



The Scottish Parliament
Pàrlamaid na h-Alba

Official Report

WELFARE REFORM COMMITTEE

Tuesday 1 April 2014

Session 4

© Parliamentary copyright. Scottish Parliamentary Corporate Body

Information on the Scottish Parliament's copyright policy can be found on the website - www.scottish.parliament.uk or by contacting Public Information on 0131 348 5000

Tuesday 1 April 2014

CONTENTS

	Col.
DECISION ON TAKING BUSINESS IN PRIVATE	1383
BENEFIT SANCTIONS.....	1384

WELFARE REFORM COMMITTEE

6th Meeting 2014, Session 4

CONVENER

*Michael McMahon (Uddingston and Bellshill) (Lab)

DEPUTY CONVENER

*Jamie Hepburn (Cumbernauld and Kilsyth) (SNP)

COMMITTEE MEMBERS

*Annabelle Ewing (Mid Scotland and Fife) (SNP)

*Linda Fabiani (East Kilbride) (SNP)

*Alex Johnstone (North East Scotland) (Con)

*Ken Macintosh (Eastwood) (Lab)

*Kevin Stewart (Aberdeen Central) (SNP)

*attended

THE FOLLOWING ALSO PARTICIPATED:

Mark Ballard (Barnardo's Scotland)

Marion Davis (One Parent Families Scotland)

John Downie (Scottish Council for Voluntary Organisations)

Peter Kelly (The Poverty Alliance)

Dr Jim McCormick (Joseph Rowntree Foundation)

David Ogilvie (Scottish Federation of Housing Associations)

Beth Reid (Citizens Advice Scotland)

Bill Scott (Inclusion Scotland)

Dr David Webster (University of Glasgow)

CLERK TO THE COMMITTEE

Simon Watkins

LOCATION

Committee Room 4

Scottish Parliament

Welfare Reform Committee

Tuesday 1 April 2014

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

Decision on Taking Business in Private

The Convener (Michael McMahon): Good morning and welcome to the sixth meeting in 2014 of the Welfare Reform Committee. I ask everyone to switch off mobile phones and other electronic devices to ensure that we are not disturbed.

Agenda item 1 is a decision on whether to take in private item 3, which is consideration of the evidence that we are about to hear on benefit sanctions. Are members agreed?

Members indicated agreement.

Benefit Sanctions

10:00

The Convener: Agenda item 2 is our first evidence-taking session on benefit sanctions. A revised sanctions regime for jobseekers allowance came into effect on 22 October 2012, and a revised sanctions regime for employment and support allowance came into effect on 3 December 2012.

The committee wishes to explore with our witnesses for this round-table session the principles and practice of applying sanctions. I welcome to the meeting Mark Ballard, head of policy, Barnardo's Scotland; Beth Reid, policy officer, Citizens Advice Scotland; Bill Scott, director of policy, Inclusion Scotland; Dr Jim McCormick, Scotland adviser, Joseph Rowntree Foundation; Marion Davis, policy and research adviser, One Parent Families Scotland; John Downie, director of public affairs, Scottish Council for Voluntary Organisations; David Ogilvie, policy manager, Scottish Federation of Housing Associations; Peter Kelly, director, Poverty Alliance; and Dr David Webster, honorary senior research fellow in urban studies, University of Glasgow. I draw people's attention to the fact that Dr McCormick might have to leave us before we finish.

We have found our previous round-table sessions quite helpful, and I hope that those who are contributing will find them helpful, too. Committee members have certainly benefited from having such discussions on a number of policy areas, as they allow us to hear about issues and to determine what we need to do to dig down further into them. Please feel free to contribute, either by giving information or by raising questions that you would like us to pursue.

Before we proceed to the discussion, I should say that last Monday a delegation from the committee, including Annabelle Ewing, Alex Johnstone and Ken Macintosh, met people who have already been subject to benefit sanctions. The session, which took place at Parkhead citizens advice bureau, was co-ordinated by Citizens Advice Scotland and One Parent Families Scotland, and I put on record the committee's thanks to them for organising that for us. I offer Annabelle Ewing the opportunity to report back on the committee's findings from that session to lead us into our discussion.

Annabelle Ewing (Mid Scotland and Fife) (SNP): Last week, the delegation visited the Parkhead CAB. I thank the bureau for hosting the event, which was attended by Beth Reid of Citizens Advice Scotland, CAB case workers from

other offices and some CAB clients, as well as a representative from One Parent Families Scotland—Marion Davis, who is also with us this morning—and some of her clients. The committee clerk, Kevin Dougan, and Kate Berry from the Scottish Parliament information service also attended.

We had a good round-table discussion that lasted about an hour and a half, and certain themes emerged quite clearly from the information that we were given. The first was that there appeared to be significant communication problems in dealings with the Jobcentre Plus system, including problems in communicating what was expected in terms of the claimant commitment, problems in notifying last-minute changes to pre-arranged meeting dates in light of family illness or childcare issues, and the failure to provide timeous written notification that a sanction had actually been imposed, resulting in many claimants first finding out that they had been sanctioned when they found that no money had been paid into their bank account, if that was the means of payment.

Another clear theme that emerged was a lack of flexibility in dealing with individuals. As human beings, we are all presented with last-minute situations relating to caring arrangements, illness and so forth, but that did not seem to be properly taken into account before a referral for a sanction decision was made; instead, such referrals seemed to be made almost automatically. Some claimants suggested that a meeting date could be changed only if they got help from the CAB to make a call to the Department for Work and Pensions. That seems to be a very roundabout way of doing things. Surely all that is involved is a call to ask whether a different date can be arranged because someone cannot make date X.

There was a lack of clarity in the information about the hardship payments that the person should be entitled to and how the appeal process worked, and there was uncertainty about the length of time taken by the appeals process, which now includes the mandatory consideration aspect. We will hear more about that later.

It is clear that the impacts of the sanctions were felt very deeply by those affected. As they had no money coming in and could receive no hardship payments, they were required to access food banks. The impact was particularly severe on sick and lone parents and, therefore, their children.

Another problem that was raised was the digital exclusion of many claimants, who, despite having no access to a computer or no computer skills, were told to go to the jobmatch website. There were issues with the accuracy of the universal jobmatch facility and how up to date its information was.

Some people were required to look for jobs that were unsuitable from the point of view of the number of hours per week, the lack of childcare, the distance to be travelled and the cost of travelling to the place of work. It did not seem to be possible to factor any of those issues into a sensible decision-making process. Moreover, concern was expressed that, with the fairly quick introduction of the most recent changes to the sanctions regime, staff could have benefited from further training to assist the process.

Examples were given of cases in which individuals had taken on voluntary work or had sought mentoring courses. According to the information provided by claimants, such activity was discouraged on the basis that, by engaging in it, they were deemed not to be actively looking for work, notwithstanding the fact that some activity of that kind should surely be regarded as a sensible thing to do while looking for work.

In addition, general questions were raised about the point of the process and its objective. Quite a few comments were made about that, including suggestions that it was more of a tick-box exercise than a meaningful activity that facilitates people getting into work, which is what I presume we all want to see.

That was the general nature of the topics that were raised. I am sure that we will hear a lot more from the experts on the front line who are with us today.

The Convener: Thanks. That has given us a good insight into the issues that were raised at your meeting.

Alex Johnstone wants to make a comment.

Alex Johnstone (North East Scotland) (Con): One other thing that caused me concern during the discussion was the apparent suggestion of significant differences in performance between individual jobcentre offices and in the performance of DWP staff in different geographical areas. It was easy to get that impression from the discussion that we had, but it was, of course, impossible to get evidence to support it from the people from whom we heard. Could we, as a committee, make the relevant inquiries to find out whether there are any statistics that would indicate the efficiency of the performance of jobcentre offices and jobcentre areas in Scotland? Such statistics would allow us to make effective comparisons.

The Convener: I think that the committee would be happy to pursue that to give us the best possible picture of what is happening. We have done that in other areas.

Ken Macintosh wishes to make a comment.

Ken Macintosh (Eastwood) (Lab): I endorse the written report that the committee clerks have drawn up, which describes the main points of the meeting, and Annabelle Ewing's report back on the meeting.

In relation to Alex Johnstone's comments, I do not want anyone to think that that was the overriding message that we got back. There will be bureaucratic differences between the offices, but I do not think that there was any feeling that this was an administrative problem.

