



**OFFICIAL REPORT**  
AITHISG OIFIGEIL

# Social Security Committee

**Thursday 30 April 2020**

**Session 5**



The Scottish Parliament  
Pàrlamaid na h-Alba



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**Thursday 30 April 2020**

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**SOCIAL SECURITY COMMITTEE**

**9<sup>th</sup> Meeting 2020, Session 5**

**CONVENER**

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

**DEPUTY CONVENER**

\*Pauline McNeill (Glasgow) (Lab)

**COMMITTEE MEMBERS**

\*Tom Arthur (Renfrewshire South) (SNP)

\*Jeremy Balfour (Lothian) (Con)

\*Keith Brown (Clackmannanshire and Dunblane) (SNP)

\*Mark Griffin (Central Scotland) (Lab)

\*Alison Johnstone (Lothian) (Green)

\*Shona Robison (Dundee City East) (SNP)

\*Graham Simpson (Central Scotland) (Con)

\*attended

**THE FOLLOWING ALSO PARTICIPATED:**

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

David Wallace (Social Security Scotland)

**CLERK TO THE COMMITTEE**

Anne Peat

**LOCATION**

Virtual Meeting



## Scottish Parliament

### Social Security Committee

*Thursday 30 April 2020*

*[The Convener opened the meeting at 10:00]*

### Decision on Taking Business in Private

**The Convener (Bob Doris):** I welcome everyone to the ninth meeting in 2020 of the Social Security Committee. We have received no apologies, so we have a full house of MSPs.

Before we deal with the first agenda item, I thank all the MSPs, the Cabinet Secretary for Social Security and Older People and her officials, the clerking team, the Scottish Parliament's broadcasting and information technology staff and the wider support team that has enabled this first Social Security Committee remote meeting since the social distancing requirements under lockdown to take place.

Agenda item 1 is consideration of whether to take in private item 3, which will be on the evidence that we will hear shortly, and item 4, which will be consideration of an approach paper for members on the Social Security Administration and Tribunal Membership (Scotland) Bill, which will be before the committee soon.

I will take silence from members to indicate their agreement that we will take those two items in private. Does any member disagree with our taking items 3 and 4 in private?

No member has indicated that they object, so the committee agrees to take items 3 and 4 in private.

## Social Security Programme

10:02

**The Convener:** Agenda item 2 is consideration of the Scottish Government's social security programme. The committee will take evidence from Shirley-Anne Somerville, who is the Cabinet Secretary for Social Security and Older People; Ann McVie, who is deputy director of social security policy and reserved benefits, and Alison Byrne, who is deputy director of the social security programme management and delivery division, both from the Scottish Government; and David Wallace, who is the chief executive of Social Security Scotland.

Thank you for coming this morning—or not coming here, as the case is, but for making yourselves available. We will now hear a short statement by the cabinet secretary.

**Shirley-Anne Somerville (Cabinet Secretary for Social Security and Older People):** Good morning, convener and committee members. I am pleased to be able today to speak to you and to have the opportunity to answer your questions, under this new format. When I addressed Parliament at the beginning of this month, I was obviously very disappointed to have to lay out necessary changes that we were making to our social security programme, in the face of Covid-19. I stand by those difficult decisions and I thank members for their support for our approach at this uncertain time.

No one can say for sure when we will return to a normal platform for operations. That will affect not just our social security programme and the agency, but our suppliers and delivery partners. Partners include the Department for Work and Pensions, without which we cannot move ahead with delivery of disability benefits. It is now, quite rightly, redeploying staff to deal with the record volumes of new universal credit applications. That is the priority, which we support as being essential to providing security for the people who need it most.

We will deliver the Scottish disability benefits in a form of which we can be proud. Just as we need the DWP's involvement, delivery of those benefits cannot be done without the support of our health and social care sector. When the current crisis has passed, health and social care professionals' involvement will be essential to the new service in terms of ensuring quality decision making that is person centred and consistent.

Until both the DWP and our health and social partners have the capacity to work with us again, we will necessarily be constrained by uncertainty in confirming timing for, and launching, the

Scottish disability benefits. I will update the committee as soon as we have greater certainty.

I am proud to say that our work continues despite the challenges. In these unprecedented circumstances, Social Security Scotland has continued to process applications, to answer questions and, above all, to make payments of the carers allowance supplement, the young carers grant, the best start grant and best start foods, and the funeral support payment.

The programme has also continued to adapt to the challenges that we all face. Programme-wide replanning has been undertaken, including prioritisation of delivery of the Scottish child payment to support families on low incomes. At the same time, the Scottish Government continues to respond to the crisis. Our £350 million community support package helps people who are most affected by the pandemic and those who are most in need, including low-income families and older people. That is the reality that we are working in and those are the people whom we are working for.

The work includes more than doubling the size of the Scottish welfare fund, which is a key means of help for people who find themselves in financial crisis at any point. As the delivery agent, we have kept in touch with local authorities' welfare fund teams throughout the Covid-19 pandemic.

**The Convener:** It is good to hear about the positive relationship between the Scottish Government, Social Security Scotland and the DWP. It is important that everyone pulls in the same direction at this time, given the 100,000 additional universal credit claimants in Scotland since 15 March, including a huge peak of 61,000 additional claimants in a two-week period.

An issue that has been raised with me and others is the unintended consequences of the current increase in UC claims. Some of my constituents who were urged to claim UC if they got in financial distress during the crisis were claiming tax credits at the time. One constituent in particular opened a UC claim but cancelled it shortly after they realised that it was not the best thing for them to do. However, HM Revenues and Customs immediately cancelled all their tax credits. My constituent said:

"HMRC were completely 100% aware that I was not in receipt of UC and that the application was cancelled ... As such, they have knowingly left me in a position of stopping all financial support during this crisis period and knowing fully well that I have no other income and no other government support."

