



OFFICIAL REPORT
AITHISG OIFIGEIL

Social Security Committee

Thursday 15 December 2016

Session 5



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SOCIAL SECURITY COMMITTEE

10th Meeting 2016, Session 5

CONVENER

*Sandra White (Glasgow Kelvin) (SNP)

DEPUTY CONVENER

*Pauline McNeill (Glasgow) (Lab)

COMMITTEE MEMBERS

*George Adam (Paisley) (SNP)

*Mark Griffin (Central Scotland) (Lab)

*Alison Johnstone (Lothian) (Green)

*Gordon Lindhurst (Lothian) (Con)

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

*Ruth Maguire (Cunninghame South) (SNP)

*Adam Tomkins (Glasgow) (Con)

*attended

THE FOLLOWING ALSO PARTICIPATED:

Neil Couling (Department for Work and Pensions)

Denise Horsfall (Department for Work and Pensions)

CLERK TO THE COMMITTEE

Simon Watkins

LOCATION

The James Clerk Maxwell Room (CR4)

Scottish Parliament

Social Security Committee

Thursday 15 December 2016

[The Convener opened the meeting at 09:30]

Decision on Taking Business in Private

The Convener (Sandra White): Good morning. Welcome to the 10th meeting of the Social Security Committee. We have two items on the agenda. Agenda item 1 is a decision on taking business in private. Do members agree to take items 3 and 4 in private?

Members *indicated agreement.*

Universal Credit Roll-out

09:30

The Convener: Agenda item 1 is an evidence session on the roll-out of universal credit. I welcome our witnesses from the Department for Work and Pensions: Neil Couling, universal credit director general; and Denise Horsfall, Scotland work services director.

I invite Mr Couling to make an introductory presentation.

Neil Couling (Department for Work and Pensions): That is very kind of you, convener. I want to make a couple of points before we get into the detail of the issues.

First, I know that you have been to the jobcentre in Musselburgh, so you have seen universal credit in action—some of you may have seen it in action in your constituencies, too. I used to say that universal credit is the biggest change programme that the Government is undertaking in the United Kingdom, but that was before the events of the middle of this year—I think that we are probably the second-biggest now, but it is still a huge undertaking.

We refer to the approach that we are taking as test and learn—that is a bit of shorthand that we use. We have been trying to roll out universal credit at a steady pace, keeping the steps small so that we can learn from our experiences. In previous approaches to rolling out big change—although we have not tried anything this big since the creation of the welfare state—people have got locked into ways of working because lots of money had been sunk into the approach, which meant that it was difficult for them to move away from it. Therefore, with regard to universal credit, we have moved at a pace that has been described by outside commentators as slow. That has been a deliberate act.

You will know that, in our first year, we rolled out 10 jobcentres. However, this time last year, I was rolling out 40 jobcentres a week because, once you have worked out what the reactions to your system are on the part of claimants and other customers, you can safely go to scale. That is exactly what we have been doing in Musselburgh and other parts of the United Kingdom. We have tested the process at a small scale, seen what the reactions have been and learned from them. It is worth keeping that in mind when we get to some of the detail.

My second point is that we have got some interesting data on the outcomes, which, as the person who is responsible for rolling out universal credit, I find encouraging. Perhaps, in the

examination of what is going wrong, we might also focus a little bit on what is going right. We have set up a comparative study that compares outcomes for the jobseekers allowance regime with outcomes for universal credit. The Organisation for Economic Co-operation and Development thinks that the jobseekers allowance is one of the most effective—if not the most effective—way of helping people into work across the developed world. Universal credit is producing outcomes in excess of that, which strikes me as being quite remarkable, given the stage of the programme that we are at. For every 100 people who get a job in the first nine months following their jobseekers allowance claim, 113 people are getting a job on universal credit. Those figures are matched—that is, they involve like groups of claimants and like outcomes—and we have had the methodology for the study peer reviewed by the National Institute of Economic and Social Research, so it is not just us saying this. The figures reflect what the reform is fundamentally about—encouraging people into work and supporting them more effectively. What is happening in those first nine months is that people are finding work quickly and staying in work longer, and more people are finding work. That is quite encouraging.

We are keeping those studies going and we intend to produce them regularly as we expand the number of people on universal credit. That will help us to see what kind of labour market effects we are getting. That is a very encouraging start for the programme, but I do not think that it gets focused on much amid all the noise that you hear around universal credit.

The Convener: Thank you. You talked about the roll-out of universal credit being the biggest change programme and you mentioned a test and learn process. Do you have a timetable for the roll-out of the services? We are looking at having two services running alongside each other, which is causing difficulties, as is the digital element. Do you have a timetable for the Scottish roll-out?

Neil Couling: Yes. A couple of weeks ago, we published a timetable up to and including September 2018 that lists all the jobcentres and local authorities across Great Britain where the service will be rolling out. The issue is devolved in Northern Ireland so, about a week ago, the Northern Ireland Government announced its parallel plans for the roll-out from September 2017 to September 2018. I am happy to share the list for Scotland with the committee if you have not seen it.

The Convener: We know that Glasgow has the largest number of universal credit claimants, and we believe that the roll-out in Glasgow will be one of the last to take place. Do you think that there will be any difficulties there?

Committee members also want to ask about the closure of 50 per cent of the jobcentres in Glasgow and whether that will have a knock-on effect on the roll-out of universal credit.

Neil Couling: The key date in the roll-out is October 2017. I talked about keeping the roll-out small while we learn, and between now and October 2017, we will do about five jobcentres per month across Great Britain, and there will be about eight Scottish jobcentres in that phase.

In October 2017, we will step up the pace to roughly—it will vary each month—55 to 60 jobcentres per month. That is what I mean by going to scale. The 712 jobcentres across Great Britain—I think that is the right number—all have a schedule point during the period from October 2017 to September 2018.

We have spoken locally with Denise Horsfall and her equivalents in the other parts of Great Britain to ask what would be the optimal order for the roll-out. I need to get it done and level it out across the country because I have to train people and keep the existing services going at the same time, so I need to know the optimal order. That is why the roll-out in Scotland is shaped as it is. It responds to the advice that I have received from people who are working in Scotland that this is the best way of doing it in Scotland.

The Convener: On that point, we visited Musselburgh jobcentre, and we have also heard from witnesses, all of whom tell us that the difficulties with the two different systems mean that it is difficult to keep up with the changes. Even though we visited only two weeks ago, we were not aware of the jobcentre closures. That cannot just have been decided two weeks ago or last week; it has to have been on the agenda for a number of months. I do not know whether I am directing my question to you or to Ms Horsfall. We were given no indication of the closures while we were visiting the jobcentres.

Neil Couling: I will explain something about those two points, convener. First, we are running a live service in parallel with our new full service, and you saw the full service in Musselburgh. That is the roll-out that I am talking about coming in the next 18 months or so to everywhere in Great Britain.

As part of that, and we have done this in Musselburgh, we move people from the live service to the full service, so there is only one system working in Musselburgh. However, in other parts of the country, such as Inverness, we have not yet done that exercise. It is part of the plan to roll out the service.

