



OFFICIAL REPORT
AITHISG OIFIGEIL

Social Security Committee

Thursday 10 December 2020

Session 5



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SOCIAL SECURITY COMMITTEE

26th Meeting 2020, Session 5

CONVENER

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

DEPUTY CONVENER

*Pauline McNeill (Glasgow) (Lab)

COMMITTEE MEMBERS

*Tom Arthur (Renfrewshire South) (SNP)

*Jeremy Balfour (Lothian) (Con)

*Keith Brown (Clackmannanshire and Dunblane) (SNP)

*Mark Griffin (Central Scotland) (Lab)

*Rachael Hamilton (Etrick, Roxburgh and Berwickshire) (Con)

Alison Johnstone (Lothian) (Green)

Shona Robison (Dundee City East) (SNP)

*attended

THE FOLLOWING ALSO PARTICIPATED:

Callum Smith (Scottish Government)

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

David Wallace (Social Security Scotland)

CLERK TO THE COMMITTEE

Anne Peat

LOCATION

Virtual Meeting

Scottish Parliament

Social Security Committee

Thursday 10 December 2020

[The Convener opened the meeting at 09:01]

Decision on Taking Business in Private

The Convener (Bob Doris): Good morning. I welcome everyone to the 26th meeting in 2020 of the Social Security Committee. We have received two apologies: unfortunately, Alison Johnstone MSP and Shona Robison MSP cannot be with us.

Item 1 is a decision to take in private item 3, which is consideration of the evidence that we will hear this morning. We will also consider the matter of future briefings on the impact of Brexit on Scottish social security. I will assume that everyone agrees to take that item in private unless I see otherwise in the chat box. We have some connectivity issues, so I will give people a little time for that.

That is agreed.

I will suspend briefly before item 2 as I note that we have some information technology and broadcasting issues.

09:01

Meeting suspended.

09:04

On resuming—

Social Security Response to Covid-19 (Inquiry)

The Convener: Item 2 is the committee's inquiry into the social security response to Covid-19. This is the committee's final evidence session on the role of social security in the recovery from Covid-19. We will hear from the Cabinet Secretary for Social Security and Older People and from Social Security Scotland.

Before I introduce Ms Somerville and invite her to make an opening statement, I would like to record our thanks to the individuals and organisations that have contributed to the committee's inquiry—those who responded to our call for written submissions, those who gave oral evidence and the people who engaged with us informally to tell us about their experiences as claimants or front-line workers. Special thanks are due to the voluntary sector organisations that partnered us to host the community sessions. It will all help the committee and inform our thinking in making our recommendations.

I welcome Shirley-Anne Somerville, the Cabinet Secretary for Social Security and Older People; David Wallace, the chief executive of Social Security Scotland; Dawn Abell, head of the Scottish child payment and reserved benefits unit; and Callum Smith, the reserved and working-age benefits team leader for the Scottish Government. I remind everyone to keep questions and answers as succinct as possible and to leave a couple of seconds before speaking to allow broadcasting to ensure that their microphone is switched on. The cabinet secretary will make a statement before we move to questions.

The Cabinet Secretary for Social Security and Older People (Shirley-Anne Somerville): Thank you, convener. I hope that the committee can hear me. I have been having some connectivity issues, so I apologise if I lose my signal at some point.

During the pandemic, the Scottish Government introduced an unprecedented level of support to ensure that we targeted new assistance to where help was, and still is, needed. We have committed more than £500 million of investment to social protection and strengthened local resilience with more than £200 million of consequential funding. Social security has played its part in that package of measures, albeit within our limitations, by which I refer not only to the fact that no income replacement benefits are devolved and that we have powers over only 15 per cent of social security spending, but to the fact that so much of the interaction on our benefits relies on access to

data from the United Kingdom Government, if we are using reserved benefits for our eligibility criteria. That limits how quickly we can introduce new benefits, such as the Scottish child payment for children aged six to 16, and our options for how we respond to emergency issues during a pandemic.

Despite those constraints, the Scottish Government has come up with pragmatic and innovative solutions that have enabled us to maintain and expand our response and our use of social security. The Scottish Government has oriented its response to the pandemic in relation to the four harms: the damage caused by the virus itself, the broader impact on health and social care services, the economic harm, and the societal harm resulting from the restrictions that have been put in place to manage the spread of the virus. A broader package of measures is being deployed across the Scottish Government to address those harms and lay the groundwork for a lasting recovery. Social security is just one element of that multifaceted response, albeit a vital one.

The economic impact has been immense, from reduced wages to job losses. One impact of the pandemic has been increased demand for the support available across social security systems. I want to be clear that I commend the Department for Work and Pensions and its many staff for keeping up with the demands on its services, such as when claims for universal credit nearly doubled during lockdown when its staff were working from home. I welcome the initial changes that it made, including raising local housing allowance rates and providing a much-needed uplift to universal credit and working tax credit.

However, Covid-19 has also meant that many more people, some who have never interacted with the benefits system before, have needed to rely on social security. That has exposed and exacerbated the existing shortcomings in the current UK Government welfare system, including the five-week wait for payments, the two-child limit, the benefit cap and inadequate housing support. I have raised those issues, along with others, with the Secretary of State for Work and Pensions on a number of occasions since March.

I turn to the actions of the Scottish Government. Even with the disruption caused by Covid-19 and the necessary move to homeworking, everyone who relies on Scottish social security benefits has continued to be able to apply and be paid by Social Security Scotland. We are now delivering nine benefits and, despite the pandemic, in the past four months, we have introduced two entirely new benefits: the child winter heating assistance and the job start payment. Our tenth benefit, the game-changing Scottish child payment, opened for applications in November.

Recognising the extraordinary demands that are placed on carers, we also provided eligible carers with an additional coronavirus carers allowance supplement in June, meaning that, this year, carers will receive up to £690 more than carers in the rest of the UK. We increased the Scottish welfare fund by £22 million, enabling local authorities to support those who are most in need, and a further £20 million has been provided to local authorities to use as a flexible fund to tackle financial insecurity over the winter months and support people to afford essentials such as food and fuel. That money can also be used to further top up the Scottish welfare fund or discretionary housing payment allocation, which has been increased from £11 million to £19 million in addition to what we provide to mitigate the bedroom tax in full.

We also introduced the brand new social self-isolation support grant payment in October and, last week, that was expanded to include parents of children who need to isolate. Those are a just a few examples of the actions that we have taken through the pandemic and much more is outlined in the letter that I sent to the committee this week. I am happy to take questions from members.

Keith Brown (Clackmannanshire and Dunblane) (SNP): First, I thank you and all the staff at Social Security Scotland for the work that has been done during the pandemic. Some of the things that you mentioned are extremely important to my constituents, including the £22 million for the welfare fund, £50 million for the local authority hardship fund and the £100 million package.

I cannot speak for other members of the committee, but one of my concerns is that the different people who have given us evidence are obviously hard pressed dealing with the Covid situation, but they have not always been able to demonstrate that they are learning the lessons. By that I mean, will they keep the things that they are doing differently now by force of necessity through Covid as permanent changes and improvements to the services that they deliver? Could the cabinet secretary or David Wallace give us any reassurance that that is being considered in a systematic way, not only through the social renewal board but across the board, and do they have any examples of instances such as that?

Shirley-Anne Somerville: I will start, then perhaps David Wallace can come in on operational issues from the agency's perspective. I begin by commending all the staff who work for the social security directorate and the agency for the way that they adapted to the situation. Thankfully, the way that the agency was established allowed us to move very quickly. For example, the fact that our operational colleagues

already had laptop computers allowed a quick move to homeworking.

Keith Brown is right that we need to learn the lessons from this situation, and we in the Government and the agency are already taking a close look at that and will continue to do so. Some of the changes that we brought in during Covid were already planned, such as web chat facilities and document uploads, but we certainly tried to get them in quicker because they were an absolute necessity during the Covid outbreak and while working from home. Those are some of the examples of the ways that we have changed and innovated and we are looking to see, for example, how much more we can make of video as we move forward to the development and design of our disability consultations, given the much-increased use of that technology. We are learning those lessons for the long term but I will let David Wallace speak a bit more about how the agency has adapted.

