole is much more **joined up** and

^{iv} John Lamont MSP notes his dissent from this paragraph.

coherent. This will not be easy to achieve. It also implies that the principle of **passporting** is used wherever possible to minimise the input required from benefit claimants, some of whom are seriously ill, and to make the overall system as efficient as possible.

43. It is important that the basic **human rights** of individuals are not infringed by their interaction with the social security system. The Committee believes that the Scottish Government should take on board the principles of dignity, respect, simplicity, fairness, consistency, accessibility, coherence, common-sense and both an entitlement based and human rights based approach when designing the new Scottish social security system. Also that the **right to participate** in society, particularly of those with significant disabilities, is recognised.
44. Sonya Chowdhury, from Action for ME, said—

” You asked what the principles are that our system should be based on, which is a great question to ask. At the end of the day you are asking, “How do you want to be treated as a human being?”⁹

45. There are a number of other qualities that one would desire from any new system. It should be **fair** and **consistent**. It should be **helpful** and **supportive** overall, and it should be **speedy** and **responsive**. Some of the main reasons given for using food banks by users are delays in benefit decisions, low income and the impact of sanctions through benefit changes¹⁰.

46. Figure 1 illustrates all these principles in a single word cloud.¹¹



47. This approach to an underpinning philosophy for a new social security system is supported by those who submitted written evidence. As ENABLE Scotland pointed out—

“...the devolution of parts of the welfare system provides an excellent opportunity to reframe the narrative around the welfare system. It has to be clear that the welfare system is about empowering citizens, facilitating participation and recognising everyone’s contribution and value to society. Further, it provides an opportunity to examine and influence the culture and ethos embedded in the benefits delivery system.”¹²

48. In addition, members of the Scottish Campaign on Welfare Reform submitted evidence calling for a social security system based on five key principles:
- Benefits should be set at a level where no one is left in poverty and all have sufficient income to lead a dignified life.
 - Respect for human rights and dignity must be the cornerstone of a new approach to social security
 - The social security system should be simplified – by for example increasing the proportion of non-means-tested benefits and rolling back punitive and costly conditionality and sanctions
 - Investment should be made in the support needed to enable everyone to participate fully in society.
 - Welfare benefits should work for Scotland – areas of reserved social security must take account of the different legislative housing, childcare, education, social care and training landscape in Scotland.
49. It is of course easy to list the principles that are desired in a new Scottish social security system. The Committee appreciates that achieving them all will be a substantial task, particularly as responsibility for the new system will be shared between the Scottish and UK Parliaments.
50. The Committee recommends that the Scottish Government take on board the principles of dignity, respect, simplicity, fairness, consistency, accessibility, coherence, common-sense and both an entitlement based and human rights based approach when designing the new Scottish social security system.

51. The Committee recommends that, in particular, the principles of dignity and respect be included in any primary legislation concerning Scottish social security. This clear message from the start will be essential in securing the culture change required within a new Scottish system.

Benefits for disabled people and those with long- term conditions

52. Benefits for disabled people and those with long-term conditions are proposed for devolution to Scotland. There is a broad view that a Scottish approach to disability benefits should be a more positive, person-centred approach and be designed in partnership with disabled people. Sonya Chowdhury, from Action for ME, said—

” It is really important not to slip into thinking about disabled people as one group of individuals—it is a group of individuals where there are lots of subsets of conditions, illnesses and needs.¹³

53. Witnesses and respondents to the call for evidence called for more to be done to combat negative attitudes towards benefit claimants. A number of respondents said that any new disability benefit should focus more on what a disabled person can do, rather than what they are unable to do. This follows a ‘social model’ approach to disability, as opposed to a ‘medical model’ approach. The social model views the challenges that a disabled person may face as being the result of society not being organised in a way in which supports their participation. Falkirk Council said—

” ...where the current ways that our society is organised is seen as restricting life choices for disabled people rather than their physical or mental impairments. As part of this approach, eligibility criteria should consider the effects of disability on all aspects of daily living and not be confined to personal care needs.¹⁴

54. The Committee would like to see a Scottish social security system that follows a social model approach to disability and focuses on the positives of what a disabled person can achieve, while offering them the right to support when and where it is needed.
55. The Committee recommends that when designing the Scottish social security system the Scottish Government should work closely with disabled people and those with long-term conditions who are best placed to reflect what they need from the system.

The move from Disability Living Allowance (DLA) to Personal Independence Payments (PIP)

56. Disability Living Allowance for working age people aged 16 - 64 is in the process of being replaced by Personal Independence Payments under the UK Government social security reforms. Both are non-means-tested and payable to people whether in or out of work.
57. DLA was available to anyone under the age of 65 with a disability and who needed help getting around and/or with supervision needs. PIP is for those who need help getting around and/or help with daily living activities. Entitlement to DLA or PIP can also be a passport to other benefits or additional payments in other benefits.
58. Organisations such as Child Poverty Action Group (CPAG) suggested that in the short term PIP should be improved rather than replaced in Scotland. It argued that introducing a third benefit for working age disabled people is likely to add complexity, confusion and risk of administrative error and delay. In the medium to longer term, CPAG suggested that the Scottish Government should consult with stakeholders to ensure disability benefits more accurately reflect the costs associated with disability, and to improve the assessment criteria and points system, especially for those with mental health problems or fluctuating conditions.

Applications and assessments

59. The Committee heard that the move from DLA to PIP is causing stress as claimants - especially those who had been given a lifetime award under DLA. According to Citizen's Advice Scotland PIP, is increasingly becoming an area of concern for people. It said—

” Since its introduction, PIP has rapidly increased as an issue for citizens advice bureaux in Scotland, with the number of new issues for clients rising by 93% in 2014/15 compared with the previous year. In March 2015, PIP surpassed Employment and Support Allowance as the most common new issue that CAB clients seek advice on.¹⁵

60. Evidence suggests that the application process causes difficulties for claimants. Filling in the form for PIP is said to be too complex and often requires additional support. Timescales are considered to be too short. The initial phone call to apply for PIP can also be a difficult first hurdle for some applicants; especially those with communication difficulties. The National Deaf Children's Society highlighted an example given by a client. It said—

” On the letter, it was stated that I had to PHONE them to get an application form so I could get started on applying for my PIP. I am 26 years old and I had to ask my mother to make the phone call on my behalf.¹⁶

61. The evidence reports delays in the assessment process and long waits for face-to-face assessments. Recent statistics show that clearance times for the process have now fallen to around 15 weeks. However, they reached a high of over 40 weeks in August 2014.¹⁷ When these assessment appointments are finally received, some claimants with health problems have reported having to travel long distances. During the actual assessment process the evidence reports people having difficulties properly communicating their conditions or being fully aware of their rights. Alzheimer Scotland said—

” ...these processes are seen as ‘faceless’, not providing the reassurance and support people may need for an unfamiliar and complex process. This is especially true in instances where a person with dementia has communication difficulties and may not be able to provide the information required.¹⁸

62. Some evidence suggested that the criteria used to make the assessment was unhelpful and did not faithfully reflect a person’s life. There is also the suggestion that assessment reports can be inaccurate, leading to conflicts with the existing knowledge of the person’s own medical professionals. Alan Weaver, from Moray Council, said—

” I think that the assessments could be looked at in a different way from what is happening at the moment. People who are on the ground in a local area know an awful lot of people and have done for an awful lot of years. Therefore, they know their abilities and their disabilities far better than someone who sits down with someone for an hour.¹⁹

63. As the Committee has heard in the past, other witnesses described situations in which clients struggle to get information from their doctors because GPs are too stretched to cope with the demand. An example was given by Sonya Chowdhury, Action for ME, of someone being asked to pay £100 to receive a letter from their GP to support an application.
64. The Committee heard that re- assessments are considered to be too regular and an additional stress for claimants with degenerative or progressive conditions that will never get better. They are also considered to be a waste of taxpayers’ money. Bill Scott, from Inclusion Scotland, said that according to the National Audit Office it costs about £182 to administer the new PIP assessment, compared to £49 for the DLA assessment. He suggested that savings could be made by reducing the number of assessments and going back to the largely paper-based system used for DLA. He noted that the fraud rate for DLA was exceptionally low at less than 2%.

65. Witnesses also informed the Committee that inaccuracies and a lack of information lead to a high number of appeals. The process of Mandatory Reconsideration, where claimants have to wait for an internal decision from the DWP before they can exercise their right to an appeal, is described as a lengthy and stressful process which can negatively impact on a claimant's health.

66. The Committee believes that the current assessment and application process for Personal Independence Payments is not effectively meeting the needs of disabled people. The Committee believes that the Scottish Government should consider new criteria, particularly in the area of mobility, which will accurately reflect a claimant's capabilities.^v

67. The Committee believes that a culture change in how claimants are dealt with is essential in the new Scottish social security system. It recommends that the Scottish Government ensure that all staff carrying out assessments for disability-related benefits undergo disability and equality training so that they are better able to understand the needs of the people they are dealing with.

68. We believe that the Scottish Government should enable changes to make the system less bureaucratic, more person-centred, flexible, accessible and accurate. If the system gets an assessment right first time it not only saves the tax payer money but also significant time and stress for the claimant.

69. In order to address the stress attributed to the Mandatory Reconsideration process the Committee recommends that the UK Government consider that the language be made more user-friendly and that communication be made as effective as possible.

70. The Committee recommends that when the Scottish Government creates its own system for disability benefits more weight should be given to existing medical evidence and the opinions of the claimant's own medical professionals. The expertise of occupational therapists should also be used more effectively within the system.

71. The Committee believes that the Scottish Government should introduce long-term Disability Living Allowance / Personal Independence Payment awards for those with severe, long term disability or illness. This would vastly reduce the stress on severely ill people of multiple assessments, continuous form filling etc. and save money by reducing bureaucracy. This measure will require close consultation with affected groups and others.

^v John Lamont MSP notes his dissent from this paragraph.

72. The Equality Act 2010 says there's a duty to make reasonable adjustments if a person is placed at a substantial disadvantage because of their disability compared to a person with no disability. The Committee believes that the Scottish Government should communicate effectively with claimants in advance of any assessment to ensure that any and all 'reasonable adjustments' are made.
73. The Committee also recommends that if face-to-face assessments do take place, they should do so in an area local to the claimant and preferably in a care setting familiar to the client.
74. The Committee recognises that NHS doctors have a contractual obligation to provide information free of charge when initially requested for a DLA or Attendance Allowance assessment. However, it is aware that issues can arise when claimants request additional medical evidence. It recommends that the Scottish Government ban any charges which may be levied on the provision of additional information.

Delivery – national versus local

75. A number of local authorities, COSLA, and third sector organisations have proposed that local authorities could deliver new disability and carer benefits, given their years of experience in administering benefits (e.g. Housing Benefit), as well as the introduction of integrated health and social care services.
76. A number of councils argued that the introduction of integrated health and social care services, could act as a single gateway for claimants, streamlining assessments, giving a more person centred approach and sharing information with other services.
77. Social Work Scotland noted in its written submission that health and social care professionals played a key role in helping people access benefits. However, it noted that such expertise was patchy.
78. Some third sector organisations are strongly opposed to this idea. It was noted that not all disabled people access social care. Fears were expressed by organisations such as CPAG, Inclusion Scotland and Parkinson's UK that local delivery could lead to a postcode lottery. The example of what is happening in England with benefits localisation was also raised. CPAG stated that this had led to confusion, erosion of entitlement and a lack of transparency and oversight. The third sector also expressed concern that money which should be directed towards benefits may be used to subsidise social care budgets if not ring-fenced under local authority control.

79. Social Work Scotland also clearly opposed any suggestion that financial benefits could be more closely tied in with other devolved services such as social care and support. In written evidence it said—

” As a profession social work has always opposed being drawn into or becoming part of any financial benefits system aside from exercising its role in advocating on behalf of individuals and families. Receipt of benefits should not be linked to any form of social work ‘assessment’ which would only serve to exacerbate feelings of stigmatisation and state interference.²⁰

80. However, it also noted that one area where the links will need to be made between benefits and social care is around the charging of disabled people for services by local authorities. It said—

” In effect government in Scotland will be simultaneously paying people benefits and reducing their weekly income (often substantially) via charges. The widely varying practice across local authorities as to what is charged for will militate against any objectives around equity and fairness.²¹

81. The Committee acknowledges the benefits that both national and local delivery can provide. It recommends that the Scottish Government investigate options which provide a national framework to allow consistency and transparency but capitalise on the benefits and knowledge of local delivery. The Committee recommends that, as part of this investigation, the Scottish Government draws upon the lessons from a variety of areas such as self-directed support, the integration of health and social care and the Scottish Welfare Fund.
82. The Committee believes that, whatever delivery mechanism is chosen concerning disability benefits for Scotland, it is essential that claimants have confidence and trust in that system. In particular, that the funding for disability benefits will not be used to meet any other local needs.

Keeping disabled people in work or education

83. An anonymous benefit claimant submitted the following evidence to the Committee. They said—

” I have now been told that my application for reconsideration has been refused, in part because the decision maker does not accept I am as disabled as I claim because I am able to work full time! The result of this is that I continue to be off sick at present.²²

84. The stated objective of the welfare reforms is to encourage people off benefits and into sustained employment. However, Bill Scott, from Inclusion Scotland, noted that there are fewer disabled people in employment now than at the start of the recession. He said—

” It is not just that the changes are failing to move disabled people into work and that there are proportionately far fewer people in work than there were before the start of the recession but that the changes are driving people out of work.²³

85. He informed the Committee that about 48,000 to 49,000 people on higher rate DLA will lose it in the move to PIP. One in three of those people use their payment to lease a Motability vehicle in order to get to work. He cautioned that this could mean that 16,000 disabled people face losing their jobs because they will not have a means of getting to their workplace, unless they use their wages to make up the difference in maintaining the lease on the car.
86. In a ‘Your Say’ evidence session on 05 May, Moira Sinclair, a benefit recipient told the Committee—

” I have calculated what it would cost the state if I did not receive PIP and had to give up work. If I keep getting DLA or PIP, working and, therefore, paying my tax and national insurance, there will be a net gain to the state and taxpayer of around £5,000 per annum, because I pay around £7,800 in tax and national insurance and DLA is just under £3,000 for the year.



If I lose DLA or PIP and have to give up work, there will be a net loss of around £11,500 per annum, which would be significant if I were to work for another 20-odd years.²⁴

87. Professor Nick Watson from Glasgow University noted in relation to the experience of students that—

” If they do not have their mobility allowance, they cannot get in and out of the university. If you take away their support, they cannot do what they need to do as students. The benefits are key for including disabled people.²⁵

88. The Committee recognises the important contribution that schemes such as Motability can make to disabled peoples' participation in society. It believes that the social security system should do all it can to enable disabled people who are currently in work to stay in work. We recommend that the Scottish Government carefully consider the importance of 'passporting' when designing the new Scottish social security system.

Fast-track for terminally ill

89. People who are terminally ill can get fast-tracked benefits for DLA, PIP and Attendance Allowance, but only if they are in receipt of a DS1500 form, which is, generally, signed by a GP or a consultant.
90. Richard Meade, from Marie Curie, informed the Committee that DWP figures show that 95% of those forms are given to people with terminal cancer. He noted that terminally ill people suffer from a range of conditions, not just cancer, yet they will not necessarily get the fast track to those benefits. This means they will often have to face a more rigorous process, which might not be appropriate for someone who is so ill.

91. The Committee recommends that training and awareness of the fast track process for the terminally ill to access benefits is improved so that a wider range of terminally ill claimants are made aware of their eligibility for this service.

Funding

92. In the move from DLA to PIP many people will now not meet the new eligibility criteria. In its impact assessment of the reform the DWP anticipated a 20% reduction in expenditure for PIP. This will have an effect on the budget when it is transferred to Scottish control. The Committee has previously called for the UK Government to halt the roll-out of PIP in order to preserve the budget and entitlement for as many people as possible before the benefit transfers to Scotland.
93. Many witnesses and respondents to the call for evidence saw this as a challenge as any mitigation of these losses will need to be met from Scottish Government resources. Difficult budgetary decisions would need to be made whether to plug this gap in eligibility or use funding in different areas.

94. The Committee is still of the view that the UK Government should have halted the roll out of PIP in order to preserve the entitlement for as many people as possible before the benefit transfers to Scotland. The Committee recommends that difficult funding decisions be made in close consultation with those impacted by the changes.^{vi}

Attendance Allowance

95. Attendance Allowance is a benefit available to people aged 65 or over with a mental or physical disability and could benefit from personal care or supervision. It is not means-tested and is disregarded as income for means-tested benefits and tax credits.
96. Attendance Allowance has links to other benefits. For example, recipients may also be entitled to Pension Credit, Housing Benefit or Council Tax Reduction. Receipt of Attendance Allowance also allows the claimant's carer to qualify for Carer's Allowance.
97. However, unlike DLA or PIP, Attendance Allowance does not include a mobility component. A number of respondents to the call for evidence described this as unfair, especially given that older people are more likely to have limited mobility. Respondents also noted that, because there is no mobility component, there is no passport for a Blue Badge or the Motability scheme.
98. Age Scotland said—

” We have been unable to find any published official rationale for why this difference exists. This situation seems to imply that older people who have a disability somehow have less need to move around, or less need for financial support to allow them to do so, than those who experienced disability earlier.

This is manifestly discriminatory; it means that the age of a person when they become disabled determines the support available, not the severity of the disability itself.²⁶

99. There was a suggestion that PIP should be extended to anyone up to the age of 69 so that a person would need to be 70 to qualify for Attendance Allowance. This would take account of the current policy on retirement age and the fact that people are expected to work for longer.

^{vi} John Lamont MSP notes his dissent from this paragraph.

100. The Committee believes that it is unfair to determine the level of support available for a disabled person depending on the age at which the disability occurs. It recommends that the Scottish Government consider ways in which a mobility component could be made applicable to older people.

Benefits for carers

101. Carer's Allowance is a non-means-tested benefit paid to people who regularly care for someone who is severely disabled and who must be in receipt of certain benefits, e.g. Attendance Allowance (higher or lower rate), DLA care component (highest or middle rate) or either rate of the daily living component of PIP.
102. The Committee heard that three in five adults in Scotland will be a carer at some point in their life. With this in mind, the question of entitlement and what carers can receive is something that will impact on a significant range of the population.

Definition of carer

103. In order to qualify for Carer's Allowance, a person needs to meet the definition of being a 'carer'. Currently, the law recognises a carer as someone who provides, or intends to provide, a substantial amount of regular care to a person who is in receipt of care services.
104. At the time evidence was taken, oral witnesses were concerned that there may be confusion, as there would have been a definition used for Carer's Allowance as set out in the Scotland Bill and another used in the Carers (Scotland) Bill. However, UK Government amendments (70 and 71) made in the Scotland Bill at report stage address this issue.
105. The amendments replace the term 'relevant carer' with 'person' and remove the requirement to be 16 or over, not in full-time education, and not 'gainfully employed'. This will allow the Scottish Government wider scope to develop its own approach to the benefit in the future. The person being cared for would still need to be in receipt of a disability benefit as defined in clause 19(4) of the Bill.