There are a couple of points in the report that I want to expand on. First, it says that the witnesses who gave evidence talked about a sea change in culture and said that staff were disrespectful and judgmental. They were not trying to single out and blame jobcentre staff; instead, they were simply saying that they felt that they were victims of a change in culture that had happened across the board. The witnesses, who came not from one centre but from a number of different areas, said there was a noticeable change in the way that they were treated. They were being treated no longer as people who were unfortunate enough not to have a job or who were facing difficulties, but as people who were at it and who were trying to get something. Life was being made difficult for them. What came through strongly was that they were being blamed for the situation they found themselves in.

One of the submissions to the committee describes the lack of flexibility in the system and the fact that the system is becoming extremely rigid. If claimants do absolutely anything that is outwith the parameters required for them to sign on and fill in various forms, they are automatically sanctioned. They have only to make a mistake and they are sanctioned, and as a result, they are on tenterhooks and constantly feel that they are being judged.

One of the girls from whom we heard was particularly funny about the system's lack of flexibility in, for instance, changing appointments. She said that she had had an appointment for a job interview on 27 January and that she knew that because she went into labour on the 26th. When she phoned up and said, "I am in labour. Can I change my appointment?", the guy at the other end said, "You don't sound like you're in labour." That sums up the lack of flexibility and the different attitude that is being taken; people are now clearly being blamed for their own circumstances.

The overwhelming feeling was that, in many cases, the system and the judgments that were made were unfair and wrong. Indeed, what emerged constantly was the impression of unfairness. That might not come out in the statistics, because we have the impression that

there is not a huge number of appeals. We have previously commented on the number of appeals that have been upheld, which reveals something about the judgments that are being made. Those around the table who had been sanctioned thought that, even though things were felt to be wrong, lots of people did not make appeals and just accepted that that was the way it was. Again, the statistics will not necessarily reveal the difference and unfairness in the current system.

My last point, which picks up on Annabelle Ewing's comment, is: what is the point of this? The idea is to encourage people to move off benefits and into work, but there is no doubt that the people around the table did not feel that the changes have made it any easier to get a job. They were being asked to apply for jobs that they felt they had no chance of getting and for which there was no point in applying. In other words, they were just going through the motions.

There was also a clear difference between men and women. Most of the people who gave evidence to us were young women—the two men in the group were slightly older—and all of them said that their partners or young men in general played the system differently; either they did not sign on at all, because they were too proud to, or they got round it by, for example, filling in their diaries at the last minute as they went into the jobcentre. There was quite a clear and interesting gender difference between young men and young women, who were very diligent, often had children to look after and had a completely different attitude. They were also clearly more vulnerable than the young men.

The Convener: Thank you for those contributions, which have given us an insight into some of the issues that we will discuss. I have also explored the background to some of the individual cases that have been raised with me.

To get the ball rolling, I will open up the meeting to anyone who wants to come in. Can anyone give us an idea of the major differences between the previous sanctions system and the new one? After all, there has been a sanctions system for some time now; it is not something that has been introduced, but something that has been changed, and those changes are clearly having a huge impact on the statistics.

10:15

Dr David Webster (University of Glasgow): The major change was the passing of the Jobseekers Act 1995, which reflects the American philosophy of unemployment as a so-called supply-side phenomenon. In other words, it all comes down to the attitudes and characteristics of unemployed people; it is not about a lack of

demand for labour. The 1995 act puts an enormous emphasis on requiring people not just to actively seek work—obviously, that has always been a requirement in order to be classified as unemployed—but to jump through particular hoops as specified in the jobseekers agreement. That situation did not exist previously.

However, the initial administration of the jobseekers allowance system did not bring about any very great increase in sanctions. Although the 1995 act was passed under the previous Conservative Government, the system that it introduced came into force just before the general election in 1997, which meant that about six months after its introduction, it was taken over by a Labour Government. That Government put a lot of emphasis on constructive engagement with unemployed people and spent quite a lot of money on supportive employment-type programmes, while insisting on keeping the sanctions regime that had been introduced by the Conservative Government.

The Labour Government also implemented a Conservative-drafted bill to abolish independent adjudication on sanctions decisions. That was quite a fateful move because it meant that the secretary of state now has unlimited power to change the culture; for example, as Mr Macintosh has suggested, he can send out instructions to jobcentre staff about how they are to administer the law. They are merely his agents and have no independent responsibility to administer the law fairly and reasonably, as they did under the previous regime.

Be that as it may, there was a gentle decline in the number of sanctions until about 2004-05, but the subsequent relaunch of the jobseekers allowance regime drove up sanctions quite significantly after 2006. However, with the impact of the recession, the emphasis on sanctions fell back a lot because jobcentre staff had to cope with registering hundreds of thousands of newly unemployed people.

When the present coalition Government came in, there was a big culture change. It is quite clear that the Government has changed not the law but its instructions to jobcentre staff, and it has set down expectations—as it has been described—about the number of sanctions jobcentre staff are supposed to implement. Those expectations are now much higher; in fact, they are double the previous level.

Basically, DWP headquarters monitors the number of sanctions that are being imposed, and if, according to those benchmarks, an office is not imposing enough, the manager gets leaned on and told, “You’ve got to get the numbers up.” I have been told anecdotally that that does not mean that every member of staff is compelled to

impose a lot of sanctions, but much use is made of the more brutal types in the office who are willing to do so. If they can enable the office to meet its quota, they are encouraged to do so.

The only legislative change occurred with the new regulations that were introduced in October 2012. They did two things. The first—and more obvious—was that they lengthened the commonly occurring sanctions. They reduced the length of certain types of sanctions, but all the commonly occurring ones were increased, including the notorious three-year sanctions for repeat so-called high-level failures.

Secondly, the regulations have very dramatically influenced the language of sanctions by introducing the language of failure. If you look at the statutory instrument and the explanatory note, you will see the punitive phraseology that it uses. That has contributed a great deal to the current climate, which has definitely shifted towards treating the system as one of punishment.

To go back to the Jobseekers Act 1995, I think that the system is now fundamentally based on the assumption that unemployment is more of a supply-side phenomenon than about lack of demand for labour and on the idea that unemployed people must do various things—not necessarily things that they would choose to do, but what the state says they must do, which might be different.

Volunteering is a very good example in that respect. People often and very sensibly think that the best way of equipping themselves to compete better in the labour market is to do some voluntary work in the field that they would like to move into. However, they frequently get told by the state, “No, that’s not what we want you to do. We want you to do 30 job applications a week, whether or not you’re qualified for the jobs.” That is a less constructive way for them to spend their time. As the 1995 act gave the state the ability to take that approach, it is, in that sense, not a very new thing.

The Convener: That was very helpful and certainly gave me an understanding of how things have developed over the years.

Bill Scott (Inclusion Scotland): A number of documents have been leaked to the press from within jobcentres. One of those was an internal newsletter from Malvern jobcentre which stated that it was,

“currently one of the worst performing offices with sanction benefit referrals”,

—that means that it had a low number of referrals, not that it had a high number—and that, unless the office improved, it would be “put under special measures” and “personal individual performances” would be monitored to ensure that a sufficient

number of sanctions was imposed. The document adds at the end that the overall performance should be that 5 per cent of the “live load” is sanctioned. That just so happens to be what has been achieved in the last year; in fact, slightly more than 5 per cent had been achieved by October last year. Therefore there is a bit of sophistry within DWP when it says that no targets exist, no league tables exist and so on. In fact, that is what is happening in practice.

I have messages on my mobile phone from Public and Commercial Services Union members who have been taken into disciplinary meetings to be told that they are being disciplined because they have not imposed enough sanctions. Other PCS members have been told that they will not be getting their annual uplift in pay—their increment—because they have not sanctioned sufficient people in the last year.

That is happening on the ground. Penalising someone by stopping a pay increase at a time when there are increases in the cost of living will have a real effect on their behaviour. Furthermore, if you can discipline them for their performance on the basis that they have not imposed sufficient sanctions, it puts them at risk of ending up in the dole queue, along with the people who they see every day. There is quite an incentive to impose sanctions. That 5 per cent has been met and exceeded, so there has definitely been a change since the new sanction regime was introduced.

John Downie (Scottish Council for Voluntary Organisations): I agree with David Webster and Bill Scott. It is interesting that a recent Policy Exchange report said that 68,000 people had been sanctioned and had their benefits taken away unfairly. We can argue over numbers and so on, but one of the key points from that report was that there was a lack of fairness and transparency in the system.

