



OFFICIAL REPORT
AITHISG OIFIGEIL

Social Security Committee

Thursday 25 April 2019

Session 5



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SOCIAL SECURITY COMMITTEE

11th Meeting 2019, Session 5

CONVENER

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

DEPUTY CONVENER

Pauline McNeill (Glasgow) (Lab)

COMMITTEE MEMBERS

*Dr Alasdair Allan (Na h-Eileanan an Iar) (SNP)
*Jeremy Balfour (Lothian) (Con)
*Michelle Ballantyne (South Scotland) (Con)
*Keith Brown (Clackmannanshire and Dunblane) (SNP)
*Mark Griffin (Central Scotland) (Lab)
*Alison Johnstone (Lothian) (Green)
Shona Robison (Dundee City East) (SNP)

*attended

THE FOLLOWING ALSO PARTICIPATED:

Ashley Campbell (Chartered Institute of Housing Scotland)
Richard d'Souza (Department for Work and Pensions)
Derek Kilday (Department for Work and Pensions)
Beth Reid (Crisis)
Pete Searle (Department for Work and Pensions)

CLERK TO THE COMMITTEE

Anne Peat

LOCATION

The Mary Fairfax Somerville Room (CR2)

Scottish Parliament

Social Security Committee

Thursday 25 April 2019

[The Convener opened the meeting at 09:00]

Decision on Taking Business in Private

The Convener (Bob Doris): Good morning and welcome to the 11th meeting in 2019 of the Social Security Committee. I remind everyone to turn off mobile phones and to switch other devices to silent so that they do not disrupt the meeting. We have received apologies from Pauline McNeill and Shona Robison, who unfortunately cannot make it.

Agenda item 1 is a decision on taking business in private. Do members agree to take in private item 4, which is consideration of the evidence heard during this morning's meeting?

Members indicated agreement.

Social Security Support for Housing

09:01

The Convener: Agenda item 2 is the penultimate evidence session in the committee's inquiry into social security support for housing. This week's session comprises two panels. I welcome our first panel, who are Beth Reid, senior policy officer with Crisis, and Ashley Campbell, policy and practice manager with the Chartered Institute of Housing Scotland. Thank you both for coming.

We will move straight to questions. The first question is from Keith Brown.

Keith Brown (Clackmannanshire and Dunblane) (SNP): The written evidence that our witnesses have provided shows that they both have real concerns about the freeze on local housing allowance rates. They think that the freeze should be lifted and that the rates should be "revised to bring them in line with the actual cost of renting".

For the avoidance of doubt, I completely agree with that. However, on the other side, is it a concern that the lifting of the freeze would in turn lead to inflationary pressures in the housing market? Would it be a little analogous to London weighting, which in itself stokes up prices and the cost of living?

Beth Reid (Crisis): We have done some analysis of the affordability of properties within the LHA rate across Scotland and found that, in 15 of the 18 broad rental market areas in Scotland, there is a monthly shortfall between the amount that LHA tenants can get and the amount that they pay. There is already a big gap.

On whether ending the freeze would put up rents, we are talking about the bottom end of the market—we recommend that the rate be raised back up to the 30th percentile of local rents—and I do not think that there would be a huge amount of pressure rising up all the way through the market. In areas such as Lothian, where there are already huge pressures on the market and rents are rising quickly, lots of other issues are pushing up rents, and increasing the LHA would be a very small component of that. Things such as Airbnb are having a big impact on rents in the Lothian area in particular.

Ashley Campbell (Chartered Institute of Housing Scotland): In our evidence, we highlight the shortfalls between LHA and the 30th percentile. As Beth Reid said, that is still looking at the very bottom of the market; it is not looking at the market as a whole.

It is worth making the point that one justification for introducing the freeze was that that would dampen down the market. The idea was that an LHA cap or freeze would help to keep rents more affordable. However, we know that that has not been the case. The Scottish Government's statistics on rent in the private rented sector that were released last year show that, between 2010 and 2018, there was a cumulative increase in the rent for a two-bedroom home, which is the most common size of home in the private rented sector, of 21.6 per cent and that the largest increase—33.3 per cent—was in the rent for a four-bedroom home. That compares to a rise in the consumer prices index of 18.7 per cent in the same period. Therefore, rents are increasing over and above inflation anyway, regardless of the freeze being in place.

It is important to note that the increase is not even across the private rented sector. Rents are increasing a lot faster in some areas than in others. For example, Edinburgh, which Beth Reid mentioned, is a particular hotspot.

There are other areas in the private rented sector in which rents are going down—most notably in the Aberdeen and shire broad rental market area. Given the decline in the oil industry, rents in Aberdeenshire have gone down in recent years, which shows that the market is quite volatile. That is not being reflected in LHA.

Keith Brown: In lots of the committee's evidence sessions, people have mentioned the situation in Edinburgh. However, there is a big world, including my constituency, outwith Edinburgh, and it is sometimes difficult to work out what the impacts are elsewhere.

Other members will ask about the supply of private rented housing for benefit recipients, but would lifting the LHA cap lead to a better supply of housing in the private rented sector?

Ashley Campbell: It would certainly lead to better access for people who claim benefits. In our written evidence, we talked about the financial shortfall, but we also looked at the proportion of the market that would be available to people who claim benefits if the LHA cap was lifted. If LHA was reinstated at the 30th percentile—or, ideally, the 50th percentile, which is where it was before it was reduced—a lot more of the market would be opened up to people who claim benefits. It would also give landlords a lot more certainty that their tenants would be able to cover the rent.

Beth Reid: We did some analysis in the wider Inverness region. We looked at 212 properties in an area that we called the Moray Firth. Of those properties, four were available within LHA rates. One was a caravan, which we would not consider to be settled accommodation. That was what was

available. If people topped up their LHA by 20 per cent through their own incomes, they could access another 19 properties, I think. The other issue is that just under half the properties were advertised as “No DSS” or “No housing benefit”. There are a wide range of issues around access, including the reluctance to let to people who are on benefits, but, as Ashley Campbell said, it would improve access if LHA rates were able to meet more of the market rents.

Dr Alasdair Allan (Na h-Eileanan an Iar) (SNP): The committee has heard quite a bit of evidence on rent arrears, particularly the differing views on whether the introduction of universal credit has had an impact on arrears. I am keen to hear the witnesses' take on whether there is a connection between the two.

Beth Reid: We work across Scotland, but we have specific homelessness services in Edinburgh and East Lothian. There is a real concern about landlords in both those areas being much more reluctant to rent to people who are on benefits. We have been told that supported accommodation providers in East Lothian will not rent to anybody with any rent arrears, no matter whether they were caused by the person being on benefits or something else. That is a real issue for many of the people with whom we work.

Dr Allan: Is there a connection between the roll-out of universal credit and rent arrears? I appreciate that this is not unique to universal credit and has been the case with other benefits, but I am thinking specifically about the five-week waiting period before people receive their first payment. Does that have an impact on rent arrears?

Beth Reid: We have a lot of anecdotal evidence. From the surveys that we have carried out with local authorities and those involved with the rent deposit guarantee schemes across Scotland, we know that people are making a lot of connections between welfare reforms, people having greater difficulty in using the private rented sector and increases in homelessness. We do not have direct evidence that the rent arrears that have come from universal credit cause those problems, but that is certainly what local authorities imply and it is what those who are involved in rent deposit guarantee schemes say.

Ashley Campbell: The committee has already heard that there is an awful lot of evidence from the social rented sector about the increase in rent arrears, which is being linked to universal credit. You have probably also heard that some of those arrears might be technical and relate to delays in receiving benefits that result from the first five-week waiting period. Local authorities and registered social landlords are working with tenants to make up those rent arrears, but there is

a backlog, which is causing issues for social landlords' rental income and business plans.

There is probably less evidence in the private rented sector but, because of the way in which private landlords' businesses are run, there might be less scope for them to be able to deal with those delays in payments. The majority of private landlords have one or two homes, and being a landlord might not be their first or only job. It is much more difficult for them to be able to deal with large gaps in payments, particularly at the beginning of a claim. It is much more difficult for such landlords to support a tenant through that than it is for a social landlord, which will have the support mechanisms in place and a lot more staff to help a tenant through their claim.

Dr Allan: Do the difficulties that you describe mean that, as a default, payments should be made to the landlord rather than to the individual? I appreciate that there is now some flexibility around that, but do you feel that that should be the default position?

Ashley Campbell: That is a complex question and it is not quite as simple as the payment being made by default to the tenant or to the landlord in every single case.

The Chartered Institute of Housing Scotland's position on direct payments is that tenants should be given the choice. The Scottish Government has implemented Scottish choices and claimants are now being given the option to have payments made direct to their landlords if they want.

The committee has probably already heard that there are issues with how those choices are being implemented. If a claimant decides to have their payment made directly to their landlord, that does not necessarily happen with the first payment, and if there is an issue or delay, it might not happen with the second or even the third payment. That is not an issue with the choice itself; it is an issue with the way in which the payments are administered.

There are issues of principle. Should a person have the right to choose or not? There are also several practical issues with payments being made directly to landlords. We have talked about the administrative issue of payments perhaps not being made from the first payment after the choice is made, but there are also delays in direct payments being made. Let me give an example. Let us say that a claimant receives their universal credit today—the 25th of the month—and they have decided to have the housing element paid directly to their landlord. However, that payment is not necessarily made on the same day. The housing element of the claim is removed and held separately, and it is paid to landlords in bulk in a four-week cycle. If the claimant's universal credit

claim comes through today and the four-week cycle has just been missed, the housing payment will not go to the landlord for another four weeks. The Department for Work and Pensions is aware of that issue and is working to rectify it, but, again, that is not about the choice; it is about the administration of the system.

Whether a payment should be made directly is quite a simplified way of looking at it. A lot of people might say that tenants do not want the responsibility, or that they want the peace of mind that their rent is being paid directly to their landlord so they do not have to worry about it. That is all fine and might work when a tenant is being paid full housing benefit, which covers their full housing costs. However, in a lot of cases, tenants are paid partial benefits, or their wages fluctuate so their universal credit claim changes from one month to the next. A direct payment to the landlord might cover part of the rent, but the tenant would then need to see how much was left over and pay the remainder themselves out of other income. It is therefore not quite as simple as saying that the payment should be made directly to the landlord in 100 per cent of cases, or that it should always be made directly to the tenant. It is more complex than that.

The Convener: I have been looking at a submission from the Convention of Scottish Local Authorities, which has been systematically gathering as much data as possible on rent arrears and how they relate to the roll-out of universal credit.

In East Lothian, Highland, Inverclyde, East Dunbartonshire and Midlothian—although Inverclyde Council should be taken out of that list because it does not have its own housing stock—it was estimated that rent arrears increased by 26 per cent in the two years from 31 March 2016. COSLA is not clear about how much of that increase can be attributed to the roll-out of universal credit, but it believes that it is a significant amount. It puts a figure of £5.7 million for arrears for River Clyde Homes, which is the largest social housing provider in Inverclyde; over similar period of time—two and a half years—rent arrears for River Clyde Homes increased by 35 per cent.

That is the gap in financing for local authorities and social housing. You will appreciate that that is a significant issue for local authorities and RSLs in terms of cash flow, repairs and maintenance and business plans. All tenants are affected, including those who are on universal credit. COSLA estimated that a bit less than 10 per cent of the population of Scotland are involved—it is a very rough calculation. The figure could amount to £57 million or so not being used over a couple of

years. There are significant issues in relation to rent arrears, which I am sure that you recognise.

09:15

I am all about choices—I should name-check Mr Griffin who has assiduously argued this point at committee—but if the default position was that the money goes to the landlord, even with all the existing imperfections that Ashley Campbell rightly pointed out, that would address a lot of the issues with revenues and rent arrears. People could then make the empowering choice to say that they will take control of all the moneys given to them. That approach would give comfort to vulnerable households, who may not even self-identify as vulnerable, while empowering households that do not have those vulnerabilities to take control of all their finances.

Ashley Campbell suggested that it is not straightforward, but could the starting position be that the money goes to the landlord—although I understand all the issues around that—and then the Scottish choice would be for people to take control of their money if they wished to? What are your thoughts on that and on the issue of rent arrears facing local authorities and housing associations?

Ashley Campbell: I agree that there are significant issues with rent arrears for the social rented sector, as I said, and you have pointed out that a lot of evidence supports that. It is not just a matter of chasing up the arrears; there are knock-on effects on business plans, and on the ability of local authorities and registered social landlords to support other tenants and build more affordable homes. Those rent arrears, which, as you said, are very significant, have wide-reaching implications.

I have no particular issue with the rent being paid to the landlord by default, with the choice then made to have that switched back to the tenant.