09:15

David Wallace (Social Security Scotland):

The cabinet secretary has covered a few points that I would wish to make on the agency's behalf. One of the key lessons that I would reflect on is the flexibility that the people in the agency have exhibited, supported by technology. Some of the things that the cabinet secretary mentioned as being brought forward represent good lessons learned, including web chat, which has proved popular with our clients and also among our client advisers. It is an easy-to-use, adaptive system, which allows for ready contact. We will certainly be keeping bits of that. The document uploader facility and other such things were tactical solutions, and we will build on those with more strategic information technology solutions.

The key lesson, and the key keep for me, is flexibility of staff. As you will have heard from all organisations, the move of people to working from home was significant. We did that quickly, as I have said to the committee before, and we did it effectively, keeping our services up and running. There is certainly something of an appetite among our staff to do that, and there is something about the benefits of the flexibility that working from home brings.

To finish off where the question was asked, when it comes to taking a systematic approach, early in the response to the pandemic, the agency convened a response group for Covid. It has continued to meet and to lead some of our responses. We have recently considered whether we can wind that group down and move to business as usual. As we do that, we will also do our formal lessons learned. To reiterate, the

absolute key lies in the flexibility of our staff and in ensuring that that is maintained for the future.

Keith Brown: I am not really getting the sense that things are being done in a structured and serious way. Many organisations from which we take evidence will be pretty stretched. I cannot speak for the committee, but I would like to have further assurances in due course that the situation is being treated seriously. The pandemic has obviously been a huge disruptor, and such situations can often provide an opportunity for changes to be made. It would be useful to get that.

As an extension to the point, has the crisis given further weight to existing arguments about issues such as the complexity of the system, the adequacy of payments, universal basic income, and so on? Has the pandemic and the crisis led you to think again about how you might reduce complexity in the system? It is important that people take this opportunity to consider improvements for the longer term, learning from the pandemic.

David Wallace: If the question is about the complexity of the benefits, that is more of a policy matter than an operational matter. I am happy to answer the point, if Mr Brown could perhaps clarify whether he means the overall interaction of the benefits system.

Keith Brown: We have seen many examples of systems, DWP or otherwise, that have been streamlined or made quicker, with less need for checks and balances; I suppose that is one way of putting it. Is there any sense that Social Security Scotland is considering that and contemplating changes that it could make that would reduce the complexity of the system in future—so that you would not need to do this or that?

More generally, I seek an assurance that we will get some kind of regular update that the lessons learned aspect is being taken really seriously.

David Wallace: On the first point about the complexity of the system, we would go back to our design principles. As we developed our approach, we always recognised that there would be two parallel systems, with the UK Government and Scottish Government benefits. One of our design principles has always been to reduce complexity in the system.

We have some good examples involving the carers allowance supplement and, most recently, the child winter heating allowance. We have always come from a principle of designing out complexity. Despite the child winter heating allowance, for example, being a benefit that is delivered by Social Security Scotland, with data from DWP, the onus on the client is absolutely minimal, in that they do not have to apply, and we would not go back out to the client looking for

information, apart from in a very low number of exceptions.

I take the overall point, and I am happy to discuss the system, but we have always designed our benefits on the basis of taking out complexity. The cabinet secretary might wish to reflect further on where we are with the disability benefits, but the absolute design principle has always been that they should be simple, despite the complexity of the system.

Shirley-Anne Somerville: I can reassure Keith Brown that we are taking the situation very seriously. Aileen Campbell and I have been working with officials on what the pandemic has shown us that we need to change for good in our ways of working, both within Government and the agency. That is being done through the social renewal advisory board—indeed, it is the whole purpose of the board.

In the short-term, as David Wallace has said, as the agency moves on from considering how to deal with the challenges of the pandemic, staff can then move on to reflect on the lessons learned. We always take a lessons-learned approach, both within the agency and in the Government's programme. Audit Scotland has referred to that approach in the past, and we absolutely concur with it. We always look to the lessons learned on each point.

The key complexity of the system is the fact that we do not have a social security system in Scotland; we have part of a social security system. As I said in my opening remarks, that means that it is inherently complex, because we have to rely on the DWP for data, and on the DWP's system to allow us to function the benefits that we have. Those systems are interlinked, and that obviously brings complexities. That is not something that can be changed without a change to our powers over social security. We will always have complexity when we have to rely on the DWP to provide us with the information. We work well with the DWP, but there is an inherent complexity in that, and we have to rely on the DWP to provide data if we request it. Understandably, the timescales for that have been difficult for the DWP during the pandemic.

The Convener: I am afraid that we will have to move on now, Mr Brown.

Pauline McNeill (Glasgow) (Lab): I echo the comments of Keith Brown, in that we are very grateful for all the work that the DWP and Social Security Scotland are doing in these difficult times.

I wish to pursue the theme of the role of social security in the recovery from the economic impact of Covid. The committee has heard that different policies are needed to tackle the recovery rather

than the crisis stage of Covid. How does that apply to social security?

There is something else that I want to understand first, however. I do not know whether Callum Smith might be able to help me regarding reserved benefits. I have already had some inquiries from people who may be taking work over the Christmas period, having been out of work. Because of the economic crisis that Covid has brought about, they are worried that they will not be in employment after January. Retail and certain other sectors have obviously been taking a hammering due to Covid.

I would like to understand, before I go on, whether the person who takes up that employment will have to restart their social security benefits all over again and whether they will still have a five-week wait. That would help me understand where I would like to take the policy, because I think that that is going to happen a lot. We know that there are going to be a lot of job losses and a lot of stop and start until the economy finds its feet. Can Callum Smith help me with that first?

The Convener: Callum Smith, you are up. Can you assist the committee?

Callum Smith (Scottish Government): Yes, of course. Thank you to all the committee members.

There is a degree of complexity to that. Universal credit, which is the largest reserved benefit that people will be interacting with in that kind of situation, is designed as an in-work benefit. That is, it is designed not just for people who are completely out of work but also for those who are working part-time hours or who meet other qualifying criteria.

People in that situation, who might be picking up or losing bits of work over the Christmas and new year period and afterwards, might encounter issues with the taper rate, or the work allowance rate, of universal credit, which means that they might get quite a fluctuating rate of universal credit award over that period. That touches on the complexity that was brought up in the previous question—as people move between such liminal states of work, there will be severe fluctuations in their income, even with the support that is afforded to them through the new benefits.

Pauline McNeill: Just so that I am clear about that, if, for example, someone takes up full-time employment, their award would probably taper right away. Would they have to start at the beginning of the universal credit process application again and wait five weeks?

Callum Smith: Potentially. If they exceed the earnings threshold for universal credit, their claim could be closed. When they restart their claim,

they would have to go through the entire application process again—[Inaudible.]

Pauline McNeill: That is one of the issues that I would like to explore with David Wallace and the cabinet secretary. We are trying to talk about simplicity and changes that we might need in the system. That is an example of where we might look at gaps in provision and at whether other funds that Scotland administers might be helpful. I think that I am right in saying that anyone who has been on universal credit and then takes up full-time employment will have to wait five weeks again, and all their earnings will be taken into account. That will hit quite a number of people.

Can any of the other discretionary funds help with that situation, or should we be looking at a new benefit to plug the gap in provision? I hope that the economic recovery will happen in the short term or medium term, but it could take two to three years—I do not know what the forecasts are. Does David Wallace or the cabinet secretary think that we might have to plug those gaps during that time by expanding any funds, such as the Scottish welfare fund or even the discretionary housing payment to help people with their housing?

Shirley-Anne Somerville: That goes to the heart of what we can do in Scotland and what inevitably has to be done at a UK Government level.

When it comes to introducing new benefits, it took 18 months from the announcement of the Scottish child payment to its introduction and applications being taken. That is an unprecedented pace, but it still means that it took 18 months before we could deliver it. There is also the issue of whether funding is set aside for a new benefit within a contained-scope block grant. The idea that the Scottish Government can plug those gaps is not realistic. It is important to recognise that there are aspects that need to be taken care of at a UK Government level, because we do not have the ability to deal with it at a Scottish level.

The Scottish welfare fund is very important for crises or emergencies, but it is not an income top-up. It is not there to be a consistent top-up for people who are suffering from poverty. That is why I have written to the UK Government, asking it to heed the findings of a recent Work and Pensions Committee report on the five-week wait, including for example the recommendation that advances during the five-week wait be changed to non-repayable new-claim grants. In that way, the issue can be solved at a UK Government level much more quickly than it can by us.