We have seen the regime move from supportive to punitive. There is a lack of transparency, fairness and trust. Are staff at Jobcentre Plus helping people—as they should be doing—to receive all the benefits that they are entitled to? I do not think that that is happening at the moment. If we look at the bigger picture, the key lies in the role of Jobcentre Plus and the DWP. As David Webster said, ministers are very operationally in control, which is a big culture change. The language and the expectation have contributed to that.

I am sure that the issue of trust came across at the focus group mentioned earlier. It has certainly come up in focus groups that I have read about. We have a system in which people are supposed to help you find a job, which is difficult in the present market. At the same time, they can sanction you for fairly spurious reasons. As David

Webster said, there were sanctions in the system in the past but they tended to be used fairly and for people who needed to be sanctioned. Now, we are seeing hundreds of thousands of people being sanctioned for no reason.

We have a lot of evidence about the impact of sanctions, but perhaps the committee could consider the bigger picture, including the role of Jobcentre Plus and what it will do in future. The third sector is helping lots of people to get into work at the moment. Perhaps we need to think about splitting the role of Jobcentre Plus in future to create a different dynamic and culture, and to improve fairness, transparency and trust.

Dr Jim McCormick (Joseph Rowntree Foundation): I suppose that we could distinguish between in-principle debates and what we know about the practice of sanctions. On an in-principle basis, there will be different views about what kind of conditionality system is right for this society, this labour market and so on. Most Organisation for Economic Co-operation and Development countries use conditionality systems. Even some of the admired Nordic systems have pretty tough conditionality systems, but they ally those systems with much more generous offers of childcare and retraining. People are offered more of a springboard back into work, rather than what we might think of as a safety net with quite a lot of holes in it.

We can debate in principle the types of conditionality that we think are right but, based on the evidence that we have looked at, we have three concerns about the practice. I will briefly outline them. The first is about equality. Within any sanctions system, you would look for provisions to be applied fairly. What we know from international evidence, and there is no evidence that the UK is any different, is that younger people, people with mental health problems, people with complex multiple needs, people who move a lot—for example in the private rented sector—are far more likely not only to be sanctioned, but to be sanctioned for longer and often on multiple occasions. There are problems about equality and, within that, there are problems about how front-line discretion is applied in jobcentres. Discretion is often a good thing, but only if we understand the parameters and know about outcomes, and not just what the system is supposed to do.

10:30

Our second concern is about efficiency. Some politicians will argue that for deficit reduction reasons we must reduce social security spending and spend more efficiently. By way of context, jobseekers allowance consumes only 3.3 per cent of the DWP’s benefits budget in Scotland. That budget is not out of control. It is small, it is

cyclical—it goes up and down with the economic cycle—and it is lower than the Great Britain average. If we are thinking about efficiency within that envelope of 3.3 per cent, it seems that sanctions, if applied fairly, can in the right labour market conditions help people to get into work. Often, however, those are jobs that people are poorly suited for, so they quickly fall out of them when things go wrong and they cannot progress in them. On longer-term efficiency grounds, we are not helping people into sustainable work. Surely our objective should be to help people into long-term jobs that they can stick at and for which they are well matched, so that employers get a return on their training investments. We are a long way away from such a virtuous circle with the UK system.

Our third concern is about effectiveness. Is this a good tool for changing behaviour? As David Webster said, it is only one theory, if you accept it. Well, we know that sanctions are a weakly-evidenced tool for changing behaviour, partly because it pays no attention to labour market conditions. How you apply sanctions in Aberdeen which is, in effect, a city with full employment, will look very different from how you apply sanctions in Dundee, Glasgow or Lanarkshire. Partly on those grounds, we need to understand labour market conditions. Furthermore, sanctions would only work and change behaviour if people understood the system and they were aware of the consequences, the boundaries and the penalties; if multimethods of communication were used, including letters, face-to-face contact, texts, phone calls and so on, all in plain English; and if people had a right of reply and a right of appeal when things go wrong.

For those reasons, quite apart from the moral or ethical arguments, we have concerns about the practice.

Peter Kelly (The Poverty Alliance): I will pick up not only on the points that several people have made about the practice of sanctions but on the overall culture of service delivery in Jobcentre Plus and how that relates to sanctions. Many members will know that the Poverty Alliance works with people with direct experience of poverty. Over the past years, it is striking that issues of dignity, respect and discrimination come up in most contexts when we talk to people who have experience of the benefits system; similarly, those issues come up with regard to sanctions. People talk about the two issues together.

We are doing a programme of work with the Joseph Rowntree Foundation that is looking at a broad range of poverty-related issues. We have had a monthly meeting for the past six months and at almost every meeting sanctions and respect-related issues arise. This month, we had a

discussion about crime and poverty and we again got into discussions about sanctions and how they are applied.

In looking at some of the comments made by people who have taken part in our events over the past six months or so, there is no doubt that people feel a lack of respect. They feel as if they are on trial every time that they go into a job centre. That plays into their fear of making mistakes for which they would then be sanctioned. In many cases, we are working with people who would be classed as the more vulnerable, such as people who have drug and alcohol misuse experiences and perhaps those who are lone parents. Those are the types of people who are being sanctioned. For example, one person we are working with was sanctioned for not fulfilling her agreement because she was spending too much time volunteering.

There are examples of people who failed to attend meetings that they understood to have been arranged for one date, who were then sanctioned when it turned out that the date was different. They turned up for the meeting—they were trying to comply—but they complied incorrectly and were sanctioned. There have been lots of examples of that kind of situation. The impact and the consequences of that are as you would expect. We have supported people in going to food banks when they have been sanctioned. We know that some of the folk we work with have been getting into debt.

Jim McCormick raised the question of behaviour change and the intention to encourage people back into the labour market. We have had discussions about that issue, particularly with lone parents. We have asked about the impact that the kind of service that they receive has on their behaviour. We got the clear message that people would be less likely to engage with services. I guess that that is from focus group-based activity, so we cannot verify it statistically, but we got the very strong message that people could disengage from services that are supposed to help them back into the labour market.

Jamie Hepburn (Cumbernauld and Kilsyth) (SNP): I am appalled by some of what we have heard this morning. It has been hinted at before. We have now heard pretty clear evidence about how the sanctions regime should be a criteria-based system, with the conditionality that Jim McCormick referred to. We already have concerns about some of the criteria.

We are hearing that targets have been set by the DWP to sanction a specific number of people—a quota, in other words. Given that and the coercion that there seems to be for staff on the ground to meet such a quota, it is little wonder that people are being sanctioned on spurious grounds.

I urge the committee to write to the DWP to clarify the issue. Bill Scott gave some specific numbers, and we should take those up with the DWP and see what it has to say.

I will turn to food banks, which Peter Kelly mentioned. People will be aware that the committee is also considering the increased use of food banks. In July last year, Lord Freud said:

“there is no evidence of a causal link”—[*Official Report, House of Lords*, 2 July 2013; Vol 746, c 1072.]

between the rise in demand for food banks and welfare reform. However, Dr Filip Sosenko from Heriot-Watt University told the committee last month that welfare reform was

“a major factor fuelling demand for food aid.”—[*Official Report, Welfare Reform Committee*, 4 March 2014; c 1308.]

Can the people around the table tell us from their experience whether that is the case? Referring in particular to the sanctions regime, is welfare reform driving demand for emergency food aid and is it fuelling the rise in demand for food banks?

David Ogilvie (Scottish Federation of Housing Associations): A very clear picture is emerging from everyone’s testimony so far this morning: a picture of a far more unforgiving, unsympathetic and uncaring state in which the safety net has become so loosely woven that it is perfectly possible to fall through it.

We have concluded a report from a housing association perspective that is being published today. We undertook a survey in which seven out of 10 housing associations indicated that they had seen a marked increase in the number of tenants reporting that they were in rent arrears because of a sanction.

You might think that the connection between jobseekers allowance and housing benefit should not be interrupted. Indeed, it is not meant to be, but we are finding that, because of what seems to be a systemic problem, housing benefit is being suspended. That leaves the tenant in a situation in which they must provide proof of no income. There is every chance that a vulnerable tenant with a learning disability or a mental health issue, for instance, might not do that, and they will find themselves in grave danger of running up significant rent arrears. If the housing association was not advised or aware of that issue, there could be legal proceedings. There are big concerns there.