106. The Committee supports the Scottish Government's intention to introduce a broader definition of the term 'carer' and welcomes the increased flexibility that the amendments to the Scotland Bill will allow the Scottish Government to develop its own approach to benefits for carers in consultation with carers organisations.

Restrictions on eligibility criteria

107. Currently, an individual is required to provide ‘regular and substantial’ care for someone, at 35 hours a week, to be eligible for the benefit. This was seen by witnesses to be too high and not representative of the impact that a caring responsibility may have on the individual. For example, Suzanne Munday from Minority Ethnic Carers of Older People Project (MECOPP), said—

” Someone who delivers care for 35 hours a week—or even more—could have a fantastic support system. Someone else could be under that threshold but if they are a single carer they may be struggling with a whole range of other life factors. Under the 35-hour rule, that person would not be entitled to the carers allowance or the carer element of Universal Credit.²⁷

108. The 35-hour rule was also not seen to take fluctuating conditions into account. Not all carers will be actively caring all the time. For example, mental health is an area where illnesses can be cyclical, with periods of ill-health and periods of good health. The Committee heard that trying to negotiate the benefits system to account for this fluctuation can be extremely stressful, both for the person involved and their carers.

109. The 35-hour rule also does not take into account the fact that many carers will be trying to balance their caring responsibilities with work or education. Students who study full-time are not entitled to Carer’s Allowance. Even if a course is not described as full-time, it will be treated as such if it involves 21 hours or more of supervised study. The Committee heard that young carers - adults up to 25 years plus - cannot take up education for more than 21 hours or they lose access to benefits.

110. The Committee is aware that the changes to the eligibility criteria as set out in the Scotland Bill 2015 may impact on the Scottish Governments consideration of what constitutes ‘regular and substantial’ care. The Committee would encourage the Scottish Government to actively consider the points made about the limitations of the current system in its deliberations.

Transfer from DLA to PIP

111. As noted above, in the transfer from Disability Living Allowance to Personal Independence Payments, it is expected that around 20% of claimants will lose their eligibility. This will have a knock-on effect on their carers. If a person being cared for does not have a qualifying benefit, such as PIP, their carer is unable to claim Carer’s Allowance.

112. If a carer cannot apply for Carer's Allowance to support themselves, they may be forced to claim Jobseekers Allowance and conform to the stricter job seeking conditionality and sanctions regime. This would likely lead to a further loss of support as they would likely be unable to meet their claimant conditions due to their caring responsibilities.

113. The Committee acknowledges the knock-on effect that a reduction of the numbers of people transferring to PIP may have on the eligibility of their carers to receive Carer's Allowance.

114. The Committee is also aware that although people may no longer be receiving a disability benefit, they may still have substantial care needs. We would encourage the Scottish Government to consider this continued need closely and include carers and their representative organisations in any deliberations on this topic.

Income and carers in poverty

115. According to Carers Scotland unpaid carers save the Scottish economy £10.8 billion every year.
116. Currently, Carer's Allowance is paid at the weekly rate of £62.10. This is one of the lowest rates of income replacement benefit, lower than the rate of Job Seekers Allowance, which is set at £73.10 for over 25s. Lynn Williams, of SCVO, said—

” For some carers, the nature of the disability of the person they are caring for may mean that work will never be an option, but that should not consign those carers to poverty. Carers must be equally valued as members of society and supported to have a decent standard of living. Sadly, that is not the case just now.²⁸

117. The rules around 'overlapping benefits' and eligibility for benefit 'premiums' means that Carer's Allowance is extremely complicated. . It is not possible to receive Carer's Allowance if you are in receipt of another income-replacement benefit, such as contribution based Jobseekers Allowance or the state pension; this is the 'overlapping benefit' rule. However, an underlying entitlement would mean that a carer could receive the carer premium, currently £34.60, if they are in receipt of a means-tested benefit.
118. If a person is paid Carer's Allowance, the person they care for would lose their severe disability premium in their applicable amount for means-tested benefits. This means that it may not always be financially worthwhile for a carer to claim it, even if they are entitled to it.

119. Carers are allowed to earn up to £110 a week before this starts to impact on their benefit. Witnesses such as Alzheimer Scotland and Carers Trust Scotland felt that this amount was too low.
120. CPAG questioned what Carer's Allowance is paid for. It recognised that, for many, it is an income replacement. However, it also recognised that, for others, it provided for the extra costs associated with the caring role. It suggested that any new carers benefit should be one benefit with two types of allowance. One would be a basic element to account for the additional costs that caring entails. The other would be an income replacement, if required. This would streamline the process.
121. The Committee believes that carers make a vital contribution to Scottish society. The Committee feels that this contribution should be valued in the same way as other alternative means of employment.
122. The Committee welcomes the Scottish Government commitment to increase the amount of Carer's Allowance to match Job Seekers Allowance. However, it recommends that the complexity in the current system be addressed in order to simplify the process.
123. The Committee would encourage the Scottish Government to consider the need for a benefit that covers both the additional costs that caring entails as well as the potential need for income replacement.

Keeping carers in work

124. The Committee is clear about the contribution that unpaid carers make to society and the economy. However, many people would choose to balance work and caring responsibilities if they were able to do so. Simon Hodgson, from Carers Scotland, encouraged employers to take a more sympathetic view and offer these employees greater flexibility. He said—

” Employers do not need to wait to change their behaviours until Scotland has the power to legislate. They could offer care leave—sabbaticals and so on—or support for people at the end of life. It would not be the end of the road for people who otherwise might have to give up work to cope with something serious in their lives.²⁹



125. However, Suzanne Munday from MECOPP, offered a note of caution, as the impact of carers in the workforce can be more pronounced in small to medium enterprises which only have one or two staff.

126. The Committee would encourage the Scottish Government and employers to think about the ways in which they can offer greater flexibility to carers who try to balance work and caring responsibilities. This would allow people to maintain their skills and return more quickly to the labour market; if that was their wish, thereby reducing longer-term benefit dependency.

Carers and the terminally ill

127. As noted above, if a person is considered to be terminally ill there is a process that will enable them to 'fast-track' their access to benefits. However, the Committee heard that there is no similar process to enable speedy access to Carer's Allowance to look after that person.

128. The Committee also heard that when that terminally ill person dies - who is often a loved one - support for their carer often stops immediately, leaving the carer without support at a very vulnerable time.

129. The Committee recommends that the Scottish Government consider a fast track process to allow quick access to benefits for carers when they are caring for someone with a terminal illness.

130. The Committee believes that there needs to be appropriate support in place for carers after their caring role ends. Carers' benefits should not automatically stop upon the death of the person they care for. A period of time should be permitted to allow the carer to make arrangements to move on in a supported fashion.

Carers dealing with transitions – children/older people

131. The Committee praised the excellent work that carers do, often in challenging circumstances. However, it was noted that the periods of transition going from childhood to adulthood and middle age to older age can be particularly challenging. This applies both to the carers themselves and the people that they care for.

132. For example, the Committee heard that disabled children tend to be well provisioned in terms of benefits and support. However, when the child becomes eighteen, this support often goes. This has a financial and practical impact on the young person, their families and carers.

133. Witnesses also noted that the ‘overlapping benefits’ rule that applies to income-replacement benefits, including Carer’s Allowance, means that carers do not receive their allowance if they are receiving the state pension. A pensioner who is entitled to Carer’s Allowance, but unable to receive it would be entitled to a carer premium (£34.60) on top of any means-tested benefit, such as Pension Credit. This can cause difficulties for many people who are undertaking significant caring roles when retired.

134. The Committee recommends that the Scottish Government make provision within a Scottish social security system to better support people and their carers during points of transition in their lives.

Carers with children in hospital over 84 days

135. A child, who is in hospital for 84 days or more, either consecutively or linked to the same course of treatment, would have their DLA stopped until they leave hospital. There is an assumption that hospital staff, rather than family, have taken over caring responsibilities. This in turn would cause the payment of Carer’s Allowance to stop.
136. According to organisations such as Aberlour, this does not reflect the reality of the situation – hospitals will often call on parents to help with round the clock care, and parents will not be able to generate any income during this period. The numbers of people this affects are small, but there is potential for this to affect every family with a profoundly disabled child.

137. The Committee welcomes the Scottish Government’s commitment to scrap the “84 day rule” which prevents families with a seriously ill or disabled child from receiving DLA and Carer’s Allowance payments once the child has been in hospital or received medical treatment for the same condition for more than 84 days.

Complexity and bureaucracy

138. The complexities in the current welfare system are well documented. For example, Richard Meade told the Committee that carers are often forced to take time away from their caring roles due to the demands of managing the administration of benefits and support. He said—

” ...they spend entire days working through numerous different forms, ringing up different people or trying to work out when something is arriving, what they are entitled to or how they apply for it. I even heard of one carer who had to set up a spare bedroom as an office to manage the care of their loved one.³⁰

139. Witnesses noted that a ‘key worker’, or someone who can be a dedicated resource to help guide claimants through the system and reduce duplication and bureaucracy would be a significant help, especially for disabled people and their carers, who are dealing with multiple benefits and care providers.

140. The Committee would hope to see a Scottish social security system which is simple and accessible in future. However, in the short-to-medium term, it recognises the benefits that a ‘key worker’-style system can provide, particularly for carers. It would also welcome a ‘one-stop shop’ approach to benefits from the Scottish Government.

The housing element of Universal Credit

141. A significant part of the UK Government’s welfare reform agenda is the introduction of Universal Credit (UC). Universal Credit is a means-tested benefit for working age people who are either unable to work, unemployed or in low-paid work. It will replace six existing working age benefits

- Income support
- Income based Jobseekers Allowance
- Housing Benefit
- Child Tax Credit
- Working Tax Credit
- Income based Employment and Support Allowance

142. The stated aim of Universal Credit is to simplify the benefits system and improve work incentives. The process of rolling out Universal Credit to all parts of the country is currently taking place, starting with ‘simple’ claims (i.e. new claims from single people without children). However, there have been a number of delays and IT issues hampering progress. Claimants have to meet certain “gateway conditions” to receive Universal Credit.

143. The Smith Commission recommended that the Scottish Parliament will have the power to vary the housing cost elements of Universal Credit. This includes: varying the under-occupancy charge and local housing allowance rate,; eligible rent, and deductions for non-dependants. The Scotland Bill provisions only apply to the Universal Credit housing costs for rented accommodation, not owner occupiers.

Direct payment to landlords

144. The new default position is that Universal Credit will be paid directly to the tenant as a monthly household payment. Under the current system of Housing Benefit, administered by councils on behalf of DWP, 93% of tenants thought it was better to have their benefit going straight to the landlord.³¹
145. Amongst the evidence there was a consensus that direct payment of the housing element of Universal Credit to the tenant should not be the default position. Many highlighted concerns for households who may find it difficult to cope with budgeting, falling into debt and accumulating significant rent arrears which may impact on landlords' cash flow and ability to access affordable capital.
146. However, the evidence also suggested that claimants should have the choice to be able to request the payment be made to them personally if they can show a positive payment history. This would encourage those who are able to take personal responsibility for their finances to do so while protecting the more vulnerable claimants.
147. CPAG noted that, in relation to private sector tenants, the choice to receive the housing element will be particularly important as tenants may not wish to disclose to their landlord that they are in receipt of benefit for fear of discrimination. Paying housing costs into a tenant's bank account (rather than directly to the landlord) would also give them the opportunity to withhold rent from their landlord if they are failing to meet essential conditions of the tenancy agreement.

Administration of direct payments

148. A note of caution about direct payments to landlords was sounded by North Ayrshire Council. It said that to implement and administer direct payments will require fundamental changes to DWP systems. Although DWP has an Alternative Payment Arrangement (APA) facility in place to pay the housing element direct to landlords, this comes after the calculation of the housing element, and both processes would need to be coordinated. North Ayrshire argued that there is a risk that changes in tenancy or tenants moving on and off Universal Credit could result in underpayments and overpayments of the housing element, increasing administrative complexity.
149. Falkirk Council also made the point that sufficient funding should be provided to enable robust management of rent accounts, to identify at the earliest stage where a problem may exist, and to ensure that local resources are available to support tenants who fall into difficulties with paying their rent.

150. The Committee agrees with the Scottish Government proposal that the housing element of Universal Credit should be paid direct to landlords as default. As with the previous system, it is essential that the claimant should be able to retain the choice to handle the payment personally, if that better suits their circumstances.
151. The Committee recommends that the Scottish Government note the concerns about potential administrative difficulties in making adaptations to the use of DWP Universal Credit systems.

Universal Credit as a single household payment

152. Universal Credit is designed to be paid as one single household payment. As in the Committee's previous inquiry into 'Women and Social Security' concern has been raised that in households where the single payment is made to a man, it is feared that women will lose access to independent income. This could lead to money being less likely to be spent on children's needs and could mark the start of a return to a 'male breadwinner' household model. Concern was also voiced that this system may exacerbate situations of domestic or financial abuse and makes it harder for claimants to leave an abusive partner.
153. Respondents, such as Shelter Scotland, recommended that the Scottish Government should enable Universal Credit claimants to be able to choose whether to have a single payment or a split payment between two people.
154. However, the Chartered Institute of Housing in Scotland (CIH Scotland) cautioned that the decision to split the payment could result in unintended consequences. For example, joint tenants are equally liable for the entire rent. A split payment to one individual would create added complexity in terms of rent liability. CIH (Scotland) argued that, to avoid this complication, split payment claimants should have the housing cost paid directly to their landlord with the other elements being split between the parties.

155. The Committee supports action to increase financial autonomy for women. With this in mind, it is supportive of the ability to split household Universal Credit payments and a move away from the 'male bread winner' household model.
156. However, it recognises that there may be unintended practical difficulties in the processing of this split. As such, it recommends that the Scottish Government work to identify all possible unintended consequences of this policy and put in place mitigating measures where required.

Frequency of Universal Credit payment

157. The default position is that Universal Credit is made as a single monthly household payment. The stated objective of this policy is to help claimants become more used to the world of work and budget on a monthly pay cheque.
158. Witnesses questioned whether a monthly payment would actually help claimants become most accustomed to the world of work. The Committee heard that most people cycle on and off social security benefits and that many of these people cycle into low-skilled, low-paid jobs where wages are paid weekly or fortnightly, not on a monthly basis.
159. Some clients in the trial areas report to be struggling with the current system of fortnightly payments and will be even more severely affected by having to manage on a single monthly sum. In a recent survey by Citizen's Advice Scotland, it was reported that, when asked how frequently they would like to be paid, 55% of respondents said weekly, 32% said fortnightly and 13% said monthly.
160. This would suggest that there is a desire for greater choice in the frequency of payments. However, the housing sector warned that careful consideration is required to adjust the frequency of payments without creating administration difficulties and potentially affecting the income of the claimant.
161. For example, the Committee heard that a problem that housing associations encounter with Universal Credit is that the assessment date to work out how much a claimant should be paid, and the date of that payment, can be different for each claimant. If housing associations have a large number of tenants on Universal Credit, they have to know the particular day for each claimant and the transactions that causes. The option for people to choose fortnightly or monthly payments would add another layer of complexity to this process.
162. According to Ashley Campbell, from CIH Scotland—
- ” It has been pointed out by some of our members that although that would be complex, it would be manageable, but a lot of thought would need to go into the management process and the information technology system in order for them to be on the ball.³²
163. Professor Paul Spicker also suggested, in written evidence, that using the powers to vary the timing and frequency of the payment of Universal Credit may be difficult partly because changes require the co-operation of the UK Government and the cost may prove prohibitive, given the current administration costs which are estimated to reach £15.84 billion by 2021.

164. The Committee recommends that the Scottish Government considers offering the choice of whether Universal Credit is to be paid monthly or on a more frequent basis should be given to claimants. This should be done only with their full knowledge of how their decision may impact on their ability to budget and their level of income in the first few months.^{vii}

Waiting period for first payment

165. The Committee heard how the waiting period for Universal Credit, coupled with the monthly payment, may put claimants into rent arrears from the start of the claim. Charles McAllister, a benefit claimant, said in written evidence that—

” ...with the new Universal Credit it’s up to 6 weeks before you get money to pay your rent and have any money to get food. If I take a 3 week job I lose nearly 9 weeks. 2 weeks lost by taking a 3 week job losing 2 weeks off the month and waiting 6 or more weeks to get any benefits once I sign on.³³

166. For example, if a tenant does choose to receive payments twice monthly, they will face a waiting period of around six weeks after which they will only receive half of their payment, the other half being made the following fortnight.

167. COSLA also raised the issue of waiting periods for benefit payments in its written evidence and is now “less convinced” that bi-monthly payments will assist claimants unless this issue can be resolved. Ashley Campbell, from CIH Scotland, continued to say—

” the six-week lead-in time will set people up with arrears from the start, which means that they will struggle even more with difficult financial dilemmas from the very start of their claim. Do they try to pay off their rent arrears? Do they pay for food? Do they pay their bills?³⁴

168. The Committee recommends that the Scottish Government considers what contingency measures can be put in place to support the claimant during the waiting period before their first Universal Credit payment is received.

Monthly assessment periods

169. Universal Credit is assessed on a monthly basis. This means that any change is treated as occurring from the beginning of the month, regardless of when it

^{vii} John Lamont MSP notes his dissent from this paragraph.

actually occurred. Highland Council argued in its written submission that this can lead to “rough justice” for landlords.

170. During its fact finding visit to Highland Council the Committee heard an example of a claimant moving to new accommodation just before the end of his/her assessment period. The Committee was told that the new landlord received the housing costs payment for the whole of the past assessment period, even though the tenant had only just moved in, and the previous landlord did not receive any payment. This can cause uncertainty and fluctuations to the landlord’s income. This can cause cash flow difficulties for the landlord.
171. Glasgow Council for Voluntary Sector also gave the example in written evidence that if an individual moves from higher to lower cost housing during the assessment period they may only receive the housing costs for the less expensive property. This is potentially problematic for people moving from expensive temporary, emergency or supported accommodation, and also causes concern for the temporary accommodation provider, who may find they receive no payment at all to their service.

172. The Committee is concerned that monthly assessment processes as they currently stand, only give a snapshot of the claimant’s situation. It recommends that the Scottish Government engage with the UK Government to consider how the assessment can be improved in order to take into account all the changes in circumstances which may have impacted the claimant that month.

Scalability

173. Concerns on the scalability of the live and digital Universal Credit system have already been outlined by the House of Commons Public Accounts Committee in its report to the last UK Parliament. It found that the live systems are technically limited and expensive to operate because they require manual intervention. This was also something that was found by the Welfare Reform Committee in its investigations.
174. For example, a concern was raised by Allan Gunn of Highland Council, who questioned whether the current manual system of Alternative Payment Arrangements could be scaled up and rolled out across Scotland. He said—

“ Although APAs can work just now, if they were to be rolled out significantly across Highland—or Scotland, for that matter—I am not sure that the current system could manage. I think that it would lead to significant delays with some payments. ³⁵

175. Jeremy Hewer from the Scottish Federation of Housing Associations (SFHA) gave another example. He said—

” One issue is the adjustment of housing costs as a result of the rent reviews that usually happen in April. We have been advised by the DWP that bulk data sharing has had to be set aside, so there will be a manual process, which will be a considerable headache for all concerned.³⁶

176. The Committee recommends that the Scottish Government work closely with the UK Government to reduce the dependence on manual interventions to process payments and updates within the Universal Credit system.