09:30

Of course, we have discretionary housing payments here in Scotland, but the way in which

those have been devolved means that people must be in receipt of universal credit in order to qualify for them. Again, there is a limitation because of how powers are devolved that will have an impact. We could of course look at the Scottish welfare fund, but that would require changes to primary legislation because, as I said, it is there as a crisis loan fund.

It is very important for us to challenge and do what we can innovatively, but we cannot, in a Scottish context, plug all the gaps of a UK social security system.

The pandemic has shown that some parts of the social security system at UK level have managed to work at speed to make changes and to innovate. However, some changes need to be made permanent, and some things still need to be changed, because it is at that level, rather than at the Scottish level, where the ability lies to support people who are on continuous low incomes. That absolutely does not mean that we will shirk our responsibilities to attempt to deal with the issue, but we need to be realistic about the facts of the Scottish Government's ability and the UK Government's responsibility, power and ability.

Pauline McNeill: I do not disagree with what the cabinet secretary has said, and I understand the responsibilities of the UK Government. As she has said, so many benefits relate to people who are already on universal credit, albeit that we know that people who are in work may still be in poverty.

However, it would still be possible, theoretically, for the Scottish Government to use its powers to create either a new benefit or a new fund for short-term recovery—even for that five or six weeks' wait. What concerns me is that people might not take up employment and might stay unemployed, because of the five-week gap. I accept that that is the UK Government's responsibility but, theoretically, could the Scottish Government not create a provision for that period, even if it was for two or three years while the country gets out of recovery?

Shirley-Anne Somerville: The Scottish Government has the power to launch a new benefit, which is what we are doing with the Scottish child payment. However, I go back to the point that, even at an unprecedented speed, that has taken 18 months to deliver, from designing the policy and the system to getting it to application stage. We may have the ability to do things, under our limited powers, but we must be realistic about how long it takes to design and implement a new benefit.

Covid-19 has exposed the shortcomings that were already in the UK welfare system. We will see what we can do at Scottish Government level to plug those gaps. However, given the powers

that we have, and because of the sheer time that it takes to introduce a new benefit, we are not in a position to plug them all.

Pauline McNeill: I acknowledge the length of time that it would take. I know what you said about the welfare fund requiring primary legislation but—I want to be clear—theoretically, could you extend that fund so that people could apply to it during their five-week waiting period? If we legislated for that, would it be possible?

Shirley-Anne Somerville: If we consulted on a change, such as introducing a new fund, and went through primary legislation, that could, of course, be done. How quickly that primary legislation could be brought in would be up to the Scottish Parliament.

The fact that we would be reliant on the Scottish Government's budget to deal with the five-week wait has enormous budgetary implications for the Scottish Government, and that money would have to be taken out of our block grant which, as the committee knows, is a set sum. Any change that we make to social security to attempt to plug the gaps in the UK social security system will mean that money will have to be taken from elsewhere in the Scottish Government programme.

That would—

Pauline McNeill: Thank you very much.

The Convener: Sorry, I think that we cut across you there, cabinet secretary. Did you want to finish what you were saying?

Shirley-Anne Somerville: No, it is okay, convener. Thank you.

The Convener: In a moment, I am going to bring Jeremy Balfour in to ask a brief question, because he has indicated that it relates to this theme. First, I want to follow up on the deputy convener's incredibly important point about the solution to the five-week wait. The committee has consistently said that the five-week wait is simply wrong and should end, and the Scottish Government has said the same, but the UK Government will not move on that.

The deputy convener was right to point out that the nature of the economic recovery means that many people are newly seeking employment, are in work for a short time or get into a job, leave that job and get another. People in such situations have fluctuating UC claims, have those claims ended and experience multiple five-week waits in the months ahead, as Callum Smith suggested.

We do not like the five-week wait, but we acknowledge that the UK Government will not end it. Therefore, has the Scottish Government made further representations to the UK Government to say that no claimant should have to endure a five-

week wait more than once in a 12 or 24-month period? The situation that Callum Smith and the deputy convener outlined was that individual claimants could experience a five-week wait on multiple occasions in the weeks ahead instead of only one five-week wait.

Shirley-Anne Somerville: Numerous letters have gone back and forth on the five-week wait, including during the pandemic. From memory, the most recent one was on the select committee's report on the five-week wait and other aspects, which made specific recommendations about that. We urged the UK Government to look very seriously at that report and take on board its recommendations, which I think were supported by all the members of the select committee. It recommended making the advance payment in a very different way.

The Convener: Thanks, cabinet secretary—I absolutely accept that. Our committee is persistent in saying that the five-week wait should end, but we cannot get movement from the UK Government. Sometimes it is about picking at a different part of the UK Government's conscience. Our suggestion is that no individual claimant should have to experience a five-week wait ever, but if the UK Government will not move on that, perhaps we could push for people not to have to experience that wait more than once in one, two or three years. We would do that only to try to get movement on something that we would like to see end completely.

It would also be helpful to identify what it would cost to pay universal credit to every individual claimant in Scotland or the UK who has to wait five weeks. That would be an eye-watering amount of cash, but it is an important figure to capture so that we can understand the money that some of the most vulnerable people—those who are claiming benefits—are losing. Surely the figure is out there. If the Scottish Government has or can access that figure, the committee would welcome seeing it. I am not looking for a reply on that now, but it would be helpful.

Jeremy Balfour (Lothian) (Con): Thank you for coming, cabinet secretary. My question is for the cabinet secretary first, and maybe David Wallace will want to jump in after. It is about the use of local authorities compared with a national roll-out of policies and benefits. Over the past few weeks, we have heard evidence that there can sometimes be a postcode lottery. How quickly and easily someone can get those benefits depends on what local area they live in. Do you foresee a greater role for the agency in delivering those benefits across Scotland or will the policy remain to leave their administration with local authorities?

Shirley-Anne Somerville: That is an important issue that we have looked at very seriously. It ties

back to some of the points that I made at the start. I will not rehearse those again, but we have to look carefully at what we can do at Scottish Government level through the agency and what can be done more quickly by local authorities.

The Scottish welfare fund is up and running and it was put in place before we had an agency that could run such a fund. In such situations, there is an argument for doing things at local authority level because that allows them to use local knowledge of their communities and to respond to aspects in different ways to suit their local needs. On top of that, as I said, it makes sense in terms of timing, because a local authority can deliver things more quickly than the agency would.

I go back to the point about data, which is exceptionally important. When we challenge ourselves in Government to get money out the door to people quickly—something that has been a top priority—it is important to use methods that are already there, because that is the quickest way to do it. That is why we introduced an additional carers allowance supplement, for example, and why we have used the Scottish welfare fund to deal with the situation. We have used things that are already there and many of those are at local authority level.

Therefore, using local authorities made absolute sense in terms of timing, but there is the additional aspect that it is often the right way to do things because local authorities can respond to local needs. It would be remiss of me if, at this point, I did not commend the work that local authorities have done, at great pace and under difficult circumstances, to deal with the Scottish welfare fund and to introduce the self-isolation support grant and the many other discretionary payments that have been introduced from across Government. They absolutely should be commended for that.

Jeremy Balfour: I totally agree with that and thank local authorities for all the work that they have done, along with the agency.

If there was a policy change to run something more centrally rather than through the local authorities, is the agency ready to deal with that, and how many more staff would it require?

Shirley-Anne Somerville: I will let David Wallace come in from an operational perspective, but again that comes down to how the agency has developed. It does not hold data for people—it is not a data-holding agency. We require data to be driven through the DWP, which is one of the challenges. It is not just about what the agency can do, but about the pressures within the DWP and its ability to provide us with data. That is not in the slightest a criticism of the DWP, because it is also working under immense pressure during the

pandemic. However, it is another intricacy that needs to be borne in mind. It is not just about the agency, but about what our partners can deliver.

David Wallace: The member asked a good question, and I have a couple things to say. If we go back to the overarching model for the agency, the rationale for creating a national agency was that that was the most efficient way to make relatively high-value payments at scale.

