



OFFICIAL REPORT  
AITHISG OIFIGEIL

# Social Justice and Social Security Committee

Thursday 29 June 2023

Session 6



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**Thursday 29 June 2023**

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**SOCIAL JUSTICE AND SOCIAL SECURITY COMMITTEE**  
**18<sup>th</sup> Meeting 2023, Session 6**

**CONVENER**

\*Collette Stevenson (East Kilbride) (SNP)

**DEPUTY CONVENER**

\*Gordon MacDonald (Edinburgh Pentlands) (SNP)

**COMMITTEE MEMBERS**

\*Jeremy Balfour (Lothian) (Con)

\*Miles Briggs (Lothian) (Con)

\*Katy Clark (West Scotland) (Lab)

\*James Dornan (Glasgow Cathcart) (SNP)

\*Marie McNair (Clydebank and Milngavie) (SNP)

\*Paul O’Kane (West Scotland) (Lab)

\*attended

**THE FOLLOWING ALSO PARTICIPATED:**

Helen Herd (Highlands and Islands Enterprise)

Rachel Hunter (Highlands and Islands Enterprise)

Ally MacPhail (Social Security Scotland)

Aileen McNiven (Independent Living Fund Scotland)

Heather Melville-Hume (Independent Living Fund Scotland)

Sue Scotland (Scottish Government)

Harvey Tilley (Independent Living Fund Scotland)

David Wallace (Social Security Scotland)

Andy Wood (Wheatley Housing Group Ltd)

**CLERK TO THE COMMITTEE**

Claire Menzies

**LOCATION**

The Mary Fairfax Somerville Room (CR2)



**Scottish Parliament**  
**Social Justice and Social  
 Security Committee**

*Thursday 29 June 2023*

*[The Convener opened the meeting at 09:00]*

**Decision on Taking Business in  
 Private**

**The Convener (Collette Stevenson):** I wish you a very good morning and welcome to the 18th meeting of the Social Justice and Social Security Committee. The first item on the agenda is to make a decision on whether to take items 4, 5 and 6 in private. Is that agreed?

**Members indicated agreement.**

**Child Poverty and Parental  
 Employment Inquiry**

09:00

**The Convener:** The next item is an evidence session with a panel of employers as part of our inquiry into addressing child poverty through parental employment. Last week, we started looking into the need for flexible and family-friendly working, with a panel focusing on policy and a panel of business representatives. Today, we will hear from employers. I welcome our panel. Helen Herd is head of human resources for Highlands and Islands Enterprise; Rachel Hunter is director of enterprise support for Highlands and Islands Enterprise; Heather Melville-Hume is senior HR manager for Independent Living Fund Scotland; and Harvey Tilley is the chief operating officer for Independent Living Fund Scotland. They join us in the room, and Andy Wood, who is people services lead for the Wheatley Group, joins us remotely. Thank you all for accepting our invitation.

There are a few points to mention about the format of the meeting before we start. We have approximately one hour in which we will ask you some questions. Please wait until I say, or the member asking the question says your name before speaking. Andy, and members who join us online, please allow our broadcasting colleagues a few seconds to turn your microphone on before you start to speak, and you can indicate with an R in the dialogue box in BlueJeans if you wish to come in on a question. Do not feel that you all have to answer every single question; if you have nothing new to add to what has been said by others, that is okay. I ask everyone to keep questions and answers as concise as possible.

I invite members to ask questions in turn. First, I introduce Miles Briggs.

**Miles Briggs (Lothian) (Con):** Good morning. Thank you for joining us. I will start with a question about the challenges for businesses, because we have been hearing about flexibility and potential flexibility in business. I want to find out what you believe the current challenges are for employers and how they might impact on efforts to provide a more fair, flexible and family-friendly working environment. I do not know who wants to kick off. Maybe we could start at one end of the panel, with Rachel Hunter.

**Rachel Hunter (Highlands and Islands Enterprise):** Thanks. The feedback that we are getting from employers across the Highlands and Islands is that the big challenge at the moment is the cost of doing business: the cost of materials and other inputs. Due to inflationary pressures, there are significant increases in costs. There are

also associated supply chain disruptions being caused by the war in Ukraine.

The other key area that comes across is recruitment. The labour market in the Highlands and Islands is particularly tight in some sectors, particularly construction, tourism and hospitality. Employers are finding it hard to get permanent staff and seasonal staff for this time of year. One of the recent business panel surveys also suggested that employers were concerned about their staff's wellbeing post-Covid and about burn-out because of the amount of change that they are going through.

A range of issues are challenging employers, and it is difficult for them to focus on the long term because of those immediate challenges.

**Helen Herd (Highlands and Islands Enterprise):** From the point of view of Highlands and Islands Enterprise as an employer, recruitment and the ability to attract and retain talent are key. We are quite lucky in that sense. We have done a lot of work on the type of offering that we can give to our employees. However, it is a constant challenge, and people expect a lot more flexibility in the kind of work that they can do, where they can do it from and the level of work that they want to do. Being able to respond to that is key for us.

**Harvey Tilley (Independent Living Fund Scotland):** Our organisation is very similar to Highlands and Islands Enterprise, which has a very flexible working posture. In our organisation, we call it "life-friendly" working rather than "family-friendly" working because there is equity in the offer to every individual, no matter whether they are single, own pets or have caring responsibilities. We have extensive policies, copies of which we have included in members' briefing packs. I argue that we are at the forefront of that.

As you said, however, there are some barriers for us. We work with more than 8,000 disabled people—it says 5,000 here—across Scotland and Northern Ireland. Certainly, what we see is that the equity in what we offer our staff, many of whom are disabled or have long-term health conditions, is not the same for the individuals to whom we provide funding to live independently with choice, control and dignity.

We pay the Scottish living wage to all our recipients so that they can fund their own support and care. Obviously, however, there are recruitment issues, which we have already talked about and which you will be familiar with in health and social care. Often, there is very little money for those individuals and—I am not being critical—it is relatively low-paid work, and they have to procure childcare alongside that. When we moved

up to Scotland, my wife and I were both working and our childcare cost over £2,000 a month. I was working in London, and my wife's job took her all over Scotland, so it was very expensive. That expense, the cost of living and all the things that we have talked about are a real problem.

We provide a very good set of supports for our staff and an extensive set of policies, which we have publicised widely. For me, there is a bit around equity of offer, certainly to carers, family members, disabled people who employ personal assistants, and personal assistants themselves, to provide that same level of support. That is something that we would like to explore further.

The other thing is about providing information to individuals. We work very closely with Flexibility Works and with Working Families, which is based in London. Often, people do not have the right information easily accessible to them at the right time, so that they can ask their employers about the right to work flexibly and all of those things.

Interestingly, one of the plus sides of Covid was that we were allowed to step much further forward into the flexible working space. We are hearing quite a lot of rhetoric on that, but the reality, if you read the wider press, is that companies are retrenching into a pre-Covid posture. That is absolutely their right but, ultimately, the whole balance is something that fits the employee and the employer.

**Heather Melville-Hume (Independent Living Fund Scotland):** Thank you for inviting us today. I will reiterate what other witnesses have said. What is needed is a combination of affordable care, not just childcare, with flexible working options. The only thing that I would add is the need for a collaborative approach to ensure that the employer and the employee are able to make informed choices. There needs to be education and signposting. Making the right information available is really helpful in enabling conversations about flexible working options to happen. It is not just about a four-day week or compressed hours. Life ebbs and flows, and so should flexible working options. I feel very fortunate that we are able to do that in ILF—as, I am sure, other employers do.

**Andy Wood (Wheatley Housing Group Ltd):** I would echo the two main points that the other witnesses have made. Our challenges are the same. It is about how to best support our employees through the cost of living crisis. Aside from affordable pay rises, what other avenues are there to support people with regular costs that they may have? We do a lot of our work through our WE benefit scheme and our health plan, which provides employees with contributions to dental and optician costs and driving lessons. Those are practical measures to help to alleviate some of the other financial constraints or pressures that they

may be under. One of our subsidiaries is Wheatley Care. The recruitment challenge in that is not new; it is on-going. One of the other witnesses spoke to that. It is unfortunately not the best-funded sector. It is a challenge for us, as an employer, to make an attractive employment proposition for applicants.

**Marie McNair (Clydebank and Milngavie) (SNP):** Good morning, panel. You have touched on my first question. If you have workers whose jobs require them to be physically present at a specific workplace, how do you support them to balance work and family life?

