



**OFFICIAL REPORT**  
AITHISG OIFIGEIL

# Social Security Committee

**Thursday 8 November 2018**

**Session 5**



The Scottish Parliament  
Pàrlamaid na h-Alba



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**Thursday 8 November 2018**

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**SOCIAL SECURITY COMMITTEE**

**22<sup>nd</sup> Meeting 2018, Session 5**

**CONVENER**

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

**DEPUTY CONVENER**

\*Pauline McNeill (Glasgow) (Lab)

**COMMITTEE MEMBERS**

\*George Adam (Paisley) (SNP)

\*Dr Alasdair Allan (Na h-Eileanan an Iar) (SNP)

Jeremy Balfour (Lothian) (Con)

\*Michelle Ballantyne (South Scotland) (Con)

\*Mark Griffin (Central Scotland) (Lab)

\*Alison Johnstone (Lothian) (Green)

\*Shona Robison (Dundee City East) (SNP)

\*attended

**THE FOLLOWING ALSO PARTICIPATED:**

Denise Horsfall (Department for Work and Pensions)

Gordon Lindhurst (Lothian) (Con) (Committee Substitute)

Pete Searle (Department for Work and Pensions)

Donna Ward (Department for Work and Pensions)

**CLERK TO THE COMMITTEE**

Anne Peat

**LOCATION**

The James Clerk Maxwell Room (CR4)



## Scottish Parliament

### Social Security Committee

*Thursday 8 November 2018*

*[The Convener opened the meeting at 09:02]*

### Decision on Taking Business in Private

**The Convener (Bob Doris):** Good morning and welcome to the 22nd meeting in 2018 of the Social Security Committee. I remind everyone to turn off their mobile phones or put them in silent mode, because they can disrupt our meeting.

I warmly welcome Gordon Lindhurst, who has come along as Conservative substitute member in place of Jeremy Balfour, who has sent his apologies.

Item 1 is a decision on whether to take in private item 4, which is consideration of evidence. Does the committee agree to take the item in private?

**Members indicated agreement.**

## Social Security and In-work Poverty

09:03

**The Convener:** We move on to item 2. We continue our short, focused inquiry into social security and in-work poverty. This is our penultimate evidence session—we are nearly there.

I welcome our witnesses from the Department for Work and Pensions: Donna Ward is policy director, children, families and disadvantage; Pete Searle is policy director, working-age benefits; and Denise Horsfall is universal credit area director for Scotland. I thank you all for coming along this morning. You are very welcome and we appreciate your attendance. I understand that one of you will make a short opening statement—I see that Donna Ward is going to do that.

**Donna Ward (Department for Work and Pensions):** Thank you so much for inviting us.

I will start by saying that we absolutely recognise that in-work poverty has increased. In the United Kingdom there are now 3.3 million adults in in-work poverty, and two-thirds of children in poverty are in families that work—I know that child poverty is a big issue for you in Scotland.

The whole composition of the population in poverty has shifted. We absolutely recognise that, and the UK Government has done quite a lot of work to try to understand the situation, to consider what we can do about it and to check that all our policies are consistent with helping to improve the situation.

The issue is mostly the flip side of a really good labour market. Across the UK, but also in Scotland, three quarters of all adults of working age are now in employment, and we now have a million fewer workless households than we had in 2010. The change in the labour market since the financial crisis has been really quite remarkable. That is the real issue, rather than some big shift in the underlying risk of in-work poverty, which has stayed quite flat at around 10 per cent.

However, I am not going to sit here and say that it is just about that. It is, of course, much better to be in work; after all, a child is five times less likely to be in poverty if the household is in work. Moreover, although the risk of those in work being in poverty has not fundamentally changed, that is not the case for absolutely everyone.

As we have said in our written submission, we know that, when housing costs are taken into account, the risks of children being in households

that are in in-work poverty have increased. That is due in part to the greater cost of private renting, but it is also down to certain aspects of the labour market. For example, we know from the really helpful Joseph Rowntree Foundation report on poverty in Scotland that the risk of being in in-work poverty has increased for lone parents in Scotland.

We have done extensive analysis of who is actually in in-work poverty. Looking at the whole population of those who are in in-work poverty, we see that it mostly breaks down to the following categories: families that work only part-time, one-earner couples and low-earning self-employed people, with a small residual element of couples in full-time work. However, full-time work virtually eliminates in-work poverty for households both in the whole of the UK and in Scotland.

There is definitely an issue with regard to working patterns and work intensity, and we believe that universal credit is well designed not only to get people into work in the first place but to smooth their incentives to work more. It has removed a lot of the cliff edges from the old tax credit system, and it has helped address people's worries about fluctuating earnings and whether, if they take a job and then lose it, they will have to navigate between two systems. Furthermore, the incentives under universal credit have improved, thanks to recent budget measures such as the increase in the work allowance, which was the main recommendation that the JRF had made as a change to universal credit that would tackle in-work poverty. The UK Government has been listening.

There are lots of different measures for poverty, but I know that the committee is mainly interested in relative poverty. As you will know, relative poverty is the sum total of everything that happens in the benefits system and the labour market as well as the wider macroeconomy. In that respect, what happens to the median income line also matters. Relative poverty has improved since the financial crisis, but that is really because of the collapse in median incomes. I should point out that relative poverty tends to stagnate if median incomes start to grow at a faster rate, because it gets harder for poorer families to keep up. The picture is therefore complicated with regard to what drives the final outcome for relative poverty. The benefits system is one element of that, but it has to sit within a wider context, and that is why UC incentives, which are good and, indeed, have improved, are being reinforced by increases in the living wage and the personal tax allowance. You have to see all that together, not just what is happening on the benefits side but what is happening with wages and taxes.

Of course, much wider Government agendas have to come together. Trying to get people to work more is not just about providing incentives, but about what employers are willing to offer, as well as all the good work that the UK Government and you are doing to halve the disability employment gap, to eliminate the gender pay gap and to make work fairer and decent for all. All of that comes into play alongside what happens in the benefits system.

Finally, people are much more likely to be in in-work poverty if they have children. Such couples tend to be one-earner couples, because someone has to look after the children. Lone parents, too, face barriers to working through having to deal with childcare responsibilities on their own. Childcare is therefore a really important element of this story, and universal credit is more generous on the childcare side than tax credits were.

Alongside that, the UK Government and the Scottish Government are doing more to subsidise free childcare places. However, it is about not just what the Government can do to subsidise childcare, but the provision in the market and whether flexible childcare is available to people in low-paid work.

I hope that I have managed to make the point that in-work poverty is a collection of many different things coming together, especially if we consider it in a relative sense. The benefits system is just one element in a wider context. The UK Government has also been very concerned about the issue and has tried to take all those elements together.

**The Convener:** That is helpful. It might be worth placing our inquiry in context. Much of what you said was helpful, but it was a mixture of the delivery of the UK Government's policy intent, and the policy intent itself. We had hoped that the UK Secretary of State for Work and Pensions, Esther McVey, would appear before the committee next week, along with the Scottish Government's cabinet secretary, Shirley-Anne Somerville. However, this morning we received a reply from Alok Sharma, the Minister of State for Employment, to say that he has agreed to come to the committee. We waited six weeks for a reply from the secretary of state and this morning we got a reply from the minister, who—unfortunately—will not be available in time to speak to us for this inquiry. There are some policy matters that we would like to interrogate and the question is whether we interrogate those with senior DWP staff or with the relevant politicians, who now appear not to be available to us.

You put several statistics in relation to poverty on the record. Those statistics are crucial in relation to the point that you made about part-time and full-time employment. The Poverty Alliance

prepared a briefing for the debate on universal credit in Parliament last week, which stated that

“one million people in Scotland are living in the grip of poverty, including 230,000 children ... 65% of all children living in poverty live in working households. 59% of all working-age adults living in poverty live in working households.”

Getting people into employment does not solve poverty in itself, because of the nature of low-paid, uncertain employment.

That brings us to the absorption of the tax credit system into universal credit and the idea of imposing conditionality on those who are in part-time work, who will no longer receive tax credits, but will receive universal credit. Those people might be asked, encouraged and eventually instructed to increase their hours of work, their hourly rate or to take on a second job. Those are all things that work coaches could request or eventually instruct individuals who are working to do.

We asked the PCS—the workers representatives in the job centres—how realistic it thought that it would be to have a meaningful conversation with someone who is in work that is tailored to that person and is realistic about their expectations of moving into better paid employment, if such opportunities even exist. David Semple from PCS told us:

“The current number of work coaches simply would not be able to do that work in any meaningful way. Given the additional footfall of claimants into our jobcentres—the number of jobcentres has been cut over the past couple of years, as the committee will be aware—it would not be sustainable for work coaches to have meaningful conversations, and to raise the kinds of questions that you have mentioned”.—[*Official Report, Social Security Committee*, 1 November 2018; c 5.]

I had asked whether there were opportunities for work available, whether there was suitable childcare or transport links and the whole gamut of things about which the work coach would have to have a conversation with an individual. The union does not think that that is achievable. PCS has said that there would need to be 5,000 additional staff in order to make universal credit work. However, it is being rolled out and here we are. How would you respond to that?

**Pete Searle (Department for Work and Pensions):** On the point about in-work conditionality, there is a very light touch system in place at the moment. We are not asking work coaches to do that now. We acknowledge that if we did want work coaches to start having intense conversations with people in work, it would require more resources, but that is not our plan.

09:15

In September, we published the results of our in-work progression trial, which tested a range of things that work coaches could do to help people to progress in work. In-work poverty could be combated if people who could work more were able to work more, but the issue is how we can enable that. The trial showed that if we did some fairly intense things, on average that led to wage increases. The most intense intervention was a 10-minute conversation after eight weeks between the person in work and a work coach, and a further face-to-face conversation every two weeks after that. People who had those interventions worked more.