The Convener: Thank you. Does Beth Reid have any views on that?

Beth Reid: Yes. Given everything that Ashley Campbell said, we do not have an issue with doing that either. It may well make sense. It is important to make sure that there is choice for the tenant in the system, but whether the payment should go directly to the landlord or the tenant as the first point is a good question to explore.

Mark Griffin (Central Scotland) (Lab): On rent arrears and freezing of local housing allowance, some tenants have got around that by using discretionary housing payments to cover the gap between the LHA rate and their rent. Do you have any views on how successful that has been, or

how difficult it has been for tenants to access DHPs to make up a shortfall?

Ashley Campbell: We welcome use of DHPs to support people with their housing payments, which has been very successful in mitigation of the bedroom tax. It might not be the ideal way to make the payment, however, and the Scottish Government knows that. We are working with the DWP to ensure that the payment can be made directly through a top-up to universal credit, rather than by using DHPs. The issue with using DHPs to cover shortfalls in LHA is that, by their nature, DHPs are discretionary and short term, and they are not guaranteed. They are being used as a vehicle to mitigate the bedroom tax because they were all that was available at the time. Our preference would be for LHA to be increased, rather than to use DHPs as a long-term fix for something that we know does not cover the basic cost of housing.

Beth Reid: The majority of DHP money in Scotland is going on bedroom tax, as Ashley said, and it is also used to some extent to cover the benefit cap. Only about £10 million of DHP money is available for other purposes, such as adding to LHA. The budget is £40 million or £50 million overall, so it is quite a small proportion that is available.

We would like DHPs to be used more widely as a homelessness prevention tool, which might be to top up LHA rates or to pay rent in advance. Increasingly, we see demands for rent in advance from social landlords and others. DHPs are not used terribly widely for topping up LHA, because the majority of the money is spent on bedroom tax and benefit caps. It would be useful to look at whether we can use DHP and other funds that are available to the Scottish Government as homelessness prevention tools more generally, and so take a more holistic approach to homelessness prevention.

Mark Griffin: We have evidence from the City of Edinburgh Council that it has had difficulty getting applications from people who would be eligible for a discretionary housing payment to support them to meet their rent commitment, and that it is offering annual awards to cover shortfalls. That is more generous provision than is available elsewhere, as far as I am aware. Are you aware of variation across the 32 local authorities with regard to how generous provision of DHP has been?

Beth Reid: We have not looked at that in great detail. The majority of our clients are based in Edinburgh, so it is the Edinburgh system with which we are most familiar. I know that the council has said that it has a problem with people applying, but we certainly always encourage our clients to apply for DHP and support them to do

that. We do not, therefore, see variation across the authorities through our client-based services.

Mark Griffin: You spoke about how discretionary housing payments could be better used to prevent homelessness. Just now, local authorities are relying on guidance from the DWP on how they administer and allocate the funds that they have at their discretion. Now that the Scottish Government has the power under the Social Security (Scotland) Act 2018, should it issue new guidance to support local authorities to provide a more uniform approach to supporting people around the country?

Beth Reid: My understanding is that guidance is forthcoming. Perhaps Ashley knows more about that.

Ashley Campbell: My understanding is that the Scottish Government is developing its own guidance. As Mark Griffin said, there is an opportunity to look at how we use DHPs in Scotland and to clarify what they could or should be used for.

As Beth Reid pointed out, the majority of DHP funding is being used to mitigate the bedroom tax; I understand that the additional funding was put into the DHP pot for that purpose. However, some of the feedback that we have had from members is that it would be useful to take that funding out again. As I said before, the Scottish Government is considering paying for the bedroom tax directly through universal credit, which would certainly be helpful in cutting down on the need for DHP applications by making sure that people were entitled to that, rather than a discretionary payment being made on their behalf.

As Beth Reid said, it looks like a big pot of money, but when the amount that has been allocated to the bedroom tax, the benefit cap and other welfare reform measures is taken out, there is not a lot left. Transparency would be useful.

It is also worth noting that discretionary housing payments were never intended to be used only to cover welfare reform measures. As Beth Reid said, wider uses could be made of DHPs to support people who are at risk of homelessness. That could be clarified in guidance for local authorities, if new guidance is to be developed by the Scottish Government.

Beth Reid: There is currently a lot of work being done on ending homelessness through “Ending Homelessness Together: High Level Action Plan”. There should be more about developing duties to prevent homelessness in Scotland, as there are such duties in Wales and England. We could join up DHPs, the Scottish welfare fund—potentially—and the work that rent deposit guarantee schemes and private rented sector access schemes do on providing bonds and so on to help to pay deposits

or rent in advance. It would be good to do that as part of the preventing homelessness work. However, the DHP guidance and the guidance on how the Scottish welfare fund works must ensure that it is all joined up effectively so that there is a good underpinning for the work. We really need to get that cross-Government and joined-up working going on.

The Convener: I will follow up a little bit on DHPs. COSLA advised us about restrictions and about how quickly local authorities or housing associations could move to identify where DHPs could be applied. In its submission, COSLA says:

“Local authorities are not advised by DWP of tenants or claimants whose payments have been reduced by the application of either the bedroom tax or the benefit cap in Universal Credit cases and can only provide such support when claimants come forward even when support is on offer. COSLA has previously raised with DWP whether they could share information on such cases with local authorities as we believe they have the power to do for the purposes of welfare assistance but, to date, this has not been prioritised by DWP.”

We will chat with the DWP in an evidence session later this morning. Does more have to be done on information sharing in respect of speedy application of discretionary housing payments? Are you aware of the issue that COSLA raises?

Ashley Campbell: Information sharing would certainly be helpful. I have not heard specifically about that issue in relation to DHPs, but it is an issue in relation to social landlords’ ability to identify people who need support. People might need support and local authorities or registered social landlords might be in a position to provide that support if they had that information from the DWP.

Feedback from our members suggests that social landlords now have much better communication channels with the DWP. They have been working on that for a number of years—they have “trusted partner” status and there is the social landlord portal, which has been really useful. However, there is still some way to go.

Beth Reid: That is not an issue that we have come across. However, DHPs and housing benefit both used to be administered by the local authority but have been split up, so it is understandable that communication is perhaps not as strong as it was previously.

The Convener: It could be an emerging issue. Thank you for responding.

Alison Johnstone (Lothian) (Green): The Crisis submission says that

“Analysis of the experiences of 1,000 homeless people in the welfare system found that one fifth (21%) of people became homeless because of a sanction, and 16 per cent had to sleep rough.”

Clearly, those are shocking figures. Are they United Kingdom figures or are they specific to Scotland?

Beth Reid: The figures are from across Britain.

Alison Johnstone: Might we expect the Scottish figures to be proportional?

Beth Reid: Yes. It is certainly an issue that we have come across in our skylight centres' work with clients who are—or who have been—homeless. For example, we have been working with a guy recently who has had three consecutive sanctions. The first was because he had been asked by the police to move his mobile home and therefore missed a jobcentre appointment. They rearranged the appointment through his online journal, which he could not access because he was in a very rural area and did not have access to a mobile phone or internet. He has been five months without money. We have put in a mandatory reconsideration for him, but they are taking 120 days to process, at the moment. I think that he has got his money now, but he will be repaying hardship payments out of it. He has been offered permanent accommodation, but he will struggle to take that up because he will struggle to pay rent in advance, and to pay for his gas, heating and so on. There is a real challenge for some of the people whom we work with.

Alison Johnstone: Is it the position of Crisis and the Chartered Institute of Housing Scotland that sanctions are a driver of homelessness?

Beth Reid: The evidence that you quoted, which we commissioned from Sheffield Hallam University, shows that that is the case. We would like much more clarity for people about what is going on before a sanction is imposed, so that sanctions are not imposed that will cause homelessness.

Alison Johnstone: I note that Crisis is working with five Edinburgh jobcentres to raise awareness of homelessness among staff. There are obviously societal costs of making people homeless. It is not a money-saving exercise, in terms of the person's health or the impact on their ability to gain employment and so on. It is a really drastic step. Can you tell us more about how that partnership came to be, why it was thought necessary and what is coming out of it?

09:30

Beth Reid: The partnership came about over a few years of working with jobcentres. Initially, we developed personal relationships and built contacts with jobcentre staff. Somebody who was working in one of the jobcentres in Edinburgh had personal experience of homelessness.

We have been holding joint team meetings and doing training together, which has had extremely positive results, including there being much greater understanding of people's situations. Staff have checked in with people to find out whether they are homeless or are worried about their housing situation and have discovered that many people are very anxious about their housing. For a person who is concerned about the stability of their housing, it is quite a challenge to look for a job on top of that.

Changes have been made to the claimant commitment, so that it reflects more the wider issues that people face; for example, some of the work-search requirements have been reduced. We have found working in partnership with jobcentres to be a very positive experience, and it appears that there has been a reduction in the number of sanctions that have been applied to our members. We think that that is because more realistic work-search requirements have been applied.

We have done similar work in other parts of Britain—for example, in Coventry and Newcastle. We have been working with jobcentres to develop a homelessness module that will help jobcentre advisers to understand homelessness better. That work is on-going at Great Britain level. There will be specific points of contact in jobcentres in respect of homelessness. That is beginning to come in: we hope that it will make a positive difference for people who are homeless.

Alison Johnstone: That sounds very positive, given that it appears to be having an impact by reducing the number of sanctions that are applied.

We know that that model is being used in Edinburgh and Coventry. Does it have potential? I appreciate that the resources of Crisis are not unlimited. Could the DWP roll out the model, in some shape or form, more widely across the UK?

Beth Reid: Yes. It is extremely useful to have specific points of contact in jobcentres. We need to make sure that there are people in every region or in clusters of jobcentres who have in-depth understanding of homelessness and who can provide advice and so on.

We have 11 skylight centres around Britain, so there is a limit to what we can do, as you said. Improved partnership working with other homelessness organisations can make a big difference. A few years ago, Homeless Action Scotland did work in every jobcentre in Scotland on applying homelessness easement more effectively. There needs to be an on-going process of training and support and of making sure that skill levels are constantly maintained, especially where there is staff turnover. There are significant positives to be gained if we work well together, and there is good understanding of people's

housing situation among jobcentre staff and in the details of people's payment commitments.

The Convener: Would my Conservative colleagues like to come in?

Michelle Ballantyne (South Scotland) (Con): What the witnesses have said has been extremely interesting. It sounds as though the system allows the necessary changes to be made to enable things to work on the ground. How difficult has it been to make the necessary changes to provide positive support on homelessness?

Beth Reid: As I said, the work originated in contacts with jobcentre staff. Such individual relationships can make or break what happens. The policy that is coming in of having particular points of contact in jobcentres is very positive, although I think that there needs to be a higher level of expertise in addition to that, to make sure that there is accessibility to job coaches. The system makes that possible.

Other issues, to do with administration of the system and its complexity, have been talked about. Those things create different types of barrier, but they still make a huge difference to whether people get what they are entitled to.

There are issues to do with making sure that the work-search criteria are right, that people are getting the right sort of support and that they are not being sanctioned inappropriately. There is also the wider issue of making sure that people get the right money at the right time, and that they get enough money to be able to afford housing in their area.

Michelle Ballantyne: On that point, I want to go back to the LHA rates, which are the backbone of ensuring that the levels of benefit that are available to people match the availability of rented accommodation.

The LHA rate is set at the percentile that was mentioned earlier but, as you pointed out, the market fluctuates around that. How responsive have LHA rates been? How often are they changed in response to movements in the market? Obviously, markets operate on the basis of supply and demand. You said that some are going up rapidly as a result of demand or the removal of opportunities through things such as Airbnb. When the market goes down, do the rates stay up or do they go down? What is your experience of that?

Beth Reid: LHA rates used to be in line with the market. They were then reduced such that they increased at CPI rates, and for the past three or four years they have been frozen, so they have not changed at all. That is why we are seeing such a big gap in relation to the 30th percentile, which is what people should be able to afford. In much of Scotland, we are seeing that halved, so people

can access only 15 per cent of the market, and they are competing with everybody else. People are looking for the cheapest accommodation in the market, whether they are on benefits or not.

LHA rates are not reflecting the market at present. That is one of our key reasons for recommending that—

Michelle Ballantyne: Before the freeze, did they move routinely? Did that happen monthly or yearly?

Beth Reid: I think that it happened yearly before the freeze.

Ashley Campbell: Yes.

Michelle Ballantyne: There were annual changes.

Beth Reid: Rent Service Scotland evaluates the market and takes a sample of the local area to calculate the LHA rate. However, the samples are sometimes very small. They can be particularly small in relation to the shared accommodation rate, simply because there is not much shared accommodation around. In such cases, rates can change quite a lot from year to year because, if there are three extra shared accommodation flats compared with the previous year and the rents are a bit higher, that will alter the rate quite a lot.