**Helen Herd:** Very few of our workers need to be in a particular location at a particular time. It is the case for some reception and facilities management staff but, pretty much, we can offer options for hybrid working and a whole range of flexibility locally and informally around start and finish times. There is flexibility around well-resourced special leave provision to deal with domestic situations and family commitments, as well as caring commitments. In our organisation, a number of staff are slightly elderly, in that they are 45-plus, and different types of caring issues come into play.

We can take a whole range of approaches that reflect the different positions that people can be in at different times in their career—the whole employee life cycle from when you start with an organisation, through what might happen to you during your time there, until you leave the organisation. It is about being tailored and responsive, recognising that there will be different needs at different times and working around that.

**Harvey Tilley:** We need a number of employees in the office in Livingston, which is essentially our central point of contact. Heather Melville-Hume will talk about some of the provision that we put in place to enable them to be flexible, but the reason why we need them to go in is that some of the disabled people we interact with are not online and do not like that medium of communicating. They also like hard copy. Often, when they come to reviews and discussions, having the hard-copy paperwork in front of them makes that discussion much easier.

Through Covid, we thought about whether we should just not be in the office at all. The reality is that we get mail coming in and out each day—and there are mechanisms to do that—but, also, we find that there is mutual support in having colleagues in the office. There is loads of flexibility around the days that they come into the office. For us, a core thing is to have people in the office to enable our service to function to support disabled people.

**Heather Melville-Hume:** The focus of ILF has always been on the inclusive culture of bringing yourself to work. We want to offer to our staff the same dignity and respect that we offer to our recipients. We talk a lot about no conversation being off the table. Helen Herd talked about people's needs. It is about ensuring that our managers feel comfortable and capable but also that our staff feel enabled to have open conversations and to say, "This is what I am looking for." In our policy, we offer staff flexibility for life events. That policy is not just a document; it is living and breathing. It is about working with the individual and ensuring that that supports the team and the service, just as we do with our disabled recipients, because we are all individuals.

09:15

**Harvey Tilley:** It is important to note that, although some staff are more centred around the office location—two thirds are home based or hybrid—100 per cent of staff have flexible working.

**Andy Wood:** A significant part of our workforce is site based or office based because of the nature of the roles in the group, primarily within our environmental and care settings. To echo what some other witnesses have said, it is important to give people who are working in those roles as much advance notice as possible of when they are required to work, so that they can plan their external non-work activities around that. We normally have a seven-week lead-in time for shift patterns. We also have a range of policies that allow for time off for a variety of scenarios, such as for carers, emergencies or dependency leave. Over and above that, there is a culture in the organisation that staff can approach managers and be very comfortable in asking for time off, assistance or support outwith what may be stated in the policy. With the best will in the world, the policy cannot cover every eventuality so, over and above that, we have a culture in which staff are comfortable approaching managers and asking for time off or support, as and when required.

**Helen Herd:** We would be keen to see a bit more research on that and the outcome of the pilots that will run. It is certainly something that we would consider, but it is one element of flexibility among a range of other elements. You will not get something that suits everybody. It has to reflect the nature of your business as well.

We have quite a range of flexible options. A lot of our staff work compressed hours; effectively, they may work a four-day week or a four-and-a-half-day fortnight. There are indications that it certainly does not have a negative impact on productivity and that it could well be beneficial. There has been positive feedback from individuals who have had the opportunity to do that. It is about

taking all that into account and being open to seeing what will work.

**Harvey Tilley:** I think that the four-day working week is a bit of a red herring. I do not think that there is a binary question about going from a five-day to a four-day working week. We have looked at this extensively over the past four or five years. We have put in various submissions looking at how we pilot those thoughts. Essentially, it is about looking at reduced hours. For me, flexible working is about working, ultimately, when it suits the business but also when it suits the individual. It may be that they take those reduced hours over three days, or they may take them over six days because that works better for them. It is not about a binary question on a four-day working week, although I absolutely agree that lots of research is being done in that space.

We are looking at moving down to 35 hours. At the moment, we work 37 hours. However, following the pay policy, we have an hour for health and wellbeing, so, essentially, it is 36 hours, but we are looking at going down to a 35-hour week. We have done lots of consultation work with staff. The major theme from staff is that we have very high workloads because we are in a fiscal environment where resources are scarce, so how do we balance that? Reducing hours when our workload is ever increasing is almost a contradiction. However, there are efficiencies that can be made. Ultimately, happy staff are productive staff. It is not rocket science.

**Heather Melville-Hume:** We are a small organisation, but we are hugely effective and efficient in what we do. Since we started in 2015, we have had more than 100 working patterns. For a staff of just under 70, 100 working patterns have been looked at and worked. That tells you what flexibility looks and feels like. It is not just about having a four-day week; it is about what suits the individual and delivery, and having such conversations from recruitment. We talk about flexible working and have those conversations straight from the advert, because we want to create the best environment for the individual to deliver for us and our disabled recipients. Enabling other small employers to do the same would be a real step change for many organisations.

**Marie McNair:** Thank you for those helpful comments.

Andy, do you want to come in before I hand back to the convener?

**Andy Wood:** No, thanks.

**The Convener:** As a mum, I know that, when you have a child in childcare, it is challenging to get a phone call from the nursery to say that your child is not well and you have to pick them up. More often than not, women have to do that. It is a

struggle to have to make up the time up or take annual leave. Women are disproportionately impacted. What are your thoughts on having more flexibility in that regard?

**Heather Melville-Hume:** During Covid, there was very much a balance in ILF between caring responsibilities and work. Although I was not with ILF at the time, one thing that was shared was that it was about what a person could do and saying, "You can only do what you can do, and life comes first." Because our staff are committed to and engaged in what they do, it is not necessarily about making up time; it is about recognising that they need to balance that and the manager then being able to flex that workload. I think that, in Scotland, 42 per cent of women are responsible in that way, so you are right that there is a disproportionate impact. We assess the impact of every policy or practice that we look at. It is essential that employers can look at the wider picture and tap into advice and guidance to do that.

**Harvey Tilley:** I am a working parent, as is my wife. My wife works away quite a lot, and my job enables her to do her senior role elsewhere. I get calls such as you mentioned, and I often have to pick up a child, although I recognise that the burden of that falls on women. There is an increasing number of men in the school playground, but the vast majority of the people who pick up children are women. That means that they get called and that the onus is on them to pick up children.

ILF does not request that anybody make up time if they have family emergencies. We find that there are swings and roundabouts. We do not monitor anyone; we trust people to do their job, and we do not monitor their hours. Although I might do only 20 hours this week, in subsequent weeks I will make up the time. We have never had to monitor or enforce anything. We have found that the return on that is loyalty from highly productive and happy staff who can deal not just with children but with other caring responsibilities.

**The Convener:** That is really reassuring.

**Helen Herd:** I could not have said it better. Flexibility is essential. It needs to be recognised that there will be immediate situations that need to be dealt with. The safety net of knowing that they can be dealt with while having the support of your employer is very reassuring. In a give-and-take culture, there will be different requirements at different times. Employers are paid back in spades for that type of approach, which all comes down to trust. We do not monitor, but we know when things are not working. It is therefore necessary to keep an eye on that. The overwhelming response that we get from our staff is that they appreciate the approach.

**Andy Wood:** At Wheatley Housing Group, we have enshrined in our policies emergency leave that covers exactly the scenario that you have described, where childcare has been withdrawn or is not possible or where the child is ill. We provide paid leave for unforeseen circumstances, and there is no requirement for the individual to pay back any time that has been given. As a result of Covid—this was the one plus that came out of it—45 per cent of our roles have moved to home-working contracts. In their contracts, employees have the flexibility to choose when they work, so there is in-built flexibility if they need to pick up a child from school or nursery. Doing that does not impact on their contractual obligation.

**James Dornan (Glasgow Cathcart) (SNP):** Part of my question has been answered in the previous responses. Andy Wood touched on the great amount of home working that you offer and the flexibility that workers have, but how do you ensure that an employee with, for example, additional caring responsibilities for a disabled child is supported by more than just flexible working arrangements?

**Andy Wood:** We have a number of ways in which we support staff in such situations. In a recent survey, 47 per cent of our staff stated that they had some sort of caring responsibility, whether for a child, an adult or a partner. First and foremost, we have a number of staff groups, one of which is our very active carers group. It is sponsored by a member of our executive team and comprises colleagues across all levels of the business sharing their experiences and their support.