I will bring Denise Horsfall in in a minute to talk about the specific issues in Glasgow, but it is worth understanding that the DWP is in about

1,000 properties across Great Britain. Around 1998, the Labour Government took on a process that was started by the Conservative Government, so the process straddled the change in government. In 1998, we signed a 20-year deal for long-term leasing arrangements on those properties. That deal comes to an end in 2018, so we have been negotiating with a very large number of landlords—not 1,000. Some negotiations have been directly with those with whom we took out the 20-year deal and some have been with individual landlords who own the titles to the buildings.

That is a very complicated commercial discussion and, because of some of the commercial confidentiality about it, it is very difficult to do that in an open forum. If the person that we are negotiating with knows that we want to be in property X or property Y, the price of it will go up. We have been trying to secure the best deal for the Government—the taxpayers and the like—because our general view of things was that, 20 years on, we were paying over the odds for the accommodation that we were in. We also wanted to take opportunities to try and co-locate with some local authorities and we have been successful with some of that but, again, if the landlords knew what we were doing in location X, they could work out what we were doing in location Y; cards were kept very close to our chests for those reasons.

Denise Horsfall (Department for Work and Pensions): I will happily come in about Glasgow specifically. In answer to the convener, I will say yes, we did not talk about the closures. When we met I referred to the fact that we were looking at the estate, but I certainly was not specific. It was not in my gift to be specific at that stage; I had no authority to talk to you about it. My authority came on the day of release.

To put the 50 per cent into context, we have a high density of jobcentres in Glasgow compared to other large cities across the UK. We cannot do some of our activities in those sites; our smaller sites do not allow us to bring partners or some of the employers in—we just have not got the space, whereas we have a large amount of space in other places, such as the retention sites that we have been talking about. We looked at what was felt to be an appropriate and reasonable travel distance between sites, settled on some anchor sites and sites that we are retaining, and then looked at the travel distances from the smaller sites where we just cannot do the business, so that we could absorb the business into the retained sites. That is pretty much the picture. Now, I can go through every single site, if you want me to.

The Convener: We do not have time, unfortunately.

Denise Horsfall: I am sure that everybody knows by now that the principle is very much about trying to be reasonable about the distance that people have to travel between sites. In five out of the eight sites that we are asking people to travel from, the distance from site to site is somewhere between 1 and just over 2 miles. The other three sites that we are consulting on are at distances of between 2 and 3 miles. I recognise that it is like a Venn diagram that people live outside—some people do not live on the doorstep of the jobcentre. As we go through the consultation and the implementation activities, we will make sure that we look at those outlying customers and think about where is the best place for them to go to. At the moment these are proposals—we are going through the consultation period.

The Convener: I know that many members want to come in and I might come back in again too.

Adam Tomkins (Glasgow) (Con): I want to pick up on those questions, particularly with regard to Glasgow. I understand the issue of the 20-year contract and I also understand—as the all-party House of Commons Work and Pensions Committee said unanimously in a report only last month—that the future of Jobcentre Plus is one of change; to make a success of its new role it will have to ensure that it is open to working in ways that are increasingly flexible, adaptable and experimental. I understand all that, but given those contexts I still have three questions about the proposals with regard to Glasgow.

First, am I correct in understanding that we are talking about both the merger and the closure of a number of jobcentres? If I have understood correctly the communications from the Secretary of State for Work and Pensions in the last few days, it is proposed that three jobcentres in Glasgow will close and, in addition, that there will be a number of mergers; for example, I understand that Anniesland and Partick will be merged. My first question is: am I correct about that?

Moving to my second question, I understand concerns about commercial confidentiality, but this Parliament has well-established ways in which Governments can communicate with parliamentarians under conditions of strict confidence that enable us as elected representatives to understand in advance the Government's thinking.

09:45

I am a member of the Finance and Constitution Committee, which frequently takes issues in confidence where that is necessary for reasons of

commercial confidentiality. I am sorry, but that excuse does not stack up, given the well-established procedures that we have for dealing with those sorts of questions.

Thirdly, is the consultation to which you referred on the closures only, or does it cover the jobcentre mergers elsewhere in Glasgow? Is the consultation live yet? I could not find it on the DWP website this morning.

Denise Horsfall: I will take your first question first. There are eight jobcentres that it is proposed will not be operating services in those areas. I am trying to be clear. Whether there are mergers or closures, those jobcentres will not be the same jobcentres once we go through consultation, unless the consultation says that we should retain them.

There are eight jobcentres—I suppose that you are talking about what is up for full consultation and what is not.

Adam Tomkins: Yes.

Denise Horsfall: Three are out for full consultation, and five are within the guidelines for what we consider to be a reasonable distance to travel to a neighbouring jobcentre, which is less than three miles or 20 minutes away. Those are the guidelines that we use, so those five jobcentres are not out for full consultation. They are with the accounting officer, and I am afraid that we can decide where to put the business.

Three jobcentres are out for full consultation because they fall outside the guidelines. From a ministerial perspective, there are some guidelines that ministers decided that we should be thinking about, and those specify a travel distance of over three miles or more than 20 minutes away. Those three jobcentres are Bridgeton—

Adam Tomkins: Castlemilk and Maryhill.

Denise Horsfall: Thank you—Castlemilk and Maryhill. Five are not out for full consultation.

That means that all services will still be provided on the sites, wherever the customers are asked to go to. There are no jobs lost. The individuals will still receive the service—a better service, in fact—than what they are currently getting. We just cannot operate out of some of those jobcentres in the way that we wish to.

Your second question was on the issue of commercial confidentiality and your concern about not being advised beforehand. I am afraid that you will have to take that up with ministers, Mr Tomkins—it is really not for me to comment.

Please remind me of your third question.

Adam Tomkins: Is the consultation live? Is it on the website?

Denise Horsfall: Yesterday it was not, so I will take that away and ensure that I understand when it will go live. We have posters and leaflets, but you are right to ask when the consultation will be visible to people who are not visiting the jobcentre. We have issued letters to all stakeholders, and I will certainly be happy to provide the committee with the website address.

Adam Tomkins: We have been told that the consultation will run until 18 January.

Denise Horsfall: Yes.

Adam Tomkins: What is the length of time for which you would ordinarily expect such a consultation to run? I thought that the normal length of time for Government consultations was 12 weeks.

Denise Horsfall: I have been advised by the programme that 18 January is the deadline.

Adam Tomkins: Even though the consultation is not yet live. So that deadline will not be put back, despite the delay in getting the consultation up and running.

Denise Horsfall: I will have to take that away.

Adam Tomkins: Please do.

Denise Horsfall: I will.

Adam Tomkins: Thank you.

Pauline McNeill (Glasgow) (Lab): My question is on the same subject. I am not convinced that these changes will mean a better service for the people of Glasgow. Are you still in negotiation with the landlords over the properties, or has that stopped? Is that the sole reason for the three closures and five mergers?

It seems extraordinary, given the extent of the closures—as Adam Tomkins noted—and what the convener said about the volume of claimants in Glasgow, that there has been hardly any consultation time at all. Most people probably go on some kind of holiday from 23 December. The Government must be aware that it is very difficult to run a consultation in that period, when a lot of things completely shut down. It does not leave much time for consultation at all. Perhaps we need to take this up in another forum but I would like to get on the record my point that the extent of the closures is quite extraordinary.