I am aware that HMRC is giving universal credit information on social media platforms, but that confusion around tax credits might be one of the negative unintended consequences of the surge in

UC claims in Scotland and across the United Kingdom. My constituents and others being put in financial hardship is unacceptable, so could you use your current positive relationships with DWP, HMRC and the UK Government to make representations on that situation, which seems to me to be deeply unfair?

**Shirley-Anne Somerville:** I will raise that matter in future correspondence with the Secretary of State for Work and Pensions.

One of the challenges in the UK welfare system is its complexity. The matter that the convener has raised will cause concern and difficulty for people. The Work and Pensions Select Committee has looked at the general matter of complexity in the system, and at the fact that when a person loses their job and claims universal credit, their working tax credits are automatically ended, regardless of whether they would be better off staying on them.

Many people who are facing the challenge of entering the benefit system perhaps for the first time, or for the first time in a while, are absolutely unaware of the system's complexity and its unintended consequences. That is why I encourage people to seek advice through, for example, their local citizens advice bureaux, which still offer online and telephone services.

There is a role for the DWP in seeing what can be done to remove complexities. I appreciate how hard it is for the DWP to make a lot of changes to its systems, because it is under a great deal of pressure at the moment. However, the situation is having a direct impact on people. It would be useful for the DWP to consider the unintended consequences that are causing greatest damage, and to see what changes can be made to the system. If it cannot make changes, it would be helpful to make people more aware of the unintended consequences while they fill in the UC application form.

**The Convener:** Thank you for committing to raising that matter. The surge in UC applications in Scotland will have direct consequences—I hope, positive ones—in relation to the Scottish social security system. Universal credit is used to passport people to a range of Scottish benefits, including best start grants and the funeral support payments—which are, tragically, important at this time—and will, in the future, passport them to the Scottish child payment.

The committee was already looking at benefit uptake initiatives before the Covid-19 crisis. What is the Scottish Government doing to make sure that everyone who claims universal credit is made aware that they also qualify for best start grants and other financial supports?

**Shirley-Anne Somerville:** It is now, more than ever, right that we do that. That relates to the point

that I made in my previous answer, which was that many people who are entering the benefits system will be unaware of how it works or of what is available. That is why the Scottish Government and Citizens Advice Scotland have been working to ensure that there is a national campaign to encourage people to look for what they are entitled to and eligible for. The Government was delighted to be able to fund that work for Citizens Advice Scotland and its national helpline, in addition to the work that it already does through local bureaux. The work has included digital, radio and television advertising.

We have also looked carefully at what we can do with our trusted intermediaries. For example, we recently sent letters to funeral directors and registrars about the funeral support payment, of which they are well aware. We had a number of communications with them during development of that benefit, and we have reiterated that they might, at this time, have families coming to them who might benefit from that benefit.

There is a direct approach, going straight out through the national advertising campaign, and there is our work with intermediaries.

**The Convener:** I would be happy, because of time constraints, for you to get back to me with an answer to my next question. It would be good to be kept informed of any increase in claims for the Scottish benefits. If you have the number now, that is fantastic. If not, could you let the committee know?

That will also have cost implications; it will change the financial reality of the expenditure on devolved Scottish benefits. Any information that you can give on that now would be fantastic, but could you also update the committee when you have more information?

**Shirley-Anne Somerville:** It is probably too early to give specific information. David Wallace might want to talk about Social Security Scotland's experience of applications coming in. In general, it appears that we are not seeing an increase in applications, at the moment. The amount is reasonably stable, but we anticipate future increases in applications for everything that falls within the remit of Social Security Scotland. The application rate is stable, but that is because people are applying for universal credit, and will apply later for a best start grant or funeral support payments.

We are aware that any increase to applications for the best start grant, funeral support payments and, particularly, the Scottish child payment, will have an impact on costs. I reassure the committee that those are demand-led budgets; if there is a demand and people are making applications, they will be paid. Our current modelling on that is

closely linked to our modelling of the economy as a whole, as we try to predict what this year might look like.

Again, it is a little too early to estimate it with any great certainty, but I think that there will, inevitably, be an increase in demand for the benefits that are under the remit of Social Security Scotland and, therefore, an increase in the amount of funding that will be taken out of the Scottish Government budget. Some of that will be covered by block grant adjustments from the UK Government, but much of it will not, and that will have to be found from within the overall Scottish budget.

10:15

**The Convener:** Mr Wallace, you do not have to come in at this stage, because I am keen to bring members in to ask questions. However, is there anything that you want to add, briefly?

**David Wallace (Social Security Scotland):** I will just reiterate what the cabinet secretary said. At the moment, we are not seeing a significant change in the volume of applications that we are receiving, with the possible exception, sadly, of a little bit of an uplift in applications for funeral support payments, as you might expect. It is too early to talk about trends, but there has been no significant increase, up to this point.

We might turn to this issue later. With regard to the agency's preparations, we fully expect a proportion of the universal credit claims to come through as devolved benefits, so we are preparing ourselves for that future work. However, again, there are no particular issues in terms of workflow, at the moment.

**Pauline McNeill (Glasgow) (Lab):** With regard to your question about your constituent, convener, you might recall that I previously raised that issue in relation to a case that I was dealing with, when I referred to the situation as a lobster pot, because it is virtually impossible for someone to get out of the system once they get into it. You made a crucial point in that regard: the information that you were discussing needs to be more widely spread.