We need to do a lot more research before we can say what the best way forward is on this. We do not have evidence at the moment about what could work and about the best way of interacting with people in work, who have got jobs to go to and do not need to be popping down to the job centre every five minutes.

We got £8 million from the Treasury in the 2017 budget to do that research over four years. By doing that, we will learn what works and we will think about the best way forward. As things stand, though, we are not asking our work coaches to spend a significant amount of time helping people in work to progress.

**The Convener:** That raises additional questions as much as it answers them. You have said that there is a light touch approach at the moment, but there will not always be a light touch approach. You have said that you will not move away from a light touch approach until there are additional resources. For the avoidance of doubt, by moving away from a light touch approach do you mean sanctions or conditionality on the working poor?

**Pete Searle:** It could mean a whole range of things.

**The Convener:** But could it mean that there might be a financial sanction on someone who is currently in receipt of tax credits, moves over to universal credit, is told to get more hours or increase their pay, and is unable to do that? Is that what you mean by moving away from light touch?

**Pete Searle:** As I said, it could mean a broad range of things. At the extreme—

**The Convener:** But is that one of the things?

**Pete Searle:** Conditionality would certainly be part of it—that is one of the things that we would test.

**The Convener:** So that is a yes. That is important to know, just for clarity, because you might speak at length and we might not get the clarity that we are looking for.

You said that there is a need for additional resources. The PCS has said that 5,000 more employees are required at the front line in order for there to be any kind of meaningful conversation. Is that a number that you would recognise, Mr Searle?

**Pete Searle:** No. I do not recognise that number. I do not know the basis on which the PCS has calculated that, because it does not know what the intervention would be. We do not know what the intervention would be. We want to test and learn, and when we have tested and learned, we will work out what the best way forward is. We will then be able to work out what additional resources will be required.

What I can say for sure is that we are staffing our work coaches to do what we are currently asking them to do. If we ask them to do an awful lot more, we would need more resources. That is something that we would have to work out in the light of the research.

**The Convener:** The PCS would say that you are understaffing, given what you are asking staff to do, especially if we look at the service centres, where, as things stand, staff cannot cope with entries into online journals. What is the minimum number of additional workers who would have to be put in to the system to allow meaningful conversations? We do not have to know what the conditionalities would be; we just have to know that the expectation is that Jobcentre Plus or the DWP expects work coaches to sit down and build up tailored relationships and trust with those in work at a job centre. That takes more staff. You must surely have a figure for how many more staff are needed. You know how many people are in the tax credits system. You know how many people are coming over through managed migration. You must surely know how many more staff you need in job centres to do this.

**Pete Searle:** I think that I have explained that it is impossible for us to know that at the moment, because we do not know what we want to do. If we wanted work coaches to spend an hour a week with each person, that would cost a certain amount. If we wanted them to spend 10 minutes every month, that would cost an awful lot less and require a lot less resources. We are testing—

**The Convener:** That is a very good reply. Can you tell me how many additional work coaches would be needed for an hour per week?

**Pete Searle:** I cannot, because I do not have those numbers in front of me.

**The Convener:** Can you tell me what the figure would be for 10 minutes per month?

**Pete Searle:** No—I do not have those numbers in front of me. All that I am saying is that, over the

course of four years, we will have a programme of work to find out what the right interventions are. We will develop that, and finding how much it would cost and what extra resources would be required will be part of that process. It seems highly premature to have abstract conversations now about what it would involve if coaches were to be needed for 10 minutes or an hour. I just do not have those figures.

**The Convener:** It would seem to have been pretty unco-ordinated and poorly planned if you had not done some modelling work on that. It also seems as though you agree with the PCS that additional staff are required. What modelling work have you done to recognise that, and to enable them to have meaningful conversations with the working poor who will have conditionality placed on them?

**Pete Searle:** I have made it very clear that we will look at that over the course of the next three or four years, to work out what extra interventions we require. As part of that, we will model what the workload and resourcing implications will be. I do not see why, three or four years ahead of actually doing something, we would have modelled what its impact might be under various scenarios. To the best of my knowledge, we have not done such research—and I think that it would have been premature to have done so.

**The Convener:** Okay. I am not sure that I agree with you, but that is your answer.

**Dr Alasdair Allan (Na h-Eileanan an Iar) (SNP):** I thank the witnesses for coming. I will pursue lines of inquiry on what the PCS said to us in evidence at our previous meeting—I will give you the opportunity to respond to that. The convener has already raised some of the issues. I am keen to find out about the system's general state of preparedness for coping with the roll-out of universal credit.

One issue that was raised last week and that I questioned was about the use of the digital-first approach in dealing with people who come through the system. Can you comment on its internal state of preparedness to cope with that and on such a system's capacity to cope with people who simply do not have access to the internet, given the PCS's serious claims in its evidence that the system is prepared for neither?

**Denise Horsfall (Department for Work and Pensions):** I am accountable for ensuring that we are prepared. To address your first point, on resources, those are running at a higher rate than expected. On paper, my department's allocation of work coaches for Scotland is between 100 and 150 too many. In my view, that is not too many, because I am preparing for an increase in case loads as we migrate to roll-out. That does not



relate to people who are in work; it is for those who are out of work or making new claims for benefit. It should be remembered that we are seeing many more people before they have had a work capability assessment, so we are seeing them from day 1. I am comfortable that we are on the right trajectory with work coaches.

On case managers, the figure is well below the average case load that is expected at this point. I have looked forward and made sure that we are in advance of the curve and that our resources in each of the service centres are in our on-going build to keep pace with the roll-out as it goes up to December.

I am sorry—what was the second part of the question?

**Dr Allan:** It was about whether the digital-first approach will work, either internally or for people who do not necessarily have access or the ability to contact you by those means.

**Denise Horsfall:** It depends on where customers are in the country. If they are in the central belt, there is lots of provision to support them. We make contact with our partners in the locality. I think that the committee went to Dundee and saw what we have done front of house there. We have put in digital access and people to support customers with that when they come in. That will be the same in every single jobcentre. We have also—

**Dr Allan:** I will just interrupt you there. I apologise for breaking your train of thought. You raised an important point about the position depending on where customers are in the country. I should say that I represent the Western Isles. How would that approach work in a situation in which a customer lives on Uist, where there are no jobcentres within 100 miles?

**Denise Horsfall:** In that situation, we would first contact the customer to see when they would be available. If they cannot get across to the mainland, we either send a visiting officer the other way or we try to ensure that we take the claim over the phone and progress it when the individual can come in. They need to sign their claimant commitment and have that conversation.

We then try to do things through journals and by phone, although it may be appropriate to bring somebody in because they need more intensive support. Some of the provision that they need might be on the mainland rather than on the island. Generally, that is the process.

**Dr Allan:** One issue that was raised in our previous evidence session that is relevant across the country and not just in rural areas is the potential unintended consequences not so much of going digital as such, because everybody

accepts that that is the future, but for the significant minority of people who simply cannot or are unable to access that system. It was put to us in the evidence that, in the view of the unions, if a group of people cannot access the system online, that will lead to a large increase in the pressure on the telephone option and to delays in applications and contacts being processed, simply because of that pressure. Do you understand or accept that claim?

**Denise Horsfall:** It is not our experience. We are working hard to ensure that people are either connected to services to support them or there is a telephony service, but it is digital first, as Mr Allan said. It is about building the competence and capability of the individuals who are making the claims. Lots of services across the UK and in Scotland are going online.

I am not seeing an impact on the claiming process. The process is that the individual makes a claim online and is then directed to a phone to make an appointment. At that stage, our phone service identifies whether the individual needs special support. That could be because they cannot get in or have health issues and need a visiting officer. If somebody does not proceed to contact us, even if they have made the appointment, we will get on the phone to try to ensure that we do not lose anybody through the new process. We have to accept that it is new and a transformation of services for the citizens of Scotland and that they need some support to understand how to navigate it.

**Dr Allan:** If you find in the course of the next X number of months that there are delays or problems, would that be enough to consider pausing roll-out while you sorted those problems or would you press ahead?

**Denise Horsfall:** We are 90 per cent through new-claim roll-out and I have not seen delays or problems to date. There will be people who need further support. There will be people who are referred to us from the third sector. There will be people whom we will refer to partners.

**Dr Allan:** I am trying the convener's patience but, finally, we also have evidence from the Westminster Public Accounts Committee about the wider attitude of the DWP when presented with problems. That committee says:

"The Department's systemic culture of denial and defensiveness in the face of any adverse evidence presented by others is a significant risk to the programme."

Is it wrong?

**Pete Searle:** That may be more of a policy question than an operational question. Looking back at the last year, in the 2017 budget, we introduced 100 per cent advances, we extended the repayment period to 12 months, we introduced

a run-on of housing benefit for two weeks and we got rid of seven-day waiting periods. In June 2017, we addressed issues that people had raised around severe disability premium. In the recent budget, we have increased work allowances, which is an issue that had been raised with this committee. We have reduced the deduction rates from 40 to 30 per cent, which is another issue that has been raised with the committee. We have introduced a further run-on for jobseekers allowance, income support and employment and support allowance. We have changed the approach for the self-employed, bringing in a broader 12-month grace period.

Those are signs of a Government and department that are listening and responding to try to make the system work as well as possible. I cannot see how, with those facts, it could be said that we have not been listening.

09:30

**Denise Horsfall:** I see the Child Poverty Action Group about every four months, and my team works with John Dickie's team in between. CPAG has an early warning system, which we look at to try to understand whether there are any trends. So, we certainly listen, and that is just one stakeholder. I see Citizens Advice Scotland and the Scottish Federation of Housing Associations regularly and we take information from and listen to them. That is in an operational sense. We tend to talk about two things—the policy context and the operational context.