The doubling in sanctions has already been alluded to. About 220 claimants are being sanctioned on a daily basis. I will give you a quick case study to show how that translates into particular scenarios. The person who we have

called Mr M is a 45-year-old JSA claimant who was sanctioned for three months for failing to attend a work-related training appointment. That was his second sanction, and both were down to the fact that he could not afford to pay the £6 or more in bus fares to get from his home to the appointment. As it happened, he was also subject to the underoccupation restriction charge, or bedroom tax, on his housing benefit. He had received a discretionary housing payment, but the sanction meant that he lost both his housing benefit and his DHP. He applied for hardship payments, but it is unlikely that he will be able to pay the over £450-worth of rent arrears on his account. How does someone pay that from reduced benefit payments?

That is just one example, but there are thousands that are similar. Housing associations are doing what they can and investing in front-line services to provide debt or money advice and welfare rights advice, and trying to get people access to employment. However, the sanctions regime is just another line of attack on housing associations, as far as we can see. The bedroom tax is a significant concern for housing associations because of its impact on the bottom line, but the sanctions regime is another attack on housing associations’ ability to provide good-quality services for tenants in their communities and it undermines our ability as a sector to plan. When there is a variable sanction, it does not matter whether there are targets, although the suspicion is that there are targets. We are not privy to them, though, so we cannot forecast what the impact of sanctions will be on the associations’ revenue base.

The result of the current situation is higher costs, higher rents and a higher housing benefit bill—the circle continues. All that is happening in an increasingly inclement weather system, if we can call it that, in which it is raining cats and dogs on tenants. That is an issue that is really bothersome to us.

John Downie: David Ogilvie is exactly right in what he has just said. On Jamie Hepburn’s point about the causal link, we have gone from having only one or two food banks in Scotland two years ago to having nearly 50 now. When people are falling through the gaps, part of the issue is about the cumulative impact of all the benefit changes. Sanctions are at the front end at the moment but, as I keep saying, we must think about the bigger picture. There have been a lot of benefit changes and people are falling through the gaps. David Ogilvie’s pertinent point at the end is that public services are failing to address that.

We have had welcome changes to the Scottish welfare fund guidance so that people who have been sanctioned can now access the fund. There

was a lot of confusion for a year, though, which meant that many people could not access the fund. Looking at the issue from a Scottish Parliament and Scottish Government perspective, we need to ensure that our mitigation efforts and all our public services are working together to help people access the fund and are looking at people in a more holistic sense, if I can put it like that. As David Ogilvie indicated, public services are not integrated enough at the moment to help people overcome the difficulties that they face.

There are issues that we can overcome, but the welfare reforms and cuts have definitely contributed to the rise in the number of food banks.

Kevin Stewart (Aberdeen Central) (SNP): I have two points. First, we have some information about appeals, but one of the things that I have found through my office is that when politicians get involved in a case, a sanction is often lifted without there being an appeal. Does any of the groups have evidence of that happening when it gets involved in individual cases?

Secondly, it seems to me from my findings that the most vulnerable people are being sanctioned. They are the folks who are least able to articulate for themselves and who often have no fixed address. Could Mark Ballard expand on the snapshot that he gave from the Barnardo's report about care leavers, and could we hear from Marion Davis on the effects on one-parent families? From the evidence that I have seen through my office, I think that those are two of the groups who are being hit hardest by the sanctioning that is taking place.

10:45

The Convener: Mark Ballard and Marion Davis have indicated that they want to respond; I will bring them in after Beth Reid.

Beth Reid (Citizens Advice Scotland): I want to make a couple of points about transparency in the system and complexity, which touch on what Jim McCormick and David Ogilvie said.

We regularly see clients who do not understand what they need to do to comply. They have been going to the jobcentre for several months or a year and they do not think that they have done anything different, but they have been sanctioned. People are confused; they do not know whether they are expected to do 20 job searches a week, a fortnight or a month. Things suddenly change, and people are not expecting that.

There is a wider point to be made about the system's complexity. It is difficult to understand what is happening when a client does not know that they have been sanctioned. A jobcentre might

say to someone, "Your benefit has been stopped," but "stopped" could mean a suspension, a disallowance—meaning that the person is no longer entitled to the benefit—or a sanction.

David Ogilvie talked about housing benefit. Very often, as soon as a query is made the benefit is suspended, and at that point housing benefit is also suspended, although the rule is that if there is a sanction, the benefit should continue. Clients have no idea where they stand and, to be honest, it is difficult even for bureau advisers to find out what is happening.

A lot of the issues that bureaux deal with are to do with problems with benefits administration. On Jamie Hepburn's point, many food bank referrals are to do with benefits delays. We did some analysis and found that sanctions are the second biggest cause of food bank referrals, after benefits delays.

There are a lot of administrative problems. When a client comes in to say that their benefit has been stopped, the bureau will call the jobcentre to find out what is happening. We are told, "It looks like the person has been sanctioned, but we do not know why and there is nothing on our system to tell us why." It is therefore very difficult for people to understand what they have done wrong and how they can prevent the same thing from happening a second, third or fourth time.

The administrative problems to which we referred in our written evidence compound the problem. People do not get letters telling them when their appointments are, they get no notification that a sanction has been applied, and DWP staff cannot tell from their system what is going on. That makes the system a lot worse than it already is as a result of the policy direction.

Mark Ballard (Barnardo's Scotland): Barnardo's Scotland agrees with much of what has been said. I will pick up on what Kevin Stewart and Jamie Hepburn said, in particular in the context of vulnerable groups. As part of the preparation for this evidence session, I spoke to one of our services, which works with a defined group of vulnerable young people. The service found that 19 out of the 61 vulnerable young people with whom it was working had had experience of sanctions.

Almost all the sanctioned young people had had to make use of food banks. As other witnesses said, aspects of the sanctions regime make that more likely. For example, a young person might turn up at the bank and find that they have no money, because they were not aware that a sanction had been applied to their benefits. Many of the vulnerable young people with whom we work have issues with effective budgeting and

have no savings at all to fall back on, so their immediate need for food has to be met by something like a food bank. The fact that there is no prior warning of a sanction means that, when someone turns up at the bank and finds that they have no money, they are instantly in crisis.

For people who are working with a Barnardo's service, whatever service it is, probably one of the first phone calls that they will make in such a situation is to the Barnardo's worker with whom they have been working. The Barnardo's worker must instantly become a welfare rights adviser, regardless of whether that is their competence and what issue they have been seeking to address in their work with the young person.

That creates the problem to which I think John Downie alluded. How can wider public services support vulnerable young people? How does the relationship between Scottish Government and local authority programmes operate, in the context of addressing issues such as youth homelessness and the effect of sanctions?

One of the things that shocked me when I was talking to our services was that someone can be young and homeless but not considered to be a vulnerable person who is exempt from sanctions. What possible purpose does it serve to sanction a young person who is homeless? The response from our services is almost always that the young people with whom we work are being sanctioned because they find it impossible to comply with the instructions that they are given. They are sanctioned not because they are not willing to work but because they find it impossible to comply.

The young people concerned are particularly vulnerable, and homelessness is often a symptom of an underlying mental health issue, a substance misuse issue, involvement in the criminal justice system or family breakdown. Those issues need to be addressed to enable the young person to move into work—a sanction is not the answer.

I will take the opportunity to highlight one area where I think that something could be done, within the powers of local authorities in Scotland, to address sanctions. Under section F1 of schedule 5 to the Scotland Act 1998,

"Schemes supported from central or local funds which provide assistance for social security purposes to or in respect of individuals by way of benefits"

are explicitly reserved to Westminster. However, sections 29 and 30 of the Children (Scotland) Act 1995, which cover

"advice and assistance for young persons formerly looked after by local authorities",

are exempted from that general reservation to Westminster.

The Children and Young People (Scotland) Act 2014, passed by this Parliament back in February, widens the scope of sections 29 and 30 of the 1995 act. It expands from 16 to 21 to 16 to 26 the age range in which young people who are in care can be supported and it widens the potential support that a local authority can give to a young person. I ask the committee whether it would consider inquiring about what support a local authority could give a young person who was in care and is eligible for support under sections 29 and 30 of the 1995 act but has been sanctioned.

