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Social Justice, Housing and Local Government Committee

Comataidh a’ Cheartais Shòisealta, Taigheadas agus Riaghaltas Ionadail

Wednesday 23 September 2026

Session 7

The Scottish Parliament
Pàrlamaid na h-Alba

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SOCIAL JUSTICE, HOUSING AND LOCAL GOVERNMENT COMMITTEE
4th Meeting 2026, Session 7

CONVENER

*Craig Hoy (Dumfriesshire) (Con)

DEPUTY CONVENER

*Thomas Kerr (Glasgow) (Reform)

COMMITTEE MEMBERS

*Steven Bonnar (Uddingston and Bellshill) (SNP)
*Gary Bouse (Falkirk West) (SNP)
*Kate Campbell (Edinburgh Eastern, Musselburgh and Tranent) (SNP)
Mark Griffin (Central Scot and Lothians West) (Lab)
*Morven-May MacCallum (Highlands and Islands) (LD)

*attended

THE FOLLOWING ALSO PARTICIPATED:

Michael Davidson (Scottish Fiscal Commission)
Edel Harris (Independent Review of Adult Disability Payment)
Chirsty McFadyen (Fraser of Allander Institute)
Dr Hannah Randolph (Fraser of Allander Institute)
Dr Eleanor Ryan (Scottish Fiscal Commission)
Craig Smith (Scottish Action for Mental Health)

LOCATION

The Adam Smith Room (CR5)

Scottish Parliament

Social Justice, Housing and Local Government Committee

Wednesday 23 September 2026

[The Convener opened the meeting at 09:30]

Pre-budget Scrutiny 2027-28

The Convener (Craig Hoy): Good morning, and welcome to the fourth meeting in session 7 of the Social Justice, Housing and Local Government Committee. We have received apologies from Mark Griffin.

Without further ado, we will turn to the first agenda item. We have two panels of witnesses giving evidence on pre-budget scrutiny for 2026-27—pardon me, it is for 2027-28—which is of critical importance in the first year of the parliamentary session.

We are pleased to welcome Michael Davidson, who is the head of social security and devolved taxes, and Dr Eleanor Ryan, who is a commissioner, at the Scottish Fiscal Commission. We also welcome Hannah Randolph, who is an economic policy analyst from the Fraser of Allander Institute. The committee has determined that we will take pre-budget scrutiny evidence with a focus on social security and, specifically, the adult disability payment. As it makes up a significant portion of the Scottish Government's budget, it is critical that we capture your evidence on that.

Before we turn to the specifics of social security and ADP, I will ask a general question. The backdrop to the United Kingdom budget is very challenging and, as a consequence, the Scottish budget looks to be equally challenging, particularly given the potential for a £5 billion black hole.

There are storm clouds on a number of horizons. This morning, a warning was sounded to the UK Government and all Governments about the cost of borrowing and the need to curtail public expenditure off the back of that. We have a new Prime Minister, who has said that

"national security cannot come at the expense of social security."

However, the real economy and the realpolitik could determine that that position will have to be revisited.

What are the risks to the UK budget that could flow into the Scottish budget and create potential risks for Scotland's current level of social security spending?

I will take each witness in turn, starting with the Fiscal Commission.

Dr Eleanor Ryan (Scottish Fiscal Commission): Good morning, convener. As you would expect, I will end up saying that we will have to wait and see—but in slightly more detail than that.

We are aware of the Government's defence investment plans. It has set out only part of how that will be funded, but it is all capital expenditure. We do not yet know what other major shifts there might be—we are following the signals, as you are.

If there were moves towards defence spending or the equivalent, it would not impact the Scottish budget, because it is a purely reserved spending area and there are no Barnett consequentials. If other spending that is equivalent to devolved spending were to be cut, those cuts would be passed down through the Barnett formula. We do not yet know what that will look like or whether we will see any of those impacts. Other choices are open to the UK Government for how it might fund additional spending.

The Convener: The pressures on the Scottish Government budget have been laid out by other organisations, including yours, in the past. At this point in the 2026-27 budget—I had to correct myself earlier —where do you think that we are? Are the pressures intensifying, or do you get the impression that things are easing off?

Dr Ryan: The outlook is still very challenging. Some additional funding became available to the Scottish Government in the current financial year—2026-27—as a consequential from the special educational needs debt write-off for local authorities in England. That money will land in this financial year. There is almost no funding for the same policy in 2027-28, but there will be additional funding in 2028-29. It has a strange profile, which will create some additional challenges for the Scottish Government.

The resource block grant was already looking flat in real terms across the financial year. Because of the additional funding in this financial year, there is now a significant dip in real terms going into the next financial year, so there are some challenges for the Government in managing the profile. The overall economic outlook remains very challenging, which will of course impact on tax revenues—both UK and Scottish.

We are here to talk about disability spending and social security spending and pressures that may come. In its public service reform plans, the Government has set out a lot around efficiency savings, workforce reductions and big savings to come from the national health service. We are really keen to see an update soon on how any of

that is going, because those plans were to help ensure that the budget is sustainable in the long term.

Dr Hannah Randolph (Fraser of Allander Institute): Specifically on ADP and social security spending, if the UK Government chooses to make the cuts to personal independence payment—PIP—that it has indicated that it may want to make, that is a devolved area of spend and that will have direct implications through the block grant for the Scottish Government and the budget. Therefore, it would be nice to see an indication from the Scottish Government about whether it has some sort of back-up plan in mind in case that happens in the UK budget this autumn.

Another thing that the Government has discussed—but has not made any announcements on how this would impact Scotland—is an intention to remove the work capability assessment from universal credit and replace it with the PIP assessment. Obviously, in Scotland, we no longer have the PIP assessment; we have the ADP assessment, which is quite different. We have not heard any answers yet about how that would work in Scotland, such as whether an ADP assessment would be accepted in place of the PIP assessment.

That would impact people in Scotland who are claiming universal credit and it would potentially have some implications if, for instance, the UK Government says that it will not accept the ADP assessment. The arrangements for that would have to be made between the Scottish and UK Governments, so we are not sure about that. That is specifically on ADP spending.

The Convener: I do not know who would want to come in on this, but I want to capture this point for the record. There were obviously predictions about the way that the adult disability budget was going to progress, in the number of new applicants, the number of people that would be removed from the benefit, and the disparity between what is spent in Scotland and in the rest of the UK.

Some of the more dire warnings about what was happening in Scotland versus the rest of the UK do not appear to be materialising. How is the profile of that expenditure comparing with how we might have thought about it two or three years ago when the benefit was first devolved and we saw the initial trends in relation to ADP?

Dr Randolph: Initially, the authorisation rate of ADP applications was quite high compared with the authorisation rate for PIP. However, there were a few reasons for that, which we might have expected, as people transitioned from PIP to ADP in Scotland. For example, one reason is simply that people who were already on PIP and transitioning over to ADP were likely to have pretty high authorisation rates.

Those initially high rates have come down and they look much more similar to those in the rest of the UK. For new approvals, the rate is something like 35 per cent. The concerns have therefore abated somewhat, and I believe that the SFC can speak a bit more to the exact gap—I think that it has brought down its estimates of spending over time.

Michael Davidson (Scottish Fiscal Commission): We first produced our costing of ADP relative to PIP in August 2021, which was before the UK-wide rise in demand.

If we look at the overall level of spending on ADP, it is higher in 2026-27 than we thought in August 2021 that it would be. However, what has happened is that the extra bit is smaller, and we think that that is because the unexpected rises in PIP at the UK level have eaten into the difference between the two. There is not a ceiling, but that extra bit is smaller, if that makes sense.

We have seen the trend across the UK. That is based on the deterioration in health and on demographic changes, which have led to overall rises in the PIP case load alongside ADP. That means that spending and the Office for Budget Responsibility forecasts on PIP have increased, which results in an increase in funding through the block grant adjustment. We revised down the spending forecast, not relative to the August 2021 forecast but in subsequent ones, once we had the latest data.

When the adult disability payment was launched, there was a spike in applications, which built in a higher case load. Since then, the trends for ADP and PIP have become more aligned, and they seem now to be growing at similar rates. We estimate that, in 2026-27, spending on ADP will be about £200 million higher than the block grant adjustment funding. Over the five years of our forecast, up to 2030-31, we think that the gap will grow to £290 million, but, when we made our forecast in August 2021, we thought that the gap might grow to £500 million, so it is smaller.

The Convener: How concerned should we be that spending on ADP and PIP—or on disability benefits, if we want to use a generic term—is still rising year on year? With a finite budget or, in the Scottish Government's case, a fixed budget, there is the capacity to spend that money only through tax rises or cuts in other areas of expenditure. In the past, those cuts have been made in areas in which spending could, arguably, bring down poverty—for example, housing and employability. What is the risk to both Governments if they cannot reduce the percentage of the overall budget that is

spent on social security, specifically disability benefits?

Dr Ryan: As you have outlined, the risk is that other parts of the budget will be squeezed or additional funding will need to be found through borrowing—although that cannot be done indefinitely—or tax increases.

There are pressures in different directions. As Hannah Randolph pointed out, the UK Government might seek to reduce spending on PIP, but the early indications from the review that is taking place do not suggest that that is a likely outcome. Given that so much of the Scottish Government's funding is driven by the fiscal framework and the block grant, the decisions that are taken at the UK level are a big factor, so it is important that the Scottish Government thinks about what the UK Government might decide and is ready to respond to significant shifts in UK policy.

Dr Randolph: It is important to consider the counterfactual: what would happen if that money was not spent? That is not to say that the current allocation is the best it can be and should never be changed, but the funding cannot be cut without there being consequences. It is important to keep that in mind.

This committee also covers local government. Cutting disability benefits could have knock-on effects on other services, particularly housing and employability services, for example, that are left to local government to deal with. As you all know, local government is also under a lot of pressure, so I would be cautious about trying to balance the Scottish budget at the expense of future service expenditure. Members should be aware of what the consequences might be and where those consequences might show up in future spending.

Gary Bouse (Falkirk West) (SNP): Good morning. I know that we will be talking about a number of things on the financial side, but, on the personal side, disability benefits are very important to the people who require them. In relation to case load increases across the UK, to what extent is the increase in the number of people getting disability benefits simply a reflection of increased need, or is it driven by increasing levels of disability?