On the question of reasonable distance, I do not know how well you know Glasgow but those who do will know that sometimes you cannot travel north and south of the river on the same bus. Has any of that been taken into consideration at all? A complaint from many claimants across the country will be that the issue is not whether they are 20 minutes from a property, but how long it actually takes to get there if they have no car. I would like

to think that some consideration was given to that point when you made a decision on what a reasonable distance was.

Denise Horsfall: We used our information technology systems to investigate Traveline and Google Maps. I get that that is not the same as getting on and off a bus.

Pauline McNeill: It is not.

Denise Horsfall: No, but still Traveline tells us—

Adam Tomkins: Why would you not consult users of the service?

Pauline McNeill: Surely if you were modelling how long it would take a claimant, on average, to get to the property, you would look at the bus services.

Denise Horsfall: That is what I am saying; we have looked at Traveline and the bus services to and from—and around—the properties. That is not the same as physically doing the journey. As we get into granular planning, we need to understand how customers can get to and from the properties—particularly those outwith a direct link, jobcentre to jobcentre. There is further work to do, without a doubt.

Pauline McNeill: Are you still negotiating with landlords over any of the properties?

Denise Horsfall: I understand that the negotiations across the UK are still going on. Where negotiations in relation to Glasgow specifically are is not part of my responsibilities, I am afraid.

The Convener: I have another question before I bring in George Adam. At the very beginning of the meeting, I said that when the committee went to visit Musselburgh jobcentre, these closures were imminent but no one passed on that information to the committee. Denise Horsfall replied that it was not within her power to let the committee know and that she just knew about it herself, but an awful lot of work has gone on in the background—Denise mentioned Traveline, for example.

I assume that Denise, Mr Couling and others will have talked to each other. You must have known months ago that the jobcentre closures were going to happen and yet you are saying that it was not in your power to tell us and that you were told only when it was announced. I would like a wee bit of clarity on that, considering that we are giving claimants and others in Glasgow only something like a week, really, to respond—as Adam Tomkins and Pauline McNeill have said—because of the Christmas and new year holiday period. How long has this been going on with those jobcentre closures, which no one seemingly knew about?

I will fling something else into the mix. The landlord in Castlemilk said that he would reduce his rates for the jobcentre in Castlemilk to ensure that it stays there, so we are talking about renegotiation once again.

Denise Horsfall: On timescales, without a doubt, you are absolutely right, convener—they did not just drop out of fresh air. There was a discussion about what seemed to be acceptable and available for the city of Glasgow—what the best use of the estate was and how we were going to deliver the services. Those proposals then went to a consultation period with landlords. Negotiations were going on somewhere else in the organisation and I did not know the end shape of it until five days before, when I was told that the negotiations were finished and that the proposals were okay from a commercial point of view.

That is the clarity—I knew five days before and I was not in a position to be public about it until the day of the announcement.

The Convener: So basically the DWP looked at only these closures—only these areas in Glasgow?

Denise Horsfall: No.

Neil Couling: No.

The Convener: I think that you need to clarify that. Was there a bigger trawl in Scotland as a whole before you settled on Glasgow?

Neil Couling: This is where I agree and disagree with Mr Tomkins at the same time. Imagine this: there are, in effect, 1,000 negotiations going on at the same time—I am probably exaggerating the number, because some of them are with a landlord who owns about 40 per cent of the buildings. However, just imagine: there are lots of negotiations going on, to different timescales, that are completing or not completing. Across Great Britain, some of Denise Horsfall's equivalents will know what is happening in locations and we will have published the outcomes; in other locations, though, discussions are still going on. Therefore, we do not have a complete national GB picture yet. What Denise Horsfall is saying is absolutely right: as negotiations are completing, Denise and others will be made aware; not least because when the negotiation is completed, the landlord is then free to say what is going on. Many of them have commercial considerations as well, and their shareholders know that they have been negotiating with us.

The picture is quite complicated—being able to lay out exactly for everybody what is going on in the middle of the negotiations and what will happen subsequent to them. That is why I agree and disagree with Mr Tomkins. We are talking to

the Scottish Government, members of the Scottish Parliament and members of Parliament about the consequences of the decisions that we might make across the piece. However, it is not possible to do that in the midst of the negotiations, simply because we might find that a landlord tells us that he does not want us in his property from now on, for example—we have had a number of those in the negotiations, so we have had to try to source another property in that location. On the other hand, we might be coming out of a location and the landlord does not want us to, so they offer us a revised deal even after the negotiations.

I am not trying to hide behind the argument that it is very complicated, but it is quite complicated. I do not think that you should infer from that that there is a lack of desire to talk or consult; it is just that this is quite a tricky thing to do. We will never have a 20-year deal again where the negotiations all end up being done at the same time.

Pauline McNeill: I still need clarity on my question, because I have not had an answer to it. The DWP is a big Government department. I know that the negotiations are complicated, but is the 20-year leases coming to an end the sole reason why you will potentially be closing five job centres in Glasgow? Is that what it amounts to?

Neil Couling: I would not say that it is the sole reason.

Pauline McNeill: We have not been given another one.

Neil Couling: Clearly, we are at a point in time at which we have to renegotiate, whatever happens. If we had left the negotiations until 2018, we would have been taken to the cleaners by our existing providers.

Pauline McNeill: Why would you?

Neil Couling: We are engaged in a process now. You are asking why we are doing it now; it is because if we can do it now and reach a deal beforehand, we will get a better deal in terms of cost and service provision.

Pauline McNeill: Essentially, irrespective of the point at which you negotiate and go public—I am sorry to dwell on this, but I want to be clear about it—the reason why the consultation is taking place is because you are having to renegotiate the property leases, albeit that it is complex. There is no reason other than that for proposing the closures—if there is another reason, I have not heard it.

Denise Horsfall: The contract coming to an end gives us an opportunity to look at the complete estate, across Scotland, in order to make the best use of what we have. I have half-empty buildings that we have been paying for as well as buildings that I cannot fit all the services into.

Pauline McNeill: In Glasgow?

Denise Horsfall: Yes. The point about bringing the hubs together is to maximise the use of the buildings where we have space so that we can provide better services than we can currently provide in the sites that we are closing because we cannot fit services in there. Certainly with the footfall under UC, it would worry me if I retained some of the accommodation that we have.

10:00

Neil Couling: The 20-year deal in effect locked us into a lot of the properties. Denise Horsfall has been left with a great amount of underutilised space in a lot of places, and we have been unable to get out of it because if we wanted to leave the building, we would have had to pay a premium price. That is why I say that I am struggling a bit to answer Ms McNeill's question. It is an opportunity, but I am worried that if I say that, you will think that I have been wanting to close sites and do other stuff for a long time. That is not the case. We are trying to shape our business for the future. In the current phase, universal credit will put about another 1 million people through the jobcentre network, so Denise Horsfall, when she constructs her plans for Scotland, needs to size for that fact. Even after doing that, we have come to the conclusion that we have come to on the shape of the jobcentre network in Glasgow.