We would like to see the Scottish landlord register being used so that the Scottish Government automatically gets information from landlords about the size of properties and the rents. If that information was used, there would be a much better basis for setting LHA rates.

Michelle Ballantyne: That is very interesting. Thank you.

The Convener: I think that Ashley Campbell wants to add to that.

Ashley Campbell: As Beth Reid says, the way that rental information is collected could be improved on. We could have a lot more detailed information on local rents.

Another issue with the local housing allowance is that it is based on very broad markets. As you know, even within Edinburgh, it is possible for rents to be completely different between one street and the next, and the broad rental market area for Edinburgh is Lothian, which is a massive geographical area with a lot of variation within it. LHA is quite a blunt measure of price.

As Beth says, we are in the third or fourth year of the LHA freeze. LHAs are still revised every year, but they are not going up. When rents go down in an area, the LHA can go down, but it cannot go back up because of the freeze. The current approach favours LHAs going down and not going back up again.

Michelle Ballantyne: You talked earlier about the use of DHP money for mitigating the bedroom tax. For people in private rented accommodation, there is no spare room subsidy, so are you seeing the stress there? As I understand it from Crisis reports, it is really from the private rented sector that homelessness is increasing. The social rented sector seems to be more stable in that sense. What are your thoughts about the pressures there? I assume that there are the same issues to do with the availability and size of accommodation.

Beth Reid: There is a difference. To clarify, in England, there is a major pressure of homelessness coming from the private rented sector, but we do not see that so much in Scotland, where the biggest cause of homelessness is relationship breakdown. However, a survey that we commissioned for the homelessness monitor found that 37 per cent of Scottish local authorities were seeing an increase in homelessness from the private rented sector, so it is certainly an issue in some places, but not everywhere.

The type of accommodation in the private rented sector is different from that in the social rented sector. A lot of social rented sector accommodation has been built to accommodate families, whereas there is a wider range of properties in the private rented sector, so there is more flexibility. That flexibility, in terms of location and size, is why we see the private rented sector as a good route out of homelessness for some people and as a good way to prevent homelessness.

In Scotland, we do not have the same pressures that there are in England as a result of homelessness being generated from the private rented sector, but the pressure is increasing in some areas, with Edinburgh being an obvious example. The new private residential tenancy will help to provide some stability but, if we continue to see big rental increases, that will put pressure on homelessness from the private sector.

Alison Johnstone: A few weeks ago, the committee went to Leith to meet individuals and organisations to discuss the interaction of social security with housing. In the group that I was with, there were a couple of young single parents who had been impacted by the benefit cap and who had been served notice to quit. We had a wider discussion about that, which is obviously a huge challenge.

To pick up on Ashley Campbell's point about the broad rental market areas, obviously, Scotland is very diverse and there are all sorts of things happening, with different pressures in different areas, but the fact that Edinburgh is within the Lothian broad rental market area means that the rate is not entirely representative. Is the DWP

taking note of the fact that the areas might be unhelpful?

Ashley Campbell: I am not sure of the DWP's view on that. The local housing allowance structure has been in place for some time, and the market areas have always been very broad. As we have discussed, there have been criticisms of the system. The first is that we do not have the richness of data that we would like to have to inform the local housing allowance rates. The second is that, because we look at wide geographical areas, it may not be the best tool.

The difficulty is that the more areas we look at, the more complex the system becomes. For every broad rental market area in Scotland, there are five different rates—the shared accommodation rate and the one-bedroom, two-bedroom, three-bedroom and four-bedroom rates. There are 19 of those areas across Scotland and the more we multiply the number of areas, the more complex the system becomes and the more rates there are to calculate. It is certainly worth looking at the system, but there would need to be a balance between the complexity of the system and the costs of administering it when we are thinking about what to end up with.

Beth Reid: The argument is that, whatever size of rental market area we look at, there will always be issues and variations within it. However, it is interesting that Scotland has, I think, 18 BRMAs and Wales has 22. One of our BRMAs is the Highland and Islands, which is larger than all of Wales put together. There may be an issue with the huge size of some of the BRMAs in Scotland. Nobody would expect someone to travel from Thurso to Inverness for a job. BRMAs are meant to be based on a reasonable travel area, so we are saying that someone could travel from Stornoway to Inverness for shopping or for a job but it is a huge area. The same applies with Aberdeen and shire and with Lothian, which are big areas that have lots of housing and job markets within them. There is a question to ask, in that the BRMAs in Scotland are particularly big compared with those in other parts of Britain.

Alison Johnstone: That is helpful—thank you.

09:45

The Convener: In response to Michelle Ballantyne, it was suggested that the Scottish Government, in conjunction with local authorities and with the landlord register, now has at its disposal a lot more localised granular detail that it could use wisely to get a real grip on what the 30th percentile really means in each local authority area, but perhaps that information is not being brought together effectively. Can the panel

members say a bit more about that, as I found that exchange interesting?

Ashley Campbell: I should clarify that the landlord register does not collect data on rent at the moment. Some have suggested that the register could be used to gather more data, but there are issues such as LHA calculations to take into account.

As you will be aware, new rent control and rent pressure zone provisions have been introduced in the private rented sector. However, local authorities are finding it difficult to use the discretionary power to cap rents in specific areas, because they do not have the evidence to support the implementation of rent pressure zones. That might be another application for that data, if we had it, but we just do not have it at the moment.

The Convener: I am conscious that this is the Social Security Committee, so it does not cover housing. However, it looks at the connectivity between housing and social security and how social security can support that better. Does the Scottish Government have the power to vary UC housing cost elements, and can it alter the calculation of LHA rates in any way to better reflect localised inflationary pressures? A lot of this relates, quite rightly, to the UK Government, but there will be aspects that the Scottish Government can do more on or take into consideration more. Any comments on that will be helpful.

Beth Reid: The Scottish Government has some powers with regard to certain regulations on universal credit, including LHA levels. I have looked at that in some detail; what could or could not be done is quite complex and the changes would be relatively small. Things could be done with exemptions in respect of the shared accommodation rate and LHA rates could be varied. However, it is quite a complex area and that legislation would need to be looked at in a lot of depth and with a lot more expertise than I have.

A couple of other questions arise, such as what the costs would be. The fact is that the Scottish Government might well find it challenging to meet them. As I mentioned in our submission, we have commissioned some analysis on the cost of raising LHA levels to the 30th percentile, and that data will be broken down for Scotland, too. It will not cover some of the more detailed aspects that I have mentioned, but it will give an overall sense of what it would cost Scotland if it decided to use some of those powers.

You also need to consider how much more complexity you would be introducing into the system. That is not necessarily an argument against taking such an approach, but it is something that needs to be considered. We already have Scottish flexibilities, and they are

resulting in some complicated interactions with the wider system.

However, we would want to focus on Westminster making such changes first to ensure not only that they benefit everybody in Britain but that the system does not become any more complex. We would not want the Scottish Government to mitigate something in a particular way and then, a year or two down the line, have Westminster doing the same thing but in a different way. That would just introduce a lot more variation into the system.

The Convener: That is helpful. So it would be mitigation, and it would come at a cost. I just wanted to clarify whether the Scottish Government had any scope to change some of the criteria and whether the additional money required would have to be picked up at Scottish or UK level. In any case, what you are saying is that it would be mitigation by the Scottish Government.

Beth Reid: I think that it would come out of Scottish Government budgets.

The Convener: Do you have anything to add, Ashley?

Ashley Campbell: I guess that the Scottish Government could top up the housing element of universal credit in the same way that it is looking to do for the bedroom tax. As Beth Reid has pointed out, that would have a financial cost for the Scottish Government, and again we would prefer the Westminster Government to reverse its cuts to the local housing allowance.

The Scottish Government would also have to consider whether it wanted to bear the costs of the top-up and the administration. The legislation allows it to make such changes, but they would still need to be approved by the UK Government, and the Scottish Government would need to work with the DWP to set up the system. As we have seen with the bedroom tax, it is not just a simple matter of paying out the money; indeed, that is why this is not being done through universal credit at the moment.

You also need to consider the issue of the overall cap on benefits. When the Scottish Government tried to implement the legislation to allow the bedroom tax to be mitigated through universal credit, it found that in some cases, that would have pushed people over the benefit cap limit, which meant that that money would be taken away from the other side.

The regulations that were introduced through the Social Security (Scotland) Act 2018 have addressed that issue, but only specifically for the bedroom tax. I am not sure whether additional legislation or regulations would be required to do

the same thing if you wanted to top up housing benefits.

The Convener: That is interesting. The question was not inspired by a consideration of what should or should not be mitigated; it involved the mechanics of the powers that the Scottish Government does or does not have at its disposal. There are some, but they are quite complicated in relation to calculating LHA rates, which is interesting.

We have talked about the shared room rate. I am not sure about how many under 35-year-olds in my constituency are told, "Here's your shared room rate. Go and find a flatmate in the private rented sector and that will cover that rent, hopefully." What actually happens is that they just go and get accommodation themselves, and then there is a shortfall. What is your position on the shared room rate or the LHA rates for people under the age of 35? Is the social security system helping people in that group, or is it hampering them or putting them at more risk?

Beth Reid: The shared accommodation rate is a real challenge for a lot of people. There is not a culture of sharing accommodation in most of Scotland. Where that happens, it tends to be in student accommodation, which involves, perhaps, a different group of people. There are issues with access and affordability in relation to the shared accommodation rate.

We know that people who are sharing often have to top up their LHA and that, particularly if they are under 25 and are on a low wage or the minimum wage and are on a lower rate of personal allowance in the benefits system, they have fewer resources to top up with. There is a real challenge there.

We represent homeless people in particular, and we want the exemptions to the shared accommodation rate to be extended. For example, they should include people coming out of prison, people who were offered housing under the housing first approach and who have more complex needs, and care leavers—at the moment, there is a cut-off for care leavers at the age of 22. There are also some inconsistencies in the exemptions at the moment. For example, if you are over 25 and have had severe mental health problems, there is an exemption, but there is no exemption if you are under 25. Similarly, if you are over 25 and have been in homelessness accommodation, there is an exemption, but there is no exemption if you are under 25. It is important to make those things more consistent and to ensure that people who are particularly in need of stable housing can access it.

Ashley Campbell: We share concerns about the shared accommodation rate and, in particular,

the extension of that from under-25s to under-35s. There appears to be no justification for that apart from cost savings, so we would strongly call for that to be reconsidered.

I agree that there is not necessarily a culture of sharing in Scotland, and it is not an easy thing to do. Therefore, a lot of young people will be looking to make up the difference in the rent shortfall.

The Convener: Beth Reid, you talked about the need for more exemptions. Is that simply a next-step campaigning strategy? Would you rather that the shared accommodation rate went away, or do you think that it is okay to have a shared accommodation rate for up to 35-year-olds, as long as there are exemptions? What is your position?

Beth Reid: We have a pragmatic position with regard to where we are at the moment. As I said, we are analysing what it would cost to increase LHA rates to the 30th percentile. When we commissioned that analysis, we were looking at a range of scenarios, such as what would happen if the shared accommodation rates were put up to a higher level, what would happen if they were scrapped, and so on. Partly because of complexity and partly because of the practical costs of some of that, we have not gone down that route. However, that is not to say that, in an ideal world, we would have a shared accommodation rate.

The Convener: That is helpful. Keith Brown and Michelle Ballantyne want to come in, and there is a question about homelessness that we definitely have to ask before the session finishes.

Keith Brown: The answer to the question about mitigation that Ashley Campbell gave a couple of minutes ago was interesting. We often hear a trite cliché that it is simply up to the Scottish Government to use its new powers to provide mitigation, but if we look at the practicalities, we will get a different view. The system often prevents straightforward mitigation.

In response to my first question, on local housing allowance, the witnesses seemed to say that the system has structural flaws and problems that need to be addressed through mitigation and other things taking place. In response to Mark Griffin, the Chartered Institute of Housing said that the discretionary housing payments and the Scottish welfare fund could be made more transparent and that other things should be taken into account as well as bedroom tax mitigation. Please correct me if I am wrong, but I think that the institute was requesting more resources for those other things, many of which seem to stem from flaws with the system. Would it not be more straightforward for the structural flaws in the system to be addressed first? Beth Reid talked about the endless complexity that will be built into

the system if we need to find ways to mitigate the structural flaws and problems, which will bring the system further into disrepute. Therefore, should we not focus on the system in the first place?

Ashley Campbell: Our preference is for the UK Government to reverse the cuts that have been made to local housing allowance. If we are looking at the social security system in the widest sense and at how it supports people to access housing, the most important thing is to ensure that people have enough income to live off. We should take into account people's housing costs and what they will have left after they have paid for housing.