I have three questions that tie together, so it might be easier if I ask them all together.

09:45

This is the second question. There are obviously cost of living pressures at the moment, and that may have encouraged people who are entitled to these benefits but had not previously claimed them to do so. Do you think that that is part of it? I know that councils have been encouraging people to claim unclaimed benefits.

In addition, other factors such as the design of disability benefits might contribute to the rising case loads across the UK—for example the change from disability living allowance to the personal independence payment may have had an impact. Has the move away from face-to-face assessments made a difference, too?

Sorry—there is quite a lot in there, but I thought that it would be better if I tied the three questions together.

The Convener: Who wants to go first? Dr Ryan?

Dr Ryan: Okay. I think that the first point was on financial need versus disability.

Gary Bouse: Yes.

Dr Ryan: There is slightly conflicting evidence on that. We all expected, and I think that we all have a sense, that cost of living and budget pressures might be a factor. Those aspects may cause people to think a bit harder about their situation, whereas they may have managed without something in the past.

The research that the Scottish Government commissioned on that aspect did not reach any firm conclusion, but the Timms review suggested that it might be a factor in the UK with regard to PIP, so "maybe" is probably the best answer that I can give.

We think that greater awareness raising and the launch of ADP itself as a new benefit, with all the stuff around that, probably have been a factor in increasing the number of applications from people who did not claim before but are potentially entitled to benefits.

I do not think that I can comment on benefit design; I do not know whether Michael Davidson wants to say anything about that.

Michael Davidson: I will comment more on the ADP side, as we looked at that when we first produced the costings in August 2021.

The Scottish Government made a decision, in designing the adult disability payment, to make it more accessible by providing more ways to help people with the application and more application channels, and by generally giving more support. That was one of the factors back in 2021 that led us to think that spending on ADP was going to be higher than it would have been on PIP. In looking at the trends in applications and inflows, we think that that has transpired.

On the other side, there is the review process for the adult disability payment. When someone has been on an award for a certain amount of time,

they are reviewed to ensure that they are still receiving the right amount of payment. That was previously called light touch, although I think that that terminology is no longer being used. When we look at the numbers, we see that a far lower proportion of people who undergo review for ADP have that award ended than was the case with PIP, although the proportions for PIP are coming down quite a bit as well. There is something in the design of the payment that is a factor.

Gary Bouse: To come back a little on that, do you agree with the conclusion of the Timms review more than the other review? You mentioned that the Timms review said that more people who are entitled to the benefit are now actually claiming it.

Michael Davidson: I can come in on that, and it is a question of the evidence.

A Scottish Government evidence review in February this year looked at what has caused disability claims to rise. That itself was a review of existing evidence, and it did not find any conclusive proof with regard to the cost of living crisis. The Timms review was an evidence review based on research that the Department for Work and Pensions had undertaken, so it covered only England and Wales but we think that the conclusions apply to Scotland as well. That review found that the cost of living was a factor, because when people in England and Wales on low incomes were seeking advice, they were, to a certain extent, directed to apply for PIP.

As you said, the cost of living link is there. People may be eligible based on a condition but unaware that they might be eligible, and when seeking advice on their finances more widely, they are directed to make an application for the adult disability payment.

Dr Randolph: That is certainly true—both factors are important. There is a sense that, since the pandemic, health has gotten worse. There may also be a role played by people having greater awareness of disability or a better understanding that the things with which they are struggling constitute a disability.

As the others have said, for ADP especially, the Scottish Government had a big campaign to spread knowledge about the benefit and to help people to claim it, so that can play a role as well. In addition—as you said, Mr Bouse—the worse economic conditions and cost of living pressures mean that people who are already entitled to a benefit are more likely to be seeking that out.

That is supported by previous research by the Institute for Fiscal Studies, which found that when certain conditions in the social security system had changed—for instance, if universal credit got a little less generous—people were more likely to then take up an existing entitlement to a disability benefit to make up some of that loss. There is some evidence to support that kind of argument.

Kate Campbell (Edinburgh Eastern, Musselburgh and Tranent) (SNP): The discussion so far has been very interesting. Michael Davidson, you said that spending on PIP in England rose unexpectedly while, at the same time, the cost of ADP was not as high as had been predicted. I am interested in your view. Is that because the trends are actually tracking much more evenly across England and Wales and across Scotland, or are there other factors that meant that you did not see an unexpected rise in the number of claims for ADP?

Michael Davidson: When we talk about a forecast, we talk about the UK-wide factors. We would say that the health factors are common in both areas. Looking beyond disability payments, data from population surveys shows that the level of disability prevalence is rising both in Scotland and in England and Wales, so that is a factor for both PIP and ADP. As we spoke about, there is also the cost of living factor, which we think applies in both areas.

The final factor, to go back to the health aspect, is that the population is ageing a bit. Even though only working-age people can apply for PIP and ADP, the working-age part of the population is getting older, and there are higher rates of people aged over 50 receiving the payments. When there are more people in that group applying, the case loads go up. Those are common factors both in England and Wales and in Scotland.

At the same time, the adult disability payment was launched in Scotland, so there is still a difference there. However, it is quite difficult to try to untangle those three factors in Scotland, because they all came at the same time after Covid, along with the cost of living pressures.

Kate Campbell: I am trying to understand. Obviously there are factors around how the benefits are designed, but do you think it likely that the demand for ADP in Scotland will track along a similar level as was the case for PIP in England and Wales?

Michael Davidson: Based on our forecast, if we compare it with the Office for Budget Responsibility's forecast for England and Wales, over the next five years, the figures look as though they are broadly in line. We have not looked at that in detail, though, so I would not want to comment further on the OBR forecast—

Dr Ryan: It is important to remember that we are starting from a higher base, so the case load in Scotland is still higher. The gap between the overall spending in Scotland and the funding that

is then received from the UK Government towards it has come out a bit narrower than we had been forecasting right at the start.

However, although the gap might not be growing quite as much as we had thought it would at an earlier stage, it is still there and we are still forecasting that it will grow. Therefore, we have to bear in mind that health and demographics in Scotland are not in our favour with regard to the adult disability payment.

Kate Campbell: I am quite interested in what Hannah Randolph has said about the costs of not paying. Is any work being done on what such costs might look like? Obviously, there are pressures on budgets, but you could in some ways consider ADP to be preventative in that it might prevent the need for critical services further down the line.

Dr Randolph: I have seen no specific work on ADP and, I guess, its preventative benefit, but one place where you might look and engage with any work that is being done is the Scottish Government's prevention unit. It has been doing a lot of work on preventative budgeting and has been trying to explore how that can be brought into the budgeting process in Scotland. It has the potential to look at spending on ADP, for example, and say, "This is helping to prevent X amount of spending down the line in other areas, so this much or that much should be spent on it." You could also choose a different policy and evaluate what it might mean for other service demand.

Kate Campbell: Thank you. That was helpful.

The Convener: I have a question for Hannah Randolph, about the balance between spending on social security and spending in other areas that could be deemed preventative. The Tony Blair Institute for Global Change has said that people diagnosed with conditions such as mild depression or attention deficit hyperactivity disorder should not be eligible for cash benefits; it argues that those should be classed as "non-work-limiting" conditions, and that, rather than money, the people in question should be offered support such as improved housing, employability schemes or faster access to treatments. Would that be an alternative route? Has any modelling been done on whether spending what is a significant—and growing—amount of money on mental health social security payments might be the wrong route, and on whether the money could be better spent elsewhere?

Dr Randolph: On the aspect of whether a condition is work limiting, a lot of the information will have to come from the person themselves. One finding that has come out of the Timms review is the variation, across different conditions and over time, in what individual people feel they are or are not able to do, and it has been emphasised that PIP is not particularly flexible in responding to changes in people's abilities. I suspect that the second panel will have more interesting things to say on that point; I do not have a view on whether a particular condition should be excluded, but I think that the issue should be looked into to see what support people need. Many people would argue that financial support is very important, but many other forms are likely to be helpful, too, and some combination would help a lot of people by, for instance, supporting them into work.

The Convener: I will bring in Thomas Kerr.

Thomas Kerr (Glasgow) (Reform): My questions have been answered, convener, so I am happy for you to go to someone else.

The Convener: Okay. In that case, I call Steven Bonnar.

Steven Bonnar (Uddingston and Bellshill) (SNP): It is the transition periods that have accounted for the rise in ADP assessments, which have now levelled out. If Scottish policy is improving uptake among eligible people, should higher expenditure initially be regarded as policy failure or as evidence that unmet need is now being addressed?

Dr Ryan: When you look at the percentage of successful applications, you will see a couple of things going on. First of all, your success rate might be based on the number of applications that you receive; you might have been very successful in raising awareness, and therefore get a very high number of applications. However, the approval rate might well come down according to the number of applications that are then approved. A lower approval rate does not automatically mean that something bad is happening; it might just mean that you have been very good at raising awareness and that a lot of people have chosen to apply.

Steven Bonnar: Do we know anything about the characteristics of, and eventual outcomes for, people whose applications are refused at the initial decision stage? How can we forecast that fiscally and accompany it with indicators such as redetermination rates, appeal outcomes and financial circumstances of people who are unsuccessful?

10:00

Michael Davidson: That is a tricky one. We are conscious of that issue and try to factor it into our forecasts. I have the numbers here. In the last full year, the initial success rate for applications for adult disability payment was down to 34 per cent. When the payment was introduced a couple of years ago, that rate was above 50 per cent. What we do not know is how many people who are

unsuccessful go on to submit a successful future claim. We look at the redetermination and appeal statistics, too, just to ensure that we are capturing the proper number of successful applications, but we would not really look beyond that at what happens with unsuccessful applications.

I mentioned people whose award is stopped at award review. In 2025-26, only 2.5 per cent of people who had an award review had their award ended. That is for adult disability payment in Scotland, whereas, in England and Wales, for PIP, it was 11 per cent. We have speculated about it before, but we wonder whether the situation in England and Wales is that people whose PIP award ends reapply and come back in as new applications. With adult disability payment, it may be that, rather than having their award stopped, people with less severe conditions continue to receive ADP without having to reapply.