So, that is what we have been trying to focus on.

The Convener: Mark Griffin wants to come in quickly on the same point, and then I will come to George Adam, who has been waiting patiently.

Mark Griffin (Central Scotland) (Lab): I have a quick question to clarify whether I have picked up something correctly. You say that you are in the process of renegotiating across the whole of the UK and that you have completed that in Glasgow, which is why you have brought forward the proposals there. Will we see similar closure proposals in Lanarkshire, Falkirk, the Lothians and right across Scotland?

Denise Horsfall: There are two things. One is that we have already made some closures. For example, the Stornoway jobcentre is moving into the debt centre, as I think I mentioned when the committee visited Musselburgh. In Gala, we are closing the building and moving into smaller accommodation, because that is all we need there, which is the reverse situation.

For the rest of Scotland, the process has not been concluded. I would love to assure you about the rest of the sites in Scotland but I cannot do so today. I hope that we will know by the end of February or March at the latest where we are with

every single site across the UK, but I do not know and cannot tell you that today.

The Convener: Two more members want to come in quickly on that issue. George Adam is being very patient, but his question is on a different subject.

Alison Johnstone (Lothian) (Green): I do not want to come in on this subject, convener.

The Convener: Okay. Gordon Lindhurst can come in then, followed by George Adam.

Gordon Lindhurst (Lothian) (Con): I understand what the witnesses are saying about the need to reassess sites and what you are doing. From what you say, there appears to have been a block deal, and the leases are coming to an end, which gives you an opportunity to reassess. However, when the consultation is on such a short timescale, will not people suspect—and it might be true—that the consultation is pointless and is simply one of those that is held after the event? What is the purpose of the consultation?

Denise Horsfall: For the three sites that I mentioned, it is to listen. We have already said that the timescale appears to be too short, so I will take that away. However, I cannot promise anything today, because the consultation periods are set somewhere else.

Gordon Lindhurst: Does that mean that the approach to be adopted or the decision that will be made on the sites may be altered as a result of the consultation?

Denise Horsfall: Why consult if that is not the case?

Neil Couling: We have to be open to the possibility that this could change. I used to run the jobcentre network and ran a number of consultations on a number of buildings across Great Britain and changed our thinking on a number of those in the light of local feedback. So, yes, it is an open consultation.

The Convener: I am going to bring in George Adam, but I think that the committee agrees that you should take back to whoever you take it back to the committee's concern that the consultation period is only about a week and our wish for it to be longer. Actually, it would be interesting to know who you take it back to, but maybe we will find that out eventually.

Neil Couling: I sit on the executive team of the Department for Work and Pensions, and I have heard the message very clearly.

The Convener: Thank you.

George Adam (Paisley) (SNP): The period is a week and, as Pauline McNeill said, it is also over

Christmas, which is not exactly the best timing—or I could be cynical and say that it is the perfect timing.

I want to talk about the universal credit roll-out. Mr Couling said that we have seen it in action and, unfortunately, we have seen it in its various guises in our constituencies—I have had tragic stories come in to my constituency office. For example, the sanctions regime is creating human carnage and is causing untold problems for families. We had evidence on that from Musselburgh citizens advice bureau, too.

Could you tell me, so that we can go through it, what the process for the sanctions regime is? We seem to have all sorts of different stories. Nine times out of 10, by the time that an MSP or a parliamentarian gets involved, we can sort it out, but why does it get to that stage? Why are we ending up with all these problems?

Neil Couling: The sanctions process within universal credit is slightly different from the one in jobseekers allowance. If you will allow me to explain a little, it might help the understanding here.

In jobseekers allowance, if a person fails to attend—if they do not turn up and “sign on”, in the old language—we stop their money. We wait for five to six days to see whether they contact us, but we stop the case there and we stop paying them.

In universal credit, we do not do that, because universal credit is not just jobseekers allowance; there might be housing, money for children and maybe some money for disability or caring in the total entitlement, so we do not stop the money if the person does not contact us. What we do, in that case, is to refer for a sanction—and only on the jobseekers allowance equivalent portion of the entitlement. That is for two reasons. First, I mentioned testing and learning. Early on in the roll-out, we realised that we were in danger of people going into work and just failing to tell us—quite often, people do not tell us when they go into work. Therefore, we would withdraw a big chunk of support when in fact they qualify for continuing universal credit in work.

In your experience, which is probably in the cases that go wrong and come to you in your constituency offices—because the cases that go right will never go anywhere near you—you will see a bit more noise around sanctions. That is not about a desire to be punitive; actually, it is the opposite—trying not to do what we would have done under the old system, which is to switch everything off. So much money now rides on a universal credit claim; it is not just the jobseekers allowance element.

I do not know whether that helps you to understand what is going on. When you see the

numbers, it will be very easy to say, “Crikey, there are a lot more people being sanctioned under universal credit than there were under jobseekers allowance”. However, that will be because that would have shown up not as a sanction but as a closed claim under jobseekers allowance, and we are not closing people’s claims.

George Adam: But that still does not sort the problem of the person not getting the money that they need at the time—the human cost of the policy.

You said that you want to concentrate on what is working in the system, as opposed to the “noise”—as you put it—that we are hearing about what is not working. The problem is that the “noise”—to use your words again—and the things that are not working are what the public are talking about. That is the important thing and the bit that is affecting people’s lives. At the end of the day, you are these people’s last and best hope to sort things out. If that safety net is not there, things become very difficult for these individuals.

Neil Couling: That is to misconstrue what I said in my opening comments. I have read the evidence that previous witnesses have given the committee, which was focused solely on what was going wrong. What I was trying to give the committee was a short, five-minute version of what is going right as well. I am very happy to focus on what has been going wrong, and to talk about that and about how we have been trying to improve things.

George Adam: In order to—

Neil Couling: You misunderstand me if you think that I am not going to focus on—

George Adam: In order to improve our system—

The Convener: Mr Adam, just let Mr Couling finish.

Neil Couling: —what is going wrong. That is not what I said. I was just trying to give some balance.

George Adam: In any walk of life, in order to improve our system, we have to work out what is going wrong and then fix it. We cannot just sit there with our rose-tinted glasses on and point out the good things that are happening with the system; we have to deal with the issues. Because of the people you are dealing with, we particularly have to get that right. Talking about the “noise” surrounding it is very flippant: we are dealing with people’s lives, Mr Couling. That is extremely important and I am sure that you are aware of that.

Neil Couling: I am not being flippant; I think that we are talking past each other a bit and that we are agreeing. In order to understand what is going

on, it is better to see the whole picture and not just part of it. You may disagree with me on that—that is your right—but I think that we should look at the whole picture.

George Adam: Musselburgh citizens advice bureau mentioned timescales being a major issue. The system is online, and there is no flexibility for individuals. There is a four to six-week period for payments, as you have said, which includes for housing benefit money, so more arrears are built up. Witnesses have said that that also builds up more arrears for councils for housing. How will you address that? We have heard that you have had those issues in your pilot schemes down south, but you did not fix them and just transferred them to Musselburgh and other sites. How will you deal with that issue if you are not solving the problems?

