



OFFICIAL REPORT
AITHISG OIFIGEIL

Social Security Committee

Thursday 22 March 2018

Session 5



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SOCIAL SECURITY COMMITTEE

7th Meeting 2018, Session 5

CONVENER

*Clare Adamson (Motherwell and Wishaw) (SNP)

DEPUTY CONVENER

*Pauline McNeill (Glasgow) (Lab)

COMMITTEE MEMBERS

*George Adam (Paisley) (SNP)

*Jeremy Balfour (Lothian) (Con)

*Mark Griffin (Central Scotland) (Lab)

*Alison Johnstone (Lothian) (Green)

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

*Ruth Maguire (Cunninghame South) (SNP)

*Adam Tomkins (Glasgow) (Con)

*attended

THE FOLLOWING ALSO PARTICIPATED:

John Campbell (North Lanarkshire Council)

Richard Gass (Glasgow City Health and Social Care Partnership and Rights Advice Scotland)

Nahid Hanif (West Lothian Council)

Robin Haynes (Scottish Government)

CLERK TO THE COMMITTEE

Simon Watkins

LOCATION

The Mary Fairfax Somerville Room (CR2)

Scottish Parliament

Social Security Committee

Thursday 22 March 2018

[The Convener opened the meeting at 09:00]

Decision on Taking Business in Private

The Convener (Clare Adamson): Good morning. Welcome to the seventh meeting in 2018 of the Social Security Committee. I remind everyone to turn off mobile phones and other devices, as they may disrupt the broadcasting of the meeting. We have received apologies from Adam Tomkins.

Agenda item 1 is a decision on taking business in private. Are members content to take in private item 5, which is on our work programme?

Members *indicated agreement.*

Subordinate Legislation

Council Tax Reduction (Scotland) Amendment Regulations (SSI 2018/69)

The Convener: Agenda items 2 and 3 are on a negative instrument, the Council Tax Reduction (Scotland) Amendment Regulations. I welcome Robin Haynes, who is the head of council tax at the Scottish Government. I invite Mr Haynes to set out the purpose of the regulations.

Robin Haynes (Scottish Government): Good morning. Thank you for inviting me.

The larger part of the regulations provides for the annual uprating of the various allowances and premia in the council tax reduction scheme. The Scottish Government has introduced such legislation each year in order to maintain the original policy intention of the CTR scheme, which is to ensure that nobody will be worse off as a consequence of the abolition of council tax benefit in 2013.

Historically, the entitlement criteria for housing benefit and council tax benefit were almost identical. Broadly continuing to track the United Kingdom Government's changes to the entitlement criteria for housing benefit—even though the legislative underpinnings of the two policies are profoundly different—helps to ensure that the CTR scheme continues to fulfil that original policy intention.

That said, the Scottish Government recognises that there are a few ways in which things now diverge but, in the main, the continuing alignment of the two policies also has the additional advantage of keeping things a bit easier for those who have to navigate the council tax reduction and housing benefit policies—that is, people who have to apply for either or both and those who administer them. Indeed, there is one such divergence in the regulations that are in front of the committee this morning. Regulation 7, which is on page 3 of the instrument, would allow an application by someone of working age for a council tax reduction to be backdated—if good cause is shown—by up to six months, whereas the equivalent provision for housing benefit remains one month.

The Scottish Government is introducing the change to address circumstances that seem to be arising as a consequence of the roll-out of universal credit by the Department for Work and Pensions. In essence, difficulties seem to be arising with ensuring that those who make a claim for universal credit are made aware that they need to make a separate claim for council tax reduction and informed as to how they might set about making that application. As a consequence, in

some areas, and most especially where universal credit full service is being rolled out, there is evidence that the number of council tax reduction applications is lower than might be expected. In other words, there is evidence of people who have little or no means of paying their council tax not applying for the reduction to which they are entitled, and consequently their council tax accounts fall into arrears. That is in nobody's best interests, and regulation 7 is intended to help such individuals and councils prevent that situation from arising.

The committee will also note that regulation 3 introduces a new provision for applicants who are in receipt of universal credit. The effect of the new provision is to allow local authorities to estimate a person's council tax reduction over a period if that person's income is subject to frequent change. That is intended to allow a local authority to be pragmatic when a person earns different amounts each week or month. A very similar provision is in the principal scheme regulations for other categories of applicant.

As the law currently stands, any change to earnings, and thus to a universal credit award, requires the recalculation of council tax reduction and a consequent recalculation of residual council tax liability. Universal credit links to Her Majesty's Revenue and Customs' real-time information system, which means that local authorities now know far more about changes to such circumstances than they ever did before. That can result in a person's council tax bill being recalculated and re-issued every month—and sometimes corrections are entered into the system more than once a month. As a result, it is simply unclear to that person how much they are expected to pay. If I were in that situation—particularly if my monthly finances were precarious—I am not sure that I would be content to allow my council tax to be collected by direct debit, given that I would have no idea how much would be taken each month.

If the account falls into arrears because the person does not know what they owe, the local authority cannot initiate any recovery proceedings because the account is subject to incessant rebilling. However, if it were possible for a representative figure to be identified for that person's earnings, a universal credit award could be estimated and thus their net council tax liability could be calculated over a certain period, enabling both the applicant and the local authority to avoid the uncertainties of the relentless re-billing and recalculation that currently happen.

That is all that I have to say, but I will be pleased to answer any questions as best as I can.

Mark Griffin (Central Scotland) (Lab): Good morning, Mr Haynes. From what I understand,

backdating can go back six months for working-age applicants, who have to provide continuous good cause, whereas older people can apply for backdating of one month only, but they do not have to show continuous good cause. Why is there a discrepancy between working-age and older people? Was any consideration given to equalising that and making it simpler for all applicants?