Data sharing

177. In the fact finding visit to Highland Council, the Committee found that data sharing between organisations is still problematic. For example, information and notifications on other benefits such as Job Seekers Allowance (JSA) are available to Council staff through computer programmes such as ATLAS or CIS. However, the Committee heard that this is not the case with Universal Credit, but that things are slowly improving.

178. In relation to Universal Credit sanctions, Allan Gunn, from Highland Council, said that he is able to get a breakdown of JSA sanctions by local jobcentre but was unable to do so for Universal Credit. He said—

” I cannot, for love nor money, see data on sanctions that refers to Universal Credit. That data is not made available. Members can draw their own conclusions about what that data shows.³⁷

179. The Members also heard that all communication must be made to a central Universal Credit service centre. Previously good working relationships could be established through regular contact. However, the Universal Credit service centre will have no personal contact or relationships with the Council staff. All communication must be made by email and it will be a different person replying each time.
180. Another area of note is that of benefit advisers speaking on their client's behalf. In JSA, the consent for benefit advisers to perform this role was implicit. The Committee was advised that, under Universal Credit, data sharing is not yet live in Highland.
181. There can also be a disconnect between the housing element of Universal Credit and other benefits. Previously, when Housing Benefit was administered by the council the team would deal with both Housing Benefit and Council Tax

Reduction. The Committee was informed that, with Universal Credit, that connection now doesn't exist and people are unaware that they need to apply for Council Tax Reduction separately.

182. However, the Committee was also made aware of the positive steps taken in Highland Council to co-locate both Council and DWP services to improve connections and make delivery easier for claimants.

183. The Committee views the effective data sharing between organisations to be critical in the smooth delivery of the housing element of Universal Credit.

184. The Committee encourages all parties involved in benefit assessment and delivery to be as open as possible. With the understanding that there may be some data protection issues to be overcome the default position should be one of positive cooperation and transparency in all dealings.

185. The Committee believes that lack of appropriate data sharing can lead to delays, confusion, or people being categorised or sanctioned inappropriately. This makes the need for good data sharing between reserved and devolved areas essential.

Local authority temporary accommodation

186. In the Committee fact finding visit to Highland Council, the Members heard about issues relating to Universal Credit and temporary accommodation. This was also raised in written evidence. Providing temporary accommodation is more expensive than providing standard accommodation. Highland Council reported that the average arrears level for a standard Universal Credit claimant was £1000. However, for those with Universal Credit in temporary accommodation it was £2100.
187. The Committee was made aware that, under Universal Credit, the eligible rent for temporary accommodation is restricted to Local Housing Allowance rates plus £45 management charge. Currently, the management charge is covered through Discretionary Housing Payments (DHPs) because legislation is not in place to allow Universal Credit to cover the cost. The Committee is aware that the 'gateway conditions' for eligibility for Universal Credit would not allow a claim from someone in temporary accommodation. However, this does not stop someone, who is already on Universal Credit, having to move into that situation.
188. There is concern that using DHPs to cover this cost is not sustainable because DHP is not an entitlement and is cash-limited, therefore is not a guaranteed way of covering the housing costs of vulnerable homeless people. There is a fear that this could lead to repeat homelessness presentations or further pressure on other types of supported housing which is not subject to the Universal Credit system.

189. North Lanarkshire Council referred to the potentially “catastrophic” treatment of temporary homeless accommodation. In its written submission, it said—

” The link between costs and benefits in respect of this particular type of accommodation will be dismantled under Universal Credit and the significant reductions in financial assistance to meet this higher cost accommodation, will lead to a drop in quality standards over time.³⁸

190. The Committee recognises the additional cost and complexity of providing temporary or supported accommodation. It recommends that the UK Government consider removing all temporary accommodation costs from Universal Credit.

191. It acknowledges that the issues around Universal Credit and temporary accommodation, while only affecting small numbers currently, may become a growing issue as the roll-out continues. Placing vulnerable people in a situation where they will potentially accumulate significant arrears will be detrimental to their ability to improve their situation.

Housing service charges and adaptations

192. The Committee heard that the housing element of Universal Credit does not include service charges for maintaining and servicing property adaptations such as hoists and stair lifts. These service charges are currently eligible under the current Housing Benefit system. The UK Government has argued that other systems are designed to pay for these charges.

193. However, Horizon Housing Association and Blackwood Care Home argues in written evidence that, “the DWP has however been unable to advise which other systems are designed to pay for a landlord’s costs”.³⁹ They estimate that their tenants affected by this omission would lose between £7 and £26 per week, depending on the type and number of installed adaptations.

194. Jeremy Hower, from SFHA, said—

” For a disabled tenant, a track-and-hoist system is as essential as a gas central heating system is for any tenant, but no one is questioning whether the maintenance charge for a central heating system is an eligible service charge. If housing associations do not provide adapted housing, what is the alternative? Is it a care home or hospital? Are those any cheaper? Is that a better use of public money? I do not think so.⁴⁰

195. The Committee believes that the maintenance of housing adaptations, such as hoists and stair lifts, is crucial to a tenant continuing to live in their home. They act as a preventative measure against further cost to the local authority and against distressing upheaval to the tenant.
196. The Committee recommends that the Scottish Government should investigate amending the housing element of Universal Credit to provide that maintenance costs for adaptations are included as an eligible charge.

Housing cost contributions

197. Housing cost contributions are commonly known as ‘non-dependent deductions’. Currently, a Universal Credit claimant’s housing element is reduced if they have “non-dependants” such as an adult son, daughter, relative or friend living with them (although there are some exemptions). The deduction varies according to the non-dependant’s gross weekly income and is set each year by DWP.
198. The Committee heard that there has been an increase in the value of non-dependant deductions. It was suggested that this may discourage some from moving back into work, as the deductions will significantly reduce the Housing Benefit (or indeed Council Tax Reduction) payable to the household. This could present additional challenges when trying to break cycles of sustained unemployment in families.
199. The Glasgow Council for the Voluntary Sector advocated in written evidence that Scotland keep a flat rate of non-dependant deduction but also suggested a review and revision of the charge as the rate of £69.37 is higher than the current minimum non-dependant deduction under Housing Benefit. They also encouraged Scottish Ministers to scrap non-dependant deductions when the non-dependant has no income.

200. The Committee recommends that a common-sense approach be taken to housing cost contributions when the housing element of Universal Credit comes under Scottish control. It would encourage the Scottish Government to consider reviewing the current list of exemptions to see if any additional exemptions are required.

People aged 18 – 21

201. As part of the Summer Budget 2015, the UK Government announced some changes to Universal Credit. From April 2017, those out of work aged 18 to 21 and making new claims to Universal Credit will no longer be automatically entitled to the housing element (excluding a number of exempt groups).

202. The Committee was informed that the Scottish Government is taking part in negotiations with the DWP about the exceptions to the 18 to 21-year-old rule. There is a concern as there is a mismatch in housing policy as in Scotland tenancies may be given to those who are 16, whereas in England this only applies from age 18.

203. The Committee was told that there are also differences in definitions across the border regarding care leavers. Mark Ballard, from Barnardo's, explained to the Committee that—

” We could end up in a situation in which Scotland has a broader definition of eligibility for support as a care leaver and it is not clear how that would root back into any Westminster definition of care leaver for the purpose of an exemption to the general removal of Housing Benefit for 18 to 21-year-olds.⁴¹

204. This issue would also raise a concern about Discretionary Housing Payments as 18 – 21 year olds would not be able to access them if they are not entitled to have their housing costs paid.

205. The Committee is concerned that the differences in housing policy between Scotland and England could have unintended consequences for young people. The Committee recommends that the UK and Scottish Government identify these gaps and work constructively with one another to make sure that they are closed.

Administrative costs and reduction in capital spend

Capital spend

206. The Committee was informed that, of those claimants who are on Universal Credit in Highland, 80-90% are in rent arrears. It was explained to Members on the fact finding visit that the average rent arrear for a Housing Benefit tenant is £200; for a Universal Credit claimant it is £1000.

207. When asked in oral evidence whether this could have an impact on the ability to build and refurbish houses, Allan Gunn, from Highland Council, said—

” ...there would be a cash-flow problem for Highland Council. That would present problems because, ultimately, less capital would be available to build council properties. That is a financial fact. At the end of the day, we would have less money coming in to the organisation and we would need to make decisions to address that.⁴²

208. Jeremy Hewer, from SFHA, outlined the impact that increased arrears could have on the Housing Association sector. He said—

” The first effect that housing associations would experience relates to their ability to borrow at competitive rates from lending houses. The calculation of covenants is based on an assumption of an income stream, so if that income stream were to be undermined, banks would want to renegotiate the covenants and future borrowing would be more expensive.⁴³

209. The administrative impact is also being felt in the social rented sector. SFHA told the committee that before Universal Credit, local authorities transferred Housing Benefit payments to associations on a monthly basis in a lump sum. In comparison Universal Credit may lead to hundreds of tenants making individual payments and the bank will levy a charge on each one.

210. The Committee is concerned to hear about the possible knock-on effect of Universal Credit in terms of additional administrative costs and the potential impact increased rent arrears may have on capital spend for landlords. Negative impacts in these areas may affect future service delivery and the ability of landlords to build affordable housing.

211. The Committee would encourage the UK Government to consider these additional costs and potential restrictions during its roll out of Universal Credit.

212. Overall, our evidence has shown that there remains a series of problems which, when taken together, could create significant issues with the operation of Universal Credit, which have still not been resolved over two years since our visit to a pathfinder project. The UK Government needs to ensure that these are dealt with now.

Private Rented Sector - Local Housing Allowance

213. The Local Housing Allowance (LHA) is used to work out the maximum housing element payable for tenants who rent privately. The Committee is aware that for many, private sector accommodation has become increasingly unaffordable for tenants.

214. Crisis noted in written evidence that the UK Government has broken the link between actual rents and the support available for housing costs, with LHA rate increases now capped at 1% (as opposed to reflecting the market increase). The current UK Work and Welfare Bill will also introduce a freeze on LHA for the next four years. John Dickie, from CPAG, said in oral evidence—

” ...there has been a break between the rents that are eligible for Housing Benefit in the private rented sector and actual increases in levels of rent in the rental market.⁴⁴

215. The Committee believes that there is a need to increase support for people in the private rented housing sector. It recommends that the Scottish Government evaluates how affordable the private rented sector is now in light of the changes made to Local Housing Allowance.

216. If the Scottish Government comes to the conclusion that the private rented sector has become unaffordable for claimants it should investigate ways in which it can mitigate or resolve this issue and make it more responsive to local housing markets.

The ‘Bedroom Tax’ & Discretionary Housing Payments (DHPs)

217. The Scottish Government has proposed that it will abolish the ‘bedroom tax’ when it has the power to do so. This received significant support from respondents to the call for evidence. As noted during the publication of the Committee’s interim report on the ‘bedroom tax’ in 2014, “unless the ‘bedroom tax’ is scrapped, we will continue to be in the ridiculous situation of robbing Peter to pay Peter.”⁴⁵

218. Crisis said that if it was not financially viable to use the powers to abolish the ‘bedroom tax’ then the powers should be used to extend exemptions to the ‘bedroom tax’, for example, to parents who have non-resident children staying with them occasionally.

219. Respondents to the call for evidence also noted that private rented tenants have a similar experience to the claimants in the social rented sector through the limits on Local Housing Allowance. They called for extra support for those affected.

220. Stakeholders supported the move to abolish the ‘bedroom tax’, not only because of the relief that this would bring to claimants; but also because it would be a financial relief in terms of administration. Highland Council said—

” Scottish authorities receive about £1.5 million a year to process DHPs to fully mitigate the bedroom tax. If we just stopped the 14 or 25 per cent bedroom tax penalty at source, we would not need that £1.5 million administrative overhead.⁴⁶

221. Local authorities can make DHPs to individuals entitled to Housing Benefit, or Universal Credit, that includes a housing costs element for rent payments, and require further financial assistance with housing costs. Local authorities have discretion on: whether to pay DHPs; how financial hardship is assessed; the amount that is paid (within certain limits), and how long the payments are made for. DHPs cannot be awarded to directly mitigate the effect of sanctions.
222. DHPs were not originally created to mitigate the so called 'bedroom tax' and the benefit cap. They existed before this and had a range of other purposes. For example, they could also be used for a rent deposit for a new property; extra heating costs because tenants spend a lot of time at home, because a person is sick or disabled or if they have additional travel costs to see a doctor or they care for a relative or friend.
223. However, witnesses did express some concerns about the future funding of DHPs as they are not an entitlement, are cash-limited and face increased demand, given the current LHA restrictions and the proposed tightening of the benefit cap. Witnesses also expressed concern that DHPs were losing sight of that original purpose. Jules Oldham, from Homeless Action Scotland, said—
- ” We have a big concern that the true purpose of DHPs is being lost now that only 7 per cent of the money is being used for what it was formerly used for.⁴⁷
224. Although the element of local authority discretion is useful and allows support to be tailored to deal with local needs, evidence suggests that it would be useful for standardisation of some elements of the process and clearer guidance for local authorities.
225. Some respondents to the call for evidence suggested that there was scope to streamline and rationalise discretionary funding streams. For example, integrating DHPs and the Scottish Welfare Fund in order to simplify administration and provide a single point of entry for customers.
226. There were also concerns that not everyone in need of a DHP will be able to access one. For example, the Scotland Bill prevents DHPs being made to those who are in need of financial assistance as a result of a sanction (unless they meet other criteria). There is also concern that the Scotland Bill limits the eligibility of DHPs only to those in receipt of Housing Benefit or a reserved benefit to meet rental costs. This would impact for example, on 18 – 21s who the UK Government propose will lose eligibility for the housing costs element of Universal Credit. However, there is the possibility that the Scottish Government could use the new powers to mitigate some of these issues.

227. The Committee agrees with the Scottish Government and stakeholders that the 'bedroom tax' should be abolished at the earliest opportunity. This will not only provide relief to tenants but also reduce the administrative burden and cost to local authorities.^{viii}
228. The Committee acknowledges the important role that Discretionary Housing Payments can have in maintaining people living independently in their own homes. In the interests of preventative spend it encourages the Scottish Government to explore options of increasing the flexibility around how DHPs can be awarded in Scotland in order to further this goal.
229. The Committee expects that the Scottish Government's proposal to scrap the so called 'bedroom tax' will help to address stakeholders' concerns about DHPs being taken away from their original purpose. It recommends that the Scottish Government conduct a review of DHP spending and produce projections of future demand.
230. The Committee recommends that the Scottish Government takes the opportunity presented by the devolution of new powers to issue new guidance on DHPs and develop a standard application process across all Local Authorities. This would be of particular benefit to housing providers operating across more than one local authority area.
231. The Local Housing Allowance system currently limits the number of bedrooms claimants are entitled to in the same way as the 'bedroom tax' applies to social housing. As the Scottish Government is taking steps to resolve the issue of the 'bedroom tax' for social renters it should also be investigating ways in which it can help support private renters on benefits who may need to pay for larger accommodation than their LHA covers.^{ix}

Employment Support

232. There is a complex mix of provision, including both reserved and devolved programmes, to help people who need extra support to get a job. It is currently proposed that two DWP run programmes will be devolved to Scotland from April 2017. These are the 'Work Programme' for the long term unemployed, and 'Work Choice', for disabled people. The Committee notes that in the Autumn Statement published on 26 November 2015 that a new Work and Health Programme will replace the Work Programme and Work Choice in England and Wales from 2017.

^{viii} John Lamont MSP notes his dissent from this paragraph.

^{ix} John Lamont MSP notes his dissent from this paragraph. However, he supports the equal treatment of private sector and social sector tenants in relation to the housing benefit size criteria.

233. The Work Programme is the largest contracted employment support programme run by the DWP. The elements of support provided in the Work Programme vary, but typically include: regular contact with an adviser; an assessment of the employment needs of the individual; help with searching for suitable jobs and preparing for interview, and IT support and training. The Work Programme is based on payment by results. Between June 2011 and March 2015, around 39,000 people in Scotland (out of 167,000 referrals) have been supported into work through the Work Programme.⁴⁸
234. Work Choice is a voluntary scheme for disabled people who need extra help to find and sustain employment. People are referred by a Jobcentre Plus Disability Employment Advisor who then works with contractors for the area. There are varying levels of support dependent on need. This also runs a kind of payment by results model. Since it was introduced there have been nearly 12,000 referrals to Work Choice in Scotland, leading to 9,510 starts on the programme and 4,370 job outcomes (i.e. moving into supported or unsupported employment).⁴⁹
235. Offering some context for the discussion Stephen Boyd from the Trades Union Congress (TUC), said that the amount that the UK has traditionally spent on employment support, even though it is perceived as being very expensive, has actually been proportionately very little compared with other European countries. He also noted that, historically, we have had a very low participation rate of jobseekers engaged in active labour market programmes.
236. He cautioned that the debate around employment support has to be understood in the context of the wider economy and the number of jobs available. He said—
- ” While we are having this important discussion today, we have to understand the demarcation lines around what employability programmes can achieve and the role of wider economic development policy.⁵⁰
237. David Eiser from Stirling University noted in written evidence that it is as yet unclear how resource will be transferred to the Scottish Government to reflect its new responsibilities for employability programmes. Different funding options would have different implications for the budgetary risks and rewards the Scottish budget is exposed to.

238. The Committee believes that issues around employment support can only be dealt with within the context of the wider economic environment. People can only be supported into jobs if there are jobs available for them to go to. The Committee supports the Scottish Government in considering the links its employment support programmes could have with its fair work agenda and wider economic strategy.

Performance and value for money

239. The Committee acknowledges the work of the House of Common's Work and Pensions Committee on the topic of Welfare to Work. We note that in its recent report, the Work and Pensions Committee, has praised the Welfare to Work Programme for producing results at least as good as previous administrations, at a "greatly reduced" cost. However, we join with the Work and Pensions Committee in expressing concern that around 70% of participants have failed to find work.
240. Putting the Work Programme in context, Paul De Pellete from Ingeus, argued that current providers are performing well. He said—

” It is worth mentioning that the Work Programme is the latest in a long line of programmes that goes back to the new deals and the employment zones. Given that the Work Programme targets are based on the best that any programme has delivered in the past, with an additional uplift, the fact that we are exceeding those targets suggests that we are doing well.⁵¹

241. The Committee acknowledges that the effort required in order to support harder to help clients towards work can be substantial. The Committee heard that clients felt that advisers were under pressure to operate to targets and often experience high workloads. Evidence questioned whether the current two year time frame for employment support was sufficient to really help those furthest from the labour market. Operating within this environment could lead to the prioritisation of the easier to help cases, especially within a payment by results financial model.