**The Convener:** My deputy convener has mentioned that we should check a couple of figures that we got last week from the PCS. My initial questioning was on concerns that the unions had raised in relation to workload. The figures that came up last week were that the case load for work coaches could go from significantly below 100 to an estimated 343 people, and that the workload of staff in the service centres who look at the online journals could go up to almost 900. That seems incredible, but those figures must have come from somewhere. PCS recognised those figures and it has clearly looked at what the increase in workload might be.

Those were the figures that we discussed last week, and the committee was deeply alarmed by that increase. I do not want to flog a dead horse, but that brings us back to what Ms Horsfall will have to deal with—management of the workload for the teams out there. What numbers would Ms Horsfall recognise?

**Denise Horsfall:** At the moment, our numbers are less than the national average, at under 80 cases per work coach. I think that the figure that

PCS quoted was 85. For our case managers, the average is around 330 cases.

**The Convener:** Do you agree that that will increase over the next few years?

**Denise Horsfall:** The workload for case managers is the activity on the case load. The more automation of payments there is, the less activity there will be. Therefore, case loads will rise as we get more automation. It is a false thought that there is a limit beyond which it is unworkable. We are working on what a reasonable load is for case managers and what they can do. We want them to clear the work so that customers are certain to be serviced in the way that we want. At the moment, that is happening.

For work coaches, I go back Mr Searle's point that the numbers are not now at the level that PCS quoted. PCS is obviously quoting from somewhere, but I do not recognise those numbers, which are for some time in the future. Presumably, PCS has looked at the whole population and divided that by the number of people that we have now. However, that is not the reality. As we have said, we need to understand what the system will be and resource it appropriately.

**The Convener:** That is helpful. There is a genuine disconnect between the union that is representing the workers and the DWP over what the workload looks like; otherwise, we would not have been given that evidence last week. The committee is keen to ensure that that disconnect ends and that the alarming statistics that we heard last week are addressed in a meaningful way that improves the service for people on the ground, who are worried about what universal credit will mean for them.

I will let other committee members in now, as I am testing their patience.

**Pete Searle:** To add briefly to that point, we expect those case loads to go up over time for a range of reasons. One is that the mix of cases will change. The cases on universal credit now are fundamentally unemployed people whom we see every two weeks, so that requires a lot of activity. Many of the new cases will be on less intensive regimes, which will mean that the work coaches can increase their case load.

The other point is that a lot of the work coaches are new. They are building up their experience and over time the average experience of a work coach will increase and they will be able to deal with more cases. There are a number of reasons why we expect the case load to increase and for that to be okay.

**Pauline McNeill (Glasgow) (Lab):** I want to press you on that, because I find what you have

just said to be unbelievable. We know that there will be migration of people on tax credits, which are currently administered by Her Majesty's Revenue and Customs, to the universal credit system. How can you say that you do not expect the workload to increase, when you are taking tens of thousands of people into the DWP system who previously were not in that system?

**Pete Searle:** The total workload will increase but, as we bring across people on tax credits and increase the universal credit population, we will increase the number of work coaches. It is the average per work coach that I am talking about. Yes, the workload absolutely will increase. However, I say again that tax credit cases, particularly with the light-touch conditionality regime that we have, do not require that much activity for work coaches. The case of someone who is unemployed and actively seeking work requires quite a lot of activity. The mix is important.

**The Convener:** Mr Searle, you should have a look at the *Official Report* of last week's meeting, if you did not get a chance to do so before coming along today. We talked about the discussion that a work coach would have with a person in part-time employment and how they would need to consider, for example, how far it would be reasonable to travel to get a second job to bring the person's hours up to full-time hours, what the transport links are like and what a second job might mean for childcare or other family caring responsibilities.

Such discussions require a lot of knowledge, sensitivity and relationship building with the individual. Our witness from the PCS assured us that there are workers on the front line who have the skills to do that, but he said that there are not enough of those workers and they do not have enough time. There is a difference of opinion and a disconnect between you and the unions. It is fair to put that on the record.

**Mark Griffin (Central Scotland) (Lab):** The witnesses will know that many members of the committee are concerned about the single household payment of universal credit. Members of all parties in the Parliament unanimously agreed to an amendment to the Social Security (Scotland) Bill that provided for discussions to start between the Scottish Government and the UK Government on automatically implementing split payments of universal credit in Scotland. How are the discussions on the policy progressing?

**Pete Searle:** That is something that we have agreed to do, in principle. It is the Scottish Government's prerogative to request the change. We are in discussions about the exact nature of the policy that the Scottish Government wants to have on split payments. Once we know that, we

will be able to work through what it will take to deliver the policy and what the timetables might be. I understand that that discussion is going on now.

We have already introduced other flexibilities around payments to landlords and more frequent payments, but we are still discussing split payments with the Scottish Government.

**Mark Griffin:** Members have been concerned about the single payment of universal credit exacerbating situations of domestic abuse.

Through the managed migration process, people who are moving from tax credits to universal credit will receive transitional protection. However, people who move through the natural migration process, because of a change of circumstances such as a relationship breakdown, will not receive transitional protection. Just as the domestic abuse issue gives rise to concern about the need for split payments, the fact of the managed migration process attracting transitional protection gives rise to concern that the approach might affect people's behaviour by, for example, encouraging a woman who is experiencing domestic abuse to stay in the abusive relationship so that she can get the transitional protection, rather than leave and go through the natural migration process. What is your view on that?

**Pete Searle:** Let us step back a bit: clearly, the most important thing in such a situation is to address the domestic abuse. We are all firmly in favour of stopping domestic abuse through whatever means possible.

There are currently single payments across the whole of the benefits system, so it is not as though we were moving to a very different place. On the point about natural migrations and managed migrations, if someone split from their partner, there would in effect be a new claim at that point and the person's claim circumstances would have changed quite dramatically, so I am not sure what we would transitionally protect if they moved across to universal credit.

We take great care to ensure that our work coaches—one thing that the PCS and I agree on is that our work coaches are absolutely fabulous and extraordinarily capable people—are alive to and aware of domestic abuse issues and know how to respond to them. It is most important that work coaches link up with local organisations to help people with that fundamental problem.

**Donna Ward:** I saw the *Official Report* of the evidence session with the PCS, so I know that its representative acknowledged that quite a lot of people gain from moving to universal credit. The PCS is also keen not to slow migration or stop it completely, given that a lot of families—especially those in which people work very few hours—will

gain from the new system. There is not a one-way process in which people will automatically have less money.

**Mark Griffin:** The PCS acknowledged that there are winners and losers, but the analysis that we have seen shows that some big losers in the system are lone parents and disabled people. That raises the concern that a mother would choose to stay in an abusive relationship to protect financial stability for her children, which is why I asked the question.

Another issue that I discussed with the PCS last week was fluctuating earnings. In my region, a local authority pays its workers on a four-weekly cycle and will pay them early in December, before staff leave for Christmas. That will have an impact on people's universal credit claims, because the number of payments in that month will mean that people receive no universal credit. Last week, the PCS representative said that technical options were available under previous systems to smooth out earnings over 12 months and avoid such effects. Are you looking at the technical options to do that?

**Pete Searle:** We are certainly aware of the issue, but the monthly assessment period is a fundamental and core part of the universal credit system. The period is monthly because the majority of employees are paid monthly. If the assessment period was fortnightly, for example, some fortnights would get all the payment and other fortnights would get none of the earnings, so universal credit would bounce up and down greatly. That is why we have a monthly assessment period.

As you said, that period means that, in one or two months of the year, we see for our universal credit calculation two lots of earnings for employees who are paid on a four-weekly cycle. Those months are predictable, so we want our work coaches and the individuals involved to see those things coming and budget for them. Through local authorities and, from April, through Citizens Advice, we can help people to build budgeting skills. Budgeting to cope with those periods is the most important thing and is what we can do in the short term, rather than anything more structural that involves universal credit.

At the bottom of the labour market, there is an awful lot of earnings fluctuation—people might be paid not necessarily four weekly but monthly or weekly. Universal credit helps with that because, if someone's earnings are high one week or one month, their universal credit will be slightly lower, which smoothes the income. If their earnings are low another month, their universal credit will rise. In those circumstances, universal credit helps to give people a slightly smoother and more predictable income from month to month.

**Mark Griffin:** What exactly do work coaches do with claimants to help them to predict how much universal credit they will get each month?

**Pete Searle:** We are looking to build that up so that, as part of their relationship, work coaches help people see such patterns of earnings—through using the journal and communicating with the customer—so that they can see the point coming when they will have two payments and recognise that universal credit will drop. We are certainly making sure that, if people need to reclaim universal credit afterwards, our work coaches will help them make a rapid reclaim rather than go through any longer-term process.

09:45

**Denise Horsfall:** The local arrangements will pick up when the wage cycles are predictable; when we can expect somebody not to receive universal credit—perhaps because two wages are paid in December—and therefore they have to make a reclaim; and when there is just fluctuation, as Mr Searle said.

The other side of that is budgeting. Each of the work coaches knows the support systems for budgeting through the local authority, Citizens Advice and charities. It is about wrapping that support around and bringing it into the jobcentre.

**Pauline McNeill:** I want to ask you about a few different issues. I am quite keen to get some stuff on the record so that I can understand clearly what you are saying. I will begin with the transition from working tax credits and child tax credits, which I mentioned earlier. Are those calculated monthly?

**Pete Searle:** I think that tax credits are done fortnightly, but I am not sure. In fact, tax credits are calculated annually and then paid. They are assessed using a forecast of earnings over the course of the year.