Steven Bonnar: Are newer applicants more likely to lose support because their circumstances are different or because they are now being assessed differently? How sensitive is the spending forecast to relatively small changes in the proportion of awards reduced, or indeed ended, at review?

Michael Davidson: I had a number on the sensitivity somewhere in my papers, but it is not quite to hand.

Steven Bonnar: Six per cent of ADP clients had their award reduced or ended at review, but the figure was 13 per cent among newer clients undergoing planned reviews.

Michael Davidson: Our assessment of why you see that in the figures would be that people who have been case transferred from PIP may have had more severe conditions or been receiving the payment for longer. They are perhaps reviewed less frequently and their conditions are less likely to have changed, whereas the more recent ones could involve less severe conditions and perhaps people with lower awards, who are more likely to have fluctuations in their conditions. They are initially eligible but, when they are assessed, they are found no longer to be eligible.

The Convener: Hannah Randolph, have you any comments on that?

Dr Randolph: No, I have nothing to add.

The Convener: One issue, which I think Mr Davidson alluded to, is in respect of what was once described as light touch. It relates to the entry into ADP and the relatively low number of people who are coming off it.

One of your colleagues, Professor Ulph, put it to the Finance and Public Administration Committee that, at one point, the figure in Scotland was 2 per cent at review, whereas in the UK it was 16 per cent. That gap may be narrowing, but it strikes me that there are still data black spots in relation to these benefits, both on the number of people who are receiving ADP—who may or may not be in work—and on the number of people reapplying and those who may come off the benefit and go back on to it again. What would you encourage the Scottish Government to do to address those data black spots that could mean that, by the time we get to 1 million Scots being on this benefit, at a cost of £7.3 billion, we have a greater understanding of the forces and drivers underlying it?

Michael Davidson: We get all the data that we need—what we would call the core data—from Social Security Scotland, which is really helpful in informing the forecast.. We get that on a quarterly basis.

However, you are right: there are some areas, more broadly, that would help us to understand the trends. Because we have the core data, it is about the team at the Fiscal Commission liaising with Social Security Scotland to see what is feasible when it comes to its data systems, and working out together how to solve the challenges of areas in which we are missing evidence. It is about understanding those longer-term trends and what might be behind them, because, sometimes, they involve data beyond what would be collected to administer the payment—for example, as you said, on employment. We would be interested in that area, but I am not sure what stage things might be at with Social Security Scotland.

The Convener: Yes, it seems to be somewhere between the DWP and Social Security Scotland. However, I assume that it cannot be beyond the wit of man to say on the form, “What is your employment history for the last six to 12 months, and how do you project it moving forward?” That would, perhaps, give a greater level of understanding of whether that benefit is aiding people into work, which is a core mission.

Hannah Randolph, I do not know whether you have any thoughts about data.

Dr Randolph: I echo the point about Social Security Scotland doing a good job with the resources that it has. If there are particular questions that are felt to be crucial to understanding ADP and what it is doing—reflecting that through having more information about the case loads and how people are coming on and off—that probably needs to be put in a pipeline in Social Security Scotland, which will need to ensure that it has the resources to provide that data. In what it provides publicly, the quality of the data is very good and it is very useful.

The Convener: That is good to hear.

Morven-May MacCallum (Highlands and Islands) (LD): Thank you very much for your contributions so far, which are much appreciated.

The block grant adjustments are forecast to cover 97 per cent of disability benefit spending by 2030. I am curious to know, how exposed is the Scottish budget to changes in PIP spending in England and Wales?

Dr Ryan: Sorry, I did not quite hear the last part.

Morven-May MacCallum: I was asking, how exposed is the Scottish budget to changes in PIP spending in England and Wales?

Dr Ryan: I have caught it now. If there were significant policy changes in relation to PIP, the Scottish budget would be exposed because of the way in which the block grant adjustment is calculated. However, that could go either way. If PIP were made more generous, or more people were likely to be on it, that would have a positive impact. However, that is perhaps less likely. A reduction in PIP would reduce the funding that is available to the Scottish Government.

It is also about what is going on underneath—the demand. Supposing that the policy remains the same, will the trajectory of demand across England and Wales continue to be similar to that in Scotland? That is always the harder part to unpick. We can understand the policy shifts to some extent and, hopefully, forecast what their impact will be. However, we are always trying to understand what is going on in Scotland relative to what is going on in the rest of the UK, because of the way in which the fiscal framework works.

Morven-May MacCallum: In September 2025, Audit Scotland said:

> "the Scottish Government does not have a clear strategy in place to manage risks arising from … UK decisions on benefit spending".

Do you agree with that analysis and are you aware of anything that has been put in place since then?

Dr Ryan: I do not know what strategy the Scottish Government may have in place. Having transparency on that would be good. If the Government felt that it could say a bit more about the options that it sees and how it might deal with different scenarios, that would always be very helpful and welcome, and we would encourage it to do that. However, I cannot say categorically whether it has a strategy. It will have thought internally about what it might do.

Morven-May MacCallum: If the PIP block grant adjustment were to fall, what options would realistically be open to the Scottish Government, and what are the potential trade-offs?

Dr Ryan: There are many potential trade-offs. Overall, because the Government in Scotland cannot borrow for resource—day-to-day—spending, which includes social security spending, other than in very technical circumstances, it has choices of cutting its social security or other spending, or raising tax. Those are the options. Within each of those, there are many possibilities, but that is it. There is no borrowing-to-plug-the-gap option.

The Convener: To turn to the broader landscape, we identified at the outset that we think that future budget settlements will be challenging. For example, next year, there is a £700 million negative tax reconciliation. There are real pressures on the Scottish budget, which could be added to, so there is a strong financial case for the Government to look at social security expenditure.

A public opinion issue is now developing, in that a polling of more than 4,000 adults across the UK, including Scotland, suggested that 54 per cent of people believe that the welfare system is too easy to access and does not do enough to prevent misuse. There has been an issue in the Scottish Government in that about £36 million has been claimed through fraud or overpayment and has not yet been recovered, and there appears to be a dispute between DWP and the Scottish Government. There is a live debate, therefore, about the future of the benefits system in Scotland.

One potential area would be to look at means testing ADP. The Government says that that benefit is demand led and that it assists people into work. However, granularly, what other potential options would be open to the Scottish Government to look at how to bring down the cost of that benefit, which, as we said, is projected to reach a significant number of billions of pounds by the end of the decade?

Dr Ryan: We would not generally comment on policy choices for the Government. Our job is—

The Convener: —to crunch the numbers.

Dr Ryan: —to understand what the policy is, then forecast what the Government might choose to do.

Dr Randolph: It is important to keep in mind that PIP and ADP are both additional cost benefits. They are meant to cover the additional costs of disability, rather than replace earnings, so they do not engage the same argument for means testing that other benefits do. For instance, there are means-tested incapacity benefits that are meant to partially replace earnings for people who are not able to work because of their health or because of a disability. The purpose of ADP is to cover the additional costs that arise. That may have the impact of helping someone into work—in particular, through covering additional costs that

are associated with their accessing work—but that is not the primary purpose of the benefit.

Different choices could certainly be made to limit who has access, which could involve means testing or limiting the extent to which younger people could claim—age-limiting—which has been talked about in relation to PIP There are many policy options within that, but I encourage the keeping in mind of the additional-costs element, as opposed to the position with other, means-tested benefits.

The Convener: When the Cabinet Secretary for Social Justice and Housing was before us, it was put to her that the benchmarking and data that the Government has for assessing the additional costs that people with different disabilities face is not yet properly baselined or modelled. When I asked Shirley-Anne Somerville what additional costs might be experienced by somebody who suffered from mild anxiety, the one example that she came up with was that, potentially, they might have to use other forms of transport because they might not be able to travel on crowded public transport. However, independent commentators have still said that, particularly in relation to mental health issues, the Government has not yet come up with definitive numbers on additional costs. Would you encourage greater modelling and greater assessment of that?

Dr Randolph: It would be useful to understand the additional costs. I know of planned research. Every year, a group at Loughborough University produces a minimum income standard for the UK, looking at different regions, and it is planning some work specifically on the additional costs of disability, to produce a minimum income standard for disability. I am interested to see what could come out of that work and whether that gives us a better idea of how those costs vary across different conditions and so on.

Another example in relation to anxiety might be needing somebody to accompany you to places, which means paying for two people's costs.

10:15

Steven Bonnar: The established forecast is of a £202 million shortfall—I think that everyone accepts that. The abandoned UK proposals could have widened that gap to around £770 million. What level of PIP-related block grant adjustment would create a genuinely severe and difficult choice for the Scottish Government, and should its contingency plans explicitly set out how current recipients and new applicants would be protected if UK reforms reduced Scottish funding?

Dr Ryan: I do not think that I can give an number or a line beyond which the gap would be a problem. It is a continuum, obviously, and the bigger the number, the harder the pressure is to manage. I am sorry, but I have forgotten the second part of the question.

Steven Bonnar: Should the Government's contingency plans set out in explicit detail how existing recipients and new applicants would be protected if UK reforms really began to bite here in Scotland?

Dr Ryan: It depends what your contingency plan is going to be. Your contingency plan might be that you protect social security benefits—

Steven Bonnar: I would like to think so.

Dr Ryan: —and that you have therefore identified other areas where you would make cuts. That could be a contingency plan, but, equally, your contingency plan could be to change something about social security eligibility. It depends what the plan is, but I agree that it would be helpful to understand what the impact would be on people in receipt of benefits. That would be an important part of it.

The Convener: As we go into the budget preparation period, the Scottish Fiscal Commission will be working closely with the Government, and the Fraser of Allander Institute will be looking closely at what is going through the sausage-making machine for the next budget. A lot of store is being placed in public service reform in relation to social security and Social Security Scotland. At what stage will we start to see numbers from the Scottish Government for the savings that might flow from key public service reforms?

Dr Ryan: You will need to ask the Government, but we have suggested that it would be helpful if the Government were to say something about the progress in this financial year at its autumn budget revision and then set out its longer-term view, with a revised view of the multiyear picture, when it sets out its budget in December. We would like to see updates on that sort of timescale, but you will have to ask the Government what it plans to do.