My understanding is that, although it would generally be beyond the powers of a local authority to substitute benefits for sanctioned benefits, there is a specific exemption that I have described for young people who were formerly in care, who are covered by sections 29 and 30 of the 1995 act. I ask the committee whether that is something that could be investigated to address a particularly vulnerable group of young people, who we suspect are particularly prone to being sanctioned.

The Convener: I thank Mark Ballard for that very good action point for us to consider. As I said, we will consider all the discussions that we have had to see what action we can take on the back of the evidence that we have been given. That is a helpful suggestion for us to consider.

Linda Fabiani (East Kilbride) (SNP): I have forgotten why I originally wanted to come in, but it seemed terribly important at the time.

I will respond to a few comments and seek responses on a few issues. What bothers me most of all is the big-picture stuff. There is the cumulative effect that we have heard about when there is a sanction. The SFHA's report says that sanctions are not supposed to affect housing benefit, but there is a creeping effect whereby that is happening. That also needs to be looked at, because it means that a person first has no money and then has no roof over their head. That is ludicrous and, if it is not supposed to happen, why is it happening? I would like to think that we could get some answers on that, convener.

Having listened to Mark Ballard's comments, I think that the other point about the bigger-picture stuff is that it is horrendous that, on the one hand, the Parliament is trying to produce legislation to promote preventative spending and is passing good legislation for children to try to give them—especially those who start out with a disadvantage—a good start in life but, on the other, they are getting lumps kicked out of them by the UK Government.

The committee should be making a lot of noise about that, because it is awful. If all we can do is raise some awareness and get other people to

make noise as well, frustrating though that might be, at least it is something.

I note that the SPICe document mentions lack of information. It says:

“data on appeals outcomes is not currently available ... There does not appear to be any readily available hardship payment data.”

It seems to me that the DWP is hiding all that stuff and is in denial about things such as sanctions targets, but it is quite clear that it does not want to produce information either because it causes a problem. Yet again, we send hard letters to the DWP and ministers who refuse to come to the committee so that we can get some answers about when they are willing to produce that information.

The Convener: That is something that we will discuss once we get the opportunity.

Linda Fabiani: Can we talk a wee bit more about how sanctions affect other benefits, such as housing benefit, and the experiences of people who are working in the field? That knock-on effect is awful.

The Convener: There are people indicating that they want to come back in, but I will go to Marion Davis first.

Marion Davis (One Parent Families Scotland): One Parent Families Scotland is very pleased to be giving evidence on sanctions. We feel that sanctions are at the core of a system that is based on compulsion and punishment rather than on incentives and support.

The convener asked earlier about changes. The big change for lone parents is that they have to claim jobseekers allowance when their child is five, which means that they have to be available for work. Thousands of lone parents have been brought into the sanctions system. They were previously affected by sanctions on income support, but there is now the impact of sanctions on jobseekers allowance.

Just yesterday, we got a reply to a freedom of information request that indicates that, in Scotland, over a 12-month period, just under 10,000 lone parents were sanctioned and had their benefit reduced. When we take the children into account, we are talking about more than 20,000 people—lone parents and their children being affected by sanctions.

When we talked to parents, the issues that they raised were very similar to the ones that people have spoken about here. Parents are not clear about their rights. On occasion, parents are being told by Jobcentre Plus that it is within the law to leave their children alone when they go to work in the morning or before they come home. Parents

do not know whether that is right. Can they leave their child or not? The boundaries are becoming confused.

At the centre of the claimant commitment that has recently been implemented is a power imbalance. The claimant commitment is at the core of the decisions that a claimant makes about what they can and cannot do, and that has an impact on sanctions. If a lone parent says in their claimant commitment that they can take a job because their mum can watch the kids in the morning, but their mum falls ill or gets a job, the claimant is still expected to be able to take a job because it is in their claimant commitment. That is an important change.

Lone parents' flexibilities are not being adhered to. They are being expected to travel for 90 minutes either way for a job when there might not be a place for their children in the out-of-school care service. There are judgmental attitudes being taken across the board, and it came up in the evidence session at Parkhead CAB that lone parents feel that they are being judged as though they are a burden on the state and being asked why they do not have jobs. That seems to be the general attitude.

We can confirm that Jobcentre Plus staff have told colleagues that they are being asked at their performance reviews why they have not applied enough sanctions, and they are told that that will affect their performance. Anecdotal stories are coming to us about that.

11:00

The impact of changes to welfare and the childcare infrastructure in Scotland are crucial. If there is an expectation on parents to work, where are the rights to support mechanisms to make that possible? Jim McCormick talked about other European models in which there is conditionality. Sometimes that is more severe, in a sense, in that a lot of parents are expected to return to work when the child is one. However, those countries have in a place a system that includes a childcare infrastructure and family-friendly employment, which is crucial. In the UK, if your child is off sick, the way to deal with that is to say that you are sick yourself. The system is not in place here to support parents in work and take into account responsibilities for children.

A big thing for us is that lone parents say that they are being forced into low-paid work. Parents who have degrees, for example, and are well qualified to move into well-paid employment are being told, “I’m sorry. You’re a lone parent jobseeker. These vacancies are available and you have to apply for so many a week. That is the route that you must go down.” It is very much a

work first approach. Lone parents are trapped in the sense that, when children are under five and the parent wants to access training and education, it is a challenge for them to get childcare to enable that. When the child reaches five, the doors to access training, education and higher education are closed, because the parent has to be available to work and to sign on.

There have been cases this week. Just the other day, our welfare rights adviser dealt with a young woman who is pregnant and is being sanctioned because she missed signing on due to having morning sickness. An older parent, who is a kinship carer in her 50s, had been offered a holiday in a caravan in Ayrshire by social work, because she is a kinship carer. When she told her adviser that, she was told that she would be sanctioned if she could not sign on. She went on the holiday, because she wanted to put the child that she looks after first, so she just had to do with less money. Just this week, a dad in Edinburgh, who is on the work programme—Ingeus has been dealing with him—missed an appointment because it was after school hours. He was sanctioned, his benefits were withdrawn and, since then, he has been taking out payday loans, borrowing maybe £55 and having to pay back £65 or £70. Those are some of the examples.

What is worrying for us is that research and stats are showing that a high percentage of decisions to sanction lone parents are overturned. The latest figures show that 64 per cent of high-level sanctions of lone parents are overturned on appeal. A low percentage of people appeal, because people generally do not know that they can appeal, or how they can. Forty-three per cent of low-level sanctions are overturned, so there is an issue about the wrong decisions being made in the first place.

The Convener: Dr Webster might be able to help with this, given the information that he gave us earlier.

In the cases that I have picked up, there appears to be a presumption in the system of guilty until proven innocent. One case that comes to mind was that of a young man who had to go to a hospital appointment. He had advised that he was doing that, but communications in the system had broken down and the managers at the DWP sanctioned him on the basis that he had failed to attend an appointment. He had to prove that he had informed people appropriately and in the interim period he lost money, which he never got back.

Is that the type of thing that is happening? I know that you wanted to come in on other points, Dr Webster, but I would like your help with that. Is the decision-making process geared towards a

presumption of guilt, with innocence having to be proved once a decision has been made?

Dr Webster: You are absolutely right. In my written submission, I quote Professor Michael Adler from the University of Edinburgh, who has recently written a paper called “Conditionality, Sanctions, and the Weakness of Redress Mechanisms in the British ‘New Deal’”, in which he talks about alternative models of administrative justice.

Professor Adler points out that the jobseekers allowance regime has moved towards a highly managerialist model of administrative justice, in which the jobcentre adviser is treated as a wise, all-knowing expert who is empowered to force claimants to do what is good for them. The whole system is far from what we think of as the model of British justice. We think that, in a judicial system, the principle of innocent until proved guilty should apply, but the fact is that the jobseekers allowance sanctions system is not based on that principle. It is based on the principle that not just the state, but the state functionary, knows best.

The Government always responds to criticism by saying that, if claimants disagree with a decision, they can appeal, but a series of research studies has shown that claimants simply find it too difficult to manage the appeal process. That is not surprising when many of them are trying to get their next meal. Appealing is quite a way down the scale of priorities for someone who is in that situation. As we know, many of the people who are in that position have learning difficulties and other problems. The point is a fundamental one.

