



OFFICIAL REPORT
AITHISG OIFIGEIL

Social Justice and Social Security Committee

Thursday 1 February 2024

Session 6



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SOCIAL JUSTICE AND SOCIAL SECURITY COMMITTEE

3rd Meeting 2024, Session 6

CONVENER

*Collette Stevenson (East Kilbride) (SNP)

DEPUTY CONVENER

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

COMMITTEE MEMBERS

*Jeremy Balfour (Lothian) (Con)

*Katy Clark (West Scotland) (Lab)

*John Mason (Glasgow Shettleston) (SNP)

*Roz McCall (Mid Scotland and Fife) (Con)

*Marie McNair (Clydebank and Milngavie) (SNP)

*Paul O’Kane (West Scotland) (Lab)

*attended

THE FOLLOWING ALSO PARTICIPATED:

Nicky Brown (City of Edinburgh Council)

Michael Cameron (Scottish Housing Regulator)

Gayle Devlin (Social Security Scotland)

Ally MacPhail (Social Security Scotland)

Gordon MacRae (Shelter Scotland)

Jim McBride (Glasgow City Council)

Gavin Smith (Association of Local Authority Chief Housing Officers)

James Wallace (Social Security Scotland)

CLERK TO THE COMMITTEE

Claire Menzies

LOCATION

The Mary Fairfax Somerville Room (CR2)

Scottish Parliament

Social Justice and Social Security Committee

Thursday 1 February 2024

[The Convener opened the meeting at 09:00]

Decision on Taking Business in Private

The Convener (Collette Stevenson): Good morning, and welcome to the third meeting in 2024 of the Social Justice and Social Security Committee. We have received no apologies this morning.

Our first item of business is a decision on whether to take agenda item 4 in private. The committee is also asked to decide whether to consider in private at future meetings the Scottish Government's report on the review of Poverty and Inequality Commission resignations and the committee's follow-up on its inquiry into addressing child poverty through parental employment. Are we agreed?

Members *indicated agreement.*

Homelessness and Temporary Accommodation

The Convener: Our next agenda item is an evidence session on homelessness and temporary accommodation. I welcome to the meeting Gordon MacRae, assistant director, communications and advocacy, Shelter Scotland, who is joining us in the room. Joining us remotely are Nicky Brown, head of homelessness and household support, City of Edinburgh Council; Michael Cameron, chief executive, Scottish Housing Regulator; Jim McBride, head of homelessness and complex needs, Glasgow City Council; and Gavin Smith, service manager for housing access at Fife Council and a member of the Association of Local Authority Chief Housing Officers, known as ALACHO. Thank you very much for attending today.

I have a few points to mention to the panel about the format of the meeting before we start. Please wait until I or the member asking the question say your name before speaking. Do not feel that you have to answer every single question. If you have nothing new to add to what has been said by others, that is okay. For witnesses online, please allow our broadcasting colleagues a few seconds to turn on your microphone before you start to speak. You can indicate with an R in the chat box in Zoom if you wish to come in on a question. I ask everyone to keep questions and answers as concise as possible, as we have around one hour.

We now move to questions and I will invite members to ask questions in turn. The first question is from me. Can you provide a brief overview of the reasons for the increasingly high number of households living in temporary accommodation? Can representatives of individual councils describe the specific pressures in your area? I will come to Jim McBride first.

Jim McBride (Glasgow City Council): Good morning. The issues for Glasgow probably cover a number of areas and have been magnified to some degree over the past number of months. The domestic homeless population is very much influenced by the cost of living crisis and a number of changes to home circumstances. We see many people presenting because of household breakdown and a number of factors aligning to private rented sector accommodation coming to an end. Latterly—probably since June—we have seen a dramatic and substantial increase in positive leave to remain cases from Mears and from the Home Office backlog. When we take those into account, we have seen a dramatic increase in the number of people presenting in Glasgow as homeless. They are probably the main profiles.

The change to local connection rules in the legislation has had an impact. Although I welcome it, it has meant that we are looking at an additional 20 presentations per month in the city, on average. Outwith that, probably the other area of note is those with leave to remain who have come from local authorities in the north of England, boroughs in London and Northern Ireland.

The Convener: Thanks very much for that. I ask Nicky Brown to come in.

Nicky Brown (City of Edinburgh Council): Good morning, everyone. Edinburgh has some issues that are similar to those that Jim McBride raised, and it also has an acute shortage of affordable housing and an incredibly expensive private rented market. Jim McBride provided information on local connection cases, and we have seen a similar impact in the city. We have recently seen a number of people move to the city after receiving a positive asylum decision. That has increased significantly over the past three months.

The shortage of affordable housing, high private rents, people seeking assistance from us due to the cost of living crisis and those legislative changes are the main factors impacting on the number of people in temporary accommodation at the moment.

The Convener: Thanks very much. Does anyone else want to come in on that? Gordon MacRae, I will bring you in.

Gordon MacRae (Shelter Scotland): It is important to remember where we have come from. Every year since the ending homelessness together strategy was published, with the exception of the period during the pandemic when people could not be evicted and could not move, homelessness has gone up in Scotland, as has the number of people in temporary accommodation. Before the pandemic, there were significant problems in Edinburgh and Glasgow, mainly around unsuitable accommodation in Edinburgh and failure to accommodate in Glasgow, and significant steps were taken to address those issues.

It is crucial that we understand that this is not a recent phenomenon. At Shelter Scotland, we talk about being in a housing emergency. That was an escalation from a housing crisis. We are not trying to go back to a place where everything was sunny and happy; we are seeing a problem that already existed getting worse. Although we must understand the most recent phenomenon that Jim McBride and Nicky Brown explained, we cannot lose sight of where we are starting from in the first place. The lack of investment over a number of years and the failure to have any meaningful strategy for children in temporary accommodation,

for instance, are hampering the ability of front-line services to make long-term changes.

The Convener: I invite Gavin Smith to come in.

Gavin Smith (Association of Local Authority Chief Housing Officers): It is important to say that, with the change in the profile of presentations, we need to remember that not everyone who is considered homeless is in temporary accommodation. In over half the case load in the country, people are making their own arrangements in some form. The difference that most local authorities have seen is that the take-up of temporary accommodation has increased since the pandemic and post-pandemic period. People who used to make their own arrangements are now reliant on local authorities, which is why we are seeing the numbers coming through that we are.

The Convener: Thanks very much. Jeremy Balfour wants to come in.

Jeremy Balfour (Lothian) (Con): Good morning, panel. I will aim this question at Michael Cameron to start with. Can you provide an overview of why you think that there is a systemic failure in homelessness services in some councils? Why are some homeless people not being offered temporary accommodation when they should be? How can homeless people ensure that their rights are enforced? I appreciate that there is a lot there, but perhaps you can unpack some of that for us.

Michael Cameron (Scottish Housing Regulator): Of course. Good morning, everyone. Put simply, the demands on the homelessness system—the number of people becoming homeless and the level of need that they have—exceeds the system's capacity to respond. For some councils, the increase in capacity that is needed to respond to the current demands goes beyond that which they can deliver, which is why we have made the judgment call that there is systemic failure in the homelessness system in Scotland.

The most acute impact of that failure is where a council does not have suitable temporary accommodation available when a person needs it. That results in the council breaching its statutory duty by having to place a person in temporary accommodation that does not meet the Homeless Persons (Unsuitable Accommodation) (Scotland) Order 2014 criteria or, in more extreme situations, in its being unable to meet its duty to provide temporary accommodation at all because it does not have any temporary accommodation available. In that context, it is difficult to see how there can be a universal enforcement of rights when there is not sufficient capacity in the system.

Jeremy Balfour: Thank you. Does anyone else want to come in on this one? If not, I am happy to leave it there, convener.

Bob Doris (Glasgow Maryhill and Springburn) (SNP): I will direct the first part of my question to Jim McBride, but I appreciate that Nicky Brown might also want to come in, given his opening statement.

Before Christmas, I had a briefing from Glasgow City Council on the housing emergency that has been declared, specifically about the streamlining of the asylum process in the city. I also had a briefing from Mears at that time. I was told that roughly 580 to 600 households that had had a positive decision from the UK asylum process had overstayed in their Mears tenancy and were imminently going to be pushed into the Glasgow homelessness system, with many hundreds—perhaps thousands—to follow. Could Mr McBride tell us where we are now and the pressures that that has put on the system in Glasgow?

Jim McBride: We are working closely with Mears daily. You are absolutely right that we are at a crossroads. We have exceeded the 600 number now, and managing alternative accommodation options would be seriously difficult for us.

Prior to Christmas, the city administration committee's report clearly highlighted the pressures, and we had identified the fact that this would present an almost impossible challenge for us in managing the alternative accommodation options. Just now, we are trying to accommodate 10 households daily, but we are also finding that our ability to identify hotel accommodation within the city is extremely pressed. All that it takes is a particular event and/or seasonal planning around hotel capacity to bring us to a stretching point, and we find it difficult to continue to manage. At the moment, it is day to day, and we also have a responsibility to enforce law changes.

Bob Doris: I suppose that it is a financial question, Mr McBride. I take the view that at the point of transition, when a positive outcome is reached, there should be cash from the United Kingdom Home Office and the UK Government to support that transition. The UK Home Office has taken a very different view. That said, though, it is everyone's responsibility—the UK Government's, the Scottish Government's and all Scottish local authorities', not just Glasgow's—to get together and do the best they can. If there was more money, could you use that money to find a solution? What would that solution look like in the short term? What conversations are on-going about funding?

Jim McBride: The short-term funding is crucial, even if it just allows us some breathing space to

provide accommodation. Sadly, that accommodation is not what we would wish to offer, but at the moment the only option we have is to use hotel accommodation into the medium term.

Following the emergency committee meeting in December, the council has been looking at alternative accommodation options. We have six or seven test cases looking at vacant accommodation within the city. That will take some additional capital spend, but it will then allow us to look at alternatives and give us more of a medium-term accommodation option. Some of the accommodation that we are looking at is vacant properties; one building is a vacant nursing home.

The council, collectively, is doing the best it can. We are also doing work on modular building, but all those options will be medium to longer term.

Bob Doris: I think that the committee would welcome a note on that.

Finally, Mr McBride, when I was speaking to people from Mears, I put it to them that we should be talking about permanent accommodation from day 1 of an asylum seeker family moving to the city. That means providing permanent accommodation, perhaps in Glasgow or in one of the other 31 local authorities across Scotland, and doing constructive work with them. Mears told me that it is not allowed to do that work. Is that a missed opportunity? Is that something that we have to do more of?

09:15

Jim McBride: I would suggest it is, yes. It is crucially important that we try to identify potential options for settled accommodation. We are working extremely well with the register of social landlords in Glasgow, but there are a number of competing factors that have an influencing effect on availability. However, as a principle, yes, we should do more of that.

