



The Scottish Parliament
Pàrlamaid na h-Alba

Official Report

WELFARE REFORM COMMITTEE

Tuesday 24 September 2013

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WELFARE REFORM COMMITTEE
13th Meeting 2013, Session 4

CONVENER

*Michael McMahon (Uddingston and Bellshill) (Lab)

DEPUTY CONVENER

*Jamie Hepburn (Cumbernauld and Kilsyth) (SNP)

COMMITTEE MEMBERS

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

*Linda Fabiani (East Kilbride) (SNP)

*Alex Johnstone (North East Scotland) (Con)

*Ken Macintosh (Eastwood) (Lab)

*Kevin Stewart (Aberdeen Central) (SNP)

*attended

THE FOLLOWING ALSO PARTICIPATED:

Paul Drury (Bethany Christian Trust)

Sarah Flavell (Gordon Rural Action)

Peter Kelly (Poverty Alliance)

Peter Kenway (New Policy Institute)

Jacqui Kopel (Dundee City Council)

Susan Mathers (Falkirk Council)

Les Robertson (Fife Council)

Ruchir Shah (Scottish Council for Voluntary Organisations)

CLERK TO THE COMMITTEE

Simon Watkins

LOCATION

Committee Room 4

Scottish Parliament

Welfare Reform Committee

Tuesday 24 September 2013

[The Convener *opened the meeting at 10:23*]

Draft Budget Scrutiny 2014-15

The Convener (Michael McMahon): Good morning, everyone, and welcome to the Welfare Reform Committee's 13th meeting in 2013. I ask everyone to switch off mobile devices so that we have no disturbances.

Agenda item 1 is scrutiny of the draft budget. We will take evidence in a round-table format on the Scottish Government's draft budget for 2014-15 and we will focus on the council tax reduction. I welcome the witnesses: Ruchir Shah, policy manager at the Scottish Council for Voluntary Organisations; Peter Kenway, director of the New Policy Institute; Susan Mathers, deputy chief finance officer for revenues and benefits at Falkirk Council; Jacqui Kopel—I hope that I said that right—who is the council tax and benefits manager at Dundee City Council; Paul Drury, director of income generation and development at the Bethany Christian Trust; Sarah Flavell—did I say that right?—who is director, chair and benefits adviser at Gordon Rural Action; Peter Kelly, director of the Poverty Alliance; and Les Robertson from the Institute of Revenues, Rating and Valuation, who is service manager for revenues at Fife Council.

This will be a round-table discussion, so I hope that you will feel relaxed about making points and asking questions. You do not have to answer every question but, if you have something to contribute, indicate that to me and I will let you in. We will try to keep the discussion as fluid as we can and draw out as much information as we can.

To get the ball rolling, I will ask a general question. In an earlier discussion, we looked at the transparency of the information that is in the budget. All the figures that we have seem to be able to be compiled, but they are not particularly clear—we have to look through sets of data to calculate everything and get the figures that are in the budget documents. Are you content with how the information is presented? Do you understand what the budget lines lead to? Is the information in the budget documents presented in a helpful way?

I do not want to target anyone to get the ball rolling, but I ask Ruchir Shah to start, as he is sitting closest to me.

Ruchir Shah (Scottish Council for Voluntary Organisations): I am happy to make general

points. Some of the issues can be technical, but that is where we come in as the umbrella body for the third sector.

A number of years ago, we suggested that the budget should be a co-produced effort rather than something that the Government comes up with and puts out in a short timescale. Not just at Holyrood, but in wider civil society and in wider society—in the business community and elsewhere—we should all have the opportunity to see the issues and challenges that the Government is trying to balance. In that way, we can bring our collective knowledge, clout and input to the budget-setting process. That requires a transparent approach to the budget in which things are clearer and are analysed in more depth and in which general points can be communicated more easily.

In the budget as it is now, we have seen the breakdowns to level 3, which is a civil servant's term. That is still quite a high level. Our problem is that the allocations that we look at in the budget are large blocks. It is difficult to see how we can do much when many billions must be dedicated to the national health service and local authorities. A few million here or there can be moved around, but the real action lies in how the money is spent within the blocks, which is not always transparent in the budget statements and budget information that are made public.

