



OFFICIAL REPORT
AITHISG OIFIGEIL

Social Security Committee

Thursday 3 November 2016

Session 5



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SOCIAL SECURITY COMMITTEE

7th Meeting 2016, Session 5

CONVENER

*Sandra White (Glasgow Kelvin) (SNP)

DEPUTY CONVENER

*Pauline McNeill (Glasgow) (Lab)

COMMITTEE MEMBERS

*George Adam (Paisley) (SNP)

*Mark Griffin (Central Scotland) (Lab)

*Alison Johnstone (Lothian) (Green)

*Gordon Lindhurst (Lothian) (Con)

*Ben Macpherson (Edinburgh Northern and Leith) (SNP)

*Ruth Maguire (Cunninghame South) (SNP)

*Adam Tomkins (Glasgow) (Con)

*attended

THE FOLLOWING ALSO PARTICIPATED:

Richard Cornish (United Kingdom Department for Work and Pensions)

Rt Hon Damian Green (United Kingdom Secretary of State for Work and Pensions)

Denise Horsfall (United Kingdom Department for Work and Pensions)

CLERK TO THE COMMITTEE

Simon Watkins

LOCATION

The Robert Burns Room (CR1)

Scottish Parliament

Social Security Committee

Thursday 3 November 2016

[The Convener opened the meeting at 10:00]

Decision on Taking Business in Private

The Convener (Sandra White): Good morning and welcome to the seventh meeting in 2016 of the Social Security Committee. I welcome to the meeting the Secretary of State for Work and Pensions and his officials. I remind everyone to turn off their mobile phones, as they interfere with the sound system. No apologies have been received.

Agenda item 1 is a decision on whether to take in private consideration of the evidence that we will hear under item 2. Does the committee agree to do that?

Members *indicated agreement.*

Social Security

10:00

The Convener: Our main agenda item today is an evidence session with the United Kingdom Government minister who is responsible for social security—welcome to the Scottish Parliament, Mr Green. I also welcome his officials Richard Cornish, devolution director, and Denise Horsfall, work services director, who are both from the Department for Work and Pensions.

Mr Green has indicated that he wishes to make an opening statement.

Rt Hon Damian Green (United Kingdom Secretary of State for Work and Pensions): Thank you, convener. Good morning, committee. I am very pleased to be here as the first DWP secretary of state to appear formally before a Scottish Parliament committee. I also thank you for the welcome to my officials Richard Cornish and Denise Horsfall.

It is an interesting time. The Scottish Government is at the start of its journey in developing and delivering social security in Scotland. The Parliament, too, will assume a new and distinctively different role in scrutinising the Scottish Government's choices and decisions in this area. This is a unique moment in devolution and the transition of powers from Westminster to Scotland. I know that officials have been working well together in the process so far, and I look forward to that relationship continuing.

It is also a personal pleasure to be back in Scotland so soon after my most recent visit, when I saw great work being done by a number of voluntary organisations. I visited KibbleWorks in Paisley, where young people who face barriers to employment are helped to experience the benefits to wellbeing and confidence that having a job brings, which is central to the purpose of the Government's welfare policy. I also listened to the views of a number of organisations on the front line about how my department can continue to develop and improve its work, because there is always room for improvement. Another minister in the department, the Minister of State for Disabled People, Health and Work, recently had the opportunity to be part of Scotland's hosting of the Rehabilitation International world congress, and I know that she visited a number of organisations at the same time.

We are at an important juncture for the delivery of welfare in Scotland. We are implementing the further devolution of powers that all parties agreed for Scotland in the Smith commission agreement. In July, we commenced 11 of the 13 welfare sections in the Scotland Act 2016, which included

provisions in respect of creating new benefits, topping up reserved benefits, discretionary housing payments, universal credit flexibilities and employment support. The majority of those provisions are already in force—they came into force from 5 September this year—and the DHPs will come into force from April of next year. As I am sure that the committee is aware, at the request of Scottish Government ministers, we recently agreed to explore a unique split competence approach to the commencement of the remaining welfare sections of the Scotland Act 2016, which cover disability living allowance, personal independence payment and carers allowance. We remain committed to transferring those powers as soon as it is practicable and, very importantly, as soon as it is safe to do so for claimants.

The powers that are being transferred are unprecedented in their scope. Until recently, virtually all welfare provision was legislated on and designed centrally. We now face a completely different landscape, in which both Governments will deliver benefits in Scotland. The Scotland Act 2016 makes this Parliament one of the most powerful devolved legislatures in the world and makes the Scottish Government directly accountable to its citizens in those areas that are being devolved. I am sure that that means an increased role for this committee in reviewing how the Scottish Government takes forward those powers because, as anyone exercising ministerial office knows, with power comes great scrutiny—and so it should.

Now that the Scottish Government's consultation on how to do this has ended, I encourage it to set out its policy plans as soon as possible. I appreciate that this committee will play a significant role in scrutinising those plans.

As agreed in the fiscal framework that has been agreed by both Governments, funding for devolved welfare powers transfers at the point of devolution. Under the situation of split legislative and executive competence, which we will have for some of our benefits, funding for welfare benefits transfers to the Scottish Government along with the executive competence. Again, at that point, this committee will become even more of a key player.

The successful devolution of £2.7 billion-worth of welfare spending is a huge task. We all recognise that it will take the Scottish Government some time before it is in a position to deliver welfare programmes fully and I am fully committed to working with the Scottish Government at all levels to make sure that the implementation is effective, to ensure that all those who are touched by the changes have an awareness and understanding of them, and—perhaps most

crucially—to deliver devolved welfare safely for those people in Scotland who rely on that support.

In that regard, I pay tribute to the hard work and determination of the thousands of DWP employees in Scotland who, day in and day out, provide support to those who need it. Their contribution is very significant and I am sure that committee members regularly visit their local jobcentres and will recognise that too.

It is incumbent on both Governments to manage the transfer of powers sensibly during the transitional period. There are clear accountabilities on both sides and the needs of citizens must be at the centre of the process.