It is disturbing that the level of the penalties is comparable to or greater than the level of fines that are administered by the mainstream courts. That has become an extreme anomaly. I worked out the numbers. If someone over the age of 25 is on JSA and they are sanctioned, the minimum fine is £286.80 and the maximum fine is £11,185.20. In the UK scale of fines, the level 1 fine is £200 and the maximum—the level 5 fine—is £5,000. Therefore, the JSA scale of fines runs higher than that which is available to the mainstream courts, yet claimants have none of the protections that an accused in the mainstream courts would have. I am referring to the presumption of innocence, the entitlement to legal representation and the fact that—as I mentioned in my submission—in a mainstream court, before someone is sentenced, the sheriff will call for reports so that the sentence is appropriate. That is not done with a JSA claimant who is sanctioned.

The Convener: A lot of the information that we have heard this morning has been shocking, but that analysis is quite chilling.

Bill Scott: I want to return to Linda Fabiani's point about the lack of information about hardship payments. We found it very difficult to find any information about them but, luckily, benefits and work, which is a welfare rights website, did a freedom of information request on sanctions and hardship payments; I can pass to the committee the full FOI response that was produced. As of October 2012, only about one in seven of those people who had been sanctioned were receiving hardship payments. That means that, in that month, nearly 50,000 people who had been sanctioned were not receiving a hardship payment. There is no doubt in my mind that someone who has no money whatever for all or part of a month will have to rely on a food bank in order to eat.

That state of affairs should not be a surprise. In December 2012, the Social Security Advisory Committee, which was appointed by DWP ministers, concluded that the sanctions regime would lead to the disengagement from mainstream society of those who were sanctioned—that confirms what Peter Kelly said—and that they would turn to crime, prostitution and drug selling to get something to eat or to feed their families. On that basis, the committee concluded that the sanctions regime was too harsh and should not go ahead. Finally, it concluded that people were sanctioned largely not because they were non-compliant, but because they did not understand what they were supposed to be complying with.

We know from a Court of Appeal decision last year and a High Court decision that the ESA regime and the work capability assessment unfairly penalise people with mental health issues and learning difficulties, for example. Those people are far more likely to be found fit for work than are people with physical impairments and sensory impairments. Once they are found fit for work, they are sent to sign on for the jobseekers allowance and because of the nature of their impairments—they are sometimes variable for people with mental health issues, and there can be a lack of understanding and appreciation of the conditions that are placed on people with learning difficulties—they fall foul of the conditions and are therefore sanctioned. In most cases, their conditions will not go away, and over time they will be sanctioned the first time, the second time and the third time. The first figures from last year show that 120 people out of 700-odd who were sanctioned for the full three-year period by June last year were disabled.

We have a society that is punishing people because of their impairments, not because they are non-compliant. The DWP has instructions and guidance that say that people with mental health conditions and learning difficulties should be treated differently and that sanctions should not be

imposed without that being considered, but that is what is happening. Those instructions are in no way acting as a barrier. DWP staff are expected to have more medical knowledge than a community psychiatric nurse about how a condition affects somebody with bipolar disorder or schizophrenia.

It is being shown that very vulnerable people are committing suicide. That is according to the Mental Welfare Commission for Scotland. People are starving to death. According to a coroner's inquest in Oxfordshire, a man with severe mental health issues ended up losing his employment and support allowance because his work capability assessment said that he was fit for work. He went along to the job centre and was sanctioned, although he was quite clearly not fit for work. He was left with £40 a week to live on, and he died weighing 5 stone and 8 pounds. He had lost 5 stone between when he was sanctioned and when he died.

That is happening in one of the richest countries on the planet. We are allowing that to happen to our most vulnerable citizens. To be honest, that is a crime against humanity. I feel anger when I read such stories, and I am reading those high-end stories in the press much more frequently. Tens of thousands of people are being affected like that on a weekly basis. The system is very unfair.

Dr Webster said that people are required to prove that they are innocent. A lot of people cannot play the system. They do not have the skills or the intellect to do so, and they have ended up being most damaged by it.

The Convener: Many of us share your anger about that. Mark Ballard wants to come in on a specific issue that Bill Scott remarked on.

11:15

Mark Ballard: Obviously, Barnardo's agrees entirely with everything that Bill Scott said about the high-profile cases and tens of thousands of very vulnerable people going through the system. I wanted to pick up on the point about information and signposting. We have found that the vulnerable young people whom we work with do not get the information from Jobcentre Plus about what they should do next when they have been sanctioned. They are not routinely told about hardship payments or welfare funds, and those young people often do not have the social networks that can tell them what to do next, so they are put in a position of complete crisis.

Dr Webster mentioned the appeals procedure. There is an appeals procedure and a 28-day timeline to appeal if a person feels that a sanction was inappropriate, but there is no timeline for the DWP to respond to that appeal. That is a major issue, because the appeals process puts rigid,

prescriptive rules around when people can appeal but leaves the DWP with huge flexibility as to how it responds. The committee may wish to address the issue of how that process works in practice in the letter that Linda Fabiani mentioned, so that information on sanctions is available and there is an appeals process with appropriate timescales for both the DWP and the claimant.

Annabelle Ewing: The information that we have heard is alarming and disturbing in many respects, since we live in a society that is based on the rule of law and yet it seems that some people have an entitlement to expect that the law will be applied to them in a reasonable way and other people have no such entitlement and are treated like second-class citizens.

I return to the point that was made about the efficacy of the system and what its purpose and outcome are supposed to be. During last week's visit, we were given an example of a person who had actually found a job and had taken up that job offer—orally at least—but was still sanctioned because of a delay between his starting the job and the period of time in which he still needed to receive state support. I do not understand how that can be, because as a matter of Scots law, a contract can be concluded orally in the first instance. If someone has already concluded orally that they will take up a job, how can another department of the state regard that contract as not existing?

Looking at that example brings us to the universal job match system. It would be interesting to hear about people's experience of that system and the extent to which it works or does not work. I understand that there have been suggestions that there have been scams in the operation of that system. Are we looking to see that system phased out and something else put in its place? Is the system being revised? It certainly does not seem to be serving the purpose for which it was set up.

When I was at the meeting last week, what came across clearly to me was the energy of the young women in particular, which was being completely misplaced by the state. At every turn, whether they were trying to do mentoring training or to organise childcare, the state was telling them, "That's not enough, and we're going to take away the little bit of money that you rely on." Indeed, as I was leaving the CAB premises, I heard one of the young women saying that she had not eaten because she was making sure that her kids had food. I despair at that.

The committee has had a lot of trouble in getting UK Government ministers to come before us in public session, and thus far we have had a refusal from the Secretary of State for Work and Pensions, Iain Duncan Smith, and from Lord Freud. To add to that, we now have a refusal from

the Minister of State for Employment, Esther McVey, although it would be great to be able to put many of the questions that have been raised this morning to her in public session. As she will not come to a public session of this committee, but only to an informal private meeting, are there any particular questions that any of the witnesses would like us to ask Esther McVey on their behalf?

The Convener: Send them in on a postcard.

Dr McCormick: My comments are partly in response to what Annabelle Ewing said. There are lots of troubling points from today's evidence. We are seeing various dimensions of a system failure.

One troubling point is that even the DWP's own evidence suggests that there is a better way. When the DWP uses its power to pilot and test alternatives that are within the current system's parameters but involve different implementation and different local operating cultures, we sometimes see substantially better outcomes.

An initiative on the border of east London and Essex is being evaluated. In that area, Jobcentre Plus staff are taking a more positive approach to conditionality. The focus is on working with claimants on the steps that they will take in the next two weeks, the next month and so on to seek work and do training. That is a more forward-looking and goal-orientated approach than the compliance approach that is about the previous fortnight. That simple change of mindset has produced 20 per cent better sustainable job outcomes and many fewer sanctions.

The committee might ask to what extent the DWP acts on its own evidence. That is a serious point. The DWP invests in sometimes quite expensive evaluation exercises to test better ways of running the current system. We should ask why an initiative that saves money, gets better job outcomes and results in fewer sanctions is not being put into practice more widely.

I back up what Linda Fabiani said about prevention. The DWP budget might make an efficiency gain in the narrow sense of driving down the JSA budget in the short term, but we know that there is a lot of cost shunting to devolved local budgets, some of which are significant stuff, such as accident and emergency budgets, addictions budgets, policing budgets and Scottish Prison Service budgets. That is where the hard end of the consequences is picked up. There are questions for the devolved Administration and the scrutiny body to ask about the shunting cost pressures that have been created.