Bob Doris: I will not come back in, convener, but Nicky Brown might want to put some comments on the record.

Nicky Brown: For almost everything that Jim McBride said, we are in the same position, whether it be looking at medium-term solutions or having some difficulties in the short term in sourcing accommodation and the cost of temporary accommodation. As Jim McBride pointed out, the accommodation that we are accessing for these additional presentations is likely to be bed and breakfast or hotel accommodation. I appreciate that you wanted a note on that. If it is acceptable to the committee, Jim McBride and I could perhaps provide a joint note that highlights the areas on both sides.

The Convener: Yes, that is fine. I am perfectly happy to accept that. Thanks very much. I now invite Paul O’Kane in.

Paul O’Kane (West Scotland) (Lab): I will start with a question for Gordon MacRae. In your first answer, you referred to a housing emergency, and Glasgow and Edinburgh city councils and other local authorities have declared such an emergency. It is not language that the Scottish Government has chosen to accept or use as a definition. Some people would argue that it is about semantics, but could we have your view about whether there is a housing emergency and whether it should be defined nationally?

Gordon MacRae: When we talk about a housing emergency, we are trying to reflect the shift from what I described earlier as the failing housing and homelessness system that we saw pre-pandemic to one that is now systemically broken, with no real Scottish Government or UK Government plan to address it.

We think that it is a housing emergency because record numbers of children are in temporary accommodation and we have record numbers of open cases. We are not seeing a flow-through within the homelessness system. Although we can do more, and there are some good examples of preventing people from becoming homeless in the first place, once people enter the homelessness system, they rarely come out the other side.

I think that the Scottish Government accepts that there is a housing emergency in the council areas that have declared it, but it does not accept that there is a national emergency. That is a slightly semantic point, because if Glasgow and Edinburgh catch a cold, the rest of Scotland feels it.

It is a question of priorities. We find it difficult to square the statements of good intent from ministers with the fact that they are not backed up by resources. Cutting the capital budget by 26 per cent when the overall capital budget cut is only 10 per cent over the two years, or 4 per cent in one year, does not square with the statements about Scotland being somewhere where everyone can have a safe, warm home. The Housing 2040 strategy is now dead in the water as far as we are concerned. Ending homelessness together does not appear to have much meat on it any more. The housing bill is coming up, but, although the main areas of it are on prevention duties and other things, it will not address the issues that you are discussing today. It explicitly will not have a significant impact on the housing emergency.

We feel that a bit of dissonance has entered into the debate about housing and homelessness. We have a debate within Government about what will

happen in the future while the activity on the ground in councils and elsewhere is just about trying to cope with the scale of the emergency that we see every day.

Paul O’Kane: Does Jim McBride or Nicky Brown want to comment on that point? While Glasgow and Edinburgh have declared housing emergencies, the Scottish Government has not. Would there be a better unity of purpose if those local authority areas and the housing emergency were recognised more formally?

Nicky Brown: As an organisation, the City of Edinburgh Council has been very specific about the reasons why we believe that there is a housing emergency in Edinburgh. They are very clear. Primarily, they relate to the shortage of affordable housing and the number of people who are in temporary accommodation, although there is probably more to it than that. Our position is clear.

Some of the points that Gordon MacRae raised are well recognised generally within the sector. Most people in the sector, and probably in the Government, will recognise that there are significant challenges in Edinburgh and Glasgow. As previously stated, they have been well documented and highlighted. We are in the process of preparing a housing emergency action plan that we will present to committees in the coming months, and I imagine that that will contain requests for further discussions with the Scottish Government about how we can jointly resolve some of these issues.

Jim McBride: I echo everything that Nicky Brown said. We now also have a draft action plan to address and mitigate some of the challenges. However, in principle, I echo what Nicky Brown said.

Paul O’Kane: I have one question for the regulator. In December last year, the regulator’s update to the thematic report said that there had to be added urgency to the Scottish Government addressing the problems that we are discussing this morning. Michael Cameron, it would be useful to get your general sense of whether that added urgency has been accepted and responded to. What more could be done in the immediate period?

Michael Cameron: We published our update in December. We have had a number of discussions with the Scottish Government since then, partly to focus on what might be brought forward for wider discussion at the group that is looking at short-term supply challenges. That is where the focus needs to be. Immediate efforts have to be made to increase the availability of homes to let for people who are homeless and for that to be done quickly. That is challenging, because increasing the supply takes time when you are looking at developing

new houses, but there are questions around whether we can accelerate programmes of purchasing properties. The acquisition programme that the Scottish Government has announced has the scope to expand that even further, to give local authorities the added capacity as quickly as possible to start to address some of the backlog of people who are in temporary accommodation.

Gavin Smith: There is no doubt that the issues in Glasgow and Edinburgh are profound, but attention should not be restricted to that. Argyll and Bute Council declared a housing crisis previously, so there is also a rural dimension to the situation.

A survey by ALACHO showed that 12 to 14 local authorities are routinely breaching or at risk of breaching their homelessness duties. My own local authority, Fife, is well publicised as being on the brink of declaring a housing emergency. I definitely echo what Nicky Brown and Jim McBride have said, but I want to make sure that the committee is aware that it is not just a major city issue—it exists across the country.

The Convener: Thanks very much for your contributions. Gordon MacRae, do you want to come in quickly?

Gordon MacRae: When we are talking about the housing emergency, it is important that we realise that this is not about councils failing; it is about the system not working. The emergency is not about the performance of local authority services; it is about the interaction between private supply, rental costs, welfare benefits—the whole system. We need to be cautious about almost raising the expectation that councils alone can fix the problem.

The Convener: Thanks very much. We will now focus on stock management, new housing supply and budgets. I call John Mason.

John Mason (Glasgow Shettleston) (SNP): I want to start with a follow-up to Mr MacRae's comment that the budget for house building has been reduced. The Government's answer seems to be that a lot of that was financial transactions money, not the main capital budget, and that money has been reduced even more severely. How do you respond to that?

Gordon MacRae: Financial transactions capital is used mainly for things such as mid-market rents. As I understand it from the cabinet secretary's evidence, that has been taken out of housing and put into the Scottish National Investment Bank in order to protect that policy priority. What that means is that, although mid-market rent has a limited impact on the number of people in temporary accommodation, it takes away another avenue for people whose only real avenue now will be mainstream social housing. It

is not my understanding that the affordable housing supply programme—that is, the more homes money or the money for social housing—has been protected. I know that the Glasgow and Edinburgh transfer of funds has been frozen, and that, too, is a real-terms cut in and of itself.

John Mason: Thanks very much.

My main question is for Mr Cameron. In your submission, you have suggested that there has been a lower turnover of social lets or lets from RSLs. Can you give us a bit more on that? Why do you think that that is the case? Presumably, people are dying at much the same rate as they always did.

Michael Cameron: In our national report on the social housing charter, which we published last August, we reported that social landlords are seeing a lower turnover of homes than they did before the pandemic in 2020. Around 1,700 fewer homes became empty during 2022-23 than in the previous year, but the figure is nearly 5,000 fewer than in 2019-20. We have also reported that homes were on average empty for 56 days, which is significantly up from 32 days in 2019.

It is difficult to say exactly why existing tenants are less inclined to move or give up their tenancy. Of course, it might reflect the success of the work that landlords are doing to help people to sustain their tenancy, or it might be that existing tenants are less keen to move during a cost of living crisis, when there is economic uncertainty and when their other options might be restricted, too. Whatever the reason for the slowdown in turnover, it means that social landlords have fewer homes available to let to people in need, including those experiencing homelessness.

Landlords can and do provide incentives to tenants who might be underoccupying larger homes, in particular, to encourage them to move, but, of course, that is entirely dependent on the tenant being prepared to do so. However, while the demand for social homes significantly exceeds supply, such measures are likely to have only a very limited impact at the margins.

John Mason: But whether people move or stay does not affect the total number of houses available, does it?

Michael Cameron: It does not affect the total number of houses in the stock, but it does affect the number of houses that are available to let to new tenants. Last year, about 50,000 homes became available for landlords to let, but, when you look at that number against the numbers on housing lists, you will see that, every year, more than 30,000 households become homeless and require accommodation. When you add in some of the challenges that colleagues have touched on with regard to people coming through the asylum

seeker system, you can also see that the number is some distance from what is required to meet the needs in any one year.

John Mason: Thanks very much. I will leave it at that, convener.

The Convener: I believe that Nicky Brown would like to come in.

Nicky Brown: I had put a note in the chat box, but Michael Cameron has already covered a couple of the points that I was going to make. I would just add, though, that the turnover of lets is sometimes reduced due to some of the positive work that organisations are doing around the prevention of homelessness.

I apologise, convener—that was the only point that I wanted to make.

The Convener: Thanks very much. I call Marie McNair.

Marie McNair (Clydebank and Milngavie) (SNP): Good morning, panel.

My first question is for Nicky Brown, but I will put it to Gavin Smith, too. What scope is there for social landlords to use their void homes better to rehouse homeless people? It has been noted that your council reported in December that it currently has 1,360 void properties, but can you give us a bit of background on the reasons for that high number? Is it a funding issue? Are the voids in low-demand areas? Do you have a void strategy? What can be done to let such properties quicker, and to what extent are they suitable for homeless households?

09:30

Nicky Brown: I will take those questions in reverse order.

The vast majority of the properties that are void at the moment are general needs homes, which would absolutely be suitable for homeless households. Indeed, we have made significant progress with the number of voids that we have now.

In answer to your question whether we have a strategy, we certainly do. We have a strong programme of work to try to reduce the number of voids in the city. Voids will be returned week on week, but we are now down to just over 1,200 voids. We have made significant inroads into that number, and there has been a real focus on that within the organisation.

On the build-up of voids, most local authorities, I am sure, will have faced the issue of capacity within the market to repair homes, and there are also legacy issues arising from only emergency repairs being carried out during the pandemic.

Those are some of the major challenges that we have faced, but, as I have said, we now have a strong programme of work going on and are significantly reducing the number of voids.

One of the major focuses of our void strategy and programme is on ensuring that as many of those homes as possible are being provided to homeless households. The council has always had a target of 70 per cent of lets going to homeless households, and we are looking to increase that even further to 80 per cent over the next six to 12 months. However, we need to recognise that there are other vulnerable groups that are not homeless, such as people with mobility or health issues or people in overcrowded situations that would lead to their becoming homeless at some point in the future.

Marie McNair: Thanks for that. Gavin, do you have a Fife perspective on this?