**Pauline McNeill:** That is what I thought. It is just that you told Mark Griffin that you use the monthly assessment because that is what the majority of people do, but millions of people have tax credits calculated annually. Surely you accept that that does not fit with the model.

**Donna Ward:** The problem with the annual assessment of tax credits is that huge numbers of people have ended up owing the system a lot of money because the reassessment periods are so infrequent. Tying the subsidies for low-paid work to an annual tax assessment does not fit in with a lot of people's experiences. One of the things that we know about people moving across from tax credits is that a lot of people have built up debt to the Government through the tax credit system. Universal credit will make sure that it does not replicate that.

**Pauline McNeill:** The fact that you are saying that people might have to try to budget indicates that you think that there will be month-to-month losses for many families.

**Pete Searle:** It will smooth out. In the sort of cases that we are talking about, over a period of time, the amount that people receive from universal credit will be pretty well the same as if they were paid monthly. It is just that there will be months when it goes down and other months when it might be slightly higher.

Donna Ward is quite right in what she said about tax credits. Given that there is quite a clunky annual reassessment system, people might find that what they received last year was much more than they should have received, although sometimes it was less, which leads to debts or money being due to them. With universal credit, we try to correct that by making sure that it is calculated monthly on the basis of what people have been paid by their employer in that month and adjusted accordingly. That takes a lot of the burden off customers.

**Pauline McNeill:** The director of universal credit himself said that most people probably do not know that they will be transferring from the HMRC system to the DWP system. Do you accept that?

**Pete Searle:** I do not know whether most people would know that. It seems to me that universal credit has received quite a lot of coverage, so I think that people will know a reasonable amount about it.

What I will say about the timetable—and I think that this is highly public, although not necessarily very well known—is that we have, as Denise Horsfall has said, pretty well rolled out new claims for universal credit across the country. We are 90 per cent there, and by the end of the calendar year, all new benefit claims will be for universal credit rather than tax credits or whatever.

There is also a stock of cases relating to existing benefits such as tax credits. In the latter part of next year and into 2020, we will be testing in a very light-touch way the migration process in something like 10,000 cases, because it is really important that we get it right for all our customers, particularly for those who are more vulnerable. It will not be until the latter part of 2020 that we will start to move people across in a large-scale way, and we will be doing that through to 2023. It therefore feels premature to start warning people now who might be moving in 2021, but clearly we need to give them plenty of notice, and we are absolutely determined to do so. However, we have not started warning individuals now, because what we are talking about is so far away.

**Pauline McNeill:** Earlier, you challenged the figures that PCS gave to the committee that the

convener Bob Doris cited. I have had the chance to check this, and I should point out that the figures that Bob Doris quoted for the workload increase for work coaches actually come from the National Audit Office, not PCS, and they suggest that the case load for individual work coaches will be 919 by 2024. Are you aware of that? After all, you seemed to be challenging the PCS figures.

**Pete Searle:** I do not think that we were challenging the figures—we just said that we did not entirely recognise them. If they are from the National Audit Office report—

**Pauline McNeill:** Which they are.

**Pete Searle:** —then I can accept them.

**Pauline McNeill:** In that case, let me turn to Denise Horsfall. I got the impression earlier that you did not acknowledge that there would be a significant increase in the workload for work coaches.

**Denise Horsfall:** I am dealing with this year and next year, not with managed migration. In my mind, that is a decision about how we intervene with customers, which is all wrapped up with the question of what we do within work. As all those decisions still need to be made, how can I agree or disagree with what has been said?

**Pauline McNeill:** Because the National Audit Office has published the figures.

**Denise Horsfall:** That is fine—

**Pauline McNeill:** So you do not accept them.

**Denise Horsfall:** No, I am not saying that. I can say only that I recognise that that is what the National Audit Office has said. What I am saying is that my experience is with delivery this year and next year, and I know that I have enough resource to manage business in that respect.

**Pauline McNeill:** So as a panel you are not in a position to challenge any of the figures at the moment, because you just do not know.

**Pete Searle:** As I have said, I do not think that we have challenged them—we just said that we did not recognise them.

**Pauline McNeill:** Fair enough. You do not recognise them.

**Pete Searle:** If they are in the National Audit Office report, then that is what the National Audit Office has said. I have made it quite clear that we recognise that the case load will increase quite significantly for the reasons that I set out earlier and that we feel that that will fall perfectly well within the bounds of what work coaches can do, because of the change in the mix of cases, the automation that Denise Horsfall referred to and the

level of experience. The precise figures that have been quoted might or might not be right.

**Pauline McNeill:** I want to press you on how long you think the light-touch regime will remain in place. I have to say that it is an interesting use of language. I might be reading it wrongly, but it looks to me like it might mean “short term”. Am I wrong about that? What factors will be taken into account in that respect? After all, “light touch” is a kind of meaningless phrase. As I understand it, someone in work who claims universal credit will be expected to aim to earn the equivalent of 35 hours on the living wage and to make that progression, so what factors will work coaches take into account in this light-touch regime?

**Pete Searle:** I will start, and then Denise Horsfall will add some comments.

The 35-hour figure will apply only if someone is in a position to work 35 hours a week. If they have caring responsibilities, a disability or something else that means it is not appropriate for them to work 35 hours, the figure will be smaller. It could be 24, or even 16—it just depends on their circumstances.

**Pauline McNeill:** Will that be at the discretion of the work coach or will you issue guidelines to say what kinds of things can be discounted?

**Pete Searle:** Denise Horsfall might be better placed than me to say exactly what material work coaches have. It will always be at their discretion within—

**Pauline McNeill:** It is quite important to understand this because people will want to know whether work coaches take into account factors such as health issues, having sick children or elderly parents to look after, and the consequences of moving from a secure job to an insecure job. I want to press you on whether you are giving discretion to individual work coaches, or whether you will issue guidance to administer that.

**Pete Searle:** Denise, would you answer the question on the basis of the current system and I can come back to the light-touch point? Fundamentally, this is now about people who are out of work.

**Denise Horsfall:** I will answer with regard to people who are out of work, rather than answering about in-work support, which is what you are trying to get at.

At the moment—you know this—people arrive, we do the claimant commitment, we sit down with them and, over a period of a few meetings, we try to identify with the individual what they can and cannot do. Somebody who is perfectly capable and has just come out of a full-time job will obviously be looking for another full-time job, if

that is what they tell us, their circumstances have not changed and they have no other barriers.

However, if somebody comes to us who is not working, for whatever reason, we try to identify the reason why so that we can make sure that whatever we do is personalised and reasonable. We do not want to get to a position in which we work with people and they agree to do something that they cannot do. That would be the worst of all scenarios. That is how we work at the moment.

If I give guidelines, the danger is that a member of staff will think that, if somebody is a lone parent, they should be asked to work 16 hours or, if somebody cannot work because of other barriers, they should be asked to do two hours. It is about trust, building relationships and making sure that it is personalised at every turn.

**Pete Searle:** To go back to the PCS point, our work coaches are highly capable of doing that and we have done a lot of work to further professionalise them.

On the light-touch approach, we have four years of funding to develop our understanding of what works and, hence, what we want to do around that. As I speak, we have no plans to change from not doing much in terms of interventions for those people in the light-touch conditionality regime. As things stand, we are not asking work coaches today, tomorrow or in a year's time to do anything in particular. When we work that out, we will be happy to come and talk to you again about our plans, but we do not have plans at the moment.

**Denise Horsfall:** Mr Searle has reminded me about the accreditation process. During the past two years, about a third of our work coaches have gone through accreditation or apprenticeships. That is between 14 and 18 months of work on a City & Guilds qualification, which makes sure that we deepen the expertise of the work coaches. With support from tutors, they can really understand and investigate how to further build their capability as operational professionals.

**Michelle Ballantyne (South Scotland) (Con):** With regard to the question that was asked about the National Audit Office figure on case load, which was the average figure for the UK, were you talking about the UK or Scotland when you initially answered?

**Denise Horsfall:** I was talking about Scotland.

**Michelle Ballantyne:** Right. So that would account for the difference in the figures.

**Denise Horsfall:** Yes. Of course, we are always on different trajectories with regard to recruitment, the number of people in post, and attrition.

**Michelle Ballantyne:** My other supplementary question is on conditionality. There is sometimes a

tendency to talk about conditionality as though it is about penalising people, but my understanding is that it is about moving people on. It is about engaging with them on how to take up work opportunities and to negotiate better, and about how they look and improve their work chances. That is how they move out of poverty. Conditionality and sanctions are framed in the same way—as I understand it, they absolutely have a relationship. Can you clarify what we are talking about when we talk about conditionality?

10:00

**Pete Searle:** You are absolutely right. Primarily through the claimant commitment and the relationship that work coaches build up with claimants, we can form the reasonable expectation, which we have of them and which they have of themselves, that they should look for work. As Denise Horsfall said, that will depend on a claimant's personal circumstances, but there is an expectation that they should commit to looking for certain types of jobs and to spending a certain number of hours each day looking for jobs. That is the conditionality.

The feedback that we have received from the majority of claimants shows that the relationship with the work coach is very positive.

I suspect that there is a difference of view between the Scottish Government and the UK Government about sanctions. The UK Government believes that, at the end of the day, something needs to sit behind that conditionality. If someone does not do what they have committed to do, in return for the benefit payment that the taxpayer is giving them, there should be some consequences. That is where sanctions come in.

Sanction rates are pretty low. I can go into more detail if the committee would like, but only about 3 per cent of people are being sanctioned under universal credit, which is a small minority of the case load. The other 97 per cent are operating fully in line with their claimant commitment, and many of them are moving into work as a result.