I plug a report that will come out this month from the Social Security Advisory Committee, which is taking a fresh look at the cumulative impact. I declare an interest as an adviser to the SSAC. I know that that committee would be happy to talk to

you about that report and to meet again, if that is appropriate.

The Convener: That could be helpful. We will investigate that.

Beth Reid: We have talked almost exclusively about jobseekers allowance sanctions, but I flag up that that is not the only benefit that can be sanctioned. We have started monitoring for the first time ESA sanctions; we have seen 800 instances of them this year and I expect that number to grow. Before the changes in December 2012, an ESA sanction would mean a loss of about £14. Since the changes, that figure has been £70—people lose their entire personal allowance. That is a big difference.

It is worth remembering the clients' vulnerability. It is not easy to get ESA; getting through a work capability assessment is not easy. The people who are on ESA might well have significant vulnerabilities. It is possibly more important for them than for other people that they have food every day—someone who has diabetes needs that.

I will give a couple of examples from last month of the cases that we are seeing. One lady on ESA was randomly selected for a compliance interview. She was moving house and missed the appointment, so she was sanctioned. She was referred to a food bank. Another person who attended his interview had to sit for a long time to wait for that and was in such pain that he could not continue to sit. He spoke to the receptionist, who said that they had registered his attendance. He rearranged the appointment to a time that suited him better, but he was sanctioned a few days later. He was also referred to a food bank.

As Bill Scott said, if people do not manage to get ESA, they might not get JSA. We see a lot of clients who cannot get ESA and are told when they go to the jobcentre that they are too sick to get JSA. However, if people get JSA, they are subject to higher levels of conditionality. That is really worrying. We have seen a few cases in which people have said that it is too difficult and they will just see whether they can survive some other way because they cannot comply. That applies particularly to ESA, but it may be wider than that.

Benefits advisers have flagged to me that, when a claimant gets a letter telling them that they are in the work-related activity group—the group in which they can be sanctioned on ESA—it is not clear that the requirements that are placed on them are mandatory and that they will lose their benefits if they do not comply. A very simple change, which would make a huge difference to people, could be made to those letters so that claimants know that they could lose their benefits if they do not attend.

There is a wider point about the flexibility that is needed for people who face significant illness and disability and who are trying to comply with the requirements to attend work-focused interviews.

Marion Davis: I will make a point about the impact of sanctions and the conditionality regime on child poverty. The latest information that we have is that, rather than dropping, as was previously the case, the number of children in poverty will increase. When we consider the role of sanctions and the conditionality regime in relation to child poverty, we can only say that it is detrimental.

One Parent Families Scotland has been working with a child poverty group in Glasgow that involves the local authority and the health board. It is chaired by Linda de Caestecker, the health board's director of public health. Jobcentre Plus is a partner in that forum and we have brought to its attention the point that, from our experience, some of the things that are happening within the board's geographical boundary militate against tackling child poverty.

As a result of that, the Jobcentre Plus district manager has started to examine how its local offices deal with lone parents and an internal group has been set up, which includes two or three Jobcentre Plus staff. They are doing a consultation and talking to organisations about their clients' experiences—we are particularly interested in the experiences of lone parents—of going to sign on.

That seems to fit in with the UK DWP's function in relation to social justice. There is a local social justice board, which consists mainly of people from Jobcentre Plus but also involves other partners. Part of its work relates to how what Jobcentre Plus is doing links into improving social justice. Obviously, partners have been ringing a lot of alarm bells that the sanctions do not fulfil those objectives, and the end result has been the consultation.

The report has not been produced, but one thing that has been mentioned is training for Jobcentre Plus advisers, particularly because of the judgmental attitude. From our point of view, it is also necessary to reintroduce specialist advisers for lone parents who are on jobseekers allowance. Lone parents who are on income support have advisers who understand what it is like to be a parent and the demands that that places on them in relation to their employment options. As soon as lone parents go on to jobseekers allowance, they sign on along with other claimants and are dealt with in exactly the same way, even though they have extra responsibilities.

On a positive note, there are local flexibilities that allow Jobcentre Plus and its management to

say that there are other ways of doing things and that, on a continuum from implementing policies harshly to being more sensitive and taking into account individuals' situations, some positive changes can be made.

Peter Kelly: Marion Davis has said some of what I was going to say. I will quote a couple of people to whom we have spoken recently. One person said:

"People are going into the jobcentre with a dual diagnosis but staff don't have the training to deal with them."

Another person said:

"I've found that there's a lack of training for staff."

Those are people who deal with Jobcentre Plus and they feel that things could be better. We have talked a lot about discretion and flexibility. There is discretion and flexibility as regards the training that staff can be provided with to improve the level of service. That builds on Marion Davis's point.

I know that the committee is meeting the DWP towards the end of the month.

The Convener: Yes, on 29 April.

11:30

Peter Kelly: As far as practical differences that could be made are concerned, Bill Scott has already mentioned that that is in DWP guidance. It is about having that guidance implemented so that staff get better training and can better understand the clients who come to them and can deal with them more effectively.

I also want to pick up on a point that Mark Ballard made. I thought that he put it very well when he said that staff at Barnardo's have had to become welfare rights workers. We have just completed a project in West Lothian, as part of which we engaged not just with advice providers, but with a broad range of voluntary sector organisations. One of the findings from that project that struck me was that staff in many voluntary organisations who provide services are feeling under pressure because they are having to do precisely what Mark described—answer questions that they do not have the training or the expertise to deal with.

That is one thing to bear in mind in relation to the capacity of the voluntary sector and whether it can absorb the impact of the reforms. I guess that it is similar to Jim McCormick's point about cost shunting. Some of the impact is being spread out into parts of the voluntary sector that never really had to deal with such issues in the past.

There is money going into the voluntary sector and we need to see how that plays out and what impact it has on the sector's ability to respond to

some of the issues. The Poverty Alliance is working with the Scottish Drugs Forum and the Glasgow Council for the Voluntary Sector to support the broader voluntary sector in dealing with those issues in Glasgow, and we would be happy to keep the committee updated on that project, which starts today.

The Convener: That would be helpful, because the more information we have, the better we can pursue the issues.

I will take comments from John Downie and then from David Ogilvie, but I ask both of you to focus on a point that Peter Kelly just raised and that has been touched on previously. In evidence that we have taken on almost every other aspect of the welfare changes, the administrative burden that has been imposed on the voluntary sector, on housing associations and on local authorities has cropped up time and again. Although the DWP's efforts in reducing its costs may, on the surface, appear to have succeeded in some ways, it appears that the burden has just been shifted to the other sectors, which have had to meet huge costs from their already stretched budgets to tackle the impact of the changes.

You can comment on whatever it was that you wanted to comment on, John, but if you could touch on that point as well, it would probably help us in our understanding of it.

John Downie: I was going to comment on that because, as people have said, the system is broken and people's lives have been turned upside down. There has been the shunting of costs on to public services and particularly the third sector. What we have seen from our recent surveys on the state of the sector and from our recent statistics—we have just updated a briefing that we will send to the committee—is the demand that there has been and the impact of that on third sector organisations, particularly small and medium-sized organisations, that are on the front line. They are spending reserves to meet that demand. That is very clear and apparent.

Peter Kelly touched on the impact on staff in the third sector as well. There is not a lot of information on that, but we are getting other evidence from organisations about the impact on their staff. We have all seen that the changes to the welfare system are starting to have a devastating effect on people in communities—they are affecting their health, including their mental health. To be honest, sometimes I think that that is more of a public health issue than a welfare issue. We are seeing that knock-on effect on the third sector very clearly. All the organisations represented here have seen the Scottish Government put money into mitigation efforts, including the Scottish welfare fund, and that is to be welcomed.

For us, the issue is whether we are ensuring that all the money that we are investing is working effectively. We have funded second-tier advice organisations quite strongly, but there are lots of small, front-line community and voluntary organisations that, through taking a preventative approach, could be doing more on this agenda, if we could connect them to better networks and give them the right information.

I am sure that the committee will write in strong terms to the DWP, but I am not sure that it will get any change out of ministers. For me, the question is to do with what the Scottish Government, local government and the third sector can do more effectively together.