Gavin Smith: Yes. A lot of what Nicky Brown has said I was just ticking off my list. The public perception of void properties seems to be that they somehow show inefficiencies in the system, but they do not. I have 499 such properties at the moment, and I know where each one of them is with regard to repairs, lettings, delays and that kind of thing. Also, picking up on the previous point, I would suggest that one of the reasons for reduced turnover is that local authorities are having to divert more properties to provide temporary accommodation, which is stifling turnover and interrupting the supply chain.

As for the question whether more properties can be used to house homeless people, the fact is that they already are. However, as Nicky Brown has already emphasised, we all have very challenging targets at the moment but there is a mismatch in supply. For example, in Fife we get quite a high turnover of retirement, shelter and other very specialist properties that do not match the profile of people who are coming through the homelessness system. As a result, not every void can be used.

Fife has a transfer-led approach to housing allocations. We will look to get two or maybe three allocations out of every vacancy that we get. As Nicky Brown has said, every local authority is working hard on the voids process. It has big business and budget implications, so it is a key driver, and I assure the committee that every local authority is working as hard as it can to make best use of its void stock.

The Convener: Can I quickly bring in Jeremy Balfour with a supplementary?

Marie McNair: I have not finished, convener.

The Convener: I am sorry, Marie.

Marie McNair: Gavin, what percentage of properties are you giving to homeless households?

Gavin Smith: The figure was about 68 per cent in Fife in the last quarter.

Marie McNair: And the average figure across the local authorities is 65 per cent.

Gavin Smith: That is right.

Marie McNair: I have a question for Jim McBride. Right now, we are facing a perfect storm, with the pressures on capital budgets, high inflation, Brexit and a change to the housing asylum seekers policy. To what extent has historical policy set us up to fail?

Jim McBride: To some degree, we are where we are. You might call it being set up to fail, but I would not necessarily suggest that that is the case. You just have to consider the factors—none of us anticipated a pandemic, a war in Ukraine and the impact of what is happening in the middle east. A lot of those external factors are having an impact on our ability to turn voids around.

On the point that both Gavin Smith and Nicky Brown made, we, too, are aware of this issue. As far as RSLs are concerned, we are having a slightly different discussion, because our percentage ask is 60 per cent and we are not achieving that yet. I do not want to suggest that there has been a systemic failure in that sense; it is the combination of circumstances that has put us into our current position with regard to trying to manage void properties and ensure accommodation for homeless households.

Marie McNair: Full stock transfer was imposed on Glasgow City Council many years ago. With the homeless duty on councils, the fact that they have no housing stock is a conflict. Can you give us any comment on that?

Jim McBride: We are continually having to negotiate with 68 social landlords in the city. We try to target having a relationship with the top 14, simply because of the housing stock that they generate. Over probably the past 24 months, and certainly during lockdown, we have built up a very positive relationship with the RSLs, but unfortunately, at the end of the day, we are still having to negotiate at that level rather than have our own stock.

Although it presents a challenge, we have introduced a matching process, and we now have a tracker for our local letting plans and regular development sessions with registered social landlords. The climate at the moment is about our working together instead of having to deal with competing challenges to provide for homeless households as well as address waiting lists for the RSLs.

It has been a challenge, but the climate and the atmosphere, particularly over the past two years or so, have been extremely positive and we are continuing to build on that. Indeed, following an RSL session that we had in December with all the chief executive officers, we now have a working plan.

Marie McNair: Thank you. I appreciate those comments.

Jeremy Balfour: Without being too Edinburgh-centric—although it is clearly the most important place in Scotland—I have a question for Gordon MacRae or Nicky Brown. We have had the rent freeze in the city for almost a year now, but we have also seen rents increasing when people leave their flats. Is that having an effect on homelessness in the city? Are you noticing anything? Is that just an Edinburgh issue or is it happening in other parts of Scotland?

Gordon MacRae: Affordability relative to income is certainly a more acute issue in Edinburgh. People in the private rented sector are less willing to move because they fear a hike in rent, but when, for example, one person leaves their shared accommodation, they experience a hike anyway. People's ability to keep the home that they have is worsening.

There has been a continued increase in the number of homelessness presentations when people have been in the private rented sector immediately beforehand. I do not have the specific numbers for Edinburgh to hand, but we see a direct relationship between the high costs of private renting and the struggles of households during the cost of living crisis to keep the home that they have or to find suitable alternative accommodation. If someone is not able to keep their home—for example, because the landlord evicts them because they want to make a repair to the property or to move a family member in—only lax attempts are made to track whether those things actually happen, and it is incredibly difficult for them to stay in the city at a similar cost to what they were paying before. It is reasonable to expect there to be a direct relationship between people from the private rented sector who present as homeless and those circumstances.

We did not call for a rent cap, but we want there to be protections from eviction and to ensure that those protections are maintained as best they can be in the future. We are about to come to the end of that period and we think that there will be another spike. Our courts and our other systems simply cannot cope with a massive increase in evictions.

Jeremy Balfour: Nicky, do you have anything to add?

Nicky Brown: All that I would add is that, in Edinburgh at the moment, it is incredibly difficult for us to support people into the private sector after a period of homelessness, given the high cost of private rents in the city.

The Convener: Thank you. We move to questions from Roz McCall.

Roz McCall (Mid Scotland and Fife) (Con): My questions are for the council representatives. I will start with Gavin Smith. As a Mid Scotland and Fife MSP, I am glad that you have highlighted the issues that we have in Fife and the rural area. Councils—especially those that do not own their own stock—rely on social landlords to rehouse homeless households. How are registered social landlords responding to the pressures on council homelessness services? Is there scope for improving joint working?

Gavin Smith: Every local area is different. I can give an example from Fife. For a number of years, Fife has had a common housing register, which covers just over 99 per cent of the social housing stock in Fife. Anybody who approaches Fife Council goes through a housing options plan and will be assessed, and homelessness is integrated as part of that. Our return to the Scottish Housing Regulator shows a very low rate of section 5 referrals to other places, but when it comes to allocations that RSLs have made, the figure is far higher. It is going in the right direction now that we have an agreement; it is around 40 per cent. The other dimension to that is RSLs' contribution to temporary accommodation, which has increased since the pandemic.

Most local authorities have very positive relationships with the RSLs in their areas. That has to be the case, because it is the only way to make the best use of the stock that is available and to provide the best customer experience. However, each local authority will develop a different approach. I know that Dundee City Council, Angus Council and others have different situations. Edinburgh has the EdIndex partnership, so the situation there is very different.

From my experience of working with the Chartered Institute of Housing over the past wee while, I think that RSLs are getting better at making a contribution—not just in responding to homelessness, but in homelessness prevention, sustaining tenancies and doing various other bits of work. Is there scope to go further? Absolutely—it has to happen.

Roz McCall: We have already heard from the other council representatives on this topic, but if Nicky Brown or Jim McBride has anything specific to add, it would be great to hear from them.

Nicky Brown: Through the rapid rehousing transition plan that we set out for the Scottish

Government, our RSL partners agreed to provide 50 per cent of their homes to homeless households. Recently, I have written to all the RSLs in the city to ask whether there was scope for them to increase that and they all responded positively. They have suggested that, over the coming months, they will increase their lets to homeless households to between 60 and 75 per cent.

I echo what Gavin Smith said. There is a strong partnership in Edinburgh. Our RSL partners are taking very seriously the challenges that exist around homelessness in the city and are very willing to help.

Roz McCall: Through the affordable housing supply programme, the Scottish Government has provided money for a national acquisition plan to help to buy private homes for use to reduce the pressure on temporary accommodation. Again, this question is for the three council representatives, starting with Gavin Smith. Have you used that funding? Has it been an effective short-term measure? Does it need to be continued? Is there any downside or anything that we should be aware of in relation to that funding?

Gavin Smith: Not specifically in relation to the national acquisition fund. Fife Council was already purchasing properties at a rate of 50 a year, and it has looked to uprate that. In our homelessness strategy, which was approved on 11 January, we are now aiming to acquire 150 properties a year. Part of that will be funded through the national acquisition plan. It is very effective as a means of increasing the short-term housing supply. Public subsidy can do more than build new homes, but acquisition cannot be done in isolation.

There are market factors. I mentioned mismatches between need and supply. We have high housing demand in Fife, especially around St Andrews and Dunfermline, and it is not possible to purchase property in those areas because of market pressure. Acquisition must definitely be part of our housing access and homelessness strategy, but it cannot diminish the wider supply issues.

09:45

Roz McCall: I understand that acquisition cannot be done in isolation, but is access to that funding doing what it needs to do? Is the issue purely to do with the fact that, because of the situation with the private housing supply, the fund does not go far enough, or is it simply not able to do what it says on the tin?

Gavin Smith: It is early days, but most local authorities were acquiring anyway, so it is a case of scaling up schemes. Fife Council is the only one that I can speak about with real authority. In Fife,

the issue is to do with what the market can provide in terms of affordability.

Roz McCall: Nicky Brown and Jim McBride, could you comment on the national acquisition plan? Is it doing what it says on the tin? How is it affecting your local areas?

Nicky Brown: I echo what Gavin Smith said. The City of Edinburgh Council already had a strong acquisitions programme. We have been acquiring property for a number of years. Of course, we will look at all the funding that is available when we do that, but, as I said, we had a strong pipeline. We were always buying properties anyway. We recognise the need to do that. As Gavin Smith said, there will be certain areas where it is much more expensive to buy. In our acquisitions programme, we like to consolidate blocks so that we become the majority owner in the block or the majority landlord in the block.

A number of factors are involved. It is quite early days. As Gavin Smith said, most local authorities will already have been buying properties. The funding is welcome. In some respects, we would have liked it to have been slightly separated from the grant funding programme, but we will use whatever funding mechanisms are available to continue our already strong acquisitions programme.

The Convener: Gordon MacRae would like to come in.

Gordon MacRae: The national acquisition programme came out of a recommendation from the task and finish group on temporary accommodation. I have a couple of points to make. First, the £60 million is existing money, not new money. It is an allocation that reflects a pragmatic decision that the building of homes is taking too long to meet the temporary accommodation needs.

To build on what Gavin Smith and Nicky Brown said, acquisition has always been part of the supply mix, but the national acquisition programme was supposed to specifically address the pressures on households in temporary accommodation, especially larger households and households with children. There is still some way to go on local authorities getting past the last-in-the-block or buy-back approach and being very proactive about seeing where in the market they can find suitable accommodation specifically for people who are trapped in the homelessness system.

Just before the Scottish budget, we called on the Scottish Government to make specific funds available for larger homes for children. We felt that it was important to recognise that there should be scope to look at a longer period for compliance with some of the Scottish housing quality

standards and other barriers that may make certain acquisitions less attractive in the short term. Were we or local authorities able to depreciate that over a longer period, it may bring some other properties into use. So far, I do not think that the Government has responded to that idea.

Roz McCall: That is interesting. Thank you.