Good morning, cabinet secretary. I have a question that relates to the upsurge in applications for universal credit and the corresponding rise in the number of people who might qualify for housing support—in particular, the discretionary housing payment. Based on my experience of hearing cases, I know that many people have fallen through the gaps. For example, some contractors in the creative sector who were advised to set up limited companies and get dividends will not get Government help and have been referred to universal credit. We do not know

what that pattern will look like. I fully anticipate that there will be an increase in applications for housing benefit and, therefore, that there might be a higher demand on the discretionary housing payment budget, so have there been discussions about planning for an increase in the budget for discretionary housing payments? I think that more people will need to plug gaps between their rent obligations and what they get from universal credit.

**Shirley-Anne Somerville:** It is difficult to anticipate what the overall impact of the lockdown is going to be on people's housing costs, and a similar difficulty exists with various other aspects. However, we are in contact with local authorities in order to enable us to understand those impacts as they emerge. Kevin Stewart, in particular, is doing that.

Other changes that have been made by the UK Government, such as the increased local housing allowance rates and changes to the standard allowance in universal credit, might raise the amount that households receive for their housing costs, which might reduce pressure on discretionary housing payments. However, those changes might also result in more people being affected by the benefit cap, which is one of the things that discretionary housing payments help to address.

One of the ways in which we are very keen to support local authorities to deal with such challenges is through the £350 million support package that I mentioned in my introductory statement. That includes a £50 million hardship fund that has been paid directly to local authorities so that they can make payments to any claimants who present with a hardship need. Local authorities can use that funding to address discretionary housing payment funding challenges.

I assure the committee that I and Kevin Stewart, who is the minister with responsibility for housing, are keeping a close eye on the issue and on the other pressures that low-income households will face. We want to ensure that we have a real understanding of emerging problems.

**Pauline McNeill:** Thank you.

**Graham Simpson (Central Scotland) (Con):** Hello, cabinet secretary—thanks for joining us.

I noticed from the meeting papers that deadlines for claiming benefits have been extended for some things, but not for best start foods. Will you explain why, and will you reconsider that?

**Shirley-Anne Somerville:** We are certainly happy to keep everything under consideration. One of the reasons why the best start foods payment was not included is that the window for applications is very large. It has been set up to be

flexible and it already allows families to apply over an extended time. If it seems that people are experiencing challenges, we will be more than happy to have a look at that but, as I said, the application window for the grant is already much larger, so we did not feel that there would be a challenge in that area.

**Graham Simpson:** I have seen a paper from the Poverty Alliance, whose view is that a number of families, particularly those with children, are falling through the gap and need extra help. The Poverty Alliance's view is that the Scottish Government could use some of the tools at its disposal, for instance the best start foods payment and the welfare fund, which you have already mentioned. If you get evidence that such families need extra help, will you consider that?

**Shirley-Anne Somerville:** We are obviously keen to ensure that we protect people with low incomes at this time, and social security is one way in which that can be done. We have been prioritising the delivery of the Scottish child payment, as it will get to the maximum number of children and have the biggest impact. By contrast, the best start foods payment covers only 22,000 families in Scotland. If we compare that reach to the impact that we will make if we focus on the delivery of the Scottish child payment, we can see a stark difference.

The challenge in the circumstances that we are all operating under is our limited ability to act, so we must consider what priority we should give to the different projects that people are asking us to look at. As the impact of the Scottish child payment is so much larger, that is the priority for our work. I hope that that explains why we have prioritised it over the best start food payments, which include a much smaller number of families at this point.

**The Convener:** Members have questions on the Scottish child payment and the wider use of social security powers, so we will return to those later in the meeting. Graham, do you have additional questions on best start foods?

**Graham Simpson:** I have one more question. Only 22,000 families receive payments. That is quite a low number. Is that based on need or is it because not enough people know about it?

**Shirley-Anne Somerville:** That is one of our challenges. It is one of the benefits that we took over from Westminster and it was provided by vouchers, which many people did not like using. We have moved to a payment card for best start foods, which I hope will encourage more people to use the benefit. There is less stigma associated with handing over a card, as it looks like something that any one might have in their wallet or purse.



Making sure that people are aware that a best start foods payment is available and that they might be eligible for it is also a challenge. Again, that goes back to benefit take-up, which we are determined to work on for all benefits. You are right to say that more families could benefit from the best start foods payment. That is why our work on benefit take-up is really important. The best way to encourage take-up is to change the way the benefit is delivered so that it is easier to apply for and there is less stigma attached to using it in the first place.

**The Convener:** Thank you. We will now move to Tom Arthur.

**Tom Arthur (Renfrewshire South) (SNP):** My questions concern operational matters, so they are perhaps best directed to Mr Wallace. First, what impact has Covid-19 had on service delivery at Social Security Scotland, for example, answering phone calls, replying to emails and the process of handling applications?

**David Wallace:** I am happy to come in on that. First, like many others, the organisation has predominantly moved to home working. Only a handful of people are now left in some of our buildings, essentially to manage our mail system, and we are very grateful to them, and to some of our technology and facilities colleagues who are also having to go in and out of the office. There has been a huge effort to move what is essentially an office-based organisation into people's homes, against the background of having a large number of colleagues who are not particularly used to working from home, so this might be a new experience for them. There has been a significant transition over a short time. Particularly in the first couple of weeks of our response to Covid-19, one of our main priorities was to get that up and running.

From a very early stage, we have been clear that all our services are live and all our benefits are being delivered, which includes providing support, taking and processing applications and, crucially, making payments: all those elements of our service are live. Our telephony service has had to change the most to adapt. Due to a technology issue, we have not been able to offer the same inward-bound call response that we were operating from our offices. Instead, clients phone our number as they would normally and leave a message if they need to speak to one of our advisers, which is then picked up by a client adviser who makes an outward-bound call to them. That system is working well, but how that operates is slightly suboptimal—in essence, our client advisers are working from their homes making outward-bound calls with a mobile phone. That element is the least similar to how it would be otherwise, but as a service, it is operating to a

degree that I am comfortable with. That is probably the main impact on our services.