242. The Committee heard about the case of Diane, a Work Programme client with disabilities. Phyl Meyer, her representative from Inclusion Scotland, said—

” It seems as though she was not expected to get into work, so the adviser did not spend a lot of time on her, because they were unlikely to get their payment for her.⁵²



243. There was a call from One Parent Families Scotland (OPFS) to avoid a payment by results model as this works against charity or smaller community organisations. The timeframe does not allow them sufficient time to work with harder to help clients to get them job ready. Satwat Rehman said—

” For example, a lot of the work that we do might be around engagement at the very beginning. That is time-consuming and resource-intensive work, but it will not give an outcome further along the pathway for a year or two years. If that sort of model is developed, the likes of us would not be able to do that on a payment-by-results basis.⁵³

244. Organisations like the Joseph Rowntree Foundation (JRF) and OPFS advocated taking longer to put in place essential basic skills and reduce barriers in order to get the better long-term results. However, for this to work, the timeframe and the criteria against which progress is measured need to be re-evaluated.

245. Jim McCormick, from JRF, said—

” I am not against paying by results, but I am in favour of measuring results over a much longer cycle than we tend to do at the moment.⁵⁴

246. Inclusion Scotland argued that the focus should be on overcoming inequalities and that providers should be judged against outcomes for gender, disability, young people etc. Satwat Rehman from OPFS noted that there are good practice examples out there, but that more consistency is needed. She said—

” Within the current system there are tiny pockets of good practice—but they are just pockets. We want coherence and a system in which such practice is the standard that everyone expects wherever they are.⁵⁵

247. Andy Hirst from Cambridge Policy Consultants said that job security is not something that people can expect in this labour market. He also added that progression in the labour market is a real challenge.

248. The Committee recognises that the current Welfare to Work Programme has produced results as least as good as previous administrations, at a "greatly reduced" cost. However, it believes that the devolution of the Work Programme is an opportunity to rethink the help and support offered to those who have trouble accessing the labour market.

249. The Committee believes that the goals in a new Scottish employment support system should be longer term in order to allow people to overcome their barriers to employment and build a suitable foundation for long term success. A staged approach to payment may be necessary in order to allow providers to continue to work towards this long term goal.

250. The Committee recommends that there should be a minimum service standard across all providers, which is tailored to meet each group's needs. Advisers should have a predictable caseload to allow them to devote the time required to get to know individuals and tailor a package of support.

Client experience and culture change

251. As set out in the principles section above, the Committee is clear that a Scottish system of employment support should be based on dignity and respect, and instils a sense of confidence and self-worth in its clients. The Committee heard that, for some clients, this is currently not the case. Some people were not treated as individuals and were made to feel stigmatisation and embarrassment due to a lack of privacy in the process. However, the Work Programme providers noted in response that private rooms are available on request.

252. Andy Hirst, from Cambridge Policy Consultants, emphasised the importance of culture and how clients are treated in the success of any employment support programme. He said—

” I could find you a very good and supportive evaluation and a very bad and destructive evaluation—for the very same design. It is not what you do, but the way that you do it, so culture, understanding and working with clients is essential.⁵⁶

253. It became clear through evidence that the particular adviser which is made available to clients can make a huge difference to their experience. Donna, a Work Programme client explained how her first adviser had made her cry. However, her current adviser is empowering, supportive and is making a real difference in getting her back into work. She said—

” People should be encouraged to find a job. If I had stuck with my first adviser, who was totally negative, I would not even be trying for a job and I would still be depressed. Because I had somebody who believed in me and was kind to me, that made all the difference. She had humanity—she gave me hope.⁵⁷

254. Derek Young, from Age Scotland, noted that the Work Programme's outcomes for older jobseekers are considerably worse than its outcomes for others. He argued that there is a lack of expertise to help older people back into work, and that the understanding of older jobseekers' needs has reduced since the Welfare Reform Act 2012.

255. The Committee believes that the culture in which employment support is delivered is one of the most important factors in determining client satisfaction and positive outcomes. Clear leadership from the UK Government's Department for Work and Pensions (DWP) and the Scottish Government will be required to achieve this.
256. In the spirit of promoting a person-centred approach, the Committee recommends that clients be more involved in the shaping of their Work Programme experience so that they are empowered and engage more in the process.
257. The Committee believes that further training is required to make frontline advisers more aware of the particular needs of job seekers. For example: older people; lone parents; people with either mental or physical disabilities, or victims of domestic abuse. The Committee also recommends that the employment support providers work closely with local support organisations to help those with additional needs.

Reducing bureaucracy

258. The Committee was disappointed to hear that, in some cases, the Work Programme was actually a barrier to clients finding work. For example, in the 'Your Say' session with Work Programme clients, a witness said that they were unable to get help from organisations such as Business Gateway to set up their own business because they were on the Work Programme.
259. There was also an issue around what was considered to be 'permitted work' within the programme with red tape stopping a client from progressing with a volunteering opportunity and utilising the benefits of 'Access to Work'.
260. Ronny Davies, a Work Programme participant, noted in written evidence that—
- ” I have two HNCs, I volunteer at a Community Radio Station to enhance my CV to aid my job prospects. And although I admit it myself I try to break from the system. I have had to cancel things that would enhance my job prospects to attend DWP interviews to help me into work (ironically). These interviews tend to never actually offer any support, indeed they are pointless.⁵⁸
261. The Work Programme provider Ingeus commented that—
- ” We should not create disincentives and stop people getting what they need just because at that point they happen to be on the wrong benefit or are no longer eligible.⁵⁹

262. The Committee believes that the issue around what constitutes ‘permitted work’ and difficulties accessing other support schemes seem counter intuitive and overly bureaucratic. The Committee recommends that any future Employment Support scheme in Scotland takes a common-sense approach to activities which can be seen to contribute to a person’s employability such as volunteering.

Needs assessment and programme content

263. John Downie, from SCVO, said—

” If our premise is that we put people at the heart of the system, the key from the start will be high-quality assessment of people’s needs and capabilities.⁶⁰

264. Clients spoke positively about the practical elements of support that the Work Programme offers, such as the provision of clothes for interviews, tools for improved interview techniques, as well as bus fare in order to attend interviews.

265. However, the Committee heard that the jobs that clients are being directed towards tend to be low-skilled, low paid and, in many cases, vacancies are oversubscribed. Close the Gap felt that this is a particular issue for women. Anna Ritchie Allan said—

” ...current employment services contribute to the concentration of women in low-paid and undervalued occupations, which contribute to women’s and children’s higher levels of poverty and affect their pay and progression over their lifetimes. In turn, that entrenches occupational segregation and widens the gender pay gap.⁶¹

266. Work Programme clients who spoke to the Committee suggested that they were not being treated as individuals. They said that they felt as if the providers were going through the motions and conducting a ‘tick box’ exercise. Some clients suggested that they were asked to repeatedly cold call local businesses to ask for work. This was seen as demoralising and a waste of time by clients as the answer from businesses always tended to be no.

267. However, it was noted by the employment support providers that speculative calling was only a very small proportion of the work that people may be asked to do and it would not be appropriate for everyone. Providers also noted that they have over 30 different workshops and supports that they can offer on a variety of subjects.

268. Jim McCormick, of the Joseph Rowntree Foundation, said that the evidence from well-designed programmes internationally shows that substantially better outcomes and savings can be achieved in the long-term if the focus is on getting a good match between the jobseeker and the vacancy. He was critical of—

” a labour force attachment model whereby we are just chucking people at the wall until they stick. That is a very inefficient model; it costs a lot of money and produces lousy outcomes.⁶²

269. Andy Hirst, of Cambridge Policy Consultants, informed the Committee about a Dutch needs assessment model which has very good results. He said—

” I note that the Dutch now ask 29 questions at the start of a claim. On the basis of those questions, they can predict with 70 per cent accuracy who will not get a job for 12 months, because they are about not just characteristics but attitudes. Such an approach could form the basis of a needs assessment and give you an understanding of the people whom you really need to invest in earlier and those whom you can save money on.⁶³

270. The Committee encourages the Scottish Government to be more ambitious in what it can achieve through employment support. We believe that the goals of the programme should not just be getting people into any job available. The programme should look long term to help people into the kind of work which will allow for job progression and reduce in-work poverty.

271. The Committee recommends that jobseekers should be classified for support on the basis of a comprehensive needs assessment as opposed to payment groups. Any design of this needs assessment should include clients as well as local subject experts to make sure that jobseekers buy into the process and perceive it as effective.

272. The Committee believes that any needs assessment should include a skills assessment and an attitudinal assessment to assess how willing a person is to find work. The assessment should also identify any barriers, such as access to transport, medical conditions and living circumstances. This will allow a more proportionate approach to be taken, and resources allocated accordingly.

273. The Committee believes that a person centred approach is critical to success. It encourages the Scottish Government to focus on matching individuals to jobs effectively.

Delivery model

274. In evidence, the Committee heard that some third sector organisations questioned whether employment support should be delivered by private organisations. There was concern that positive outcomes achieved through collaborating with third sector organisations would be attributed to the DWP provider. Pamela Smith from the Scottish Local Authorities Economic Development Group (SLAED) said—

” A principled decision was taken—certainly in my authority in Falkirk—not to shore up the profits of private providers by delivering the outcomes for the services that they were paid to deliver. Unfortunately, that has been to the disadvantage of the more vulnerable jobseekers.⁶⁴

275. In relation to profitability Nicolas Young, from Working Links, commented that the organisation was likely to break even this year. Paul De Pellete from Ingeus highlighted that it does a reasonable amount of work with individuals for which it will not get paid for. He said—

” ...you will need to look at the profitability at the end of the nine years. It is a payment-by-results programme. We get paid when we move people into work and keep them there for six months. With a reasonable number of individuals, we will spend a lot of time, effort and money on them—we do so gladly—but not get paid for that. That is the nature of a payment-by-results contract.⁶⁵



276. John Downie, from SCVO, noted in oral evidence that prime providers have been “cherry picking” the easiest to help in order to received their payments and that—

” In general, not many third sector organisations, compared with the number that work in employability and all the wraparound services that provide advice for people, work with the primes in Scotland. Most people decided not to work with them because of their approach.⁶⁶

277. The Committee believes that for a Scottish employment support programme to be successful it must integrate with the wide range of existing supports available.

278. The Committee has concerns about the profitability element of the ‘Welfare to Work’ programme.^x It would encourage the Scottish Government to consider a range of delivery models, beyond those currently contracted, when considering its future employment support programme.

Integrating into a complex landscape

279. The Committee heard in evidence that the current range of employment supports available across Scotland is complex, diverse and spread across reserved and devolved programmes. Nicolas Young from Working Links informed the Committee that the Work Programme is only one element of this wide ranging landscape, making up less than 10% of the overall spend on employability.
280. Witnesses strongly supported a joined up approach with existing supports and devolved services. It was suggested that the number of additional supports sprang up due to the lack of tailored support for additional needs within the mainstream programmes. For example, employment support should be embedded in and connected with education, drugs and alcohol policy, social care, justice, housing and childcare etc.
281. NHS Lanarkshire commented in written evidence that the ‘black box’ approach (where particular approaches are not specified, only the outcomes required) is unhelpful to partnership working.
282. There was recognition that, in future, there will be less money at a local authority level. As such, we need to make the money that is currently available at a national and local level work together more effectively. Witnesses suggested that community benefits can be created by effective procurement and contracts, supported business and supported employment. The Joseph Rowntree Foundation emphasised the importance of good design concerning contract and performance management frameworks as well as targets and payments.
283. However, Pamela Smith from SLAED said that Work Programme providers have failed to connect locally and align with local services which has led to poor results. She said—

” Most of local government does not interact with or deliver on the Work Programme, so we have not managed to achieve a whole-person approach. Many of those who are in receipt of the Work Programme also receive local government support such as social rented housing or support from social work or community justice services, so an opportunity is lost there. ⁶⁷

^x John Lamont MSP notes his dissent to this sentence.

284. However, the ambition is clearly there from Work Programme providers. Nicholas Young, from Working Links, said—

” I am really interested in how we make the whole system as integrated as possible. With the addition of new powers, we have a fantastic opportunity. We need to take the evidence base for what has worked well, take the lessons from what could be done better and build those into the design and commissioning of future services.⁶⁸

285. Committee recommends that when the Scottish Government takes control over the Work Programme and Work Choice it considers it in context of all the other employment supports which are currently available.

286. We would encourage the Scottish Government to investigate ways in which supports can be streamlined and brought together to save money, focus support and reduce duplication. We would also encourage reconsideration of the ‘black box’ approach to service delivery.

Balancing the benefits of local and national delivery

287. There was a clear view from the evidence that one of the main advantages of devolution would be the opportunity to take better account of local circumstances. For example, CPAG said in written evidence—

” Devolution of employment programmes such as the Work Programme and Work Choice will allow for initiatives to be developed that are more suited to the local labour market, local skills and local employers. This could help to minimise the imposition of arbitrary and in appropriate job-seeking tasks that can undermine claimants’ efforts to move into work and increase the individual’s chance of being sanctioned.⁶⁹

288. In written evidence, local authorities in particular considered devolution as an opportunity to develop more localised services, noting that there is already considerable local provision and expertise in place. Others, such as COSLA, sought local delivery with some level of national oversight.

289. Arguments for local delivery included existing expertise and infrastructure at a local level, greater understanding of the local labour market and accountability to local people. As well as the potential for greater integration with local services and allowing a more tailored individual approach.

290. However, other evidence submissions were clearly against a local approach to delivery citing fears of a postcode lottery and the inability of smaller local authorities to deliver. The Joseph Rowntree Foundation suggested in written

evidence that there is no automatic relationship between decentralisation and better provision. Rather, in reality, it depends on managerial, fiscal and delivery capacities of local delivery partnerships. It states that—

” Policy makers will need to deliver flexible, localised strategies within a coherent and equitable policy framework with clearly defined minimum standards across Scotland.⁷⁰

291. It was argued that the towns and travel to work distances that people would consider for work can cross local authority boundaries. It was suggested that boundaries could encompass a number of local authority areas with the flexibility to allow claimants the abilities to use the services in neighbouring areas if appropriate.

292. The Committee recommends that the Scottish Government balance the benefits of a local delivery with a national set of standards and principles. It also encourages the Scottish Government to consider local delivery at a wider level than local authority boundaries in order to capitalise on economies of scale and take into account various travel to work areas.

People with disabilities accessing employment support

293. It was noted in evidence by Nicolas Young of Working Links that there has recently been a change in the type of people being referred to the Work Programme. Previously, around 70% of clients were on Job Seekers Allowance with around 30% on Employment Support Allowance and part of the Work Related Activity Group (WRAG). Now that situation is almost reversed.

294. The Committee recognises that increasing the amount of people with additional and complex needs on the Work Programme will have a knock on effect on the resource needed to support them and the time in which it will take to progress them towards a positive outcome. Professor Nick Watson, from Glasgow University, warned the Committee that many people being placed in the WRAG group are not being returned to work. He felt that the policy was failing these people who are too far from the labour market. He said—

” Because too many people are being placed in WRAG, the resources that are available to provide employment support and to get people into work are stretched too far. Rather than concentrating on a smaller number of people who might be closer to work, resources are having to be spread out over far too many people, many of whom are not close enough to the labour market yet. We need to address that problem.⁷¹

295. The Scottish Association of Mental Health (SAMH) stated that it believes that many of the issues surrounding the Work Programme stem from the inappropriate and inadequate work capability assessment. It voiced a concern, along with Social Work Scotland, that people may be assigned to inappropriate programmes by the UK controlled Job Centre Plus, which devolved providers will then have to administer.

296. An anonymous benefit claimant said in evidence to the Committee—

” I am still told I am fit to work and I have to attend tribunals even though 3 world class spinal surgeons say no. 4 GPs have said no I'm not fit to work and one civil servant says I am. How does this civil servant know more than 3 specialists?⁷²

297. This issue may be compounded by the lack of spaces on the Work Choice programme, which is specifically designed for disabled people. Rachel Stewart, from SAMH, expressed a wish that—

” We hope that the current cap on work choice numbers will be lifted, because many people who are put on the Work Programme rather than on work choice would benefit from a more specialised approach. A huge number of disabled people in the employment market are not getting specialised support.⁷³

298. Some witnesses suggested that, in addition to resource issues, the Work Programme is ill equipped to deal with clients with disabilities. They have insufficient knowledge of programmes such as ‘Access to Work’, which can provide essential support for getting disabled people into work, or how to make reasonable adjustments in the workplace.

299. Inclusion Scotland stated in oral evidence that a disabled person was three times more likely to be sanctioned on the Work Programme than find a job. Inclusion Scotland also noted that the 12 month wait before accessing the Work Programme can be a real difficulty for disabled people.

300. Bill Scott said. —

” The lack of flexibility—the 12 months before a person can get into the programme—is a real hindrance. A lot of disabled people who have been assessed are no longer classed as disabled people and have been placed on jobseekers allowance, and they will need earlier intervention.⁷⁴

301. The Committee noted that the amount available to help with the hardest to reach has been reduced^{xi}. A recent National Audit Office report, *'The Work Programme'*, published in July 2014, was highlighted, which suggested that providers are spending 54% less on the hardest-to-employ groups: those with multiple disabilities and more challenges.

302. The need for specialised programmes for disabled people that are able to work and the recognition that those who aren't may contribute to society in a variety of ways was seen as essential by witnesses. Bill Scott from Inclusion Scotland said—

” A one-size-fits-all approach that says that everyone can go to work just does not work for all disabled people. Some disabled people will never be able to work, but they should not be left to one side and abandoned, because they would be able to contribute in many other ways if they were supported in doing so.⁷⁵

303. He added that it was essential to build trust, both with the employer and the employee. Inclusion Scotland reports good results when they are able to work with disabled people to identify the barriers and work with the employer to overcome those barriers. While recognising the extra expense that this will require, it is beneficial in the long term. Bill Scott cautioned what can happen if time is not taken to get it right. He said—

” If an employer gets the wrong employee and none of the barriers is addressed, the employee will fail and the employer will not take another referral from us, which will be the end of the chance of that small or medium-sized employer being open to employing other disabled people.⁷⁶

304. The Committee believes that the Work Capability Assessment, which determines whether people should be placed in the Work Related Activity Group, is not fit for purpose. Many people who were previously considered unfit for work are now being re-categorised and forced into unrealistic job preparation activities. It calls on the UK Government to review this system in order to accurately identify the appropriate support programme for clients.^{xii}

305. The Committee believes that the work programme is not working well enough for disabled people^{xiii}. It believes that specialist programmes are essential to help disabled people fully contribute in a way that works for them.

^{xi} John Lamont MSP notes his dissent from this sentence.

^{xii} John Lamont MSP notes his dissent from this paragraph.

^{xiii} John Lamont MSP notes his dissent from this sentence.

306. The Committee believes that the expectation of full time work is not realistic for some disabled people. However, these people should be encouraged to participate in whatever way possible whether that is part time, volunteering or other options.

Sanctions - interaction between reserved and devolved areas

307. Although the Work Programme will be devolved, the sanctions regime remains reserved. This will put providers of any Scottish-run employment support scheme in the position where they are running a programme of activity but have no control over the conditionality aspect of the work. This represents the single biggest concern for stakeholders concerning the interaction between devolved and reserved areas of employment support.