Robin Haynes: If you will forgive me, I would like to correct one thing that you said. For applicants for council tax reduction who have reached pension credit age, backdating can go to three months, rather than one month. There is no requirement for those applicants to demonstrate good cause.

When the scheme was originally created in 2013, it allowed, for working-age applicants, backdating for six months with good cause and, for pension-age applicants, three months without good cause, which was a straight lift from the entitlement criteria under the council tax benefit regulations, which I referred to earlier. In 2016, as part of the change that was intended to reflect the housing benefit changes, amending regulations were introduced that changed the backdating period from six months to one month for people of working age, while people of pension age were unaffected.

As I said in my opening remarks, that is proving to be a bit of a problem. In effect, we have left the pension-age backdating provisions unchanged from the original 2013 scheme. For persons of working age, we are suggesting a measure to fix a known problem. One could say that that is the Scottish Government acting to fix a problem.

We have had no evidence that the differing criteria for persons of pension credit age cause any problems. I can say that we have had no evidence on that because we engage with welfare advice and rights groups, as well as practitioners at the Convention of Scottish Local Authorities and the Institute of Revenues Rating and Valuation. Much has come to light through ministerial correspondence following people's visits to members' constituency surgeries. We have had no evidence in any of that that the three-month backdating provisions for individuals of pension credit age are a problem, whereas it was brought to our attention that a problem was emerging for people of working age.

I emphasise that it is not the same. There is a good cause provision in the working-age provisions and there is a lot of case law that determines what "good cause" is. For example, at one extreme, someone who could not be bothered is not showing good cause, but someone who has material difficulties in navigating the system might be. If individuals of pension age were entitled

three months ago, their CTR application would be automatically backdated.

Mark Griffin: How are the changes to the rules around backdating for working-age applicants being communicated? How are people being made aware of them?

Robin Haynes: The easy bit is the practitioner community. We have good communications through COSLA and directly with local authorities, as well as through the professional organisation, the IRRV, which has an active and well-read forum.

Communicating the changes to individuals, for example through job centres and universal credit journals, takes us straight into the terrain that I described, in which somebody who has made a universal credit application falls through the cracks. People do not know that they have to make a separate council tax reduction application to their local authority. At present, that is a problem and we are trying to identify a means to address it. Some local authorities have different approaches, and there even seem to be different approaches between job centres. Moving it to six months provides a safety net for cases that fall through the cracks.

Pauline McNeill (Glasgow) (Lab): The regulations are extremely welcome and, when applied, they could make a great deal of difference.

I want to ask about a complicated aspect in regulation 3, which is on estimating the income of universal credit claimants. The new regulations would allow a local authority to make its own estimate of an applicant's household income if it was

"subject to frequent change during a period of entitlement".

The first question is obvious. Will guidance be issued on how local authorities interpret what is meant by "frequent"?

Robin Haynes: No. There is no guidance to local authorities on how they should or should not apply council tax reduction. That sounds quite blunt, but it is a contrast to council tax benefit, which was based on local authorities managing the DWP's money. The same case persists for housing benefit: the DWP gives local authorities any amount of guidance and instruction, and there is a sense of DWP control over what local authorities do. However, council tax reduction is, intentionally, very different. The law is the law, but how local authorities interpret it is a matter for them, although, ultimately, there are legal tests around that.

To give a crumb of comfort, we hope—rather, we expect and know—that local authorities have some experience in applying the equivalent

provision for other applicants, which is in regulation 29(3) of the principal regulations. The cohort that we are talking about usually comprises people who are on tax credits. Allowing local authorities to estimate council tax reduction by averaging income over a period of time is very much a measure to give them scope to fix a known problem. It is about allowing local authorities to administer such cases more sensibly than the current law requires them to do. As I explained, at present, whenever a change of circumstance is communicated to a local authority, it has to crank the handle and rebill, so the regulations give local authorities a pragmatic means of managing the council tax reduction scheme.

Pauline McNeill: That could result in local authorities applying the measure slightly differently.

Robin Haynes: Absolutely. The law is the law and it is open to interpretation, and it might be that local authorities apply other elements of the CTR scheme slightly differently.

There are 32 local authorities, and there are four information technology platforms that they can choose to use to help them operate the council tax reduction scheme. I surmise that there are already granular differences, but the prevailing policy is one that should apply across Scotland. It is the interpretation of the law that may differ. Again, it is about local authorities using that law to manage their tax base and ensure that no one in their communities is disadvantaged.

09:15

Pauline McNeill: I think that you said that local authorities already apply regulation 29(3), which is a similar principle.

Robin Haynes: Yes, and it has been in place since 2013—

Pauline McNeill: You would expect most local authorities to follow that, would you, or do they not have to?

Robin Haynes: You put it well there—they do not have to. The aim is to give scope for a pragmatic approach. As I tried to explain, it is no one's interest if someone does not know how much council tax they owe, but if the local authority is able to apply the law and reach an accommodation with an applicant that seems sensible to both parties, everyone wins. However, the letter of the law at present requires that council tax account to be recalculated for every single change in earnings.

Pauline McNeill: What information gathering will take place? Will dealing with the frequency of

changes in income place additional burdens on applicants or local authority staff?

Robin Haynes: The principal council tax reduction regulations are absolutely not prescriptive about the evidence and information that a local authority can say that it requires. However, paradoxically, one of the reasons why the problem has manifested itself comes from the information flows from the universal credit system to local authorities. There is almost too much information, if you like.