I should also say a word about the UK Government's approach to welfare while I am in front of the committee. In 2010, we inherited a broken system in which there were too few incentives to move from welfare to work and in which too many of our fellow citizens were simply taken off the books and forgotten about. That is what we have been trying to change. We have ensured that work always pays through reforms such as universal credit while ensuring that there is a strong safety net for those who cannot work. Spending on disabled people, for example, will be higher in every year of this Parliament than it was in 2010.

However, of course we need to continue to review and reform the system based on what we know works. That is why, earlier this week, I published, along with the Department of Health, "Improving Lives—The Work, Health and Disability Green Paper", which is designed to improve how the welfare system responds to people with health conditions and covers the reform of the work capability assessment, statutory sick pay and fit notes.

I very much want to see employers step up and play their part in helping people with long-term health problems and disabilities get into work, so we have created a disability confident business leaders group.

On the health side, one of the big mindset changes that we need is to see work as, in the jargon, a beneficial health outcome; in other words, a good job is good for your health. There is overwhelming evidence of that, so we will be working with the various health bodies—I look forward to working with the health bodies in Scotland, too—to make the benefits of work an ingrained part of the health workforce approach and to see a culture of high ambition for disabled people in this country.

Clearly, delivering on the devolution settlement is a learning process for all of us. We share the ambition to maximise the opportunities that it can bring and to avoid any unintended consequences.

It is vital to ensure that the new services and any existing services work effectively in tandem and that we try to avoid additional complexity and cost and a disjointed approach.

I look forward to the Scottish Government providing further clarity on its plans as soon as possible. We now have an opportunity to implement a new shared welfare landscape for Scotland that will continue to deliver in the best interests of Scotland while obtaining the benefits of the UK welfare system in transforming lives, giving people skills and opportunities to move into work and helping them to address the difficulties that they may face in their daily lives.

The Convener: Thank you, Mr Green. We are looking at two different areas: the devolved powers and those that are still reserved to Westminster. We will talk about the devolved powers of the Scottish Parliament to begin with and then move on to any reserved matters.

You mentioned the devolved powers and we know that only 15 per cent of the power over welfare spending is coming to the Scottish Parliament, while 85 per cent will remain at Westminster. You mentioned co-operation between the DWP and the Scottish Parliament and between the different departments and Governments to ensure a smooth transition, so that no one falls through the net. I am sure that we all agree on that.

What work is being done with DWP staff and staff from the Public and Commercial Services union, given that they will be delivering the changes? Is any work being done on transferring DWP staff to the new Scottish social security agency? We have heard evidence from PCS staff that talks on that have not been happening. Can you elaborate on that point?

Damian Green: It is quite difficult to take a definitive position on individuals until we know what the Scottish Government's proposals are. Denise Horsfall is working on this every day.

Denise Horsfall (United Kingdom Department for Work and Pensions): On a daily basis, we are working locally and nationally on the impact of some of the early changes around employability, although that is around taking the space that the work programme had before, so there is no impact on my staff at this point. The staff will be referring and working with different providers, or sometimes the same ones. You are probably thinking about the benefits side, convener, and those decisions have not yet been made.

Richard Cornish (United Kingdom Department for Work and Pensions): We have had a number of discussions with trade unions. Last week, I had one of my regular catch-up meetings with all three trade unions, specifically

on what the DWP is doing in respect of Scottish devolution. The communications within the department have been relatively low profile while we wait for more detail about what will happen and when things will transition to the Scottish Government. There has not been a huge amount to share with DWP staff. However, we have been carrying out some communications work.

The Convener: Concerns have been raised by staff in jobcentres—we have all visited jobcentres—about a lack of communication and a timescale. Do you have a timescale for when you will work more closely with the staff in the jobcentres?

Damian Green: I will speak at the ministerial level, as it were, and then let Richard Cornish talk about the workforce. Last month, I attended my first meeting of the joint ministerial working group on welfare, which was a constructive and sensible meeting. As I said, to some extent, the detailed answers to the perfectly sensible questions about timescales and so on will depend on the Scottish Government coming forward with its own timetable, for both legislation and the structure. I understand that the Scottish Government has just finished its consultation on how it wants to organise the agency and we are all waiting for its conclusions as a result of that.

Richard Cornish: The convener asked about the transfer of staff. The Scottish Government has not indicated to us that it wants to transfer UK DWP civil servants to the new agency that it has announced it is creating. Indeed, a number of people in the DWP who work on the areas that have been devolved do not necessarily do so from Scotland. Some of the benefits that are being devolved are currently dealt with by places in the north-west of England, for example. It is not necessarily clear that people would automatically transfer from the DWP and many DWP staff in Scotland deliver benefits and services such as jobcentres in Scotland but also deliver benefits and deal with telephone inquiries from all parts of the UK. The majority of those people would remain working for the DWP.

10:15

The Convener: The agency is just one part of it. The communications with the staff have also been raised with us, and I understand that you have a memorandum of understanding that says that you will work together with the Scottish Government.

To put some flesh on the bones, we know that the staff work in different areas and that they will not all transfer to the agency, but is there any movement at all from yourselves to ensure that there is a smooth transition? There has to be communication between the DWP and those who

will deliver the services in Scotland, whether that happens in an agency or outwith an agency.

Is there a timescale? I want to pin this down, because people are concerned. There would be nothing worse than our putting this forward with no safety net should something happen, so that people fall through the middle.

Richard Cornish: As I said, virtually the entire DWP staff will be working on DWP benefits. A number of people who work on the Scottish claims for the benefits that are devolving do not necessarily do that from Scotland.

I have given reassurance to staff in some communications over the past year or so that that is our expectation, and we will start having more communications with staff. I plan on doing some more telephone conference calls with all staff in Scotland in the next few months.

We are quite dependent on the Scottish Government sharing with us the timeframe for when it wants to start taking on the services. Until that point, it is difficult to put a lot more flesh on the bones for staff, because the messages will not be fully formed.