308. Evidence cautioned that the lack of control over sanctions could be counterproductive, create complexity and potentially restrict Scotland's ability to develop an effective employability service. Witnesses, including prime providers, emphasised the importance of building up trust between clients and advisers and warned that employment support providers being involved in monitoring conditionality could potentially damage that important relationship.

309. One Parent Families Scotland (OPFS) raised the concern that there was a perception amongst clients that "providers appear to be acting as if they have the right to give out sanctions"⁷⁷. It also highlighted a concern that information that the providers give the DWP will influence whether a sanction is given without taking into account the client's views.

310. Currently, the providers have to notify DWP any time a person has not met all of their commitments. Work Programme provider Ingeus advocated giving their advisers the ability to be able to give 'good cause' to justify not meeting a claimant commitment and therefore avoid a sanction. Paul de Pellete from Ingeus said—

” That would mean that if a client was booked for a mandatory appointment, did not phone us in advance, did not turn up but phoned us a couple of days afterwards to tell us that something that had come up, we would be able to say that that was okay.⁷⁸

311. The Shaw Trust, a Work Choice provider, said that it is keen to avoid undue stress and financial hardship being placed on its clients—

” We advocate an early-warning system in relation to sanctions. It is about prevention, communication and treating people like human beings. If we give people forewarning that behaviours might result in something, that is a learning experience.⁷⁹

312. Kate Still, from Employment Related Services Association (ERSA), said that there was an issue about communication and the flow of information. Many sanctions could be avoided if information about the client's circumstances could be passed more effectively between agencies. A lack of good communication could lead to the disproportionate sanctioning of groups such as lone parents, disabled people and young people.

313. The fear of sanctions is also a powerful force. For example, Phyl Meyer, from Inclusion Scotland, spoke about the fear of sanctions limiting the activity that people are willing to undertake. He said—

” ...they are often put off volunteering through fear that, if they do so, the DWP might decide that they are fit for work and take benefits away. It is a catch-22 situation. They want to get into a better situation but they are so terrified of sanctions that they hold off from volunteering.⁸⁰

314. Dr Jim McCormick, from the JRF, envisaged a way to look at sanctions and conditionality more positively and not limit our definition of conditionality to punitive measures. He said—

” ...conditionality is viewed more positively as being about the incentives—the carrots, if you like—that the country is willing to invest in people if they meet the conditions. It is about childcare guarantees and training guarantees, and saying that if someone loses their job, there is investment in place to help them to get the next job.⁸¹

315. The Committee acknowledges that conditionality is an important part of any social security system. However, it believes that it should only be used proportionately and as a last resort. For example, with clients with a history of poor engagement due to motivational or attitudinal issues.

316. The Committee believes that the majority of people want to work. We believe that there is a disconnect between the policy and application of sanctions and that a culture change around the use of sanctions is essential. If sanctions can be used in Scotland only as a genuine last resort, this could make a huge difference in benefit claimants' lives. Clients who are on the Work Programme on a voluntary basis should not be subject to sanction.^{xiv}

^{xiv} John Lamont MSP notes his dissent from this paragraph.

317. The Committee would encourage the Scottish Government to consider what preventative work could be done to avoid sanctions. In particular, that the Scottish Government consider the issue of information sharing and whether claimants, rather than the providers, should 'own' their personal information so that it could be shared promptly with providers in order to design the right package of support from the start.
318. The Committee believes that, if a sanction is unavoidable, the providers should actively meet the client to explore how the jobseeker might improve their compliance and identify any additional support needed.

Access to Work

319. Access to Work is a fund for disabled people for assistance with work related costs. A range of support can be applied for, such as adapting premises to meet an individual's needs, or paying a support worker. It can also pay towards the cost of getting to work if an individual cannot use public transport. Across Great Britain as a whole, nearly 37,000 people were supported through this scheme in 2014-15⁸². In March 2015, the UK Government announced changes to this scheme, including capping the maximum available award⁸³.
320. Although Access to Work is not proposed for devolution, the Committee has heard how it can be an essential tool to help disabled people access and stay in employment. However, it was disappointed to hear that many front-line staff are not aware of the programme and it is not being used to its full capacity. Phyl Meyer, from Inclusion Scotland, noted that—

” Access to work is known as the DWP's best kept secret.⁸⁴

321. Although Access to Work is not being devolved to Scotland the Committee feels strongly that the DWP and the UK Government should be doing more to promote this essential programme. A small amount of money can have a big impact and allow a disabled person to find empowerment, fulfilment and contribute towards society through employment.

Regulated Social Fund

322. The discretionary elements of the Social Fund have already been devolved to Scotland in the form of the Scottish Welfare Fund. These new transfer of powers is proposed to include the four elements of the Sure Start Maternity Grants, Winter Fuel Payments, Cold Weather Payments and Funeral Payments.

Funeral Payments

323. Funeral Payments are available if a person is on a qualifying benefit and needs help to pay for a funeral. The applicant and anyone who has a relationship with the deceased that might make them responsible for paying for the funeral must all be on qualifying benefits. Rather than being set at a particular level, the entitlement is to an amount sufficient to cover necessary costs (mainly the basic costs of burial and cremation) and £700 for other costs. Other costs include: a minister's fee, flowers and a headstone. Payments are recoverable by the UK Government who can take money from any provisions left by the deceased person's personal estate. However, very little is generally recovered.
324. With the impact of an ageing population and the increasing costs of funerals, funeral poverty is becoming increasingly common. According to the funeral insurance provider Sunlife the average cost of a funeral, not including any of the extras such as flowers and catering, has risen by 92% since 2004 and is now £3,693. The amount for 'other costs' has been capped for the last 12 years at just £700. The average pay out in 2013-14 was £1,347 – not enough to cover even basic funeral costs⁸⁵.
325. According to UK Government figures, during the tax year 2013-14, only 58% of people who applied received funding. Citizen's Advice Scotland suggested that the eligibility criteria are unclear and the application process is difficult. There was also an uncertainty regarding whether someone would qualify and if so how much they would receive. This leaves people in the difficult situation where they need to pay a large deposit up front with no knowledge of whether they are going to be able to cover it.
326. Forms were seen as overly complicated and requiring information that was difficult or painful to provide regarding family relationships or relationship breakdown. Citizen's Advice Scotland said in written evidence that the DWP currently must consider the whole family's financial circumstances before making a payment. This includes even those who may be estranged. This slows the process and may mean that the closest relative, who could be eligible, may not receive a payment. Citizen's Advice Scotland suggested that the 'nearest relative' test currently used under the Human Tissue (Scotland) Act 2006 could be useful⁸⁶.
327. The Committee heard that funeral poverty can make people's grief more complicated and more difficult to process if they are left with significant debt. The Committee also heard that the level of debt may be impacted on, depending on where a person lives, due to a huge variation in burial and cremation charges. Fraser Sutherland, from Citizen's Advice Scotland, said—

” When we compare the most costly burials in Scotland with the cheapest, we find that the variance is £2,000. That is £2,000 that a family in East Dunbartonshire, which has the most costly, has to find that a family in the Western Isles, which has the cheapest, does not have to.⁸⁷

328. When asked about increasing the amount offered in Funeral Payments, a concern was raised that this would lead to funeral directors raising their costs. John McAllion, from the Scottish Pensioners' Forum, said that businesses would always raise their charges if allowed to. He suggested that there be a limit on charges for anyone in receipt of a funeral payment, to stop large companies from taking advantage of higher payment rates.

329. The Committee acknowledges the on-going passage of the draft Burials and Cremations (Scotland) Bill 2015, which is dealing with issues outside the Committee's remit, such as increased funeral costs. It would encourage the Scottish Government, local authorities and funeral providers to discuss how to better support those eligible for the funeral payment.

330. The Committee recommends that the access and qualifying criteria for the Funeral Payments need to be made simpler and clearer with a narrower definition of next of kin. It recommends that the Scottish Government consider the usefulness of the 'nearest relative test' as used under the Human Tissue (Scotland) Act 2006.⁸⁸

331. The Committee is concerned to hear about the postcode lottery concerning burial and cremation charges across Scotland. It would encourage the Scottish Government to look at standardisation of charges across all local authorities. It would also encourage a standardisation in awards to avoid any uncertainty regarding what will and won't be included in the Funeral Payment.

332. In the medium to long term the Committee recommends that the Scottish Government explore what options are available to people to help plan more effectively for funerals through better, more affordable insurance, and savings through organisations such as credit unions.

Sure Start Maternity Grant

333. Sure Start Maternity Grants are a one-off payment of £500 to help toward the costs of having a first child for individuals who are in receipt of certain benefits. This has remained static since 2002. Expenditure in Scotland for 2013-14 was an estimated £3m.

334. According to Maternity Action's written evidence the financial pressures on pregnant women and new families have increased as a result of cuts to benefits and statutory payments over the past five years. Compared with 2010, families in 2014 received £1.5 billion less in benefits and statutory payments during pregnancy and their child's first year.
335. The Sure Start Maternity Grant is recognised by stakeholders as an important source of support. The recent narrowing of entitlement so that a grant is not made where there is another child under 16 in the household has not been well received. Maternity Action stated in written evidence that pregnancies can be unexpected, clothing and equipment may have worn out, and need or housing arrangements may leave families without the capacity to store clothing and equipment in intervening years.
336. Limiting grants to one child was also considered to disadvantage larger families who are more likely to be ethnic minorities; people who have re-partnered; people with chaotic lifestyles, and teenage mothers who still have siblings at home.
337. Nicola Sutherland, from Perth and Kinross Council, informed that Committee that the local authority has received applications to the Scottish Welfare Fund because the window for applications to the Sure Start Maternity Grant is too short, and applicants found out about the grant too late. She argued that delivery of the grant would be best placed with local authorities. She said—
- ” It would be part of a range of support that we offer on things that might be part of the customer's journey at that point, including housing support, council tax support, the work on nursery places for workless households and so on.⁸⁹
338. Maternity Action argued in written evidence that, while in-kind resources would be welcome, these should not replace the Sure Start Maternity Grant as a cash payment. The cash payment enables low income families to use the funds in the way that best meets their needs.

339. The Committee recommends that the first child rule be relaxed and that the time frame for applying for the grant be reconsidered.

340. The Committee recommends that the Scottish Government consider what links and signposting arrangements can be made to the Community Care Grant aspect of the Scottish Welfare Fund.

341. The Committee recommends that information and advice about the grant is made more available to low income families at an early stage. It would particularly encourage the health service and health visitors to signpost to Sure Start Maternity Grants when offering 'Healthy Start' vouchers.

Winter Fuel Payments

342. A Winter Fuel Payment is a tax free payment of between £100 and £300 to help people born on or before 5 January 1953 to pay their heating bills. A person will normally automatically receive the payment if they receive the State Pension or another social security benefit (not Housing Benefit, Council Tax Reduction, Child Benefit or Universal Credit). Any money received will not affect a person's other benefits.
343. Derek Young, from Age Scotland, suggested that the benefit seemed to work well and is popular amongst those who receive it. However, it was noted by the Scottish Pensioners' Forum that the value of the payment has decreased in real terms since it was frozen in 2001, which can lead to difficulties when faced with rising heating costs.
344. Some carers' organisations advocated for eligibility to be extended to PIP/DLA recipients and carers below pension age. SCVO suggested that recipients who do not rely on the payment should be able to opt out.
345. There have been suggestions in recent years that this payment should be means-tested. The Scottish Pensioners' Forum said that means-testing of benefits was potentially divisive in society and that universalism of the benefit should be maintained as far as possible.

Cold Weather Payments

346. A person may receive a Cold Weather Payment if they are receiving Pension Credit, Income Support, income-based Jobseeker's Allowance, income-related Employment and Support Allowance or are already on Universal Credit. Payments of £25 for each seven day period of very cold weather (minus 0 Celsius) will be made between 1 November and 31 March.
347. Age Scotland noted that it was content with the current eligibility criteria, and Perth and Kinross Council said it is a very effective benefit that could be delivered by DWP on behalf of the Scottish Government. In a similar way to the Winter Fuel Payment, Carers Trust Scotland would like to see eligibility extended to PIP/DLA recipients and carers below pension age.
348. There was some discussion over what triggers the payment. For example, Shetland Council would like it to include wind chill, and Perth and Kinross Council thinks that it should be triggered after fewer cold weather days.

349. The Committee acknowledges stakeholder views that the current systems for Winter Fuel and Cold Weather Payments are generally effective and well received by claimants.

350. The Committee recommends that the Scottish Government should consider whether it can extend the eligibility for the payments to include carers below pension age and PIP / DLA claimants.

New benefits and benefit top-ups

351. The Smith Commission proposed that the Scottish Parliament should have new powers to create new benefits in areas of devolved responsibility and to make discretionary payments in any area of welfare without the need to obtain prior permission from DWP. The Scotland Bill as introduced included power to top-up reserved benefits. An amendment at the report stage clarified the power to create new benefits in devolved areas.

352. Professor Nicola McEwen, from the University of Edinburgh, discussed a new clause introduced at report stage in the House of Commons regarding new benefits. She noted that this clause is much broader than the power to create new benefits proposed by the Smith Commission and she stated in written evidence that—

” It opens up the opportunity for the Scottish Parliament to occupy space vacated by the UK Parliament (e.g. as a result of entitlement constraints) and to maintain it, even if a future UK Government reinstates the benefit. The Scottish Parliament could also create new benefits not currently on offer among the package of reserved benefits. The longer term would be to establish social security (excluding pensions) as a concurrent competence, enabling the UK and Scottish Governments to legislate in the same social security space, and for similar purposes.⁹⁰

353. Although there was general welcome for the new powers in the evidence presented to the Committee there was caution around the amount that could be achieved in such a tight fiscal framework. Professor Paul Spicker said—

” ...regardless of what the legal powers say, the practical and economic constraints might be used substantially to limit what Scotland can do.⁹¹

354. It was noted that in order to create the funding and to pay for the administration of these powers the Scottish Government would need to generate additional income, possibly through its new tax raising powers. David Eiser, of Stirling University, said—

” ...the costs of that policy variation (and any corresponding administrative cost) incurred by the UK Government would have to be reimbursed by the Scottish Government. Calculating the fiscal costs of such policy variation could be contentious.⁹²

355. Professor McEwen, of Edinburgh University, noted that there are restrictions on what is possible in terms of meeting costs because of the way in which the legislation has been designed around taxes. She said—

” I would have been more comfortable with a lower level of income tax devolution if that had meant a broader basket of taxes on which to draw. The heavy reliance on income tax revenue places a huge responsibility on the Scottish Government without necessarily giving it the flexibility to offset changes in one tax with changes in another, which is what the chancellor can do.⁹³

356. Using the example of tax credits, the Committee discussed using Scotland’s new powers of top-ups to mitigate any cuts. Concerns were raised by David Eiser, of Stirling University, about the administration challenges and associated costs of any such mitigation. Professor Paul Spicker noted that Scotland does have a history of topping-up Housing Benefit through Discretionary Housing Payments. However, he cautioned that Housing Benefit is distinctive as it is already managed by local authorities. He said—

” I do not think that we will see that in relation to many, if any, other benefits. To top up tax credits, we will need in effect to create something that can best be described as a new benefit that is conditional on receipt of the previous benefit. I see that as the only practical way.⁹⁴

357. David Eiser noted that the main barrier to varying the benefits system is not political will or even financial resources but administration. He expressed a hope that the fiscal framework, when published, will set out protocols on how the administrative cost of making some of the variations might be arrived at. He also hoped to receive guidance from the fiscal framework on the working of the ‘no detriment’ principle.

358. The Committee welcomes the legal powers regarding top-ups and new benefits contained in the Scotland Bill. However, it notes with concern that there may be a number of administrative, economic and logistical barriers that could restrict the flexibility of these powers being used in practice.

359. The Committee notes the importance of the Fiscal Framework in determining the scale of these funding and administrative issues, particularly around the ‘no detriment’ principle. It looks forward to the publication of the document.

Suggestions for top-ups

360. On the assumption that any administrative or cost barriers could be overcome there was a range of suggestions put forward in written evidence for areas in which top-up powers could be useful. Examples are given below.

Child Poverty

361. One of the areas that respondents to the call for evidence focused their attention in terms of top-ups was tackling child poverty. OPFS argued in its written evidence that the switch from RPI to CPI as a measure of inflation, and the subsequent use of 1% uprating for most benefits, “has been a very significant cause of increasing poverty for single parent families and others”. It argued that the ability to top-up could reverse some of the impacts. CPAG also argued for the use of top-ups in relation to Child Benefit. Also, regarding the child element of Universal Credit which is proposed to be limited in respect of third and subsequent children as part of the UK Welfare Reform and Work Bill.

People who find themselves worse off under Universal Credit

362. The Housing Support Enabling Unit and Coalition of Care Providers Scotland, and CPAG, suggested top-ups could be used for disabled carers who find themselves worse off under Universal Credit.

Waiting time for Universal Credit

363. As noted above, people often experience an initial wait of five - six weeks for their first Universal Credit payment. It was suggested in evidence that top-ups could be used to mitigate this situation through an interim or transitional payment.

364. In particular, it was noted that this impacts on people who have recently received leave to remain in the country who often experience exceptional delays when receiving their status, national insurance numbers and benefits. These delays can potentially leave people at the point of destitution with difficulty accessing public funds. This was also a finding from the Committee’s recent report into ‘Women and Social Security’.

Housing Costs for supported and temporary accommodation

365. The Glasgow Council of Voluntary Organisations suggested changes to the rules around the Universal Credit element with a view to top-up benefits being

introduced. For example, top-ups could be used in relation to high cost temporary and supported accommodation. Currently, it argues that the earnings disregards do not leave people with adequate income and the cost becomes a barrier to work. In addition, the fuel costs of private rooms are ineligible to be paid by Housing Benefit. This leads to everyone in supported or emergency accommodation being charged extra to heat their space.

Migrants and refugees

366. It was noted that there is a disconnect between UK reserved benefit legislation and Scottish Homelessness legislation in relation to European Economic Area (EEA) migrants. This results in EEA Migrants being unable to claim Housing Benefit, but continuing to be entitled to accommodation under Scottish Law. At present local authorities are meeting housing costs in order to fulfil their statutory duty under the homelessness legislation. Local authorities would encourage a scoping exercise to determine if Scotland's new top-up powers could bring housing cost payments to EEA migrants in line with Scottish legislation.

367. The Committee feels that top-up powers, if they are able to be used effectively, could be a useful tool to overcome short term problems which may save claimants from difficulties and work preventatively to save future public expenditure.

368. The Committee recommends that the Scottish Government work with its stakeholders and those who responded to our call for evidence to consider all suggestions for positive ways in which it can effectively use its powers for new benefits and top-ups.

Common themes and cross-cutting issues

369. Throughout the entire evidence gathering process a number of common themes have emerged which are outlined below.

Universal benefits versus means-tested benefits

370. When dealing with areas like social security, arguments around universality versus means-testing will always arise. Means testing will allow funds to be targeted to the neediest in society and make programmes more affordable. However, it involves high administration costs and can be seen as divisive in society between the 'haves and have not's'. Universalism, on the other hand, creates a system with less stigma because everyone has the same entitlement and has significantly

reduced bureaucracy as there is no requirement to prove need. However, this comes at significant additional cost.