**Tom Arthur:** Thank you, Mr Wallace. You mentioned that some staff were perhaps finding it more difficult to adjust to home working than others. Could you unpack what support Social Security Scotland has provided to those staff and whether there has been an increase in performance since that support has been given? While current circumstances can understandably lead to a suboptimal level of service, given that we may be facing restrictions for some time, is further work being undertaken to improve performance, so that the organisation can advance? Or is the organisation working at capacity within the constraints that it faces?

10:30

**David Wallace:** Fairly early on in our response, we prepared for the fact that we would have to work with the constraints for a long period. Therefore, from the early weeks, we were clear that we needed to equip our people to work from their homes. We put in place a system to assist physical arrangements; for example, we are couriering monitors, chairs and keyboards to people who need them. We want to make sure that people have the equipment to work properly from home, rather than attempting to deliver those services while huddled over a laptop. That physical support is in place.

As time goes on, we will recognise how people feel about home working. A lot of work has gone in to making sure that people feel emotionally supported by their line management and the organisation. That includes regular check-ins with colleagues, as well as some of what we are trying to do here, which is normal business in abnormal surroundings. We have also recently launched an internal survey to get a sense check on how people are feeling and what further support they need.

As an executive agency, we have the wider support that Scottish Government colleagues are putting in place for all Scottish Government civil servants, which includes employee assistance lines and all the emotional and physical supports that are available.

**Tom Arthur:** Thank you, Mr Wallace. My final question is more general. What are your reflections on potential lessons from the home-working experience? Responding to the immediate set of circumstances will consume all your and your organisation's bandwidth but, as we move towards what the First Minister has described as a "new normal", have particular lessons been learned from the home-working experience that

will be applicable to the post-Covid-19 world, whenever we happen to reach that?

**David Wallace:** That is a good question. We are all starting to turn our attention to what our recovery, return and longer term impacts look like. The point that you raise is the most obvious one; some people have got used to home working but not everybody has. It is not universal; some people would prefer to come in to offices. Again, we have an unnatural set of circumstances, in that people are home working day in, day out, which might not be the usual rhythm. In particular, we must learn what home working means for a future workforce. Does it open work up to people who might not otherwise have wanted to come and work for the organisation? How do we set those balances?

In enabling home working as quickly as we have done, we have had to make risk-based decisions. We have worked closely with our counter-fraud colleagues, our technology support through the chief digital office and our programme colleagues to make those risk-based decisions about getting technology into people's homes. We must also be mindful of that. As others are experiencing elsewhere, the Covid-19 response has got people doing things at pace, which sometimes, frustratingly, have seemed to take longer.

In order to supplement phone lines, we are looking at putting in place an online web chat for clients, which we think there is a demand for. With the work from our programme, suppliers and, in particular, our chief digital office, we are close to having a solution to do that. We will take lots of learning from the situation but you are right that we need to understand more about the desire to move to home working and what it means for us.

**The Convener:** Thank you very much. I think—[*Temporary loss of sound*]*—quite a few bits from MSPs to explore, and we will try and get you all in. We will go to Jeremy Balfour first.*

**Jeremy Balfour (Lothian) (Con):** I do not have a question on this area. Do you want to go down a different line, or hold off at the moment?

**The Convener:** Sorry, Jeremy. It was the theme that you indicated in advance of the meeting.

**Jeremy Balfour:** Okay. I want to explore the Scottish welfare fund a bit more. We are very grateful, I am sure, for the extra money that the Scottish Government has put into that and which is being given to local authorities.

The committee has looked at the fund previously, and we have seen a mixed picture across Scotland regarding how local authorities have been using it and how people have been able to access it. What auditing are you doing with the Convention of Scottish Local Authorities to

make sure that the money is being spent? Are you confident that local authorities are able to get that money to those who need it most?

**Shirley-Anne Somerville:** I think that I heard most of that question, but the line went a bit strange in parts. I am sure that Mr Balfour can come back in if I have missed any of his points.

We are in close, regular contact with all 32 local authority welfare fund teams to ensure that we understand what is going on on the ground. Obviously, local authorities, like all organisations, are working in a very different environment from that which they are used to. We are really keen to ensure that they have in place teams that can, for example, accept applications in a different way—much of that kind of work is usually done face to face. We also want to ensure that local authorities are resilient and that their staff can cope with the increased demand that we are seeing, given that like any other organisation they are facing the challenges of working from home, offices being closed and so on.

Within that really close working, we are keen to ensure that local authorities are encouraged to use maximum discretion in the Scottish welfare fund. It is a very adaptable fund and local authorities have a lot of discretion that they can use; it is important that they are encouraged to do that, particularly at this time. The Government has changed the guidance in one area: normally there would be a limit on the number of applications that a person could make in one year, and that has been removed.

When we work with local authorities to understand what is going on on the ground, we see that they share their understanding of good practice, how things are working and how they overcome the challenges. The Scottish Government team is working closely with them and can help if there is anything that they need from the Scottish Government that would assist them in pulling out that good practice or finding a way through the challenges that they face.

Not long ago, we released statistics for the Scottish welfare fund, but they cover the period before Covid-19 and not the period of the pandemic. There will be no surprise that our internal management statistics show a large increase in the number of crisis grants—not only in applications being issued but in the amount of money that is going out. We are keeping a close eye on that with local authorities, to ensure that they have no issues with the guidance, use of discretion or meeting the challenges of getting funding out the door to meet demands. All that is being looked at regularly. There have also been frequent teleconference calls between the Scottish Government and local authorities.

**Jeremy Balfour:** That is helpful. I want to pursue a point about another payment, the Scottish child payment, which we hope will still come on stream before the end of the year.