**Michelle Ballantyne:** You have said that you are starting a testing period to look at what works in relation to conditionality. When you say that you are looking at what works, I assume that you mean the success rate of people increasing their earnings, getting into appropriate work and moving out of poverty. Is that what you mean when you talk about testing? Will those results be published? Will they be easily accessible to us? Will we be able to follow progress so that we know how it is going?

**Pete Searle:** I entirely expect that to be the case. We do not have detailed research plans yet, but we are working on them. If someone has

moved into work with a low number of hours and low earnings, and if we think that they are capable of doing more, the length of time that we should give them before we start contacting them by ringing them up and saying, "Perhaps you could do more, so let's have a chat about that," will be one of the things that we will test. Would a shorter or a longer period be better? What is the best way to contact a person? If they are working certain hours, it might be highly inconvenient to get them into the Jobcentre, so it might be better to talk to them over the phone. We will test that. We will also test whether face-to-face meetings should be 10 minutes or longer. What sort of additional support might people need? There could be conversations about childcare, transport and a range of other things, and we will look at different ways of doing things.

We will look at the impact on the person initially, when we are trying to help them to increase their earnings, and at the final impact in terms of progression. The purpose of the committee's inquiry is about tackling in-work poverty, so progression must be a good thing.

**Donna Ward:** We have talked as if tax credits do not have in-work conditionality, but a person could claim tax credits only if they worked 16 hours, then 24 hours, and then 30 hours for couples. Given that universal credit is available to people who work only one hour, it is a very different system. On the one hand, the system is far more generous, but, for all the reasons that we have talked about, including children being in poverty, we do not want people to just work very few hours. I want to clarify that, under the tax credit system, there is a very hard-edged conditionality, as people do not qualify at all unless they work a particular number of hours.

**Michelle Ballantyne:** Can I ask my other questions, or do you want to come back to me, convener?

**The Convener:** I will bring you back in later, because I am testing the patience of a number of members.

**Alison Johnstone (Lothian) (Green):** My questions are on some of the areas that we have already touched on.

I have had the experience of attending a hearing with a constituent who had been sanctioned for his failure to attend two meetings that were at the same time, which he had not arranged—one to sign on and one to attend an interview. His appeal was upheld, and the judge who heard it felt that he was seeing too many similar cases. Clearly, that case could not be described as involving a light touch in any shape or form, and the person concerned had to apply for crisis loans to support their family.

Whether this is light touch, or the heaviest possible touch, this is a world-first. Introducing in-work conditionality is unprecedented. I would like to understand why you are doing it. It seems to me that there is no evidence to suggest that it is a good idea or that it will achieve the positive outcomes that you seek. Who decided that it was a good idea in the first place?

**Donna Ward:** People have to work a certain number of hours to qualify for tax credits whereas, under universal credit, they can get the benefit by working only one hour. We want there to be some consistency between what people who are out of work experience and what people who are in work experience and what the taxpayer is expected to fund. To bring the whole system into alignment, you would not have conditionality for people who are not working and no conditionality for people who are working one hour. We are talking about one system that is tailored according to people's hours and what could be expected of them.

**Pete Searle:** I do not know about those particular sanctions cases but my guess is that they were out-of-work cases rather than in-work cases. I am not aware of any significant number of sanctions on people who are in work.

I would never describe our conditionality regime for people who are out of work and are expected to look full time for a job as light touch. It is what it is, but that is not the light-touch regime. The light touch regime is for people who are in work at the moment, and it is so light touch that we have no expectations of people.

When you say that there is not an evidence base, you are agreeing with me, in a way. I am saying that there is not an evidence base and that is why we want to carry on getting more evidence of what could work. If that shows that it does not work and we are better off leaving people alone and letting them progress in their own way, that could be our conclusion, and we would not have to change our policy.

**Alison Johnstone:** In the meantime, people are being used as guinea pigs. People who are on low incomes and might be very vulnerable in the first place are effectively testing out a system.

**Pete Searle:** Right now, no. We have had one trial but we will have further trials. You could look at it another way, and I would do so. I come back to the point that we are here talking about in-work poverty. If we had a customer who is in work and is poor, and we feel that they could do more work and increase their earnings, would it not be a failure in our organisation not to think about them, work with them, try to develop a programme and test things that could help that person to progress? If we were doing nothing, you would be criticising us for that.

**Alison Johnstone:** You could certainly do more. You could provide childcare costs up-front, for example.

We have a couple of cultural shifts here. In-work conditionality is a shift for people who are claiming as well as for DWP staff. There is another cultural shift in that people who are on tax credits might not even feel that they are claimants. I would like to understand how much work has been done to make sure that they are aware that they are going to have to make a claim. Has the DWP put resources into making sure that those people know that they will be expected to claim? What will happen if they do not claim? Will they simply be left without any money at all?

**Pete Searle:** You raise the important issue of managed migration and how we are going to make it work. I set out the timetable for that earlier on. During the next two years, before we start making those changes in a large-scale way, we are going to be working out what works and how best to communicate with our customers. Some people will respond to a letter straight away, while other people might not. They might have vulnerabilities and we need to test those things.

We are working closely with stakeholders. About a month ago, the department had a big conference on managed migration with a full range of stakeholders that kicked off the process of asking how we can work together to co-design the process to make sure that we move people across to universal credit smoothly. We are determined to get that right. We are determined to work with people to design managed migration correctly and that is what we will be doing during the next one to two years.

**Alison Johnstone:** Professor Sir Ian Diamond has expressed concerns that people may simply fall outwith the social security system, and he has spoken of an "unreasonable level of risk" being put on to the claimant. Do you share those concerns?

**Pete Searle:** That is what we are determined to avoid by doing what I just set out and by having an intensive testing period over the course of the next one to two years to ensure that we are designing the system correctly to address the very concerns that Sir Ian Diamond set out in that Social Security Advisory Committee report. We are determined that no one should fall through the net, and we will work closely with the full range of stakeholders to design a system that delivers that.

**Alison Johnstone:** I hope so, too. One of the main drivers of universal credit was the desire for a simpler system. I do not know how colleagues feel, but it seems to me that it is remarkably complicated at the moment, and I hope that we get there one day.



**George Adam (Paisley) (SNP):** We have heard quite a lot here this morning. It is hard to know where to start, but I will probably go back to the beginning. During Donna Ward's initial statement, she said that the DWP believes that universal credit is really well designed. We had a debate on Tuesday that said the exact opposite of that. Pete Searle went on to say that in-work conditionality will be very light touch, and added to that by saying that there would be a very light-touch conditionality regime in the in-work scenario. Given everything that has happened until now with universal credit, surely those statements are nonsense, because that is not what we have been seeing in the real world. Surely those statements from the DWP have no credibility.

**Pete Searle:** I disagree.

**Donna Ward:** On the analysis of in-work poverty, which we have done quite a lot of, I was saying that, once we broke down the population in in-work poverty, the key issues were around one-earner couples, people working part time and very low-earning self-employed people. The policy design around universal credit is to try to help all of those households to increase their hours. The design of universal credit in terms of having expectations of people—unless they have caring responsibilities—to work more, including second earners, and to increase their hours and be able to move from being out of work into work with smooth incentives to increase their hours, is all quite consistent with the analysis of the problem of what is driving in-work poverty. That is the point that I was making.

**George Adam:** The problem is that the policy design is not what is happening in the real world. In the real world, people are suffering under the current regime. With regard to what we hear about managed migration and people in work, the DWP has no credibility, as we stand.

**Pete Searle:** That is your opinion. I do not recognise the world that you are describing. Lots of people are talking about those problems and I admit that we do not get it right every time—

**George Adam:** You just said that you do not recognise that world, and you are actually meant to be working to help those people.

**Pete Searle:** Denise Horsfall may want to comment on this, but I go out to jobcentres and talk to work coaches and claimants on a regular basis. I was in a jobcentre on Monday, and Denise Horsfall visits jobcentres even more frequently than I do. Actually, our work coaches are fabulous people who are really committed to making a positive difference to people's lives. They feel strongly and passionately that the move to universal credit enables them to do that much more effectively than the legacy system does.

Do we always get it right? No, sometimes we get it wrong. Where we fail customers, we want to hear about it and we want to try and put it right as quickly as possible. I believe that we are making a positive difference for the great majority of customers.

**George Adam:** The majority of cases that we get are negative, and if you asked any member of the public about universal credit they would not come back to you and say that it is a well-designed system.

Moving on from that scenario, Mr Searle said that the DWP tests and learns and that there is a light-touch approach. I would say, as I have said before, that it is more like test and ignore as the system is rolled out.

You then said, Mr Searle, that you have no expectations of people in work. What does that mean? Have you changed your mind during today's discussion? Are you going to have conditionality or are you not?

**Pete Searle:** I have already said it but I can repeat it. We call the regime light-touch conditionality but in practice, for all the reasons that I have set out, we do not expect our work coaches to have a lot of conversations and spend a lot of time helping people in work to progress because we want to increase our evidence base to fill the gaps that your colleague talked about earlier, so that we really understand what the benefits could be of different interventions and so that we can help people to progress in work and address in-work poverty.

**George Adam:** Mr Searle, with the greatest respect, we are talking about families in work who, in the current tax credit system, are living on the edge financially. How are they going to feel confident about the new system? You say that it will be very light touch, that the system has had problems in the past but it is okay now and it should be okay for them. I come back to my original point about such statements lacking credibility.

10:15

**Pete Searle:** I disagree. I feel as though I am being criticised for two different things—

**George Adam:** I am sure that I could find more than two things.

**Pete Searle:** If someone is working and doing the best that they can, I do not think that it would concern them particularly that we are letting them progress in work on their own. We want to help them further and we are looking to develop, test and learn. We will implement changes in a number of years' time if we think that they are appropriate.