371. The Committee notes the various arguments made regarding universalism and means-testing. Decisions on the approach to be taken will be dependent on the financial constraints of the fiscal framework which, at the time of writing, is yet to be published.^{xv}

Coherence between reserved and devolved elements

372. The passing of the Scotland Bill will create a shared competence in social security in Scotland. The system, which was previously the almost exclusive preserve of the DWP, will now be accountable to both UK and Scottish Parliaments and will be delivered by agencies reporting to both.

373. The Welfare Reform Committee has already dealt with the impact of changes in the eligibility criteria of reserved benefits having a knock-on effect for those passported benefits and services under the control of the Scottish Parliament. However, in future Scotland will have control of benefits which may act as a passport to other benefits and services, many of which are reserved.

374. For example, the Committee heard that PIP acts as a passport to a range of reserved benefits and services, including disability premiums in Housing Benefit, disability elements of Working Tax Credits and exemptions from, or deductions to, Vehicle Excise Duty, among others. Professor Nicola McEwen, of Edinburgh University, noted that—

” Any changes in eligibility criteria for PIP after devolution, or a change in the nature of the benefit, would therefore have a knock-on effect for UK Government spending on reserved benefits. Some reserved benefits are paid net of income tax. If the Scottish Government changed income tax rates or bands which led to increased (or decreased) individual or household income after tax, this could decrease (or increase) UK Government spending on means-tested benefits. These interactions are likely to augment the complexities of the benefit system over time if, as expected, the two systems diverge. Managing these interdependencies will require ongoing intergovernmental cooperation.⁹⁵

375. The Scotland Bill will therefore create a more complex system of social security in Scotland, when the clear desire from stakeholders and benefit claimants is for a simplified system. In this context, it is absolutely vital that the new system is as coherent as possible.

^{xv} John Lamont MSP notes his dissent from this paragraph.

376. The Committee believes that a coherent approach to benefit delivery between reserved and devolved elements is essential. It believes that this cannot be achieved without very good inter- governmental relations between the UK and Scottish Governments and complete transparency, including a commitment to the open sharing of data.

Using existing DWP structures or building a Scottish benefits agency

377. Decisions have yet to be made regarding whether the Scottish Government should create its own equivalent benefits agency or to engage in some administrative arrangement with the DWP to use the existing infrastructure. There are advantages and disadvantages to both options.

378. Both options would incur a cost. However, creating a new Scottish agency would be more expensive and the agency would take longer to become operational. Using the DWP as a delivery system could be technically difficult to amend systems and may limit the flexibility of the Scottish Government in designing changes to benefits. Professor McEwen noted that this could impact on how quickly the Scottish Government could make changes, as they may not be the top priority for the DWP.

379. Professor McEwen also pointed out in written evidence that if the Scottish Government decided to ‘top-up’ reserved benefits, there is no statutory obligation on the part of the UK Government to process these payments on behalf of the Scottish Government, and it may not be inclined to do so. The Scottish Government may also want to be credited and held accountable for any policy decisions. This could be difficult to pick apart if using a shared delivery mechanism. She said—

” If this level of transparency cannot be achieved through partnership arrangements with DWP, it may require establishing separate delivery arrangements within Scotland.⁹⁶

380. Professor Alan Trench, co-author of ‘Devo More and Welfare’, said on this issue—

” ...quite apart from the question of how it will deal with the administrative costs, the DWP is likely to have grave difficulties coping with something additional. It looks, therefore, as though quite a strong argument can start to be made for creating a Scottish agency to deliver this and to take advantage of the bill’s provisions on the sharing of data and information about claimants between the two Governments to provide at least a basis of information about what is going on and who is entitled to what.⁹⁷

381. The Committee has heard some evidence to suggest that setting up a Scottish benefit agency would be preferable to using the existing DWP infrastructure. It notes that the scale of the DWP could be considered unwieldy and that a Scottish system could be of a more manageable size.
382. There may also be a difference in culture between the DWP and any new Scottish system. From a user perspective claimants may potentially claim a mixture of reserved and devolved benefits. This could cause difficulties claiming across two agencies if not coordinated appropriately.

383. It recommends that the Scottish Government undertake a thorough comparative scoping exercise in order to determine the most cost-effective, efficient and timely method of delivery. It may be necessary for the Scottish Government to consider short-term and longer-term options for delivery as well as how delivery would be coordinated between the UK and Scotland . Maintaining access to benefits for claimants during transition is one of the most important considerations.

National versus local delivery

384. Across the various elements which are proposed to be devolved there were discussions about the best delivery method. Arguments were put forward to support both local delivery and national delivery models.

385. While the Committee is aware that the Scottish Government will make a decision on delivery based on the needs of each particular benefit we would encourage the Scottish Government to consider the benefits of a national framework within which to operate locally. This provides the consistency of approach to avoid a postcode lottery as well as taking advantage of the benefits of local knowledge and expertise.

386. The Committee believes that if powers and funding are to be devolved to the local level then it needs to be at a scale where the administration of that fund does not cost a disproportionate amount compared to the value of the fund itself.

Reduction in bureaucracy, simplification and ‘passporting’

387. When people access the social security system they can be overwhelmed by the various eligibility criteria they need to meet, commitments they have to make and uncertainty about what they will receive and how this will impact on other benefits.

388. A number of witnesses and respondents to the call for evidence suggested that Scotland should take the opportunity to either rationalise the number of benefits available. For example, replace existing disability benefits with one benefit, or alternatively increase the ease and number of ‘passporting’ opportunities. ‘Passporting’ is when eligibility for one benefit automatically entitles the claimant to other benefits or services.

389. However, it is acknowledged that this may be extremely complicated. Lynn Williams, from SCVO, said—

” There have to be ways of cutting out some of that bureaucracy by looking at automatic passporting, for example. That will involve communication with the DWP because unpicking some of the bureaucracy is going to be incredibly complicated, as some benefits will be devolved and some will be reserved. How the benefits are linked will also be incredibly complicated.⁹⁸



390. On top of this complexity, too much bureaucracy and a lack of effective communication are issues which the Committee is continually presented with when dealing with the current social security system. Many social security claimants have told the Committee that they are afraid to open DWP communications, or indeed any brown envelope, which comes through the door.

391. The Committee recognises that the process of simplifying the benefits system may well be an extremely complex thing to achieve. However, it recommends that the Scottish Government works towards this goal and considers the benefits of a single assessment or increased passporting for claimants.

392. The Committee encourages the Scottish Government consideration of a ‘one-stop shop’ style approach to service delivery that would simplify the process for service users and reduce bureaucracy.

393. The Committee recommends that all communications are made clear, accessible and written in plain English. Claimants should have options in terms of the method of communication that they would find most useful.

394. The Committee encourages the Scottish Government to consider how it can simplify the information which is required for applications and join up applications for various benefits that could be passported where possible.

Integration with devolved policy and support for those ineligible for benefits

395. People lead complex lives. Devolved policy areas like childcare, education and training, debt management, support to overcome addictions, housing, employability, social services, children's services and anti-poverty programmes, just to name a few, can be essential to help people achieve a life without the need for benefits. All of these programmes and services will have their own knowledge and expertise as well as particular funding attached.

396. The Committee believes that the Scottish Government needs to make the links between the newly devolved benefits and existing services and supports. Achieving the best value for money and working preventatively to address issues which may be barriers to people progressing is essential, particularly at a time of reduced budgets and increased demand.

397. For many reasons, people may be ineligible for the benefits they apply for. However, this does not mean that don't need additional support. There could be a variety of other local organisations or services which could be helpful. Kayleigh Thorpe, from ENABLE Scotland, said—

” It should not be a case of saying, “Computer says no.” In that situation, people should be saying, “Who can we make a referral to in order to meet this person's support needs?”⁹⁹

398. If a person is deemed ineligible for benefits this can be a financial cliff-edge for some people. The Committee recommends that the Scottish Government consider the ways in which it can help and signpost those who are ineligible for social security benefits but still require a level of support. The Committee would encourage these kinds of referrals as a minimum service standard and could include local community based supports.

Advocacy support and advice

399. Advocacy support is becoming increasingly vital when a claimant is making an application for benefits. The forms and processes across many benefits are reported to be too complex to be managed alone. During one of its 'Your Say'

events the Committee heard that people with professional qualifications and a high degree of literacy and understanding would struggle.

400. It was also noted that advocacy in a meeting could significantly change the outcome and tone of an assessment. This does not even necessarily need to be a welfare rights worker. It was noted that peer support from other disabled people who have been through the process can be a fantastic help to a new claimant.

401. While recognising the excellent and essential work that the advice and advocacy sector provides for Scotland, the Committee is troubled that the current social security system is so complex that the average person cannot navigate it without significant support.

402. The Committee acknowledges the severe and growing pressure under which the advice and advocacy sector is currently operating. In the short term it recommends that the Scottish Government continue to fund this essential service. It also recommends that the Scottish Government consider an approach which trains and builds up a bank of local volunteers who will be able to offer peer support through the process.

403. With the recognition that there will always be some in society that need additional support, the Committee recommends that in the medium to long term the Scottish Government address the complexity of social security procedures within its control, so that the majority of people can be empowered to steer themselves through a benefit claim.

Funding and resourcing

404. What the Scottish Government is able to achieve within its new responsibilities will be heavily determined by the financial settlement reached with the UK Government through the Fiscal Framework. At the time of producing the report, the Framework has not yet been agreed.
405. Professor David Bell said in written evidence that under the principle of 'no detriment' outlined in the Smith Agreement, the Scottish Government's budget will be increased by £2.5 billion (or the equivalent sum for the year the transfer occurs) to take account of the new powers when transferred. This will mean the Scottish Government has the funds to exactly meet the cost of the benefits to be devolved.
406. However, Professor Bell and his colleague David Eiser, from Stirling University, cautioned that the funding transferred after the first year will depend on how the initial transfer of £2.5 billion is 'indexed' in subsequent years. It was noted in

written evidence that the indexation mechanism for adjusting the future budget has “hardly been discussed” and that the arrangement of how money will be transferred after the initial year will be “critical in determining how far it will be able to effect significant reform of the welfare system”.¹⁰⁰

407. David Eiser noted in an additional written submission that over the period to 2020 the spending forecasts of the UK Government suggest that the level of resources transferred to the Scottish Government to reflect the new welfare powers will decline in real terms.

408. It was also noted that we are facing unprecedented cuts in benefits and public spending. Lynn Williams, from SCVO, asked—

“ At a time when public finances are particularly tight, do we invest more in trying to mitigate the damage or in trying to change and develop the system into something that we all want?”¹⁰¹

409. David Eiser also commented that consideration must be given to the design of institutions and protocols for managing fiscal aspects of welfare devolution. Issues here include welfare expenditure forecasting, calculating the costs of policy variation, and agreed rules around how no detriment principles will be applied.

410. The Committee believes that thorough scrutiny of the detail of the Fiscal Framework is essential before drawing conclusions on the issue of funding and resourcing. The Committee notes the importance of the method of indexation chosen and the ramifications this may have for future spending.

Annexe A - Conclusions and recommendations

411. This section includes a reference list of all conclusions and recommendations.

Principles

The Committee recommends that the Scottish Government take on board the principles of dignity, respect, simplicity, fairness, consistency, accessibility, coherence, common-sense and both an entitlement based and human rights based approach when designing the new Scottish social security system.

The Committee recommends that, in particular, the principles of dignity and respect be included in any primary legislation concerning Scottish social security. This clear message from the start will be essential in securing the culture change required within a new Scottish system.

Benefits for disabled people and those with long- term conditions

The Committee would like to see a Scottish social security system that follows a social model approach to disability and focuses on the positives of what a disabled person can achieve, while offering them the right to support when and where it is needed.

The Committee recommends that when designing the Scottish social security system the Scottish Government should work closely with disabled people and those with long-term conditions who are best placed to reflect what they need from the system.

The Committee believes that the current assessment and application process for Personal Independence Payments is not effectively meeting the needs of disabled people. The Committee believes that the Scottish Government should consider new criteria, particularly in the area of mobility, which will accurately reflect a claimant's capabilities.^{xvi}

The Committee believes that a culture change in how claimants are dealt with is essential in the new Scottish social security system. It recommends that the Scottish Government ensure that all staff carrying out assessments for disability-related benefits undergo disability and equality training so that they are better able to understand the needs of the people they are dealing with.

We believe that the Scottish Government should enable changes to make the system less bureaucratic, more person-centred, flexible, accessible and accurate. If the system gets an assessment right first time it not only saves the tax payer money but also significant time and stress for the claimant.

In order to address the stress attributed to the Mandatory Reconsideration process the Committee recommends that the UK Government consider that the language be made more user-friendly and that communication be made as effective as possible.

The Committee recommends that when the Scottish Government creates its own system for disability benefits more weight should be given to existing medical evidence and the opinions of the claimant's own medical professionals. The expertise of occupational therapists should also be used more effectively within the system.

^{xvi} John Lamont MSP notes his dissent from this paragraph.

The Committee believes that the Scottish Government should introduce long-term Disability Living Allowance / Personal Independence Payment awards for those with severe, long term disability or illness. This would vastly reduce the stress on severely ill people of multiple assessments, continuous form filling etc. and save money by reducing bureaucracy. This measure will require close consultation with affected groups and others.

The Equality Act 2010 says there's a duty to make reasonable adjustments if a person is placed at a substantial disadvantage because of their disability compared to a person with no disability. The Committee believes that the Scottish Government should communicate effectively with claimants in advance of any assessment to ensure that any and all 'reasonable adjustments' are made.

The Committee also recommends that if face-to-face assessments do take place, they should do so in an area local to the claimant and preferably in a care setting familiar to the client.

The Committee recognises that NHS doctors have a contractual obligation to provide information free of charge when initially requested for a DLA or Attendance Allowance assessment. However, it is aware that issues can arise when claimants request additional medical evidence. It recommends that the Scottish Government ban any charges which may be levied on the provision of additional information.

The Committee acknowledges the benefits that both national and local delivery can provide. It recommends that the Scottish Government investigate options which provide a national framework to allow consistency and transparency but capitalise on the benefits and knowledge of local delivery. The Committee recommends that, as part of this investigation, the Scottish Government draws upon the lessons from a variety of areas such as self-directed support, the integration of health and social care and the Scottish Welfare Fund.

The Committee believes that, whatever delivery mechanism is chosen concerning disability benefits for Scotland, it is essential that claimants have confidence and trust in that system. In particular, that the funding for disability benefits will not be used to meet any other local needs.

The Committee recognises the important contribution that schemes such as Motability can make to disabled peoples' participation in society. It believes that the social security system should do all it can to enable disabled people who are currently in work to stay in work. We recommend that the Scottish Government carefully consider the importance of 'passporting' when designing the new Scottish social security system.

The Committee recommends that training and awareness of the fast track process for the terminally ill to access benefits is improved so that a wider range of terminally ill claimants are made aware of their eligibility for this service.

The Committee is still of the view that the UK Government should have halted the roll out of PIP in order to preserve the entitlement for as many people as possible before the benefit transfers to Scotland. The Committee recommends that difficult funding decisions be made in close consultation with those impacted by the changes.^{xvii}

The Committee believes that it is unfair to determine the level of support available for a disabled person depending on the age at which the disability occurs. It recommends that the Scottish Government consider ways in which a mobility component could be made applicable to older people.

The Committee supports the Scottish Government's intention to introduce a broader definition of the term 'carer' and welcomes the increased flexibility that the amendments to the Scotland Bill will allow the Scottish Government to develop its own approach to benefits for carers in consultation with carers organisations.

^{xvii} John Lamont MSP notes his dissent from this paragraph.

The Committee is aware that the changes to the eligibility criteria as set out in the Scotland Bill 2015 may impact on the Scottish Government's consideration of what constitutes 'regular and substantial' care. The Committee would encourage the Scottish Government to actively consider the points made about the limitations of the current system in its deliberations.

The Committee acknowledges the knock-on effect that a reduction of the numbers of people transferring to PIP may have on the eligibility of their carers to receive Carer's Allowance.

The Committee is also aware that although people may no longer be receiving a disability benefit, they may still have substantial care needs. We would encourage the Scottish Government to consider this continued need closely and include carers and their representative organisations in any deliberations on this topic.

The Committee believes that carers make a vital contribution to Scottish society. The Committee feels that this contribution should be valued in the same way as other alternative means of employment.

The Committee welcomes the Scottish Government commitment to increase the amount of Carer's Allowance to match Job Seekers Allowance. However, it recommends that the complexity in the current system be addressed in order to simplify the process.

The Committee would encourage the Scottish Government to consider the need for a benefit that covers both the additional costs that caring entails as well as the potential need for income replacement.

The Committee would encourage the Scottish Government and employers to think about the ways in which they can offer greater flexibility to carers who try to balance work and caring responsibilities. This would allow people to maintain their skills and return more quickly to the labour market; if that was their wish, thereby reducing longer-term benefit dependency.

The Committee recommends that the Scottish Government consider a fast track process to allow quick access to benefits for carers when they are caring for someone with a terminal illness.

The Committee believes that there needs to be appropriate support in place for carers after their caring role ends. Carers' benefits should not automatically stop upon the death of the person they care for. A period of time should be permitted to allow the carer to make arrangements to move on in a supported fashion.

The Committee recommends that the Scottish Government make provision within a Scottish social security system to better support people and their carers during points of transition in their lives.

The Committee welcomes the Scottish Government's commitment to scrap the "84 day rule" which prevents families with a seriously ill or disabled child from receiving DLA and Carer's Allowance payments once the child has been in hospital or received medical treatment for the same condition for more than 84 days.

The Committee would hope to see a Scottish social security system which is simple and accessible in future. However, in the short-to-medium term, it recognises the benefits that a 'key worker'-style system can provide, particularly for carers. It would also welcome a 'one-stop shop' approach to benefits from the Scottish Government.

The housing element of Universal Credit

The Committee agrees with the Scottish Government proposal that the housing element of Universal Credit should be paid direct to landlords as default. As with the previous system, it is essential that the claimant should be able to retain the choice to handle the payment personally, if that better suits their circumstances.

The Committee recommends that the Scottish Government note the concerns about potential administrative difficulties in making adaptations to the use of DWP Universal Credit systems.

The Committee supports action to increase financial autonomy for women. With this in mind, it is supportive of the ability to split household Universal Credit payments and a move away from the 'male bread winner' household model.

However, it recognises that there may be unintended practical difficulties in the processing of this split. As such, it recommends that the Scottish Government work to identify all possible unintended consequences of this policy and put in place mitigating measures where required.

The Committee recommends that the Scottish Government considers offering the choice of whether Universal Credit is to be paid monthly or on a more frequent basis should be given to claimants. This should be done only with their full knowledge of how their decision may impact on their ability to budget and their level of income in the first few months.^{xviii}

The Committee recommends that the Scottish Government considers what contingency measures can be put in place to support the claimant during the waiting period before their first Universal Credit payment is received.