Neil Couling: The picture on arrears is interesting, as is how it is presented. I will start with the headline position on arrears, based on the data and the search that we have done. Around 48 per cent of universal credit claimants are in some form of arrears with their housing payments. The figure falls to 33 per cent after three months, so there is an issue at the start of claims. I know that the committee has heard evidence about the six-week period before people are paid.

There are issues to do with landlord attitudes and our experience of how claimants find interacting with the system. We found that a number of landlords charged rent in advance while we in the benefits system pay in arrears. In fact, employers pay in arrears, as well. I am sure that salaries in the Scottish Parliament are not paid in advance; rather, they are paid in arrears. Therefore, there is a bit of a book arrears problem in some of the presentation.

A number of people enter universal credit already with arrears. So that we do not go past each other again, Mr Adam, I am not denying that the amount of arrears in individual cases has grown, but it is not right to suggest that universal credit is the causal factor in somebody having arrears. Mr Adam did not suggest that, and I am not accusing him of doing so. Many people are in arrears when they go into universal credit. We build a bit of arrears at the start of that process, partly because of the way in which Parliament designed the system, and then we start to clear those arrears.

Why is that happening? There is another causal factor that we identified, which we are trying to address while we keep things small. Many people, particularly in the social rented sector, do not understand that they have a rent liability. I am not blaming them; that is just a result of how the previous system was constructed. People declare on their claims that they do not pay rent and, about two months later, we get an anguished call

from a social landlord, who says, "They haven't paid their rent for two months. What's going on?" The person said in good faith that they did not pay rent, as it had been taken care of by housing benefit for years.

We have done some work on how we explain to people when we bring them on to universal credit that they are liable for their rent if they have rent. A few months ago, I talked to Angela Leitch in East Lothian about that. If the person lives in a social rented sector property, they will have rent, but they might not appreciate that they do.

We have such issues to work with. We have asked people in East Lothian to join us in our group sessions for claimants at the start of their claims, when we explain to them what universal credit is like and what they have to do, to help them with their declaration that they have a rent liability.

A number of factors are driving this. There is the attitude of landlords regarding how they book arrears in their own accounts. There is the pre-existing arrears position. There are the interactions during the six-week process before someone gets their first payment. There is a lack of understanding about universal credit and what someone needs to declare at the start of their claim.

In answer to George Adam's previous question to me, I say that, yes, we are working to improve the situation.

10:15

George Adam: I have one short, simple question. Do you give staff targets for sanctions? There seems to be an urban myth that staff are encouraged to do more sanctions.

Neil Couling: No, we do not. In 2014, I think, I did a study for the then secretary of state that debunked that myth. It persists inside the organisation. I know that Denise Horsfall will do lots of work in her team with her managers to continually emphasise to people that we do not have a target for sanctions.

Mark Griffin: I want to touch on the issue of universal credit and rent arrears. First, was the previous benefit, housing benefit, paid in arrears or in advance?

Neil Couling: It was paid in arrears.

Mark Griffin: Then I do not understand why universal credit should be different. As housing benefit was paid in arrears, a move to universal credit in which the housing element is paid in arrears should not make any difference. However, some of the evidence from local authorities shows a difference. In Highland Council, 82 per cent of

council tenants who claim universal credit in the live service area and 96 per cent of tenants in the digital service area were in rent arrears last month. In East Lothian, 82 per cent were in arrears. In Inverclyde, 69 per cent were in arrears. Compared to my time in local government, those seem to be staggeringly high numbers of people who are in arrears. How do those figures compare to other areas?

Neil Couling: We have not yet been able to isolate the UC effect on arrears. In the old housing benefit world, for social landlords that happened to be councils—which in Scotland was predominantly the case—the risk was sort of contained. If someone was in arrears because housing benefit was paid in arrears, whether the council booked or even noticed those arrears, it knew that, given how housing benefit worked, the rent was eventually going to get cleared and it was not particularly worried about it. As universal credit moves the benefit outside the council's boundary, I think that councils are supersensitised to the change.

What has shocked landlords, and in particular social landlords, is that they have looked at their own accounts and realised the level of arrears that they were carrying inside the system. That is true, as Mr Adam has said, in a number of the pilot areas down south; they have been quite shocked.

We are trying to do a piece of work to isolate the universal credit effect on rent arrears. There are things that we can do to minimise it, and it is in everybody's interest to do that, but as yet it is quite a tricky piece of analysis to do. The information on the pre-existing situation across all the councils and social landlords, which we need for our base analysis, is not very clear.

I am not denying that the higher level of arrears is an issue, but it is not out of control. Because of the way in which universal credit works, the arrears get cleared quite quickly, which is why in my opening answer—I cannot remember to which question—I said that the 48 per cent who are in arrears at the start of the claim is down to 33 per cent after three months, and it falls after that as well. We are clearing the arrears, as it were, out of the system. It is a short-term effect for landlords. Does that make any sense to you?

Mark Griffin: Yes, thank you.

The Convener: Gordon Lindhurst wants to come in with a short question.

Gordon Lindhurst: It has just been answered, convener.

Alison Johnstone: I want to pursue the point about arrears. At its meeting on 20 December, East Lothian Council will be discussing a report that provides an update on welfare reform and

universal credit. The report is by the deputy chief executive for resources and people services, and it makes for very concerning reading. It speaks about the

“impact of Universal Credit Full Service on mainstream Council house rent collection”

and tells us that current tenant rent arrears have increased by almost 20 per cent, which is an increase of more than £241,000. By way of comparison, during the same period in the previous year, tenant rent arrears reduced by some £51,000.

Serious concerns are raised by that and by the Scottish Federation of Housing Association, which said that, at a joint SFHA DWP meeting in September, you pledged that you would not allow the further roll-out of universal credit in Scotland until it is safe to do so. We have previously heard very serious concerns from witnesses who are involved with the roll-out in East Lothian. I would be grateful if you could let us know what you are doing to reassure councils such as East Lothian that that is going to be addressed. You said that, because of the way in which it operates, arrears can sometimes be cleared off quickly. I hope that that is the case.

I would also be grateful if you could touch on the impact that the loss of implied consent is having on a great number of people. The SFHA feels that, as welfare rights charities cannot advocate on behalf of people in the way that they might have done before, that is leading to unnecessary evictions. Please focus on those two points first.

Neil Couling: Do not let me forget implied consent—I am sure that you will not—and let me concentrate first on the arrears position, particularly in East Lothian. As I said, because of the situation, I met representatives of East Lothian Council in order to explain what had been going on. There has been another exacerbating factor in the roll-out that I need to tell the committee about, if I may.

We are keeping the roll-out small, which is no comfort and does not matter if you are in East Lothian, because the roll-out is happening in your locality and, therefore, it is big. That does not wash as an argument with Angela Leitch and her colleagues at East Lothian Council and I would not try that with them anyway.