Of course, we have a developing local delivery function, which is starting to embed across Scotland. When the latter wave 2 disability benefits go live, the role of that function will be to ensure access to those national entitlements, rather than being an organisation that is designed to administer discretionary payments. The agency has no discretionary payments at its disposal at the moment.

09:45

The member asked whether we could do that, and we do not have that capacity at the moment. The programme has always operated in a way that involves our working closely with our policy and programme colleagues from the Scottish Government and getting ready for changes to systems. That goes for all the benefit launches that we have had, including the Scottish child payment, which I am sure we will come on to.

We do not create capacity and then look at what we are ready to take on; we work with our programme colleagues on the next functions and benefits that are coming our way and gear ourselves up for them. Of course, if there were changes to those, we would continue to work with our programme colleagues on that basis. However, if the question is whether we have that functionality now, the answer is no, because we have not been formed to have that capability.

The Convener: I will move on to our third question theme, which is the Scottish child payment. We are taking a consistent approach to evidence. Last week, the UK Government minister, Mims Davies, appeared before the committee with her team and we asked about the Scottish youth guarantee and the UK Government's strategy with the kickstart scheme.

In planning for recovery, how is the Scottish Government ensuring not just that its employability policies, such as the job start payment and the youth guarantee, are fully integrated with one another, but that those policies complement or work strategically and jointly with UK Government initiatives? There could be a long answer to that, and, due to time constraints, I ask for a brief comment—you can follow it up in writing—on your discussions with the UK Government, or opportunities that you have had to have that

exchange with it. Is there dialogue? Is a joint strategic approach taken to the issue?

Shirley-Anne Somerville: I would be happy to follow up in writing, because there is a lot that I could say. In the interests of time, I will simply reassure the committee that we are looking at the issue, not just through a social security lens but, in the work of my colleague Jamie Hepburn, through a fair work lens.

Work is on-going at a Scottish Government level through, for example, the young persons guarantee, and we are very much looking to make sure that the job start payment and young persons guarantee are fully integrated. We are also looking to ensure that those who use the Jobcentre Plus service also get information about the job start payment. I am happy to give the committee more detail in writing.

The Convener: That would be helpful, because the committee might want to take a view on how joined up the UK Government and Scottish Government have been in delivering that joint outcome, which is to get young people into long-term, sustainable employment as quickly as possible.

We will move on to ask about the relationship between the Scottish child payment and the welcome £100 clothing grant top-up that was announced recently, but first can you give an update on applications for the Scottish child payment? What is the most recent information on applications for the Scottish child payment?

Shirley-Anne Somerville: I will attempt to find the most up-to-date information in my pack, if you bear with me.

Up to Sunday 6 December, more than 48,000 applications had been received, so that is progressing well. Only yesterday, I had a discussion with agency colleagues about ensuring that we were moving forward with the next phases of our marketing and publicity campaigns and our work with stakeholders to push the application rate up further, perhaps with a particular emphasis on the start of the new year, when people have financial difficulties after the Christmas period and need that encouragement.

The Convener: That is helpful. I am impressed that you found that figure—I thought that it would be buried in the briefing; I did not think that it would be etched on your memory. Thank you for putting it on the record.

I cannot speak for the rest of the committee but I suspect that we all welcome the £100 payment that will be made to families with children who qualify for free school meals—I think that I said that the clothing grant was the qualifying benefit, but I got that wrong. Is there a direct relationship

between that welcome £100 and the Scottish child payment, the first payments of which will be made at the end of February 2021?

Shirley-Anne Somerville: I want to be clear that the £100 winter hardship payment announced by the First Minister is not a bridging payment until the Scottish child payment is introduced. It is a one-off payment that is being made to families with a child who is in receipt of free school meals in recognition of the triple challenges that such families face in relation to the pandemic, winter pressures and Brexit. The payment builds on the continuation of free school meals support over the holiday period, which was also announced as part of the Scottish Government's response to the challenges of Covid and Brexit. We are moving forward with that £100 payment as part of our winter hardship fund to deal with those challenges.

The Convener: The eligibility criteria will be a bit different. Are you able to inform the committee how many of the families who will qualify for a Scottish child payment in February next year will not qualify for the £100 winter grant? Does the Scottish Government have that figure?

Shirley-Anne Somerville: Although there is some overlap between the recipients of the £100 winter hardship payment and the Scottish child payment, by and large they reach different cohorts of children and young people. The £100 payment is for those children of school age who qualify for free school meals. Eligibility for the Scottish child payment is wider than receiving free school meals.

The Convener: I am just trying to establish whether the £100 grant is a new policy direction from the Scottish Government, involving specific funds from which it can make one-off payments. The Government did that with the additional Covid grant for carers. The £100 hardship grant is very welcome. Is the Scottish Government actively considering other one-off payments to target low-income groups, such as families and children who live in poverty, separate and distinct from the free school meals pathway and the Scottish child payment? Are you continuing to give such payments active consideration?

Shirley-Anne Somerville: In our response to Covid, the Scottish Government has introduced several measures, only a small part of which lie within social security. Many other aspects lie within the wider reach of measures such as the £350 million community support package that was announced near the start of the pandemic and the £100 million winter support package that was announced more recently. There are aspects of social security within that and there are also aspects of those packages that deal with different ages of children and, indeed, different age groups within society as a whole. I hope that that helps to clarify the situation, convener.

The Convener: I think so. I will read the *Official Report* after the meeting. I am just trying to get at whether the Scottish Government will try to identify non-recurring funds. By definition, grants are one-off payments, and it will make a difference if the Government is prepared to take that approach. I think that your response was a yes, cabinet secretary. I am just trying to check that.

Shirley-Anne Somerville: We have to bear in mind that there are areas where we have reacted at speed because of the pandemic and have dealt with things as a response to Covid, and there are different challenges in the longer term—to go outwith the committee's current consideration of the response to Covid. I will give an example of the challenges in that regard.

The DWP has advised that financial payments that are made by local authorities to help meet an immediate short-term need arising out of an exceptional event or circumstance, such as Covid, will be disregarded when it comes to other benefits that are run by the DWP. That assurance is not provided for longer periods, so we run the risk of a continued payment being given by one hand and taken away by another. That means that what can be done in the longer term differs from what can be done during a pandemic, when the DWP is working under slightly more flexible rules.

The Convener: I will bring in Mark Griffin for a supplementary question. Mark, I do not know whether you are able to deal with the additional suggestion in the chat box as well, but I know that you have your own supplementary question.

Mark Griffin (Central Scotland) (Lab): I want to better understand the eligibility for the £100 payment for those who are on free school meals. I should perhaps declare an interest, as I have a child in primary 1 who qualifies for free school meals due to the universal nature of the entitlement. I want to be reassured that families that are on significant incomes, such as those of MSPs, will not qualify for the £100 payment while some families that are on universal credit miss out. What are the qualifying criteria, given the universal nature of free school meals for p1 to p3 pupils?

Shirley-Anne Somerville: If it is okay to do so, Mr Griffin, I will get back to you on that. In general, people are eligible for free school meals if they are in receipt of universal credit and their monthly earned income is not more than £610. On what happens in relation to the universal provision of free school meals for p1 to p3 pupils, if I cannot find the correct part of my briefing before we finish, I will get back to you later.

Mark Griffin: That would be helpful, thanks. I am sure that the cabinet secretary and the Government would not want to be handing out £100 to families that do not need it, when the

money could be better targeted. However, I appreciate that the measure has been brought in at pace to deal with a particular issue.

Will there be consideration of a similar payment for children over the age of six, who will not qualify for the Scottish child payment until it is fully rolled out? Is the Government considering that, given that the £100 payment has been introduced at pace?

The Convener: Mark, I am sorry to cut across you, as that is a good question. It adds to or complements Rachael Hamilton's question in the chat box about getting the data from the DWP on children who are over six and qualify for the Scottish child payment. Mark Griffin is looking for a solution or a workaround regarding that issue. We are keen to know about any progress with the data sharing arrangement and securing the data that would allow the Scottish Government to pay the Scottish child payment for children who are over six. Sorry, Mark, but I think that that completes the questions that committee members want to ask.

Shirley-Anne Somerville: That has given me the opportunity to look for the further detail on free school meals. I confirm that those who receive that universal provision are excluded with regard to the £100 entitlement. I hope that that gives reassurance on that point.