On Annabel Goldie's point about Esther McVey, SCVO has a secondee in from Jobcentre Plus to help us run the community jobs Scotland initiative more effectively. As Marion Davis and others have pointed out, when we work with those people on the employability side, we can see that they seem to be quite happy to work effectively with us. However, on the welfare side, if I can put it like that, there is a totally different attitude. That is where we need to see a change in culture. The system is totally failing at the moment. The sector has the ability to help people into jobs—people who are disabled, ex-offenders, children leaving care and so on—but we need a change of culture on the part of the DWP and a different way of working with it. We would be happy to supply a number of questions around that issue.

The Convener: That would be helpful. The more information we have and the more suggestions you give us, the more we can do.

David Ogilvie: On the issues that were raised about the knock-on effects of sanctions, I will mention a response that we had to the survey.

We asked our members to risk-rate sanctions in terms of the perceived risk to their businesses. On a scale of zero to 10, where zero meant that there was no risk and 10 meant that sanctioned tenants would not be able to sustain their tenancies, 48 per cent rated the sanctions as seven or above, which means that they see the discontinuation or suspension of housing benefit as a major risk for both tenant and landlord.

One participant said that people who have never been in arrears before are now falling into arrears. That is a worrying trend. Another said:

“Our experience is that a significant number of those sanctioned will experience repeated sanctions due to their vulnerability or addiction issues. This is likely to result in arrears escalating over time which may ultimately lead to court action for eviction. In addition, and particularly with vulnerable tenants, they may become increasingly ‘worn-down’ by the whole process and simply decide that they can no longer cope with the responsibilities of a tenancy and abandon the property. They are then likely to present

as homeless at some point in the future and the cycle begins again.”

We have a situation in which people are on the cusp of being catapulted into a downward spiral, in which they will get themselves into debt and so on. The conditionality of a sanction pretty much assures people that they will get another sanction, and another sanction, and because their income is being repeatedly compromised their ability to go out and get a job is increasingly compromised. It is a self-defeating, self-reinforcing process, which damns people to a miserable state. That is not acceptable. If you are going to ask Esther McVey a question, please ask about that, for starters.

On the administrative burden, I particularly emphasise the cost-modelling exercise that we ran in relation to the bedroom tax, which shows that it imposes an additional cost of £79.1 million on the housing association sector over the first three years of its implementation. We have not yet run a cost-modelling exercise for sanctions—to be honest, I am not sure how we would do that, because of the variability that is involved. However, we are talking about a doubling in the number of sanctions in a situation in which there looks to be a problem with the automated transfers to local authority systems—ATLAS—project, which we are taking steps to understand better. When we confront local authorities with that, they tell us that there should not be an issue. Clearly, however, there is an issue. I implore the committee to turn its sights on that and ask whether there could be a Scottish fix, even if there is not one at a UK level. Perhaps that could be done through the concordat.

The final point for Esther McVey is this: given that things are as bad as they are now, before we have even got down the line of universal credit, if there is one thing that can be done to protect people from homelessness, it is to ensure that the housing cost element is not wrapped up in universal credit, or at least that there is a guarantee of continuity of cover for all social housing tenants, and particularly for vulnerable tenants. There will be a lot of expectations on local authority support services. We are working with local authorities as best we can, but local authorities have their own issues with the DWP—that is another issue that will interest the committee in future.

You might want to ask Ms McVey whether that is something that we can do to ensure that we at least protect people from homelessness. The Scottish Parliament took a bold decision many years ago to ensure that people did not face the threat of homelessness. We are two years on from the deadline for that commitment, and an increase in homelessness would be an abomination.

Mark Ballard: The convener talked about demand on the third sector. Barnardo's has benefited from support from the Big Lottery Fund and others to get welfare rights advisers into our services, and we got welcome funding last year from the Scottish Government to get CPAG training for our staff. However, the reality is that Barnardo's delivers a lot of the preventative work that Linda Fabiani talked about, on behalf of local authorities in Scotland. If our staff go to support someone who has parenting issues and we find that there is no food in the house because they have been sanctioned, any work to support them on parenting or to help them work on their child's behaviour so that the child is not excluded from school has to wait until we have sorted out the immediate crisis. It is often the crisis that is causing the parenting problems or the child's poor behaviour in school.

The preventative work that the Parliament and Scottish local authorities have supported is undermined if more and more families are going into crisis because of sanctions and delays in benefit payments. Members must bear in mind the interaction between services that are designed to deliver preventative spending and what is happening in the ground. Who is the first person who meets a family that is in crisis? What happens when they are drawn into helping to tackle the crisis?

We touched on communications. The DWP could change its policy and explain clearly, not using vast amounts of DWP jargon, what has happened and what the decision is. I think that Citizens Advice Scotland suggested that there be a delay between the communication about a sanction and the sanction starting, so that there is time, particularly for vulnerable young people and families who do not have support networks, to think about how they will respond.

Regardless of the DWP's overall policy around sanctions, such a time delay, and much greater clarity in communications to make the process clearer for people who have literacy difficulties and people who do not understand the letters that they currently receive, would be crucial elements in ensuring that families did not go into crisis and that vulnerable young people did not get into the circumstances that we have heard about.

The Convener: Dr Webster will finish off the discussion with a few comments.

11:45

Dr Webster: A series of speakers have described the impact of sanctions on voluntary sector organisations. I point out that the explanatory memorandum to the October 2012 regulations stated that no impact assessment of

the regulations had been carried out because there would be no impact on private or voluntary sector organisations. That is quite a hostage to fortune, which the committee might want to take up with the DWP when it meets it.

The other issue that I want to pick up concerns the link between sanctions and food banks. There are quite a few published estimates now of the proportion of food banks users currently serving a sanction. The range is between about 19 per cent and about 70 per cent but the estimates tend to cluster around a quarter—that seems to be the general picture. Sanctions are by no means the only reason, or even the majority reason, why people use food banks, but they are clearly a consistent, major reason why people use them.

As far as I know, there is only one estimate of the proportion of people who are sanctioned who use food banks. In a survey, Manchester citizens advice bureau service found that 24 per cent of respondents who had been sanctioned had made use of a food bank.

Whichever way you look at it, there is a clear link between sanctions and food bank usage. However, not every food bank user is a sanctioned person, and not every sanctioned person uses a food bank.

Of course, a lot of people who are sanctioned will be distressed by that but they will not have to go to a food bank. For instance, people who have been made redundant probably got a redundancy payment. If they get hit with a three-month—13 week—sanction, which is very common, that is £800. That is pretty serious if they are in a weak financial position, but it will not drive them to a food bank if they have had a redundancy payment.

Something similar applies to young people. Some of the evidence points out that a quite disproportionate number of people sanctioned are under 25. Young people are often supported by their families; in fact, I find quite shocking the statistic that, of unemployed people under 25 who are not full-time education, only half are claiming JSA. The labour force survey shows that, altogether, more than a million unemployed people are not claiming JSA, which is the highest number that it has ever been. As a broad generalisation, we could say that although sanctions tend to drive people in a relatively strong financial position off JSA, because it is all too much upset and hassle, they tend to drive people who are poor into destitution and further distress.

The Convener: I thank all our witnesses for the issues that they have raised. They have given us a lot of action points to follow up. There are a great many areas that we now need to consider in order to pursue them with the relevant levels of Government and to establish the emerging picture.

As I said, having heard that information, I am left angry at the picture that is developing. At the end of almost every evidence session, our emotions make us more determined to continue to pursue the issues as far as possible. A system that counts pounds and pence but which leaves people out of the equation is destined to fail. A callous and heartless system is being operated and we need to challenge it at every opportunity. The information that the witnesses have given us allows us to do that.

We will now go into private session to discuss the issues and how we will take them forward. Again, I thank the witnesses on behalf of the committee for the information that they have given us.

11:49

Meeting continued in private until 12:05.

Members who would like a printed copy of the *Official Report* to be forwarded to them should give notice to SPICe.

Available in e-format only. Printed Scottish Parliament documentation is published in Edinburgh by APS Group Scotland.

All documents are available on
the Scottish Parliament website at:

www.scottish.parliament.uk

For details of documents available to
order in hard copy format, please contact:
APS Scottish Parliament Publications on 0131 629 9941.

For information on the Scottish Parliament contact
Public Information on:

Telephone: 0131 348 5000
Textphone: 0800 092 7100
Email: sp.info@scottish.parliament.uk

e-format first available
ISBN 978-1-78457-140-5

Revised e-format available
ISBN 978-1-78457-155-9