It is important to note that changes to people's housing allowance have not been made in isolation. There have been cuts in other areas, which also have had an impact on people's income. Some people manage to pay their rent but might not manage to pay for food, children's clothes or other basic necessities. We would like the social security system as a whole to work better. However, specifically in relation to local housing allowance, we certainly want the UK Government to look at the system and fix it for everyone.

Beth Reid: There is a danger that we will get into discussing the wider housing system, but there is an issue with supply. We are investing a lot of money in housing benefit, and the fact that billions of pounds are going into housing benefit is one of the reasons for the cuts. That is the reverse of historical trends: money used to go into building housing, but now it goes into paying rent for houses.

Much wider issues are at stake here. Ultimately, we need to invest in social housing and ensure that rents are affordable. If prices in the overall market came down, LHA rates would come down with them, and rents would become more affordable. A lot of changes have been made to reduce the housing benefit bill, so a lot of the tweaking now is to correct what went wrong when the changes were implemented. There are challenges that ultimately come down to a lack of housing and a lack of affordable housing in Scotland and elsewhere in Britain.

Michelle Ballantyne: Interestingly, you have answered what I was going to ask you about. However, I want to get clarification on your earlier point about shared accommodation rates. You said that there is no such culture in Scotland. Is there a different culture in England and Wales with regard to shared accommodation?

Beth Reid: There is certainly much more of a culture of sharing in London and the south-east, but I am not sure about other parts of England and Wales. There is a sense that the policy may have been developed, to some extent, on the basis of a

culture that is specific to one part of England, which means that the policy may not be appropriate for other parts of the country.

Michelle Ballantyne: Was it based on affordability?

Beth Reid: It was based on affordability, and the question that arises is at what point the need for affordability becomes a culture. In London and the south-east, there is more of a culture of sharing accommodation to a much older age than is the case in other parts of Britain.

The Convener: The committee is keen to explore how the social security system can help two groups of people: those who are at risk of homelessness and those who are in temporary accommodation. The committee has been asking about concerns relating to the cost of temporary accommodation. I am resisting talking about the quality of temporary accommodation, which is not always satisfactory, because another committee might look at that issue in more detail. Local authorities organise the cost of temporary accommodation, and we know about some of the eye-watering costs in Edinburgh and about the use of bed and breakfasts and so on. There are certainly issues in my city, Glasgow, and across Scotland. We can link in the amount of housing benefit in the system that supports people in temporary, insecure and poor-quality accommodation. That is very unsatisfactory and does not support a sustainable solution to, or path out of, homelessness.

10:00

I am looking for ideas on how the social security system can reduce some of those costs. People who are in work and homeless often have to sofa surf because they are priced out of safety-net temporary accommodation. How can we use the money more effectively? I am sure that you are aware of the work of the homelessness and rough sleeping action group—HARSAG—through which the Scottish Government is trying to get a quantum for the amount of housing benefit in the system that is supporting people in temporary accommodation.

I know that COSLA is sympathetic to capturing the amount of that overall pot of cash and seeing where there are inflexibilities in the system. Does that money just sustain a system that is failing a lot of homeless people in Scotland and could it be better used? COSLA suggested that the devolution of housing benefit could allow the much more imaginative use of that pot of cash to tackle homelessness and issues with temporary accommodation, and be a much more progressive way forward and better use of social security spending. There was a lot in that, but it is

important to put it on the record. We received a really interesting submission from COSLA.

Ashley Campbell: That was a complex question. It is recognised in the sector that the current structure of temporary accommodation and how it is paid for is unsustainable. As you pointed out, some of the costs are extremely high. Work has been done to identify and capture what some of those are. There are some genuinely higher costs, including additional costs for staff, support, furnishing, void and turnover. The Scottish Parliament information centre briefing quoted a figure for rents in Edinburgh of £1,900, which is, of course, extortionate. It is not sustainable for somebody who is in work, let alone for the social security system, and it recognised that that needs to change.

The committee will know that changes are happening as a result of the HARSAG recommendations. The Scottish Government and local authorities are looking at reducing the use of temporary accommodation and at how that accommodation is paid for through the social security system. We are concerned to ensure that the costs are realistic, and that funding is based on need and entitlement. You will know that the UK Government was looking at how temporary and supported accommodation will be funded in the future and suggested devolving a pot of money to pay for that. That would be a fixed amount and we were concerned about what would happen if need increased in the future: would there be flexibility to pay for that or would there be constraints on how much money was available?

I do not know the details of COSLA's recommendation about devolving housing benefit; I do not know how flexible that would be.

The Convener: To be fair to COSLA, it drew the matter to the committee's attention and said that it supported the efforts of HARSAG and the Scottish Government to establish the quantum involved, to see how that money could be used more effectively and to explore whether devolving it would be more effective, realistic and practical. I do not think that COSLA has a position beyond that and I would not want to misrepresent it, but it was interesting that it supports some of those moves.

Ashley Campbell: I agree that we need to make the best use of the resources that we have. I repeat that our concern is how the amount of money would be calculated if it were devolved and how flexible that would be going forward. We would want to be sure that it was based on need and not a finite pot of money.

Beth Reid: The recommendation that housing benefit for temporary accommodation be devolved to Scotland came from HARSAG, which our chief

executive chaired. I think that that is what COSLA is referring to. Work is being done as part of the ending homelessness together action plan to look at the costs of temporary accommodation across different local authorities in Scotland and at how best we can use that money. The recommendation from HARSAG was that temporary accommodation rents in Scotland should become more aligned with LHA rates. That will be very challenging for local authorities to achieve and it will take a considerable time. However, it would address some of the issues that Ashley Campbell referred to in relation to people coming out of temporary accommodation or trying to work while living in temporary accommodation and finding that utterly unaffordable and unsustainable.

The wider issues to do with how we can reduce temporary accommodation costs were a large part of the remit of HARSAG. All local authorities have now produced rapid rehousing transition plans, which are about how they will do that. We see the private rented sector as a key opportunity, as long as it is affordable. We would go back to our point about the need to make LHA rates affordable so that that is a genuine route out of homelessness or a way to prevent homelessness in the first place. If someone can get a private rented tenancy in their local area, that is ideal if they are unable to access social housing.

The Convener: Thank you. There are no further questions from committee members, so I thank both witnesses for their evidence. I am sure that you will do this anyway, but we are keen for you to follow the conclusion of the committee's work on this issue. If you want to give us any additional comments or evidence in written form, please do so. We appreciate your time this morning.

10:06

Meeting suspended.

10:08

On resuming—

The Convener: Welcome back. We are still on agenda item 2, which is our inquiry into social security support for housing. I welcome our second panel. I am delighted that we have with us, from the Department for Work and Pensions, Pete Searle, who is the director of working age policy; Richard d'Souza, who is the head of the universal credit engagement division; and Derek Kilday, who is the group director for central and west Scotland. Thank you for coming along, gentlemen, and for taking the time to sit through the previous evidence session. It is appreciated.

We will move straight to questions, the first of which is from Alison Johnstone.

Alison Johnstone: I would like to kick off by inviting you to expand on some of the evidence that we heard earlier. You might be aware that Crisis and others have raised concerns about the operation of universal credit Scottish choices. In its submission, Crisis said that, in some cases,

“Even when someone is on fortnightly payments, their Universal Credit statement continues to record them as monthly payments. This has caused anxiety and confusion for some of the people we work with.”

I am sure you appreciate that it does that. Similar things have been experienced through direct payments to landlords having been requested and granted but not materialising, for one reason or another. Is the DWP aware of that issue? What might have gone wrong in such situations? What could the solutions be?

Pete Searle (Department for Work and Pensions): We are aware of the issue in high-level terms; Richard d’Souza might be able to say more about the detail. We do not always get it right on such matters, although we try to. We work closely with other people in the system, including local authorities and landlords, to make sure that the system works as well as possible. We are told about things that are not working correctly, such as the system still saying that payments are monthly rather than fortnightly, and we definitely try to put them right. Richard—would you like to comment?

Richard d’Souza (Department for Work and Pensions): I do not know much about the detail of that problem, but if you can give us any information, we will take it away and try to fix the problem. It is as simple as that. I do not know whether Derek Kilday knows any more. If the problem is with a build feature in the system, we will need to change the information technology. We will also need to make sure that the guidance and training that we give to our people on the ground are right.

Derek Kilday (Department for Work and Pensions): It is my understanding that the problem is a build feature that we are waiting to amend. We are upskilling our work coaches and informing them that they should pass on to claimants the information that although the system says that payments are monthly, they are in fact fortnightly. Claimants will be messaged through their journal to tell them that that is the case.

Pete Searle: I realise that there is a risk that we have moved into DWP jargon. When we talk about a “build feature”, that is something that we have to build into the system. As the committee will appreciate, there is a queue of things that need to be put into the system. It is a question of prioritising those things and trying to deal with the situation as effectively as possible in the meantime.

Alison Johnstone: I was pleased to learn about the work that Crisis has been able to do with five Edinburgh jobcentres and, further afield, in Coventry. What training do front-line staff have when it comes to being aware of the housing situation that some clients face, and of the long-term impact that decisions to impose sanctions might have on clients? What training are front-line staff given so that they understand how best to support clients?

Derek Kilday: As far as front-line training is concerned, every member of staff in Scotland has had housing confident training throughout the year. Last month, we got the executive board to agree that we would redo the training. We have a commitment to re-evaluate what we did, and we are setting that process in motion. We did not do so well on some of the really complex elements—we know that from the complaints data and other sources. We will use that information to roll out this year’s training.

In Scotland in particular, we are creating a strategy that is all about learning and development for our people. This year, every one of our people will go through an individual learning-needs analysis. As part of that process, issues such as Alison Johnstone asked about will be recorded and anybody who needs further training will be given it. We have created a culture in which people put their hands up to say when they do not quite understand complex areas. We are very happy to retrain people, and a whole year of learning and development is under way.

Alison Johnstone: Housing support is certainly a complex area in which to work.

Are staff who implement sanctions required to consider the impact that sanctions might have on the person concerned?

Pete Searle: In general, staff must look at the individual’s circumstances. As well as there being consideration of why the person has not complied, account must be taken of things such as the person’s housing situation. That is part of what has become an excellent developing relationship with Crisis in Edinburgh and other places, including Newcastle, and it is helping our people to understand the circumstances of individual claimants. If the relationship is not quite right, information that otherwise would be shared might not be shared with staff. Once our work coaches know about people’s circumstances, they can—as Beth Reid suggested—take account of them and not apply a sanction, even though a sanction would be appropriate if they did not know about those circumstances. The impact of sanctions is a factor that would be considered.

Derek Kilday: I make it clear that the use of sanctions is an absolute last resort. All our people

in Scotland understand that: the message has been widely communicated. We are rolling out the approach in Scotland, to the extent that no sanction will be applied without a manager on site looking at the individual's circumstances. We have taken action to ensure that that managerial check is carried out before a sanction is applied.

The Convener: I want to check on that, because there will be a lot of public interest in sanctions. Can you give me the statistics for, say, how many claimants have had their benefits sanctioned in the past year? What are the numbers showing?

10:15

Pete Searle: I do not have the statistics in front of me, but I am happy to share them with you in writing after the committee meeting.

The Convener: That would be helpful. I am trying really hard to be respectful—my question was not going to be on sanctions—but I would have thought that, as representatives of the DWP coming to the Social Security Committee, you might have anticipated that you might be asked at some point about sanctions. To not have brought that information with you is unfortunate—particularly for Mr Kilday, who made the case quite passionately that sanctions are a last resort. Now you cannot give me numbers on sanctions. That does not bode well.

Pete Searle: We are better briefed on housing matters, because I thought that the committee meeting was going to be about that.

The Convener: Absolutely—we will come on to rent arrears in a second. However, given that Mr Kilday volunteered information, I would have thought that you would have the figures to back up and substantiate it. Please provide the statistics after the meeting.

One of the housing issues is the increase in rent arrears on the balance sheet for housing associations and individual tenants since universal credit was rolled out and went live. In the previous evidence session, I said that the four local authority areas that retain the vast majority of their social housing stock—East Lothian, Highland, East Dunbartonshire and Midlothian—went live first with universal credit, and have had a 26 per cent increase in rent arrears, on average, which comes to about £5.7 million for a two-year period. If we also include River Clyde Homes, which had a 35 per cent increase in its rent arrears, that represents about 10 per cent of the population of Scotland. What do you put that down to?

Pete Searle: I will hand over to Richard d'Souza in a second. In broad terms, there is a lot behind rent arrears, and a lot of people who are not on

benefits—universal credit or housing benefit—have rent arrears. It is a wider problem.