Jim, do you have anything to add?

Jim McBride: The only thing that I will add is that, as Gavin Smith and Nicky Brown said about their councils, we have an acquisition programme, which we continue to develop. As Gordon MacRae pointed out, our priority is to acquire property for larger households, but the private rented sector in the city has reduced by 16 per cent. Nonetheless, we are aiming to identify empty homes and shop fronts, as well as other stock across the council, to target larger families.

The acquisition programme continues in Glasgow as much as it does elsewhere, and it is still very much a priority. In addition, a discussion is under way about investment in existing housing stock as part of that. That followed discussions at the event that we had with RSLs to look at every possible option for maximising the acquisition programme.

Bob Doris: To follow on from Mr McBride's comments about the acquisition programme, I know from my casework that Maryhill Housing Association is very active in tracking potential properties in the private sector and making direct efforts to get homeless families housed in those properties. It would be helpful for the committee to write to Glasgow City Council to find out how that is mapped out across the city and what the numbers are looking like per housing association, particularly—funnily enough—in the Maryhill and Springburn constituency. That would be helpful. I have put that in now, Mr McBride.

I want to ask a budgetary question. We know that the Scottish Government is still committed to delivering 110,000 new affordable homes by 2031 and £3.5 billion of investment over the course of the current parliamentary session. I know that there is a separate debate about whether that amount was sufficient, but that comes down to politicians who have to set budgets.

We note that the Scottish Government's capital budget has been slashed by the UK Government, but the Scottish Government has also cut its own affordable housing supply budget. I will not get drawn into the politics of that, but what is the short-term impact of that on homelessness? If the same money is spent over the course of the parliamentary session, will that have a longer-term impact? There will be a short-term impact, but will there also be a longer-term impact if the same

amount of money is spent over the course of the parliamentary session?

I suppose that it would make sense to direct that question to Gavin Smith, who can offer an ALACHO perspective.

Gavin Smith: Any interruption or reduction in the affordable housing supply, particularly the social supply, will cause lasting damage. Earlier, we talked about why turnover was down. I attribute a lot of that, three years later, to the impacts of the pandemic. That is not just the case with the social supply; we have talked about the operation of the wider sector, including the private rented side. There are opportunities there. There is the potential for the private sector to reduce. In my view, those homes should become social rented homes.

One of the best opportunities to prevent homelessness is to buy properties while the people are still in them, but there are a number of legal issues around that. It is true that there is an investment issue, but local authorities are also wrestling with a set of legal issues.

Bob Doris: Is that in the short term or the longer term? At face value, I can see that a disruption in the longer-term investment programme could cause poorer outcomes in the longer term, but, in the short term, what impact is the cut in the capital budget likely to have on homelessness?

Gavin Smith: In my view, there will be an increase in the number of people who require temporary accommodation. That is what we saw during the pandemic, when the building and construction industry ceased work. If that slows down, there will be an immediate impact on temporary accommodation. We know that temporary accommodation is mentally and physically damaging for people's education and employment, as well as other things. From my perspective—this is a personal one—any experience of the risk of homelessness or of homelessness is damaging to individuals and families.

It depends what you are talking about. The housing supply will take a long time to recover, but, for individuals and families, the process will take even longer.

Bob Doris: Can I push you slightly further on that, Mr Smith? I am not trying to box clever here. There will undoubtedly be an impact, and that impact will not be beneficial in the slightest. I get that. Is the impact that you are talking about a revenue budget impact as opposed to an impact of the capital cut? I am trying to get at what the short-term impact is likely to be of the capital cut. Once you have answered that, I will bring in Mr MacRae,

because I imagine that Shelter Scotland will have strong views on the issue.

The Convener: I will just interrupt to say that I am conscious of the time. Can we be quite concise and succinct in our questions and our answers? We have until roughly 10 past 10 this morning, and several members still want to come in. Thank you.

Bob Doris: I asked Mr Smith whether there is a cut to the capital budget in the coming financial year. Mr Smith has perhaps cited consequences for less revenue support, and those are two different budget streams, I understand. I genuinely just want Mr Smith to put on the record what the short-term impact is likely to be of the cut to the Scottish budget in capital terms rather than revenue terms. If I have misunderstood Mr Smith, I apologise.

Mr Smith, do you want to add anything before Mr MacRae comes in?

Gavin Smith: It will undoubtedly mean local authorities and RSLs looking at the affordable housing programme and revising their resource planning assumptions and resourcing for what their business plans look like. I do not think there is anything else to add.

Bob Doris: That is very helpful.

Gordon MacRae: In terms of capital, it will mean more people being in temporary accommodation for longer. It will mean increased homelessness. It is not just us saying that; the Scottish Government is saying that as well. The Scottish Government's own strategy recognises that, unless there is a flow-through of new capital, there will be increased homelessness.

It is also important to say that, on the revenue side, although there has been some cash protection for specific budgets, the overall cut to local authority revenue means that it is very difficult to see how those cuts will not get transferred into other areas, and we know that one of the major drivers of homelessness is limited access to things such as addiction services for people in the core homelessness sector. It is about not just the homelessness or the housing support services, but all the stuff around that. We would suggest that, logically, you can conclude that the Scottish Government has made those cuts in the full knowledge that they will lead to increased homelessness.

Bob Doris: Thank you.

Jeremy Balfour: Maybe one of the council representatives could answer this question to start with. In addition to resources through the local government settlement this financial year, the Scottish Government has provided £8 million to councils to implement the rapid rehousing

transition plans, and it is providing an additional £2 million to implement partnership plans with the councils that are facing the greatest pressure. How is that funding being used and how can its impact be maximised?

Nicky Brown: The rapid rehousing transition plan, over the years that it has been in place, has been incredibly helpful for us. Through the funding that has been provided, we have looked at increasing our prevention activity, we have created multidisciplinary teams and we have looked at flexible funds for how we might help households to avoid homelessness.

I am acutely aware of the time, convener. All local authorities need to provide a rapid rehousing transition plan update by June this year. To save some time, I will just say that, as an organisation, we accept that the plan has been incredibly helpful and we would like to see it continued. It has had massive impacts on and benefits for some of the services that we have set up. We could provide a note for the committee on that.

Jeremy Balfour: That would be great. Thank you.

The Convener: We would be happy to accept that, thank you. Jim, would you like to come in next?

Jim McBride: Nicky Brown just made the point that I was going to make. We are also updating and revising that plan for Glasgow. I echo what Nicky Brown said. We thoroughly welcome the rapid rehousing transition plan and we have been concentrating on the key points within it. The update will be crucial in redefining where we are in terms of the city's pressures.

The Convener: We will now focus on the theme of homelessness prevention and support.

John Mason: I realise that we are short of time and this is quite a big subject. I will aim my question at Mr McBride to start with. He mentioned household breakdown as one of the reasons for the pressure on the housing system. Are we doing enough to prevent homelessness from happening in the first place—for example, by trying to help households to not break down?

Jim McBride: I would say that we very much are. Last year, we exceeded 12,000 housing option approaches. The projection this year, we suspect, will probably be 14,000. In the context of that, a large part of what Glasgow is trying to develop is a health and social care connect model, which is about trying to triage and manage inquiries and approaches. There is a significant impact and effort there in relation to managing prevention.

Nonetheless, the number of household applications is increasing year on year. It was over

6,500 last year. Albeit that the approaches still translate into a significant number, there is an issue with the forthcoming prevention duties. In many respects, I welcome that, but I have a caveat. I would attach a strong health warning to it, because the closest thing that I can compare it to is the introduction of adult support and protection legislation. With the best will in the world, when that commenced, the stakeholders and partners would just refer cases directly to social work services.

From what I have seen happening in Wales and London, the likelihood is that this will generate a significant increase in inquiries and approaches before we can get into a position where wider stakeholders also take a view about how to prevent homelessness in the first place. Certainly, we recognise that prevention is a crucial part of this, but it is about trying to balance it out with the level of need that we are experiencing.

10:00

John Mason: Are discretionary housing payments helping with any of this?

Jim McBride: They are. Certainly, they are part of our plan and we are looking at how to extend them further.

John Mason: Unless anyone else wants to come in, that is all.

The Convener: Does anyone who is attending remotely want to come back in?

Nicky Brown: Briefly. Very much like Jim McBride, our organisation places a huge focus on the delivery of preventative services. We are looking to integrate family support services, welfare rights and debt services to ensure that we can provide the best level of wraparound and holistic support to people who are at risk of homelessness.

Another point to make about our work with our integration joint board partners is that we are in the process—as I have said previously—of creating our housing emergency action plan. Within that plan, there is a very strong theme that we will work with our IJB partners, for a variety of reasons, to make sure that we have the right housing and support for people and that we can get people out of hospitals and into suitable accommodation as quickly as possible.

The Convener: Gavin Smith would like to come in.

Gavin Smith: I will be brief. I will just remind the committee that all local authorities are working hard on prevention, but one form of prevention is about ensuring new supply. For example, we have talked about relationship breakdown. A significant

amount of that is domestic abuse that comes through to homelessness systems, where the need for one property becomes a need for two. You can replicate that across. I just wanted to make that point, convener.

The Convener: Thanks very much. We are coming to the end of our questions and we are within time, so well done, everyone. Focusing on the theme of longer-term issues, I will invite Bob Doris back in.

Bob Doris: I may not have got the memo about that, convener. I thought that I was asking question 13, on discretionary housing payments, but I think Mr Mason asked most of the questions on that theme. The only follow-up that I have is on the £90 million that the Scottish Government anticipates spending on discretionary housing payments in the coming year to mop up the mess of the UK Government's bedroom tax. That is a lot of money in the system. Is there a more effective way of using that? In budgetary terms, it is quite a significant figure. Are there ways that we could use that money more effectively?

The Convener: Can you indicate whom you are directing that question to?

Bob Doris: It is for Mr MacRae, only because he is in the room and he made eye contact. I am not sure who would be the best person to answer that question.

Gordon MacRae: The easiest answer is that, if we scrapped the so-called bedroom tax, it would free up more money. Obviously, there is the potential of a change in the Westminster Government and we would certainly want to see scrapping the bedroom tax on the agenda there. Shelter was very much involved in the campaign to protect tenants in Scotland from the bedroom tax. I think that it was the right thing to do, but it takes up a huge amount of the discretionary housing payments and, fundamentally, it is not enough money in the current climate.

Bob Doris: That is helpful. Mr MacRae has mentioned the possibility of a change of Government at Westminster, which is an important point. It is also important to put on the record that any incoming Labour Government has not committed to ending the bedroom tax either. Indeed, Labour brought it in. That is now on the record.

The Convener: Is that just a comment or—

Bob Doris: Yes. I thought that it was quite an important point to make, convener.