As part of that, we have brought in speakers from external organisations to signpost staff who have caring responsibilities to support. For example, they can receive grants. We have internal knowledge through our welfare benefits and money adviser roles. Again, those can be used to signpost our staff to grant support and to where they can get adaptations to their house. We also provide six paid days of carers leave for staff. Where staff are based on site or at a working location, we have a commitment to try, where possible, to ensure that that is as close as possible to their home or the caring location so that their travel time is minimised as far as possible. Those are the main supportive measures that we have in place.

**James Dornan:** What advice would you give to other employers who are seeking to be more flexible and family friendly? I will come back to the rest of the panel on that.

**Andy Wood:** We need to realise that what might be considered flexibility for one is not flexibility for another; everybody has their own needs. You have to ask the question, you have to

listen to the responses and you have to be open to trying new approaches. Some flexible-working requests may come up that you have not tried to meet before. For example, Wheatley group introduced term-time working several years ago. We had not looked at that before, and it proved to be very popular. Now that we have moved to home working, we do not get as many requests for term-time working as we previously did, so that was something new for us. Other witnesses have talked about buy-in and motivation—you want a contented workforce. We got a very positive response to that measure, because we listened—it was put in place following requests from staff and feedback on what we were not providing that would suit their work-life balance.

09:30

**Heather Melville-Hume:** ILF has a suite of policies. More important is that it is not just about what is on paper; it is about practice and enabling that. It comes down to culture, with employers enabling and encouraging those conversations and gathering feedback from staff and colleagues. We do much more; we go above and beyond when it comes to our policies. We have a bereavement policy, and we have signed up to a bereavement charter that recognises the impact of bereavement. We also have monthly health and wellbeing sessions. There is a need to have difficult conversations on some challenging subjects, given their financial impacts. We ran a financial wellbeing seminar, which was about enabling and signposting people.

There are some really challenging subjects, so signposting is required, because one size does not fit all. We need to enable people to make informed choices, to take that time and to work flexibly to support themselves and get that work-life balance.

**Harvey Tilley:** We have used a staff survey as a useful way of co-creating our suite of supports for individuals. I remember a colleague saying to me, “I haven’t got children, but I’ve got two pets, and they’re everything to me. They are my life.” One of their pets was really poorly, so they had to take it to the vet. There was that side of things to deal with. We were worried about the consequences for their work—we had only just started ILF—so we created a pet-leave policy as part of our suite.

We have talked about the idea of allowing people time off for dependants—ours is two or three weeks. There is also carers leave and all the other things. It sounds excessive, but the return that we get from that is that we are a highly productive public body that delivers the best support for disabled people on behalf of the Scottish and Northern Ireland Governments. For me, it is just not rocket science.

**The Convener:** That is good to know. As a dog owner, I am delighted to hear that, because I know the challenges that I face in trying to get dog care. That is a really good policy to bring in.

**Rachel Hunter:** Generally, we need to promote the significant business benefits of a family-friendly working policy. Increased motivation and productivity have been mentioned. We have seen that, and studies by the Fraser of Allander Institute have shown it to be the case. Staff are also less likely to be off ill—there are reduced sickness rates—and are happy to go the extra mile. It is also good for customers, because people want to buy products and services from good ethical employers. It enhances brands and reputations if employers look after their staff and have a range of policies to support them.

Business reputation and recognition are really important as well, and such policies enhance that reputation and recognition. I always think that, when you speak to employers about fair work, you should ask what your staff say about you behind your back, because that is what they will say to prospective employees of your organisation. Do they say good things about you? Are you a supportive employer? If you are, they will say that to other people whom you may want to recruit in the future. We have already spoken about the challenges around recruitment: having a good reputation as a family-friendly employer will help with recruitment in the long term.

**Helen Herd:** There was a question about the kind of advice that we would give. Flexible working is but one part of a whole approach to fair work. Having engaged employees who have an effective voice, and who have opportunities, security, fulfilment and respect are parts of that one thing. Line managers are the key interface between the organisation and its staff, and they will influence the experience that individuals have. As has been said, you can have a suite of wonderful policies, but if they are not reflected in the discussions that take place and the support from line managers, that is where it can fall down.

It is necessary to be up front in recruitment. We say in our adverts that we are happy to talk about flexible working; there is a recognition of the need to have an open discussion, up front at the recruitment stage, and to build trust. That makes for a better relationship. All those things working together will support family-friendly flexible working, but a holistic approach is needed.

**Heather Melville-Hume:** Do not underestimate the value of having such conversations and offering flexibility. I have had conversations with individuals about the positive impact on their mental wellbeing. It goes back to having a positive, contented and happy workforce. A number of people across the industry and

practitioners whom I have worked with have said, that flexible working has literally kept them employed and has enabled them to live a life and support their families, whatever the make-up of the flexible working is. The positive impact on mental wellbeing and resilience, particularly in today's climate, cannot be overstated. Small employers and other employers that are looking for advice need to see the value in that.

**Gordon MacDonald (Edinburgh Pentlands) (SNP):** That leads neatly to my line of questioning. We have heard about how best practice and flexibility helps to retain staff and so on. If we are going to help parents out of poverty, the other aspect is encouraging employers to pay the real living wage. My question is about support for businesses. How do we improve engagement with businesses in order to provide practical advice so that the benefits that you guys have witnessed of having flexible working and paying at least the real living wage can be rolled out to the 85,000 micro and small businesses in Scotland? How do we improve that engagement and promote what you guys have spoken about?

**Harvey Tilley:** I do not underestimate the fact that we are in the fortunate position of being fully funded. We act on Government policy that is forward thinking—rightly so—and progressively positive. We run an efficient organisation, but considerations of profit and loss or rising energy costs are not as much to the front of our thinking when it comes to paying the Scottish living wage. I am confident that all our employees get more than the Scottish living wage, but I do not underestimate the challenge.

You asked what we could do. There is a lot more advice, and there is the need to promote the benefits that we have talked about, but there is, ultimately, a financial issue for organisations that are already on a tightrope in relation to being solvent or insolvent, so offering the nirvana of the Scottish living wage or higher pay is sometimes very difficult. Could tax breaks be given or could other things be done at system or Government level to ensure that the benefits are spread across micro and small businesses? It is a very difficult question to resolve.

**Gordon MacDonald:** You are right that it is a difficult question, but surely it is about promoting the benefits. If you pay the real living wage, you reduce your recruitment costs because you do not have staff turnover, and your training costs do not increase because you retain staff.

**Harvey Tilley:** I am 100 per cent in vehement agreement with you about that, but my friends who have businesses say to me, "That is all well and good, but I am fighting for the financial survival of my business." Some things take longer to bed in, and the next things to consider are rent rates and

the rising cost of materials. All the things that you have said make absolute business sense to me; if I had a small business, I would want to do that. However, although I am not a business owner, I recognise the challenges in that regard for people I know.

**Rachel Hunter:** Highlands and Islands Enterprise has spent a lot of time promoting business benefits and has various case studies involving micro and small businesses from across the region, including in remote and rural areas. Wages are rising and, as has been said, we have a tight labour market. The deputy convener is right that, when we speak with businesses, we have to look at the longer term. Businesses want to retain their staff, and we have to think about the additional recruitment costs of constant staff churn. Staff can just go elsewhere and find a better-paid job, so there are additional costs involved in retraining and readvertising jobs successively. Some employers find it a challenge to keep up with annual wage rises.

Small businesses engage with business intermediaries such as banks, accountants, other advisers, trade bodies and membership organisations, and we need to make sure that those organisations understand the benefits of flexible family-friendly working policies, because they are the people with whom small businesses interact from day to day. They, too, need to be genned up on what the benefits are. It is not just about Government agencies providing case studies and so on.

Highlands and Islands Enterprise has a programme of specialist HR support that small businesses can use to help them to develop a fair work action plan. That allows them to understand the benefits and the longer-term financial impacts of paying the real living wage.

We will probably speak about fair work conditionality, but Highlands and Islands Enterprise has always taken the carrot approach by promoting the benefits of fair work and considering how we can get businesses on the journey before thinking about using the stick of conditionality.

**Heather Melville-Hume:** I will add to that. I recognise that a lot of micro, small and medium-sized businesses do not have the access to HR resources that other organisations have; they do not have subject matter experts. In relation to how we influence and manage policy, we need to give them access to that and recognise that the people from whom they are getting that advice at the moment are under huge pressure. From some of the voluntary work that I do—I have capacity to do that because of the organisation that I work for—I know that people tap into such resources all the time. They say, “I didn’t know about that” or,

“Where can I get signposted to that?” A lot of bodies are able to promote and support such work, but we also need to give business enterprises and other agencies more funding to support small and medium-sized businesses, to enable them to tap into experience and up-to-date knowledge and to support the conversations that need to be had.