Ruth Maguire (Cunninghame South) (SNP): My question is about the same regulation, on estimating income. I totally get that the regulation is pragmatic and fixes something. I am thinking about constituents who might need that, and about what will happen if the estimate is wrong and a constituent receives too much. You mentioned tax credits. There are quite a lot of examples in which people have been put in quite difficult financial situations because they have had to repay money. I would be interested to hear your comments on that.

Robin Haynes: The best response that I can give is that local authorities seem to manage the present council tax reduction scheme pragmatically. I would be wrong to say that everything in the garden is rosy—I am sure that all of you would find plenty of cases in your constituencies where things have not gone quite right.

I will take one performance metric, which is the number of appeals that the council tax reduction review panel sees. The panel's case load is something like one fifth of what it was for council tax benefit. That would suggest that, while the circumstances that you describe would be undesirable, and, as I said, I am sure that there are plenty of cases where things are not going quite right, the generality is that local authorities seem to be able to take a pragmatic approach.

Ruth Maguire: You said that some people on universal credit are falling through the cracks. If we increase the number of people who receive council tax reduction, there is more chance of overpayment happening. Maybe that is unfair—maybe there is not more chance of it happening. Will it be down to individual local authorities to decide how to recoup overpayments? Is there anything in the regulations about that?

Robin Haynes: It is up to local authorities—we are not prescriptive about that. As I said, I would hope that pragmatism would prevail. The point of the regulations is to give scope for that pragmatism and allow sensible conversations to happen, as they must already happen for legacy benefits cases. I am not aware of overpayment being a widespread problem. There are instances

of it, but there is no evidence to suggest that it is a widespread problem for legacy benefits cases.

The Convener: Mr Griffin has a brief supplementary question.

Mark Griffin: It is about estimating income that is subject to frequent change. The income of someone who is self-employed is likely to be subject to frequent change. Under the regulations, will local authorities be able to disregard the minimum income floor for self-employed people? I feel that is unfair. Under the minimum income floor, it is assumed that a self-employed person earns a certain level of income, but their income might well fall below that. Will local authorities be able to disregard that rule and look at self-employed people's actual earnings when they estimate income?

Robin Haynes: That is a good question. The fact that we have not yet been made aware that there is a problem with the circumstances that you describe reflects the fact that, to date, the roll-out of universal credit in Scotland has largely been about new applications relating to fairly simple circumstances rather than complex circumstances such as those involving self-employment with varying income. The council tax reduction scheme calculations of entitlement have benefited from the fact that the case load to date has been made up of less complicated cases.

However, it looks as though the interaction between universal credit and self-employment could well be a complex problem. The regulations do not seek to address that, but I and my colleagues, and people who are more expert than I am, are already giving some thought to how we might be able to deal with such circumstances.

Alison Johnstone (Lothian) (Green): Throughout the process of our consideration of the Social Security (Scotland) Bill, we have focused on a shared desire to ensure that people access the benefits to which they are entitled. There has been a welcome focus on ensuring that we increase uptake, and benefit uptake campaigns have been run to make sure that that is the case. Making sure that people have their council tax reduced, where that is appropriate, is an important part of that process. It would seem remiss not to focus on that at the same time.

We have been informed by the Scottish Parliament information centre that uptake statistics are not collected for the council tax reduction scheme. Do you think that there is enough information on why uptake of the scheme might not be as high as expected? Why did the scheme cost £20 million less than was allocated to it in 2016-17?

Robin Haynes: The first part of your question was about scheme uptake. There is no data on the

proportion of people who might be entitled to a council tax reduction but are not in receipt of one. I could share some of our pain: we know a great deal about the CTR case load, but we do not know a huge amount about the people who are not within the CTR scheme. Although we can do some modelling based on various surveys, that will always have limitations.

The issue comes down to promotion. In January 2017, when changes were made to council tax, we agreed with COSLA some text to promote the council tax reduction scheme that councils would insert in every council tax bill. In addition, work to promote benefits take-up was undertaken in autumn last year, which was marshalled under the banner, "You've earned it"—there was a television campaign behind it—and the CTR scheme was part of that. That pointed towards a financial health check that citizens advice bureaux were running. We are giving some thought to how we might build on that.

You mentioned that the total income foregone from the council tax reduction scheme is at present less than the amount that is in the local authorities' general revenue grant in recognition of their operation of the scheme. I think that that is a reflection of the fact that, because council tax reduction is not a benefit—it is not the case that the amount by which individuals' bills are reduced gets added on to the general revenue grant; there is no such one-on-one match—local authorities bear the revenue risk.

When the scheme was first established, in April 2013, the revenue risk for that year went the other way and local authorities were not fully compensated, but in subsequent years the case load has gone down. The case load for the CTR scheme very much tracks the wider labour force, and claimant count unemployment is actually going down as the CTR case load has gone down, and the revenue risk at present is therefore in local authorities' favour. That is the £20 million or so that you referred to.

Jeremy Balfour (Lothian) (Con): Going back to the estimate of the applicant's income, has any research been done across the 32 local authorities to see whether there are differentials, or has any evidence been given to the Scottish Government by the third sector to show whether there are any major discrepancies between certain local authorities?

Robin Haynes: There has been no formal piece of research. I cannot point to a particular document that exists in our filing system, but there has been a lot of information intelligence gathering, in that my colleagues and I work quite closely with the practitioner community in local authorities, and there is also a more formal engagement with COSLA, which introduced more

senior practitioners to those forums. We find that each person we speak to recognises that some degree of interpretation is required and that they have to be instructed by the case law that exists around that. I am also aware that the Institute of Revenues Rating and Valuation can sell everyone a very good course on how to approach those circumstances.