The Convener: Thank you. Katy Clark, who is joining us remotely, has a question.

Katy Clark (West Scotland) (Lab): My question is for Gordon MacRae and Gavin Smith,

because I believe that their organisations are represented on the homelessness prevention task and finish group. As they will know, the Scottish Government's response to the task group's recommendations prioritised action that would have the greatest impact on reducing the numbers of households in temporary accommodation. Is there anything further that you can say about how long-term measures around the recommendations would impact on other working groups—for example, on the financing of temporary accommodation?

Gordon MacRae: Shelter Scotland co-chaired the task and finish group on temporary accommodation. The recommendation that came out of that was not just our view but was co-produced with people with lived experience and other people across the sector. The recommendation was that the Scottish Government look further at the funding of temporary accommodation. That would involve having to discuss it with the Westminster Government, because of the relationship between housing benefit or universal credit and the provision of temporary accommodation. Scotland is relatively unusual in the UK in that so much of our temporary accommodation is in the social sector, which makes the profile slightly different.

On the medium and longer-term impacts, we still have a long way to go in making better use of the properties that we have. Local authorities now have a suite of tools—there are second homes and empty homes and there is the private renting legislation. Taking a view that every property is potentially a home would allow us to drive forward more change. However, we think that the timeline that the Scottish Government is proposing for things such as compulsory sale orders, compulsory purchase orders and compulsory rental orders and how to mobilise the properties that are void in the private sector is too long. We would like to see that timeline accelerated, especially in the upcoming housing bill.

Katy Clark: Thank you. Gavin Smith, do you want to come in on that?

Gavin Smith: Just for clarity, ALACHO was not represented on that particular group. We co-chaired the temporary accommodation group with Shelter, but the prevention group was led by other people.

To echo what Gordon MacRae said, there is latency in the sector of long-term empty homes. There are dynamics in the private rented sector, but the answer is about investment—in the shorter and longer term—in the use and supply of social and affordable housing.

Katy Clark: My next question is directed to Nicky Brown and Jim McBride. In the longer term,

the Scottish Government plans to introduce a new statutory prevention duty. How do you envisage that impacting on demand for temporary accommodation?

Nicky Brown: In our engagement with civil servants so far, we have been indicating that it would have an impact on temporary accommodation services and on the level of demand on our staff who provide housing advice and homelessness assessment.

In comparable areas, which Jim McBride referenced earlier, where similar action has been taken to put wider responsibilities on partners, we have seen an increase in the immediate term of referrals to homelessness services. As an organisation, while we are incredibly focused on prevention and welcome the long-term benefits of this, we are concerned about the initial demand over the relatively short to medium term in relation to an increase in both homelessness preventions and the seeking of housing advice.

Jim McBride: I echo what Nicky Brown said. My anxiety is probably more around what happens once the legislation is introduced in relation to how we have to communicate and work with stakeholders. However, I can understand why people would feel that the easier option would be just to refer to homelessness services—or, in Glasgow's context, to health and social care connect—for advice or prevention around homelessness, rather than necessarily trying to provide some guidance themselves to prevent it even coming towards homelessness services for advice and guidance.

It is certainly welcome in the long term. The only thing that I can equate it to is the introduction of adult support and protection, until that settled. Once things settle, it should be easy to route to where folk feel that the expertise and knowledge are, rather than it necessarily being a discussion around somebody's homelessness or housing circumstances.

Gordon MacRae: I encourage MSPs to look at the financial memorandum that comes with the housing bill, because it is difficult to see how the prevention duty would be delivered within existing resource. In recent history, as we have been discussing today, there has been an expansion of duties on local authorities but a reduction in capital and revenue. That is the single biggest problem that we are facing.

The Convener: Thanks very much, Katy Clark and Gordon MacRae. That concludes this evidence session. Thank you, all, for attending. I will briefly suspend the meeting to allow the setting up of the next agenda item. Thank you once again.

10:10

Meeting suspended.

10:15

On resuming—

Social Security Scotland

The Convener: Welcome back. Next is an evidence session with Social Security Scotland, which will explore its performance and operation. Some members of the committee, including myself, had the opportunity to visit Social Security Scotland at its headquarters in Dundee earlier in the month. We found that visit very informative, and it will provide useful background to this session. I welcome to the meeting Gayle Devlin, deputy director for health and social care; Ally MacPhail, deputy director for strategy change, data and engagement; and James Wallace, deputy director for finance and corporate services. Thank you very much for joining us today. Ally MacPhail, I believe you would like to make a short opening statement.

Ally MacPhail (Social Security Scotland): Thank you, convener. As you referenced, I am deputy director for organisational strategy and performance. With me today are Gayle Devlin, deputy director for health and social care, and James Wallace, deputy director for finance and corporate services. You referenced the visit, and most of the committee members have probably already met us in different settings. I would like to set out for the record David Wallace's apologies that he cannot be here today. Obviously, he wanted to attend and support this session.

We were very pleased to be able to welcome some of you to our headquarters in Dundee a couple of weeks ago, and we are glad that you found it useful. From a personal perspective, I found it a very informative session. The Cabinet Secretary for Social Justice attended our committee session last week, and I was interested to hear the discussion in that setting. More generally, I welcome the committee's continuing interest in social security.

I will make a few brief opening remarks—I promise that I will not take long. It has been just over six months since Social Security Scotland last appeared before the committee. During that session, as well as highlighting achievements, David Wallace, our chief executive, was open with members in discussing some of the challenges we faced and the actions that were taken to address them.

The latest statistics for our disability benefits show that we have made real progress with our processing times. We processed more applications for adult and child disability payment in the last quarter than in any period since the benefits launched. Since launch, more than

137,000 people were getting adult disability payment, with around £462 million paid out in cash. More than 71,000 children and young people were receiving child disability payment, with £400 million being paid out for that benefit. We believe that those payments are making a real impact. We are delivering disability benefits differently, in line with our values and our charter. One of the differences in our service is how we evaluate the impact of people's condition on their daily lives. It is pleasing that our health and social care operations were awarded the policy into practice award at the 10th annual Holyrood Communications Scottish public service awards, in recognition of their work in integrating health and social care professionals into the civil service.

Social Security Scotland is unique in employing qualified nurses, social workers and allied health professionals as civil servants while allowing them to retain their professional registrations. The skill and experience of our health and social care professionals is vital in generating a complete picture of our clients' needs when they apply for disability benefits. We are seeing an increase in applications for our benefits supporting low-income families, and they continue to be delivered effectively to those who need them.

In November, we successfully launched the pilot of our 14th benefit, carer support payment, and, from February, the eligibility for best start foods will widen. It is estimated that a further 20,000 people will be eligible, which will mean more applications coming into the organisation.

In the middle of December, winter heating payments started. Our internal data, which was published on 9 January, indicates that over 230,000 heating payments have been made to date, and those payments continue. Over 30,000 child winter heating payments have also been issued. Those payments will continue to be made and are based on information supplied by the Department for Work and Pensions.

With the recent budget announcement, we recognise our responsibilities for the important work that we do, with the support of our colleagues and the Scottish Government, and that we have ahead of us as we continue to administer benefits to the people of Scotland effectively, with dignity, fairness and respect.

I will make a couple of final remarks. Of course, there is work still to be done, but we are very pleased that our recent client survey showed that 94 per cent of people rated their overall experience of receiving benefits as good or very good and that 93 per cent of our clients continued to feed back that they were treated with kindness by Social Security Scotland.

We look forward to answering your questions.

The Convener: Thanks very much. On behalf of the committee, I pass on our regards to David Wallace. Congratulations on the award that you have received—very well done to you and the team for that.

We will now move on to questions, and I will invite some of the members in. The first question is on the theme of operational expenditure, and I invite John Mason in.

John Mason: My apologies—I did not make the visit to Dundee. I was very keen to come, but, unfortunately, something happened that stopped me.

On the question of your operational expenditure, I think that you have been within budget for the past few years, which is commendable. Can you tell us where you are in the current year, 2023-24, and how you see the budget for operating costs in 2024-25?

James Wallace (Social Security Scotland): I need to make a couple of points. I think that our budget management is good. In its most recent audit report on Social Security Scotland, in 2022-23, Audit Scotland remarked in its key findings that we have effective and appropriate arrangements to secure sound financial management, so I take a lot of assurance personally from Audit Scotland around our financial management processes.

Our financial management is fairly agile—it has to be. We pay a lot of attention to our in-year management of budgets, and our budgets are subject to risk. We are the back end of a large, agile programme to implement the systems and processes for social security, or our part of social security, in Scotland. That creates uncertainty. Over the past few years, Social Security Scotland has grown at a very significant pace, which has given us a particular risk around staffing. There was a period, four years ago, when we had 500 staff, I think. We have pretty much doubled in size every year, which creates huge budget uncertainty, particularly in the context of when we set budgets.

The Scottish Parliament is considering the budget for 2024-25 in January 2024, but the work that Social Security Scotland does for the Scottish Government to inform the budget usually happens in the summer. So, we were basically setting a budget in the summer of 2023 that we potentially will not be spending until the back end of 2025—18 to 20 months away from the point at which we will spend that money.

This year, there will be some amendments to our opening budget through the spring budget revision. They are planned amendments, and the main element in the documentation is the transfer of money to the social security programme. We began the 2023-24 financial year with money that

was allocated for improvement to our systems and processes. We have spoken to the committee about that before in the context of supporting improvement in performance times, protecting our operation and continuing to develop it. We work very closely in partnership with the social security programme, as you would expect. Instead of standing up a new digital implementation programme, we will transfer that money to the social security programme in the Scottish Government, which will deliver on our behalf against the priorities of the social security family, as we call it. You will see that partnership working in our budgets.

There is one other change that you will note in the 2023-24 budget. It is as a result of negotiation by the social security programme—again, that partnership working with the DWP—against our formal agreements budget. It has negotiated a saving—I think that it is £4 million—against the amount that we would have spent on formal agreements. That is a very real saving that has been negotiated, and you will see that come through our budget.

Looking forward to next year—

John Mason: Briefly, if you would. We have a lot of questions.

James Wallace: Sorry—absolutely. Looking forward to 2024-25, we are satisfied that the budget will sustain our operation and allow us to continue to do the things that we need to do: the launch nationally of the carer support payment, the launch of the pension age winter heating payment, preparing for the launch of the pension age disability—

John Mason: Okay. To follow up, do you have a target for what percentage of the benefits you pay out should be used in your costs? I looked at the DWP website, and I think that around 3 or 4 per cent of its benefits are operational costs. Is that also your target?

James Wallace: It is not, because our benefits are very different. The largest benefit by value that the DWP administers is the state pension, and it is a very easy benefit to administer. You come on at pensionable age and you go off when you unfortunately pass away. The state pension is fairly easy, and our benefits are not like that. Adult disability payment, child disability payment and carer support payment are complex benefits.