The Convener: It is not a blame game. It is just to ensure that people get the services that they want. We cannot be entrenched in a position in which you want this one or that one to come forward. All I am asking is when you are going to get together and speak to the staff who will deliver this. You mentioned telephone conference calls. Will this committee get an update on when you are talking to the various staff? It is really important that we get this right and working properly.

Richard Cornish: We undertake a number of different communication methods with staff on a daily basis as part of business as usual. That will continue and I would not expect to give the committee an almost daily commentary on that. As I said, I have had some communications with staff in Scotland and elsewhere and I expect to do that on an on-going basis in the coming months.

The Convener: Thank you. Ben Macpherson wants to come in, followed by Adam Tomkins.

Ben Macpherson (Edinburgh Northern and Leith) (SNP): In terms of the context that we are in, I thank you, secretary of state, for coming to the committee. I appreciate that, as you said, you are the first secretary of state to come to the committee. That is good, and I welcome you. I am very grateful for the very constructive approach that has been outlined and for some of your comments in terms of the way forward, the memorandum of understanding and how we implement the new powers that are coming to the Scottish Parliament.

It is also important that we consider the past and the present. It was interesting that when the green paper was published on Monday, there was almost an implicit recognition from you that there have been significant failures and problems with the roll-out of welfare reform since 2010. Obviously, a huge amount of distress has been caused to our citizens and to many of the constituents we represent.

As you are the first secretary of state to attend the Social Security Committee, would you like to take this opportunity to acknowledge and apologise for the unnecessary and highly disturbing anxiety, suffering and hardship that many of our constituents have faced since 2010, particularly with regard to work capability assessments and the sanctions that have been imposed, as well as the cuts and the wider austerity agenda and welfare reform? Would you like to reflect on that, given your comments on Monday?

Damian Green: The comments on Monday and the green paper that we produced explicitly build on the new things that have been introduced in the system, notably universal credit, which is the biggest new development. It is a benefit that always makes work pay, and will avoid one of the problems that have bedevilled the benefits system in the UK for decades.

You mentioned the work capability assessment, which was, of course, introduced in 2008 by the Labour Government. It was not invented by the coalition Government in 2010: we inherited it. There have been five different reviews of the WCA since it was introduced—there is nothing that cannot be refined and improved. The questions that we are asking in the green paper are designed to make the WCA do its job.

What I want to do is to remove the sort of binary position that the system has got into, whereby it puts people into groups, telling them that they have been designated as a member of this group or that group. I want it to be much more personal, so that it can achieve the responsiveness that I suspect that we all want to achieve. That will allow individuals to be helped in the best way possible so that they either gain or regain access to the world of work, for all the benefits that that brings in terms of not just money but self-esteem and control over their own lives.

It is the confusion that arises when you divide that help away from the individual purely thinking "What benefit am I going to get?" that I regard as being slightly unsatisfactory. I think that we need to assess people in order to know what help they have got. I also think that, at the end of the system, we need a sanctions regime. That is very much the last resort. I know how controversial sanctions are, but I find it interesting that sanctions

have halved in the past year, under both jobseekers allowance and employment and support allowance. In Scotland, they have fallen further than in other places. There has been a 60 per cent fall in JSA sanctions in Scotland in the year to March 2016 and, on average, only 2.4 per cent of JSA claims result in a sanction. Therefore, I absolutely think that sanctions need to be there—but only as a last resort. That is why we are trialling in Scotland one of the improvements that may work—and we need to see what works. The trial involves an early-warning system that gives claimants an extra 14 days to provide further evidence of their reasons for non-compliance. We are still at the relatively early stages of that trial—we will get the full evaluation early next year—but that is the kind of improvement that I want to bring about. I want to make the system work better for your constituents and for mine in England too.

Ben Macpherson: Thank you. It is good to hear your determination to make the system work. I think that that was also an implicit recognition that there have been significant problems.

I noted that, earlier this week, you dismissed the film “I, Daniel Blake” as “a work of fiction” but, unfortunately, for many of us and for the constituents who come to see us at surgeries, the story that is told in that film is by no means a work of fiction. Going forward, what would be useful for us would be, if not an apology, a wider recognition of the suffering and distress that have been caused to many individuals—to the most vulnerable individuals in our society, from single mothers to the disabled and those with mental illnesses. I want to give you an opportunity to acknowledge that, before we move forward together to think about how we use the powers of this Parliament to do things better—the powers over 15 per cent of welfare spending that are coming.

Damian Green: This sort of goes without saying but I will say it anyway. It is not the intention of anyone connected with the welfare system—whether ministers or DWP staff—to cause distress. The system is there to help people, and I see it as an essential part of my job to try to set up structures and organise the system to do that. I genuinely do not know what your own personal view is of a sanctions regime. As I said, I think that one is necessary as a backstop; I know that other people do not. There are some who think that there should not be any kind of WCA, and I do not agree with that either—I think that we need some assessment but that that can be made better.

I can only assure you, the committee and everyone else that the whole purpose of the system is to help people. We use the benefits system as a way of giving people not just financial help, which obviously it does, but, if we can, the

tools to take more control over their lives and make their lives better. That seems to me to be the basis of any humane welfare system.

Adam Tomkins (Glasgow) (Con): Good morning, secretary of state, and welcome to the Scottish Parliament. It is very good to see you here.

As Ben Macpherson did, I want to ask you about the green paper that was published this week. I note that it is a joint publication between your department, the DWP, and the Department of Health. I get the impression from the green paper—I suppose that my first question is whether this is the right impression—that the joined-upness of social security with both health and employment is right at the heart of the Government’s thinking about social security. The function of the welfare state is not merely to help and support those who genuinely cannot work, but to do everything that we can to move people off benefits and into work. Was it a deliberate innovation on the DWP’s part to publish the green paper jointly with the Department of Health?

Secondly, will you reflect a little on the United Kingdom Government’s ambitious policy to halve the disability employment gap? It is a success story that we have so many people in work in the United Kingdom and that we have so many disabled people in work. I think that we have 360,000 people with a disability in work now who were not in employment two years ago. That is significant progress, but it is an ambitious policy to go from there to a point where we have managed to halve the disability employment gap, which, as paragraph 1 of the green paper says, is one of the most significant injustices in the United Kingdom today. How can we realise that policy?