In the early stages of the roll-out of universal credit, issues in implementation led to some difficulties. We have done an awful lot to address that, so some of the reported rates of rent arrears that might be linked to universal credit are the result of how the system was, rather than how it is now.

I will illustrate that with two examples. First, we have really promoted advances: people can get a 100 per cent advance of their full universal credit entitlement pretty well from the first day of their claim, and something like 60 per cent of people are taking that up. Two or three years ago, a much smaller percentage of people did so, and it was only a 50 per cent advance. That change has really helped to enable people to pay their rent up front.

The second area with which we struggled was customers' claims in respect of social sector accommodation. When we tried to verify rent, we found that what the tenant thought they were paying in rent was not what the landlord thought they were paying. The mismatch of information meant that it took us a long time to verify it, which led to delays in payments. That caused problems, so we introduced the landlord portal and built up our relationship with landlords. Richard can say rather more about that. A lot has been done to improve the system.

The Convener: That information was helpful. Before Richard d'Souza talks about the landlord portal, which will be very helpful, I have a question.

The local authority areas that I mentioned were the first four—or five, if we include Inverclyde—to have the full universal credit service rolled out. That was some time ago, so have you looked at the figures so that you can tell us how much of the 26 per cent increase in rent arrears is cyclical arrears? That is related to the point that Alison Johnstone made. People are not really in rent arrears; it is just to do with the way that payments are accounted for on the balance sheet. How much of that 26 per cent is down to individual claimants having other living expenses to pay for because of a five, six, seven, eight or, sometimes, nine-week delay, back in the early days of the roll-out of universal credit?

Finally, how much of the increase in rent arrears is caused by structural systems in universal credit? People from the Department of Work and Pensions have come to the committee before and said that the DWP tests the system, improves it, rolls it out a bit more, and then does that all again.

I assume that you can give the committee some detailed information about the level of rent arrears

and the reason for the increase in the four or five local authority areas that were the first to roll out universal credit.

Pete Searle: As I said, the rent arrears in the first four areas are the result of a range of different circumstances. The local authorities are best placed to understand the sources of those rent arrears.

I can say that we have learned from the issues that we saw while we were working with those local authorities on implementation of universal credit. We have addressed those issues with a range of changes that we think are feeding through and improving matters, although it is too early yet to get real and strong evidence of that.

On arrears that are universal-credit related, most will be technical or book arrears, which the earlier witnesses' evidence brought out. The local authorities would be better placed than I am to answer questions about a detailed breakdown of the causes of arrears.

The Convener: Has the DWP has not sought to analyse those numbers?

Derek Kilday: We do. We know, for example, that especially in the areas that you mentioned, many tenants had pre-existing rent arrears before they went on to universal credit. When those tenants have been on universal credit for a time, the level of arrears goes down. The four local authorities that you mentioned came with a lot of pre-existing arrears.

Richard d'Souza: To get a proper handle on the matter, you need to link data from the landlord with data from universal credit so that you can see whether the arrears arose when the person went on to universal credit.

We have been working with a housing association in the south-west of England to perform that data match and to see whether we can apportion growth in arrears among the different causes. That work is tending to show that people have come on to universal credit with arrears. There is then an increase in arrears early on. In the past, a local authority tenant got their housing benefit paid weekly and their rent was charged weekly, so once they were in the system they could not, in effect, get in arrears. Now that they are paid five weeks in arrears, people get the money eventually, but there is an impact on their cash flow, which we noticed, as well. Because arrears can be recovered faster through universal credit than they could be under housing benefit, arrears tend to stabilise and fall away.

We have done that analysis with only one housing association, but we are starting the process with two or three more. We also need to do the analysis it over a longer time so that we can

see whether the decline in arrears continues and gets us back to where we were at the start. That analysis is going on, but it requires rather close data-sharing, so we have not been able to do it with the local authorities to which you have referred.

That seems to be the profile with arrears and how they arise. The interesting thing is that we are, largely, talking about technical financial arrears and cash-flow arrears. Concerns would have arisen from the fact that, under housing benefit, we used to pay all our landlords directly from local authorities, but we are now paying the money to claimants. Will that put their rent at risk? What if they default? What if they do not pay?

That noise has not surfaced, however, because through the landlord portal we also give landlords the opportunity—they have all taken it up—to be trusted partners. If the landlord is a trusted partner and wants a direct payment, the DWP does not interfere because the landlord is the best judge of whether that is appropriate. The amount has stabilised at about 30 per cent of the arrears case load being put on direct payments. The figure was the same in the pilots as it has been in national roll-out. It seems to me, therefore, that that first line of defence against “real” arrears is working quite well, and that what you are picking up is financial book arrears that arise because tenants used to pay the rent in the same week that it was due and now there is a five-week cash-flow effect.

The Convener: I thank you for what I think was an offer to go back to East Lothian Council, Highland Council, East Dunbartonshire Council and Midlothian Council, and perhaps River Clyde Homes, and do a proper data analysis to better understand the arrears that COSLA has reported to us. We have heard concerns that the minimum five-week wait is causing significant issues for social landlords.

We have also heard concerns about the other debts that people accrue when money goes direct to individuals and families. They sometimes have to prioritise items to spend money on other than the rent—the immediacy of having to feed the family, get clothes for the kids and that kind of thing. We have heard such concerns from the social rented sector, including local authorities, and we have heard concerns about rent arrears.

I would really appreciate a proper partnership analysis with the DWP of those four local authorities and that housing association. That would be incredibly helpful, because what Mr d'Souza has said is a little bit out of step with some of the information that we have had, so a partnership approach to getting beneath the figures would be welcome.

Michelle Ballantyne: Can I come in—

The Convener: You can, but not before—

Michelle Ballantyne: I think I can help with the figure—

The Convener: To be fair, I do not need your help.

I think that Mark Griffin wants to explore that further.

Mark Griffin: Thanks, convener. I want to continue the line of questioning on direct payments. First, what is the difference for the DWP between running alternative payment arrangements and Scottish choices direct payments to landlords? What are the administrative differences between those approaches?

Pete Searle: I will start and then my colleagues might want to come in.

The alternative payments system is essentially our way of trying to pick up vulnerabilities. It is about looking at the claimant up front and trying to gauge, whatever they may want, whether it is in their best interests for payments to be made direct to their landlord. A claimant might say, "Actually, I'd rather have the money myself", but we might say, "Frankly, we think that you wouldn't use it wisely and pay your rent, so, to protect you, we'll put in place a direct payment." That is part of the alternative payment arrangements. Derek Kilday will correct me if I am wrong, but I think that that will be gauged by the work coach in the initial conversation when the person claims.

Scottish choices gives claimants that choice. The way that the system should work is that we assess the person's vulnerability first, so we do not necessarily give a straight choice to people who might not choose wisely. We make sure that we pick up vulnerable claimants first through the alternative payment arrangements system, and then we move on to Scottish choices to give the claimant, who we may have decided could cope with dealing with the rent themselves, the option of saying that, actually, they would prefer it to be paid direct to the landlord. That would happen from the second assessment period.

Derek Kilday: It is absolutely about protecting vulnerable people. At the first point of the interview, our work coaches make a judgment call, based on the information that they have in front of them and the conversation that they have, on whether it would be better to put the person on direct payments before we allow them, from the second assessment period, to go into making a Scottish choice. By doing that, we capture vulnerabilities at the earliest point of contact.

Returning to the convener's point, I note that we are already working with those local authorities. That work is in train.

The Convener: That is fantastic. It also allows me to put on the record that local authorities have tried to decipher where they think that those rent arrears have accrued. I was unclear about whether there is such partnership work, so that gives me some reassurance. It is helpful that you have put that on the record.

Mark Griffin: I understand the policy difference between alternative payment arrangements and Scottish choices. What I wanted to understand was the difference between the administrative operations. What is the difference for the work coach who sits with the client? What is the difference between processing an alternative payment arrangement and processing a Scottish choices direct payment?

Derek Kilday: In terms of detailed process, there is very little difference. Scottish choices mirrors what we do with alternative payment arrangements, but it happens further along the line. The administration and the effects of the conversation with the work coach are no different, and it is no more administratively costly either way.

Pete Searle: The work coach has the conversation and passes on the information, which has to feed back to our service centres. People will then implement it on the system to ensure that the arrangements are put in place. There will be different flags or whatever on the system, but the administration will be the same for alternative payment arrangements and Scottish choices.

Richard d'Souza: The back-room process is the same. Derek Kilday has talked about the training need, and we have done a lot under the housing confident policy on how to establish rapport with people so that we can identify whether they are vulnerable and need direct payments. That is where a lot of the extra wraparound training is done.

Mark Griffin: It is helpful to understand that. In one of our early evidence sessions, we heard concerns that clients were declaring vulnerabilities around addiction or other things but were being processed under the Scottish choices option rather than under alternative payment arrangements. I do not know whether you want to look back at that early evidence and perhaps come back to us in writing to address that.

Given that you have said that there is no administrative difference, can you say why an alternative payment arrangement applies from the very first payment of universal credit but, under Scottish choices, direct payment applies only from the second payment?

10:30

Pete Searle: Again, Derek Kilday might want to amplify or correct what I am saying, but the issue involves identifying vulnerability first. If you asked the questions at the same time, Scottish choices could, effectively, trump the vulnerability question. We want to make absolutely sure that, irrespective of what they want, someone who needs their rent money passed directly to the landlord is looked after in that way. We need to get that right in the first assessment period. It is only after that has been sorted out that, in the second assessment period, we move on to Scottish choices. It is simply that ordering that leads to Scottish choices being in the second assessment period.

With regard to the point that you make, we are aware that the process has not always been right in the past, and we are looking at the issue.

Derek Kilday: With regard to the point about the process not always being right, we recently wrote to all of our work coach team leaders across Scotland to reiterate the point that Mr Griffin has just made about what is happening. As Scottish housing leader, I sent that memo out about a month ago.

Mark Griffin: That is helpful because, obviously, with Scottish choices, the Scottish Government has a cost to pay for every transaction, as opposed to the DWP picking up the cost for alternative payment arrangements. It is absolutely essential that that guidance goes out to individual work coaches, and it is good to hear that it has done.

The committee has been considering the evidence that we have received and has been thinking about the issue of the Scottish Government using its discretion to make automatic direct payments to landlords the default and giving tenants the choice to opt out of that. If the Scottish Government were to pursue that policy option, how ready would the DWP be for it?

Pete Searle: If it chose to do that, we would be happy to talk to it constructively to support it to implement that policy, or whatever policy it chose to follow. There are a lot of things that we, the Scottish Government, Wales and Northern Ireland want to happen around the universal credit system, so we have to set priorities. That is why, for example, the changes around the removal of the spare-room subsidy through universal credit will take a while. That cannot be done immediately. We have to look closely at whatever the Scottish Government chooses to do and then speak to it about what might be possible, when it might be possible and what the costs might be.

Jeremy Balfour (Lothian) (Con): I want to follow up on the previous question. I am still slightly unclear about the issue. A number of

people who have given evidence to us have said that the first payment to a landlord does not go on time or directly. You have answered that point, slightly. It seems to me that that can lead to issues around debt and the level of trust between the landlord and the tenant. Is it now the situation that, if I am on universal credit and get housing benefit, that first payment will go directly to the landlord, if I request that, or will it always be the second and subsequent payments that go to the landlord?

Pete Searle: The first payment should go to the landlord if we put you on an alternative payment arrangement. That will not happen automatically; it will happen only if our work coach decides that that is the appropriate way forward. Have we always got that right in the past? The honest answer is no—I would not suggest that we always get it right. Are we doing much better now than we were doing a year or two ago? Definitely. We are looking to continuously improve. That is the sort of thing that Derek Kilday wrote to colleagues about a month or so ago.

Jeremy Balfour: Another issue is the portal for landlords and the information that they can get there. Is more work being done on that? What consultation is taking place, particularly with private landlords, to ensure that they can access the portal and get the information that they want—and that you want them to have—and that, as a result, the system is joined up?

Richard d'Souza: The landlord portal is available only to social landlords, because it allows access to people's data. Obviously, social landlords are registered and regulated in a way that private landlords are not, so there is a policy reason for not having private sector landlords on the portal. Instead, we are building an online system that will allow private sector landlords to apply for a direct payment much more simply than they can at the moment.

Initially, the landlord portal, which, as I have said, was designed for social landlords, had one really important function: to verify housing costs so that people could be paid in the first assessment period. For those on the portal, the percentage of people being verified in the first assessment period is in the mid-90s, so it has done that job. We need to roll out the portal to ensure that, first of all, everyone is getting their housing costs in the first assessment period, but it has the potential and functionality to do much more, and in our regular quarterly engagement with Scottish landlords and national landlords across GB, we invite them to tell us what things they want to be on that list so that we can prioritise them.