**The Convener:** Mr Balfour, I hate to cut across you. I would be happy for you to ask a follow-up question on the Scottish welfare fund, but other members have indicated that they want to ask about the child payment. I know that it is a bit artificial doing it this way, but we have to be consistent and give every member the opportunity to explore a line of questioning. I will let you come back in on the Scottish child payment when that theme is raised. Do you have any additional questions on the Scottish welfare fund just now?

**Jeremy Balfour:** No thanks, convener. I will wait until later.

**The Convener:** I will let you back in later.

**Mark Griffin (Central Scotland) (Lab):** Cabinet secretary, do you have any information about the rate of payment being made after the pandemic and lockdown started compared with the rate this time last year? How has the level of payment changed?

**Shirley-Anne Somerville:** It is too early to say for definite because that data has not been fully quality assured. I presume that we are still talking about the Scottish welfare fund.

**Mark Griffin:** Yes.

**Shirley-Anne Somerville:** The level of payment has certainly increased significantly, particularly for crisis grants in March compared with March last year. Again, I am hesitant to give figures because the data has not been quality assured and some local authorities might be facing challenges in getting that data to us at this time. We have not asked local authorities to present data differently from how they would normally, because it would be a distraction from them getting the money out of the door. However, they know that they can get in touch if there is a challenge around the amount of funding that they have left in the package that has been given out, for example.

Apart from being able to say that there has been a significant increase in crisis grants, I would be loth to go any further and give actual figures at this point.

**Mark Griffin:** When you do expect to start making allocations to local authorities from the second tranche of £23 million? How do you propose to decide how that will be allocated?

**Shirley-Anne Somerville:** As I said, we are liaising closely with staff to gather intelligence and monitor the demands and the expenditure within that. It is important to say at this point that local

authorities are feeding back that they have sufficient resources to meet immediate and future need. Obviously, we increased the Scottish welfare fund before Covid-19 and doubled the fund because of Covid-19.

Mark Griffin is right to say that there is a second tranche of funding that has not yet been allocated. It might be too early to speculate on that. I would like to keep maximum flexibility to be able to use it when it is required. The pandemic is very different from any situation that we have ever experienced before, so we might require to distribute the second tranche in a different way. We do not know where the demand will come from or whether a particular part of the country will suffer more than other parts, for example. I am therefore trying to keep maximum flexibility for that second tranche but, once we reach the stage at which local authorities feel that they require it, we will look at it carefully and liaise with local authorities and COSLA about how it will be implemented. It is, however, too early to say when that will be. I am relying on local authorities to tell me what the demand is and what expenditure is going out the door.

**Mark Griffin:** The fact that crisis grants have increased dramatically might prove that the fund is being advertised well and people are well aware of it. Are there any issues with how the fund is being advertised in particular regions of the country, or are you happy that all areas are well aware of it and that people are going to local authorities when they need to?

10:45

**Shirley-Anne Somerville:** We are certainly encouraging that. That goes back to an answer that I gave earlier about the work that the Scottish Government has funded Citizens Advice Scotland to do to encourage people to go to organisations such as CAS to see what they are entitled to and what they are eligible for. We are not just relying on people knowing about the Scottish welfare fund or councils being able to advertise it, although I am sure that they are doing that; we are also ensuring that we are supporting third sector organisations to raise awareness.

I absolutely take your point that we need to ensure that people know about the funding. There has been a substantial increase in funding because we are very concerned about people falling into a crisis grant situation and requiring crisis grants very quickly. As I have said, we are in very close liaison with the local authorities to ensure that we are doing all that we can to encourage them to use their maximum discretion. Obviously, that includes encouraging people to apply in the first place.

**Mark Griffin:** Finally, cabinet secretary—

**The Convener:** You should be very brief.

**Mark Griffin:** I will be.

I would not want to put any more administrative burden on the Government or local authorities, but would the cabinet secretary be willing to share in private the internal management statistics with the committee so that, without putting any extra administrative burden on authorities, the committee can understand the demands that have been placed on the Scottish welfare fund?

**Shirley-Anne Somerville:** We have to be very cautious about using figures that are not quality assured and are not official statistics. I would certainly be happy to see what can be provided to the committee, even on general trends that we are seeing. Let me take that question away and see what can be done with it, which might not be a presentation of full management statistics. As I have said, I am uneasy about data that has not been looked at specifically to ensure its quality at the level of all 32 local authorities, but let me see what can be done about that and what we can provide to the committee to give it a little more information than what I have been able to provide this morning.

**The Convener:** Alison Johnstone will open up shortly on the child payment. Does you want to ask any additional questions about the welfare fund?

**Alison Johnstone (Lothian) (Green):** I want to ask two brief questions, if I may, convener.

Good morning, cabinet secretary. For clarity, if the new funding for the Scottish welfare fund, which is very welcome, proves insufficient to meet demand once we know what the situation is, is the Scottish Government open to providing further funding?

**Shirley-Anne Somerville:** It is too early to say whether, in any way, shape or form, the funding is adequate. We do not require to use even the second tranche of the funding at this point, and we absolutely do not know how long the lockdown and the financial challenges that people face will go on for and what their extent will be.

Obviously, the Government as a whole is keeping a very close eye on the requirements of people throughout the country who are faced with economic and financial challenges because of Covid-19. It very much depends on how long the pandemic goes on for and what type of support people will definitely need in their communities.

At this point, it is even too early to talk about what we will do with the second tranche of funding. We might be getting ahead of ourselves to talk about what might come after that.

I reassure the committee that the Government is keeping a very close eye on the overall impact, and that includes the social and financial harm for people.

**Alison Johnstone:** You will be aware that the DWP has redeployed many staff from other roles to assess new universal credit claims. Are you aware of Scottish local authorities finding themselves under similar staff pressures in relation to the Scottish welfare fund? That could have an impact, too.