Right now, we are focusing on helping people to move into work rather than helping them to progress once they are in work. That is no different to the current tax credit system. If someone is on tax credits, they are not given any additional support to progress in work. It is a continuation of the existing system. We want to improve it but we want to make sure that we improve it in the right way.

**George Adam:** Mr Searle, you are talking about testing but, as my colleague already said, these are real people with real lives and you are using them as guinea pigs. Individuals who are working are finding that the system has serious flaws but you are just carrying on regardless. That is what concerns the people we are dealing with—real people with real lives and real families.

**Pete Searle:** For me, it is about continuous improvement. I firmly believe that, in all walks of life, all systems and all people should focus on continuous improvement. That is the approach that we are taking. If we rolled out a system and said, “This is perfect—we are not changing it,” we would rightly be criticised, as would any other agency. We are rolling out something that we think is good but we recognise that everything can be improved and we are making sure that we have that continuous feedback. We test, we learn, and we improve. That is the way that we are operating the system.

**George Adam:** Test, learn, ignore.

**Pete Searle:** No. I gave you a list of about 10 things that the Government has changed over the course of the past year. That does not strike me as ignoring issues.

I have a couple of points to make on universal credit. It is really important to understand, first, that, post-budget, universal credit costs more than the legacy system that it replaces. In 2023, it will cost £2 billion more—we will spend £2 billion more through universal credit. It is a more generous system on aggregate.

The other crucial point, which I imagine that the committee will be concerned about, is that, because of the complexity of the current system, there are real issues in relation to take-up. Lots of people—both out of work and in work—do not take up all their entitlements. Because universal credit is one system, when you claim one thing, you get the whole lot. That will be greatly beneficial to people in ensuring that they take up all their entitlement. Over £2 billion a year of additional money is going to some of the poorest in society because of universal credit. You would not get that under the legacy system. There are some very important positive changes under universal credit.

**George Adam:** For me, there seems to be a gulf between the policy intention and the reality.

That is the point that I have been trying to get across.

**The Convener:** I think that we have a genuine difference of opinion there. Just before I move to Mr Lindhurst, I promised to ask a specific question, which I do not expect the DWP officials to answer right now. They can write to me afterwards if they want.

I have held five information events in my constituency so far on the roll-out of universal credit, supported by Citizens Advice Scotland, local housing associations and welfare rights officers. They have been positive events in that they have got a lot of information out to vulnerable people.

I got a specific question after one of the events from an employability and education adviser in one of the community areas. I will read out the adviser's words:

“The question I asked was about the support available for refugees who have no/scant English. These poor souls have to apply for 7 jobs a week, many while studying ESOL part time at college, with no computer skills. We have a couple of refugees participating in our computer classes and, from what I have witnessed, even with English at Pre-Intermediate level, they take twice as long to pick up the vocabulary required to learn and understand computers. What support is available to this group?”

It is a very specific question, but there are people with additional barriers to accessing a digital-by-default system, such as the learning disabled or people with English as a second language who have come through the asylum process and now have the right to work and claim benefits in the country.

For reasons of time, we will move to Mr Lindhurst, but I promised that I would ask that specific question. Denise Horsfall, would you commit to giving the committee a response to that?

**Denise Horsfall:** No problem. Absolutely.

**Gordon Lindhurst (Lothian) (Con):** From your answers, it is evident that you recognise that there have been various problems and difficulties with the system and that it needs to be developed and improved as it is rolled out.

I want to come back on one point. The suggestion was made that a system like this one, with conditionality, has never been tried anywhere else in the world. However, looking at the website on the German system, I can see that, while it is not the same as our system, conditionality seems to be built into it, and there are other European systems that take a different approach to the previous UK approach.

Are you able to counter the suggestion that conditionality is something that is new in this world's understanding?

**Pete Searle:** That is an important question. Conditionality is not new and is not unique to the UK. It is something that has been well tried and tested in this country for people who are out of work. We have a lot of experience and robust evidence about what works in terms of conditionality to help people to move into work.

What has not been greatly tested internationally or here, yet, involves the issue of people who have moved into work but could work more. What form of conditionality and what interventions could help them to progress? That is what we need further evidence on, and we have committed to do work to investigate that before we roll out any further changes.

**Gordon Lindhurst:** The conditionality that we see in other European systems and the intention of conditionality in our system is to help people into work in their own particular circumstances. Do you agree that that should be its goal?

**Pete Searle:** It should absolutely be the goal, and that is the approach that we look to take. Under the claimant commitment, work coaches are supporting and working with claimants, forming good and positive relationships with the customers that they have and helping them to progress.

Behind that, we need the backstop of sanctions, but for a small minority of cases. The great majority of people and the great majority of relationships are constructive. People do what they have committed to, and that helps them to move into work.

**Denise Horsfall:** The balance of conditionality is also about making sure that the support is there and that we wrap around services so that people can progress. Conditionality is only an expression of what someone can do. It is about trying to test the best that somebody can do. If the individual advises us that there are issues, or if they have gaps in their CV or in their skills, we ask what we can do to connect with other services.

We are currently close to Skills Development Scotland—we use its My World of Work website, for example—and I can see that, in the future, it will be a really good source of connectivity for our customers. That connection will be very strong for this group of people.

**Dr Allan:** I want to pick up on the discussion that came out of Alison Johnstone's questions about tax credits.

You will appreciate that it will come as a big surprise to many people who have been receiving tax credits that the system is to migrate from

HMRC to DWP. Can you offer a rationale for why that should be a reason for those people to have to reapply for the benefits that they previously got through the tax credit system? We deal with constituents, and anecdotally—forgive me—I would say that awareness that that change is on the horizon is very low. What is the rationale for people having to reapply for something that they think that they already have?

**Pete Searle:** The rationale is partly a legal one. Legally, we could not just deem that someone had made a claim for universal credit. We cannot pay someone universal credit without them having formally made a claim. That is the process that we have to initiate through the managed migration.

As I said, I accept that many people who are currently on tax credits will not expect to be moved on to universal credit in two or three years' time. To be honest, many of them might not expect to be on tax credits in two to three years' time—their circumstances could change quite dramatically. We will commit to ensuring that we communicate with them early and warm them up at the right time. We will be clear about what they must do and what the timescales and the process will be. We will help people to move across to universal credit as smoothly as possible.

**Dr Allan:** Given that those people will, in many cases, have had very little dealing with the benefits system, as they would understand it, what modelling has been done to assess how many of the group that currently benefits from tax credits have any knowledge that that is on the horizon? I admit that members are dealing with anecdotes, but there have been quite a substantial number of them, given our contact with constituents. As yet, I have heard no evidence that sustained modelling has been done to estimate how many millions of people in the UK understand that tax credits are to become a thing of the past and that people who claim them will have to go through a reapplication process. Has any study been done on that or has there been any attempt to measure it?

**Pete Searle:** What is important is that, in two or three years' time, when it is time for those people to move across to universal credit, they have the right sort of notice and know what they must do. It is important that they are aware at that time, not that they are aware two, three or four years ahead of time. Our focus for the next two to three years is to ensure that we get that process right and that we know how we can engage with all those tax credit customers, so that they know that they are going to be switched across when they need to know. It can alarm or frighten people unnecessarily if we tell them that something is going to happen in two or three years, by which time their circumstances might have changed dramatically.

Our focus is on getting the process right. When we get the process right, we will try to model whether some people might fall out of that process and how many people might not be aware of the change. At that point, we will try to fill that gap by improving the process design instead of accepting that some people will just miss out. We do not want anyone to miss out.

**The Convener:** I will give a time check for the benefit of MSPs and witnesses: it has been a long session and we will run on for another 20 minutes or so. Time is gradually running out, so anyone who wants to come back in should catch my eye.

**Pauline McNeill:** I want to follow up on Alasdair Allan's point. You are kidding yourselves if you think that people who are currently in receipt of tax credits will not be alarmed. I make this point to give you food for thought. The tax credit system has been successful—although you might not think so—and many of the people on tax credits have had no engagement with the benefits system at all and do not regard themselves as people who receive benefits. The move to the DWP will result in a fundamental change in perception and will affect how those people are regarded. I sympathise with them. People who have been working hard for 30 years and doing their best, with a little bit of help from the state, will be told, "By the way, you're going to be treated as if you're unemployed and all your tax credits will be managed by the DWP." The fact that you cannot even tell the committee, with any confidence, how you are going to plan for that is a serious concern.

I want to put some figures to Donna Ward. The committee asked the Scottish Parliament information centre to provide some figures. Obviously, they are selective. They offer two examples of net household incomes after housing and childcare costs—I will give you the information; you do not have to answer today. The first example is of a lone parent with two children, who are aged two and five, on the national living wage, with average housing costs and no childcare costs. In every case, whether they were working 12 hours, 24 hours or 40 hours, they were substantially worse off under universal credit.

10:30

The second example is of a couple—not a single earner—with two children, who are aged two and five, on the national living wage. In one case, they are slightly better off, and in the other two cases, they are in the same position or less well off.

The figures that we have been given do not bear out the evidence that you have given us this morning. A family with two children is a fair example, and they are worse off under universal

credit. We have been hearing all morning how successful it is. Any response that you want to give would be helpful, but you might want to respond to the committee in time. I will let you have the workings.

**The Convener:** I know that it is difficult to answer when you do not have those figures in front of you, but could Donna Ward address that question?