**Gordon MacDonald:** On that point, we heard last week that new legislation is coming in across the United Kingdom to introduce a day 1 right to flexible working, but that 49 per cent of businesses are unaware of that.

**Heather Melville-Hume:** I know.

**Gordon MacDonald:** Is there a need for a business mentoring system to be introduced? If so, who would run it? Would it be the likes of Highlands and Islands Enterprise?

09:45

**Rachel Hunter:** Again, we need to promote such things through intermediaries, especially banks. We have to think about the organisations that businesses interact with. Enterprise agencies probably deal with only a certain section of businesses in particular regions. Business Gateway and local authorities could help to promote the new policy. It is challenging for very small businesses to keep up with the latest legislation, so we need to make sure that those who support small businesses are aware of the changes. Enterprise agencies run mentoring schemes, so those schemes and whatever else could be built in. However, it is more about promoting such things through business intermediaries.

**Andy Wood:** I will reiterate what the other witnesses have said. Some small organisations might be willing and keen to try flexible working because it might bring them added benefits. However, the issue with putting in place flexible working arrangements is getting them off the ground through having knowledge and access to support, and understanding the legal, practical and financial implications. A central body or team of advisers who could assist businesses to do that could only be beneficial in driving uptake of flexible working practices.

As was stated, we need to raise awareness of the changes that are coming down the track quite soon in order to ensure compliance. It was also mentioned that it could be useful to have case studies of small organisations for which such practices have worked. Those could be warts-and-all studies that describe the challenges and the potholes in the road on the journey, but they could also set out the benefits of embracing flexible working.

**Harvey Tilley:** I often think about practical solutions and what can be achieved. We work with thousands of disabled people and, through them, thousands of PAs. The Scottish Government has done a lot in recent years to promote things such as the Scottish living wage, and it is investing in the health and social care environment, but procurement is a real issue. We could lead the way by requiring that all tenders that go out for health and social care contracts have fair work at their core, and by providing funding to ensure that that is given over to the staff and employees at those organisations.

We provide a quarter of all the direct payments to disabled people in Scotland. We make some provision for firms to be good employers, but we are limited in the amount of money that we can provide because of the wider environment. However, direct payments are a direct way of influencing things. We can make sure that those disabled people are able to become even better employees than they already are. We should use procurement frameworks to invest and to articulate the requirements of funding bodies in relation to things such as fair work. That is a really practical way forward, and it could be achieved relatively quickly. We have a good set of suggestions.

**Gordon MacDonald:** My final point is on the issue that you have just raised. You are right that procurement law can be used to promote the real living wage and flexibility. Last week, the Scottish Trades Union Congress called for employment law to be devolved. Would not it be easier if we had the powers to do something about these issues, rather than playing about with procurement regulations?

**Harvey Tilley:** That is an interesting question. I am not quite sure how to answer it.

Devolved legislation has absolutely benefited Scottish citizens. The problem with procurement is that it often looks for the lowest cost. To answer your specific question, I do not disagree that it would benefit the citizens of Scotland if some of those issues could be devolved. I am not a constitutional lawyer, so it is a bit hard for me to think through that, but it certainly makes sense for citizens of Scotland to have devolved powers over employment law. On a broader practical level, let us not look for the employer or the bid with the lowest cost, which is how everything is configured under procurement frameworks; instead, let us ensure that fair work comes right through that process.

**The Convener:** That is helpful.

I will bring in Jeremy Balfour before I bring in Paul O’Kane, because Jeremy has to leave us at 10 o’clock.

**Jeremy Balfour (Lothian) (Con):** Good morning, panel, and thank you very much for the evidence that you have given so far.

The committee is a wee bit central-Scotland based and, from previous sessions, we are aware that people who live in rural Scotland may have extra issues compared with us city slickers. For low-income working parents in particular, what can businesses and employers do to address issues such as transport, childcare and affordable housing, particularly in rural areas? I will start with Helen Herd.

**Helen Herd:** It is clear that there are different issues in rural areas, where there might not be a critical mass of available services and provision. We hear from working parents that childcare needs to be affordable and accessible, and that there are issues with the times and locations at which it is provided. So much can be provided by private providers, but there is probably a case for some kind of subsidy or support to fill the gap because, if you are trying to have a viable business providing childcare, a whole lot of issues come into sharper focus when you look at more sparsely populated rural areas.

**Rachel Hunter:** The regulations and the ratios for childcare are very much skewed towards urban settings. In childcare provision in rural areas, particularly in very small islands, you just cannot get economies of scale.

Childminding is seen as a really good flexible option in very remote and rural areas. However, one of the challenges is that it is usually a parent—usually a mother—who sets up a childminding business. They have their own children, but they do not get any payments for them, which compounds the financial burden of setting up the business.

HIE has been working with the Scottish Childminding Association. We have seen around 30 new childminding organisations being set up across the region, but there are still pockets in particular areas in island communities in which there is currently no provision. That is a real challenge.

One of the big challenges—I am from Shetland, so I have been through all this—is that people might have to move their children throughout the working day. They might have to put them in a breakfast club, then have to get them to school, then they might then have to get them to a childminder after school. We hear lots of stories of stressed-out parents who have to move their children around through the working day.

The existing infrastructure is one thing that we really need to look at. If kids have a breakfast club and an after-school club at school, for example,

parents will not have to move them around during the working day.

We are also looking at a cradle-to-grave pilot, in which a care facility can be used for older people and for children. They can be in one facility. Let us use the infrastructure that we have a bit more creatively and wisely.

Obviously, the other challenge is in recruitment in childcare. We simply do not have enough people for the ratios in the Highlands and Islands. That is a big problem in rural Scotland. We are keen to work with the Scottish Government, and we are already working with some parts of it, including the islands team, to look at that problem and address the issues.

**Heather Melville-Hume:** The issue is not solely childcare; it is care in general. It is about care for young disabled children, care for children and young people with additional needs, and care for disabled people across the country, particularly in rural areas. Key to that is using the existing infrastructure, but we must also be able to ensure that care is not focused purely on children.

**Jeremy Balfour:** That is really helpful.

At the beginning of the year, the committee visited Uist. It was really interesting to see the distances that have to be travelled to get care for older people or younger people. Rachel Hunter said that HIE is working with the Scottish Government.

**Rachel Hunter:** Yes.

**Jeremy Balfour:** Can the Scottish Government do more to help rural island communities in particular with flexibility? The model of everything happening in school, rather than people having to move around during the day, is very interesting. Are there models out there? Can the Scottish Government do more to support that?

**Rachel Hunter:** The Scottish Government can help. You are talking about a multifaceted issue in that you are talking about the school estate, childminders and local authority providers. It is about getting people in those areas joined up to work together and to think of the challenges from the parents' point of view. People might be able to find childcare from 8 am to 6 pm, but they have to move kids around during the day or travel huge distances. We need to try to think from the customers' point of view. I think that the Scottish Government could help to bring together the key organisations and different parts of Government.

**Paul O'Kane (West Scotland) (Lab):** I want to expand on the conversation about rural locations and ask about childcare more broadly. A lot of the conversations in the committee have been about the expansion of funded childcare to 1,140 hours a year. Discussions are on-going about how that

might be widened to include one and two-year-olds. Does the panel have a view on whether further state-funded childcare would be beneficial? How can we ensure that flexibility?

I am not sure who wants to come in on that. Rachel Hunter was on a roll.

**Harvey Tilley:** I would say that the answer to that is that it would absolutely be beneficial. There should be childcare from birth, or from the time when the parents want or the mother wants to move back into the workplace or do other things. They should absolutely have affordable childcare as pretty much a day 1 right, which means expanding the age range. I am in vehement agreement about having more hours and a wider range. That would have a significant impact on all the issues that the committee is trying to challenge.

**Helen Herd:** I completely and vehemently agree. When we look at the returns on investment, we see that there are economic, wellbeing, education and development returns. That is key to everything.

Research has been done by Flexibility Works. It is almost about selling the benefits that can be achieved by having greater flexibility and such support; they include productivity, loyalty, retention, business costs, the impact on mental health and wellbeing, delivery, engagement and reduced sickness. An abundance of really important measures can be influenced by having that focus.

**Rachel Hunter:** Childcare is a public good. We will not see our overall economy thrive without increasing support for childcare and more investment in it through funded places.