On the question of a continued payment, I point to the issue that I mentioned to the convener about the agreement with the DWP to ensure that provisions that are made during Covid will be disregarded when it comes to other benefits. That is not a long-term assurance, and it would have major implications if further such payments were made.

Again, we must bear in mind that this is not just about what the Scottish Government might want to do, because it is impacted by decisions at UK Government level. To be clear, the funding would need to come from within the Scottish block grant.

10:00

As I have said to the committee before, moving forward the date for delivering the Scottish child payment for children aged six to 16 is absolutely reliant on the DWP providing the Scottish Government with the data. That is not a simple task, because it requires an interface between the agency and the DWP, and how that interface will be built, what the data will be used for and how those two systems will interlink must be agreed. We are dependent on the DWP bringing forward what is required from its perspective to allow us to begin building such an interface. Therefore, we are reliant on the DWP, as we are on many matters during a joint programme, to be able to move forward. The DWP is well aware of that, and

I have spoken very recently to ministers in that department about that point.

The Convener: Thanks, cabinet secretary. We must move on now, Mr Griffin, but I will bring you back in later. Rachael Hamilton is next.

Rachael Hamilton (Ettrick, Roxburgh and Berwickshire) (Con): During its evidence sessions, the committee heard about the delivery of the Scottish welfare fund. Looking back at the evidence from 30 April, I am sure that that is nothing new to you, cabinet secretary. Has the pandemic raised unresolved issues and red flags in your department about the delivery of the Scottish welfare fund?

Shirley-Anne Somerville: I have listened very carefully to the feedback from third sector organisations on that. The Scottish Government has always had close contact with local authorities, which administer the fund. That is done in a variety of ways, including regular sharing of good practice and regular contact between those times to ensure that things run effectively. When organisations such as charities and other third sector partners have raised concerns about specific matters, we have fed them back through our channels with local government to ensure that we reiterate those points directly and encourage movement when it is required. It is important that, when we receive such information, we pass it back and encourage changes to be made.

I fully recognise the frustration felt by some that there are, for example, variations in the ways in which the fund is delivered. It is a locally administered fund, operated by local authorities. At many other times, we criticise Government for making systems too centralised, with decisions being made by the Scottish Government. At other times, people are concerned that there is too much local discretion on certain policies, and I appreciate that some people are concerned about the variations between local authorities in the operation of the Scottish welfare fund.

At the beginning of the year, we began an evidence-gathering exercise to better understand the administration of the fund. That work had to be paused because of Covid, but we will resume it as soon as is practical and local authorities have the capacity to allow them to take part. Part of that will involve working with local authorities to learn lessons about the operation of the fund during the pandemic. We are keen to do that.

Rachael Hamilton: The committee will welcome that work on analysis and post-pandemic review.

Would you say that the statutory guidance for the Scottish welfare fund should be reviewed because of the nagging problems? We have not discussed them, but you will be aware of what we

have heard during evidence sessions. Some applications in local authorities were either suspended or closed, there was an issue with the community care grant in April, May and June, when applications for it almost halved, and the Joseph Rowntree Foundation gave other examples of people who had to go to charities because they thought that they were eligible for grants but they were not.

Those speak volumes and we must make sure that people in vulnerable situations are not forced to go through an appeals process with the local authority, especially during a pandemic. Obviously, services were rolled out as normally as possible, but have you done any analysis so far, from the chats that you have had in the working group, about the problems with delivery?

Shirley-Anne Somerville: A number of months ago, when I did one of my ministerial catch-ups with organisations, I heard feedback from charities about grants being closed or suspended. No authority formally closed the fund to applications during that time, but the issue was fed back to us and we quickly looked at it and challenged local authorities about it. I encourage any organisation that still feels that that is the happening to get back to us and we will look it. We took that exceptionally seriously when it was raised with us a number of months ago.

The statutory guidance is regularly reviewed. There was a very quick check of it right at the start of Covid to see what needed to be relaxed. An obvious requirement was for people not to be refused a Scottish welfare fund application because they had already been to it three times. We specifically dealt with that area with local authorities. There is enormous discretion in the Scottish welfare fund and its statutory guidance that local authorities are allowed to develop. In our discussions with local authorities during the pandemic, it was not felt that changes to the statutory guidance were required, but the Scottish Government encouraged local authorities to use that discretion, particularly because we were providing additional funding, which they used to the maximum.

Community care grants are available to people who are on low incomes to establish or maintain a home within their communities. During the initial stages of the pandemic, the lockdown measures meant that opportunities to move home or establish new tenancies were exceptionally restricted. Therefore, the great decrease in demand for community care grants during that time was very understandable. However, as lockdown measures have eased, applications for community care grants are starting to rise.

From memory, community care grants are six times the amount of a crisis grant. That will

obviously have implications for the totality that is being spent from the Scottish welfare fund. We need to look carefully at what was spent on crisis grants. For example, local authorities spent 62 per cent more on them between April and July than they did last year. Community care grants serve a different purpose and therefore saw a reduction in demand, although, as I say, that has changed over the past couple of months.

Rachael Hamilton: That speaks volumes for the discretionary element of that payment. You talked about the extra funding from the Scottish Government to the Scottish welfare fund. Why was only £22 million of the additional £45 million allocated to that fund?

Shirley-Anne Somerville: At the start of the pandemic, when we looked at the increase to funding that we wanted to provide, we said that we wanted to be as flexible as possible. There was £22 million allocated right at the start, and the remaining funds were kept to ensure that we could react to events later in the pandemic. That is why the funding was split into two sections.

One issue that came up during the pandemic was that, although the Scottish welfare fund was a critical way of using money, local authorities wanted the flexibility to use other methods to allow them to deal with people who faced challenges with fuel poverty, food insecurity and so on. That is why we made the second tranche of funding even more flexible for local authorities, so that they could use either the Scottish welfare fund or different methods, such as discretionary housing payments, to deal with whatever local challenges they faced. We wanted to ensure that there was maximum flexibility in that regard.

Rachael Hamilton: Will that flexibility continue to enable local authorities to meet local challenges, or was the funding designed to be flexible specifically during the pandemic? How long will they be able to operate in that way?

Shirley-Anne Somerville: The budget increase is specifically for dealing with the response to the pandemic. As we have made clear, the winter support package is there to deal with the challenges that low-income families face as a result of Brexit. The flexibility has been brought in to deal with the pandemic. Once we move past it, the Scottish welfare fund will still be in place—*[Inaudible.]*

—agreed with local authorities, and that is done through the Scottish index of multiple deprivation.

Rachael Hamilton: We lost you there for a moment, cabinet secretary. I have one last question; I am not sure if you have covered this, so forgive me if you have—your screen froze during your answer.

We know that rent holidays are now likely to be lifted. Have you done any work on future provision for the Scottish welfare fund? We have talked about the extra funding that you put in. However, do you agree that there has been shown to be a gap there, and that financial provision should be made?

Shirley-Anne Somerville: I have no idea how much of my previous answer the committee heard, and how much I was talking to myself—I hope that you got most of it. I will try again.

We absolutely need to look at the role of the Scottish welfare fund and discretionary housing payments in assisting people. In addition, the Scottish Government has provided other elements of support that are not specific to social security—the tenant hardship loan fund, for example—but which can provide additional help for people who are facing housing challenges at this time. I hope that that helps to answer your question.

Tom Arthur (Renfrewshire South) (SNP): My question is about the end of the self-isolation support grant. Can you update the committee on the success rate of applications for the grant? I believe that the rate was about 23 per cent in October. How has the picture developed since then?

10:15

Shirley-Anne Somerville: We will publish further figures on the success of the self-isolation support grant in January. As the committee would expect, we have looked carefully into the low payment rate. Some of that is perhaps understandable. When any new benefit goes live, we see a lot of applications from people who are, frankly, just not eligible for the payments. That is not specific to the self-isolation support grant—we see it for payments in general, such as those that the agency has made in the past. The first month is usually quite tricky as people get used to the eligibility criteria.

We have discussed with local authorities why there were so many failed applications, and it certainly seems that much of it was because of speculative applications from people who were not eligible, either because the time when they had to self-isolate was before they could receive a payment, or because they were not on universal credit and so on.