**Donna Ward:** There are definitely winners and losers. Typically, families with children are likely to gain if they work relatively few hours. A person on 12 hours ought not to have qualified for tax credits at all—I will have to look at the example—whereas they would qualify for universal credit. It also depends on whether people make use of the childcare offer and other things. There are winners and losers, because we are bringing people into the in-work benefits system even if they work for only one or two hours, whereas the tax credit system was aimed very much at particular points on the earnings distribution. Therefore, I am not surprised that there are losers, but there are also gainers. I will be happy to look at those figures.

**Pete Searle:** I reiterate that we will spend more on universal credit than we have done on the legacy systems. On average, people will gain, but some people—significant numbers of people—will receive less than they would have done. We will be happy to work through those cases and others to support the committee.

I should go back to the point that Pauline McNeill made at the outset about tax credit cases. We are not proposing to treat those people as if they are people who are not complying with their claimant commitment or are out of work. We are proposing to treat them with respect, to help them and give them the support that they need, and to automatically adjust their universal credit without any great need for them to contact us. It will be a smooth and easy system, and we are looking to make sure that that is the case. I do not think that they need to be scared.

**Michelle Ballantyne:** I will follow that up. I should probably mention, because Pauline McNeill did not, that the figures that she gave were based on UC in 2016. They take no account of the budget changes or the other changes that have been made over the past year and a half.

People have to apply for their tax credits every year—they are not just a rolling thing that continues. There is a period when people have to apply, and if they miss the deadline, the award is not renewed and they have to start again. The changeover will just involve making a different application. The tax credits website makes it clear that there will be a move to universal credit.

People have been given notice every year as they reapply or come to apply—the information is there.

I want to ask about a couple of things. Journals are a really important element of universal credit, and there have been complaints about answers not being given. People have put information in their journal and have not received a quick response. I understand that a response should be provided within 48 hours of a journal entry being made. Can you update the committee on any issues, what is being done to resolve them and what the committee can expect if we ask the same question in six months or a year about the performance on journals?

**Denise Horsfall:** You are right that journals form part of how we interact with customers. We advise people to use their journal. Some of our customers believe that it is a form of web chat. If there is a problem or an urgent issue, they tend to use the journal and then pick up the phone. We would prefer them to stay with the digital format, if they can.

Six months ago, I would have said to you that I had some concerns, because we were just implementing the system and our resources meant that we were behind the curve and not in front, but we are now in front of the curve. When I was out in my service centres last week, I found that every team is getting through its journals, although not on a Monday. That is a heavy-lifting day, because we are closed at the weekend, but people use their journals over the weekend and we come back to a number of payments. Mondays are a particular issue for us, and we are thinking at a UK level about how we deal with that Monday load. However, for the rest of the week, we should be getting to our journals. That is in the case management system.

On work coaches, again, it depends on what point they are at in the roll-out. The first three months after roll-out is a transformation period. We have talked about the fact that the new system is different for customers and different for them. They have to get used to managing their workloads slightly differently, so I have no doubt that we have probably missed a few along the way, unfortunately. However, three months after roll-out, we are normally back on top of it. I would therefore be concerned if you found any examples, once we hit March, of any significant issues. Obviously, we are still rolling out the system. Historical sites should be on top of it, but new sites might be having a bit of a problem in the early weeks.

**Michelle Ballantyne:** Do you directly monitor the statistics on the 48-hour waiting or response time?

**Denise Horsfall:** No. The way in which we run the business is through team leaders and work coach team leaders. The team leaders have a set of 10 case managers. They are with them every day looking at their dashboard of information. They will look in on every one of those dashboards to make sure that they are on top of them. If they are not, colleagues help with that. It is a case of active management, and that is the same with the work coach team leaders.

**Michelle Ballantyne:** Thank you. My other question is about the childcare element. There have been some concerns about people having to pay for childcare up front, which can be a significant cost if someone has a couple of children in childcare. I know that there is a process of cards, which people can use to put down their concerns about things that are worrying them, which you go through and look at. How much concern is coming through about the childcare element? Is there anything in the pipeline on how we resolve some of that burden of up-front payment for people?

**Denise Horsfall:** I think that that is partly a policy question and partly an operational one.

**Pete Searle:** Shall I start with the policy bit?

**Denise Horsfall:** Please.

**Pete Searle:** In policy terms, I would have to take this away to make absolutely sure of it, but my understanding is that we can pay people a month in advance of their moving into work, because we recognise that people might have to set up childcare arrangements before they start work and get children into them. That system is therefore in place. We have also made improvements over the past year or so such that people can automatically upload their childcare costs on to their account, which is a much easier system than was the case previously.

That is the position from a policy perspective. As you will probably know, the system is more generous than the legacy system in that we pay up to 85 per cent of costs up to a limit, compared with 70 per cent under tax credits.

**Denise Horsfall:** I think that it is a bit of a catch-22 situation, which I will take away and consider. I do not know how many of the tickets that go out nationally have been raised, but I will check. However, it is a bit of a catch-22 situation in that we want verification of cost, but some childcare providers will not provide it until the cost is paid. I will have another look at the situation and see what it is telling us.

**Michelle Ballantyne:** I would be grateful for that, because I think that it is an issue for people.

**The Convener:** Before we close, we should touch on delayed payments and the five-week

wait. I know that there have been some changes to the minimum wait that people have to go through before they receive benefits. However, information that the Trussell Trust gave out recently says that, compared with a general 15 per cent increase in food bank use, there is a residual 52 per cent increase a year after universal credit has been rolled out. There are concerns that a lot of that is tied to the minimum five-week delay. When the committee looked at the situation in Dumfries, which was before I came on to the committee, eight-week or nine-week delays were being experienced.

There were commitments in the UK budget, which were subsequently confirmed by the Secretary of State for Work and Pensions, in relation to those on legacy benefits, with the two-week follow-through of benefits being received following the transfer. In theory, that would lead to a three-week delay in benefits. Is that an accurate description of that announcement?

**Pete Searle:** I am not sure at what stage jobseekers allowance and income support are paid but, in effect, what it would mean is that, if we were paying people two weeks' additional benefit in jobseekers allowance, my guess is—Denise, would that be paid in advance?

**Denise Horsfall:** Jobseekers allowance is paid in arrears.

**Pete Searle:** In effect, that would be paid two weeks into the five weeks, and there would be another three-week wait until the first universal credit payment came in. I know that time is quite important for people on very low incomes but, actually, they would have been waiting for another two weeks for their next jobseekers allowance payment, so they are used to waiting for that sort of length of time. However, the announcement means that there will be, in effect, an interim payment of existing legacy benefits before the universal credit kicks in.

**The Convener:** That would take what would have been a five-week wait down to a three-week wait for those who are transferring from legacy benefits. That is my understanding of the policy intent.

**Pete Searle:** Essentially, that is correct. For clarity, I add that it does not involve tax credits.

**The Convener:** My understanding is that that will not kick in until July 2020. Do you have concerns about that? Obviously, the initiative is the right thing to do and it is an acknowledgment that things are not working. However, the fact that it will not kick in until July 2020 means that people are being let down by that gap now.

**Pete Searle:** It is additional support. We are keen to try to help to smooth the process as much

as possible. I believe you are right about the timescale—it will kick in in July 2020. We want to do it as early as we can, but you will appreciate that it takes time to build up the system changes and prepare the guidance for work coaches and so on to enable it to happen. In the interim, there are the changes that we have already made. People can still get 100 per cent advances, pretty much from week 1—

**The Convener:** I was going to turn to that in a moment. Were you wrong-footed by the announcement about July 2020? If it had been a planned response to issues with the system, you guys should have been good to go and could simply have made it happen. I do not think that the Chancellor of the Exchequer and the secretary of state made the change out of the largesse or kindness of the UK Government; they did it in response to what many see as flaws in the universal credit system. I would have hoped that that would have been a planned change. However, if it had been a planned change, you guys should have been good to go. Do you recognise that the reality is that the fact that it will not kick in until July 2020 means that many people will be let down?

**Pete Searle:** The Scottish Government will face the same challenges that are faced by the UK Government and any other Government. We make a decision to make a change and it takes time to implement that effectively. The Scottish Government is, understandably, taking a period of time to implement the policies that it wants to bring in. We cannot do these things overnight. That is the duration of time that it will take for us to do it.

**The Convener:** But those would be planned changes. Did you have sight of the plans? Were you, two or three months ago, part of a planning process to make this happen? Was July 2020 plucked out of thin air?

**Pete Searle:** We have been developing the policy for a period of time. However, we have not been developing it for two years. We do not decide something two years before we announce it and then roll it out the next day. We announce it relatively early in the development process and then we implement it.

**Donna Ward:** The policy was part of a package of things that our secretary of state asked the Treasury for in order to ease the managed migration. We recognise that it is also an issue for new claims, but it was part of the package of things that we were specifically looking for in that regard, and the timing fits in with that. Obviously, it would have been even better if we could have had the money and delivered it earlier.

**The Convener:** It is unfortunate that we cannot accelerate that delivery. The protection is there for

people on legacy benefits, but not for new claimants. Why would you have one group waiting for three weeks and another group waiting for a minimum of five weeks? Do you recognise that there is a disparity in relation to people's recourse to public funds?

10:45

**Pete Searle:** Those two groups of people are in different circumstances. When you talk about "new claimants", I presume that you mean people who are not currently on benefits. Most of those people will have been in work, so most of them will have a final payment from work that can tide them over for a period of time. As most work payments are made in arrears, their circumstances will generally be very different from those of people on legacy benefits, hence the different treatment.

**The Convener:** That will not be the case for everyone.

We have not addressed some of the changes in the budget that were referred to in the opening statement. An issue that I raised in the recent debate on universal credit related to the 12-month advance that people can get. We received information that people were not always told that they could get that and that, when they were told about it, they were first asked whether they could borrow money from family, friends or anyone else. Is there a need to provide staff with better training or clearer guidelines so that people are made aware of their entitlement to an advance at the point at which they need that money, instead of being asked whether family members could help them out?