Damian Green: You have asked about two huge issues. I am passionate about both of them, but I will try to answer as briefly as I can.

You are absolutely right. The DWP and the benefits system cannot solve the problems of welfare on their own. We will devise benefits that try to help people, but your example from the green paper is an important one. Across the UK, there are more than 7 million people with a disability. That is a huge pool of talent and potential. It strikes me as hugely ironic that everyone in the country has got into the routine of hugely admiring Paralympians every four years and thinking, “Look what these people can do despite the fact that life has dealt them a difficult hand”, but then going back to their day jobs. People tend to regard disabled people differently, thinking, “We feel sorry for them because they’ve got a problem” and things like that, rather than recognising that there are millions of people with the talents to do great things. We have to make it easier for them to express those talents and do

the great things that are within them. However, to do that, we need the health system—particularly in relation to mental health issues, for example—to diagnose earlier, treat people better and recognise that there are conditions that come and go and that people's working life will therefore be different because it may be more sporadic. How can we help employers to be able to cope with that?

You are also right about employability. Moving away purely from people with disabilities and thinking about people more generally, I add that the skills system has to recognise that, if somebody is at a stage of life where they do not have relevant skills, it is for an arm of Government other than the DWP to ensure that they get the skills so that they can take advantage of the many work opportunities that are out there. The Prime Minister has set up a social reform committee on which all the relevant departments sit so that we can drive forward the social justice agenda, which we are determined to do, in a joined-up way.

Will you remind me of your second question?

Adam Tomkins: It was about the disability employment gap.

10:30

Damian Green: The disability employment gap is challenging. However, the green paper is the start of taking a long perspective. People often accuse politicians of being short termist, but I have been deliberately long termist in the green paper. There are no levers that we can pull that will make huge differences over only 18 months or so: Governments must commit to 10-year activities.

As you said, we are getting more disabled people into work than ever before. The gap is so big precisely because in general we have more people in work than ever before: roughly 80 per cent of people who are non-disabled but of working age are in work at the moment. That is a historically high percentage.

The health system, the welfare system and the employment system all need to work together at all stages. We need to get all the ducks in a row to make a real difference. If we can do that, we can make a significant dent in the disability employment gap. The target has to be that we do that for many years to come in a steady, consistent way.

The Convener: On getting people with disabilities back into work, we have heard horror stories about people with disabilities being forced to take jobs that they cannot do. For example, in a debate yesterday, reference was made to a gentleman who could not walk and had the use only of his fingers but who was told that he could get a job texting. It is admirable that people with a

disability want to work—work provides a great way forward for them. However, it is disappointing that some people with a disability are being forced to work.

Obviously, people with life-threatening illnesses and particular disabilities are in the support group, which means that they do not always have to go for a work capability assessment. However, paragraph 114 of the green paper states:

“As there is currently no requirement for people in the Support Group to stay in touch with the Jobcentre, besides engaging with reassessments, we could consider implementing a ‘keep-in-touch’ discussion with work coaches. This could provide an opportunity for work coaches to offer appropriate support tailored to the individual's current circumstances, reflecting any changes since their Work Capability Assessment. This light-touch intervention could be explored as a voluntary or mandatory requirement”.

I am quite worried by the phrase “mandatory requirement”. Are you saying that people with disabilities will again have to go through the revolving door of work capability assessments?

Damian Green: Not all of them. Indeed, one of the announcements that I have already made is that we will stop reassessing anyone whose work capability assessment says that they are not fit for work because they are in the unfortunate position of having a condition that cannot get better and which will either stay the same or degenerate. That is one of the beneficial changes, and for many people it will be a huge weight off their mind. That is the kind of change that is entirely sensible.

The Convener: How do you define those conditions? Do you have a list of conditions?

Damian Green: We know which conditions degenerate or do not improve. However, the key is that this has to be individualised—this all fits in with that pattern. There will be people who at some stages of, say, multiple sclerosis can work but who might get to the point where they can no longer work. I am saying that if their condition reaches the point at which they are assessed as being unable to work, there is no point calling them back in two years' time to reassess them because we know that their condition will not have got better. There are very many people like that.

The point is about not just putting people into what we call the support group and leaving them there, which is what has happened in the past. Let me give an interesting historical statistic. When the system was created, which was under a Labour Government, it was estimated that about 10 per cent of people would go into the support group, where they would be assessed and told, “I'm afraid you're never going to be able to work, so here are your benefits.” In fact, about 50 per cent of people go into that group. Forecasts are always wrong, but that seems a huge difference. I suspect

that the 40 per cent that those who made the predictions in 2008 did not expect to be in that group will contain a large number of people with conditions that come and go. As I said, that applies particularly to many mental health conditions, and the largest increase in the number of people with disabilities is among those with mental health conditions, partly because we are getting better at recognising and diagnosing such conditions. We can do something to help those people. There is a lot of medical evidence to show that they are precisely the people who should not think, "I have been told that I cannot work and will never work again." Many of them could work—certainly for part of the time—and would benefit from work: their lives would be made better. Those are the people we want to keep in touch with, so that they do not feel that they have just been left by the system.

The Convener: I am concerned by what paragraph 114 says about a "light-touch intervention", but I do not want to hog the discussion—I am sure that other members want to come in.

Damian Green: It is a green paper, so please comment on it.

The Convener: I certainly will, and I am sure that other committee members and individuals will as well.

Gordon Lindhurst (Lothian) (Con): Thank you for coming to speak to the committee, secretary of state. I have a question about engagement, in which I will focus on two issues. First, how constructive has the engagement between UK Government and Scottish Government officials been?