It has not been brought to our attention that there are extremes, but I am sure that there will be variation across the 32 local authorities, and indeed across individual cases managed by those authorities. However, nothing has been brought to our attention to suggest that there are disparities that would be worrying.

Ben Macpherson (Edinburgh Northern and Leith) (SNP): With regard to new income disregards, will the carers allowance supplement be taken into account as income for working-age CTR applicants?

Robin Haynes: That does not feature in the amending regulations, for two reasons. The first is that ministers have yet to reach a view, and it is our job as civil servants to produce a suitable analysis to ensure that any decision that is made is an informed one. The second is that, even if ministers had made that choice, the carers allowance supplement does not yet exist in law, and making reference in regulations to something that does not exist yet is not quite possible.

Ben Macpherson: Thank you. I just wanted to close that off.

Jeremy Balfour: Within the next year, the carers allowance supplement may well come in. What will happen in the period between then and any new regulations being made? Will new regulations have to be made once the carers allowance supplement is in place and ministers have come to a view on it?

Robin Haynes: That is a good question. If ministers take the view that they wish the carers allowance supplement, and any other future devolved benefit, to be treated in a particular way, we would have to make further amending regulations.

Jeremy Balfour: Would the supplement be included in those regulations?

Robin Haynes: The council tax reduction for persons of working age treats everything as income unless it is specifically disregarded, so to disregard the carers allowance supplement we would have to introduce regulations that specifically excluded it from the calculation of income.

The Convener: Are you content, Mr Balfour?

Jeremy Balfour: I have no further questions.

The Convener: Are members content to note the instrument rather than make recommendations and report on it?

Members *indicated agreement.*

The Convener: I thank Mr Haynes for his attendance at committee this morning. I suspend the meeting briefly to allow for a changeover of witnesses.

09:30

Meeting suspended.

09:30

On resuming—

Benefit Automation

The Convener: Agenda item 4 is an evidence-taking session on benefit automation. Nahid Hanif and Richard Gass's submissions were circulated separately to members on Monday.

I warmly welcome Richard Gass, who is the welfare rights and money advice manager at the Glasgow city health and social care partnership and chair of Rights Advice Scotland; Nahid Hanif, who is from West Lothian Council; and John Campbell, who is from North Lanarkshire Council. I give each of you the opportunity to outline briefly some of the benefit automation work that you are doing in your councils.

Richard Gass (Glasgow City Health and Social Care Partnership and Rights Advice Scotland): Good morning, and thank you for inviting me along today. In Glasgow, there is limited automation of benefits—it is restricted primarily to school clothing grants and free school meals. Those two entitlements are managed by a single application form. In subsequent years, a person is re-awarded the entitlement on the basis of a prior application without the need to fill in a new form. Indeed, the 22,000 recipients of the school clothing grants have had their entitlement continued.

However, a number of folk were entitled to but not receiving the school clothing grant. By looking at the housing benefit and council tax records, the council was able to identify a further 5,400 folk who ought to have been receiving a school clothing grant. An automated process was put in place whereby a letter explaining what was happening was issued, together with a PayPoint voucher. That was reasonably well received, and 87 per cent of the recipients cashed their vouchers. If we add 87 per cent of 5,400 to the 22,000 initial recipients, the take-up of the school clothing grant works out at 97 per cent.

Our intention is to expand that approach to free school meals. You cannot send someone a free school meal; you can only give them an entitlement to a school meal, and the onus is on the parent and the child to take it up.

In Glasgow, we have cashless payments in schools. Those who pay for school meals bring money to school and have it put on to their cashless card at the till. For those in receipt of free school meals, the money can be put on to their cashless card behind the scenes, but it is still visible in the classroom who is and is not physically handing over cash.

ParentPay is perhaps a better scheme. The scheme is being piloted in Glasgow and is used by other local authorities. It allows all school costs to be paid online, including school trips, after-hours

activities and school meals. Avoiding the need for children to bring cash into the classroom might remove the visible difference between those who get free school meals and those who do not.

The pilot in Glasgow was carried out in four schools: one secondary, two primaries and one nursery. In one of the primaries, there has already been a 92 per cent take-up, with parents currently loading cards online. That is a project for the future.

Another area in which we have semi-automation is in relation to the bedroom tax—if we are allowed to call it that. In Glasgow, we mitigate the tax through discretionary housing payments, as do other councils. We do not require folk to make annual reapplications but will continue their initial applications year after year for as long as funding is available. We take the view that either claimants or registered social landlords can make applications, to avoid people missing out.

Perhaps the biggest barrier to greater automation is data sharing, in that we might have information that we are allowed to use for specific purposes but its use for purposes beyond those has to comply with data-sharing protocols and the forthcoming general data protection regulation. In some of the councils that I polled prior to coming here today there is concern that, with the roll-out of universal credit, and with housing benefit transferring over to that, some of the data that we would otherwise hold will be lost and will instead be held in DWP systems. Although some information will still be held in the council tax system, an element will be lost. We need to be mindful that, whatever changes come about, adequate data-sharing protocols and legal frameworks should be put in place to enable automation to continue or expand.

The Convener: Thank you very much. I invite Ms Hanif to tell us about work in West Lothian.