The Convener: We have been given the example that, although the draft budget cites support for the child poverty strategy, that is not linked clearly to funding. Does that match Peter Kelly's experience? Can you track where the money is identified and is intended to go?

Peter Kelly (Poverty Alliance): For a number of years, it has been a problem to follow through the commitments that are made in documents such as the child poverty strategy and to find out where the money is going, what it is spent on and what its impact is. That has proven to be something of a challenge. As Ruchir Shah said, we see big blocks of money being spent, but we often do not see the finer detail.

The Convener: Does anyone want to comment generally on where the budget information lies? Have you looked for something that is not as clear as it could be and which could be clarified if you asked questions?

Ken Macintosh (Eastwood) (Lab): The witnesses seem a bit shy.

Linda Fabiani (East Kilbride) (SNP): If everybody is happy, we will just go.

The Convener: Another specific issue is support for advice provision. The Government has made available £2.5 million for Citizens Advice

Scotland and £5.1 million for the making advice work initiative. The budget refers to that initiative, but the figures show a difference of £2.35 million, which comes from the United Kingdom Money Advice Service. Is it confusing to track that money or do people understand where it is coming from?

10:30

Sarah Flavell (Gordon Rural Action): I can speak only for our situation in Aberdeenshire. We are not part of Citizens Advice Scotland and we, rather than Citizens Advice Scotland, are the largest provider of advice and information in Aberdeenshire.

Aberdeenshire Council is our largest funder and it currently tells us about our funding only six months at a time, because it is undertaking a massive review of what it spends on advice and information in Aberdeenshire, which is taking a lot longer than we expected. We therefore do not know how much money is there and whether there will be more or less money, although the council keeps telling us that there will be more. It is difficult to find out from the council—I am sure that that is because it does not know itself. The council cannot tell us how much we will have in six months' time and whether we can continue to provide the service.

We provide all the money advice in Aberdeenshire; Citizens Advice Scotland does not provide any and it is funded separately. I do not really have anything to do with that service, so I cannot comment on it.

The Convener: Would someone from one of our local authorities like to comment? Les Robertson has two hats on today. From a council perspective, do you identify that issue?

Les Robertson (Fife Council): I do not in my current role, but in my previous role funding for citizens advice bureaux and so on was very problematic, in that local authority budgets are being cut quite considerably. Fife Council is looking at a cut of about £100 million over the next four years. It is very difficult to give the advice service—in Fife, that is Citizens Advice and Rights Fife—guarantees about what long-term funding it will get from the council. In Clackmannanshire, we were looking at 12 per cent cuts for advice agencies.

The advice agencies can draw down money from Money Advice Scotland and so on, but councils are the biggest providers of funding and, if council budgets are being cut, the councils tend to pass that on. They try not to do that, but that is difficult when the cuts are on such a scale—Fife Council has an £800 million budget, so £100 million out of that is a significant amount of money. Where we fund the third sector, it shares

the cuts. Fife Council publishes all its savings proposals—Clackmannanshire Council does the same—and they are discussed with the chief executive of CARF. We say, "Look, this is what we can do." We try to follow a three-year budget process, but money will be tighter and there will be cuts.

Sarah Flavell: In the review of all the councils, Aberdeenshire Council apparently came out as very underfunded for advice compared to, say, Fife Council and Clackmannanshire Council. Aberdeenshire Council had undertaken to increase the funding next year, but it is still allocating funding six months at a time while it figures out how it will fund that increase. The Scottish Legal Aid Board also gives us quite a lot of funding. That will not change, as far as I know.

Susan Mathers (Falkirk Council): Falkirk Council has increased its investment in advice services. Last year, we were in a similar position to Fife Council and Clackmannanshire Council and we were reviewing third sector funding. Given the impact of welfare reform, we have used Big Lottery support funding and various other initiatives to expand advice services. We have looked at other sources to augment the funding for advice services, but in the past we, like Fife Council and Clackmannanshire Council, have passed on cuts to the third sector.