The second issue relates to a more specific matter that is covered in the chapter towards the end of the green paper that refers to "taking action together". Paragraph 297 refers to third sector organisations sharing "effective practice" and being "active partners with government". I am interested in that area. In Edinburgh and Lothian—indeed, throughout Scotland—many churches, community groups, voluntary organisations and others in the third sector are actively involved both with Government agencies and with individuals who receive benefits. I met two of those organisations this week, one of which raised the very point that you have touched on. It is an organisation that deals with disabled people and it needs to be flexible in identifying an individual's particular skills, developing those and finding work for the individual in areas in which they are very able, as opposed to focusing on their disability. The organisation welcomes the ability to take a flexible approach as well as the attitude towards working between Government agencies, voluntary organisations and individuals. How important is

such engagement and joint working between third sector organisations and the UK Government in the approach that is presaged in the green paper?

Damian Green: I will ask Richard Cornish to comment on the communication between officials, as that is his life full-time for 90 hours a week or whatever unfair hours we demand of him. In the three months or so for which I have been the secretary of state, I have observed that relationships are very good and constructive as well as practical and realistic. As I said in my opening statement, we are in a transitional phase in which powers are being handed over, and those powers will start to be exercised in Scotland within the next year or two. It is all real now: people in Scotland are going to have to run systems, pay benefits and do all the nitty-gritty, nuts-and-bolts stuff that is the day job of the DWP. From my limited experience, I detect good and constructive relationships, but Richard will know better than I.

Richard Cornish: We are doing a huge amount of engagement with the Scottish Government and have been for nearly two years, since Smith. As the Scotland Bill has gone on to become the Scotland Act 2016, we have undertaken a lot of activity on a number of different fronts. We have done a lot of work to help the Scottish Government with its capability building both by transferring small numbers of people on secondments—indeed, the Scottish Government has recruited one or two staff from the DWP—and by running somewhere in the region of 100 sessions, workshops and visits.

You name it, we have engaged in the activity with the Scottish Government to help it to get a better understanding of how the current landscape has developed in quite detailed areas such as information technology, finance, fraud and error, and all the different policy, operational and technical areas. We have been doing a lot of work with the Scottish Government on a daily basis and I have a team of around 30 people working full time on Scottish devolution with the Scottish Government. A huge amount of activity has been going on. I could wax lyrical about it but I prefer brevity so I will not say any more.

Damian Green: On your second question, the third sector is an essential participant. It will have contacts, ideas and ways of working that are unfamiliar to governmental organisations and which might be better than ours, so we can learn from them. I am particularly keen to have the third sector running individual programmes in local areas. You will often find that those are the best programmes, particularly in some difficult areas, where they will make a difference.

On a visit I made to a general needs housing association, it said that it had plugged into a different charity in its area that gives work advice

and was directing its tenants towards that. The housing association was up-front about saying that, if its tenants are in work, it gets its rents paid more reliably, which is good business. I met some of the tenants and, in one case, the person had been out of work for 15 years or so. He had got into trouble in his early 20s with drugs and alcohol and had all those types of problems. Now, in his late 30s, he was in regular employment for the first time in his life. That came entirely from an initiative in an individual non-governmental organisation. The flexibility of ideas that such agencies bring is absolutely essential to running a successful welfare system that encourages people to take control of their own lives.

Denise Horsfall: On the local level, jobcentres work continuously with their partners for all the reasons that the secretary of state gave. We also run community representative groups at the national and local levels in Scotland. If there are partners that we have not touched on, we would like to hear about them and their locality because there is no doubt that people get better results and outcomes together than when we try to do things individually. Our partnership teams give us the opportunity to engage.

Pauline McNeill (Glasgow) (Lab): Thank you for giving us the opportunity to question you this morning, secretary of state. I want to return to the question of sanctions that Ben Macpherson raised. Last night in Parliament, we had a members' business debate that was led by this committee's convener and which concerned research that was conducted by the University of Glasgow and other universities, including Sheffield Hallam, about the question of sanctions. A number of things came out of that research and I wondered if you had seen it.

One of those things concerned the disproportionate effect that sanctions have on young people. It is not the principle of sanctions that has an effect; it is the disproportionate nature of the way that they are being applied. We are not just talking about one-off cases. Thousands of people have missed appointments and either the DWP has not realised that it has been told that the appointment would be missed or someone has made a simple mistake and the claimant has been sanctioned for four weeks or six weeks—as you know, sanctions can be for as long as 26 weeks.

Do you have any plans to adjust the sanctions regime to take some of the fairly well-researched evidence into account and, under your leadership, perhaps reshape a better approach?

10:45

Damian Green: With sanctions, as with every other part of the system, I am always looking at

the issues. Clearly, as the new secretary of state, I will look at all parts of the system. I have not seen the details of the Sheffield Hallam report—it was not sent to us in advance—but I will obviously read it in detail over the next few years.

I hope that we can establish a consensus that the principle of sanctions is not a bad one. Also, I will happily add to what I hope is a consensus that nobody wants to apply sanctions to no purpose or to drive people away from the system. The purpose of the sanction is to have a backstop because, if somebody is not co-operating at all and is really not trying to get into work when they could, that is not acceptable—it is not fair on all the other people who are paying their taxes to pay the benefits.

I will look at the individual cases. It is of course important that claimants are given the opportunity to provide good reasons for not complying. That seems to be the nub of quite a lot of the complaints. As it stands, claimants can ask for an explanation of a decision and they can ask for it to be reconsidered. They can appeal against the decision to an independent tribunal—

Pauline McNeill: —which seems to take an extraordinary amount of time. I am sure that you know that.

Damian Green: It can do and, again, in all areas of the system, we try to minimise delays. We also have hardship payments. There is now a well-established system of hardship payments and, specifically on the point of delays, because it is relevant to that, we have accelerated the system so that those payments are now paid within three days. I am sure that there are examples of what you are talking about but, if we look at the system in the round, we can see that, last year, the applications for the hardship payments were down 43 per cent for JSA claims and down 29 per cent for ESA claims. I hope and think that that is because the system is working faster and better. If it is not, I will keep reviewing it.