Over time, the portal will grow and do more things, but to start with, we just want it to fulfil its fundamental purpose for everyone, and we are not far off that. By the end of May, we will have invited

every social landlord to be on the portal if they wish.

Jeremy Balfour: One issue that claimants have raised is, as I understand it, the need to set up a fresh mandate every two weeks if someone is speaking on your behalf. If I need help from a representative from, say, a citizens advice bureau or some advice shop to engage with the DWP on universal credit, I have to get a mandate set up every two weeks, which seems quite cumbersome, or the person has to be there, which is also quite difficult, particularly if the conversation is taking place on the telephone. Evidence that we have taken on this also suggests that it is becoming difficult to talk to the right person, and part of the issue is the move away from a system run by local authorities to a central system. Is there any way of streamlining the system so that people who clearly need assistance can ask the right questions?

Richard d'Souza: I do not recognise the reference to two weeks, but I recognise the point about the single issue. We bring the data from six benefit systems into one place; as that data is owned by the claimant, it should be up to them to decide who can access it.

A claimant should have to apply again only when an issue has been resolved. They are allowed to bring in someone for a conversation about a particular issue, not about everything—that seems only sensible—and they can do that through the journal, if they are online, over the phone or in a jobcentre. It should be pretty straightforward for someone to do that, but they have to do it on an issue-by-issue basis. We cannot have some open house in which someone can talk about any aspect of an individual's case, because that would seem to me to be an invasion of their personal data.

In moving people across from the legacy systems, we are working closely with stakeholders and finding out how we can help people help others more effectively. It is a bit of a bureaucratic issue, and in feedback that we have been getting in our workshops with stakeholders, people have said, "We'd love to help people move from the legacy benefits to UC eventually and to be part of that conversation—but you're not helping us do that." With the Social Security Advisory Committee and other stakeholders, we are looking at how we might flex things in a more productive and helpful way, particularly with regard to the rather difficult move across systems.

Jeremy Balfour: In our evidence sessions, people tell us only about the negatives, and we never hear about the positives. Do you have any statistics or figures that show how well the whole system for paying money and the relationship with

the landlord and the tenant are working compared with those who are having problems?

That might be a difficult question to answer. Obviously, we hear lots of negativity, because people never come and tell us that they had a great experience. Do you collect data on how the process is working as a whole so that we can have a holistic approach?

Derek Kilday: In Scotland, we look at the situation on a monthly if not weekly basis, and there is a consistent trend of paying more than 85 per cent of people correctly the first time in the first assessment period. We strive for a higher figure, but Scotland has been consistently among the top three areas in the UK on that for the past six months.

Jeremy Balfour: So 85 per cent of people who are on universal credit and getting housing benefit will be paid on time.

Derek Kilday: Yes—they will be paid correctly on time, in the first assessment period.

Pete Searle: Yes, and the figure will be significantly higher in subsequent assessment periods. You might ask, "What about the other 15 per cent?" We always try to improve the figure, but a fair proportion of that 15 per cent will be people who have not provided the information that we need to verify something or who are not willing to sign a claimant commitment—there are a range of reasons. We are trying to improve on the figure of 85 per cent. We have tracked the figure closely, and it was a long way south of 85 per cent a year or two ago, which is part of the history of problems that people are rightly talking about. The figure is in a much better place now and has been consistently for the past few months.

Jeremy Balfour: Can you provide the figures for the past two years so that we can see how the improvements have taken place? I realise that you will not have those figures today, but it would be helpful if you could provide them in writing.

Derek Kilday: We can certainly go back two years, but we will not have figures for Scotland on fully rolled-out UC, because we did not roll out UC in Scotland until December. In Scotland, the figure in each of the areas that we have been working in has increased and, since the beginning of the year, we have consistently been hitting a figure of more than 85 per cent for people being paid correctly in the first assessment period.

Pete Searle: There are published figures on that, which we are happy to share and signpost.

The Convener: The committee would appreciate that. That is a positive thing for the DWP to put on the record. When you provide those figures, it would be helpful to get information on the story with the other 15 per cent. Some of

those 15 per cent wait a significantly longer period, although some of them may be outliers. Information on the average delay for people within that 15 per cent would be useful to help us to better understand the situation. It is positive to hear that there is constant striving for improvement, but it would be welcome if we could understand the full 100 per cent and not just 85 per cent.

Keith Brown: I look forward to First Minister's question time and general question time today, given what Jeremy Balfour has said about people coming forward with what is working well and not just what is not working well. It will be interesting to see how that works out in the Parliament.

We have heard a number of times in evidence about the high cost of providing temporary accommodation for people who are homeless. Sometimes, people become homeless as a result of arrears that have been built up for whatever reason. One reason for that is that the level of deduction from universal credit is so high that it forces people out of their accommodation. Up to 40 per cent of a person's universal credit can be deducted. A single person over the age of 25 will get £317 a month in universal credit, and 40 per cent can be deducted. It is much harder to sustain a tenancy in those circumstances.

Do you have any views on the level of deduction? The Work and Pensions Committee at Westminster is actively discussing what a more sustainable level of deductions would be. By "sustainable", I mean a level that does not force people into other forms of accommodation.

Pete Searle: As you say, the maximum level is 40 per cent. To be clear, that is 40 per cent of the standard allowance, not of the full universal credit entitlement, which includes housing and various other things. That is the maximum, so lots of people will be paying back less than that.

The department and the current secretary of state think that, on balance, the figure is a bit too high, so we have plans to bring it back down to a maximum of 30 per cent, which I think will happen from some point next year, although I do not have the precise date in front of me—Richard d'Souza might know.

There is always a balance to be struck. Part of the reason for the advance is to help people to keep their electricity and water flowing and to ensure that they pay back arrears at a rate that they have agreed with utility providers and their landlords. The aim is to keep people in stable circumstances. There is a balance to be struck between making sure that people are paying off those things in a way that works for those organisations and keeps their relationship with

them stable and not taking so much that it puts people in real hardship.

We are always happy to keep looking at that balance, at the individual and macro levels, but the plan is already to bring the maximum down to 30 per cent, from next year, I think.

Richard d'Souza: It is worth mentioning that the secretary of state also announced that the 12-month repayment period for advances will be increased to 16 months. It is not just the rate but the term that matters.

10:45

Keith Brown: That is interesting. The deductions can be made for all sorts of reasons, not just for rent arrears, as was mentioned. I also want to make it clear that those deductions are perfectly legitimate—I understand that people need to be paid money that is owed. However, even if the maximum deduction is reduced to 30 per cent, the Work and Pensions Committee recommended that it be 5 per cent, which is a big difference—it is six times the amount.

Is the DWP able to interrogate the data to the extent that it could say that the level of deductions is causing people to leave their current tenancies and causing them to have to be accommodated another way? That is obviously a big cost to the taxpayer. If the secretary of state goes for the 30 per cent level, is it possible to work out the cost of doing that as opposed to reducing it to 5 per cent?

Obviously, part of the cost is that people who are owed money will get paid less over time. However, in relation to the cost to the taxpayer, with the systems that the DWP has, is there any way to work out the cost that is being incurred by people who are forced out of tenancies that they might not have been forced out of had the deductions been less?

Pete Searle: I suspect that it is very difficult to work that out, partly because there are usually a number of reasons for someone leaving a tenancy. It would be very difficult—probably impossible—to separate out the extent to which the level of their deductions being 30 per cent rather 5 per cent was a reason.

Derek Kilday may know better than me, but I think that, although we would always tell a person what the maximum amount is, we would ask them what the appropriate amount would be in their personal circumstances—how much they could afford to pay back. If the maximum level was brought down to 5 per cent—it is probable that a lot of people are paying only 5 per cent now—there would be a real risk of that causing more problems than it would solve, including by creating

additional concern among landlords and additional problems with utilities companies.

We can explore that issue further with the Work and Pensions Committee. However, as I said, there is very much a balance to be struck between getting the payments made and keeping people in a stable position in which they can also afford to feed themselves and pay their rent.

Keith Brown: That last point, about finding a sustainable position whereby people can pay back the deductions and sustain a tenancy, is interesting. The Work and Pensions Committee found that the deductions are often at the expense of any discretionary spend—if it can be called that—for things such as food, given how little slack there is in the amount that is paid.

The difference between setting the maximum level of deduction at 5 or 10 per cent and setting it at 30 per cent is a big issue. I do not know, but I imagine that there is a big amount of money to be paid at the end of that. If it is not possible to interrogate the data to find out whether such a change in the level would be beneficial to the taxpayer, that suggests a limitation in the systems that are being used.

The committee has heard that the legacy systems in the DWP for universal credit included a paper-based system in a basement somewhere, which dated from 1948. I do not know whether any of the legacy systems that you work with in relation to the housing element of universal credit are like that. Given that it does not seem possible to work out the opportunity cost of the maximum level of deductions being 30 per cent, are you happy that all your systems provide the best possible information for ministers to base their decisions on?

Pete Searle: Am I happy that all our systems provide the best possible information? No. That is, in part, why the universal credit full service that we are bringing in is digital—it will give us all of that information. It is not fully there yet, but we are building it, and we will be in a much better place in two, three or four years' time than we are in today or than we were in a year or two ago.

Some of our systems, such as the carers allowance system—I know that that benefit is being devolved—date back to the 1970s. I did not realise that computer systems existed in the 1970s, but we still have one or two that are just about working, although they are very clunky.

Going back to the inference that you drew about the maximum level being 5 per cent or 30 per cent, we can get data on who is paying 5 per cent and who is paying 30 per cent and for what. We can get that data, analyse it and provide advice on the back of that. However, data about the behavioural consequences simply does not exist

anywhere—it could not exist, however good our systems were—because there is so much else going on. That is just because of the complexity of the world, and no administrative system could ever take all of it into account. We can try to make judgments about it, but it is not a systems issue.

Michelle Ballantyne: Your last point, on how you figure out how people are behaving, is interesting. It is, indeed, extremely complex. I have been gathering a lot of data, looking at things such as the impact of universal credit on rent arrears, and I have with me figures for some areas that the convener asked about earlier. In East Lothian, 75 per cent of tenants had rent arrears prior to claiming universal credit, and the average debt that is owed by UC claimants has gone down from £1,022 to £786 since the roll-out. That trend has been repeated in all the councils that have come back to me with their data.

Where rent arrears have initially gone up, the increase seems to be, on average, between 1 and 2 per cent of the total debt that is owed. Do those figures reflect your experience with claimants on the ground? The message that I am getting from a lot of councils is that the rent arrears go up initially but then come back down gradually. Those that have been on UC the longest are seeing that trend. I have a few figures here, including for Stirling, Clackmannanshire, West Lothian and East Lothian, and they all reflect a similar pattern.

Derek Kilday: That was Richard d'Souza's earlier point. That is absolutely the profile that we expected to see, and it is now playing out as universal credit becomes more mature. Thank you for sharing those figures.

Pete Searle: I stress again that some of those figures will flow from one or two years ago, and we have done a number of things since then that mean that arrears are likely to build up less in the short term, so that the initial rise should be rather less—things such as the 100 per cent advances, which went up from 50 per cent originally, and the two-week housing benefit run-on. That is, in essence, two weeks of free housing benefit in parallel to universal credit entitlement, which people can use to prevent arrears. A number of the things that we have done should mean that debt is less problematic in the future.

Michelle Ballantyne: My real concern is that many of our benefit claimants have a high level of structural debt that goes back a long way. Some of the figures that I have been sent include a series of dates going back, month on month, to way before universal credit was introduced. We need to be looking at people's behaviours and the evidence that we have received from Crisis. We must look at what happens to people, how their behaviours affect relationship breakdowns and so on.

When it comes to housing and the delivery of benefits, I am interested in the wider support that is available for individuals and how they get that. Can you touch again on what you feel the DWP can do in the jobcentres to support claimants when you meet them? You have that opportunity when people come to claim benefits and communicate with you. The way in which people are treated and the support that they get during that period is extremely important, so it would be helpful if you could elaborate on that.

The Convener: For completeness, and to back up what Michelle Ballantyne said about structural debt or debt that claimants have before they move on to universal credit, the COSLA submission says:

“While we would accept these points”—

COSLA does accept those points—

“the data we have gathered generally shows sharp increases in the levels of rent arrears once local authorities go onto the full service. Feedback from our members supports the view that the way Universal Credit is structured exacerbates the problems both for landlords and for tenants.”

COSLA is saying that it has to accept those points but that there may still be structural issues. It is important to put that on the record.