**Denise Horsfall:** I assure you that all my staff understand what an advance is and how to offer it. You are right in saying that, when recourse to public funds is sought in the form of an advance, the first question that people are asked is whether they have recourse to any other funding. However, it is not some sort of interrogation—people are just asked the question. Once somebody says no, the discussion will move immediately to how an advance can be made. Also—

**The Convener:** I apologise for interrupting you, but I know that some of my constituents who are not used to dealing with that system will say, "Maybe—I'll see what I can do." That would be the end of that conversation and off they would go. Such people exist. That is what some vulnerable people will do. I am not sure about that question being asked at the start of the process. Perhaps that should be reconsidered.

**Denise Horsfall:** That is what staff are trained to do and it is what the guidance says. That is what has been agreed from a departmental point of view. We are only doing what we have been

asked to do. It is not unreasonable to ask somebody whether they have recourse to other funds.

The advance is also available online. Someone who is digitally able can apply for it online immediately. They can fill in the relevant boxes and can say what they want to inform us of and what they do not want to inform us of. It is probably the simplest system that I have come across in the 40 years for which I have been a public servant. The advance is accessible to people digitally, by phone or through work coaches.

**The Convener:** We might just disagree on that. Such respectful disagreement is fine.

Am I right in saying that the 12-month payback period that we are referring to is to be extended to 16 months?

**Pete Searle:** Yes.

**The Convener:** That is an acknowledgement that, when people get that advance, paying it back can be tough. Initially, the advance had to be paid back over six months, then it became a 12-month period and now it is 16 months. It seems that it has taken a while to get right what a reasonable repayment period is.

That additional support will not kick in until October 2021. Why is that?

**Pete Searle:** Again, it is because of how long it takes us to make the necessary system changes. The six-month period went up to 12 months because we moved from a 50 per cent advance payment to a 100 per cent advance payment and we wanted to keep the repayments at the same sort of level. Giving people 16 months to repay is a further enhancement of the system that will take us a while to introduce.

**The Convener:** Had you been aware for a few months that that announcement was in the pipeline?

**Pete Searle:** I will give the same answer that I gave before. Yes—we have been working on that change for a number of weeks/months. Now that it has been announced, we need to implement it at the earliest opportunity.

**The Convener:** It seems a pretty lengthy period of time to do something as simple as to allow people to pay the money back over 16 months rather than 12 months. People will have to wait until October 2021 to benefit from that. Could you look again at bringing that forward?

**Pete Searle:** For many people—most people, probably—12 months will still be the right period. We do not necessarily want people to have a lower income for too long. We will certainly look at whether there is any way in which the extension to

the period could be brought in earlier, but my advice is that, with all the other changes that we need to implement, that is realistically the earliest that we could do it.

**The Convener:** It is helpful that you will consider whether you can bring in the approach earlier. For consistency's sake, could you also consider accelerating the process of bringing in the two weeks' continuation of legacy benefits, so that the approach can come in sooner than July 2020?

**Pete Searle:** It is highly unlikely that that would be possible, because we are talking about a significant change, with not that long a timeframe for making a change on such a scale. We are having to change a number of systems—the legacy systems as well as the universal credit system—to make that change. I would not want to leave you with any expectation that it will be possible to accelerate that timeframe.

**The Convener:** Without any expectation, then, will you try?

**Pete Searle:** Sorry, are you asking—

**The Convener:** Will you at least try?

**Pete Searle:** I can go back and ask the question, but I am very confident that, when the chancellor and the secretary of state announced that timetable, they had thought long and hard about how quickly we could implement the approach and had arrived at what they thought was the earliest possible sensible and safe date. I sincerely doubt that there is any way that a request from me would get them to change that.

**The Convener:** Let me put this diplomatically and say that the chancellor and the secretary of state have a fluctuating timetable in relation to the roll-out of universal credit. It seems to be a moveable feast.

I said that we were about to end this part of the meeting, but I am conscious that Shona Robison MSP has not been able to be here for much of the meeting because she has been dealing with a significant constituency issue with the looming closure of the Michelin plant. Do you want to ask anything, Shona?

**Shona Robison (Dundee City East) (SNP):** Thank you, convener. That is helpful of you. I apologise for having to leave the meeting earlier. I want to ask something that I understand has not been asked so far. There has been a delay in moving tax credit cases across, and I have two questions about that.

First, I understand that people on tax credits will have to apply for universal credit. A lot of people will not know that that is coming; they deal with HMRC and not the DWP. Is there an assumption

of an attrition rate? In its modelling, has the DWP assumed that a percentage of those people will not apply for universal credit?

**Pete Searle:** We got into that a little earlier, when you were not here.

**Shona Robison:** I apologise.

**Pete Searle:** My answer was that we will be working hard over the next two years, as we build up our plans around making the transitions from tax credits to universal credit, to make sure that everyone knows what the process is and can claim universal credit if they want to do so—they do not have to do that; it is a choice. We are planning for a zero per cent attrition rate. That is our determined objective.

As we get closer, we might think that, realistically, a certain proportion of people will not take up universal credit when they could previously have taken up tax credits. I hope that that would be their choice rather than the result of any failure on our part. We might then build that into our modelling, but that is for much later in the process. Right now, we want to plan for success.

**Shona Robison:** Will you write to people to let them know what is happening?

**Pete Searle:** We will write to them a number of months before they are due to transfer. The large-scale migration from tax credits to universal credit will not start until November 2020, and migration as a whole will carry on for around three years. Many months before an individual is due to transfer, we will write to them. We want to give people suitable notice but not so much notice that they have forgotten about it by the time they get to the point of transfer.

**Shona Robison:** I know that the regulations on transitional protection are being looked at. In previous evidence, the committee has explored the need for the regulations to allow for an element of discretion, in recognition of particular circumstances. Transitional protection will guarantee someone's income unless there is a change of circumstances, and there are concerns about what such changes might be. For example, we would not want someone who needed to flee domestic abuse to be concerned about doing so because it would impact on their income. As the regulations are drafted, are such issues being considered, to ensure that there can be discretion in such cases?

**Pete Searle:** The regulations were laid before the UK Parliament on Monday. They will be debated and we will see what the UK Parliament makes of them. They do not include that sort of provision. In such cases, someone's circumstances would have changed dramatically. Certainly, we would not want to do anything that



would lead somebody to stay in a relationship that they should not stay in, and I would hope that our processes would not cause that sort of problem. We talked earlier about the fairly intensive support and training that we give to our people to ensure that they are alive to domestic abuse issues and can help people to address them and connect them with people who are more expert to help them in the local community.

**Shona Robison:** You will understand the concern, though. If the message is that a change of circumstance could disrupt people's transitional protection arrangements, it is important that people are aware that they can have those types of discussions and that they do not make choices based on the worry about losing that protection. Will you take that back and ensure that, through guidance or some other means, claimants are clear that in such circumstances they can have those discussions and that the matter will be looked at sympathetically? Communication on the issue is important.

**Pete Searle:** It is an important issue. I may have slightly misunderstood your question, as I answered it by talking about people before they have gone through the managed migration and before they have transitional protection in place. I will need to check this, but my understanding is that we have looked at the situation once a family unit has migrated across and transitional protection is in place. We will try to ensure that that is in some way protected if someone—it is generally a wife—feels that they have to leave because of domestic abuse. I believe that we have addressed the issue, but I will need to check that.

**Shona Robison:** Will you write back to us with clarification of that, please?

**Pete Searle:** Absolutely—we will do.

**Shona Robison:** That would be helpful.

**The Convener:** That brings us to the end of the evidence session. It has been lengthy and we have covered a lot of ground. We are appreciative of the information that you have given us. If, when you go away, you think that you want to clarify something, we would love you to correspond with the committee and update us. I know that I put Denise Horsfall on the spot a bit about one particular issue. We have not really explored the additional barriers for people with English as a second language or learning and other disabilities in using the digital by default system. There are significant challenges there, so anything that you can provide in relation to that would be welcome.

**Denise Horsfall:** No problem.

**The Convener:** More generally, I thank the witnesses for their openness and frankness in helping us to grasp how we will draw our

conclusions on the relationship between social security and in-work poverty. Thank you for giving us your time.

## Subordinate Legislation

### The Council Tax Reduction (Scotland) Amendment (No 3) Regulations 2018 (SSI 2018/295)

10:57

**The Convener:** Agenda item 3 is subordinate legislation. The regulations are subject to the negative procedure. I refer members to paper 3, which is a note by the clerk. The Delegated Powers and Law Reform Committee drew the regulations to the attention of the Parliament on the grounds of a drafting error. That has been acknowledged by the Scottish Government, and a correction will be made early in the new year. The DPLR Committee also repeated its view that the instrument raises a devolution issue, as highlighted with previous council tax reduction instruments.

This committee's role is to consider the policy. The committee is invited to note the instrument. In doing so, we may wish to support the DPLR Committee's view that, if the Scottish Government assesses that the drafting error could have unintended effects, it would be preferable to bring forward an amendment to correct it promptly, given that the provisions come into force on 28 November. Is the committee content to highlight the DPLR Committee's view and note the instrument?

**Members** *indicated agreement.*

**The Convener:** Your silent enthusiasm is noted for the record.

**Michelle Ballantyne:** We want it to be sorted, basically.

**The Convener:** We will now move on to agenda item 4, which we previously agreed to take in private.

10:59

*Meeting continued in private until 11:29.*

This is the final edition of the *Official Report* of this meeting. It is part of the Scottish Parliament *Official Report* archive and has been sent for legal deposit.

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