Kevin Stewart (Aberdeen Central) (SNP): I return to the council tax reduction. Dr Kenway's written submission gives us some comparisons with what is going on south of the border. The submission raises an issue that we are all hugely aware of when it states that

"The most important aspect of the localisation of"

council tax support

"in England is not the local design of the schemes but the localisation of the financial risk away from the UK Treasury."

Can you expand on that? Can you compare and contrast the national scheme that the Scottish Government has put in place in collaboration with the Convention of Scottish Local Authorities with the schemes that are on the go south of the border?

Peter Kenway (New Policy Institute): I thank the committee for the invitation to give evidence.

You have raised an important subject. It might even be that localisation, rather than universal credit, is the part of welfare reform south of the border that is actually the revolution. There is always a danger of overemphasising the importance of what one knows about, but I think that you are absolutely right and I am delighted that you picked out those words from my submission.

The key difference, of course, is that there is no English Government, as it were, that can interpose itself between the United Kingdom Government and the 326 English local authorities that have had to design their own schemes.

The risk has been shifted. Until April this year, local authorities administered council tax benefit but the Treasury picked up the bill—as long as the paperwork was right. If a factory closed and people lost their jobs or went on to shorter hours and became entitled to some or more council tax benefit, the bill was absorbed centrally, ultimately on the shoulders of taxpayers at large. It seems to me that the idea that economic shocks, such as a factory closure, should be absorbed as widely as possible is the right principle. It is not a burden for society as a whole to absorb a factory closure.

However, in England now not only is there a 10 per cent cut in grant, which is bad enough, but the burden of increased entitlement to and demand for council tax benefit will be borne locally. The story through which the approach is being sold is that if there is strong economic recovery and people can come off council tax benefit, councils will keep the money. We will see.

There is no doubt that impacts will be borne locally. That creates a financial conflict of interest. Under the new arrangements, local authorities and local taxpayers have an interest in having fewer rather than more council tax benefit recipients, from a purely financial point of view. A sign of that is that a very small number of English schemes have introduced a residency requirement. In a couple of cases, I think that a person must live in the area for five years before they are entitled to council tax benefit. Areas that have high levels of bed and breakfast or high levels of people moving in are trying to protect their budgets.

Maybe nothing will come of that and the effect will ultimately be small—one can never tell in advance whether a development will be big or small. However, the potential is there for local authorities to want to get rid of and keep out people who need council tax benefit, because of the burden that that imposes on their budget. The potential is there for a race to the bottom, and local authorities, however much they want to support local very low-income households with their council tax, will find themselves under pressure to help less and less. That seems to us to be potentially a very dangerous situation, which in some sense almost threatens the unity of the country.

Scotland has avoided that, as has Wales—accidentally, in the first instance, as I understand it—by having a national scheme. That means that burdens are at least borne at Scotland level and the pressure towards a race to the bottom and local authorities competing against their

neighbours to avoid having too many recipients is avoided. Whatever one does, one should have a scheme at the highest possible level, which in this context of course means Scotland level.

Kevin Stewart: The committee has talked a lot about cost shunting from Westminster on to other bodies, such as the Scottish Government and local authorities throughout the country, which have had to pick up the tab from welfare cuts.

The situation that you describe south of the border seems even worse, because it might lead to some kind of ghettoisation, with folk who require council tax benefits being forced out of certain local authority areas while in some areas folk will be eligible only if they have stayed in the area for a certain amount of time. That seems daft, because people will be less likely to move to try to get work if they cannot pick up benefits in the place to which they move. Am I right in saying that?

Peter Kenway: You are right in saying that. I stress that currently a lot of the developments that I have talked about, such as the residency requirement, are isolated examples. One must not overplay that.

You are right about people moving for work. You must not look for too much logic in what is going on here—

Kevin Stewart: I do not, I assure you.

Peter Kenway: There are huge contradictions in what is going on, which makes it particularly difficult to get to grips with the situation. However, the path that is being taken is potentially very troubling indeed.