10:00

In Scotland, we often compare ourselves with the Scandinavian countries. I have friends in Norway who get childcare from 8 o'clock in the morning until 6 o'clock at night, wherever they are. A daily stress is taken away. If we are modelling ourselves on those countries, or that type of economy, that is where we need to go.

**The Convener:** Does Andy Wood want to come in at all? I see that he does not. Okay. Does Paul O'Kane have any further questions?

**Paul O'Kane:** No, convener. In the interests of time, I am happy to hand back to you.

**The Convener:** Okay. We have come to the end of our questions. I thank all our witnesses for taking part in the meeting and sharing their expertise. We will continue with the inquiry in September, as this is our last day before we go into recess—that is why you see lots of smiley

faces here today. We will continue with the theme then—in particular, on transport and the challenges that it brings.

I briefly suspend the meeting to allow us to set up for the next item of business. Thank you very much for joining us.

10:01

*Meeting suspended.*

10:10

*On resuming—*

## **Disability Benefit Processing Times**

**The Convener:** We will now hear from Social Security Scotland on disability benefit processing times. I welcome David Wallace, who is the chief executive of Social Security Scotland; Ally MacPhail, who is deputy director of strategy, change, data and engagement at Social Security Scotland; and Sue Scotland, who is deputy director of the social security programme management and delivery division in the Scottish Government's social security directorate. All the witnesses join us in the room.

Before we begin, I remind members who are online to allow broadcasting colleagues a few seconds to turn your microphone on before you start to speak, please. You can indicate with an R in the dialogue box in BlueJeans if you wish to come in. Again, I ask everyone to keep questions and answers as concise as possible.

I invite David Wallace to make a brief opening statement.

**David Wallace (Social Security Scotland):** Thank you for the opportunity to speak to the committee this morning. I will not reintroduce my colleagues. You will hear from them as they answer questions. Thank you for introducing them, convener.

It has been just over six months since I last appeared in front of the committee. There are a number of new committee members whom we have not yet had the opportunity to welcome to the agency. I very much look forward to welcoming you to Dundee. We are looking at a time in September for those members who can join us.

When I joined you in December, we were in the midst of extending the Scottish child payment for people under 16. We now have over 300,000 children in receipt of the Scottish child payment and, in total, we have paid over £240 million since it was launched in February 2021. Since that appearance in December, we have also completed the first winter heating payments to almost 400,000 eligible clients in Scotland.

Members will know and appreciate that social security is one of the largest delivery programmes and transfers of powers under devolution. By the end of 2024-25, we will deliver 16.5 million payments a year to people in Scotland, worth around £6 billion to an estimated 2 million people. We have done this by building a brand-new public service from scratch, and we have introduced 13

Scottish Government benefits, seven of which are entirely new forms of financial support that are available only in Scotland.

I have spoken before to the committee about the pace of delivery. Again, I will use the example of the Scottish child payment, which went from inception to its initial delivery inside 18 months. We do that by working closely with colleagues from the Scottish Government to create the new social security system in Scotland. Scottish Government colleagues work with ministers on the policy, processes and systems, and Social Security Scotland uses those to deliver the benefits.

We also work in line with the ministerial decisions on who can be paid benefits and how much they should get. This is also a joint programme with our United Kingdom colleagues from the Department for Work and Pensions. I am happy to answer questions on that, although I give the usual caveat that I am unable to comment on the policy behind some of the benefits.

Turning to processing times, I want to be absolutely clear that I know that some of the benefit processing times are far longer than is acceptable. I share the frustration on that, and we as an organisation are absolutely committed to giving clients decisions as quickly as possible and making sure that we have the information required to get decisions right the first time. We expected that processing benefits would need a little bit of time to settle in, and that is very much in line with all new benefit launches, including the 2013 launch of personal independence payment.

I assure the committee that we are committed to getting it right for our clients, and we are taking urgent action to address and improve the processing times. Action is already under way to reduce those times, and I believe that we can demonstrate that those actions are having an impact. We have included in our written submission information on some of the work that is going on, and I will reiterate some of that. We have already made changes to the application form for clients. We are drawing far more on our in-house health and social care practitioners to make early decisions that are based on their expertise.

10:15

We have made a number of changes to how we handle calls so that we can ensure that our clients are able to speak to us about applications. We are reinforcing with our clients how they can help us with supporting evidence to reach timely decisions. We are also taking a comprehensive look at every step of the journey, from people applying to benefits right through to payments. We

will ensure that we do anything that that identifies to help processing times.

I look forward to taking your questions. Thank you for your time.

**The Convener:** Thank you—that was very helpful.

**Miles Briggs:** Good morning. Thank you for joining us. It was interesting that David Wallace acknowledged from the outset the concerns around processing times. Our constituents are certainly talking about that. I looked at your social media feed last night and, clearly, that is where a lot of traffic and anger are. What parts of the process are contributing to that long process time? Is there a difference between adult disability payment and child disability payment, and how they are being managed and processed?

**David Wallace:** A number of things are going on, so I will outline a couple of them and ask colleagues to come in as well. As I said in my opening statement, adult disability payment in particular is still a relatively new benefit—we are still less than a year on from having launched it. Everybody involved in that process has been new to the organisation, and we have new systems and processes. For the past eight months or so, we have had more applications coming into the organisation than decisions being made so, inevitably, we have built up a head of work although, as you rightly said, those are clients' applications that we need to process. We are now in a position where we can demonstrate that we are processing far more applications than are coming in. Think of filling up a bath with applications; we have spent seven months filling it up, and now we are starting to really get into those applications.

The main difference between the child and adult disability payments is that we have the ability to do consultations on adult disability payment. The main element that we are seeing initially as a bit of a blocker is the supporting information. There is a bit of a difference between child and adult disability payments when it comes to getting quality supporting evidence. For children in particular, we find that schools are generally aware of how a condition impacts on a child, so they are quite a rich source of information. Aside from the consultations and where we might get supporting evidence from, both benefits are essentially in the same position.

**Miles Briggs:** So it is not necessarily an issue about capacity in the organisation and processing time?

**David Wallace:** I would not describe it as a capacity issue at the moment. As you know from previous benefits, we build up capacity as the benefit goes live and, as that happens, our first

applications are the first time that we see things. We have people who are new to the organisation, and they are picking up a process for the first time and seeing a client with a particular condition for the first time. Clearly, the more experience they build up, the quicker that becomes. It normally takes about a year to get somebody from joining the organisation to their being fully effective in making decisions. Clearly, we are only really just hitting that period for some of the people who have come in. At the moment, it is less about the overall resource of the organisation and more about making sure that the resources that we have are up to that wider capability and able to make decisions.

**Miles Briggs:** Have you reviewed the information that you provide to clients during that period? A lot of people have said that they have been asked to provide information seven times. Have you reviewed how people are kept informed of where they are on that journey, including how long it may actually take, so that expectations can be managed?

**David Wallace:** I will say something and then bring in Sue Scotland, who can say a bit more about her role and how we are working on that.

We have certainly been looking at the information that we give to clients through the process. I mentioned in the opening statement that we have already made some changes to the application form to try to emphasise to people that, if they have supporting evidence, they should give it to us. We recently published some research, which is the first bit of research about people who have gone through the adult disability process. Coming through from that, there was certainly a feeling that clients believed that it would be easier for us to get information. Although we can, of course, collect information on behalf of clients, we still need to go to the same people to get that. Therefore, if clients have information available, we have been trying to be clear in the application process that they should please give us that. The classic example that we use is a prescription list. Lots of clients will have a prescription list available, and if that can be shared with us early, that helps us to make decisions.

We have also tried to put in place a step so that, when we first look at an application, we get back in contact with the client and ask whether they have anything else. The client will have given us some stuff or asked us to collect it, but we will ask whether they have anything to hand that they think would help.

I will ask Sue Scotland to reflect on the point about informing clients.

**Sue Scotland (Scottish Government):** I work for the Scottish Government on the programme—

we look at the service design and then the implementation, and we work very much hand in hand with the agency. When we delivered ADP and CDP, our teams continued to work with the agency to look at and prioritise some of the activity that we were seeking to deliver. From a notifications perspective, we are revisiting the end-to-end journey to see whether we can add in any steps. There are definitely steps that we can put into that process, and that review is under way.

As David Wallace mentioned, we are also working on the applications and how we can interact with clients at a much earlier stage, rather than wait until later in the journey to ask for information that may seem to be asked for in the wrong order. We are looking at that early-stage interaction. We are also looking at digital and different ways in which we can interact with clients much more regularly as their application progresses through the service.