**Shirley-Anne Somerville:** Absolutely. That question has certainly been asked to ensure that each local authority has a resilient package so that it can keep delivering the welfare fund despite staff shortages or the challenges of working from home. At the moment, we do not have any concerns about the delivery of the welfare fund in any of the 32 local authority areas. Obviously, the local authorities are responsible for the distribution of the fund and for ensuring that their staff are distributed in a resilient way. They are aware that the welfare fund is a key mechanism for delivering support to people at the point of extreme crisis. I reassure Alison Johnstone that we have not seen any issues in that respect that we have had to raise or escalate with local authorities.

**Alison Johnstone:** Thank you. I am content on that point, convener.

**The Convener:** I want to bring in members who have not yet had a chance to speak. We will return to the Scottish child payment.

**Shona Robison (Dundee City East) (SNP):** On the Scottish welfare fund, we know that there is clear emerging evidence that Covid-19 is impacting most on the poorest and that some of those impacts might be hidden at the moment. A lot of information will emerge on that. Is there any evidence that, with the removal of the three payments per year restriction, which was right, some families are now relying on the welfare fund as a regular source of income?

With a view to having maximum flexibility for the second tranche of funding, is the Scottish Government considering any other changes to the guidance so that, if there are families who are really struggling, the welfare fund could be used in a more flexible manner to deal with the immediate impact of Covid-19? I am certainly aware of families who are in that position.

**Shirley-Anne Somerville:** A lot of discretion is available in the use of the Scottish welfare fund, but it is important to emphasise that the welfare fund is there for use at times of crisis. It cannot be a regular source of income for families. That is why the rest of the social security system, which, when it comes to low-income benefits, is mostly reserved to the UK Government, is so important.

The changes that the UK Government has made, or which we are pressing it to make, are extremely important, because the welfare fund cannot be the answer for a family that is in continuous financial difficulty. The fund has not been designed to be used in that way, and it would not be possible to turn it into a low-income benefit for parts of the Scottish population. It is important to distinguish between the role of the Scottish welfare fund and that of the welfare state in general and, in particular, the part of that system that is reserved to the UK Government to make decisions on.

However, I emphasise that the guidance on the Scottish welfare fund allows for a lot of discretion, and we do not think that there is a need to change that guidance in any way. The lifting of the three payments per year restriction was the most obvious change that was necessary. We are asking local authorities and stakeholders to let us know whether they are aware of any other changes that they think need to be made, and we would be more than happy to have a look at those.

**Shona Robison:** Taking all that together, I am assuming that you and your officials are actively considering whether changes need to be made—whether in relation to the Scottish welfare fund or any other benefits—as we emerge into the new, post-Covid-19 world.

**Shirley-Anne Somerville:** Yes. Tom Arthur asked David Wallace about that in the context of the role of the agency. We are keen to learn lessons about how things have worked when people and the country have been at the most extreme point of crisis and whether there are adaptations that need to be made as we move forward.

I should point out that the provision of the Scottish welfare fund is but one thing that the Scottish Government does. A great deal of other work has been done at the point of crisis. Aileen Campbell announced funding of £350 million, most of which sits in her portfolio. We need to think about how, for example, we get the £70 million fund for food out to the most vulnerable in our society quickly, at national level and at local level. There is a lot that we must learn from this pandemic in relation to what challenges we have been able to face as a society and how we have been able to deliver.

**The Convener:** Do you have anything else before we move on, Shona Robison?

**Shona Robison:** No. That is fine.

**Keith Brown (Clackmannanshire and Dunblane) (SNP):** I will ask about a universal basic income, which the First Minister has talked about. After the last economic crisis, we had 10 years of austerity, and the state's funds went towards banks and institutions to try to help rebuild

the economy, with the consequence that the crisis hit the poorest people the hardest over 10 years.

As we look towards the economic recovery that we will have to address, would economic recovery not be best served by putting money into people's pockets—especially for the basic needs of heating, eating, housing and so on—and by making sure that those who are most likely to be hardest hit have, literally, a degree of social security? Would it not also be a once-in-a-generation opportunity to completely recast and simplify the social security system? Those are potentially huge benefits. Although I of course acknowledge that it would require the support and assistance of the UK Government, what if any consideration work is the Scottish Government doing on a universal basic income?

**Shirley-Anne Somerville:** The Scottish Government has been interested in and working on the area for some time. I am sure that the committee will be aware that the Scottish Government has been exploring the feasibility of a citizens basic income as a way to address some of those issues. That is why we provided funding for four local authorities to undertake an independent study of it and to look at the feasibility of conducting local pilots. An interim report was published last November and a final report will, we hope, be published later this year.

One aspect of the interim report was to make it very clear that it is impossible to deliver a universal basic income within the powers that the Scottish Parliament has at this point. The point that Mr Brown made about working with the UK Government is therefore very important. We could not deliver a universal basic income here without working with the UK Government and without it making changes in areas that are still reserved.

As the First Minister has said, this crisis has once again highlighted where there are flaws and gaps in our UK social security system as a whole—both the reserved and devolved aspects. One answer to that, which is, as she says, tempting, is a universal basic income, which is why we have a feasibility study on it that has long been on-going. It is unfortunate that the UK Government does not at the moment seem convinced by the argument.

However, there will be a point when we start to come out of the crisis that we are facing and out of the extreme pressure that the DWP is working under—I again commend it for the work that it is doing to assist those who are going on to universal credit. At that point, we will need to see whether there are lessons to be learned on a wider level in relation to where there are gaps in the welfare system and where people have been failed through this crisis. That will perhaps be the time to have a look at the system and to reset it.