Obviously, we were keen not just to presume that that was the reason and to see whether we needed to expand the eligibility in some areas. We worked carefully and closely to get instant feedback from local authorities. One area that they picked up on quickly was that of parents who have children who have been asked to self-isolate. Such people were not originally eligible for the

grant, and they certainly were not eligible in England, either. I am not sure whether eligibility on that has been changed in England, but we heard about that from local authorities and moved quickly—within a matter of weeks—to extend the eligibility.

We are working hard with local authorities to look at the reasons for the figures and we encourage people to get back to us with any issues so that we can look at them again. We will keep a close eye on that as we move forward.

Tom Arthur: The extended eligibility criteria that have been introduced this week are welcome. I understand that another potential reason for what initially seemed to be a low uptake could have been a variation in the approach that was taken by local authorities. Do you have any reflections on that? What level of discretion, if any, do local authorities have in how they administer the grant?

Shirley-Anne Somerville: The self-isolation support grant was brought in under Scottish welfare fund regulations. We chose that approach because it was the quickest way to get the grant up and running. As I mentioned in a previous answer—I think that it was to Rachael Hamilton—the Scottish welfare fund regulations give local authorities a discretionary power. As we develop the guidance for the self-isolation support grant, we are keen to work with local authorities to ensure that they take a common approach but that, on the foundation of a common approach of everyone getting £500 and that number not being subject to discretion, local authorities can have discretion around payments.

Obviously, we were particularly keen to ensure that the self-isolation support grant was available for those who had no recourse to public funds, and the Convention of Scottish Local Authorities was keen to work with us on that.

Tom Arthur: It was suggested at a previous evidence session that people who are rejected or are unsuccessful in applying for a grant should automatically have their application treated as an application for a crisis grant. Do you have any reflections on that?

Shirley-Anne Somerville: That is an interesting point. We would need to look at the application processes, which are different.

The application for a self-isolation support grant is designed to gather specific information about an individual's period of self-isolation and how it will affect their ability to work and therefore their income. To keep the process as simple as possible, we are asking local authorities to gather only the information required to allow them to reach a decision on the self-isolation support grant. We are keeping that as clear as possible.

We are not collecting any data or information outwith that.

There is a different application process for crisis grants. In many ways, it is not as simple as us gathering all the information during the self-isolation support grant process that would allow that to move over for consideration as a crisis grant application. However, local authorities are keen—as are we—to ensure that people get support if they require it. If individuals are not eligible for a self-isolation support grant, we would expect the local authority to do all that it could to support them in the wider sense, and part of that would be done through traditional Scottish Government funding, for national helplines and so on. The local authority would also want to see whether there was anything else that could be done.

The application process might be separate because of the data that we are collecting, but there is a way in which we can, through local authorities, provide more holistic support to people outwith that one application process.

Tom Arthur: Finally, cabinet secretary, I have a question on how you see the role of the self-isolation support grant developing in the coming six months. That might be an optimistic timescale, but by that point the vast majority of people most at risk from the virus will have been vaccinated. The suggestion has been made elsewhere that, with the increased use of testing, it might be possible for people not to need to self-isolate if they have been identified as Covid-negative. That could mean a potential saving from that pot of money. Would that money be reimbursed to the Government as a general saving or would you look to invest it as more targeted support for people who need to self-isolate?

Shirley-Anne Somerville: We keep the work of the self-isolation support grant under review. That is why we were able to change the eligibility requirements so quickly, following feedback from local authorities. We will continue to do that.

Part of the wider work that I do in the Government is to head up compliance issues, and one of the main ways in which we can ensure compliance with Covid requirements is by providing support for people during self-isolation. The self-isolation support grant is an exceptionally important way of providing support, but it is not the only way. I have spoken briefly about our national helpline and the calls that local authorities are making to people who are being asked to self-isolate. That is being done using additional Scottish Government funding. I repeat that I am very grateful to Scottish local authorities for moving so quickly to provide additional support for people who are self-isolating. We will keep those

things under review as the virus and our response to it develop.

As I have emphasised on several occasions, there are aspects that we are dealing with through social security, but the wider Government is dealing with other aspects in relation to financial insecurity in the wider sense, to ensure that people who cannot get the self-isolation support grant, and might not even be eligible for the Scottish welfare fund, can get support through other funding streams developed by the Scottish Government in response to Covid. As we have discussed, many of those come through local authorities.

Tom Arthur: Thank you very much.

Pauline McNeill: I have a quick supplementary in response to the cabinet secretary's answer to Tom Arthur's question about the self-isolation grant. I am pretty certain that we heard evidence early on about that. It staggered me, which is why I remember the figure: in Glasgow, there has been a 23 per cent rejection rate of applications for the self-isolation support grant.

I heard the cabinet secretary say to Tom Arthur that the Government has that under review. Would she mind having a look at those figures? If the rejection level is so high, we need to get to the bottom of that and find the reason for it. Have people misunderstood the grounds on which they can apply or are there other reasons for so many applications having been rejected?

Shirley-Anne Somerville: I absolutely agree with Pauline McNeill that we need to look at that, but that is exactly what we are doing. The evidence shows that, within a couple of weeks, we moved to extend the eligibility criteria. Local authorities had been picking up on the situations of parents whose children had been asked to self-isolate, and of those who would be eligible for universal credit but were not at the time. We did not want to wait for them to apply for universal credit and for there then to be a delay. We have been looking at such situations exceptionally carefully.

As I said earlier, it is expected that, during the initial phase of availability of a grant, a large number of speculative applications will be received that just do not meet the criteria for awards. We experienced that at the start of provision of other new benefits, such as the job start payment and the best start grant. We have looked at such matters exceptionally quickly. I stress that we continue to do so with local authorities, to see how the situation is developing as the population understands more about eligibility for the self-isolation support grant and we receive feedback from authorities about parts of the population that we perhaps need to examine. The quick response

that we made by extending the eligibility criteria is, I hope, evidence that we are absolutely on top of that. We are keeping in close contact with authorities and will continue to do so.

With my compliance hat on, I say that it is exceptionally important that the Scottish Government does everything that it can to support people to self-isolate. As we look at the figures on people's reasons for perhaps not self-isolating for the full period, we can see that it is often because they require support. I point out that in Scotland the level of compliance with the requirement to self-isolate is very good, but we endeavour to do all that we can to ensure that we keep reviewing the support that we provide, to see whether we need to make any other changes. We will absolutely keep that under review, because it will be critical as we move forward with our response to Covid.

The Convener: Does Pauline McNeill want to come back on any of that, before we move on?

Pauline McNeill: No, that is fine. Thank you, convener.

Jeremy Balfour: Perhaps I could move on to areas in which the safety net has perhaps not quite worked. Clearly, at this stage everyone will be asking for more money, particularly those in the third sector. The Joseph Rowntree Foundation's evidence to the committee said that it was particularly concerned about provision for disabled adults. You made a welcome announcement about the winter heating allowance that will be paid for children, but that will not take in adults who are on the higher rate of the care component. Have you thought about making a one-off payment of, say, £100 to those who are on that higher rate? According to figures that I have received from the Scottish Parliament information centre, that would cost £12 million. At this time, when a cold winter is expected and people are having to be at home more than usual, would you consider making such a payment? If not, why not?

I should earlier have referred members to my entry in the register of members' interests.

Shirley-Anne Somerville: Throughout the pandemic we have been keen to see what support disabled people require. I again stress that that does not necessarily have to be done through the social security system. The Scottish Government has taken action to support disabled people through a number of pathways. Part of that has been done through our work with disabled people's organisations so that we can understand the impact of Covid-19 on them and work with them. Direct funding has been provided for that—for example, to Glasgow Disability Alliance and through our work on the connecting Scotland initiative.

I also point out that disabled people are able to gain support from many measures that the Scottish Government has put in place that are also available to other parts of the population. Examples are the national assistance helpline, the local self-isolation assistance service and work that is being done in the supporting communities fund, the wellbeing fund and the funding for energy costs that has been going through.

10:30

Once child winter heating assistance is no longer a one-off payment, it will be there to ensure that we have a long-term support package in place to support those whose disabled children are on the highest care component. I am very pleased that we have been able to deliver that, despite the restrictions of working within Covid.