**Gordon MacDonald:** Good morning. I want to ask about getting supporting information from third parties. David Wallace mentioned schools, and you clearly have to get information from health boards, local authorities, general practitioners and, maybe, third sector organisations. The Scottish Commission on Social Security said:

“Eliciting timely and detailed supporting information from busy professionals, which is focused on daily living and mobility activities, will be challenging.”

What steps are you trying to take to smooth that process and reduce processing times by getting information in a more timely manner from those third-party organisations?

**David Wallace:** I absolutely recognise the comment that has been made about that being challenging. Some of that is the work that I outlined to Mr Briggs. One of our first steps is to say to clients, “If you have information, please give it to us.” That will help us to make more timely decisions. We are also working very closely with GPs and health boards, as you described, to try to make that process easier. As I referred to at the start, there is some internal learning for us to do in picking up the new processes, in how we ask better questions of health professionals and in how we find the right health professional who may be in contact with a client.

In the very early days, we said that we should not rely on GPs. Our early reflection was that we probably still relied a bit too much on GPs for information when, actually, they are not always the best people for that, as they may not be in direct contact with the clients daily. Therefore, it is probably easier if we find the healthcare professionals who are able to do that.

As I outlined, we are also using our health and social care practitioners far more. As you will be

aware, when we launched the adult disability payment, one of the fundamental changes that we made from the UK system was to bring health and social care practitioners into the organisation. We have colleagues in the organisation who have a vast wealth of knowledge and expertise around all of the conditions that our clients may have. One of the improvement actions that we have taken is to ensure that, if we are struggling to get supporting evidence, we consider whether there is enough in the application—that does not necessarily lead to a client having a consultation as such, but a case discussion might help the decision maker to understand the condition and the impact of it.

Ally MacPhail might want to say a little bit about how we are working with that set of stakeholders, in particular. We will continue to work with health boards to try to get the information that we know is there. A portal is in place for GPs, in particular, to help to provide information, and we are working with GP surgeries to ensure that that is active as well. You will be aware that we recently introduced an ability to pay third sector providers to give us the information as well. That is a relatively recent addition that we have put in place to ensure that that is not a barrier.

Ally, is there anything else that you want to mention?

**Ally MacPhail (Social Security Scotland):** I will mention just a couple of things. I was going to mention the fee to third sector organisations, which is helpful. We have an operational reference group, where we engage on, I think, a six-weekly basis with third sector organisations and provide information on what we are doing operationally, so that they can understand what we are doing, how we are doing it, and some of the challenges and learning that we face. That forum is about engagement. On the point that was made by SCOSS, that is about the feedback loop of what we are experiencing and the challenges in processing cases, and also how third sector organisations can support us in doing that in a timely fashion.

That has been happening. The engagement with the stakeholder community has been fairly constructive in that area. Those organisations recognise that they can help us in that space to gather information more quickly and reach more speedy decisions. Over the summer, we are looking to roll out a further engagement plan, again with that stakeholder community, where we set out what we are trying to do and how those stakeholders can help us in doing that. Again, conversations have been on-going, but we are looking to build on that. David Wallace will probably lead on some of those conversations with senior stakeholder representatives, so that they understand exactly what we are looking to do.

**Gordon MacDonald:** We have touched on processing times. Once you get that supporting information, and it is complete, what is the delay between having the information and making a decision on an individual's case? How long is that period, on average?

**David Wallace:** We probably do not have that particular measure to hand. We could certainly take that away and see, but we probably do not have that direct measure in place. I am looking to Ally, who might tell me differently.

**Ally MacPhail:** We do not have that measure. Are you referring to any potential blockers once we have the information?

**Gordon MacDonald:** Yes.

**Ally MacPhail:** I suggest that there are not any, but we can provide more information on that.

We have spent time with our case managers to understand what they do with that supporting information, and how they do case conferences with our professional colleagues in health and social care. That is part of the improvement action that we are taking. There has been a real desire, through the values of the organisation, to get to the right outcome for the client. It has perhaps been in the minds of our staff to continually seek that extra piece of information, which may or may not exist. We are building capability and confidence in our staff so that they understand the information and are able to understand the impact on the client, and can make a decision at a point that is helpful. The organisation is still learning.

I suggest that there are no such blockers, but perhaps there is an issue with our confidence and how we use the evidence that we have.

**Gordon MacDonald:** Are there on-going information technology problems?

**Ally MacPhail:** Do you mean in relation to making decisions?

**Gordon MacDonald:** I mean in processing cases.

**Ally MacPhail:** No.

**Gordon MacDonald:** What about duplicate profiles?

**David Wallace:** There will be some duplicate profiles. For newer members, in particular—I might bring Sue in on this point, as well—I note that the programme of delivery, which I outlined at the start, is one of the Scottish Government's biggest technology programmes. As, I think, you are aware, we are delivering it in an agile way, which means that we deliver enough technology to deliver the benefit, which allows us to go on and deliver more benefits. Throughout that process, additional functionality comes into the system. The

consequence of being agile—it is a feature of delivery, rather than an error, as it were, in the system—is that, when we launch a benefit, we do not have the complete technology in front of us. If that is perceived as an issue, it is a consequence of the way in which we are delivering the benefit.

10:30

**Gordon MacDonald:** That is an issue for the individual who cannot get a decision because there is a duplicate profile. An IT fix needs to be done to merge the two profiles so that a decision maker can make a decision. They cannot make a decision until the two profiles are merged. The information that we had on a particular case—it is now resolved, thankfully, but it took five months—was that there was an IT issue.

**David Wallace:** I am happy to look at that. Duplicate profiles do not commonly come to me as an issue. In the case of your constituent, that is clearly unacceptable, and they have my apologies; I am happy to take the matter away. Duplicate profiles do not come to me as one of the major things that need to be corrected in the system, so I am happy to look at that instance.

**Gordon MacDonald:** Okay.

**David Wallace:** I ask Sue whether that has crossed her radar.

**Sue Scotland:** That has not come into any of the work that I have been doing.

**David Wallace:** Such things will exist in all systems. Five months is too long to rectify a problem, but all systems potentially have duplicates that we need to eradicate in order to make sure that the data in them is correct. I had not heard about that problem, but I am happy to take the matter away.

The wider point about agile delivery is a really important element of how we are delivering. Audit Scotland has reported on the progress of the programme at various points; it has highlighted agile delivery as being the right mechanism for us to use, although doing so means that, at various stages, we operate using what we term a minimum viable product.

**Gordon MacDonald:** Thanks very much.

**The Convener:** I will bring in James Dornan, then Katy Clark. James is joining us online.

**James Dornan:** Good morning. I would like to discuss the consultations. I understand why there was an expectation that consultations would not be the norm, given people's bad experiences with PIP, but the consultations that have taken place for ADP have generally been very well received. Are staff spending a lot of time trying to make

decisions without a consultation when, sometimes, a consultation might very well be what is needed?

**David Wallace:** Staff are not deliberately trying to avoid putting cases to consultation. As Ally MacPhail said, our staff are absolutely focused on trying to get what is best for the client, including when doing so potentially adds to delays in the system. The example that I give is from when Sue Scotland, Ally MacPhail and I sat with some of our decision makers to look at the matter.

Even when we think that there is enough information to make a decision in a case, if the decision maker thinks that a higher level of award might be merited, we try to get additional information to support that. It is not as simple as our saying that we do not think that there is enough information to make a decision in a case. The organisation and the people in it have committed to getting the best possible right outcomes for clients. Bringing health and social care practitioners into the organisation and trying to switch the 80:20 ratio—in the UK system, about 80 per cent of people have an assessment, and we were trying to turn that around—was about us thinking that the evidence on which to make a decision would already be there in 80 per cent of cases. It was not about there being a target for not using consultations.

As part of the improvement, we are looking at cases to see whether we could come to a decision more quickly if we put a case through for a consultation. You also highlighted the fact that feedback from clients who have gone through the process is, on the whole, overwhelmingly positive. For them, it feels very different from going through the assessment. That is good, because the system was entirely designed to be different. We are not scared to put people through consultation if that is the right thing to do. It comes back to the wider point that our teams need to find the right balance in respect of information, getting decisions right for clients and pulling cases to a quick conclusion.

**James Dornan:** All the reports are very complimentary about how consultations have been dealt with. Given that, is there a danger that trying to speed up the process—I completely understand why you want to speed up the process; everybody wants that—will jeopardise potential outcomes, or do you have safeguards in place to make sure that that is not likely?