The Convener: I seek a bit of clarification. I understand that the Welsh Assembly Government entirely funds the scheme in Wales, so there is no local authority input into the funding programme. However, in Scotland £17 million of the shortfall came from local authorities. I am not suggesting that the scale of the problem for local authorities in Scotland is the same as it is for local authorities in England, but if local authorities must find a share of the £17 million, does that leave them open to the kind of conflict between areas that you described?

Peter Kenway: It depends. What matters is what happens if the numbers start to go up and down. If there is a pot, who is contributing to it—as you said, there is £17 million in the pot—is a slightly different question. What is important is who is bearing the risk at the margin, and that is the distinctive thing about England.

Jamie Hepburn (Cumbernauld and Kilsyth) (SNP): I am sure that it is also important that there is a national scheme, so there is not the imperative or the leeway for local authorities to try

to shuffle people around. I presume that the race to the bottom that you talked about cannot happen in the way that it can happen south of the border, for that reason.

Peter Kenway: There are points of detail, for sure, but a national scheme is the best guarantee of avoiding the worst effects that we potentially see in England.

Les Robertson: Let me make clear that local authorities bear the same risk as our colleagues down south bear. Under the new scheme, if something happens such as Hall's of Broxburn closing down, the increase in case load will be borne by the local authority—and that local authority only. Although local authorities fund the scheme, all the financial risk still remains with the local authority, as do the financial benefits—case load across Scotland is coming down as a result of the slight improvement in the economic climate, so it works both ways. However, I wanted to make it clear that Scottish local authorities bear the same financial risk; we will pay for the council tax reduction scheme.

Linda Fabiani: I want to clarify what Les Robertson is saying. It was agreed with COSLA, and therefore with all the local authorities, that £17 million would be put in, collectively. However, it is in kind, is it not? You used the example of when Hall's of Broxburn closed. What you are saying is that the local authority bears the cost, but it relates to staffing structures, for example. Any additional money to be paid out would relate to having to take on staff or cut services elsewhere to cope. You would not be saying, "This is hard cash that goes in."

10:45

Les Robertson: It might help if I give an example. Let us say that we at Fife Council were paying out £10 million. If our case load was to increase and our expenditure was to go up to £11 million, that would reduce our income by £1 million. That would be borne by the council. On top of the contribution that we are already making to the shortfall, which is about £1.2 million, we would still have to fund any increase in the case load. The same would be true if our expenditure came down to £9 million. We would benefit from that. The Scottish Government element appears to be fixed. We will contribute to making up the shortfall, which COSLA and its members have agreed to. However, the movement within the overall spend would be borne by individual local authorities on an individual basis.

Peter Kenway: The key thing is the combination of the local risk and the local design. In England a significant number of authorities—maybe a quarter—are redesigning their schemes.

There is a kind of on-going game there. Authorities take the risk, but they can set their own rules, within limits. That allows them to move towards the bottom. As I understand it, in the national system, you take the risk; it is unfortunate, but there is nothing you can do about it. In England, you can say, "We can set our rules to try to offset the risk in future." That is the dangerous combination.

Susan Mathers: I will make a point to support Les Robertson. It is about the form in which the funding is made. It is a fixed-term grant settlement, based on previous years' case load. It does not reflect case load growth or movement. There is no mechanism for in-year adjustment of that, as there was with the former subsidy claim when we claimed direct from the Department for Work and Pensions. That needs to be there. We have to look at how often that fixed-term grant will be reviewed. If the fixed-term grant is for three years, variation in your case load would be an issue. The fixed-term nature of the funding exposes local authorities to more risk, as well as the funding cut and potential localisation.

The other hidden cost is the admin grant cut. The DWP is cutting the grant year on year. I know that for next year it is passing part of that grant over to the Scottish Government to distribute to local authorities. That is not reflecting the real costs that local authorities are bearing in administering the scheme even as it stands now—far less with any changes.

The Convener: Is there any other expertise from local authorities on this? Linda, you wanted to raise a point earlier. Do you want to come back to it now?

Linda Fabiani: No. The moment has passed.

The Convener: Okay. We will go to Ken Macintosh.