Mr Balfour and other committee members might think that we should have spent the consequential that we have had from the UK Government for Covid in different ways than we have—we hear that not just about social security. There are also demands for more business support or funding for other areas. We try to strike a balance. I hope that some of the examples that I have given demonstrate to Mr Balfour that we have taken support for disabled people very seriously and that we have looked to provide it. That might not always have been through social security, but support from Government in the widest sense has been there.

Jeremy Balfour: Those who are disabled might in particular have to be at home a lot more than in normal years. That is why I asked about the Joseph Rowntree Foundation saying that there should be a one-off payment. Many people will still be shielding. They might not get the vaccine until February or March next year, and the period until then will be when they have higher heating costs. Would you at least take that away and think about it again?

Shirley-Anne Somerville: We have looked at the aspects around fuel insecurity. For example, during our planning of the winter support package, Aileen Campbell and I were keen to ensure that it included funding to tackle fuel insecurity. There is a further £7 million in that pot, and further details of that will be available in due course.

I do not want to sound like a broken record, but I will point out how much of an impact there is on what we can do within the powers and processes that we have in Scotland: it would be a complex undertaking for the Scottish Government to deliver any additional payments, because we would be entirely dependent on the DWP providing us with the data for that. Having a scheme in Scotland would not be a simple matter of our being able to

pull the data that we need from what is held by Social Security Scotland.

I stress that that is not a criticism of the DWP. I fully appreciate that it is also working under exceptional pressures and has its own workload stresses. However, it is not a simple matter for us to do a data pull that would allow that payment to be undertaken. It would be very much dependent on working with the DWP. That is one reason why we have looked at other methods for supporting people, for example, through the provisions in the winter support package, because that is in many ways an easier and quicker way to provide support for people.

Jeremy Balfour: Thank you. Convener, I have nothing further.

The Convener: I will move on to a significant issue about housing costs during the Covid-19 pandemic. Figures show that there has been a 6 per cent increase in the number of applications for discretionary housing payments, but a 12 per cent increase in spend. For those who are in social or private rented property, what impact are discretionary housing payments making to the tackling of rent arrears and indebtedness that have been caused by Covid-19; and what more needs to be done?

Shirley-Anne Somerville: A key issue in consequence of Covid-19 has been new applications for universal credit—and, in particular, the five-week wait that we have spoken about. That creates some difficulties. For example, to be eligible for discretionary housing payments, tenants require to be in receipt of universal credit. Unfortunately, as I think I mentioned earlier, we cannot do anything about that, because it is a consequence of the way in which discretionary housing payments have been devolved. Coupled with the inherent complexity of universal credit, and the lack of information about a tenant's claim, that makes it challenging for council staff to administer discretionary housing payments and get help to tenants quickly. Those are some of the challenges. We are working with stakeholders in that area, and will work with the DWP to see what more can be done on data sharing. Certainly, discretionary housing payments can help, but the UC delay has impacted on the ability to get money out quickly to people who depend on it.

For the sake of completeness, I also point out that, in April this year, the UK Government announced the increase to the local housing allowance rates, and has said that they will be maintained in cash terms in 2021-22. In effect, that is a return to a benefits freeze for private renters; a cash freeze in LHA rates is, in effect, a cut in real terms. That will obviously have an impact on people and their requirement for support.

The Convener: Thank you. It would be helpful to know how many tenants have run up arrears because that five-week wait for universal credit has stopped them from accessing discretionary housing payments. Again, you might send the committee the data if you do not have it in your briefing.

I am interested in the relationship between DHPs and the £10 million tenant hardship loan fund, which has just commenced. Is that for individuals who have not received sufficient payment from discretionary housing payments, who have had to wait for those, or who would not qualify for them because of other aspects of things such as their income or assets? At whom is the tenant hardship loan fund targeted, and what is its relationship to discretionary housing payments?

Shirley-Anne Somerville: The fund will be offered, through loans, to tenants in the private rented and social sectors who are struggling to pay their rent because of changes to their finances or employment during the pandemic. The loans will be available from early December.

We are keen to ensure that we are able to assist people as much, and as quickly, as we possibly can. I have stated some of the reasons why there are limitations on how DHPs can provide assistance in that regard, but I would be happy to provide the committee with further information in writing.

I do not have the figures to hand on how rent arrears have been run up as a result of a five-week wait, but I can provide that information in writing if it is available to us, in addition to any other information for completeness on the connection between the tenant hardship loan fund and DHPs.

The Convener: I suspect that the committee would do best to view the tenant hardship loan fund as offering support for renters who are accruing a variety of debts and are in hardship not necessarily because of their rent specifically, but because they have had a significant drop in income while their liabilities have not dropped. Rent is just one part—although an essential part—of their outgoings, so perhaps we should view the scope of the hardship fund as wider than just rent.

Is that the best way to look at it? Will there still be a degree of means testing? That sounds like a bit of an oxymoron, because we are talking about a situation in which significant income could still be coming in; the tenant may not qualify for discretionary housing payments, but they may have other debts and liabilities that make it difficult and challenging for them to pay their rent. Can you say a bit more about the criteria in relation to the loan fund?

Shirley-Anne Somerville: It is important to stress that there is no specific target group for the fund. We want to ensure that the loan is available for private and social tenants, and the fund can help people in many different ways. An easy way to summarise it is that the loan offers people the potential to clear their arrears and remove the threat of eviction, in particular if they have returned to a situation in which they are able to pay their rent in full. That might—*[Inaudible.]*—tenants who lost their job in the period immediately before the coronavirus pandemic.

There is no specific target group, and we are keen that the criteria are as wide as possible. There is a variety of examples to illustrate how support can be provided.

I also stress that we are working closely with COSLA and wider stakeholders to see whether there are any gaps between the loan fund and discretionary housing payments that people might be falling through. The loan fund is there to be flexible and assist people in the private and social housing sectors, and—as I said earlier—to help people who are struggling with their rent because of changes to their finances and employment situation rather than specifically because they are on a low income.

However, we need to ensure that we look at whether there are any gaps in the provision that we are making. As with many of these aspects, we do that by keeping in close contact with stakeholders, and local authorities in particular. We are also working closely with people who apply for loan funds to ensure that they are signposted to other help that may be available. We want to ensure that people have a coherent package of support available to them as they move forward with a loan application.

I hope that I have given the committee a flavour of how flexible we are trying to be on that. I am happy to provide further information in writing—including the figures that you asked for, convener—if that would assist the committee.

The Convener: Before we move on to our final theme, I ask our deputy convener, Pauline McNeill, whether she wants to ask a supplementary at this point, as I know that she has explored the issues around rent pressures across all tenure types.

Pauline McNeill: I will be brief. Given the circumstances that we are in where both private and social renters are twice as likely to have lost their jobs as people who have mortgages—although that figure is still 3 per cent, which is significant—does the cabinet secretary think that it is time to remove the requirement to be on universal credit to qualify for the discretionary

housing payment? There will be people who need short-term help.

10:45

I recognise that the Scottish Government cannot do everything. Short-term help for renters is critical to the recovery. We need to remove the universal credit requirement because many people will not be on universal credit but will be trying to struggle through with a low-paid job and might need some short-term help with their rent. If they could get that help we could keep more people in their tenancies. Does the cabinet secretary agree that the Government should consider that?

Shirley-Anne Somerville: I refer to a previous answer. There are limitations to what can be done because of the way in which discretionary housing payments were devolved to the Scottish Parliament. The requirement to be on universal credit was made when DHPs were first devolved to the Scottish Parliament. We are being as innovative as we can, but when we come up against a hard stop about what can be done because of the way in which things have been devolved, we cannot move on that even if we want to.

Pauline McNeill: Thank you very much.

The Convener: It was good to get that on the record.

Mark Griffin: I have some questions about benefit take-up. What has Social Security Scotland's experience of take-up been more broadly during the pandemic? Has it fallen, remained the same or increased during that time?

Shirley-Anne Somerville: I will bring in David Wallace, if nothing else to allow the committee to hear from someone other than me for a while. He is much better placed to talk about the operational impact on take-up. Before that, I will give the committee a little bit of detail on what we have been doing overall to encourage take-up.