**David Wallace:** I would like to think that we have safeguards in place to do that. We have fundamentally changed what a consultation looks like. The guidance that our health and social care practitioners have when they are completing consultations means that doing more consultations will not mean that we suddenly revert to what happened under the UK system. That will not

happen. It might, however, cause a bottleneck in a different place, so we are really mindful of that and are careful in trying to ensure that all the improvement actions do not just create bottlenecks elsewhere in the system.

Our making sure that we have the capacity to do more consultations, if we do them, will be really important, but we will not jeopardise what it feels like to undergo a consultation, because to our clients, as you will be aware, making it feel different from the previous assessment system was one of the fundamental 2016 consultation responses. When we look at what makes the system different, that is a fundamental part of it. There are other elements that we could talk about—in particular, local delivery and up-front support—but we will not jeopardise what it now feels like to go through a consultation with the organisation.

**James Dornan:** Nothing but good words have been said about the process. I will leave it at that, convener. Thank you very much.

**The Convener:** I now hand over to Katy Clark, who will be followed by Paul O’Kane, who is joining us online.

**Katy Clark (West Scotland) (Lab):** I want to ask about the extent to which we are currently still in a settling-in period. In your submission, you said that

“it was always expected that processing times would need a settling in period ... while staff gain experience and new systems are introduced.”

You have said that, usually, it might take a member of staff up to a year to really get across the whole role. The child disability payment has been available nationally since November 2021, but there does not seem to be any indication that processing times are going down. Do you consider that we are still in the settling-in period in relation to that specific benefit?

**David Wallace:** I think that we are still, overall, in a period in which we are settling in. When we moved swiftly from looking at the child disability payment to looking at the adult disability payment, some of the expertise that had helped us to launch the child scheme moved across to the adult scheme. Although, on paper, the CDP looks like something that has been more stable for longer, that is not necessarily the case.

When I made my opening statement, I talked about the layering of benefit upon benefit. Over the Christmas period, clearly we were launching a benefit that did not fully bed in before we launched the next benefit, which put extraordinary pressure on people, so guidance changes. That goes back somewhat to agile delivery. Even though the child disability payment might have looked stable, we were still making changes to the system, which

would have affected our decision makers and our client advisers who were dealing with that system. We do not just launch a benefit on a single platform, say that it is stable, then complete and leave it. The organisation is, in effect, going through a period of consistent change, which can be challenging for staff who are working on the benefit. I take the point: we have had a year longer on the CDP scheme so, on paper, that should mean that we are in a better place in respect of how to approach the matter.

**Katy Clark:** Can you indicate when you think processing times might start to come down for the child disability payment?

**David Wallace:** Internally, we are making good progress on that. The thing that gives us confidence internally is that we are seeing the productivity of our people really start to increase, which is driving how many decisions we make. Over the past couple of weeks, we have been making far more decisions in the organisation than we have ever made. Our record weeks for numbers of decisions made have been the past couple of weeks. The more we can do that, the more we will cut through the head of work. We are hoping, by the end of the summer, to bring that average time under the 80 mark, and, as a stepping stone, we will continue to work on processing times.

**Katy Clark:** Thank you. Will you keep the committee advised about progress on that and whether there are specific problems? If you could proactively share that with us, that would be very helpful.

You will have seen that there has been a lot of publicity around the personal independence payment and the fact that decisions on it are currently being made more quickly than decisions on adult disability payments. Do you expect the gap to narrow over time, or do elements of the adult disability payment decision-making process mean that it is likely often to be lengthier than the process for decisions on the personal independence payment?

**David Wallace:** I will not focus on the gap; the gap could narrow because PIP applications have increased, which clearly nobody wants. I am more focused on bringing down the processing times for our clients rather than measuring the gap in relation to the DWP. You are right that some things are fundamentally different in our system—we have talked about information gathering—so the systems are not always completely comparable. The main thing for our clients is, as I said, that we bring down our processing times, rather than that we measure the gap with the DWP.

I have to say that the DWP has done an extraordinarily good job of bringing down its processing times. Historically, that has clearly not always been the case. I referred to benefit launches. If you look at the profile of processing times, you will see that, when PIP was launched as a new benefit, the processing time went up to 35 weeks before it was brought down. We are following a profile that is similar to but lower than the one for that benefit launch. I do not see this as a competition or consider DWP to be a comparator for our clients. For us, it is about getting our processing times down.

**Katy Clark:** I do not see it as being a comparator either, but claimants have said to me that their experiences with Social Security Scotland are worse than those that they had with DWP. They have also said that they did not believe that that could be possible. Do you agree that we need to ensure that we have the highest standards and the quickest processing times, and that the expectation is that the process will be better than it was with DWP? If DWP's processes are getting better, I very much welcome that. How quickly can we expect better processing times for the adult disability payment?

**David Wallace:** By the end of the summer, we should start to see that. There will be a bit of a lag in our published statistics, but I am happy to come back to the committee and to keep it informed.

**Katy Clark:** It would be very much appreciated if you could keep us closely advised. Thank you.

**Paul O'Kane:** How are processing times impacting on clients? What is the view of the impact that they are having, and how does Social Security Scotland keep people informed and updated throughout the process, while they are waiting? Is there regular communication? Are there set points in the process at which communication is proactive?

**David Wallace:** I will reiterate what I have been saying from the start, Mr O'Kane. Everybody in the organisation is completely committed to our clients. As I described in some of my other answers, part of the reason for the increasing times is that we have been trying to get absolutely the best for our clients. No client should be in a cycle in which they have not had communication from the agency about processing times. We have also been trying to do some things using telephony. Under our system, it is not unusual to phone a client to ask about the supporting evidence and to say where we are with it.

We would like to get much smarter in our use of technology; Sue Scotland referred to that in previous answers. Nobody is waiting for the entire duration of the average processing times before they hear from the organisation. We expect clients

to be contacted multiple times during the period. In the case of some applications, we will simply have lost contact with the client; such instances push up the averages. Again, that is where, as an organisation, we need to become clearer about how we close off cases in which we have, for whatever reason, effectively lost contact with clients and cannot communicate with them.

Sue Scotland might say more about how we can improve that and, for example, whether we can look at communicating by text message. When I was here in December, Mr Balfour asked a question about the possibility of having a direct portal for clients. He asked whether it would be helpful for the client to be able to dial in and see the progress of their application. At the time, I said that that would, of course, be helpful for clients. We continue to look at such things. Sue Scotland will come back in on the question of automated contact with clients.

**Sue Scotland:** This is about automation and personalisation—it is not about just sending a generic text message, although we will update people via text message. As well as taking that proactive step at the start of the process, we are looking at ways in which we can have touch points throughout it. It is good to have such interaction with a person and to have people calling clients to say that we have received their application. That has been received very well by clients.

We are also looking at the end-to-end journey that I mentioned to see what automation we can put into it. It is not simple, but we are looking at automation proactively as an overall improvement for the client journey through the process.

10:45

**Paul O'Kane:** I will expand on the point about the telephone system and people who call for advice. I have seen data showing that one in five calls was left on hold for over half an hour, and that 28,000 calls waited over an hour. The longest call waiting time that was recorded was, I think, three hours, seven minutes and 25 seconds. Obviously, there is a particular issue: I do not know whether it is about the volume of calls or about not having a robust enough system in place. Can you say something about the action that is being taken to rectify those issues?

**David Wallace:** Certainly. I am conscious that those numbers are unacceptable. They probably relate to the last statistics that we published. One thing that we have done internally is to be far more actively engaged in moving resource directly on to the phone lines. Rather than try to have a fixed resource based on what we think will be the volume of calls coming in, we now have performance managers inside the organisation

who actively manage every individual call queue and move resource as required. We are already seeing the numbers come down quite significantly.

I will bring in Ally MacPhail. In the stakeholder forum that Ally referred to, we have asked whether people are starting to see improvements on the ground, and we believe that the answer is that they are. Ally, do you want to reflect on that point?

**Ally MacPhail:** There are a couple of points to make. We recognise that the numbers that you quoted are not acceptable, so we have put measures in place to seek improvement. We have done a few things. I hope that we are being a bit smarter with management of queues by trying to direct our clients to the right queues so that they get to speak to the right individual to talk about their case more quickly. We are seeing an impact and benefit from that; we are hearing that from the stakeholder community.