The Convener: We asked the Cabinet Secretary for Public Service Reform that last week. I think that the figure for this year was £531 million—

Dr Ryan: Yes, it was something like that.

The Convener: —and I asked him how much of that had been banked and delivered, but he could not give me the answer. We could be in a situation in which the Government does not realise those savings, which would have negative consequences for future years' budgets.

Hannah Randolph, do you have any closing thoughts on the public sector reform programme, because that is a potential downside risk that could

affect the Government's ability to continue to spend on social security at present levels.

Dr Randolph: Like the SFC, we have communicated to the Scottish Government, the Finance and Public Administration Committee and the Public Service Reform Committee that we would like to see the specifics, ideally with this budget, of where the Government has got to with the plans that were announced in its document, "Scotland's Public Service Reform Strategy—Delivering for Scotland". The appendix to the document laid out all the numbers and where it hoped to make efficiencies, so it would be nice to see the same table with an update showing what has been achieved and what has not. I do not know whether it is realistic to expect that this year, but it would be useful.

The Convener: With a process as large as restructuring the health boards—which could present an issue in relation to social security expenditure, if, for example, treatment pathways are not there—should we realistically expect the Government to start putting pounds, shillings and pence numbers against the programme, rather than simply saying, "We're doing it because we need structural reform"?

Dr Randolph: We would need to see more specific plans for what is intended before anyone could start putting monetary amounts against it. Ideally, that is where we would get to, so that we can understand exactly where the reforms are creating efficiencies, fiscally and for service users and citizens—understanding how people interact with public services, local authorities and health boards and whether the reforms are making things easier for them. Eventually, it would be nice to see the pounds and pence as well as the evidence that the process represents fundamental public service reform and not just an adjustment.

Dr Ryan: A significant proportion of the £1.5 billion of public service reform efficiency savings that the Scottish Government mapped out in January is due to come from health, so, at a minimum, we want to see whether the profile of that has changed as a result of the planned structural changes. Structural changes often have an up-front cost, even if they lead to savings in the long run, so we would want to understand whether the profile shifts as the plans are made more detailed.

The Convener: That is super. Thank you for joining us. I will suspend the meeting to allow for a change of witnesses.

10:21

Meeting suspended.

10:32

On resuming—

The Convener: After our brief suspension, I am pleased to welcome to the meeting our second panel of three witnesses on pre-budget scrutiny of disability benefit spending. Joining us virtually is Edel Harris OBE, chair of the independent review of adult disability payment. We are joined in person by Chirsty McFadyen, knowledge exchange fellow at the Scottish health equity research unit, and Craig Smith, public affairs and policy manager at Scottish Action for Mental Health. I thank our witnesses for joining us today.

I am sure that you heard about the parameters of our discussion in the previous session. In this session, we will probably go more into the policy-related detail and bring in lived experience, but I want to kick off by putting on the record a quote from Sir Tony Blair. In relation to mental health, which we should bear in mind represents a growing and significant proportion of the claims for adult disability payment, Sir Tony said:

> "We need a proper public conversation about this because you really cannot afford to be spending the amount of money we're spending on mental health".

He also said:

> "I think we have been very, very focused on mental health with people self-diagnosing … We're spending vastly more on mental health now than we did a few years ago, and it's hard to see what the objective reasons for that are … the ramp up of that just in these last few years has been dramatic."

Sir Tony was criticised by some stakeholders for those remarks and for a report prepared by his institute, but I think that it chimes with a growing body of public opinion—I mentioned a YouGov poll earlier—that is questioning the levels of expenditure on social security, particularly disability benefits.

I will bring in Edel Harris, first, to respond to those remarks and to set the scene. Why has the number of disability benefit claimants risen and to what extent do we know the causes of that increase or of any potential remedies to reduce expenditure—or, at least, to arrest the increase—if such knowledge is, indeed, desirable and achievable?

Edel Harris OBE (Independent Review of Adult Disability Payment): Good morning, and thank you for accommodating my attendance via Zoom.

Just before I try to answer your question, I would like to point out that the report of the independent review of adult disability payment came out in July last year. Although I am pretty confident that the principles—and my answers to your questions—will still be relevant today, some of the data and

statistics used in the final report, which I am sure you have seen, will have been updated since then.

I am not sure that I have very much to say in response to Tony Blair's statement—I heard it at the time. When I was conducting the independent review, I met many people with mental health conditions who took part in and engaged actively with the review, and there were also people with lived experience on the advisory group that supported the review's completion. I am sure that you know these things already, but it is worth stressing that having a diagnosis of any medical condition, long-term condition or disability does not equal access to or eligibility for adult disability payment. In other words, having a mental health condition does not, in and of itself, mean that you are necessarily eligible.

Indeed, a whole part of my review looked at the eligibility criteria, recognising that this really is a once-in-a-lifetime opportunity for Scotland to take a different approach and to have a world-leading human rights-based approach to supporting disabled people who need additional resources. A lot of people with mental health conditions took part in the review, and their voices, stories and experiences have been captured. Other than that, I do not really want to make any comment on the statement by Tony Blair.

As for the reasons for the increase, I would point out that we have seen an increase in the number of people receiving disability benefits not just in Scotland but across the whole of the UK. I know that the numbers differ and I can talk about that, if that would be helpful. When I conducted the review, the potential drivers in demand for and the increase in disability payments were really complex, and I did a lot of research and tried to find out what evidence was available to me at the time.

Without any doubt, the cost of living crisis has had an impact. The report placed quite a lot of weight on the economic pressures that disabled people are facing, and that financial strain seems to have driven more individuals with pre-existing or worsening health conditions to seek out additional support to offset their living costs.

You have already referred to this, but there has been a significant and sustained increase in applications related to mental health conditions and behavioural disorders. That trend accelerated rapidly following the Covid-19 pandemic, which is something that we again see mirrored in the stats from the rest of the UK.

There was a suggestion, when I was writing my report, that NHS waiting lists and healthcare backlogs were a factor in the increase in applications and that, because of delays in their receiving medical diagnosis or treatment, more people were having to live with worsening or unmanaged chronic health conditions. However, I noted towards the end of the report that the Scottish Fiscal Commission had revised its assumptions in that regard and had moved away from including NHS waiting lists as a potential reason for the increase in the number of applications. Obviously, there is a question mark about that.

Finally, on why the trends are different in Scotland, the adult disability payment pilot took place in March 2022, with the launch of the payment itself in August 2022—a few years ago now—but my report noted that the transition to what was seen and perceived as a much more compassionate and accessible application process caused a sharp increase in claims. Indeed, you can see that when you look back at the figures.

When we compared the number of people in receipt of adult disability payment with those in receipt of PIP in England, we saw that the numbers started to diverge at the beginning of the pilot, in March 2022, and that they widened further when ADP was launched nationally, in August 2022. That was the impact of the changes that were made by the Scottish Government—not, this time, to the eligibility criteria, but to the way in which people were treated with dignity, fairness and respect. The Scottish Government also has a maximising take-up strategy, which I do not believe that the DWP has for PIP, and, most important, a different approach to reviews.

All of those things have had an impact, particularly the different approach in Scotland to carrying out reviews, which are described as "light touch reviews". The result has been a decrease in the number of people exiting the case load because of that more light-touch approach compared to the approach in the rest of the UK.

The Convener: There is a lot to come back on there, but I will bring in Craig Smith and then Chirsty McFadyen on the original question before I bring in my colleague Thomas Kerr.

Craig Smith (Scottish Action for Mental Health): First, thank you so much for having me to give evidence to the committee.

In relation to mental health, the key point for us is that there has been an increase in the prevalence of poor mental health. That is clearly demonstrated if you look at the latest Scottish census, which shows the proportion of people with mental health problems increasing faster than any other kind of disability group or group of conditions. In the most recent census, 11.3 per cent of people stated that they have a mental health problem compared to 4.4 per cent back in 2011. Particularly among young people, there has been a five-times increase in the rate. We believe that that is real.

We absolutely respect what Tony Blair said, and a lot of the debate, particularly around the increase in case load in relation to mental health and social security. However, we work from the premise that there has been an increase in the prevalence of mental health problems. Why that has been the case is very contested. Edel Harris touched on that. We have seen an increase in poor mental health particularly post-Covid. However, there has also been the role of the cost of living, which predates Covid. The relationship between poverty and mental health is key and cyclical, and it contributes to the increase in poor mental health problems.

In relation to social security, it is really important to focus on eligibility. There is often discourse around people with mild depression or mild anxiety accessing ADP or PIP, but we do not necessarily see that or see the evidence for that. The eligibility criteria for ADP are very clear. People have to achieve a certain number of points against activities and descriptors, and people need to provide a significant amount of evidence while they are going through the process. The application format is tens and tens of pages long, and there is a real reliance on the supporting evidence around someone's claim. We know from recent data that the rate of successful applications for ADP has been falling and that it is now below that for PIP, if you compare the data.

It is about trying to challenge the assumption that people with mild to moderate mental health problems—or however we would describe them—are accessing ADP and PIP. The evidence for that is not clear. People go through a rigorous process before being awarded the benefit.

Another key point is that we know that people do not have only one condition. There is, in fact, no clear and publicly available data on that in relation to ADP, which we would like to see. However, in relation to PIP, the latest data shows that more than 60 per cent of people who have a mental health or behavioural issue as their primary condition also have physical health conditions. Many people engaging with ADP will also have multiple conditions. Although, in the stats, they may fall into the mental health and behavioural issues category, which, at 41 per cent, represents the highest proportion of people who are in receipt of ADP, there will potentially be multiple health conditions impacting them.

10:45

For us, it is of fundamental importance that eligibility for ADP remains non-diagnosis specific. It is important that, as is the case at the moment, we consider the impact of someone's disability or health conditions on their ability to engage in everyday life tasks, on their engagement in the community and on their mobility. That does not necessarily marry with a diagnosis. Various parties have floated proposals and ideas, particularly in the context of the Timms review, about aligning eligibility with diagnostic criteria. There would be real dangers to that, particularly in relation to mental health, because we know that the impact on someone's daily living or mobility does not fit neatly with diagnostic criteria. One person with depression might find it very difficult to leave the house, but another person with depression might have a much greater ability to engage in the community and undertake daily living tasks without support.