The Government has been keen to ensure that people are aware of the support that is out there. As I have mentioned before, many people are now touching the benefit system who have never had to interact with it before. As the committee well knows, the system is exceptionally complex and that is why the Scottish Government has provided marketing campaigns to encourage people to consider taking up benefits. We have done that in conjunction with Citizens Advice Scotland and in the work that we already do with citizens advice bureaux through the money talk teams to highlight the fact that support is out there for people and to show them how they can get that support to ensure that their income is being maximised.

I will hand over to David Wallace, who can give more details on the operational impact on benefit take-up.

David Wallace: On overall take-up and the encouragement of take-up, we have been working very hard on our communications. For example, through the pandemic we have run TV and radio advertisements. We are keen to reach a wide audience to pick up on the point that the cabinet secretary has just made, which is that we may well be dealing with people who have never previously engaged with the benefits system either at UK level or at the level of Social Security Scotland. There has been considerable focus on getting that element of communications out there.

As an agency, we have been working on our stakeholder engagement. We recently completed a series of roadshows on the Scottish child payment and, making use of technology, we have been able to reach 1,600 individuals representing stakeholder organisations. Our use of those partners has been a key feature of getting the messages out on benefit take-up. We also provide information and collateral material for them to publicise and use. To go back to the earlier discussion about what changes we might keep from the pandemic, it is an area in which video technology has helped us to hit a wider range of stakeholders than we might otherwise have been able to reach.

As we mentioned earlier, we have deployed people in particular through our local delivery teams. At the start of the pandemic, those teams were gearing up to be ready for child disability payment pilots, in which some local services went live. They have been redeployed in a number of ways—some are helping out with core business, but they are still focusing on local stakeholders.

Despite, and throughout, the restrictions, we have continued to build strong stakeholder relationships. I could talk about the demand that we are seeing for our services, but I will pause briefly first in case anyone wants to come in.

Mark Griffin: Those measures are welcome, but I would be interested to know about their impact, and the impact of the pandemic in that regard. What, broadly, has happened to the level of take-up? Has it remained static, gone down or increased during the pandemic?

David Wallace: We have not seen a significant increase in levels of uptake. We have tracked uptake carefully through universal credit claims. At the start of the pandemic, we might have expected to see slightly more demand coming through the system. However, we have not seen a significant rise in demand, in particular for the best start grant. We think that there is an element of change in the nature of the individuals who are going on to

universal credit; they are not those who would naturally qualify for the devolved benefits as a result.

Where we see demand increasing—again, the committee has looked at this previously—is where we have instigated a system, which the cabinet secretary has spoken about previously, of inviting people to apply. That novel and innovative approach involves writing to people to say, “You may be eligible for this benefit.” When we do that, we see some uptick in demand for those benefits.

I would not say that we have seen a significant Covid-related uptake for our best start group of benefits. The slight exception—as we spoke about earlier in the pandemic—has been the funeral support payment, for which we saw a bit of a spike. In June this year, we saw the highest monthly rate of such payments. The number has dropped off since then, but June would not naturally be a month in which we would expect to see a spike in demand.

Across the board, we have not seen a significant increase. We think that that is to do with the nature of the additional individuals who have been claiming UC.

Mark Griffin: It seems that there has been a fairly significant increase in the number of those applying for UC. Is there any work planned to capture those new UC claimants in order to make them aware of the support to which they are entitled from Social Security Scotland and the Scottish Government?

David Wallace: We will continue to try to capture them in our benefit uptake strategy. I do not have information in front of me to say whether we can target them directly, if that is your question, but I am happy to take that away and come back to the committee with an answer.

Mark Griffin: Finally, I want to ask about the impact of the lack of face-to-face advice as a result of the pandemic. Now that face-to-face advice is out of the question, at least for a while, how are advice services, whether they are provided directly or funded by the Government, reaching people who face digital exclusion?

David Wallace: That question is probably best directed at the cabinet secretary. The face-to-face service from Social Security Scotland is not yet a live service, and we are reflecting on what that means for our local delivery. From our perspective, we never had to stand down a face-to-face service—it was not live for us to backtrack from. The cabinet secretary might wish to comment on the wider advice service point.

The committee understands that we have had experience panels since the start of the programme. We are now building up to what we

are calling client panels. Rather than taking people with experience of the UK system to help us with design, that initiative is specifically targeting our clients who have direct experience of using Social Security Scotland’s services. One of the first things that we are considering doing with those panels concerns the local delivery service that the agency will provide and the role that face-to-face services play in that.

We remain committed to providing face-to-face services for our devolved benefits where that is required, but we will be using the client panels to delve into some more depth on whether there have been behavioural changes regarding clients’ expectations, and on how things might operate.

The Convener: Do you wish to add anything to that, cabinet secretary, regarding the advice sector generally? The situation with advice, support and face-to-face services is challenging, to say the least.

Shirley-Anne Somerville: Absolutely. That is one of the aspects that we worked on quickly at the start of the pandemic, for example by providing support to allow organisations to move their services online if they did not have the capacity, ability or financial support to do that within their own resources. We were quick to support citizens advice bureaux on those aspects.

Some face-to-face services are now being run by organisations—absolutely within Scottish Government guidance, obviously—and we are keen to support those organisations in their understanding of that.

I take Mark Griffin’s point that, although we have done exceptionally well to support organisations and they have done exceptionally well to change the entire way in which they provide services by doing so online, that does not suit everybody by any manner of means. That is why we are keen to keep up our dialogue with organisations.

For the sake of completeness, I point out that there has been one aspect where we have seen a great increase in take-up, or rather use: in the council tax reduction, which the Scottish Government supports local authorities with. The case load for council tax reduction has increased by more than 30,000, and we are providing additional support for councils on that.

On other aspects, turning to the benefits that are deployed by Social Security Scotland, and as David Wallace said, it is perhaps not surprising, given the age profile of people on universal credit, that the uptake in best start grant, for example, has not increased, while the implications for council tax reduction case load have been quite dramatic during this time.

Rachael Hamilton: I would like some clarification regarding Mark Griffin's question about the uptake of universal credit, which I think is now being claimed by around 470,000 people in Scotland. David Wallace says that he thinks that some of the current universal credit claimants are new claimants. I presume that, from the profiling that you have done, you believe that those individuals are more likely to get back into work. Perhaps they do not have a need to go out looking for extra benefits. However, given that the number of workless households will increase, is it possible that your benefit uptake strategy should include more of a deep dive into the individual circumstances of those people? That would enable you to identify the people who are missing out and who will continue to miss out if they do not get to the right benefits.

11:00

Shirley-Anne Somerville: An aspect of David Wallace's comments that I want to expand on is the age of the people who are applying. It would suggest that one of the reasons why some people are not applying for best start grants is that they are not at the age at which you would think that a person would have a new child. Therefore, some that is down to the sheer demographics of the type of people who are applying for universal credit for the first time and whether they would be eligible, or indeed whether they have a child to make them eligible.

Who is claiming now is an aspect that we are very keen to work on. That is one reason why we are continuing to look at what more can be done on benefit take-up. Part of the winter support package that we recently announced is a post-Christmas benefit take-up campaign. It will look not just at devolved benefits but at the wider entitlements that people have and encourage them to take those up. I have also, jointly with my counterparts in Wales and Northern Ireland, written to the UK Government to encourage it to do its part in encouraging benefit take-up too. We recognise that we can achieve more if we work together on this.

When it comes to specific groups of people in society who might not have knowledge of the system, we are very keen to see what more we can do. I would suggest that we do that as part of our normal, business-as-usual work to ensure that we are reaching people who are seldom heard from in these situations. We do targeted work, for example, to ensure that people in ethnic minorities are aware of the types of work that we do and that what we are doing is culturally appropriate for different parts of our society, in order to encourage benefit take-up in its widest sense.

I hope that that gives Rachael Hamilton an assurance that we are not just taking a blanket approach but looking carefully, as a matter of course, at what we can do to target specific age groups and parts of the community.

Rachael Hamilton: Thank you.

The Convener: I think that members have had an extensive opportunity to question the cabinet secretary, David Wallace and the officials today, over two hours today. I thank the cabinet secretary for her time and for the commitment that she has shown in assisting us with our inquiry. I put on the record formally our thanks to Shirley-Anne Somerville, David Wallace, Dawn Abell and Callum Smith for their attendance and assistance with the inquiry.

We move to item 3, which we will take in private and on a different platform.

11:03

Meeting continued in private until 11:42.

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