Nahid Hanif (West Lothian Council): I thank the committee for inviting me along this morning. I reiterate what Richard Gass said. In West Lothian, we, too, are working on making it easier for people to apply for the school clothing grant and receive payments. We have been working with our housing benefit team to identify people who are within the income thresholds for the grant. We send out completed forms for them to sign and send back so that payments can be made to them. In this academic year, we sent out 2,000 application forms, with a return rate of 1,358. There was agreement that that rate was quite low and that we should try to boost it, so we did a second batch with the same forms and got an additional 110. Work is under way to try to contact people who were sent forms but did not return them. We want to understand fully what the

barriers are and why people are not sending back the forms and getting money in return.

As with Glasgow's pilot scheme, in West Lothian we have cards for education services so that children do not take money to school. Parents are making payments online as well. Again, the take-up for that is not as high as we would like it to be. Our anecdotal evidence is that there are barriers to online services in that parents are not confident about using them to upload money or that it is being done securely. We are working with our adult basic education teams to identify how we can help people who might need assistance with online payments.

That is the big part of the automation that we are doing in West Lothian. In our submission, I have given details of work that we are doing on semi-automation as regards period poverty. The council executive approved an allocation of £18,000 to pilot a period poverty payment to women who applied for crisis grants. The Scottish welfare fund member of staff would be trained to ask those sensitive questions. If there was a need for an extra payment, an extra £5 would be paid automatically on top of their Scottish welfare fund payment. That work started this year to help women to purchase sanitary products.

We have also been quite successful with semi-automation in our benefits campaign. It is a joint initiative that involves a range of council services and community planning partners in an area engaging with families that are affected by the benefit cap and supporting them to manage the reduction in their housing benefit. Using the housing benefit systems, we were able to identify the people who would be affected by the benefit cap. We then phoned those for whom we had a phone number and discussed with them how they would manage. If there was an indication that they would experience financial hardship because of the cap, they were automatically given the discretionary housing payment for the full financial year to help them with their finances. We sent letters to the people for whom we did not have a phone number. I believe that 83 households out of a possible 86 received the DHP because of the benefit cap.

We are looking at how we can automate other things to make it easier for people to get their maximum entitlements. Under universal credit, 18 to 21-year-olds who fall under certain criteria will get their housing costs paid through the Scottish welfare fund. Having spoken to our housing benefit and Scottish welfare teams, we are considering how we can identify those people and get that payment made automatically rather than having to wait for applications to come in and so on. I second what Richard Gass said about data sharing. More could be done but, because of the

data-sharing protocols, it is difficult to share all the information that we would need.

The Convener: Thank you. Finally, I invite Mr Campbell to talk about North Lanarkshire.

John Campbell (North Lanarkshire Council): Thank you for inviting me. I do not have much to say, as Richard Gass and Nahid Hanif have covered it all. When I saw the committee's question originally, I was going to ask you whether you are talking about automation or self-management, because one goes with the other, as I say in my written submission. In North Lanarkshire, the only automation that we have is around school meals. Other than that, we do work that is similar to that of West Lothian Council and Glasgow City Council with regard to take-up of the school clothing grant through council advice and information services, the citizens advice bureaux and the independent sector. We also work closely with the education service.

The council is about to launch a digitisation of council services over the next three to five years and welfare is one of the areas that is being looked at in that. We would look at housing benefit, the council tax reduction scheme, school meals, school clothing grants, blue badges, education maintenance grants and any other welfare benefit that the council administers on behalf of the UK Government, the Scottish Government or itself. For there to be an element of self-management in those areas, there would need to be automation at the end of that process. That would be the council's main aim on that.

The council will need to consider the full service universal credit, which will be rolled out in North Lanarkshire in April, particularly in relation to housing costs. After the introduction of the live service of universal credit in North Lanarkshire in March 2015, there was initially quite a drop in the number of people claiming for the council tax reduction scheme because of some of the reasons that Robin Haynes talked about earlier, such as people not making the connection or not being advised. We will try to ensure that it is easier and seamless for folk to claim.

Another issue is data sharing. In relation to health and social care, North Lanarkshire Council has introduced a making-life-easier self-management system that uses the LifeCurve tool. People go through that and it ultimately directs them to places where they can get information, assistance or advice. That relies on people doing it for themselves. Our experience in social work is that, where it is left to claimants or their families to make claims for benefits, claims are often made incorrectly or are not made at all. Automation would need to be as easy as possible, meaning that, at the very first point of contact, all the relevant and correct information is collated and

shared with the folk who would allow the automation to take place.

I do not have any more to add, because Richard Gass and Nahid Hanif have covered the other areas.

09:45

The Convener: I want to drill down into the evidence that you have given us. From your perspective, the intention behind automation is to maximise people's income and ensure that they are in receipt of everything to which they are entitled. Ms Hanif, you said that you sent letters to people and you got a certain response, and then you got more responses when you followed that up. Do you think that the people who are most in need and are the hardest to get to are the ones that are still not engaging with you?

Nahid Hanif: Absolutely. Our experience through the advice service is that the most vulnerable people do not open or read letters, because of where they are at that point in their lives. We do not get a huge response to letters. The telephone calls about the benefit cap that I talked about had more impact than letters, which is why we are doing some information gathering on the clothing grant to find out why people did not respond.

The Convener: Is that the experience across the panel?

John Campbell: Yes. When we were doing work on what is known as the bedroom tax and on the benefit cap, we found that phoning or texting got a bigger response than writing. When the bedroom tax was introduced, we did a lot of door knocking to encourage people to claim their discretionary housing payments.

Richard Gass: In Glasgow, there was a working group on the benefit cap that involved registered social landlords. We divvied up the work so that the RSLs looked after their tenants and my team attempted to address the benefit cap for private sector tenants. There were about 200 private sector tenants and we decided to write to them to advise that we would be coming to visit on a particular date and that they could cancel or rearrange that if they wanted to. Rather than put the onus on them to ask for advice, we decided to bring advice to their doorstep. We found that to be more successful than some other campaigns.