Therefore, it is important that the descriptors and activities focus on how an individual can engage. As the independent review recommended, modernising changes to the descriptors and activities are needed so that they better account for everyday situations. We strongly support that. We would like the Scottish Government to make progress on eligibility so that the descriptors work for people in a 21st century context, and we would strongly oppose, or be very wary about, linking eligibility to diagnosis.

I know that I talked around the houses a wee bit in that answer.

The Convener: Diagnosis would not necessarily determine eligibility, but why should a formal diagnosis not be part of pre-eligibility screening, so that someone could not simply enter the system with a self-diagnosis, for example? There are concerns that people are, in effect, self-diagnosing or self-declaring, and it is then possible for those who criticise the system to say that there are people in the system who should not be in it, because they do not have a formal diagnosis.

Craig Smith: I do not think that we know enough about self-diagnosis to be able to talk about overdiagnosis in relation to what is going on with the stats.

I go back to my point about eligibility criteria. A diagnosis can be very helpful, and ADP application forms ask people what their health conditions are, because that can, in some circumstances, provide a proxy in relation to the potential impact on daily living or mobility, but a diagnosis should not be a prerequisite. A diagnosis can be helpful in providing further information, but not everyone who is living with mental health problems has a diagnosis, even though their ability to undertake daily living tasks might be very much impacted.

On eligibility, it is clear that people are scored against various activities and descriptors, so how would having a diagnosis help in that regard? I know that you are not saying that a diagnosis should necessarily be a prerequisite, but it almost already is, because, when someone goes through

the ADP process, they are asked whether they have any conditions. However, there would be huge pitfalls in making a diagnosis a condition of eligibility. Many people would potentially lose out, because the ways in which people's conditions affect them vary hugely, depending on the individual.

The Convener: A careful balance needs to be struck. A requirement for a formal diagnosis would potentially medicalise a condition, but would it not also open up new pathways for treatments that people who do not go through that process might not be able to access? That leads to the pejorative expression that some people are "parked on benefits" when they should be seeking treatment that would enable them to tackle the effects of their disability.

Craig Smith: Indeed. We would like there to be a lot more joined-up support, and there were recommendations in the independent review in that regard. We should not see social security as a replacement for social care or healthcare. When someone engages with the social security system through an application for ADP or another benefit, there should be an exploration of their needs in relation to employability support and healthcare. We would like there to be a much more joined-up system across the broader public sector, so that people can access appropriate support for their health or for the impact that their health has on their finances or other issues.

That principle is key, but we need to be wary about discussions in which people are described as being parked on benefits. There are huge structural factors that affect people's ability to access healthcare, which is a slightly different issue.

We know that people are waiting too long for mental health support. They find it incredibly challenging to navigate complex local systems to find appropriate community support when their mental health is in the early stages of worsening, but early support could help them to avoid a crisis later. We want public sector reform to be directed towards preventative spend and for there to be much more focus on community place-based mental health support, which could ultimately reduce the costs for the social security system down the line. We know that, if people are supported at the earliest opportunity, they might avoid becoming more mentally unwell and falling into the eligibility criteria for ADP. As I said at the start, we feel that the criteria are robust and that there is a high threshold for receiving ADP.

I have talked around the houses a bit, but it will be key to join up where we can, to identify need, and we also need to be able to direct people towards appropriate support in the community through the NHS and, more broadly, through community-based mental health support.

Chirsty McFadyen (Fraser of Allander Institute): I agree with a lot of what Edel Harris and Craig Smith have said. It might be useful to add an update on the statistics. My colleague Hannah Randolph and I have looked at the most recent statistics from July 2026 and reviewed what has happened since the transition from PIP to ADP around 2024-25, which is now complete.

The total disability benefits case load has come down from a high of 550,000 in July 2025 to just over 510,000. Concerns were raised at the time of the independent review of ADP that there were high rates of approval for applications compared with applications for PIP. Initially, that was expected, because many new applications were being made by people in receipt of PIP who were transitioning to ADP and whose applications were accepted. The percentage of award rates has now come down. Overall, just over 30 per cent of new applications were awarded as of June 2026, compared with the maximum of around 55 per cent in April 2024.

The Scottish Health Equity Research Unit focuses on prevention and preventative policy for reducing health inequalities. As Craig Smith and Edel Harris have mentioned, there is a complex two-way relationship between poverty and mental health. Our research found that people with learning disabilities were having to use ADP to cover their basic needs. Benefits can be crucial in ensuring that people are not dealing with a lot of financial hardship. Ideally, additional costs benefits should be paying for people's additional costs, rather than their basic income, so we do not want to be in that situation, although they are filling a void at the moment.

Craig Smith made a point about participating in society. We think that the adult disability payment can be a way of helping people to continue to access the labour market, whether they are seeking a job for the first time or maintaining employment. It is really important as it helps people to have enough money to go to interviews or to continue to get accessible transport to travel to work, and those sorts of things. As Craig mentioned, if Scotland is able to support people to access the labour market and close the disability employment gap, which is another of the Scottish Government's key goals, it will be able to reduce the overall income security payment.

Edel Harris: I am sorry to go back to the point about diagnosis, but I will be brief. During the review, we debated for hours—indeed, days—the medical model versus the social model of disability and in what context a system of disability payment should be framed. The Scottish social security

charter already sets out the context of this being a human right, and most disabled people I spoke to were in favour of having a much more social model of disability. Indeed, there is, as you will see from my report, a leaning in that direction.

However, we also felt that having a diagnosis of a disability or a long-term health condition was obviously helpful when applying for ADP. Craig Smith was quite right when he made it very clear that the decision itself is not based on the diagnosis; however, part of the process involves providing supporting evidence of how, in this case, a person's mental health condition is impacting on their daily life, and many people choose to put evidence of a diagnosis into that supporting evidence. I just wanted to make that point.

Obviously, there are consultations as part of the system. Everybody I spoke to was unanimous in not wanting to bring back the assessments that are common in PIP applications, which focus more on impairments and diagnosis. However, Social Security Scotland has the option of asking for a consultation if it needs further evidence to help it make a decision.

I would not want to suggest that it should be one or the other—that is, either a medical diagnosis or a self-diagnosis. I think that the best process is one that combines the two, if that is possible.

Thomas Kerr: I am keen to go back to the start of this and look at mental health. The really interesting thing that we have seen over the past 10 years in particular is the rise in the number of people who not only have mental health issues but are speaking a lot more openly about them. Craig, with your background, can you suggest why that has been the case, particularly among young people? Has Covid or social media had an impact? We have seen a rapid rise in that sort of thing over the past 10 years.

Craig Smith: We absolutely have. As I have said, the census data shows a fivefold or sixfold increase in the prevalence of mental health illness among young people—and that is not the only data source for that. It is widely recognised.

It is a really complicated issue, and there is no clear answer as to why the increase has happened—a lot more work needs to be done on that. We are looking forward to the UK Government's review of the prevalence of mental health problems and neurodiversity, which I believe is due to be published next week. The chair of that UK Government-commissioned review, Professor Peter Fonagy—I think that I have got his name right—has made comments in the press this week that very much try to emphasise that, although the findings will be out next week, they show a clear and genuine increase in mental distress, particularly among young people, and that discussions about the so-called snowflake generation and so on have been quite unhelpful.

As I have said, the question of why there has been this real increase is really complicated. Covid has absolutely had an impact; indeed, we have seen as much in Scottish Government-commissioned research on Covid and beyond that looked at mental health—the Covid wave study, I think that it was called—which highlighted in particular that young people were the group most negatively impacted on mental health grounds during the pandemic and post the pandemic. We know that the pandemic had a huge impact on their education and on social connection.

You are absolutely right to point to social media, and a lot of evidence is growing on the potential negative impacts of social media on young people—as well as on the potential benefits of giving people, particularly from minority communities, a sense of community. It is a bit of a mixed bag, but there are definitely dangers associated with that transition, socially, to the online space.

We are also dealing, fundamentally, with the legacy of austerity and a cost of living crisis, and we know that the link between poverty and mental health is absolutely clear and well established. It is also cyclical: those with pre-existing mental health problems are much more likely to be living in poverty, while those living in poverty are much more likely to develop mental health problems.

There is a wide range of complex reasons, and I do not think that anyone has the exact answer, but I do think that we are very much battling with the legacy of the pandemic and changes to the online space, overlaid with the impact of poverty and inequalities more broadly.

Thomas Kerr: I am quite passionate about the Covid aspect, because I do not think that we as a society have quite understood the ramifications of what happened. I can give you an example with my council hat on. When I was doing licensing visits back in 2022, I visited a well-known nightclub in Glasgow. I knew from going there as a student that it used to have a first-aid room, but that room had been turned into a panic room for kids who were having panic attacks because they had not been in that sort of setting, and I realised at that point that there was a big issue with mental health coming with regard to our young people. What you have said in that respect is really interesting.

11:00

On the poverty side, I am intrigued, because I grew up in the east end of Glasgow in a very poverty-stricken background. Obviously, poverty has existed for hundreds of years. We are all still

trying to grapple with it. However, there has been a rise in mental ill health in particular.

I am intrigued to know whether it is because we broke down the stigma around mental health that people are now openly speaking about stuff that existed in society before. Do we now feel a lot more comfortable with that? Might that be part of the reason why a lot more people are diagnosing themselves and claiming for stuff that they would not have claimed for in the past?

Craig Smith: That is potentially a part of it. There is a positive story on stigma in some aspects. There has been a reduction in stigma in some aspects of mental health, particularly in the past 10 or 15 years. A lot of work has been done through the national see me programme, which has been funded by the Scottish Government, to tackle stigma around mental health. There has been a change in attitudes.

However, that is not universal. The most recent research that was commissioned by see me a few years ago into the Scottish context showed that, although there has been a reduction in stigma when it comes to some conditions, including depression, there is still significant stigma when it comes to many other conditions, such as schizophrenia and bipolar—what might be considered severe and enduring mental health problems.

We see that most starkly in health outcomes. People who live with severe mental illness tend to die 15 to 20 years earlier than those who do not, mainly due to preventable health conditions, which goes back to the earlier point about people living with multiple health conditions. The vast bulk of that premature mortality comes from cardiovascular disease, cancer and other preventable conditions that are impacting that group, which is hugely stigmatised and faces multiple inequalities.