**Keith Brown:** I have one final question. I am aware of the work that the Scottish Government has been doing in the form of the feasibility study. The committee has also been doing a fair bit of work in taking evidence on the issue. However, my question was about whether, given the statements that the First Minister has made about the Scottish Government taking it forward, anything more up to date has been done.

In particular, is it possible for the Scottish Government to try to convince those, such as the UK Government, who are sceptical of the merits of a universal basic income in relation to economic recovery? Putting money into people's pockets means that you get a people-led, and not a private sector-led, economic recovery. That argument might weigh more with the UK Government, and I wonder whether it could be advanced by the Scottish Government.

**Shirley-Anne Somerville:** We are keen to use any argument, and any description of this idea, that would help with the UK Government. One of the challenges is that, for a long time, the UK Government has not been convinced about a universal basic income. However, the fact that we have had to face this pandemic, and we have seen the gaps and challenges in relation to the welfare system being able to cope with it, shows that things need to be reset and that lessons need to be learned. The need for a universal basic income is one of the lessons that could be learned. We are determined to press that case with the UK Government in a positive fashion, by showing it the positive impact that such a scheme would have not only on the people who take part in it but, as Mr Brown quite rightly points out, on the economy and society in general.

11:00

**The Convener:** I have indicated to the broadcasting team that we will continue the meeting until 11:15, if we can. I hope that that means that we have time for a brief supplementary question from the deputy convener, who wants to come in on this issue. There are two other themes that we still have to cover.

**Pauline McNeill:** I will be very quick. On the back of the points that Keith Brown made, it seems to me that the work of the committee and the Government was done in a pre-Covid-19 context, before the landscape changed. My point is simple. Obviously, some analysis needs to be done of how the world is going to change. People who have been in work all their lives might not be able to return to work. If we are looking at a universal basic income and radical solutions to reform the country, the Government will need to undertake a refreshed analysis of the changing

landscape, in order to take account of the changed circumstances post-Covid-19.

**Shirley-Anne Somerville:** I absolutely agree.

**The Convener:** I thank Keith Brown and Pauline McNeill for raising those points. Committee members feel that, if the benefits system is not suitable, appropriate or fit for purpose for the additional 100,000 people in Scotland who are going into the system, by definition, it cannot be meeting the needs of everyone who is already in the system. We need to look at the issue in the round.

I thank Alison Johnstone for her patience. She will open up questions on the Scottish child payment.

**Alison Johnstone:** In doing so, I associate myself with colleagues' remarks regarding the need for a basic income, which has been my party's policy for as long as I can remember. One of the most significant impacts of the Covid-19 crisis has been the increasing number of people, including families with children, who are being swept into income crisis. If we had a basic income in place, we would be in a stronger position now.

We know that, for very understandable reasons, the Scottish child payment will be delayed. In the situation in which we find ourselves, with so many families with children being impacted, organisations such as the Poverty Alliance, which I am sure has been in touch with colleagues across the committee, would like to understand what we can do now. As well as wanting to know what is happening with the child payment, they want to know what innovative thinking is happening at the moment.

Could we use the Scottish welfare fund, for example, to deliver £10 per week per child to those who are in receipt of qualifying benefits? Could we increase the amount that is delivered through best start foods? Is anything happening in the interim to deliver the benefits that the Scottish child payment will undoubtedly deliver when it is paid? Is there a way of delivering the benefit in the meantime while work is on-going to deliver it in the long term?

**Shirley-Anne Somerville:** As I said in my earlier answers, we are very much still taking forward work in a number of areas that will assist people at this time of crisis, whether that is the increase in the Scottish welfare fund, the food fund or the other aspects that have been raised under the £350 million communities fund that was announced by Aileen Campbell. That fund covers areas in her remit and in mine. We are keen to work to assist people at this time of crisis and in their time of need.

Although some of the stakeholder organisations' proposals are interesting, they do not take into account how long the proposals would take to set up and the fact that the people who would be setting them up would be the very same people who are working hard to deliver the Scottish child payment as soon as possible. If we were to change the priority from delivering the Scottish child payment as soon as possible to delivering another solution, we would potentially delay the introduction of the Scottish child payment. With the greatest respect to some stakeholder views about a £10 per week payment through the Scottish welfare fund, people would have to apply for it and we would have to check every week, continuously, whether they were still eligible for it. In essence, what we do through the Scottish child payment is deliver something that people apply for and constantly check their eligibility for it.

As I said in my statement to Parliament, we will have to change when the Scottish child payment can be introduced, because Social Security Scotland cannot recruit the staff to deliver it. However, the Government's absolute commitment is to deliver it as quickly as possible. We have made a public commitment that we would like applications to be open before the end of this year and payments to be made early next year. If we could find a way to do that earlier, we would do so. There is an absolute determination in Government to deliver the payment as quickly as possible—as quickly as we can get the staff through the door and inducted to be able to deliver it—which is why the focus is very much on it at this time.

**Alison Johnstone:** The UK Government seems completely unwilling to budge on the incredibly long and damaging five-week wait for universal credit. What correspondence are you having, and are you trying to push the UK Government on the issue? Particularly at the moment, the two-child limit seems, frankly, immoral and even more damaging than normal. Is the Government pushing for the removal of the two-child limit?

**Shirley-Anne Somerville:** I have written to the secretary of state, asking for additional flexibility on a number of issues, including on universal credit. One of our main calls is for non-repayable hardship funds to be made available for all universal credit applicants, to save their having to take out an advance and, in effect, get themselves into debt at the start.

Some areas are hardwired into the universal credit system, which makes them very difficult for the DWP to change quickly. Therefore, when I have written to the secretary of state, I have acknowledged that some universal credit areas would take the UK Government a long time to change. The fact that the DWP is working in a crisis makes that even more difficult at this point,

but there are things that it can do. An example from my letters is the hardship grant payment to people on universal credit. Other examples are the extension of benefits backdating for people who did not realise that they were eligible, the increase in the amounts of universal credit and the clear ask that people will not be sanctioned during this time because they cannot look for work, on which very clear guidance is required.