Pauline McNeill: The Scottish Government has committed to providing the option of payment of universal credit twice monthly, and to enabling social tenants to have their housing costs element paid directly to their landlord. For many claimants, that is a better arrangement. However, the committee has been told that it would not be possible for a Scottish minister to exercise that option until the full roll-out of universal credit in 2022, but that the issue would be discussed by the joint ministerial working group. Is there any scope for bringing forward that option?

I would certainly be very keen to support that idea. I think that people can manage their money better if they have it at more regular intervals and I

think that that is a very sensible option. I would like to see it happening sooner if that is at all possible.

Damian Green: We completely agree on the last point. Universal credit is designed as it is, with monthly payments, to replicate the world of work as much as possible. Increasingly, people who are on universal credit may well be in work anyway, so it gets them into the world of work that many people know.

There is a practical problem concerning whether flexibilities can be introduced into the system before we have rolled out the completely full service that we will be introducing over the next five or six years or so. That is for the good, practical reason that we do not want the system to be put under strain. That is the last thing that I want, because that is when you get delays and people do not receive payments to which they are entitled. We have agreed that those flexibilities can be introduced but it can only be when the systems can cope.

Richard Cornish: The discussions with the Scottish Government are on-going, through the joint ministerial working group that you mentioned and also at the level of officials. We are in the process of exploring what might be possible and our current assumption is that those flexibilities can be introduced before 2022. We are talking to the Scottish Government to understand exactly what it is trying to achieve and all the policy detail so that we can work out the solution. As the secretary of state suggested, we want to ensure that the system is able to handle those flexibilities in a way that will not cause problems for anyone. It is more of a technical, IT issue, than anything else.

Alison Johnstone (Lothian) (Green): Thank you for joining us this morning. My first question relates to sanctions and devolved employment programmes. Your predecessor committed to referring benefit recipients to devolved employment programmes on a voluntary basis. Can you clarify for the committee that you intend to honour that commitment?

Damian Green: Yes. The interface between the sanctions regime and the work programmes is a practical one: it boils down to what happens if someone refuses to co-operate at all. We do not yet know what the Scottish Government will propose in respect of its employability programmes but, from talking to Jamie Hepburn and others, my impression is that it might well want to run a completely voluntary system. If the Scottish Government runs a completely voluntary system, the question is what happens with difficult cases. Your sister committee in Westminster—the Work and Pensions Committee—said in a 2015 report that it thought that sanctions are a key element of the mutual obligation that underpins the effectiveness and fairness of the social security

system. I suspect that it will be interesting for this committee to see whether you can devise a realistic system that does not have that as a backstop—around the world, broadly speaking, people have come to that conclusion.

Alison Johnstone: Are you of the view that it is a matter for the Scottish Government?

Damian Green: The skills or employability part is a Scottish Government programme. As I say, I will be interested to see what it does.

Alison Johnstone: Thank you; I appreciate that answer. I will now focus on universal credit. The Musselburgh jobcentre in Lothian, which is the region that I represent, introduced the full service in March 2016 and I have been approached by housing associations that have concerns that the live service and the full service are not quite enabling them to deliver the same service that they did previously. Perhaps the officials could respond to that.

Concerns have also been raised about the fact that people have to wait six weeks for universal credit, which has led to referrals to citizens advice bureaux. The Musselburgh Citizens Advice Bureau has noted a notable increase in people who are asking for advice on how to get through such a difficult period. It is also having an impact on referrals to local food banks.

Can you clarify the differences between the live and full service, which is impacting on housing associations being able to help clients, and on the difficulties for people who have to wait for six weeks to receive any assistance?

Denise Horsfall: You are absolutely right—we have moved from universal live service to full service. Live service is for single customers who are on working-age benefits and who have made a new claim; full service is for anyone who would have applied for a variety of benefits, including housing benefit, working tax credits and employment and support allowance, as well as formerly jobseekers allowance.

We have been running since March and have been working consistently with housing associations, nationally and locally, to eradicate some of the gremlins in the works. There are gremlins, which are to do with information being provided systematically and that being received in an appropriate way. That is not delaying the customer's benefit. It is expected that it will take six weeks for a customer to receive universal credit, which is paid in arrears. The support is around advances.

There are three issues. First, on housing, we are working locally and nationally to resolve the information flows that go between us. The second issue is to do with the period of six weeks.

Universal credit is an arrears benefit and, with waiting days, it will take around six weeks for people to receive it. Thirdly, if someone cannot wait for that first payment, there is an opportunity to receive an advance. There are also referrals to, for example, the Scottish welfare fund.

As far as a rise in the use of food banks is concerned, nobody has come to me on that issue.

Alison Johnstone: The housing associations have pointed out a number of issues that relate to the differences between live service and full service. One of those issues is that the practice of keeping universal credit claims live for six months after a claimant has found work, which is very helpful for those who are in temporary or seasonal work, seems to have been discontinued in full service, so that people are having to start again.

Denise Horsfall: I cannot comment on that—I am not aware of that being a policy change.

Richard Cornish: We can check and get back to you on that.

Alison Johnstone: I would be very grateful if you could.

Denise Horsfall: That is not the intention at all; the intention is to keep claims open so that if there is a fluctuation in income, it de-risks the reclaim to benefit.

Alison Johnstone: The six-week delay seems a remarkably long time. Do you have any intention of reviewing that and looking at what could change? It must be quite unsettling for people who are having to rely on advances. Why does the process have to take so long?

Denise Horsfall: The calculation is around waiting days to start with—there are seven waiting days—then the benefit mimics what happens in the world of work, in that it is paid in arrears.

Richard Cornish: Basically, it has been designed as a monthly payment. When someone has got through the bits of the system that they need to get through, they have to wait for the end of the month. The wait can be as much as six weeks, but it is a one-off. I appreciate that it will affect people who are changing benefit. That is why we have the advance payments. Hopefully, it is a teething problem. When people are in the regular flow of payments, it will go away.

Alison Johnstone: I would be very grateful if attention could be focused on that, because I know that referrals to food banks are peaking quite notably during that period.