I think that more people are coming forward to access social security because there has been a reduction in stigma in some aspects of mental health. That is a positive thing. For us, the case load of ADP is neither positive or negative. Our position is that we would hope that anyone who is eligible and meets the criteria for ADP—which, we believe, are robust—would apply for it, if they would like to, and go through the process in a fair and balanced way.

We very much welcome, for example, the fact that the Scottish Government has a benefit take-up strategy, which is continually renewed. That should be a focus.

For us, ADP is there to meet need. To give some context, when it comes to an increase in case load and in the proportion of people with mental health problems accessing ADP, mental health and behavioural problems have formed the largest group for a long time—that applies to PIP, too. That is not a new thing, even though there has been an increase in the numbers and proportion.

An increase in case loads is not necessarily a bad thing, but it says something about what is happening in wider society when it comes to the prevalence of both mental ill health and disability more broadly. That definitely needs to be explored, and support needs to be put in place, not just in the social security system but more broadly, to think about that and support people with their mental health—which, ultimately, may reduce case loads further downstream.

We need to think about why case loads are increasing, and a reduction in stigma may be part of that. However, we are keen that people who fit the criteria should be encouraged to access their entitlement, because that is part of their human rights and will support them to engage in their communities and live more fulfilled and independent lives.

Thomas Kerr: I have one last question—I know that some of my colleagues want to come in on this point. To what extent have the Scottish and UK Governments been effective at tackling the mental health crisis, and would finding a better balance when dealing with services help people with mental health issues? I think that you are right: austerity has had a big impact on local services that otherwise would have helped a lot of people—in particular, young people—who are suffering with their mental health. If we were to give more support to helping people prevent issues of mental health by talking about them, would that ease the pressure on the social security budget overall? Should we be trying to balance it out?

Craig Smith: Yes. I will try to be brief, because I could talk for a long time about all the different things that we should be doing to better support mental health, including the policy changes that we need.

I probably cannot speak too much about the UK Government, but there has definitely been progress and good work by the Scottish Government. There has been an increase in spending on mental health, both within and outwith the health service, albeit that, in the previous parliamentary session, the Scottish Government did not meet its targets on that.

However, there is much more to be done. To go back to your point, shifting to a much more preventative and community or place-based system in which people can access support for their mental health as early as possible and get appropriate support to prevent smaller problems becoming larger or more serious ones is key.

There are a lot of good things out there. The Scottish Government recently published the population health framework and the service renewal framework, which set the direction for health and social care and community health more broadly and have a big focus on a shift to prevention and a community-based model. We are very much in favour of that, but we need to see how it is implemented. We can have lots of good strategy, but the key thing is how it is funded and implemented on the ground.

At SAMH, we recently launched our network of walk-in mental health hubs—the nooks. We opened our first one in Glasgow and our second one in Aberdeen. We are self-funding the network at the moment. We welcome the cross-party support for that during the election, and that the Scottish Government's programme for government recognises the nook network and makes commitments on expanding it. That is absolutely not the only solution, but it is one solution. People can walk in without a referral, get support and be routed to appropriate community support at the earliest opportunity.

There are significant issues with accessing mental health support. For children and young people, more than a third of referrals to child and adolescent mental health services—CAMHS—are rejected, and we do not know what other support is being offered to those young people. On psychological therapies for adults, we have never met the Scottish Government's waiting time standards. There are significant gaps in the system.

There are a lot of positives in the strategic direction and the shift to prevention, but we need to see, in particular, budget follow with that, and we need implementation. That should be at the heart of the public service reform agenda.

Steven Bonnar: I am glad that Edel Harris started by articulating that, just because someone has a mental health condition, that does not mean that they are automatically in receipt of ADP, because there are a lot of blurred lines and intentional misconceptions permeating around the issue.

Poor mental health is very debilitating. Some of the most successful people in our communities and societies are susceptible to it. It knows no class. It knows no borders. It does not discriminate. We have definitely done a lot of work to reduce stigma, particularly in Scotland. We have had the conversations and let people know that it is okay not to be okay et cetera. However, is a reduction in stigma enough to explain the scale of the increase in demand for services, or would that understate the worsening mental health of our communities? Is the increase also an indicator of unmet need that is still in our communities?

Craig Smith: I will try not to repeat everything that I have said but, absolutely, the reduction in stigma is not enough to explain that. There has been a genuine and real increase in poor mental health, which has been captured in population-wide census data and other data. We know that it is happening and we have spoken about the multiple reasons for it, particularly the link to inequalities and poverty.

We absolutely welcome the reduction in stigma, but we are cautious around that, for the reasons that I gave earlier. Particularly in relation to what are seen as more severe and enduring mental health conditions, stigma is still a huge barrier to people in accessing support. It has a huge impact on them, including, ultimately, on their life expectancy, as people with mental illness die 15 to 20 years earlier, largely due to preventable causes.

I do not think that reduction in stigma is the only reason for the increasing prevalence or, in the social security context, the increasing numbers of people with mental health problems who are accessing social security. It is down to a real increase in need across the country. As you say, that is very much stratified by people's experience of poverty and other inequalities, which greatly increase the chance of experiencing poor mental health.

Steven Bonnar: You touched on the prevalence among teenagers and young people, which is clear in the data, but are there groups or communities that we are overlooking and where there is a deterioration? For example, people in Afro-Caribbean communities tend not to come forward in such numbers. Are you taking cognisance of that?

Craig Smith: I do not have the data with me to give you the statistics, but that is absolutely the case. People's relationship with mental health is very much impacted by other factors, and poor mental health is intersectional.

For example, a lot of work has been done on experiences of trauma in the refugee community and among people with other inequalities, who have much higher rates of poor mental health. As you said, experiencing poverty and living in deprivation will have a negative impact on the mental health of young people. We also know—this is topical at the moment—that there is a big relationship between neurodiversity and mental health. Those are separate things, but we know that a person who is neurodiverse will have a much higher chance of experiencing poor mental health as well. There is also a clear relationship between experiencing physical disabilities and poor

physical health and people having poor mental health.

There is a wide range of factors that will increase people's chances of experiencing poor mental health, and race and ethnicity are absolutely among them. The experiences of being a refugee or a new Scot are also factors. The starkest example of that is in the suicide data: if someone lives in one of our poorer communities, they are up to four times more likely to die by suicide than people who live in the most affluent communities. That data is also stratified by different employment groups, risks and minority statuses.

Chirsty McFadyen: Back in 2024, we wrote a report on disability benefit case loads, in which we looked at case load by age. Although the highest relative increase by population was among young people, the highest absolute increase was among people aged 40 to 50, while the 30 to 40 age range had a significant absolute increase in mental health conditions as well. Poor mental health is often characterised as a problem for young people, but it also shows up across the age range.

Edel Harris: During the course of the review of adult disability payment, I found that, in some communities—particularly the black and minority ethnic communities that I met—the stigma that is associated with applying for any form of state support was deemed to be a barrier to accessing the support that people are entitled to. Mental health came up in those conversations, and there is also a more general stigma. In some cultures, having someone in the family with a mental health condition, and that being known and publicly talked about, produces elements of shame and stigma.

Steven Bonnar: Thank you. It sounds as though Tony Blair's comments have not been helpful, convener—nor very well informed.

The Convener: Before I bring in Gary Bouse, I have a question for Chirsty McFadyen. SHERU said that rising benefit case loads can signal or are often the consequence of

"upstream problems in public services"

such as treatment waiting times or the absence of counselling. For example, as waiting lists for orthopaedic surgery come down or as other pathways potentially open up, would it be reasonable to expect disability benefit spending to fall? Would that be desirable, due to the root cause of the problem having been rectified? Would that enable people to get back to work or routine life?

Chirsty McFadyen: We definitely hope so, particularly with regard to the severity of conditions. A mental health condition or disability might not necessarily go away, but adequate support may reduce its severity. Support does not always need to be financial, either. When we did a report in the Fraser of Allander Institute on learning disabilities and financial security, we looked at the interplay between whether people felt that their income and their social care was adequate, and we found a correlation between the two in our sample.

Spending needs to be considered holistically. It is not just about how much money individuals get through disability payments but where else they are being supported by the Government, what services are being provided and whether those services are adequate and timely. Those things make a big difference.

The Convener: Thank you. Craig Smith, I see that you are nodding in agreement.

Craig Smith: I absolutely agree. The purpose of ADP is to support people with the additional costs that are associated with disability, and there has been some research from Scope and other organisations about what that looks like monetarily. There is a gap when it comes to mental health—I think that that point came up in the first evidence session. What are the additional costs that are associated with mental health? There is a lack of research about that, and it would be good to see some research, particularly in a Scottish context.

The Money and Mental Health Policy Institute has done some work, as has Rethink—they both operate in the English context—on how people with mental health problems spend their PIP money in this context. They found that people use the money for key things such as additional costs associated with transport. For example, people whose anxiety prevents them using public transport rely on taxis or having a supporter with them.

11:15

Another thing that came out of that work really strongly was that people use their PIP money for additional mental health support, such as counselling and other therapeutic interventions, either because they are on an NHS waiting list or because they feel that the support they are receiving is not adequate to meet their needs. There is definitely a link in that regard—I cannot imagine that it would be very different in the Scottish context—in that people are using disability payments to support therapeutic interventions. Ultimately, appropriate support at the earliest time might reduce some of the need, but there are big data gaps in relation to what the costs are. As I said, there are clear costs associated with mental health issues, in relation to transport, and additional costs for heating, food and support for those who feel that they cannot

leave their house. People are also using their payments to support the cost of counselling, therapies and other mental health inputs, which, in an ideal system, should be addressed earlier by different aspects of the state.

Gary Bouse: On mental health, I appreciate the work that has been done by SAMH—I have been working with you in Denny, and we hope that we are going to develop that work and start to talk to NHS Forth Valley about the nook, because I know what a success that has been. Your survey showed that 86 per cent of the people you spoke to said that their mental health was better after using the service. I know that I am picking one person out here, but it is a fantastic service and that should be noted. There are also organisations such as Andy's Man Club, which has changed men's mental health.