Pauline McNeill: Thank you for your evidence. It is clear that your councils and other local authorities are doing incredible work to ensure that more people get their benefits.

The committee is interested in the whole concept of semi-automation and deeper automation, and the Scottish Government has

stated a similar interest. If the Government were to take further action to encourage local authorities to do more in relation to automation, what would need to be done to remove the barriers, such as the data sharing issues? Can anything be done?

Richard Gass: Any legislation introduced by the Scottish Government needs to address the legality of sharing information. We will still have the GDPR, so we will have to ensure that the declaration on any application form is sufficiently clear that information will be used in a way that is ultimately for the person's benefit. We must draft the regulations with our eyes open.

In some areas, we will need to bring together two parts of the equation in order to complete the sum. When the disability benefits are devolved, receipt of what will be the Scottish disability living allowance—I do not know what the proper title will be, but it is called DLA for now—and the Scottish carers allowance will entitle folk to the severe disability premium and/or the carers premium in the council tax reduction scheme. We will need to ensure that there are connections between the two benefits, so that a person should not have to come forward to say, "By the way, I have received DLA—what does that mean for council tax?" We should put things in place internally to make that connection seamless.

Pauline McNeill: Do the other panellists have a view?

John Campbell: I agree with Richard Gass.

Pauline McNeill: Further to that point, depending on a person's circumstances, they may qualify for different benefits, which further complicates matching those benefits. Richard Gass spoke about the uptake of free school meals, and I think that John Campbell did, too. It is one of the more difficult benefits, and it is interesting to know more about it. In Glasgow, for example, about 5,500 families have not taken up their free school meals. Can you give the committee any advice or information on how that take-up could be increased?

Richard Gass: I do not know if we have the answer to your question, but a potential barrier may be that people do not want to eat the school meal. If a child's friends are taking their dinner money down the street, the child may not want to use their free entitlement because they would be separated from their peers. School meals perhaps need to be attractive to those who could buy them, and a good step forward may be a change in how catering is delivered in school.

Pauline McNeill: I heard that point loud and clear, and I recognise that it is a big issue for free school meals. Can the free school meals benefit be matched with another benefit, or is that too difficult? If a person qualifies for housing benefit,

they qualify for a school clothing grant—that is easy because the data can be matched. Are there benefits where the data can be matched with that needed for free school meals assessment?

Richard Gass: If a person claims housing benefit, the application should capture sufficient information to determine a school meal entitlement. A system of automation could advise a family of their right to free school meals. An onus on the family to take up the right may be a barrier. It might help if there was a scheme such as ParentPay and the parent was advised that their child's card had been automatically credited with the value of free school meals, so they would not have to do anything other than turn up at school and take the meal.

Pauline McNeill: Does the assessment of whether someone qualifies for free school meals include income and working tax credit?

Richard Gass: The family needs to be on means-tested benefits or have tax credit below a certain figure. The housing benefit application form should capture all that information.

George Adam (Paisley) (SNP): Good morning. You have highlighted that access to data is the most important factor for automation to go further. I do not want you to feel sorry for me, but I am on three committees and, in this week alone, the Justice Committee, the Education and Skills Committee and today's committee have discussed targeting probably the same people in different aspects of their lives. The frustration is that every committee has heard, "We can't get access to the data." The data is there, but we have difficulty accessing it. It sounds as if John Campbell is trying to reinvent the wheel with his LifeCurve system, as he is re-collecting the data that is needed.

Is the data that is needed available elsewhere in someone else's system? How do we find a way to access such data so that we do not end up using resource to collect something that we already have in a server somewhere? The more we protect people's data, the more difficult it is to help them. How do we solve the problem?

Richard Gass: There are two ways. One would be to have software developed that could automatically identify certain entitlements and issue a letter to the households saying, "You have claimed housing benefit. We have identified from your housing benefit claim that you also qualify for free school meals. Your child's card has been loaded." If the software can be updated, that is great, but there would be a cost to adapting the software.

The other way would be for local authorities to run reports on data that they already hold, and then have officers go through and process that

data to draw up a list of households that they want to write to or visit.

George Adam: The common theme that we have heard this week is that the DWP has the data and that the difficulty is in getting access to it. The data is there, but it is difficult for councils or anybody else to get it.

John Campbell: Councils can get some access to that data, but they are restricted in what they can use it for. Again, that goes back to Richard Gass's point about changing the legislation. That would allow the information to be shared more easily—obviously for the right reasons—so that we could get some access, although what we could use it for would be restricted.

Nahid Hanif: One of the barriers is declaration. When claimants sign for benefits, they sign a declaration to say that the information will be used for a specific purpose. There may be scope to go back and look at declarations, to allow that data to be used more widely.

Richard Gass: There are data-sharing regulations that give local authorities the legal right to access information. We enter into a memorandum of understanding with the DWP and we are given permission to access its client index system to obtain that information, but only for the specific purpose of the administration of housing benefit, council tax, school meals, the Scottish welfare fund and charging for residential and non-residential care. If other areas are identified, there may need to be a negotiation between the Scottish Government and the Westminster Government to expand the data-sharing regulations. If there is a duty on us to do something, that could be the leverage for a change.

George Adam: I am laughing, because that is the same answer that I have been hearing all week. Everyone has basically said that the Scottish Government and Westminster need to sit down and find a way to make it work.