George Adam (Paisley) (SNP): Good morning, secretary of state. Thank you for coming along. I am not a subtle man—I regard some of the things that my colleague Ben Macpherson mentioned regarding our constituents as horror stories of the

current system—so I will be less than subtle in how I talk about the issue.

The green paper says:

“Our vision is to create a society in which everyone has a chance to fulfil their potential, where all that matters is the talent someone has and how hard they are prepared to work.”

If we take that on board, why has Inclusion Scotland told us that 48 per cent of disabled people in Scotland are living in poverty? The Black Triangle Campaign told us that, basically, the PIP assessment regime is driving people to commit suicide—so strong was its evidence that it almost accused you of murdering people. Is that one of the unintended consequences that you mentioned earlier, or is it an example of the regime helping people to take more control of their lives, which you have mentioned on more than one occasion?

Damian Green: There is no evidence. Bringing people committing suicide into political debate is always unfortunate.

George Adam: That was in evidence that the committee took.

Damian Green: Every suicide is a tragedy. There are complex reasons behind every one. As I said, trying to politicise such individual tragedies always seems to me to be very unfortunate.

You mentioned PIP. The amount that is paid in Scotland for PIP and other disability benefits has had a real-terms increase of £294 million, or roughly 16 per cent, over the course of the last Parliament. The amount that is being paid to people who have extra difficulties because of their disability is going up under PIP. The evidence shows that it is a benefit that is helping more people—it is a wider benefit than the old DLA. In particular, people with mental health problems find it easier to access than the legacy benefits that it is replacing. I disagree with the Black Triangle Campaign analysis of the situation.

11:00

George Adam: Okay. Since we are talking about PIP and DLA, what you said earlier about someone with multiple sclerosis was quite naive. Is it not part of the problem that we have a system that does not understand the long-term conditions that people are living with?

You mentioned Paralympians. Is it not the case that Ben Rowings and Carly Tait went through the assessment and could have lost their mobility vehicles? As you said, these are people who we talk about as heroes, but they go through your system and, effectively, those heroes become zeros.

Damian Green: On multiple sclerosis, you said that what I said was naive. I am not clear about that.

George Adam: You said that someone with MS could work at various times. That is true, but the problem is that an employer would have difficulty with someone who could work one day a week and, because of chronic fatigue alone, could not work for the next five days. My point is about understanding individual conditions.

Damian Green: As it happens, I understand multiple sclerosis quite well. I have an employee who has multiple sclerosis and has had it for many years. I know quite a lot about being an employer of someone with multiple sclerosis, thank you. I know that it is a degenerative condition. The point that I was making related to my announcement about not reassessing people. If you have reached a point where you cannot work at all and you have a degenerative disease such as multiple sclerosis, you will not be going back to work and, apart from anything else, to reassess people like that seems pointless.

George Adam: But you have spent a fortune assessing people up until this point.

Damian Green: Sorry?

George Adam: You have spent a fortune assessing people, when it used to be a desktop exercise. Only about 3 per cent of people on DLA were found to be abusing the system.

Damian Green: Clearly, any abuse of the system needs to be stopped, but I want to make the system more sensitive. That is what I am doing. If you want to bring up individual cases, let us know and we will look at them.

George Adam: You might regret that.

I have one final point. Jeremy Corbyn urged you to see "I, Daniel Blake". It just so happens that the writer, Paul Laverty, is here. The book that he gave me on the way in might be some light reading for you on your trip down to London. The writer told me that the film is based on his ideas and research. As constituency MSPs, we can back up the horror stories that are the result of your so-called welfare reforms. I will leave that there for you, secretary of state.

Damian Green: That is very kind.

George Adam: It is signed as well.

Damian Green: That is very touching.

The Convener: Thank you, George.

Secretary of state, you mentioned suicide and the Black Triangle Campaign. I have a constituent who unfortunately committed suicide after getting a letter from the DWP. There is evidence.

I remind committee members that, in the Scottish Parliament, we always treat everyone with dignity and respect, as we would expect to be treated. There are people out there who are going through this process.

Mark Griffin (Central Scotland) (Lab): Thanks for coming to speak to us today, secretary of state.

There is a clear distinction between powers over benefits that have been devolved and powers over benefits that are reserved, but there is also the grey area in the middle due to the Scottish Government's welcome and significant power to top up the benefits that remain reserved. If the Scottish Government decides to top up a reserved benefit, what would the process be and what are the potential costs? For one example, there is a strong lobby outside the Parliament for topping up child benefit in order to alleviate child poverty. Would the Scottish Government do that through its own agency or would it make a payment that would be operated by the DWP?

Damian Green: That is a good question, as the Scottish Government has the power to top up if it wants to. That will be different for different benefits, and I think that we are engaged in a feasibility study at the moment about carers allowance.

Richard Cornish: Yes; in that example, the Scottish Government commissioned DWP to do a feasibility study on how its policy to pay a different amount of carers allowance in Scotland could be achieved. We have accepted that commission and we are working on it at the moment. We are exploring what will presumably be several different options for how we might be able to help the Scottish Government achieve that policy. What the solutions might be—and what the choices might be for the Scottish Government to make about delivering the policy—depend on the options that the feasibility study identifies. In the carers allowance example, the steer that we have been given so far is that the Scottish Government will have a separate agency. We will be looking at ways in which the information that the DWP holds might be shared in some format with the Scottish Government in order to achieve the aim of topping up. The same principle will work in a number of different areas so that we are able to help the Scottish Government to achieve its aims.

Mark Griffin: Do you have a timescale for the feasibility study on carers allowance?

Richard Cornish: Yes, we have committed to undertake the work within three months and we expect it to be completed by the end of December.

Mark Griffin: I want to raise the sad case of Alison Shaw—you might be aware of her, secretary of state—who died in Glasgow in July. Alison's family took the selfless and courageous

decision to keep her life support operational for three days to allow her to donate her organs, which would allow other people a better standard of life or even save their lives. As a result of the decision to keep her on life support for three additional days, she qualified for her pension, which meant that her husband—her widower—did not qualify for a bereavement payment. Do you agree that it is right that a family who made the selfless and brave decision to keep a family member on life support in order to donate their organs should be financially penalised? Would you look at that case?