A number of asks have certainly been made of the DWP, although I appreciate that there are things it cannot change easily and quickly, because it faces the severe challenge of the number of universal credit applications that are coming in.

**Alison Johnstone:** Thank you.

**The Convener:** I have a further line of questioning, but I promised Jeremy Balfour that he could ask a supplementary question on the Scottish child payment.

**Jeremy Balfour:** I will be as brief as I can be, convener.

My question is for David Wallace. Given that more people are now on universal credit, what analysis are you doing of further uptake of the Scottish child payment? How much more uptake are you expecting, and will that put extra pressure on your staff? Will it mean that more people will have to be recruited over the next period in order to manage that work, or are you confident that you have enough people in place to deal with that increase in uptake?

**David Wallace:** It is a question of balance. We are working closely with our analysts on the issue of what new applications we can expect to see coming through the system. The slightly odd feature for us during this lockdown is that the organisation has continued to grow—obviously, the growth has been in anticipation of the Scottish child payment coming on stream. In the two months in which we have been operating a lockdown situation, the organisation has grown by something in the order of 20 per cent. That growth has predominantly involved people who have never been in one of our offices. Clearly, we have honoured contracts where dates were in place—for both permanent and temporary staff—and we are now bringing those people into the organisation in a way that we never have before. That links to what we said in the earlier discussion, and it involves couriering equipment out to them and doing an entirely virtual induction.

The issues grow continually. It is difficult to maintain teams with virtual technology, and it is even harder to build, induct and train them. Basically, however, we now have a number of people in the organisation that we are training and getting equipment out to. They were brought on

board for the Scottish child payment, but we will move them towards our current live benefits so that, when we start to see the increased demand coming through, they will be trained and able to deal with it.

We will have to balance what we are doing to ensure that we have the capacity to bring the Scottish child payment back on stream. There is a moving feast in terms of the work that we are doing with our analysts on what demand for our current live benefits looks like, the proportion of people who are coming from universal credit and our preparedness for the Scottish child payment.

**Shirley-Anne Somerville:** This is a good opportunity for me once again to commend all the staff at the agency—particularly the 20 per cent who have never actually set foot in an agency building but are now very much part of the team as we move forward in this challenging time.

I would point out that we are also using the time that we now have to build a much more effective system. The work on the programme has by no means stopped. There is a great deal of work going on around cross-cutting delivery and the stabilisation of the existing system in order to make it more efficient. In the past, we have spoken at committee about some of the manual workarounds that have been used and the fact that we are using this time to ensure that the efficient system that staff have at the moment becomes even more efficient as we move to delivery of the Scottish child payment, because, as Mr Balfour rightly points out, there will likely be increased demands on the staff as a result of an increase in applications.

**The Convener:** I have a question that I would like to ask before we close the public session, cabinet secretary.

We thank you for your openness and for giving us as much information as you can on the unavoidable slippage in the timetable for the delivery of Scottish social security benefits and the new powers that Social Security Scotland is taking on. One of the slippages that has disappointed many people involves the new disability assistance grants. The hope was that, around now, child disability assistance would be online and that, sometime in the period between early next year and the summer, we would reach the point at which nobody in Scotland would ever again have to go through a disability living allowance or personal independence payment assessment, because of the new Scottish system, which, on a cross-party basis, was agreed to be a much more compassionate and dignified way of doing things.

We know that the DWP has made some changes to how it is dealing with things during the

lockdown, but the real desire of those who face reassessments from summer next year was to go through a Scottish system for disability assistance as opposed to the DWP's PIP and DLA processes. We will shortly be tied into another agency agreement for the delivery of that work but, even if it is still delivered through the DWP, the Scottish Government will pay disability assistance in Scotland. Therefore, can the Scottish Government explore whether, by next summer, there could be some form of moratorium or pause in reassessments in Scotland under the UK system, so that no one has to go for a reassessment in Scotland until the new Scottish system, which has been delayed, is brought online?

11:15

**Shirley-Anne Somerville:** That was the hardest part of the statement for me to give to Parliament. We are determined to deliver disability benefits as soon as we can, which is reliant on when health and social care professionals are available. As the committee knows, the DWP has announced that, during the current situation, it has suspended face-to-face assessments for a period. Therefore, the details of its delivery model going forward are not clear and we are engaging with the DWP to clarify those arrangements.

Our priority has to be the continuation of safe and secure payment of benefits, which is what people have asked of us. That means working with the DWP to ensure that it will deliver disability assistance and the financial support that people are entitled to at this uncertain time.

As we come out of the Covid-19 pandemic, we will see whether the changes that the DWP has made in the short term turn into changes for the medium to long-term. We will be in discussions with the DWP about that to get a full understanding of its "new normal".

**The Convener:** Thank you, cabinet secretary. We will return to that subject in due course. Constituents are asking me about assessments and reassessments under the new Scottish system, when it will come online and how long they will have to "endure the current system"—their words, not mine.

It has been a difficult session to sit through, because the dynamic is different when we do it this way. Therefore, I want to give members the maximum opportunity to ask a brief question before we move into private session. I apologise if I have missed anyone, but I do not see any indication of members wishing to ask a question.

I thank the cabinet secretary, her officials and David Wallace for being here today—we appreciate it. I hope that we can conduct much of our scrutiny via correspondence and informal



engagement, but, on occasion, it is important to have a public session. We have found it worth while this morning.

11:18

*Meeting continued in private until 11:55.*



This is the final edition of the *Official Report* of this meeting. It is part of the Scottish Parliament *Official Report* archive and has been sent for legal deposit.

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