John Mason: I accept that things are changing at the moment and that you are taking on new stuff, so it is quite hard, but should there not be some kind of target? Otherwise is there not a danger that costs will run away with themselves? We look at charities and say that, if they are spending 10 per cent on admin, there is something wrong.

James Wallace: I quite agree. Social Security Scotland is very aware of its responsibility under the Social Security (Scotland) Act 2018 to deliver value for money. Value for money has three components: the economy of our operation, the efficiency of our operation and the effectiveness of our operation. The type of measure that you describe is a measure of economy only; it is not a measure of value for money. I would caution against using that as the only measure to assess the financial performance of the organisation.

John Mason: Do you have a benchmark?

James Wallace: We do, and we have published it. The social security programme business case outlines our estimate of what the same benefits cost the DWP to administer, and we estimated that to be 6.3 per cent of benefit expenditure. That is a Scottish Government prepared estimate. It is not a figure that DWP publishes, but it was prepared by some very clever analysts using figures in the public domain. Our estimate in the programme business case was that we would probably, in a steady state, be at around 5.2 per cent of benefit expenditure. I should caution, however, that that is not to say that we will be cheaper than the DWP. That is not what I am trying to say.

John Mason: All that I want is a figure, so that, when you come back next year, I can ask, "Have you matched the 5.2 per cent?"

James Wallace: Absolutely. We are on track.

The Convener: Thanks very much. I believe that Jeremy Balfour wants to come in with a supplementary.

Jeremy Balfour: Just very quickly, convener, on a couple of things. As a committee, we have looked previously at the number of contractors that you use. I think that there are about 3,800 full-time equivalent staff. How many of them are contractors? I did not visit Dundee last week, but I have been twice. Can you tell us how many of the desks in the Dundee office are used daily? How much are people working at home compared to being in the office? It is a large office.

James Wallace: It is. I will cover the contractors point first. I would need to write to you with the specific number of contractors, Mr Balfour, but I can tell you that the contractors in Social Security Scotland have been working primarily in our chief digital office. They are coders, business analysts and business architects—people with hard-to-recruit skills—and they are people we have struggled to get, given the competition for those types of digital skills. If our chief digital officer was here today, he would tell you about the programme he has been running, working very closely with the people services in our organisation, to swap out contractors.

Jeremy Balfour: We have only an hour. If you would write to me, that would be helpful.

James Wallace: Sorry—I will do.

The Convener: We are perfectly happy to accept something in writing.

Jeremy Balfour: And the Dundee office?

James Wallace: I would need to get you a specific up-to-date figure on that, but, in our hybrid working policy, we propose that staff spend two days a week, on average, in the office. We have accommodation across our estate for roughly 1,500 people, and you have cited our staff number. That is why we have gone for the two-day hybrid policy—we have no intention of expanding our estate. I can get you a specific figure.

Jeremy Balfour: If you could let me have that, that would be helpful. Thank you.

James Wallace: I will do that.

Ally MacPhail: On how we work slightly differently now, I know that the temptation is to look at desk utilisation, but that is probably not how the organisation is pivoted post-pandemic. Yes, a lot of people come in and sit at a desk to do their job, but we also have an awful lot of people who will come in and collaborate. We use the collaborative spaces that you would have seen when you were in Dundee. We also have a lot of people using the downstairs meeting spaces to meet with stakeholders, so a snapshot of how many people are sitting at a desk at any point in time is probably not representative of how many people are engaging with us in our office environment. It is a measure, but it is perhaps not the only measure of how successful we are with the hybrid working that James Wallace has referenced.

10:30

The Convener: We will move on to processing times. Paul O’Kane has some questions.

Paul O’Kane: Good morning to the panel. The committee has been particularly interested in waiting times. In June last year, David Wallace told us that he hoped that, by the end of summer 2023, average processing times for child disability payment would be “under the 80 mark”. The statistical releases for September show that that was still being missed, by about 26 days—the figure was at about 106 days—although the figure subsequently came down in October, to just over 80 days. Can you give us the most up-to-date picture of whether that under 80-day target that Mr Wallace outlined is being maintained?

Ally MacPhail: It is worth saying that there will always be a lag between what we can publish and what we are seeing through our management

information. When we spoke to you in the summer, we were at the beginning of a journey of improvement. An awful lot of what we spoke to you about then was about the improvements that we were keen to put in place and about being an organisation that was growing in its capability and confidence and ultimately, hopefully, that seeing its way through into productivity improvements. We are working through that journey, and it is pleasing to see that our productivity is increasing. Unfortunately, I cannot quote management information to you but, internally, we are seeing positive signs that the increased confidence and capability of our staff is feeding through to increased productivity in processing benefits.

Of course, that is not the only measure. The holistic client experience and client outcomes are important, too, but I absolutely hear what you say about the wait times. Unfortunately, I cannot give you a different number from the one that is in the public domain, but, if it gives assurance, I can say that we are seeing improvement, through the metrics that we use internally in our management information, in how that is feeding through into productivity.

I do not know whether there is any specific information that you want.

Paul O’Kane: Are you confident that the numbers will continue to fall and remain below the 80-day mark when we are provided with the next set of management information?

Ally MacPhail: They are trending in the right direction. I am hesitant to say that 80 days is the number that we will hit in the next publication, but we are trending in the right direction.

Paul O’Kane: What has been most effective or has made the most difference in the work that has been done to bring down the wait times?

Ally MacPhail: I will invite Gayle Devlin to say a couple of things. I again stress what we said in June about having brought an awful lot of brand-new people—hundreds of people—into the organisation and having to upskill them on what, as James Wallace said, is an incredibly complex set of benefits. We are now 18 months, in certain instances, into that journey and our staff are much more capable and confident and are better able to run through the processes. Naturally, that has got to us to a better place on productivity, and that will flow through to our organisational performance. That point should not be undersold or lost in the narrative about improvements to systems and various other things. I am not saying that those things are not important, but it is worth mentioning that the organisation is still young and is still building its capability.

Gayle, is there anything more that you want to say on the specifics?

Gayle Devlin (Social Security Scotland): I think that you have covered most of the points, but I would add that there is no one single piece of improvement that impacts—we take a multidisciplinary approach. Using our in-house health and social care team is particularly supportive for faster decision making and for making the right decision. The professionals in that team are integrated into the operational environment, and colleagues are learning about the complex disability benefits that we deliver and the decisions around those.

We have also listened to feedback. The committee members who visited Dundee will have seen that our colleagues and the professionals share information with us to improve the flow of supporting information to the organisation. We have made changes to the application form to support that, too. We are able to flex staff in the particularly busy periods much more pragmatically than we have done in the past. We are concentrating on deploying health and social care expertise in the right places at the right time in the overall decision-making journey.

Paul O’Kane: On the point about developments that have been made, particularly with the adult disability payment, we know that there have been challenges with information from clients coming in quickly. What improvements have been made in that process to ensure that, if somebody has information, they share it as quickly as possible?

Gayle Devlin: We offer several pieces of guidance and support. Our local delivery colleagues are very active in the community in every local authority area in supporting clients to provide that information. On the application form, we have improved the details on what good supporting information looks like—I think that we mentioned that to the committee when we were here previously. We have made significant inroads into that. There are also relationships with teams in local authorities who work in education and healthcare settings, and with welfare rights advisers, which are about supporting clients in bringing forward information.

We have a range of initiatives and have made improvements to allow us to gather that information and support our clients in providing the right level of information.

Paul O’Kane: Thank you.

Jeremy Balfour: One of the changes that we were going to make was that, rather than the claimant having to get the information, the agency would get it. Part of that was about general practitioner reports, but there was concern about whether GPs would respond quickly and whether the amount that you were paying for each report

was enough. Will you update us on that? Is part of the delay because GPs are taking longer to reply?

Ally MacPhail: One of the things we spoke about during the visit to Dundee was the interface between us and GPs, and it is probably worth reflecting on that. That has been significant for us, because it gives us a secure exchange of data. That is not new technology that we put in place; it was already used in the healthcare sector to enable GPs to exchange data with hospital services. That has been helpful for us, but we have been on a bit of journey with it, in terms of how we use it and how GPs interact with us through that. We have done an awful lot with practice managers and GPs to make sure that they understand how that is best used, the information that we need and how we can best communicate. We have done an awful lot on that engagement piece.

It has been an evolution. Since launch, a lot of what we have done has been a journey of continuous improvement to understand what we need, how we best obtain it and how we best use that and engage with stakeholders, such as GPs, the social care sector and third sector providers, to best provide that. You referenced the fee that we now provide to stakeholders, which has been helpful. It has improved.

Jeremy Balfour: Can you give us some figures? Going back to Mr Mason's point, this is difficult for us as a committee. I say nicely that that was a very good civil servant's answer, but I am not sure that I am any further forward. Can you tell us what the situation was like two years ago, last year and this year, so that we can see the improvement, and what your target is for next year? It is difficult to know from what you have said so far. Yes, there is improvement, but is it half a day better or is it substantially better?

Ally MacPhail: To clarify, are you asking about the time that it takes for the exchange of information and the success rate of that?

Jeremy Balfour: Yes.

Ally MacPhail: I do not have that information to hand, unless one of my colleagues does. We can potentially follow up on that with a note that provides further context.

Jeremy Balfour: Okay.

I suspect that you will probably need to write to us on the next area that I want to ask about. Another change that we were going to make was to have much less requirement to have individuals come in to be assessed medically. What percentage of people who make a new application or have been transferred from personal independence payment are now being examined?

Ally MacPhail: I do not know the figures on that consultation piece. Do you have that information, Gayle?

Gayle Devlin: I do not have the specific figure, but I can share it with the committee in a written note. However, it is a very small proportion. The system was not designed to automatically go to a face-to-face consultation. As you know, that was designed very much with our clients in the service design process. A very small proportion of our clients undertake a face-to-face consultation. They can request that, but our first port of call is to assess the information that they give us and make a decision on that before we move to a consultation.

Jeremy Balfour: If we could have the numbers, that would be helpful.

Gayle Devlin: Yes.

Roz McCall: Hello, everyone—it is nice to see you again. Thank you very much for the great visit the other week.

I will be blunt: why does it take longer to process child disability payments than it takes to process adult disability payments? It is a very simple question.

Ally MacPhail: I should start by saying that we are giving the same attention to, and putting in place the same improvements for, child disability payment as we are for adult disability payment. They are different but, when it is appropriate to do that, we are doing it. Similarly, we see encouraging signs on productivity and on the confidence among staff—I spoke about that earlier, so I will not labour the point.