I paused the roll-out before, in March, and nobody noticed despite me putting it on the GOV.UK website and telling everybody that I had done it. It is quite amazing that nobody rounded on me and told me that, because I had paused the roll-out, that was the end of universal credit. I mean what I say: if it looks unsafe and if we cannot be confident that we can deliver services to our customers, we will not go ahead with universal

credit until we are confident. I have a track record of pausing the roll-out and I will do it again if we need to.

I did not pause the roll-out in the autumn even though we knew that we had some problems. I took the judgment that those problems were containable and recoverable. We were not making enough determinations at the end of the first assessment period, which created a vicious circle in how work was processed in our service centres. Essentially, what happens is that if we get behind, we get more calls and we get further behind—we can get into a bit of a nasty circle due to that. We had to break our way out of that, which I did by deploying extra resources into the service centres. I went 25 per cent above what my staffing allocation would be to put those resources in. I can do that, because I kept it small. That has allowed us to fight our way out of the vicious circle that we were in.

My estimate from the management information that I see is that we are now up to about nine out of 10 housing payments cases being made by the end of the first six-week period of the initial claim. That should have the effect of not creating the very high levels of arrears that East Lothian experienced. When we rolled out the system in East Lothian, we were nowhere near 90 per cent. At one point, we were at about 50 per cent in the cycle. It takes a bit of time to recover, and our telephone service is the last thing that is recovering on that journey. As we clear the arrears and get the claims up to date, the number of phone calls that we receive starts to fall and the call wait times improve—in other words, we get into a virtuous circle of delivery rather than the vicious circle that we were in before.

That has driven a rather difficult set of circumstances in the case of Musselburgh and for East Lothian. I said to the council that, ultimately, if it accrued costs as a result, I would be open to having a discussion about what the department could do about that. We asked East Lothian to go first. It is a test-and-learn environment and, if there is stuff that has hit the council as a consequence, I do not think that it should suffer that because of us. We are in discussions about that. Without making any promises, I have said that we will look at some of that.

That is what has happened there. I am pleased to say that, in November, in nine out of 10 cases payment was made in the first assessment period, which represents a better performance than the performance on housing benefit. There will always be some cases that involve queries and which cannot be dealt with at the same pace.

The Convener: Do you want to come back on that, Alison?

Neil Couling: If you come back on that, I promise that I will also deal with the issue of implied consent.

Alison Johnstone: I am quite happy to move on to implied consent, which I think will have an impact on arrears in the long run. People cannot understand what is happening and they need a bit of assistance. Let us face it—the system is fairly complex. Why did we reach a position in which implied consent did not follow the change to full service?

Neil Couling: We have implied consent in live service, but we do not have it in full service. I will explain why that is and how it is possible to get explicit rather than implied consent, if that is not too detailed an issue to deal with. I will be happy to do a note for the committee after the meeting, if that would help, because it is quite a complicated story.

We do not have implied consent because the claimant has full access to all the information that we hold on them. If someone went into a Citizens Advice Scotland office and said that they were having a problem with their universal credit claim, the adviser could go on to one of its systems and see the whole claim. They could see everything that the assessor had at the DWP end.

It is like that because we have a principle that the data that we hold is the claimant's data, not ours, so they should be able to see everything that we have said on the case, including all the discussions that have gone on with the claimant via the journal and the "to-dos". Some of you who have been to the Musselburgh office might have seen some of that.

Alison Johnstone: Was that the case with live service?

Neil Couling: No. In live service, that is not possible—people cannot see their system account. We have implied consent, and someone's adviser can ring up on their behalf and ask queries.

The fact that we do not have implied consent in full service does not mean that the adviser cannot ring up. If the claimant would like the adviser to speak for them, what they need to do is simple: they just put in the journal, "I would like my adviser, Neil Couling, to speak to you about this." We will then speak to the adviser. We might check back that the person is in the room with the adviser. If they are not in the room, we will set up a three-way telephone call. If someone in a rural community has rung CAS and wants CAS to ring us, we will set up a three-way call for them.

Although we do not have implied consent, we have not withdrawn anybody's rights to do stuff. I

have said to my team that we must explain to the advice world how it works in the new system.

Alison Johnstone: That would be very helpful. CAS and the SFHA are very concerned about this, so perhaps we need more dialogue.

Convener, can I ask one more question?

The Convener: Just a small one.

10:30

Alison Johnstone: Earlier, we spoke about sanctions. Universal credit combines in-work and out-of-work benefits. In-work conditionality is a new requirement and a lot of people might not understand it. The Institute for Fiscal Studies estimates that 1.3 million in-work universal credit claimants will be faced with conditionality, which is a doubling in the number of those who could be faced with conditionality now. Is enough support on offer in jobcentres and so on to help people to understand in-work conditionality?

Neil Couling: Not yet, and we are not doing that yet, which is probably one of the biggest misunderstandings out there about in-work universal credit.

Ultimately, about 7 million households will be on universal credit. About 3 million of those will be in work, although some of them will be working at a threshold—there are different thresholds in the scheme—at which they are in full-time work, but they might have quite high housing costs and a couple of children, so they will qualify for support. We will not have very much to do with them, other than to administer their claim.

However, there is a bunch of people who are working a bit and who we would like to work a bit more and earn a bit more, and those are the people we want to work with and help. Nobody in the world has tried to do this before. A canton in Switzerland tried something like it once, but there is no evidence for what we are doing.

Using the people who are flowing on to the live service from September this year, we are running a randomised control trial on people who get a job while they are on universal credit. They are directed either to the no-help group, which is in effect the control, or to different forms of support that we are trying out. It is just a trial; we have no resources yet to roll it out across the country. It is not in my plan. As I told the Public Accounts Committee a while ago, if somebody changes my plan from outside, in other words if Parliament wants more or different things to be done, I reserve the right to change the plan that I am working to to accommodate that.

We are trialling a number of different interventions. Nobody knows what will work. It is

not about applying sanctions—it is not that crude. The situation has been a bit misrepresented. It is about trying to understand what would help people to progress onwards and upwards. If the results of that randomised control trial show what interventions work, I will put some proposals to ministers and ultimately to the Treasury to ask it to fund any activity or do whatever we need to do.

Your sister committee in Westminster has done quite a good report on that. It started by telling us that the DWP was out sanctioning people again, but we worked quite hard with it to get it to understand what we are doing. It is almost unheard of for a select committee to commend the DWP, but we were commended for the work that we are doing on this. I am determined to be led by the evidence and the state of public finances is such that we cannot be led in any other way.

Ben Macpherson (Edinburgh Northern and Leith) (SNP): I have a number of questions but I want to say good morning, and that it was great to visit the jobcentre in Musselburgh a couple of weeks ago. I think that I speak for the committee when I say how much we respect the hard job that front-line staff are doing in jobcentres in Musselburgh, across Scotland and the UK.

Neil Couling: Thank you.

Ben Macpherson: During that visit, we got first-hand insight into how universal credit is managed on the ground in jobcentres across the country, how pertinent and important the claimant commitment is to the whole system, how fundamental it is in setting expectations and standards, and how much of a repercussion it can have if the claimant commitment is not fulfilled because of the use of sanctions and other punitive measures that can follow thereafter.