Derek Kilday: The removal of the seven-day waiting period will be a big factor, and we expect to see a big difference. We are getting a peak at the moment. Once it settles, that should smooth out that part a wee bit.

We do a lot of work on wider engagement with the area and partnership level team, and the director of Homeless Action Scotland regularly meets us. We also chair the quarterly round table, and we will walk the customer journey with all the partners at that meeting in order to understand what we can do better. We have an awful lot of work going on on that issue, not just at the director level—it filters all the way down. Each of our jobcentre team leaders and managers has developed really good relationships, and we are often asked to be part of the interventions that we are talking about and to walk the customer journey.

In the past few weeks, we have been working with Glasgow and looking at what we do with Shelter and other homeless organisations, in order to totally understand the journey. That is really interesting. We recently worked with the Simon Community in Glasgow. A number of our senior managers went on to the streets and walked with members of Shelter, to try to understand all aspects of homelessness. We are setting up a meeting in the next couple of weeks to understand what we can do and how our policies and structures are built in order to unlock some of the

things that are causing difficulties for people who work in the arena. We are stepping into the arena and developing deeper and wider partnerships in all aspects.

Michelle Ballantyne: It is incredibly important that all individuals feel confident about going to speak to somebody before they get into difficulty. It seems to me that that is one of the things that have been troublesome in the system and that some of the messages have put people off seeking help. The earlier that people seek help, the more chance they will have of not getting into difficulty. I would very much like to see really positive messages going out that encourage people and make them feel confident about getting help early on, even if they are just worried, before the issue gets to the stage of being a difficulty.

Pete Searle: The relationship with the work coach is absolutely crucial. When I go to jobcentres, I am constantly impressed by the commitment of work coaches. I think that many members have been to jobcentres. Really committed staff care deeply about claimants and customers and are focused on building partnerships with the full range of organisations locally. Over the past year or so, the department has had a strong focus—from ministers and the permanent secretary down—on building those external partnerships and working together with other organisations for the benefit of the customer. That is a very strong focus from the top to the bottom of the department.

The Convener: Do members have any other questions? I would like to mop up one or two issues.

COSLA desires to see

“Automating the notification of annual rent increases from councils to DWP for Universal Credit and removing the current requirement for claimants to notify DWP of their rent increase within the relevant assessment period”.

It says that that

“would protect rental payments for claimants and landlords alike.”

Currently, the onus is on the individual to notify the DWP about that. Surely, there must be a more logical way of doing that that makes things easier for the DWP but protects the tenant and the landlord. Are there any thoughts on that?

Richard d’Souza: Yes. This year, for the first time, we have tried to use the landlord portal for some of that process in order to make it much more automated. However, it is our first go. It is one of those things in which we iterate and try to learn and improve year on year. We have done that exercise in collaboration with a selection of social landlords. We are absolutely up for that, and that is really where we are heading anyway.

The Convener: That is helpful. Is there any update on when we can get going with that? There is a direction of travel, and I guess that you are saying that you would like to see that happen, but it is not as simple as saying, "Let's just do it."

Richard d'Souza: We are partially doing that this year. Towards the end of May, we will be able to use the portal to upload data with the rent changes so that individuals do not have to do it all themselves and then have it verified by the landlord, which would be a laborious process and not efficient at all. That will happen this year, for the first time, but it will be the first step, not the full-blown automated solution. That shows the functionality that the portal will allow us to deploy as we improve and add to it.

11:00

The Convener: If that testing is successful, will the process be rolled out more widely?

Richard d'Souza: Yes, though we will want to check with landlords that it is working for them, too. We will review the process and see how we can make it better for next year.

The Convener: You probably heard me refer to COSLA's written submission in the earlier session, in which it said:

"Local authorities are not advised by DWP of tenants or claimants whose payments have been reduced by the application of either the bedroom tax or the benefit cap in Universal Credit cases and can only provide such support when claimants come forward even when support is on offer."

COSLA has raised the issue of communication between local authorities, landlords and the DWP because it wants to ensure that it can step in as quickly and effectively as possible to offer support. Such communication is not necessarily happening at the moment, so COSLA continues to make representations to the DWP. Where are we with that? Are you minded to move on that issue?

Richard d'Souza: We are working closely with Scottish Government colleagues to see how we can transfer information to local authorities, so that they can operate the system more efficiently. Work is in hand, but we do not yet have a completed model for how that will work. For quite a while, we have been discussing the best way of getting across the information that is needed. Until we have the automated solution for the spare room subsidy, we are doing all that we can to help with the tactical solution. Those discussions are ongoing.

The Convener: I am deliberately oversimplifying the issue for the purposes of the evidence session but, should a solution become possible, there is no reason why you would not

want to do it. You want to do it, and you are trying to find a way of making sure that it can happen.

Richard d'Souza: Absolutely.

The Convener: That is helpful. There is a little bit of time if other members want to come in, but my final question is about the DWP's ideas and suggestions on how the social security system can better protect people who are at risk of homelessness and those who are trapped in the homelessness system in temporary accommodation or hostels. You will have heard us put on record some of the costs of temporary accommodation and talk about the role that housing benefit plays. Do the DWP and the UK Government have any initiatives to capture some of the cash around those issues and to do more in those areas?

The Scottish Government is doing work to find out the quantum of housing benefit in the system to see whether there is a better way of using it. We have some concerns about that compromising claimants' individual needs assessments and entitlements, but there must surely be a better way of using money that is in the system. Politicians are good at making suggestions, but what are the DWP's suggestions in relation to homelessness?

Pete Searle: We want to carry on the hard and good work that we are doing on the roll-out of universal credit, while recognising that everything is not perfect. We want to keep trying to make the system work even better and to address any concerns in relation to, for example, the landlord portal. Our work on the ground, including on awareness among our work coaches in working closely with Crisis, Shelter and a range of other organisations, is really important.

We do not support devolving the costs of temporary accommodation, but we would be keen to explore with a full range of stakeholders and others with an interest what further can be done to operate more cost effectively and get better outcomes from the system. It is not self-evident to me why some rents for temporary accommodation, particularly in the social sector, should be so high. I am absolutely up for exploring with others what we can do to get better outcomes with the money that is spent on temporary accommodation through housing benefit.

The Convener: You are open minded. I know that a lot of these things are led by politicians, whether by the secretary of state or those in the Scottish Government, but the DWP has direct experience of how well the money is used on the ground, so it is important that the DWP has a unique voice—one that is separate from that of politicians. I understand that you are accountable to politicians, but I am trying to make some space for you to have your voice heard.

The clerking team has reminded me that we have not discussed some aspects of local housing allowance, and we should get some of those points on the record before we draw the evidence session to a close.

How does the DWP intend to uprate local housing allowance rates after the freeze ends in 2020? Do you agree with the evidence that the freeze has resulted in LHA no longer meeting the policy objective of covering the lowest 30 per cent of the rental market? If so, what is the policy objective of LHA? You will have heard the evidence that the previous panel gave on that. What does the future hold, beyond 2020?

Pete Searle: The policy objective of LHA is not to cover the 30th percentile of the market. That is where it was set back in 2010; it was simply the parameter at that time. The policy objective is to make a substantial contribution to help people meet their private rented sector housing costs, taking account of the needs of individual families, the local rental market and the taxpayer, as well as the need for fairness to other renters. That is the broad policy.

As the members of the previous panel said, LHA rates have been frozen since 2016, and in the years before that, they were uprated in relatively low terms, in line with CPI. In many areas, the rates have fallen significantly below the 30th percentile point.

Neither we nor the Government have decided what we will do from next year onwards, but our secretary of state is on record as saying that she will talk to the Chancellor of the Exchequer about the issue as part of the spending review discussions that we expect to take place over the next few months, with a view to seeing what can be done to change LHA rates from April next year. You will not be surprised to hear that I will not be making any announcements today, but there are definitely plans to look hard at the issue and to discuss it with the Treasury and the chancellor over the coming months.

The Convener: I assume that you are concerned that some LHA rates do not provide enough money to enable the 30th percentile to be reached. You are concerned about that and you are raising those concerns with the Government. Is that correct?

Pete Searle: There is no particular magic about the 30th percentile. Around 25 per cent of the tenants in the private rented sector in Scotland are on housing benefit. The 30th percentile is not a magical point; previously, LHA was set at the 50th percentile.

Am I concerned about the fact that, for some people, the amount that they will be paid through LHA will be well below the 30th percentile point

and that only a very small proportion of the market will be affordable to them? We will feed in analysis and evidence on such questions when we talk to the Treasury in an effort to get an agreement through the spending review for next year and beyond.

The Convener: Thank you for that answer. That is as close as I am going to get to getting you to say that you are concerned about LHA rates. I take on board the point that you make.

What assessment has the DWP made of the impact of extending the shared room rate to under-35s? Do you agree with the evidence that the committee has heard that young people experience particular problems in finding affordable accommodation, given their lower benefit rates and the fact that their earnings can be lower? Are there any plans to review the age of people to whom the shared room rate applies or to extend the exemptions? We heard evidence on the issue earlier. Do you have any comments to make on that or any information that you can provide?

Pete Searle: We have no plans on that.

We will feed the considerations in that area into the broader look at local housing allowance rates that we will take as part of our discussions with the Treasury ahead of next year. We are in constant communication with Crisis and a range of other organisations about various strains and stresses in the system and what the exemptions might be. We hear loud and clear the concern about the increase in the age for the shared accommodation rate from 25 to 35. We are aware of the issue and it will feature in our discussions with the Treasury. I cannot say any more than that.

The Convener: I guess that that is as close as we are going to get to an answer on that issue.

I turn to an issue that Alison Johnstone highlighted in our session with the previous panel. The committee has heard evidence that the broad rental market areas are too wide to reflect the wide variations in rents that exist in areas such as Edinburgh. Is there a case for reviewing the BRMAs?

Pete Searle: There are always different systems that one could look at. We have no plans to review the broad rental market areas. As the previous witnesses said, they have been in place for a long time. If we were to change them, we would find that there would be significant losers as well as winners. Any major reform has quite a big impact on the system. I am not sure that changing the BRMAs would address the sort of issues that we are concerned about. If we went down to much narrower areas, we would face the problems that were highlighted earlier. There would be very small numbers of rents to look at to judge what the

right LHA rate should be in an area—you would end up using one, two or three rents, which would not be productive. We have no plans to look at that in the future.

The Convener: That might not be what everyone wants to hear, but it is helpful that you put that on the record. You plan to raise with the UK Government the 30th percentile issue and the extension of the shared room rate to under-35s, but you do not plan to raise the issue of the broad rental market areas. I hope that there will be some movement on those first two matters.

Before we close the session, is there anything that our witnesses would like to put on the record?

Pete Searle: No, thank you.

Derek Kilday: No, thank you.

Richard d'Souza: No, thank you.

The Convener: Thank you very much for supporting the work of the Social Security Committee. We appreciate your doing so.

11:11

Meeting suspended.

11:12

On resuming—

Pension Credit

The Convener: Item 3 is on pension credit. I refer members to paper 4, which is a note by the clerk and correspondence from the UK Government, the Scottish Government and Citizens Advice Scotland.

At our meeting on 7 March 2019, the committee received evidence from Citizens Advice Scotland and Age Scotland on forthcoming changes to eligibility for pension credit, which are due to take effect from 15 May 2019. Citizens Advice Scotland has provided supplementary information to the committee.

The committee agreed to write to the Scottish and UK Governments following the 7 March meeting and responses to those letters have been received and circulated. In a moment, I will ask for the committee's comments in relation to those replies, but first I will put my thoughts on the record.

I remain dissatisfied with the UK Government position not only on the policy but on the rationale for implementing it. In its reply to us, the Scottish Government estimates that, by 2020-21, the policy will impact 3,800 mixed-age households to the tune of around £20.8 million, which is up to £7,000 for each household per year. The income guarantee for pension credit is £12,940, but it is £5,990 for universal credit—that is a stark difference. The Scottish Government's reply also noted that the changes might impact some WASPI—women against state pension inequality—women.

I thank Guy Opperman, the Minister for Pensions and Financial Inclusion, for replying to us. In his reply, he said:

"It is important to be clear that this is about making sure that all working age people, irrespective of their partner's age are subject to the same labour market approach and that taxpayer support is directed to where it is needed most."

That is the policy intent and it is a reserved issue. I find it fanciful that we will treat pensioner households differently. The policy intent to keep all working households the same will create a variation in how we treat pensioner households, which will be to the significant detriment of many pensioner households. Those are my thoughts on the reality of what the policy intent will achieve.

11:15

We also asked the UK Government about conditionality and sanctions that might apply to households in which a pensioner and a non-

pensioner claim universal credit, and whether they would be subject to conditionality or sanction. The reply said:

“Pensioners in mixed age couples claiming Universal Credit will not be subject to any work related conditionality rules. However, conditionality for the working age partner will be tailored to meet their specific circumstances, just as it would for any other claimant.”