We are working to understand the case load better and how it differs from adult disability payment. To be open, we have a slightly higher number of complex older cases in the child disability case load—those are cases where we need to work through certain issues before we can make a decision and potentially a payment thereafter. There are issues such as identifying and confirming parental responsibility, which clearly can be challenging in some instances. While we are doing that, we continue to engage with our clients, so it is not as if we are doing it and leaving them in a vacuum. We actively engage as we work through that, but, understandably, it can take some time.

That is one example. I do not know whether Gayle Devlin wants to add something on the differences between the child and adult payments.

Gayle Devlin: The simple answer is that disability benefits are complex and child disability payment is no different. It is a complex landscape and we have a duty to consider all the information with which we are provided and that we collect.

We can, and often do, collect that from a broad range of sources.

Child disability payment is quite dissimilar to adult disability payment in some cases. We collect information, or in some cases our clients give us information on behalf of their child, from multiple professionals across education and schools, clinical and medical professionals, mental health specialists and community services. It is our absolute obligation and duty to consider all of that information, and that takes time. We need to make a proper assessment of the impact on the daily living needs of a child.

Roz McCall: My next question follows on from that. The committee has concerns about getting information through the GP gateway process. There needs to be a movement towards making sure that the numbers come closer together, because we want to make that process as smooth as possible. The more information you have to gather and check, the more important it is to make sure that the communication streams work in a timely manner.

How are you making sure that we can move forward in a way that will bring those numbers together? Is there anything that can be done to ensure that the information that you are getting is properly assessed but quicker, and that you can get the information that you need from external sources as smoothly and as quickly as possible?

The Convener: I will just intervene here. On the committee's visit to Dundee, we discussed the SCI—Scottish care information—gateway process. An action point that I suggest for the committee is to write to the Cabinet Secretary for NHS Recovery, Health and Social Care about primary care and GP services using the SCI gateway network. I do not think that it is incumbent on Social Security Scotland to push forward that agenda. I suggest that we write to the health secretary to ask him to look into that and consider how we can incentivise GP services to use that process consistently.

10:45

Roz McCall: I understand that. My apologies, convener, if my question was not put in the correct way. I accept that we have concerns with the GP gateway—we are agreed on that. I was thinking that, when Social Security Scotland is getting additional information that is not from a health process—from education, for example—I hope that that is as smooth as possible. That is what I was referring to, rather than the gateway process. I am happy with your suggestion, convener, but we should also ensure that education and other parts of government are aware of the need for a smooth process.

The Convener: I am happy to do that if that issue is highlighted within social security. Ally MacPhail is welcome to comment on that.

Ally MacPhail: That is helpful, convener.

I want to say that, in the improvement work that we are undertaking, we have not put child disability payment to the side—we are giving it the same priority and attention as we are giving adult disability payment. We are giving the same due care and attention to how we upskill our staff to get through the process and support our clients and to interrogating what we can do to streamline the process and work with various stakeholders and providers of supporting information to make the process as easy and efficient as possible. With child disability payment, that is just taking that little bit more time because of some of the complexities that we have discussed. However, please be assured that we are prioritising that work.

Roz McCall: Can you share any initial reflections on processing carer support payment applications?

Ally MacPhail: The carer support payment pilot started as planned at the end of November in three local authority areas: Dundee City, Perth and Kinross and the Western Isles. On initial reflections, in the first update that we provided through management information on our website, which I think was published at the end of December, 160 applications had been received at that date, 55 had been processed and 25 payments had been made to clients.

Obviously, the numbers are very small at this stage and we are continuing to see the applications flow through. It is a pilot and, as with any of the benefits that we have launched, we are taking applications, processing them and engaging with clients as we do that to learn the unique needs relating to their circumstances, but we are also speaking to our colleagues with experience in the social security programme and in a policy context about how we can move the pilot towards a national launch.

There is not a whole lot that I can say other than it is going well for the small numbers that we have seen to date.

Roz McCall: I hope that, as time progresses, we will get additional information.

Ally MacPhail: We can certainly update you.

Roz McCall: Thank you.

The Convener: On the theme of communications with clients, I will bring in Paul O'Kane.

Paul O'Kane: The committee is interested in the challenges in people getting support and advice—in particular, on the telephone. There

seem to be stubborn and persistent issues with telephony, year on year. Do you recognise those persistent issues? Can you give an overview of what more has been done to address them?

Ally MacPhail: On persistency, we continue to work to improve our services. So, to be completely honest, I disagree with and challenge slightly the idea that we should categorise issues as “persistent”. We have made real progress since the last time we discussed the matter, when we set out some of the improvement actions that we were putting in place, particularly around telephony. In our client feedback, seven in 10 said that they feel that it is easy to contact people within the organisation, eight in 10 feel that they are receiving the right level of communication, and around nine in 10 said that their experience of the overall application process has been positive. On the point about holistic services, I think that that speaks quite positively to our clients’ view of how we are engaging with them.

Telephony is probably at the core of the question that you are asking. We have embedded changes in the way that we handle calls, which has improved real-time monitoring of call volumes. We are much more responsive now in how we deploy our resource. I think that it is fair to say, from our management information, that we are seeing the benefit of that across all our benefit lines.

As you would expect with any organisation of our nature, such things are key metrics that we monitor, and key things that we engage with our staff on, in management of performance. How we engage with our clients and our clients’ ability to engage with us are absolute priorities for us. That is the lifeblood of what we do.

I will challenge a little the idea that we have persistent issues, because we have made real strides forward. I do not know whether my colleagues want to add anything.

Gayle Devlin: Yes—there is a point to make about real-time data. We now have telephony dashboards, and David Wallace mentioned last time at committee the ability to deploy our planning team to address variations in demand. That is embedded now, and we have real-time alerts on the telephony system, which allows our planning team to direct additional more flexible resource. We have more people trained for phone calls who are adaptable and flexible in order that we are able to work with busy queues and can track peak demand. We hope that that comes through in improved call-waiting times. It looks as if it is improving our internal information.

Paul O’Kane: It would be useful to the committee to have that information as soon as possible, because I think that we can say that,

across 2022-23, there have been persistent issues. If that situation has improved and there is data to show that, it would be useful to see it.

Can I ask about partner agencies?

The Convener: Yes—if the question is quick and concise. I am conscious of the time—we still have quite a lot of members wanting to come in with questions. Thanks.

Paul O’Kane: Okay. I will wrap this up into one question if I can.

Partner agencies have real challenges in getting through—they have said that in the survey work that you have done—and I am keen to know what has been done on that. The other issue that I want to raise is that, as MSPs, we do not have a dedicated line that our offices can contact when we receive issues from constituents. The DWP has such a line. What consideration has been given to that?

Gayle Devlin: I will pick up on the point about partners contacting on clients’ behalf. We have updated our guidance regarding client representatives for our client-facing colleagues and have published that guidance on our corporate website. There is lots of guidance on client representation now, including third-party representation. We have shared that right across our stakeholder groups. The information was published in October or November last year.

We acknowledge that welfare advisers have faced difficulties with delays, so I am sure that the new guidance will support them much more clearly in respect of what they can contact us about on behalf of a client.

Ally MacPhail: I will pick up on the point about MSP calls. We have available a line for MSPs and constituency workers to contact us on. Some of the feedback that we have had recently has been around whether we can accept email for direct correspondence. We are able to do that in certain instances through our chief executive mailbox. That is only in certain instances, so we are actively looking at that.

Paul O’Kane: Thanks for the clarity. It was email that I was referring to. That is helpful.

The Convener: I invite in Katy Clark, who is joining us remotely.

Katy Clark: What is Social Security Scotland doing to ensure that all client-facing staff know how to refer clients with disabilities to VoiceAbility advocacy services?

Gayle Devlin: We have produced internal guidance for our client-facing staff that provides details on the advocacy service and how it supports people with disabilities to access and apply for our benefits. The guidance also provides

details on how to make a direct referral to VoiceAbility via an online referral portal. Client-facing staff will, when it is appropriate, raise awareness of that service for clients on the phone.

Katy Clark: Are you convinced that that is working well? Do you see any problems?

Gayle Devlin: We continue to work with policy officials. VoiceAbility is a contract that is managed by our Scottish Government colleagues, but our own local delivery teams interact with VoiceAbility. VoiceAbility interacts with our stakeholders quite significantly, and we have seen clients being referred to it through third-party partners, too. One hundred per cent of referrals from Social Security Scotland and others went forward to become cases in the last quarter.

Katy Clark: Thank you.

The Convener: We move on to case transfer, on which I invite Jeremy Balfour in.

Jeremy Balfour: From the figures, I think that there were 350,000 cases in total to be transferred from the DWP to Social Security Scotland. I declare at this point that I am on personal independence payment and am waiting to be transferred. My understanding from your figures is that 74,785 cases have been completed, which leaves 275,000 roughly to be completed by the end of next year. From my basic arithmetic, that means you will have to transfer 13,750 cases a month to reach that target. Will you do it?

Ally MacPhail: There is probably reference in the Scottish Parliament information centre briefing to an Audit Scotland report that expresses some concern about that. We have moved on quite a bit since that report was written and have taken on board some of the recommendations.

In total, about 700,000 individuals are transferring into our system. Of course, we will check that. If I have that wrong, we can write to you and confirm it. We are prioritising safe and secure transfer, and we are absolutely on track to do that by the end of 2025, as per the plans that we are working on with the DWP. That is not to say that the work is not significant and not complex, or that we have not had some challenges that you would expect in a huge interface of data between two Government departments. We have learned from those challenges. Every time we have done that, we have iterated and continuously improved what we do.

The volumes that we are transferring monthly now are much greater than they were for, say, the child disability payment. Child disability payment case transfer is complete. Case transfers for all the support payments are going well and transfer is going according to plan. Arrangements are in

place to start the transfer of carer support payments—I think, from this month.

Jeremy Balfour: Again, it would be interesting to get the figures. Could you give us a breakdown in writing of the monthly transfers for the past 12 months and what you expect will be the number of monthly transfers for this calendar year? How many are you expecting to transfer in February, March, April, May, June, and so on? You say that you are on target, but, from the figures that we have, it looks as though, if you continue at the pace that you are going at at the moment, you will fall well short. I presume that there will be an improvement over the next 18 months. I am interested in seeing how you are modelling for those 18 months with all the other work that you have as well.

Ally MacPhail: That is fine. The modelling of that and the technical support around it are probably for our Scottish Government colleagues in the social security directorate to address, but we can clarify some of that and put it in a note to the committee if that would be helpful.

The Convener: That would be really helpful. On estimating levels of fraud and error, I invite Bob Doris in.

Bob Doris: Good morning.

My understanding is that levels of fraud are relatively low, as far as we know, but there will have to be robust processes and procedures in this country soon anyway, because the legislation will require Social Security Scotland to request that clients provide information for audit purposes. How does the agency intend to use the new powers, proportionately and appropriately, to help to estimate client-induced fraud and error?