The Committee is concerned that monthly assessment processes as they currently stand, only give a snapshot of the claimant's situation. It recommends that the Scottish Government engage with the UK Government to consider how the assessment can be improved in order to take into account all the changes in circumstances which may have impacted the claimant that month.

The Committee recommends that the Scottish Government work closely with the UK Government to reduce the dependence on manual interventions to process payments and updates within the Universal Credit system.

^{xviii} John Lamont MSP notes his dissent from this paragraph.

The Committee views the effective data sharing between organisations to be critical in the smooth delivery of the housing element of Universal Credit.

The Committee encourages all parties involved in benefit assessment and delivery to be as open as possible. With the understanding that there may be some data protection issues to be overcome the default position should be one of positive cooperation and transparency in all dealings.

The Committee believes that lack of appropriate data sharing can lead to delays, confusion, or people being categorised or sanctioned inappropriately. This makes the need for good data sharing between reserved and devolved areas essential.

The Committee recognises the additional cost and complexity of providing temporary or supported accommodation. It recommends that the UK Government consider removing all temporary accommodation costs from Universal Credit.

It acknowledges that the issues around Universal Credit and temporary accommodation, while only affecting small numbers currently, may become a growing issue as the roll-out continues. Placing vulnerable people in a situation where they will potentially accumulate significant arrears will be detrimental to their ability to improve their situation.

The Committee believes that the maintenance of housing adaptations, such as hoists and stair lifts, is crucial to a tenant continuing to live in their home. They act as a preventative measure against further cost to the local authority and against distressing upheaval to the tenant.

The Committee recommends that the Scottish Government should investigate amending the housing element of Universal Credit to provide that maintenance costs for adaptations are included as an eligible charge.

The Committee recommends that a common-sense approach be taken to housing cost contributions when the housing element of Universal Credit comes under Scottish control. It would encourage the Scottish Government to consider reviewing the current list of exemptions to see if any additional exemptions are required.

The Committee is concerned that the differences in housing policy between Scotland and England could have unintended consequences for young people. The Committee recommends that the UK and Scottish Government identify these gaps and work constructively with one another to make sure that they are closed.

The Committee is concerned to hear about the possible knock-on effect of Universal Credit in terms of additional administrative costs and the potential impact increased rent arrears may have on capital spend for landlords. Negative impacts in these areas may affect future service delivery and the ability of landlords to build affordable housing.

The Committee would encourage the UK Government to consider these additional costs and potential restrictions during its roll out of Universal Credit.

Overall, our evidence has shown that there remains a series of problems which, when taken together, could create significant issues with the operation of Universal Credit, which have still not been resolved over two years since our visit to a pathfinder project. The UK Government needs to ensure that these are dealt with now.

The Committee believes that there is a need to increase support for people in the private rented housing sector. It recommends that the Scottish Government evaluates how affordable the private rented sector is now in light of the changes made to Local Housing Allowance.

If the Scottish Government comes to the conclusion that the private rented sector has become unaffordable for claimants it should investigate ways in which it can mitigate or resolve this issue and make it more responsive to local housing markets.

The ‘Bedroom Tax’ and Discretionary Housing Payments (DHPs)

The Committee agrees with the Scottish Government and stakeholders that the ‘bedroom tax’ should be abolished at the earliest opportunity. This will not only provide relief to tenants but also reduce the administrative burden and cost to local authorities.

The Committee acknowledges the important role that Discretionary Housing Payments can have in maintaining people living independently in their own homes. In the interests of preventative spend it encourages the Scottish Government to explore options of increasing the flexibility around how DHPs can be awarded in Scotland in order to further this goal.

The Committee expects that the Scottish Government’s proposal to scrap the so called ‘bedroom tax’ will help to address stakeholders’ concerns about DHPs being taken away from their original purpose. It recommends that the Scottish Government conduct a review of DHP spending and produce projections of future demand.

The Committee recommends that the Scottish Government takes the opportunity presented by the devolution of new powers to issue new guidance on DHPs and develop a standard application process across all Local Authorities. This would be of particular benefit to housing providers operating across more than one local authority area.

The Local Housing Allowance system currently limits the number of bedrooms claimants are entitled to in the same way as the ‘bedroom tax’ applies to social housing. As the Scottish Government is taking steps to resolve the issue of the ‘bedroom tax’ for social renters it should also be investigating ways in which it can help support private renters on benefits who may need to pay for larger accommodation than their LHA covers.

Employment Support

The Committee believes that issues around employment support can only be dealt with within the context of the wider economic environment. People can only be supported into jobs if there are jobs available for them to go to. The Committee supports the Scottish Government in considering the links its employment support programmes could have with its fair work agenda and wider economic strategy.

The Committee recognises that the current Welfare to Work Programme has produced results as least as good as previous administrations, at a "greatly reduced" cost. However, it believes that the devolution of the Work Programme is an opportunity to rethink the help and support offered to those who have trouble accessing the labour market.

The Committee believes that the goals in a new Scottish employment support system should be longer term in order to allow people to overcome their barriers to employment and build a suitable foundation for long term success. A staged approach to payment may be necessary in order to allow providers to continue to work towards this long term goal.

The Committee recommends that there should be a minimum service standard across all providers, which is tailored to meet each group's needs. Advisers should have a predictable caseload to allow them to devote the time required to get to know individuals and tailor a package of support.

The Committee believes that the culture in which employment support is delivered is one of the most important factors in determining client satisfaction and positive outcomes. Clear leadership from the UK Government's Department for Work and Pensions (DWP) and the Scottish Government will be required to achieve this.

In the spirit of promoting a person-centred approach, the Committee recommends that clients be more involved in the shaping of their Work Programme experience so that they are empowered and engage more in the process.

The Committee believes that further training is required to make frontline advisers more aware of the particular needs of job seekers. For example: older people; lone parents; people with either mental or physical disabilities, or victims of domestic abuse. The Committee also recommends that the employment support providers work closely with local support organisations to help those with additional needs.

The Committee believes that the issue around what constitutes 'permitted work' and difficulties accessing other support schemes seem counter intuitive and overly bureaucratic. The Committee recommends that any future Employment Support scheme in Scotland takes a common-sense approach to activities which can be seen to contribute to a person's employability such as volunteering.

The Committee encourages the Scottish Government to be more ambitious in what it can achieve through employment support. We believe that the goals of the programme should not just be getting people into any job available. The programme should look long term to help people into the kind of work which will allow for job progression and reduce in-work poverty.

The Committee recommends that jobseekers should be classified for support on the basis of a comprehensive needs assessment as opposed to payment groups. Any design of this needs assessment should include clients as well as local subject experts to make sure that jobseekers buy into the process and perceive it as effective.

The Committee believes that any needs assessment should include a skills assessment and an attitudinal assessment to assess how willing a person is to find work. The assessment should also identify any barriers, such as access to transport, medical conditions and living circumstances. This will allow a more proportionate approach to be taken, and resources allocated accordingly.

The Committee believes that a person centred approach is critical to success. It encourages the Scottish Government to focus on matching individuals to jobs effectively.

The Committee believes that for a Scottish employment support programme to be successful it must integrate with the wide range of existing supports available.

The Committee has concerns about the profitability element of the 'Welfare to Work' programme.^{xix}

It would encourage the Scottish Government to consider a range of delivery models, beyond those currently contracted, when considering its future employment support programme.

Committee recommends that when the Scottish Government takes control over the Work Programme and Work Choice it considers it in context of all the other employment supports which are currently available.

We would encourage the Scottish Government to investigate ways in which supports can be streamlined and brought together to save money, focus support and reduce duplication. We would also encourage reconsideration of the 'black box' approach to service delivery.

The Committee recommends that the Scottish Government balance the benefits of a local delivery with a national set of standards and principles. It also encourages the Scottish Government to consider local delivery at a wider level than local authority boundaries in order to capitalise on economies of scale and take into account various travel to work areas.

The Committee believes that the Work Capability Assessment, which determines whether people should be placed in the Work Related Activity Group, is not fit for purpose. Many people who were previously considered unfit for work are now being re-categorised and forced into unrealistic job preparation activities. It calls on the UK Government to review this system in order to accurately identify the appropriate support programme for clients.^{xx}

^{xix} John Lamont MSP notes his dissent to this sentence.

^{xx} John Lamont MSP notes his dissent from this paragraph.

The Committee believes that the work programme is not working well enough for disabled people^{xxi}. It believes that specialist programmes are essential to help disabled people fully contribute in a way that works for them.

The Committee believes that the expectation of full time work is not realistic for some disabled people. However, these people should be encouraged to participate in whatever way possible whether that is part time, volunteering or other options.

The Committee acknowledges that conditionality is an important part of any social security system. However, it believes that it should only be used proportionately and as a last resort. For example, with clients with a history of poor engagement due to motivational or attitudinal issues.

The Committee believes that the majority of people want to work. We believe that there is a disconnect between the policy and application of sanctions and that a culture change around the use of sanctions is essential. If sanctions can be used in Scotland only as a genuine last resort, this could make a huge difference in benefit claimants' lives. Clients who are on the Work Programme on a voluntary basis should not be subject to sanction.^{xxii}

The Committee would encourage the Scottish Government to consider what preventative work could be done to avoid sanctions. In particular, that the Scottish Government consider the issue of information sharing and whether claimants, rather than the providers should 'own' their personal information so that it could be shared promptly with providers in order to design the right package of support from the start.

The Committee believes that, if a sanction is unavoidable, the providers should actively meet the client to explore how the jobseeker might improve their compliance and identify any additional support needed.

^{xxi} John Lamont MSP notes his dissent from this sentence.

^{xxii} John Lamont MSP notes his dissent from this paragraph.

Although Access to Work is not being devolved to Scotland the Committee feels strongly that the DWP and the UK Government should be doing more to promote this essential programme. A small amount of money can have a big impact and allow a disabled person to find empowerment, fulfilment and contribute towards society through employment.

Regulated Social Fund

Funeral Payments

The Committee acknowledges the on-going passage of the draft Burials and Cremations (Scotland) Bill 2015, which is dealing with issues outside the Committee's remit, such as increased funeral costs. It would encourage the Scottish Government, local authorities and funeral providers to discuss how to better support those eligible for the funeral payment.

The Committee recommends that the access and qualifying criteria for the Funeral Payments need to be made simpler and clearer with a narrower definition of next of kin. It recommends that the Scottish Government consider the usefulness of the 'nearest relative test' as used under the Human Tissue (Scotland) Act 2006.¹⁰²

The Committee is concerned to hear about the postcode lottery concerning burial and cremation charges across Scotland. It would encourage the Scottish Government to look at standardisation of charges across all local authorities. It would also encourage a standardisation in awards to avoid any uncertainty regarding what will and won't be included in the Funeral Payment.

In the medium to long term the Committee recommends that the Scottish Government explore what options are available to people to help plan more effectively for funerals through better, more affordable insurance, and savings through organisations such as credit unions.

Sure Start Maternity Grant

The Committee recommends that the first child rule be relaxed and that the time frame for applying for the grant be reconsidered.

The Committee recommends that the Scottish Government consider what links and signposting arrangements can be made to the Community Care Grant aspect of the Scottish Welfare Fund.

The Committee recommends that information and advice about the grant is made more available to low income families at an early stage. It would particularly encourage the health service and health visitors to signpost to Sure Start Maternity Grants when offering 'Healthy Start' vouchers.

Winter Fuel Payments & Cold Weather Payments

The Committee acknowledges stakeholder views that the current systems for Winter Fuel and Cold Weather Payments are generally effective and well received by claimants.

The Committee recommends that the Scottish Government should consider whether it can extend the eligibility for the payments to include carers below pension age and PIP / DLA claimants.

New Benefits and Benefit Top-Ups

The Committee welcomes the legal powers regarding top-ups and new benefits contained in the Scotland Bill. However, it notes with concern that there may be a number of administrative, economic and logistical barriers that could restrict the flexibility of these powers being used in practice.

The Committee notes the importance of the Fiscal Framework in determining the scale of these funding and administrative issues, particularly around the 'no detriment' principle. It looks forward to the publication of the document.

The Committee feels that top-up powers, if they are able to be used effectively, could be a useful tool to overcome short term problems which may save claimants from difficulties and work preventatively to save future public expenditure.

The Committee recommends that the Scottish Government work with its stakeholders and those who responded to our call for evidence to consider all suggestions for positive ways in which it can effectively use its powers for new benefits and top-ups.

Common themes and cross-cutting issues

Universal benefits versus means-tested benefits

The Committee notes the various arguments made regarding universalism and means-testing. Decisions on the approach to be taken will be dependent on the financial constraints of the fiscal framework which, at the time of writing, is yet to be published.^{xxiii}

Coherence between reserved and devolved elements

The Committee believes that a coherent approach to benefit delivery between reserved and devolved elements is essential. It believes that this cannot be achieved without very good inter- governmental relations between the UK and Scottish Governments and complete transparency, including a commitment to the open sharing of data.

Using existing DWP structures or building a Scottish benefits agency

It recommends that the Scottish Government undertake a thorough comparative scoping exercise in order to determine the most cost-effective, efficient and timely method of delivery. It may be necessary for the Scottish Government to consider short-term and longer-term options for delivery as well as how delivery would be coordinated between the UK and Scotland. Maintaining access to benefits for claimants during transition is one of the most important considerations.

^{xxiii} John Lamont MSP notes his dissent from this paragraph.

National versus local delivery

While the Committee is aware that the Scottish Government will make a decision on delivery based on the needs of each particular benefit we would encourage the Scottish Government to consider the benefits of a national framework within which to operate locally. This provides the consistency of approach to avoid a postcode lottery as well as taking advantage of the benefits of local knowledge and expertise.

The Committee believes that if powers and funding are to be devolved to the local level then it needs to be at a scale where the administration of that fund does not cost a disproportionate amount compared to the value of the fund itself.

Reduction in bureaucracy, simplification and ‘passporting’

The Committee recognises that the process of simplifying the benefits system may well be an extremely complex thing to achieve. However, it recommends that the Scottish Government works towards this goal and considers the benefits of a single assessment or increased passporting for claimants.

The Committee encourages the Scottish Government consideration of a ‘one-stop shop’ style approach to service delivery that would simplify the process for service users and reduce bureaucracy.

The Committee recommends that all communications are made clear, accessible and written in plain English. Claimants should have options in terms of the method of communication that they would find most useful.

The Committee encourages the Scottish Government to consider how it can simplify the information which is required for applications and join up applications for various benefits that could be passported where possible.

Integration with devolved policy and support for those ineligible for benefits

The Committee believes that the Scottish Government needs to make the links between the newly devolved benefits and existing services and supports. Achieving the best value for money and working preventatively to address issues which may be barriers to people progressing is essential, particularly at a time of reduced budgets and increased demand.

If a person is deemed ineligible for benefits this can be a financial cliff-edge for some people. The Committee recommends that the Scottish Government consider the ways in which it can help and signpost those who are ineligible for social security benefits but still require a level of support. The Committee would encourage these kinds of referrals as a minimum service standard and could include local community based supports.

Advocacy support and advice

While recognising the excellent and essential work that the advice and advocacy sector provides for Scotland, the Committee is troubled that the current social security system is so complex that the average person cannot navigate it without significant support.

The Committee acknowledges the severe and growing pressure under which the advice and advocacy sector is currently operating. In the short term it recommends that the Scottish Government continue to fund this essential service. It also recommends that the Scottish Government consider an approach which trains and builds up a bank of local volunteers who will be able to offer peer support through the process.

With the recognition that there will always be some in society that need additional support, the Committee recommends that in the medium to long term the Scottish Government address the complexity of social security procedures within its control, so that the majority of people can be empowered to steer themselves through a benefit claim.

Funding and resourcing

The Committee believes that thorough scrutiny of the detail of the Fiscal Framework is essential before drawing conclusions on the issue of funding and resourcing. The Committee notes the importance of the method of indexation chosen and the ramifications this may have for future spending.

¹ Welfare Reform Committee, *Official Report*, 22 September 2015, Col 15

² Trussell Trust food bank statistics, available at <http://www.trusselltrust.org/stats> accessed 01 December 2015

³ Welfare Reform Committee, Press Release 'Abolish the 'bedroom tax' or give the Scottish Parliament the powers to do so' plea from the Welfare Reform Committee' 31 January 2014.

⁴ Welfare Reform Committee, *Official Report*, 22 September 2015, Col 15

⁵ Welfare Reform Committee, *Official Report*, 27 October 2015, Col 8

⁶ Heather, PIP applicant, *written submission*, Welfare Reform Committee

⁷ Welfare Reform Committee, *Official Report*, 22 September 2015, Col 05

⁸ Welfare Reform Committee, 4th Report, 2014 (Session 4): Interim Report on the New Benefit Sanctions Regime: Tough Love or Tough Luck?