Ken Macintosh: I want to follow up Mr Kenway's point about what is happening in England. I believe that local authorities have introduced a scheme whereby some previous recipients of council tax benefit would now have to make a contribution of between 8 and 20 per cent. Can you explain how that works and how that percentage was agreed? Is there a tapered scale? It applies in only some authorities. Can you give us a bit more background to the options that English local authorities have pursued?

Peter Kenway: Yes, certainly. Each local authority has had to design its own scheme. There are somewhere over 300 of them. About one in five opted to stick with the present scheme—in some sense just to absorb that 10 per cent cut in funding that came through. For the others, the figure has ranged from around 8.5 per cent, which was a Government figure—there was an additional

transitional grant for a year—to 30 per cent at the opposite extreme.

Those are percentages of what we would think of as our ordinary council tax liability. Councils were free to choose. They went through consultation processes, which obviously varied from those that ran for several months and were extremely intensive to those that probably did no more than tick a few boxes.

We examined all the schemes and found that, this year, on average, people who previously had to pay no council tax because they were deemed to be too poor to do so will have to pay just under £3 a week—say, £140 a year. However, that figure varies. Some will pay less than that and there is a small number of cases in which people are being hit by even larger amounts.

It is a matter of local discretion and choice. In some cases, local authorities have people who are clearly expert on the subject and have been waiting for this moment to demonstrate their expertise. Others have obviously asked themselves what on earth they are going to do about it and decided to pick what looks like a standard scheme.

There is huge variation. There might be some kind of settling down over several years, but the net effect is that people who previously had to pay no council tax—we reckon that there are about 2.5 million of them—now pay on average about £3 a week.

Ken Macintosh: Are any of the local authority schemes emerging as good examples to follow? There are clearly many bad examples.

Peter Kenway: It is too early to say, but the learning and information-sharing process is important. The situation is dominated by the fact that, as late as October last year, the UK Government announced the transitional grant scheme, which set certain standards. More than half of the authorities went for that, because £100 million over 100 authorities is obviously worth going for.

It is unclear yet whether there are any good or bad schemes, but it is hard to imagine that any scheme that takes money off people who are very poor and are unlikely to be able to pay it will be good in any absolute sense.

Far be it from me to defend the Government of Mr Major, but the council tax benefit scheme that it introduced was successful. It restored the credibility of the council tax and pushed up collection levels. We did not get rid of council tax benefit because it was broken—that is clear—so, if we want a good scheme, there is the one that was introduced 20 years ago, which was quite good and has stood the test of time.

Les Robertson: I echo that. I have a number of colleagues down south. They knew that I was coming here, so I made a few phone calls.

There are a number of schemes. We have to understand that a 10 per cent cut was made in the overall funding. Down south, however, it was decided that they could not increase the bills for pensioners, so local authorities were told that they would have to protect pensioners and that that would be part of the default scheme and of any scheme that was introduced.

In Scotland, probably more than half of our customer base are pensioners. Thus, if a scheme were introduced, a 10 per cent cut to expenditure would affect only working-age customers and would have to be a 20 per cent cut.

Peter Kenway rightly mentioned that the Department for Communities and Local Government got a bit nervous about some of the schemes that were coming up. I will not mention the names of the councils, but they were schemes for areas in which there were high pensioner populations, typically in wealthier neighbourhoods. I think that the largest cut that we saw resulted in a 40 per cent charge for working-age people. That meant that people who had paid no council tax before would get a bill for 40 per cent. If the charge was £2,000—work it out—they would have an £800 bill that year. So the department found £100 million, which was used to introduce what are called 8 per cent schemes. As Peter Kenway said, about half the schemes down south are that type. Basically, with those schemes, a single person pays £90 a year and a couple pay about £120 or £130 a year.

Those schemes do not apply across the board, however. My colleagues in Newcastle introduced such a scheme, but the neighbouring authority decided to fully fund the difference for three years. So, on the same street, the people in the odd numbered houses might pay their council tax, while those in the even numbers do not because the council has decided to fully fund that. There are 320-odd schemes. Some of them are similar but, as Peter Kenway says, no good scheme is emerging.