Damian Green: I have seen the case and I am sure that all our thoughts must be with Mrs Shaw's family. As you said, it was a brave decision to allow her organs to be used for donation. I know that my department has been in touch with the family to explain the situation and, in particular, to explain how they can appeal against the decision.

On your second question—whether I would change the decision—there is an important principle in all cases that politicians do not give individual benefits. It is the law that decides individual cases. As politicians, we pass laws, which get implemented by departments that have to obey the law as much as anyone else. There is a legal process, which is the appropriate way to appeal the decision, rather than having an individual minister intervening. As I said, my department is in contact with the family to explain that process to them.

Ruth Maguire (Cunninghame South) (SNP): Thank you for coming, secretary of state. First of all, I welcome your guarantee that the Scottish Government will have power over conditionality and sanctions for our employability programmes. However, could you reflect a little on the additional barriers to work that some of our people face, including disability or poverty, and the impact on them of punishing them further through cuts? The fact is that that inhibits their ability to take part in society and gain employment.

In your green paper, you state that you want to “ensure people are able to access the right employment and health services, at the right time and in a way which is personalised to their circumstances and integrated around their needs”.

I think that everyone will welcome those warm words, but if that is the case, why are you merging work choice and the work programme and reducing the budget for employment support?

The green paper also mentions

“a new Personal Support Package offering tailored employment support which Jobcentre Plus work coaches will help disabled people or people with health conditions to access”.

What will be the benefit of that?

Damian Green: In answer to your first question, what we want to do is concentrate our support precisely on those who will benefit most, hence the new work and health programme. The support package includes a place for all eligible and suitable claimants on that programme or on work choice, depending on whether it is before or after April 2017, but we will also be able to offer another range of help. There will be additional places on the specialist employability support programme as well as job clubs delivered by peer support networks. A lot of the charities that work in the sector have said that peer-to-peer help is particularly effective, because in a sense you need to know what the condition is before you can explain to someone else who might have the same condition how they can best benefit from what is available and explain the situation to employers. We are also creating 200 new community partners that have disability expertise and local knowledge in individual areas, again to provide specific expertise. There is another list of things, but I will not go through all of it.

I hope that that shows that we are trying to spend our money as effectively as possible. We are also listening to those involved in the sector who provide practical help. It is reasonable to observe that a lot of the big charities that work in this area, notably Scope and Arthritis Research UK, welcome what is in the green paper and want to get to grips with these programmes, because they believe that they can help people in a more effective way than they have been helped before. As I have said, this is about concentrating activity on where there is need, and the personal support packages do precisely that. They do exactly what they say on the tin. Instead of lumping people into groups and saying, “You are this sort of person,” we are trying to personalise things as much as possible, because that is the practical way of making a difference to people's lives.

Ruth Maguire: Thank you for that response, but I urge you to listen to the real experts, who are not the people whom you have mentioned but our people in our communities who go through these programmes, and to really hear what they say about what does and what does not help them to contribute to society, which they all wish to do. I do not think that there are many people who do not want to work, but there are barriers such as poverty, disability and health conditions. I hope that you will take the opportunity here.

Damian Green: Absolutely, hence the peer-to-peer idea. You are right; the issue is removing those barriers, some of which are unnecessary ones that have been imposed by actions of the state and some of which are to do with people's deep-seated and ingrained attitudes. It has literally taken a generation for women to get near equality at work; we know that there are still problems in

that respect, but the mindset has changed hugely—and in a wholly good way—in the past generation. The fight to remove the barriers to disabled people being completely involved in the workforce might take a generation, too.

I appreciate that there are many people—indeed, I would be one of them—who would say that all the barriers to women's full participation in the workforce have not yet been removed, but we have made huge strides over the past generation. That is unarguable, and we need to do the same for this other group.

11:15

Ruth Maguire: We could go backwards and forwards all day on this—and I will not even touch on the subject of gender equality—but I just want to urge caution with regard to talk about changing attitudes. From my experience—and from looking at the responses to the Scottish Government's consultation—I do not think that it is the attitude of people facing challenges to getting into work that needs to be changed. What needs to be changed is the system—society itself. Most of these barriers are not to do with the attitude of the people who need a social security safety net; there are structural barriers, and it should not take a generation to change that situation. Indeed, I would be deeply ashamed if it took that long.

Damian Green: It would be great if we could do it faster. However, we do not differ here; I completely agree that the issue is society's ingrained attitudes. That is one of the reasons why the green paper puts so much stress on employers' attitudes. There are some very good employers who are enlightened on this issue, and I want to spread that good practice across the world of work. Similarly with gender equality, which I have mentioned, there are employers who are more enlightened than others, and successive Governments and successive agencies in society have tried to spread the good practice around. I want to do the same thing to help people who have a disability.

The Convener: Thank you very much.

I have one final question. Obviously, conditionality and, in particular, sanctions are the biggest barrier that people face. I wonder whether as part of your green paper you might stop, look and listen and consider putting in place a moratorium on the sanctions and conditionality part until you get further evidence. The evidence that we have received from Sheffield Hallam University and the University of Glasgow seems to imply—actually, it does not imply; the figures are there—that from 2010 to 2016 sanctions have been used excessively to force people back into

work. I do not expect you to give me such a commitment now, but will you even think about it?

Damian Green: I always look at new evidence, but all I can say in response is that more than 70 per cent of JSA recipients and 60 per cent of ESA recipients say that sanctions make it more likely that they will follow the rules. There is clearly evidence on both sides, but I will always make a commitment to looking at evidence.

The Convener: This is not a matter of people following the rules that they are set; it is all about treating people fairly and with respect in getting them back into work.

I will leave it at that. Thank you, secretary of state. I know that members would have liked to ask more questions, and we have received a number of written ones. Would it be all right for the committee to put them all in writing and send them to you?

Damian Green: Yes, certainly.

The Convener: That is great. Thank you very much.

We now move into private session.

11:18

Meeting continued in private until 11:34.

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