I have a concern that there could be a double detriment to some of those households, which could lose up to £7,000 a year. The working-age individual, who might have responsibilities in that household, could in theory—I admit that it is in theory—find themselves subject to conditionality, which could lead to sanction.

The committee spoke a lot, particularly during our previous inquiry, about those who will move over from the tax credit system to universal credit and whether conditionality or sanction should apply to them. The majority of the committee thought that that would not be appropriate. I accept that we will not change the UK Government’s policy position on that, even though the majority of the committee disagrees with it. However, I wonder whether there is scope for the committee to come together and say to the UK Government that, although we are disappointed that it is restating that policy position, we ask it to review the conditionality arrangements for mixed-age pensioner households, just to reassure ourselves that those households do not have a double detriment from the reforms that will be brought in on 15 May.

That is my view, which I wanted to set out. It is only appropriate that we have a discussion as a committee based on all the replies that we have received. Do members have any comments?

Michelle Ballantyne: I have always felt that rules should be consistent, whatever they are about. If someone is of working age, the rules should be applied consistently to them. They should not be subject to a different set of rules because their partner happens to be older. That is my position.

The Convener: Thank you for putting that on the record.

Keith Brown: I agree with the point that you made, convener, but I want to go a bit further. I raised a point in the pre-meeting discussion about potential moves to go further on this matter. At the end of his letter, the Minister for Pensions and Financial Inclusion says that this, apparently, is an “action that helps to alleviate levels of pensioner poverty.”

He also mentions the triple lock. I previously asked about a report that puts the triple lock under threat, which came from a committee of peers who include a Tory peer who rejoices in the name of

Lord True. The report talks about taking away free bus travel—presumably that could apply only in England and Wales—and winter fuel allowances for pensioners, reopening the triple lock and making over-75s pay for their TV licences. It seems that, as yet, that is only a recommendation from that committee, but that is often where things start off. Lord David Willetts, known as Two Brains, also made similar recommendations.

My worry is that, despite that the fact that the minister said that he is committed to the triple lock, we will start to see a more broad-based attack on pensioners. The rationale that is given for that, including in the report, is that it is unfair—it is about “intergenerational fairness”—and that pensioners are too well off compared with young people, which is a false dichotomy.

I know that this will probably be a complete waste of time, because the UK Government does not see fit to come to Scottish Parliament committees any more, but I would like the committee to ask the minister to come here to explain, confirm and reassure us that the triple lock and other potential attacks on pensioners form no part of UK Government policy. That is fundamental to the social security of pensioners in Scotland, which this committee should be interested in.

The Convener: For the sake of clarity, could you confirm that you are suggesting that, whatever we send back in response to the UK Government minister for pensions, we should as part of that correspondence invite him to the committee to address some of these concerns?

Keith Brown: Yes. We should invite him to come to the committee to address those concerns.

Mark Griffin: The reply from the UK Government is, to say the least, very disappointing. Its priority should be addressing the uptake of pension credit, which, at 40 per cent, is scandalously low. Sixty per cent of pensioners in the UK are living in poverty, because they are not taking up their right to this credit, which for the past 20 years has been one of the key drivers for lifting pensioners out of poverty. That should be the Government’s priority.

As for the actions that we should take on the back of this disappointing response, I agree that we should request that the minister come and speak to us and, at the very least, that he keep track of the number of pensioners who are being pushed into poverty and the impact on them. Universal credit’s policy objective is to encourage people to seek more hours or better-paying work in order to increase their household income, but this policy asks one member of a household to increase the value of the work that they do or the number of hours that they work in order to cover

two people's incomes. I do not know how many extra hours of work a working-age person will have to undertake in order to do that. How many hours does the UK Government expect someone to work in a week in order to support their pension-age partner, because of this decision? I would therefore support any request to get the minister here to answer some of these questions.

The Convener: Do members have any other comments?

Jeremy Balfour: There is one thing that disappoints me about both letters. The fact is that, if the 60 per cent of people who are not taking up this benefit can claim before 15 May, they will get it, but when you talk to people, you find that there is a lack of awareness about that. Clearly we do not have very long, but I wonder whether we should say to both Governments that there needs to be something in the media to tell people what is happening. Whether you view it as right or wrong, the fact is that only 40 per cent of people are taking up pension credit, which means that the overwhelming majority are not.

I appreciate that we are doing financial health checks in Scotland, but this is still an issue for both Governments, and no one seems to have grasped that we have to let people know. With so much else going on in society, in the media and in politics, the subject is just not being talked about, and I wonder whether the committee can do something by way of a press release to say, "This is happening on 15 May. You've only got 19 days to do something about it."

With regard to your other proposal, convener, I would have to ask why there should be a differential, just because of someone's age. As a result, I do not support putting into the letter what you have suggested, but I think that there is a bigger and broader issue to deal with. We have only a couple of weeks before this happens. Can the committee put something out on social media or indeed in the general media to say that this is happening?

The Convener: Let us focus first of all on the areas of agreement. We agree that we should seek to publicise the fact that people will lose out if they do not claim before 15 May, and I as convener can make sure that we do that and, indeed, that we stress that point in whatever correspondence we agree, whether by majority or unanimously, to send to the Scottish and UK Governments.

I wonder whether I can push you on a particular point. What about the people out there who might well have this underlying entitlement after 15 May? After all, 60 per cent of the people who are entitled to pension credit are not claiming it, and there would be no reason why the UK Government

could not accede to giving someone who had this entitlement before 15 May but who claimed after that date their pension credit cover. Would that be reasonable?

Jeremy Balfour: I suppose that we have to draw the line somewhere. Frankly, there has been a failure of both Governments to get information out about the issue. It is all to do with the fact that so many other things have been going on in politics.

The committee has raised the issue, and we have a number of days left before the changes come into force. Let us at least unite around one thing, which is that we should tell people about it, perhaps through the Scottish Parliament website or some kind of press release to the general media. That is what I am suggesting.

The Convener: So I do not have your support for the second aspect but, on the first aspect, let us just assume that we are going to do that—we will make sure that it happens.

Keith Brown: On the very narrow point, I agree with Jeremy Balfour that we should try to make the issue as widely known as possible. However, I do not agree that the situation is somehow the Scottish Government's fault in any way whatever—frankly, that is a ridiculous proposition, but that is politics for you. I also have difficulty with the idea that we should try to warn people that something is about to happen but pretend that it is a good thing anyway. I do not understand the logic in that.

I agree with Jeremy Balfour's point about take-up, which Mark Griffin also mentioned, but the language that Jeremy used—I am sure that it was inadvertent—about this being a benefit is part of the problem. The UK Government is moving towards describing various pension entitlements as benefits and towards describing pensions as benefits, which we know is a disincentive for people to claim. Older people in particular have a thing about getting a benefit—even if we all know that they are entitled to it—whereas they see pensions as an absolute entitlement. We have to be clear that this is about pensions and not benefits, although of course it affects benefits as well.

I do not resile from anything that I said previously. We should write to the UK Government in the terms that the convener has described, with the additional points that I want to make, but I agree with Jeremy Balfour that we should publicise the issue as widely as possible, because it will have an impact on people's lives.

On your subsequent point, convener, I do not know whether that is what the 13 August deadline refers to, or is that different? Paragraph 3 of the

minister's letter says that people can make a backdated claim up to 13 August.

The Convener: I suppose that the danger of promoting that is that people might just think that they have longer to wait before they seek to claim, and that might then become the next line in the sand. That is something to consider.

Mark Griffin: There is general consensus that the issue is not well known about. That is a consequence of when the decision was announced, which I think was on a day when there was a meaningful vote or a motion of no confidence in Westminster. If we write back to the minister, we could include a request for the implementation to be delayed by six months, or whatever period the committee can coalesce around, to give the Government more time to make people aware of their entitlement and to give them a chance to apply before the support is removed.

The Convener: That is a constructive suggestion. Unfortunately, when we wrote our initial letters, we were divided on the issue—that is just the nature of politics. We have our individual views on the policy intent, on which we disagree, but the suggestion is that we ask for a six-month extension to the 15 May deadline and the 13 August deadline to allow both Governments to do all that they can to maximise benefit uptake, which is at 40 per cent. Could the committee coalesce around that? I am looking at Michelle Ballantyne and Jeremy Balfour, because I suspect that the other members can coalesce around it. Could our Conservative colleagues do so?

Michelle Ballantyne: I do not know what to think, really. The measure was announced years ago, and it has just been raised again recently—people were reminded that it was happening. Obviously, there has been very poor take-up, but there is no clarity on why that is the case. Some people obviously feel that they do not need pension credit and others are totally unaware of it. As Keith Brown said, some people may not want to claim it for reasons of pride or discomfort about using the benefits system. The issue is complicated. It is a reserved matter and, really, our colleagues in Westminster should be talking to the Government if they feel that there is a need to do so. I do not know whether there has been a clamour down there, but I am not aware of one. I do not know that our writing at this juncture will make any difference.

11:30

The Convener: I want to try to secure consensus and I am conscious that time is against us. Without going down the road of what is reserved and what is devolved, I note that the

committee absolutely has a role to play in how the social security system supports or does not support income maximisation and the tackling of poverty. You were very close to being minded to support a six-month extension, Michelle.

Michelle Ballantyne: It is too late. That is my view. If this was something that really bothered you, it should have been done ages ago.

The Convener: As soon as the matter was drawn to the committee's attention, we moved speedily, effectively and efficiently on it. I am not going to speak ill of previous members of this committee or Conservative or Labour Party politicians at Westminster. I want to focus on the mixed-age pensioner households who are at threat right now. We want to try to protect them and drive up the 40 per cent claim rate as much as possible. Even though you suspect that it may not be a successful move, Michelle, would you support a letter calling for that extension?

Michelle Ballantyne: I will support a letter that says that we are concerned that there has been a very low take-up of the benefit and that there has not been sufficient information out there. If you want to call for the Government to delay it, do I care one way or the other? I probably do not, actually, if I am honest, because I am not sure that you will necessarily get a rush of people taking it up unless some good work is done to advertise it. If you want to write, that is fine.

The Convener: I thank you for that, because it means that we have consensus. Jeremy, can I check that with you?

Jeremy Balfour: Yes.

The Convener: Okay. Can we word the letter in an appropriate fashion such that it keeps all members of the committee satisfied? On the take-up of entitlement, I do not distinguish between the Scottish Government and the UK Government—or local authorities, for that matter. Let us make sure that we draw attention to all levels of government in that regard. A six-month extension by the UK Government to the May and August dates will give us a window to increase the 40 per cent take-up and protect some mixed-age pensioner households. I am delighted that we have been able to agree on that.

Keith Brown: Will the points that I raised be included in the letter?

The Convener: We have not written the letter yet. We are discussing what the key principles will be. I think that, to give comfort to our Conservative members of the committee, we need to note where there is a majority view and not the agreement of the full committee to some stuff, but we will make sure that the content is included.

Keith Brown: The minister's letter takes up the point about the triple lock. I think that that is important, and we should respond to it. It is also true to say—

Michelle Ballantyne: That is a completely different issue.

Keith Brown: It is not. It is raised in the minister's letter.

Michelle Ballantyne: If you want to explore that, you can go on and do that later.

The Convener: It is a wider issue. I suggest that, if we ask the minister to come to the committee, that will give us an opportunity to speak about that.

We are not drafting the letter by committee just now. We have to agree to the general principles of the letter and members have to empower me, with the clerks, to get it written and sent. Let us make sure that we note that, invite the minister to come to the committee, and call for that six-month extension. That is where we have been able to coalesce across party-political grounds.

Dr Allan: Can I give my apologies, convener? I have to go, as I am due to ask a question in the chamber.

Keith Brown: I have to go as well.

The Convener: I suggest that, if that concludes item 3, we do not move to item 4 but close the meeting at this point. We can return to our consideration of the evidence that we have heard this morning.

Keith Brown: If we are not going to take item 4—

The Convener: I remind members that we are still in public session.

Keith Brown: I tried to get in at the very end to ask the witnesses a question for information. If I may, I will raise it now. Michelle Ballantyne mentioned Clackmannanshire Council's rent arrears having gone up as a result of the introduction of universal credit. That is not my understanding, based on the figures that I have from Clackmannanshire Council. It would be useful to hear from the witnesses who were here their version of that.

The Convener: We have moved on to consideration of evidence, which would normally be done in private session. You have put that on the record. Let us look at that next week when we discuss the information in private. I think that that is reasonable.

We will not move on to item 4 but will close the meeting at that point. Thank you, members.

Meeting closed at 11:34.

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