I want to drill down into some of the detail of that. First, I would like to know how work coaches are trained to set appropriate work-related requirements for claimants who have a medical certificate or are awaiting a work capability assessment.

On a separate but related point, what guidance and training is available on the discretion that the process requires? Does the necessary monitoring and constant reassessment take place to ensure that the process of encouraging people and enabling them to fulfil the work commitments that are set for them is healthy?

Denise Horsfall: First, I thank you for your message of respect, which I will take back to the teams on the front line. It means an awful lot, as they see so much that is different in the papers.

Our new work coaches are put on a routeway that takes them through technical and solution-focused training. I think that you are interested

mostly in solution-focused training, which is about how a coach interacts with and draws out an individual and works with them so that they can identify their own solutions rather than being told what to do.

In the dim and distant past, we just sat there advising people on what they had to do. Now, we work with people—it is not by default that we have changed our terminology to refer to “people”—to draw out what they can do and to identify the support that they need to progress towards or into employment.

We have now picked that training routeway up and pushed it through the City and Guilds accreditation process to ensure that it is robust, and we are currently conducting trials with our new work coaches on how to apply the City and Guilds standard to the routeway.

In relation to continuous improvement, I am changing the organisational structure in the jobcentres so that we declutter the responsibilities on line managers. All the important extraneous activity that they have been doing will be given to someone who has sole responsibility for those things, and we hope that that will allow line managers to spend around 80 per cent of their time coaching their work coaches. Line managers will—depending on the number of part-timers—have anywhere between nine and 13 work coaches to look after, and their role will be primarily to ensure, based on information that comes back from customers, that the services that work coaches provide and the services that we wrap around the work coaches are appropriate. That is probably all that I need to say at this stage.

Ben Macpherson: Every situation is different because every person is different, but it would be useful—not least for me as a politician—to have greater transparency around how discretion is managed and how the process ensures that the claimant commitments are appropriate for every individual. That would be beneficial and highly pertinent.

I would like you to make something absolutely clear. What happens if a claimant commitment is not accepted by the individual involved? Do you believe that the presence of an advocate or adviser at the initial meeting to set up a claimant commitment could or should be encouraged?

Denise Horsfall: There are a couple of issues there. We have formal quality assurance meetings with every work coach, and they must be quality assured by their line manager once a month at a minimum. I want more than the minimum, which is why I am reorganising the structure to ensure that a work coach team leader spends the majority of their time with their work coaches. In this space, observations in all different guises are really

helpful to improve an individual's performance and capability. The reorganisation means that somebody can observe whether those capability requirements are being met and whether a work coach needs to go for further training, and whether there is a gap in the wraparound services that I mentioned. There is a formal process: it is not just about nice and squidgy observing, but quality assurance.

If a claimant commitment is not accepted, the expectation is that the customer will be seen by the line manager to discuss why they felt that the claimant commitment could not be accepted. I do not know what the statistics are on that because such situations are so few and far between. My concern is the other way: that people sign things when they are not quite clear about them. That is why I am very keen to ensure that our work coach team leaders are very clear about those relationships with the customer and that our work coaches are supported.

Ben Macpherson: Is pressure put on claimants to accept the commitment agreement?

Denise Horsfall: No, not in that way. There is an explanation of the content of the commitment and it is explained that there will be a discussion with the individual, who will have to provide some evidence. Normally people are quite happy with that. The issue is when people walk out of the building and then think that they may have agreed to too much. That should not happen, but it might happen sometimes. They should come back in such cases.

I have sat in meetings time and again where work coaches say, "If you walk out the room and you think that actually this isn't achievable, please come back and talk to me about it because we can change it."

Neil Couling: I will not run through all the numbers because I suspect that the committee would get very bored, but we have published data on people's understanding, in the context of universal credit, of the claimant commitment, whether things will be followed up, what the customer's responsibilities are and whether they understand them. That points to areas where we need to improve. However, we are getting quite high levels of understanding about what is going on in and around the claimant commitment. I will give the committee that data, rather than run through it now.

Ben Macpherson: Would you be open to providing us with more details on the guidance and the way in which the assessments are made on the shop floor, so to speak? That would give us more understanding of where the signposts are when the claimant commitments are being

constructed and assessed. Are those internal documents that cannot be shared?

Denise Horsfall: I am not sure. Are you referring to the claimant commitment or the quality assurance?

Ben Macpherson: I refer to both. How do your staff go through the process of constructing a claimant commitment? What is their guidance? I would be interested to know.

Neil Couling: Can we take that away and get back to you with an answer? I think that you are asking for one thing that is within three things in our minds. If we try to answer now we will look a bit evasive, but I agree that there is no reason why you should not be able to see how we train our people to do stuff.

Denise Horsfall: Absolutely.

Ben Macpherson: I would be grateful for that.

One of the clear ambitions that the work coaches at Musselburgh articulated was the A, B, C mantra—any job, better job, career. We can all agree that that would be advantageous if it were followed through. However, some of the third sector organisations have expressed concerns that a lot of individuals fall into an any job, no job, any job, no job pattern. Is there any data on continuous referrals, where claimants are taking any job and then coming back?

Neil Couling: There is data on that for jobseekers allowance. One of the reasons why—this relates to Ms Johnstone's question—we are doing the randomised control trial for in-work claimants is exactly that problem in the British system. There are quite a lot of people cycling round the system. That is why there is quite a lot of housing benefit arrears, because people are moving in and out of responsibility for paying their own rent when they go into work. It is an issue in the system that we are attempting to address. We have data on jobseekers allowance but we do not yet have it on universal credit.

Ben Macpherson: Can you send us that data when it is available?

Neil Couling: Yes. Shall I send you the jobseekers allowance data in the meantime?

Ben Macpherson: Please do. That would be useful.

Neil Couling: It is worth a read.

Denise Horsfall: There was another question about having advocates present. That is not a problem at all. In Dundee, for example, the welfare rights team sit inside the office all week so that people can bring them into the interviews if they need them.

Ben Macpherson: That is very welcome. Given that openness and enthusiasm, could more work be done between the DWP and advice organisations to try to bring more advice into the process?

10:45

Denise Horsfall: Most of my sites or districts have relationships with their local advocates, such as the citizens advice bureau or welfare rights team. There is nothing preventing those conversations from happening. We want people to build relationships on a personal level and to feel confident to disclose their circumstances, because if they do not disclose their circumstances, we cannot support them properly and move them on. Anything that will enable us to do that is of benefit to us all.

Ben Macpherson: That collaborative approach is good.

Ruth Maguire (Cunninghame South) (SNP): I thank the witnesses for being here. There is consensus in the evidence that we have taken on universal credit: although in principle it was meant to simplify matters, in reality it has been quite complex. A number of issues have arisen. You have used the phrase “test and learn” quite a few times, and I think that you described a sensible approach. However, the evidence that we took from local authority officers was that that learning was not being shared between areas. I am interested in your comments on that.