On disability overall, the presentations at the start of the evidence session were very good, and I particularly appreciated Edel Harris following up on the issue of dignity, fairness and respect, which I think was always important for the Scottish Government. You also talked about filling the gap and who covers that. What scope is there for broader public service reform to reduce the upward pressure on spending on disability benefits or at least hold it where it is?

Edel Harris: Is that question for me?

Gary Bouse: It is a question for all of you. I accept the point that you recognise that PIP and ADP are filling the gap between services and support, so what is the scope for broader public service reform to reduce the upward pressure on disability benefit spending as a whole, rather than just mental health disability spending?

Edel Harris: I can start, but I think that the other two witnesses will probably have more detailed information, because that was not a particular focus of the review. In my report, we talked about the frustrations that many disabled people shared with me about social security not being seen in a wider context in Scotland. We have the disability equality plan, which mentions social security in the context of providing financial support for disabled households, but it just sort of stops there.

There was a very clear preference among all the people I engaged with that we do not dilute adult disability payment and merge it into other public services. I do not think that this debate has been had in Scotland, but I have been supporting Sir Stephen Timms and the group that is carrying out the PIP review. There is an ongoing conversation about whether, rather than a financial payment, PIP or disability payments should be given as access to support. That works only if the public services are there for people to access.

In a country the size of Scotland, it should be possible for the Scottish Government and all the agencies to use their reach to ensure that everyone who makes an application for ADP is signposted, with their consent, to statutory or voluntary services that may be able to provide additional advice or support, because, regardless of whether the applicant is successful, they obviously feel that they should be entitled to a disability payment, by the very nature of applying. That point in my report is predicated on that support being available for people, but it should not be seen as an alternative to a disability payment, if you qualify under the eligibility criteria.

I will also make a further small point, which I would like to stress. It is not directly related to your question, but it comes in on a point that was made earlier. A lot of the recommendations in the review that the Scottish Government has not yet taken up or responded to directly refer to the complete review of the eligibility criteria. One of the factors relates to making sure that the criteria better meet the needs of people with mental health conditions. I will give the committee one example: the current eligibility criteria do not take into account the particular needs of people who have eating disorders. I want to stress that point.

Chirsty McFadyen: At SHERU, we are focused on the prevention angle. With public service reform, the Scottish Government is also very much focused on that. We welcome the prevention unit's work and look forward to seeing what its processes do, and how they are incorporated into the budget process, which I think will be important.

When it comes to prevention, at SHERU we think about how we can improve social and economic conditions in order to prevent health issues from coming up in the first place. It is about thinking about poverty specifically, and also about employment for those who want to work.

We know that there is a big disability employment gap, which is currently about 33 per cent. However, although the general disability employment gap looks like it is closing, the prevalence adjusted disability employment gap has gone up in recent years, over the last 10 years or so. When we take prevalence into account, we are therefore seeing an increase in the disability employment gap.

Lots of people who are disabled want to work, and a big part of filling that gap is about thinking about how we can enable people to reach the labour market in a way that works for them. That will improve the tax base, probably reduce social security spending in the long run, and help with poverty. However, it is also about thinking about those who are not able to work due to their

disability and ensuring that they have adequate and secure income from social security.

Gary Bouse: Thank you for your detailed responses.

Craig Smith: I echo what has just been said, and I also point to previous comments.

When it comes to the broader public service reform agenda, our focus is on the shift to preventative systems of health and social care. We broadly welcome the strategic direction that has been set by the Scottish Government through the population health framework and the service renewal framework. However, we need to see how they are implemented. We can have a great strategy, good priorities in terms of a shift to a place-based and community-based health and social care system, and a positive role for digital healthcare, where that is appropriate. However, ensuring that those systems link up is key, so that there are clear links between housing, social security and health and social care, and so that people can navigate that wider system with ease.

We welcome the commitment to shift towards preventative budgeting, and I know that the Scottish Government has done some piloting around that. Again, however, we need to see how that translates into actual spending decisions and how that strategic commitment to prevention, early intervention and community-based support filters down to local decision-making and budgets.

We have seen real challenges over the past few years where, although there is a national commitment, integration joint boards, local councils and health boards have been making budget decisions within very tight financial contexts. We have lost preventative early intervention services on the ground, where there are not statutory duties or commitments or to maintain them. We need to ensure that positive national strategies lead to local decision making, and having the right budget is a huge part of that. Local communities need that money in order to make those decisions. We want to see how that happens on the ground.

That relates to the wider point about public sector reform. We agree that, ultimately, such reform might lead to reductions in social security case loads if we can provide people with support as early in their journey as possible. However, there are people living with lifelong mental health problems who will always require support, including social security support through disability payments or, at the UK level, income replacement payments.

I echo the points that Edel Harris made about the discussions about potentially moving to systems that provide services, aids or appliances instead of cash benefits. We would be very cautious about that—ultimately, we would be against it—particularly at the moment, because putting cash in the hands of disabled people, including people with mental health problems, is the best way to allow them to make decisions in a dignified way about what will best support them. That is not to say that people should not be given routes to appropriate support—those routes should already be provided so that people can access their right to healthcare and social care—but people need to be in control of decisions about how they spend money to account for their additional needs due to their disability or mental health conditions.

Kate Campbell: I thank the witnesses for their evidence. To be honest, most of my questions have been answered in what has been a really interesting discussion, but I keep coming back to the point that this evidence session is part of our pre-budget scrutiny. I am interested in the point that ADP is about rights, equity and meeting the needs of people with disabilities, but how much of an impact does it have—this has been touched on—in helping people to sustain employment?

Chirsty McFadyen: To be honest, I do not know how much specific research has been done on that. I have heard anecdotal evidence throughout my work that ADP has a big impact in that regard, but more research is required. I would be really interested in such research. Edel Harris might have more thoughts on the connection.

Kate Campbell: I am aware that there has not been such research, but what is your view based on your anecdotal experience of speaking to people?

Edel Harris: The adequacy of payment was not within the review's scope, but it was interesting that, irrespective of that, lots of the disabled people I engaged with and spoke to during the review wanted to raise that point with me.

As we all know, the stated purpose of adult disability payment is to cover the additional costs of living with a disability, and it is not means tested. I totally accept the premise of your question, but ADP is not a work-related benefit. I certainly find myself shouting a lot at the radio and the television when, during debates at the UK Government level, people make the link between PIP or ADP and people going to work, because someone in a full-time well-paid role could still be eligible for ADP.

There is a gap, because very little information is available on what people spend their money on. When we raised the issue during the review, there was a general hesitation or reluctance about being asked that. Obviously, I did not ask people that question directly, but I said that it would be really helpful if the Scottish Government, when thinking

about budgets, understood what people were spending that money on.

We also do not have much data on the number of disabled people in Scotland. Plenty of information is available on client satisfaction, or otherwise, with the process, and there is lots of data on the agency's performance since the devolved social security system was introduced in Scotland, but we have very little information on the difference that the Scottish Government's approach to ADP is making for people.

If the Scottish Government accepts the recommendations about reviewing the criteria, a huge amount of work will need to be done to work out the potential costs.

If the Scottish Government accepts the recommendations about reviewing the criteria, a huge amount of work will need to be done to work out the potential costs. I get a little bit frustrated because, when we have these conversations, the assumption is always that any change will bring about additional costs. We do not think about it as an investment in the people of Scotland or about the economic value of the wellbeing and employment impact of disability benefits, which significantly outweigh the costs.

There is an underlying assumption that if we change anything, it will come with a cost. Of course, costs would come with implementing changes in the system and the training that would be required, but it does not necessarily follow that more modern, outcome based, and more relevant criteria would result in an increase in costs. That was the underlying assumption in the Scottish Government's response to my review. I leave that there as a challenge.

11:30

Kate Campbell: I accept that you have left the challenge on the table, which I recognise. I will reframe my question. The point that I am trying to drive at is that we are having a pre-budget discussion. There are people around the table who think that we should spend less on social security, although I do not include myself in that. As a committee, we need to consider what the likely impact would be if we were to spend less on social security. I am flipping the question around. If we were to withdraw social security, do you think that there would be an impact on people's ability to access work?

I was interested in what you said about people using benefits to access counselling or therapy for their mental health, which makes sense. If they were not able to access counselling, do you think that it is more likely that they would be unable to go to work? If there were fewer people in work, what kind of impact would that have on the overall budget? What would be the impact on the economy? Having heard all the doom and gloom about potential overspend, I want to ensure that we leave the evidence session recognising the value of social security and ADP in particular, and that we have been warned about what might happen if those payments were to be reduced.

Edel Harris: I am looking through my notes, and Craig Smith might be able to say more. There was a quote from SAMH that I included in my report. The Money and Mental Health Policy Institute did some research about PIP—not ADP, but the same principle would apply to ADP. It highlighted that the payment is essential to support many people living with mental health problems to retain employment. I am sure that you could include others and not just people with mental health problems in that statement.

Anecdotally, many of the disabled people who I engaged with used ADP to support their ability to go to work. Some used the money for transport-related costs such as taxis, because they could not use public transport, and some used it for aids and adaptations to help them to work from home. There is a whole list of things.

I do not know whether there is any research that backs up your question, but it follows logically that, if we reduced or withdrew adult disability payment from some people—some who receive it are in work and are contributing to the economy and holding down good jobs—it is inevitable that that would have an impact on other parts of the system. People would not be able to work and may need additional support from NHS or social care, for example. More work should be done to ensure that we are not just assuming those things. I know from the stories that I heard that, if you took the payment away, it would have a devastating impact on people's lives, as well as their households, their children, poverty levels and the level of employment. I give a resounding yes to your question.

Craig Smith: As Edel Harris has said, there is a lack of data about how people use money that they receive from the ADP and what protective factors the money provides them with, including access to employment. I also get incredibly frustrated with the conflation between income and non-income related benefits and their purpose, particularly when we look at what is happening with the Timms review. ADP is a non-income related benefit, which is about the additional costs that are associated with disability. That is an important principle to continue with.

However, as I have said, we know that some people are using ADP—or, down south, PIP—to support them to stay in work or with transport costs, and maybe to support them in reducing their

hours so they can cope with engaging with employment and with their mental health without having to work full time. If they had to work full time, they might find themselves out of a job entirely.