On the point about technology, we have spoken to our supplier about how we can best use the technology that we have available to us. We are starting to see benefits that we can implement through various activities that we can take forward, including gathering management information. We have also had conversations with other suppliers in the sector, including NHS 24, about what they do well and what we can learn from that. As you would expect, we are looking at our process with a view to improving things. As David Wallace said, we are, anecdotally, starting to see feedback that suggests that a difference is being made in that area.

**David Wallace:** Sue, do you want to pick up that point? As I said in my opening statement, we are looking, end to end, at every place where our clients interact with the organisation to see whether we can make improvements. We will include technology in that review.

**Sue Scotland:** In the end-to-end review, as we review each step in the process we look at where and when we can bring in improvements. We look at the short, medium and long terms—at what we can do immediately and what we can plan for the future. That is very much a joint activity between the agency and the Scottish Government's programme. Prioritisation and how we do that is at the heart of what we are trying to do as we take opportunities to improve the journey for our clients.

**Paul O'Kane:** If I may, convener, I will ask another question. David, you mentioned that you expect to see call waiting times coming down. Do you have a timescale to work to for bringing them down? Do you have targets for that so that we will be able to analyse what improvement looks like?

**David Wallace:** We are taking those actions now. Internally, we now see call waiting times, on average, below the 20-minute mark. We will

continue to monitor that and try to drive it down. Again, it will take a little bit of time for the numbers to be reflected in the published statistics, but the work that I described on active queue management has helped to drive times down.

I am not saying that we will look at that in the future; I am saying that we are doing it fundamentally now, in order to try to make the telephone experience of clients who phone the organisation far better. We will absolutely see the numbers coming through in the published stats; we see them now, internally. As Ally MacPhail said, when we speak to our stakeholders, they tell us that they also see improvement.

**Paul O'Kane:** This is similar to Katy Clark's request: it would be useful if the committee could be updated on progress with that, if there is willingness to do so.

**David Wallace:** I am happy to do that.

**The Convener:** Thanks very much, Paul.

I will bring in Marie McNair, after whom we will come to the end of the session, unless other members have questions.

**Marie McNair:** It is good to see you all at the committee. Understandably, the session has focused on processing times. I found your written submission very helpful. Social Security Scotland and the DWP have different approaches. Illustrating that point, in section 12 of your submission, you state that both the CDP and ADP

"improve significantly on the Department for Work and Pensions (DWP) benefits which they replace."

To give some context for what we are dealing with, can you expand on what you mean by that?

**David Wallace:** When we speak about child and adult disability payments in particular, I always highlight three significant changes that were made to the process. The first is the application process. Huge effort was invested in working with clients to get the online application to a point at which people could readily and easily use it. We have done some sessions with MSPs and constituency staff to try to illustrate to them what the front end of the process looks like. For example, we think that use of photography in a disability application form is quite groundbreaking. Prompts remind clients that some things that they might have normalised in their life will actually help them to qualify for a benefit, so we advise them to think about those things, as well. The application process was absolutely a key change that we made, up front. For disability benefits, around 70 per cent of our clients now use that channel.

We were also really clear that all channels should be available for all benefits. That digital channel suits people who are digitally able or who

are supported to do it digitally, but we are also available through telephony, so if people want to make an application over the phone we help them to do that.

There is also the channel of meeting face to face. The second big change that I always talk about is the local delivery function; we now have people based everywhere in Scotland to help people with applications. The rationale for that is that people should not have to go to a third party to negotiate applying for a benefit. The premise is that, if you want to apply for a benefit, we will help you to do it. Our local delivery teams are in every area; I am happy to recirculate a list of contacts. I know that some members have been meeting our local delivery representatives, and we absolutely encourage that.

In appropriate instances, we have people who can go into the houses of people who need support with claiming disability benefit. Anecdotally, we hear examples of people who would not previously have applied for benefits doing so. When we speak to our local delivery teams, they say that they are building up their own relationships. They might be in a library every Tuesday for a month or so, thereby destigmatising applying for benefits, before somebody comes and tells them that they need help and support. That is the second fundamental change.

As has been touched on previously, we have also moved towards bringing health and social care practitioners in and we have thought about what a consultation feels like.

Bringing those three things into the organisation are the major changes that we have made to the system. Those were all driven by clients' experience. That leads us to say that we believe that they are improvements, because they are what clients asked for way back in the 2016 consultation.

**Marie McNair:** Thanks. Those changes make the process much more accessible. Comparisons are made between processing times for PIP and ADP. Given that the decision-making processes are very different, do you think that those comparisons are of much value?

**David Wallace:** I go back to my answer to Ms Clark. It is inevitable that people will make such comparisons. I do not think that they are hugely helpful, although it is difficult to say that against the backdrop of there being a processing time that is clearly unacceptable. I make it utterly clear that we want to bring the numbers down. The systems are different, however, especially at the front end. As I said earlier, our teams are absolutely focused on trying to get people the right benefit and the right level of benefit. Inevitably, that has added to some early processing times.

The comparison will be inevitable, but I think that you are right; I would always be cautious about such comparisons. For me, it is about making sure that the process works for the client. What I will say—I should have said it in response to Ms Clark's question—is that the thing that we usually focus on is the customer charter. Again, it is not a charter that we came up with: it was driven by clients and people in Scotland and what they wanted. Timeliness is a measure in the charter, but it is one of 50 or 60 things that measure overall what it feels like to engage with the organisation.

The measure that I keep coming back to—I have probably cited it before—is that we ask clients, "Were you treated with kindness?" For a public organisation that is processing applications, that is quite a novel and innovative measure to have put in place. In the past two years, 94 per cent of people have said yes—they were treated with kindness. Inevitably, just now, our times are going to be compared with DWP times. Over time, however, I would like to step back to the charter and say that processing times are a measure, but there are other things that people told us really matter to them.

**Marie McNair:** The number of redeterminations is low. What more can be done to promote the claimant's right to a redetermination?

**David Wallace:** Again, there is probably something to be said about direct notification. There is certainly a need to work with stakeholders on being clear. We work with the advice sector, with which we will continue to make that point. I do not think that I put it in the submission, but there is also availability of VoiceAbility. The Scottish Government—separate to Social Security Scotland, for obvious reasons—has funded and supported VoiceAbility as an advocacy service for people who are claiming disability benefits. We are working closely with VoiceAbility on referrals, and we are working closely with the advice sector to make sure that that availability is understood.

Again, there have been changes to how we operate that process. One of the first things that a client who is asking for a redetermination will get is a call from the organisation asking whether they have more evidence and whether there is anything else that we can do to support a redetermination. Again, we have made that process far easier to navigate, which puts a bit more onus on the organisation to make the process work.

**Marie McNair:** This is my last question. The number of appeals is also low, so what can be done to promote the right to appeal?

**David Wallace:** The situation is similar to that with redeterminations. I would be cautious. We are back to asking, "How new is a new benefit?". There are probably just a handful of appeals at the

moment because of the effect of the lag in the system. We will see appeals coming up as more and more cases flow through the system. At the moment, I would say that there is not a settled level of appeals in the system; we have yet to see that.

When it comes to raising awareness of the right to appeal, we will undertake activity with our stakeholders and VoiceAbility to make sure that it is understood that that is an option.

**The Convener:** I will quickly bring in Katy Clark.

**Katy Clark:** I am just a little bit concerned by what you are saying and I wonder whether there is appreciation in the agency of how important it is for people to get money quickly. I very much welcome what you are saying about evidence that claimants are finding that the agency is treating them with more kindness and respect. If that is the case, that is a massive advance on where we were in the past.

As you know, however, the reality is that the reason why most people are claiming benefits is that they are in financial difficulties. Some people are in extreme financial difficulties, such that they cannot heat or eat. Can you reassure the committee that you understand the client group that you are dealing with, the importance of ensuring that cases are processed quickly and that people receive money quickly, for the reasons that I have given?

**David Wallace:** I absolutely did not mean to give the wrong impression. What I was trying to say was that, against that background, of course processing times are the absolute focus of the organisation. As we move forward, the charter is due to be reviewed next year. The whole package of measures is something that really does matter, but the current processing times are absolutely the single focus of the organisation. I would not want to leave you with any other impression.

**Katy Clark:** That is helpful to have on the record. Thank you.

**The Convener:** That brings us to the end of our questions today. I thank the officials for joining us, and we look forward to visiting them in September when we go to Dundee.

That concludes our public business. We will continue in private session to consider the remaining items on the agenda. Thank you, everyone.

11:00

*Meeting continued in private until 11:29.*



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