Mark Griffin: I am particularly interested in the example that Ms Hanif provided about the clothing grant. That is a massive step forward. In some areas, kids are told at assembly, "If you think you might qualify, pick up the forms from the school office and see how you get on." A letter sent to those who you know qualify, with a populated application form, is a massive step forward, but we are talking about benefit automation, where benefits are paid to someone who is eligible regardless of whether they have applied. What is preventing you from taking the next step and not just sending people a completed application form to be signed but automatically sending them their entitlement and their school clothing grant?

Nahid Hanif: For West Lothian Council, it is to do with the declaration. The information that

housing benefit claimants had provided was used specifically to calculate their entitlement to housing benefit, so if it was to be used for another purpose our legal team felt that they needed another signature. That is why they chose to do it in that way.

Mark Griffin: Are you saying that people had signed a declaration saying that the data could be used for that purpose and you used the information to identify their eligibility and to populate an application form?

Nahid Hanif: That is right.

Mark Griffin: If you can do that, why not just give them the grant?

Nahid Hanif: We also need bank details to be able to make payments into bank accounts. We did not have all that information.

Mark Griffin: Was there no thought to sending a cheque to those who qualified automatically?

Nahid Hanif: This is the first time that we have done it, and we have learned a lot from the experience. As we move forward, we hope to be able to streamline the process further.

Mark Griffin: As I said, it is a massive step forward. I just wonder about taking it to its logical conclusion, since we are talking about benefit automation. Thank you for clarifying that.

10:00

Richard Gass: In Glasgow, we did that very thing: we looked at our information and sent PayPoint vouchers to 5,400 households, 87 per cent of which cashed the vouchers. I appreciate that there might be issues about whether councils have the authority to do that. However, I am fairly sure that the declaration on Glasgow City Council's application form says that information can be used to assess other council entitlements, so we managed to overcome that barrier. We did not have people's bank details, so we used PayPoint, which we use for Scottish welfare fund payments and other functions.

Mark Griffin: That is helpful. Thank you.

Jeremy Balfour: I want to come back to two points and perhaps get a wee bit more information on them. IT phobia must be quite a big issue for some people—it certainly is for me. In Edinburgh, we can pay for all primary school meals and trips online. However, there must be a fairly reasonable percentage of members of society who do not have online access and so will be held back by such an approach. How do you mitigate that?

Richard Gass: We still need to make facilities available for people to bring cash into schools. Although that is perhaps not desirable, it cannot

be the case that if parents are either not able to access online facilities or do not feel confident in doing so, they then do not make payments and end up getting bills or red reminders from the council. Therefore, schools still need to provide for cash payments to be made. We do not want that as a long-term solution; we want to provide support and training to families. Schools could perhaps demonstrate the ParentPay mechanism to families at their parents' evenings, so that parents who are not confident in using it can see how it works and then feel greater confidence in going home and trying it themselves.

Jeremy Balfour: In any of your local authorities, have you ever tried having laptops at schools and having teachers help parents through the process there and then?

Richard Gass: No.

John Campbell: Not to my knowledge.

Jeremy Balfour: To go back to Mr Adam's comment about sharing and holding data, will local authorities be affected by the new regulation that will come in, as far as what you already hold on people is concerned? As members of the Scottish Parliament, we have been told that we need to get people's permission to hold such information, beyond what we have now. Will you lose information in the springtime because of that? Secondly, how much can you already share between education and health and social care? Is it seamless or do you need people's permission to do that?

Richard Gass: In Glasgow, we feel that we are able to share information from the authorisation that is on housing benefit and council tax application forms. I cannot comment on whether that declaration will be sufficient after GDPR. I would like to think that it will be, but if it is not, the declaration will have to be revised to make sure that it is.

Jeremy Balfour: Can the information that you hold on someone at the moment still be held after the new regulation comes in?

Richard Gass: I presume that the information can still be held on council tax or housing benefit, but the barrier might be whether we still have permission to share that information with education services. If education services already have information that we have shared, we might ask whether they are allowed to continue to hold it. If it no longer complies with the GDPR, they will probably not be. The GDPR will be a headache for us, but we hope that it will not be an insurmountable problem.

Jeremy Balfour: Would the other two panel members like to comment on that? We are not that far away from the regulation coming in now. What

provisions are you making for beyond the spring and the summer?

Nahid Hanif: I cannot comment on that. In West Lothian, there is a working group for GDPR, but I am not involved in it. I am not sure whether John Campbell can comment.

John Campbell: Managers in North Lanarkshire Council have all been given training on the new GDPR and are aware of its coming in. However, we will probably have to wait for instructions or guidance from the council. It will cause some concern and a lot of issues for advice and information services—in particular, in getting consent and knowing what they can and cannot use that information for. There is already an element of that. There will be major concerns in councils about the data that they hold, how long they can hold it and who they can share it with.

Alison Johnstone: Mr Campbell's evidence suggests that automation could eliminate stigma and, more importantly, value judgments. That has already been discussed this morning. I do not know whether I correctly picked up what Mr Gass said. Did you suggest that it is still possible for those who are in receipt of free school meals to be identified by their peers?

Richard Gass: I believe so, because children are intelligent and, if there is a process whereby folk hand over cash at the front of the class for their school meals and certain folk are not invited to do so yet they receive school meals, it is probably pretty easy to join the dots. However, if there is a mechanism whereby some parents pay online and only a small number of folk pay cash at the front of the class, it will be less easy to identify the reason for children not handing over cash.

Alison Johnstone: Obviously, it has been a while since I was at school, but I remember the double line in the dining room. I understood that more had been done to make sure that that difference was being disguised better. Stigma is a huge issue and we all understand why people are reluctant to take up benefits that clearly describe them as being from a low-income background. Do you feel that, with progress, if we are really serious about it, automation could help to get rid of some of the stigma?