There is a real lack of a hard-and-fast date in that respect, but we do have some survey work from the Money and Mental Health Policy Institute that we can consider. The institute surveyed a group of lived-experience people who work with it and engage with its research, and it got about 500 responses to inform its reaction to the UK Government's PIP proposals and the Timms review. It is a self-selecting survey, but it found that more than half of the people who were in work and in receipt of PIP would probably have to reduce their hours, or leave the workplace entirely, if they lost PIP support. They would not be able to attend, because of transport costs, or they would not be able to make the digital adaptations to allow them to work from home, and there might be a huge pressure on them to increase their hours, which would have a negative impact on their mental health.

Going back to points that the previous panel, and now this panel, made earlier, I would say that we know that people will, understandably, use disability payments, including ADP, to meet the essential costs of living. Although that might not be the purpose of the payment, we know from the research that I mentioned, and other research on PIP that Rethink Mental Illness did in the English context, that people were using their PIP to mitigate mental health and financial crises. It was being used to pay their rent and heating bills, and the financial impact of reducing those payments or withdrawing them completely could be very severe not just on those individuals, but ultimately on public spending, too, if people are being driven into mental health crises or if their health deteriorates more broadly and their reliance on wider public services increases as a result.

There are, absolutely, two sides to the debate, and that is why we see social security as being an investment in the people of Scotland. It is very much a human right in itself, but it also supports people to live independently and to realise further human rights. Although there is a budgetary cost, and although we know that the case load, and the cost, of social security have been increasing, I have to repeat that it is not just a cost. It is an investment, and giving people that sort of support to engage more fully in society has social and economic benefits.

Chirsty McFadyen: I would echo what Edel Harris and Craig Smith have said, and I would just emphasise that although cuts might, on the surface, look like savings, they could, as has been mentioned, put a lot of pressure on other areas of spend such as health, employability and housing. Cutting people's money is not going to solve this crisis, and it will probably just lead to issues arising in other areas of the system. That is why we are so interested in focusing more on preventative measures; if we can solve the root cause of the problem, we are much more likely to be able, in a fiscal sense, to save money in the long term.

Kate Campbell: Thank you.

The Convener: On that point, Chirsty, Governments have to make tough choices. If a Government were to preserve the current trajectory of social security expenditure and cut, say, housing, health and potentially employability instead, could you foresee a situation in which we did not manage to have that step change and get people off benefits and into work or a more routine daily life—which, I presume, is what everybody around the table wants to happen?

Chirsty McFadyen: To be honest, I think that it is really difficult to say. People need to be supported in various ways. Where cuts are made and where spending is made are, ultimately, political decisions, and I think that the Scottish Government needs a clear idea of its ultimate goal in that process. If there is an absolute need to save money somewhere, the potential impacts of whatever has to be cut will need to be carefully thought through.

The Convener: Okay. I call Morven-May MacCallum.

Morven-May MacCallum: Thank you very much for all the incredibly insightful information that you have given so far.

I am curious to know a bit more about the Timms review, which says that there is a lack of evidence that NHS capacity has had a strong impact on disability benefit claimants at an aggregate level. However, the Timms interim report also says that PIP is

"often filling the gap that arises between … services or support."

To me, that is quite a contradiction, so I am curious to get an insight into how you feel about that.

Craig Smith: I suppose that, unhelpfully, it again comes back to a lack of data. However, more broadly, particularly in the mental health context, we know that there are long-standing issues around a lack of appropriate support. As I said, we have limited data on the performance of the mental health system more broadly in Scotland but, where we have data, it shows issues. For example, the target on waiting times for psychological therapies has never been met, and people are waiting an extremely long time to access appropriate NHS support. For children and young people, as I said, more than a third of young

people are being rejected from CAMHS on referral from within the NHS. Although we very much welcome that the 18-week waiting time target has now been achieved, there is a huge group of young people who are being shifted off the waiting list or rejected from it. Those are long-standing issues and challenges in accessing mental health support.

Therefore, it chimes anecdotally that that is having an impact on people's mental health or health more broadly, which is getting worse while they are waiting, and hence they are becoming eligible for disability payments. There is likely a clear relationship between those systems. I believe that that came out a wee bit in the engagement around the independent review, which found that, when people face barriers to health and social care, that has an impact on their health, which potentially leads to higher case loads.

There is probably a lack of clear data. The data is a bit mixed, which is why that the Timms review points towards that issue, whereas other people say that there is no clear picture. However, the point chimes true for us. We know that the people we engage with and support through our services have often experienced hugely long structural waits in getting appropriate support.

Chirsty McFadyen: I hope that we will be able to answer that question as the years pass. We have had a big crisis with really long waiting lists over the past few years, and they are starting to come down, but we want to see how that progresses. We need more data—100 per cent. When it comes to waiting lists, that is really important.

Edel Harris: I do not have much to add, other than anecdotally, because we do not have the data available. During the review, I spent time at Social Security Scotland shadowing case managers who were making decisions, so that I could understand the process. It was apparent that some people who applied were living with a long-term health condition or a lifelong disability—that is not a great phrase. For example, if someone has a learning disability, that is unlikely to change, and the impact on their life is unlikely to change.

However, I saw several cases where the person making the application for ADP did not have a long-term disability or medical diagnosis of something that was going to be with them for life. For example, they might have been living in chronic pain, or they maybe had an injury but, because of the waiting lists, the operation was not coming as fast as they needed it to. There were some people who were applying for ADP on what I imagine was a temporary basis, with a view to getting the right NHS treatment. Therefore, changing circumstances would mean that they could come off ADP once they had received the treatment.

However, that is very anecdotal—it is based on a handful of stories that I was exposed to during the course of the review. We definitely need more research to answer that question.

Morven-May MacCallum: That is interesting—thank you. Just tapping into your answers a wee bit, beyond the NHS, which services have the greatest bearing on people's need for disability benefits? For example, is it social care, housing adaptations, transport or employment support?

Chirsty McFadyen: Again, we do not have clear data on that. Anecdotally, I think that there is an impact from a variety of services, but I cannot confidently answer that.

Morven-May MacCallum: My next question is possibly directed more to Ms Harris. There were a wide range of recommendations in your review. Considering the cost implications of implementing them all, will you outline which you think would make the greatest difference for people with fluctuating health conditions?

11:45

Edel Harris: I do not know whether you have seen my written response to the response from the Government to the independent review of the adult disability payment, but I go through that issue in it. Interestingly, when I have given evidence to other committees, someone has always asked the question, "If you could only choose one, which would be your top priority?" When there are 58 recommendations, that is quite challenging.

On fluctuating conditions, although there was a lot that I welcome in the Government's response, I was disappointed that there was no mention of the 50 per cent rule or the use of the reliability criteria. If you have read my full report or even the summary, you will know that that was a really important point for people who are living with fluctuating conditions. Also, the Government's response made no direct reference to a decision-making process that better recognises people who live with fluctuating conditions. I would answer your question by pointing to the recommendation in the chapter "A Better Future" in my report, which suggests that we remove the 50 per cent rule altogether and better apply the reliability criteria.

In my view, that would much better meet the needs of people who are living with fluctuating conditions. All the evidence shows that, if you are living with a fluctuating condition, you do not just have good days and bad days, which is the way that the application process at the moment is framed. You can have an impact of the condition

that does not simply occur on 50 per cent of the days in the year or 50 per cent of your time. Addressing the recommendation on that would have the greatest impact for people who are living with fluctuating conditions. It would demonstrate that the application process was much better able to meet their needs through reframing the questions around the reliability criteria.

Morven-May MacCallum: Thank you. That is incredibly helpful.

The Convener: I have one final question, which relates to the point in your report about concerns from welfare rights advisers about inconsistent decision making. Again, that appeared to be largely anecdotal.

My concern is that, if imprecise decisions are taken, or if decisions are not as consistent as they could be—where, for example, a redetermination comes up with a very different conclusion from the original decision—that perhaps points to a systemic failure. Since your report was published, the initial authorisation rate has fallen to 31 per cent, which is a significant difference. That might be welcome, because there might have been people who were receiving the benefit who, for other reasons, perhaps should not have been approved, but it also points to the fact that the approach could still be quite haphazard.

What evidence would you want to establish to reflect whether the reduction in authorisations reflects, for example, a changing applicant mix or potentially a change in decision-making practice?

Edel Harris: When I conducted the review, as you would expect, I spent a lot of time at Social Security Scotland. As I said, I shadowed case managers and health and social care practitioners as they went about their daily life. I witnessed at first hand the quality assurance process, which includes the guidance that is available to case managers, the training that they have and the robust quality assurance checking that goes into how they make their decisions. Everything that goes with being a case manager and ultimately making the final decision is pretty good, and I was impressed by it. However, I make the point quite strongly in the report that, if you have a system that ultimately relies on an individual assessing a particular set of information, and there is some subjectivity in there, you will end up with different decisions.

I experienced one case, which I refer to in the report, in which, at the initial assessment of the application, the person was awarded no points for either the mobility or daily living component. That person—with, to be fair, additional supporting information—went through the redetermination process and ended up being awarded the higher rate for the daily living component. That was one case, but it was an extreme example of how one person looking at a set of information could award nothing, and someone else could award the higher rate.

It is inherent in a system that relies on humans—compassionate, well-trained and kind human beings who are trying to do their best—that we will always have an element of difference. I suppose that that is why we have the redetermination and appeal system built in so that that can be challenged.

On the reduction to 31 per cent, I do not know why that is. I did not see evidence of that, although bear in mind that my report came out in July last year when the numbers were slightly different. I do not know whether, since I conducted the review, there has been a change in policy or directional training around case managers' decision making, or whether it is simply to do with the number of people who are applying.

The Convener: That is helpful.

Chirsty McFadyen: I re-emphasise the point that I made earlier about the award percentages. Part of the reason why the figure was so high originally was because of the transition from PIP to ADP. A lot of people had basically already been shown to need an additional benefit and to meet those requirements. The figure has come down and has been quite stable over the past year or two, at around 30 per cent. Although there is subjectivity, we have seen pretty stable award percentages.

The Convener: As members have no further questions, I again thank our witnesses for joining us.

11:52

Meeting continued in private until 12:08.

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