Another difference between Scotland and down south is that, down south, people who paid no council tax did not get a bill at all because of the system for water charges. Therefore, those people got zero bills whereas, in Scotland, people already get bills from the council. In essence, it should be easier to introduce cuts here, because we already bill people with water charges. Members will notice that I say that we bill people, rather than that we collect. The bills go out, but the reason why in-year collection rates for council tax payments are at about 95 per cent is that some people really cannot afford it and, because of generosity, we

help people. The issue goes back to the sort of society that we want. We want to help people who cannot afford to pay such things. We know for a fact that people who are on benefit do not pay their water charges. That is probably not because they do not want to pay those charges, but because they cannot afford to pay them.

A comparison can definitely be made. I agree that the council tax benefits scheme was a good scheme.

Sarah Flavell: The issue comes on top of the arrears that have been built up by people who have been hit by the bedroom tax. A report by the Trades Union Congress's false economy campaign has shown that more than 50,000 people have already fallen into arrears because of that tax. As Les Robertson said, in Scotland, we bill people for water and sewerage, but many of our clients just do not pay that, so they are falling into arrears. The 8 or 10 per cent charge—or whatever it turns out to be—will just be added to that, and the onus will be on the council to collect it and to spend more money on chasing people up.

The Convener: They will be chasing people up on behalf of Scottish Water and not getting the money back from Scottish Water for doing it.

Sarah Flavell: Yes. The most that can be docked from somebody's benefit is £3.60 a week, so if somebody has built up a £4,000 debt by not paying water and sewerage charges—we have many clients that have done so—it will never be paid off.

Annabelle Ewing (Mid Scotland and Fife) (SNP): I suppose that, at least, Scottish Water is in Scotland's hands. Things could be worse if we had the situation that exists down south, where the industry has been privatised.

The Convener: Scottish Water could continue to be in Scotland's hands but collect its own money.

Peter Kelly: I want to follow up on Sarah Flavell's and Les Robertson's points. An interesting point about our work with community organisations and with people who live on low incomes is that the issue of a council tax reduction scheme does not come up very often. In talking to people over the past six months, the main focus has undoubtedly been the bedroom tax. Sarah Flavell and Peter Kenway made interesting points about what seem like small amounts of money. In the work that we have been doing over the past six months or year, we have been struck by the focus on those very small amounts of money. People talk to us about the struggle to find that extra few pounds a week. The importance of the scheme, as it appears to work at the moment, is that it allows people to retain some of the money

that, under other systems, they might not be able to retain.

Paul Drury (Bethany Christian Trust): I want to back up Peter Kelly's points. My organisation works with those who are perhaps the most poor and marginalised and subsequently the most vulnerable: those who are homeless and formerly homeless. As a result of the impact of welfare reform, we are noticing tangible or notable percentages. For example, 20 per cent of the people who we work with in Edinburgh are encountering some form of sanction or issues surrounding their payments.

One challenge for us is that, as well as dealing with the direct effect on the service users that we are working with, welfare reform has a direct effect on our organisation. We are just a small voluntary organisation and, if we lose housing benefit, that harms our cash flow as well. We need to be there to support those individuals.

11:00

In the data that we have been gathering for a number of months now, what is really interesting is that, as well as the financial impact and the consequent insecurity and uncertainty, we are noticing a real impact on the health—particularly the mental health—of the individuals that we are working with. They are saying to us, "The major issue for me is not just the money worries but that my health is being severely impacted now." That is a really notable part of the life that many of our service users are living now, due to the level of uncertainty and financial peril, if you like.

The Convener: I was shocked this morning to read a report about a young man who was sanctioned who had been discovered to have malnutrition. That is an appalling thing to happen in those circumstances.

Jamie Hepburn: I want to move the discussion in a slightly different direction by returning to our earlier discussion about the draft budget more generally. As we heard earlier, there are issues when you dig into the figures—I understand that some of those issues are now on record—but I want to focus on what is set out in the draft budget.

We know that the draft budget provides: £33 million for the Scottish welfare fund; £23 million towards covering the shortfall from the 10 per cent cut in what was formerly council tax benefit but is now the council tax reduction scheme; £20 million for discretionary housing payments; £7.6 million to support advice agencies; and funding for the delivery of passported benefits. Given those budgetary decisions that have been taken, but did not need to be taken, by the Scottish Government, an important question to ask

is whether people around the table welcome those decisions.