John Campbell: Yes. It would all be in the background and nobody would know that it was happening. Whether it were free school meals or school clothing grants, the money would be sent automatically and parents would spend it in the same way as parents who were not eligible for it spend their money. There would be no line to show where the money had come from so they would look like anybody else in the community.

Alison Johnstone: It is a huge concern, because we hear about a lot of free school meals

not being taken up, probably by pupils who most need to take them up.

We recently passed the Child Poverty (Scotland) Act 2017, which requires the Scottish Government to set out what, if any, measures the Scottish ministers propose to take to support local authorities to consider the automatic payment of benefits and support. What support might be helpful for local authorities to make the process easier?

Richard Gass: Automation will require IT systems that are fit for purpose, and perhaps the systems that they have now might not be sufficient. Having support for the resourcing of the software upgrade would probably be very welcome to local authorities.

The Convener: I declare a local interest, as I am from North Lanarkshire. You mentioned the ambitions of the council to redo all its computing systems and automate them. Have you been feeding into the process to ensure that whatever comes out at the end is fit for the purpose of achieving the ambition to automate the paying of benefits?

John Campbell: We have been and will continue to be involved in that process, particularly around welfare, as our interest lies in making sure that people get the benefits that they are entitled to. The idea is that there will be one system, people will have one unique reference number and the system will hold all the details that will allow not just welfare activity but other council activity to happen automatically. Again, it is tied up with self-management, which makes it semi-automation, because the individual—the resident—will have to do the first thing before everything else can fall into place and we can feed into it.

My concern is perhaps old-fashioned, but it has been my experience in North Lanarkshire that claims have not been taken up. Although we do a lot of great work in health and social care—as do housing services and the third sector—we know that large numbers of people in our area are not claiming the benefits to which they are entitled. When we eventually reach people, we sometimes find out that services have been involved in the past and the person has said that they would claim the benefit themselves, yet they had not gone on to claim it or they tried to but found the situation to be too complex. My issue with automation is that if the information is not correct at the very beginning, people can still miss out.

There are complexities with even just the one benefits system because there are grey areas, such as the severe disability premium and the carers element for the council tax reduction scheme that Richard Gass mentioned. Would an automated system be able to pick up those grey

areas, where there is an underlying entitlement to a benefit, rather than a benefit that is being paid to a person?

The Convener: In 18 years in computing I never met a pragmatic computer.

Ruth Maguire: I want to follow up Jeremy Balfour's question. I know that the ins and outs of GDPR will be a matter for your information officers, so my question is not a technical one.

I was interested in what Ms Hanif said about declarations and the different points at which we gather permission for folk that live in our areas. Will GDPR and your new systems provide an opportunity to look at what is needed to allow automation to go ahead? I ask that in the knowledge that it is very easy for politicians to sit here and say, "Here's a good idea, so why aren't you doing it?" I recognise all the complexities that you have described in your evidence, but does that change present an opportunity because things will have to be done differently, as we all recognise?

John Campbell: Bear in mind that I did get a day's training in GDPR. I am just trying to recall it all. *[Laughter.]*

There will be opportunities and we try to be proactive, but there will also be that bit of being passive because of the potential consequences for you as the individual data controller, or, potentially for the council, if you do not get it right. It is worth exploring whether things can be done differently.

We can make our consent forms as wide as we like, but the DWP or other organisations might say that we can only use the data for a specific reason for a specific time and, once it is done, it is done. The DWP might be right to say that, so that, for example, we cannot go back a year later and say, "I still have a mandate for Richard, so I can still ask for information about him." It is complicated and we need to get it right. If we are moving towards automation, there must also be movement on data sharing.

Richard Gass: If you go to the other extreme and ask someone to sign something that covers council tax benefit, housing benefit, this benefit, that benefit and the one that is yet to be invented, you might get to the point where, because someone is really wary about giving their permission as a consequence of all the stuff that they have seen about Facebook in the media, they do not make their claim or give up before they get any advice. We have to watch that we do not go the other way.

The answer might be to find some way for legislation to make it legal for that data to be transferred in specified circumstances. That is the case for some other areas.

Pauline McNeill: You might not be able to answer my question, but I will put it to you anyway. The more successful that you are, the bigger the budget needs to be. For example, if those 5,500 children and families in Glasgow had automatic entitlement, it would increase the local authority's expenditure. Are you picking up any concerns in your local authorities about the implications of deeper automation?

Richard Gass: I am not privy to folk's worries in different quarters. If that money can be reclaimed from either the Scottish Government or the UK Government it would not cause concern, but if the money would put pressure on already stretched local authority budgets, ultimately that would be a concern.

10:15

The Convener: Do you have any other thoughts on automation that we have not covered today?

John Campbell: For me, automation could work only for some straightforward benefits whereby a person would automatically get the benefit if they could satisfy a list of requirements. I talk about the judgment value, but that is for the straightforward benefits. If you take a benefit that requires consideration and a decision-making process, automation could be quite complex.

We come across people who say that they have been told by folk that they cannot claim certain benefits and, when we ask why they could not claim them, they say that the person told them that they did not meet the criteria. The people who decide on applications work for the DWP—we complete the form and send it in, but it is up to the DWP to decide whether the person will get the benefit. We have to bear in mind that there are some benefits that have discretion—particularly those related to disability, such as DLA, personal independent payments, attendance allowance and so on, where automation could be quite difficult.

The Convener: I thank all the witnesses for attending the committee this morning.

10:16

Meeting continued in private until 10:58.

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