11:00

James Wallace: As part of my responsibilities in Social Security Scotland, I look after counter-fraud and error. I will mention a response to an Audit Scotland recommendation that has been made over a number of years. In fact, I think that I have spoken to the committee about the recommendation, which is that we need to understand the levels of fraud and error in our case load.

We had started work on that back in 2020, then Covid happened and all our analyst resource was pushed on to other priorities, as one might expect. That was required. Post Covid, we have those analysts back and have started work on producing the methodology to prepare the statistical estimates. They will be statistical estimates, not a deterrent to fraud and error. It will be an audit process to understand our case load and what

statistical estimates of fraud and error in that case load might be.

As things stand today, we rely heavily on DWP-prepared statistics. As Mr Balfour touched on, we are engaged in case transfer. Social Security Scotland did not make the decision; the DWP made the decision, so its rates of fraud and error will apply to the Social Security Scotland case load post transfer then, over time, our rate of fraud and error, which might be different from the DWP's, will enter our case load. It will take a number of years for that to happen as the stock of cases flows out of eligibility and new cases flow in—

Bob Doris: I apologise for cutting across you.

James Wallace: That is okay.

Bob Doris: I suppose that we will get a bit more detail at a later date anyway, but can you give an example of the client information that you might require, not to interrogate an individual but in order to use their data to get a feeling of what fraud looks like among agency claimants more generally? Can you give me an actual example? Then we can move on to the next question.

James Wallace: The key point is interaction with the client. There is a key difference between a measure of official error and a measure of client-induced error or fraud. We must speak to the client because we will have data in our system that might not be current. It might not have been updated by the client in previous years, so we need to speak to the client to understand whether what they told us two years ago or five years ago or 10 years ago is still the case. The Social Security (Amendment) (Scotland) Bill will allow us to interact with the client.

Bob Doris: Will that be done proportionately and respectfully, and will it be a reasonable request to make of the client?

James Wallace: Absolutely. Other benefit organisations make such requests. It is the only way of measuring fraud and error, because clients would otherwise self-select out, but the values of dignity, fairness and respect will run right through the process and no one will lose eligibility as a result of being in a sample. The agency's existing processes will apply.

Bob Doris: In the year ahead, we will see completion of the roll-out of the carer support payment, following the pilot. We will also see new pension-age benefits being introduced. I am conscious that the case load for pension-age winter heating payments will be around 1 million claimants. That is far in excess of any other benefit that Social Security Scotland has had to cope with. I am not casting any aspersions, but it is reasonable for us to ask: are you prepared for that, are you confident and is planning going well?

Ally MacPhail: That is probably something on which, to give full assurance, we would like to provide written advice if that would be helpful.

It is worth saying specifically that the pension age winter heating payment is not an application-based payment. We have experience from the past—specifically of the winter heating payment. It is the obvious example. There has been an awful lot of learning. The case load that you mentioned is a big number, but so was the case load for the winter heating payment.

We have experience of processing such payments. We have been able to do that successfully; this is the second year in which we have been doing it. Planning is on-going—it is probably not happening directly with us at the moment but is more in a policy and programme context relating to some of the technology. If doing so is fine with members, we propose to write to you on that.

Bob Doris: We would welcome that, Mr MacPhail. I take it from your comments that you are making the point that, although the scale is substantial, the complexity does not give you any concerns at this stage.

Ally MacPhail: I am not downplaying the complexity of anything that we do, but the work is a known entity. So, although it is a big number, we understand how we will deal with it and we have plans for how we will do so.

Bob Doris: Thank you.

The Convener: We will now focus on how you can improve your systems. I call Marie McNair.

Marie McNair: I have some questions about how cases are processed, and they also relate to the issue of redeterminations, which I have previously pursued with you. How are any emerging terminal illness cases that are identified as part of the transfer process dealt with, given that the award under ADP can be more generous than PIP?

Gayle Devlin: Are you talking about redeterminations? I am sorry—can you just clarify the question?

Marie McNair: I will be following up with that, yes, but my first question is about terminally ill cases.

Gayle Devlin: That are transferring.

Marie McNair: Yes, they are transferring, so they are obviously picked up for the transfer process.

Gayle Devlin: Absolutely. I do not have that information to hand right at this minute, but I am happy to update you in a written note if that would be acceptable.

Marie McNair: That would be really helpful. We would be interested in seeing that.

As for redeterminations, how many unsuccessful decisions are ending up in redetermination and appeal? Again, if you do not have that figure, can you write to the committee with it? I would be very interested in that.

Gayle Devlin: I actually do have that figure. According to our latest publication, 13.5 per cent of first decisions reach a redetermination, with a smaller percentage reaching appeal thereafter.

Marie McNair: We all believe in a human rights approach, and obviously a redetermination and appeal process will be a strong part of that, but it has been suggested to me that Social Security Scotland is acting in a way that deters claimants from pursuing a challenge to negative decisions. Can you comment on that? If that is not the case, can you talk us through how claimants are being assisted in pursuing their redetermination and appeal rights?

Gayle Devlin: Absolutely. A redetermination form is included in all of our first decision letters, so all our applicants and clients who get a decision letter also receive information on how to apply for a redetermination and an appeal thereafter. The letter also signposts clients to support that can be accessed not just on our corporate website but through Citizens Advice Scotland and other stakeholders.

Every client who receives a first decision letter gets those details. Thereafter, a dedicated redeterminations team can support the client through the conversation, and we also have regular phone contact with our clients during redetermination and appeal.

Marie McNair: It might be helpful to take this issue up with you offline.

Gayle Devlin: Okay.

The Convener: I think that that concludes our questions for today, unless—*[Interruption.]* I see Jeremy Balfour. Did you want to come in with a supplementary, Jeremy?

Jeremy Balfour: I have been well behaved, convener.

The Convener: We have a bit of time in hand.

Jeremy Balfour: I will be very quick.

I want to go back to a previous issue that I was interested in but that we moved on quite quickly from—your client surveys. We, as MSPs, get only the bad news, and Twitter is perhaps not the best place to look at what is happening. How do you decide who gets to fill out an assessment of how you did? Is it a random selection? Obviously, your figures are very high with regard to people being

very pleased with your services, but how do you choose people to fill out the forms?

Ally MacPhail: As I understand it—again, I will clarify this if I am wrong—everybody gets the opportunity to do that. Anybody who goes through the process gets the opportunity at the application stage and, I think, at the decision stage to feed back on their interaction with us and on their experience of us an organisation. We do not discriminate and send that sort of thing only to certain individuals—that is not the case.

Jeremy Balfour: Okay. Thank you.

The Convener: Does that conclude everything? *[Interruption.]* Ah, right—Camilla Kidner from SPICe would like to come in. Did you want to comment? *[Interruption.]* My apologies—there was a bit of confusion there.

Could Social Security Scotland give examples of the type of system improvements that are being prioritised in your on-going strategy, particularly with regard to the SPM case management system?

Ally MacPhail: Absolutely. I can say something about that.

I will not get into the technical detail but, just in very broad terms, we have in recent system releases focused on automation, where possible, to reduce manual workarounds. We have also taken steps to improve accessibility to benefit client experience in our internal systems but predominantly in our online platforms for disability benefits.

Beyond that, an awful lot of stuff goes on behind the scenes that is quite technical in nature but that enhances the system infrastructure and security to ensure that what we are doing remains critical and safe. That system security and infrastructure piece is critical—indeed, I am sure that we will all have seen the various recent press reports about cyberattacks—and we do an awful lot on that through the course of the year. That stuff does not get seen—to be fair, it is only natural that we do not shout about it—but there is an awful lot of work in that respect as we continuously improve our systems.

I do not know whether that is what you are looking for. It might not be the most exciting answer, but it is the reality of what we are doing.

The Convener: I imagine that the priorities will change, depending on what benefits are coming through and what is transitioning. How often do you look at that? Is that one of the KPIs that you look at regularly?

Ally MacPhail: In that system development piece, we work with our colleagues in the social security programme on the main releases of

technology that, because we are an organisation that is moving forward and expanding services, are quite often focused on the next thing that we need to deliver.

What I think that you are talking about is the continuous improvement cycle. We do that iteratively by engaging, whether through client panels, our own people or in forums such as this, and the feedback that we get helps us to prioritise the actions that we will take and the budget that we will spend on continuous improvement activity. I go back to my example of reducing manual processes and bringing in automation. Clearly, we are doing that not just to drive efficiency and improve performance but to support our staff in using our systems in a more efficient, better and job-enriching way.

The Convener: The Audit Scotland recommendations also highlighted the issue of technical debt. Can you give a clearer idea of the scale and nature of that issue at the moment? How are you addressing it?

James Wallace: I will take that question, convener, if that is okay.

Technical debt is a consequence of agile working, and expediting delivery will have consequences down the line. Usually we will know about them, and the way in which we address the matter—this builds on what Ally MacPhail has just said—is through our continuous improvement process.

As I have already said, we work very closely with our social security programme colleagues. We have a single prioritised backlog of the things that we wish to do in the future, and any technical debt or other type of improvement that might be identified—say, future automation—is added on to that backlog, which we then work through jointly.

It is an on-going process. As we still have benefits to transfer, we will probably not have a real sense of the totality of technical debt until we are through that finalised process of devolution. However, we certainly understand it, and that understanding is continuing to evolve all the time.

The Convener: Thank you very much. I believe that Bob Doris has a small supplementary, but I would just say that I am conscious of the time.

Bob Doris: It is a minute supplementary, convener, and it was inspired by your own question.

The convener asked about systems improvements that are prioritised. We have a large workforce in Social Security Scotland, a lot of whom moved over from the DWP and took the opportunity to put in place new innovations. What role does the workforce have in suggesting innovations and systems improvements? After all,

they are the ones who are at the coalface and who have to deal with the reality of how the systems work. Anything you can put on the record about that would be quite helpful.

Ally MacPhail: As you would expect, and as with any organisation, that continuous improvement and staff feedback cycle in relation to what we are doing is absolutely embedded. Yesterday, I was speaking to our chief digital officer, Andy McClintock, who has been very visible about owning that and will be doing what I think he is calling staff roadshows over the next couple of months. Even at that level, he is hearing directly from staff about what they are doing, about how they are engaging with the systems and—just to be completely open—about some of the challenges that they might be facing in engaging with that. That cascades all the way down with regard to how we want to engage with the issue as an organisation.

Bob Doris: Thank you.

The Convener: That concludes our questions, and I thank you all for attending.

That concludes the evidence session and our public business for today. We now move into private session to consider the remaining items on the agenda.

11:15

Meeting continued in private until 11:40.

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