⁹ Welfare Reform Committee, *Official Report*, 22 September 2015, Col 03

¹⁰ Trussell Trust food bank statistics, available at <http://www.trusselltrust.org/stats> accessed 01 December 2015

¹¹ Word cloud created using Wordle available at <http://www.wordle.net/create>

¹² ENABLE Scotland, *Written Submission*, Welfare Reform Committee

¹³ Welfare Reform Committee, *Official Report*, 15 September 2015, Col 03

¹⁴ Falkirk Council, *Written Submission*, Welfare Reform Committee

¹⁵ CAS, *Written Submission*, Welfare Reform Committee

¹⁶ National Deaf Children's Society, *Written Submission*, Welfare Reform Committee

¹⁷ Personal Independence Payment: Statistical Ad Hoc: Registrations, clearances and awards; average clearance and outstanding times; and outstanding claims - up to March 2015 (Great Britain), DWP, May 2015

¹⁸ Alzheimer Scotland, *Written Submission*, Welfare Reform Committee

¹⁹ Welfare Reform Committee, *Official Report*, 15 September 2015, Col 09

²⁰ Social Work Scotland, *written submission*, Welfare Reform Committee page 1

²¹ Social Work Scotland, *written submission*, Welfare Reform Committee page 2

²² Anonymous Benefit Claimant, *Written Submission*, Welfare Reform Committee

²³ Welfare Reform Committee, *Official Report*, 22 September 2015, Col 07

²⁴ Welfare Reform Committee, *Official Report*, 05 May 2015, Col 09

²⁵ Welfare Reform Committee, *Official Report*, 22 September 2015, Col 09

²⁶ Age Scotland, *Written Evidence*, Welfare Reform Committee

²⁷ Welfare Reform Committee, *Official Report*, 15 September 2015, Col 13

²⁸ Welfare Reform Committee, *Official Report*, 15 September 2015, Col 16

²⁹ Welfare Reform Committee, *Official Report*, 15 September 2015, Col 17

³⁰ Welfare Reform Committee, *Official Report*, 15 September 2015, Col 33

³¹ National Housing Federation Survey, September 2011

³² Welfare Reform Committee, *Official Report*, 06 October 2015, Col 05

³³ Charles McAllister, *Written Submission*, Welfare Reform Committee

³⁴ Welfare Reform Committee, *Official Report*, 06 October 2015, Col 05

³⁵ Welfare Reform Committee, *Official Report*, 06 October 2015, Col 07

³⁶ Welfare Reform Committee, *Official Report*, 06 October 2015, Col 24

³⁷ Welfare Reform Committee, *Official Report*, 06 October 2015, Col 11

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- ³⁸ North Lanarkshire Council, *Written Submission*, Welfare Reform Committee
- ³⁹ Horizon Housing Association and Blackwood Care Home, *Written Submission*, Welfare Reform Committee
- ⁴⁰ Welfare Reform Committee, *Official Report*, 06 October 2015, Col 20
- ⁴¹ Welfare Reform Committee, *Official Report*, 06 October 2015, Col 28
- ⁴² Welfare Reform Committee, *Official Report*, 06 October 2015, Col 8
- ⁴³ Welfare Reform Committee, *Official Report*, 06 October 2015, Col 8
- ⁴⁴ Welfare Reform Committee, *Official Report*, 06 October 2015, Col 38
- ⁴⁵ Welfare Reform Committee, *Media Release*, 31 January 2014
- ⁴⁶ Welfare Reform Committee, *Official Report*, 06 October 2015, Col 16
- ⁴⁷ Welfare Reform Committee, *Official Report*, 06 October 2015, Col 17
- ⁴⁸ DWP, Work Choice: Official Statistics. London: DWP, Sept 2015
- ⁴⁹ DWP, Work Choice: Official Statistics. London: DWP, May 2015
- ⁵⁰ Welfare Reform Committee, *Official Report*, 03 November,, Col 36
- ⁵¹ Welfare Reform Committee, *Official Report*, 03 November,, Col 5
- ⁵² Welfare Reform Committee, *Official Report*, 27 October 2015, Col 10
- ⁵³ Welfare Reform Committee, *Official Report*, 03 November,, Col 33
- ⁵⁴ Welfare Reform Committee, *Official Report*, 03 November,, Col 36
- ⁵⁵ Welfare Reform Committee, *Official Report*, 03 November,, Col 46
- ⁵⁶ Welfare Reform Committee, *Official Report*, 03 November,, Col 45
- ⁵⁷ Welfare Reform Committee, *Official Report*, 27 October 2015, Col 11
- ⁵⁸ Ronny Davies, Work Programme Participant, *Written Submission*, Welfare Reform Committee
- ⁵⁹ Welfare Reform Committee, *Official Report*, 03 November,, Col 24
- ⁶⁰ Welfare Reform Committee, *Official Report*, 03 November,, Col 48
- ⁶¹ Welfare Reform Committee, *Official Report*, 03 November,, Col 32
- ⁶² Welfare Reform Committee, *Official Report*, 03 November,, Col 35
- ⁶³ Welfare Reform Committee, *Official Report*, 03 November,, Col 51
- ⁶⁴ Welfare Reform Committee, *Official Report*, 03 November,, Col 42
- ⁶⁵ Welfare Reform Committee, *Official Report*, 03 November,, Col 16
- ⁶⁶ Welfare Reform Committee, *Official Report*, 03 November,, Col 41
- ⁶⁷ Welfare Reform Committee, *Official Report*, 03 November,, Col 42
- ⁶⁸ Welfare Reform Committee, *Official Report*, 03 November,, Col 18
- ⁶⁹ CPAG, *Written Submission*, Welfare Reform Committee
- ⁷⁰ JRF, *Written Submission*, Welfare Reform Committee
- ⁷¹ Welfare Reform Committee, *Official Report*, 22 September, Col 24
- ⁷² Anonymous Benefit Claimant, *Written Submission*, Welfare Reform Committee
- ⁷³ Welfare Reform Committee, *Official Report*, 22 September, Col 24
- ⁷⁴ Welfare Reform Committee, *Official Report*, 22 September, Col 53
- ⁷⁵ Welfare Reform Committee, *Official Report*, 03 November,, Col 32
- ⁷⁶ Welfare Reform Committee, *Official Report*, 03 November,, Col 37
- ⁷⁷ Welfare Reform Committee, *Official Report*, 03 November,, Col 40
- ⁷⁸ Welfare Reform Committee, *Official Report*, 03 November,, Col 19
- ⁷⁹ Welfare Reform Committee, *Official Report*, 03 November,, Col 19
- ⁸⁰ Welfare Reform Committee, *Official Report*, 27 October 2015, Col 22
- ⁸¹ Welfare Reform Committee, *Official Report*, 03 November,, Col 43
- ⁸² Department for Work and Pensions Access to Work: Official Statistics. London: DWP. Available at: https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/421499/access-to-work-statistics-april-2015.pdf
- ⁸³ Department for Work and Pensions (2015e) New measures to support more disabled people into work. News release 12 March 2015 London: DWP. Available at: <https://www.gov.uk/government/news/new-measures-to-support-more-disabled-people-into-work>
- ⁸⁴ Welfare Reform Committee, *Official Report*, 27 October 2015, Col 18
- ⁸⁵ Annual Report by the Secretary of State for Work and Pensions on the Social Fund 2013-2014
- ⁸⁶ Nearest relative test is the first on this list that is living: (a) spouse/civil partner; (b) lived with partner of more than 6 months; (c) child; (d) parent; (e) brother/sister ; (f) grandparent; (g) grandchild; (h) uncle/aunt; (i) cousin; (j) niece/nephew; (k) longstanding friend
- ⁸⁷ Welfare Reform Committee, *Official Report*, 10 November 2015, Col 7

⁸⁸ Nearest relative test is the first on this list that is living: (a) spouse/civil partner; (b) lived with partner of more than 6 months; (c) child; (d) parent; (e) brother/sister ; (f) grandparent; (g) grandchild; (h) uncle/aunt; (i) cousin; (j) niece/nephew; (k) longstanding friend

⁸⁹ Welfare Reform Committee, *Official Report*, 10 November 2015, Col 23

⁹⁰ Prof McEwen, *Written Submission*, Welfare Reform Committee

⁹¹ Welfare Reform Committee, *Official Report*, 10 November 2015, Col 26

⁹² University of Stirling, *Written Submission*, Welfare Reform Committee

⁹³ Welfare Reform Committee, *Official Report*, 10 November 2015, Col 38

⁹⁴ Welfare Reform Committee, *Official Report*, 10 November 2015, Col 26

⁹⁵ Prof Nicola McEwan, *Written Submission*, Welfare Reform Committee

⁹⁶ Prof Nicola McEwan, *Written Submission*, Welfare Reform Committee

⁹⁷ Welfare Reform Committee, *Official Report*, 10 November 2015, Col 32

⁹⁸ Welfare Reform Committee, *Official Report*, 15 September 2015, Col 07

⁹⁹ Welfare Reform Committee, *Official Report*, 15 September 2015, Col 30

¹⁰⁰ Prof David Bell, *Written Submission*, Welfare Reform Committee

¹⁰¹ Welfare Reform Committee, *Official Report*, 15 September 2015, Col 04

¹⁰² Nearest relative test is the first on this list that is living: (a) spouse/civil partner; (b) lived with partner of more than 6 months; (c) child; (d) parent; (e) brother/sister ; (f) grandparent; (g) grandchild; (h) uncle/aunt; (i) cousin; (j) niece/nephew; (k) longstanding friend

Annexe B – Minutes and official reports

Extract from the minutes of the Welfare Reform Committee and associated written and supplementary evidence

4th Meeting, 2015 (Session 4) Tuesday 24 February 2015

Decision on taking business in private: The Committee agreed to take item 3 in private.

Work Programme (in private): The Committee considered an initial Work Programme document and agreed to revisit this topic at the next meeting.

5th Meeting, 2015 (Session 4) Tuesday 10 March 2015

Decision on taking business in private: The Committee agreed to take item 4 in private.

Work Programme (in private): The Committee agreed its Work Programme.

6th Meeting, 2015 (Session 4) Tuesday 24 March 2015

Work Programme: The Committee agreed that in relation to the inquiry into Women and Welfare, session of oral evidence on the impact of welfare reform on children's services, session of oral evidence on "bedroom tax" mitigation and the inquiry into the welfare powers to be devolved following the recommendations of the Smith Commission—

- a. Consideration of any oral evidence received will be completed in private after the end of the public session;
- b. Decisions on witness expenses should be delegated to the Convener;
- c. All draft reports will be considered in private;
- d. To authorise the Convener to seek approvals for Committee events where necessary.

12th Meeting, 2015 (Session 4) Tuesday 16 June 2015

Work Programme (in private): The Committee considered its Work Programme and confirmed it will undertake an inquiry in the autumn into the Smith Agreement proposals. It agreed the following in relation to the inquiry—

- a. Remit and call for evidence;
- b. Witnesses to be invited to give oral evidence;
- c. To share thinking with the Cabinet Secretary as the inquiry develops.

15th Meeting, 2015 (Session 4) Tuesday 15 September 2015

The Future Delivery of social security in Scotland - disability, carers and those who are ill: The Committee took evidence from—

Simon Hodgson, Director, Carers Scotland;
Alan McGinley, Policy and Engagement Manager, Arthritis Care Scotland;
Richard Meade, Head of Policy and Public Affairs, Scotland, Marie Curie;
Suzanne Munday, Chief Executive, MECOPP;
Kayleigh Thorpe, Campaigns and Policy Manager, ENABLE Scotland;
Alan Weaver, Manager, Moray Employment Support and Training, The Moray Council;
Lynn Williams, Policy Officer, Scottish Council for Voluntary Organisations.

Written Evidence

-  Carers Scotland
-  Marie Curie
-  ENABLE Scotland
-  Moray Council
-  Scottish Council Voluntary Organisations (SCVO)

16th Meeting, 2015 (Session 4) Tuesday 22 September 2015

Future Delivery of social security in Scotland - disability, carers and those who are ill: The Committee took evidence from—

Sonya Chowdhury, Chief Executive, Action for M.E.;
Bill Scott, Director of Policy, Inclusion Scotland;
Rachel Stewart, Public Affairs Officer, Scottish Association for Mental Health;
Andrew Strong, Policy and Information Manager, Health and Social Care Alliance Scotland (the ALLIANCE);
Professor Nick Watson, Institute for Health and Wellbeing, University of Glasgow.

Future Delivery of social security in Scotland (in private): The Committee reviewed the evidence heard earlier in the meeting.

Written Evidence

-  Action for M.E.
-  Inclusion Scotland
-  Scottish Association of Mental Health (SAMH)
-  Health and Social Care Alliance Scotland

17th Meeting, 2015 (Session 4) Tuesday 6 October 2015

Future Delivery of social security in Scotland: The Committee took evidence from—

Ashley Campbell, Policy Manager, Chartered Institute of Housing;
Allan Gunn, Head of Revenues and Business Support, The Highland Council;
Jeremy Hewer, Policy Adviser, Scottish Federation of Housing Associations;
Mandy Morrison, Operational Manager, Quarriers;
Jules Oldham, National Policy & Practice Coordinator, Homeless Action Scotland;
Mark Ballard, Head of Policy, Barnardo's Scotland;
John Dickie, Director, Child Poverty Action Group in Scotland;
Keith Dryburgh, Policy Manager, Citizens Advice Scotland;
Maggie Kelly, Consultant Policy Advisor, One Parent Families Scotland;
Peter Kelly, Director, The Poverty Alliance;
Alison McLaughlin, Money Adviser, Children 1st.

Future Delivery of social security in Scotland (in private): The Committee reviewed the evidence heard earlier in the meeting.

Written Evidence

-  Chartered Institute of Housing (CIH)
-  Highland Council
-  Scottish Federation of Housing Associations (SFHA)
-  Quarriers
-  Barnardo's Scotland
-  CPAG Scotland
-  Citizen's Advice Scotland (CAS)
-  One Parent Families Scotland
-  Poverty Alliance
-  Children 1st

Supplementary Written Evidence

-  Citizen's Advice Scotland (CAS)

18th Meeting, 2015 (Session 4) Tuesday 27 October 2015

'Your Say' evidence session on the Work Programme: The Committee took evidence from—

Donna, Work Programme client;
Jake, Work Programme client;
Phyl Meyer, Employability and Civic Participation Officer, Inclusion Scotland.

'Your Say' evidence session on the Work Programme (in private): The Committee reviewed the evidence heard earlier in the meeting.

Written Evidence



Darren



Diane



Donna



Jake

19th Meeting, 2015 (Session 4) Tuesday 3 November 2015

Future Delivery of social security in Scotland: The Committee took evidence from—

Tanya Gilchrist, Head of Operations Scotland and the North East, Shaw Trust (Work Choice Contractor);

Alistair Kerr, Head of Quality and Contract Compliance, Momentum Scotland (Work Choice Contractor) / Vice Chair, The British Association for Supported Employment (BASE);

Paul de Pellette, Director, Ingeus (Work Programme Prime Contractor);

Kate Still, Co Chair, Employment Support Scotland;

Nicholas Young, Director, Working Links (Work Programme Prime Contractor);

Stephen Boyd, Assistant Secretary, STUC;

Bill Scott, Director of Policy, Inclusion Scotland;

Andy Hirst, Managing Director, Cambridge Policy Consultants Ltd;

John Downie, Director of Public Affairs, Scottish Council for Voluntary Organisations;

Pamela Smith, People Group Chair, SLAED;

Anna Ritchie Allan, Project Manager, Close the Gap;

Satwat Rehman, Director, One Parent Families Scotland;

Dr Jim McCormick, Associate Director Scotland, Joseph Rowntree Foundation;

Rachel Stewart, Public Affairs Officer, Scottish Association for Mental Health

Future Delivery of social security in Scotland (in private): The Committee reviewed the evidence heard earlier in the meeting.

Written Evidence



Ingeus



Working Links



Inclusion Scotland



Cambridge Policy Consultants





Scottish Council Voluntary Organisations (SCVO)



COSLA



Close the Gap

-  One Parent Families Scotland
-  Joseph Rowntree Foundation (JRF)
-  Scottish Association of Mental Health (SAMH)

Supplementary Written Evidence

-  COSLA
-  Inclusion Scotland
-  Scottish Association of Mental Health (SAMH)
-  One Parent Families Scotland


20th Meeting, 2015 (Session 4) Tuesday 10 November 2015

Future Delivery of social security in Scotland: The Committee took evidence from—

Roz Hampson, Advice Officer, Maternity Action;
John McAllion, Executive Committee, Scottish Pensioner's Forum;
Fraser Sutherland, Policy Officer, Citizens Advice Scotland;
Nicola Sutherland, Team Leader, Welfare Rights & Welfare Fund, Perth and Kinross Council;
Mark Willis, Welfare Rights Worker, Child Poverty Action Group in Scotland;
Derek Young, Policy Officer, Age Scotland;
David Eiser, Research Fellow, University of Stirling; Professor Nicola McEwen, Professor of Politics and Associate Director, Centre on Constitutional Change, The University of Edinburgh;
Professor Paul Spicker, Professor of Public Policy, (appearing in a personal capacity);
Professor Alan Trench, Institute for Public Policy Research.

Future Delivery of social security in Scotland (in private): The Committee reviewed the evidence heard earlier in the meeting.

Written Evidence

-  Maternity Action
-  Citizen's Advice Scotland (CAS)
-  Perth & Kinross Council
-  Age Scotland
-  Professor Nicola McEwen
-  David Eiser, University of Stirling and Centre on Constitutional Change
-  Professor Paul Spicker

Supplementary Written Evidence

-  Age Scotland

21st Meeting, 2015 (Session 4) Tuesday 1 December 2015

Future Delivery of Social Security in Scotland (in private): The Committee considered a draft report.

22nd Meeting, 2015 (Session 4) Tuesday 8 December 2015

Future Delivery of Social Security in Scotland (in private): The Committee continued its consideration of a draft report. Various changes were agreed to, and the report was agreed for publication.

Annexe C – Written evidence















Written evidence received

-  Aberdeen City
-  Aberdeenshire Council
-  Aberlour
-  Action for M.E.
-  Age Scotland
-  Age Scotland - supplementary
-  Alzheimer Scotland
-  Angus Council
-  Anonymous written submission 1
-  Anonymous written submission 2
-  Anonymous written submission 3
-  Argyll & Bute Council
-  Barnardo's Scotland
-  Butterfly Trust
-  Cambridge Policy Consultants
-  Carers Scotland
-  Carers Trust Scotland
-  Castlerock Edinvar
-  Chartered Institute of Housing (CIH)
-  Children 1st
-  Citizen's Advice Scotland (CAS)
-  Citizen's Advice Scotland (CAS) - supplementary
-  Claire Schiavone
-  Close the Gap
-  Cornerstone
-  COSLA
-  COSLA - supplementary
-  CPAG Scotland
-  Crisis
-  David Eiser, University of Stirling and Centre on Constitutional Change
-  Dundee City Council
-  East Ayrshire CPP
-  East Dunbartonshire Council
-  Edinburgh City Council
-  ENABLE Scotland
-  Falkirk Council
-  Glasgow Council of Voluntary Services
-  Health and Social Care Alliance Scotland
-  Highland Council

Welfare Reform Committee

The Future Delivery of Social Security in Scotland, 6th Report, 2015 (Session 4)

-  Horizon Housing Association and Blackwood Care Home
-  Housing Support Enabling Unit & Coalition of Care Providers Scotland
-  Ian Wallace
-  Inclusion Scotland
-  Inclusion Scotland - supplementary
-  Ingeus
-  Inverclyde Health and Social Care Partnership
-  Jennie Kermode
-  John Cunningham
-  Joseph Rowntree Foundation (JRF)
-  Lesley McDade
-  Louise Smith
-  Low Income Tax Reform Group
-  Macmillan Cancer Support
-  Marie Curie
-  Maternity Action
-  MND Scotland
-  Moray Council
-  MS Society
-  Mydex CIC
-  National Deaf Children's Society
-  NHS Lanarkshire
-  Norman Gray
-  North Ayrshire Council
-  North Lanarkshire Council
-  One Parent Families Scotland
-  One Parent Families Scotland - supplementary
-  Parkinson's UK
-  PCS Scotland
-  Perth & Kinross Council
-  Policy Scotland Welfare Reform Network
-  Poverty Alliance
-  Professor David Bell
-  Professor Kirstein Rummery
-  Professor Paul Spicker
-  Professor Nicola McEwen
-  Prospect Community Housing
-  Psychologists Against Austerity Scotland
-  Quarriers
-  Reed in Partnership
-  Renfrewshire Council
-  Rights Advice Scotland
-  Salvation Army
-  Scottish Association of Mental Health (SAMH)

-  [Scottish Association of Mental Health \(SAMH\) - supplementary](#)
-  [Scottish Borders Council](#)
-  [Scottish Women's Convention](#)
-  [Scottish Council Voluntary Organisations \(SCVO\)](#)
-  [Scottish Disability Equality Forum](#)
-  [Scottish Federation of Housing Associations \(SFHA\)](#)
-  [Shelter Scotland](#)
-  [Shetland Islands Council](#)
-  [Social Work Scotland](#)
-  [South Lanarkshire Council](#)
-  [VocaLink](#)
-  [West Dunbartonshire Council](#)
-  [Working Links](#)
-  [‘Your Say’ Written Evidence](#)