Neil Couling: I have read what witnesses have said about what was happening not being what we promised on the tin, as it were. In fact, I once had a Twitter exchange in Welsh about the matter, which was a brave act on my part. My wife is Welsh, so I had some help from her as well as from Google translate. The exchange was with an advice worker who said that universal credit was much more complicated than jobseekers allowance. In fact, it is, and that is because it includes housing as well as child tax credits and some of the disability benefits. If anyone who deals with universal credit approaches it with the view that it deals just with housing benefit or jobseekers allowance, the process will look more complicated. However, if we add everything up, we can see that the process and the legislation have been simplified and that there is now a common set of rules. That means that we no longer get the effect of the housing benefit rules rubbing against the tax credit rules, for example. The process is simpler in that regard.

You asked about how we share the learning, which is an issue that is extraordinarily important to us. We are passionate about test and learn and believe that that is the way to do things. We have

commended the approach to other departments and other entities, such as the Scottish Government, which is about to embark on running some bits of social security. There is a two-way process. We put practitioners into the teams that are developing things, so we have operations folk, people from the local authorities and claimants testing the stuff that we are building. When we deploy things out there, we have what we call the continuous improvement and learning—CIL—process, which feeds back issues from Denise Horsfall’s folk to my design teams, who then look at what is going on. It might be that something is not meant to be happening, and my teams will ask, “How do we fix that problem?”

We have had lots of feedback, but we have not acted on every piece of it yet because we are engaged in a rather big enterprise, as I said. However, we will get to all the feedback, work our way through it and iron out the problems. As I said, it is a two-way process, in that we have people doing the design who are experienced practitioners in the existing system and we are getting feedback from people from outside and putting that back into how we design and polish the system.

Ruth Maguire: Thank you for that answer. I was quite struck by the strength of the response from the local authority officers who gave evidence. They are established professionals who are well used to systemic changes and working in new ways. Your answer did not really give me what I asked for.

Neil Couling: I will try again.

Ruth Maguire: It felt to me as if those local authority officers wanted some of the learning that was happening in the different areas to be shared. We are talking about systems here, and it causes real problems for the people at the end when things go wrong. Why is the learning not being shared between the local authorities and you?

Neil Couling: From my perspective, it is. However, that may not be visible to some people yet because we have taken some things back to the design stage to get them right. For example, local authorities consistently tell me that we need to share information on the benefit cap for universal credit. In the old world, local authorities had the information on the benefit cap because they were the ones who were doing the capping, through housing benefit, but we do the capping for people on universal credit. The local authorities are rightly saying that they need to know who is being capped because that has consequences for their services and how they support people. They are absolutely right—I have heard that piece of feedback—but I do not have a light-switch approach whereby I can immediately flick something on in the system and send the

information back out to them. I need to go away and design a way of providing information to them that is congruent with the data protection laws and our other responsibilities to protect the system in terms of the gateway that I give them.

It is not easy to immediately respond to feedback. I understand why councils might say, "I was talking to Hounslow the other day, and Hounslow said this to me," or, "I was talking to Islington, and Islington said this to me." A number of councils are giving us the feedback that we are not joining them up or listening. We are listening and I will respond as fast as I can, but that response cannot be immediate—you might be picking that up. We are trying to use the feedback that we are getting to improve the system and meet people's needs, because I agree with the councils that we need to provide them with information on the benefit cap.

The Convener: Can I come in on that particular point? You are talking about the information that has come on board. Is the system manually operated or computer operated? With powers over 15 per cent of social security coming to the Scottish Parliament, we are looking at computer systems and extrapolating Scottish addresses and names from the bigger DWP system. Ruth Maguire talked about the capping and how local authorities dealt with it previously. Is that how the capping would be done? It seems very cumbersome.

Neil Couling: The volumes are such that it has to be done by a system. There are 7 million people in the system—can you imagine trying to handle 7 million bits of clerical information at speed in the interaction between us, local authorities, landlords and so forth? I already provide the councils with certain bits of information so that they can operate the council tax rebate schemes that they run. I provide information such as someone's name, national insurance number and address as well as the date on which their universal credit started and whether they have an alternative payment arrangement with their landlord. At the moment, I do not provide benefit cap information.

We are developing what we have called a landlord portal, which will allow social landlords access to the system in pursuit of the information. It is partly about advocacy such as Ms Johnstone mentioned, but it is also—going back to Mr Griffin's point—about keeping rent arrears and the like as low as possible. That is a non-trivial task, because there is a bit of a treasure trove of data behind the wall that is the DWP, where that data is held. I have to work out a way of enabling that access safely so that no one can data mine or hijack an account and steal data from us.

That is what we are working on, and it is our intention to respond to the situation.

The Convener: Do you have a timescale for that? It seems complicated, considering that local councils had the information previously.

Neil Couling: I am wary of giving any politician a promise, because they are always disappointed when I fail to fulfil it.

The Convener: You do not need to promise—you can just give us an idea.

Neil Couling: At the conference in September, we discussed the full service with the SFHA. We have made progress in the design—we are designing in a very agile, iterative way, so we have a working prototype. However, it has to pass security testing and so forth, so I do not have a date for you by which we will have completed the process. If it helps, that will be one of the things that I need before we go to scale in October 2017. If I do not have it, I will need another way to respond to feedback from councils and landlords. That is the sort of timescale to which I am working, but I ask you not to make me offer a promise. The programme was weighed down with too many promises early on, and it has been successful because I have avoided giving too many promises since then.

The Convener: All we want is transparency—I would be quite happy with that.

Neil Couling: I appreciate that—it is a very fair question.

Pauline McNeill: I have a specific question on a point that the SFHA raised with the committee. One of the perceived benefits of the universal credit system is that a claim can be left open for six months after a claimant has found work. That obviously benefits people who are on zero-hours contracts or in seasonal work. Why has the practice of keeping universal credit claims live for six months been discontinued in the full service without prior consultation?

Neil Couling: It has not been discontinued; we just have a different way of doing it. Technically, in one sense, it could be argued that, in the full service offering, a claim is open for 14 months. All that we do is ask the claimant, if they come back to us, to click a button that says, "Reclaim—none of my data has changed", and we stand the claim back up.

At present, with the live service, we say that we will keep the claim open for six months if the claimant comes back to us, but they actually have to go through the claiming process again. The full service is actually better, I think. However, we have singularly failed to explain that to the SFHA and a number of other organisations so that they understand it.

In my defence, we have been busy building the system, which has been quite a big task.

Explaining and building at the same time while the system is evolving around us is quite tricky. Nonetheless, I have said to the team that we need to get better at explaining things, such as the point about implied consent, because we have a slightly better story to tell than the initial reactions would suggest.

In the full service, there are no waiting days to serve and claimants do not need to verify their identification again. We keep them on the same payment cycle, too. I think that the process is slightly better, but at present I am failing to explain that to the SFHA and others. That is my fault, and I need to do better.

Pauline McNeill: The SFHA has probably heard you. Thank you.

The Convener: I thank our guests Neil Couling and Denise Horsfall—the session was excellent, and we got a lot out of it. You will feed back to us the figures that you mentioned, and you can take away—as you said, Mr Couling—our real concerns about the short timescale for the closure of the jobcentres in Glasgow. We look forward to hearing back from you on that and other issues.

10:58

Meeting continued in private until 11:20.

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