Ruchir Shah: Of course we welcome those provisions, which are a great recognition by the Scottish Government—and the Scottish Parliament more generally—of the intense need that is arising as a result of not just austerity or recession but the welfare changes that have come on top of that. It is a very welcome recognition of the demands that are being placed on many of the organisations that are trying to deal with the problems that their clients in those situations face. Yes, that is definitely welcome.

However, we also need to recognise that many of those provisions are short term and temporary. Most of them do not have sustainability built into them for the future but are for one year or two years. At the end of the day, we need to realise that we are just patching up some of the problems. We need to start moving quickly in the direction of thinking about what kind of solutions we want, because we are certainly not in a sustainable situation.

That thinking about the solutions that we need in order to reduce the demand—whether that is about tackling the economy to provide job outcomes or about providing community support—needs to happen now. I do not think that we have the luxury of waiting until after the referendum or for a few years. We need to make those decisions and look into the solutions now.

I think that we can learn from what is happening in other parts of the UK. As Mr Macintosh pointed out, we need to consider what we can learn from the different measures that local authorities south of the border have taken, although I realise that there are some difficulties there as well. We need to start that discussion now, and it needs to be a full and open discussion with wider society and civil society.

Sarah Flavell: An important point is that the situation in Scotland is different from that in England and Wales, and we should be proud of that. The Joseph Rowntree Foundation produced a report that said that 18 per cent of households in Scotland with people in work are living in poverty. That sounds a lot, but the equivalent figures for England and Wales are 22 per cent and 23 per cent. We want to ensure that we keep that figure down.

Jamie Hepburn: Do people welcome the decisions that have been taken regarding the array of investments that are being made?

Peter Kelly: The Poverty Alliance broadly welcomes the approach that has been taken with regard to the Scottish welfare fund. We are aware that there is a forthcoming bill that may well address some of Ruchir Shah's points about the

sustainability and long-term nature of some of those responses.

What we have seen is, in many ways, a necessary response to a situation that is in fact bigger than the level of response that we are able to give. We all know that it is not possible to build a comprehensive response to the type of changes that are taking place in the welfare system solely on the basis of advice services, but those services are a necessary part of the response that we are able to provide at present.

We also welcome the mitigation of the impact of the bedroom tax. A lot is being done, and we need to think—as Ruchir Shah said—about how we move on to take a different type of approach to supporting people and communities that goes beyond simply providing advice services. That is not to diminish the crucial importance of those services in helping people, but at present we are just responding and dealing with crisis after crisis, and at some point we will have to move beyond that.

Les Robertson: I do not think that the Scottish Government could do anything other than provide short-term funding. The welfare reforms that are still to come are the major issue. We are only about a fifth of the way through, and 80 per cent of the cuts are still to come, which will involve things such as limiting rises to the consumer price index. The move from the disability living allowance to the personal independence payment will have a major impact, and not just from the change in the benefit itself. There are appeal rights, but people do not get any benefit while they are appealing, which is not the case with the current process. That will have a knock-on impact on housing costs and council tax support.

All those things are still to come, so I do not think that we—or rather, the Scottish Government—could do any more. As a local authority, we welcome the money that has been put forward for initiatives such as the discretionary housing payments and the welfare fund.

Kevin Stewart: We have heard quite a lot this morning about the complexity of welfare reform. We have heard from Mr Drury about the impact of sanctioning on the clients with whom he deals, and about the huge impacts of some of the changes. It is obvious that huge burdens are, increasingly, being placed on local authority staff, the voluntary sector and the advice agencies.

In my day-to-day work, I see the impact on my staff of cases that come in to our office, so I want to ask folks how they are finding things. Is it much more difficult to ensure that people are okay in their jobs? Is it difficult for the voluntary sector to find folk to volunteer in certain areas because of all the welfare reforms?

Although many of us who are dealing with the reforms are still in work and do not have to rely on benefits, there is an impact, particularly on those who have to deal with it on a day-to-day basis. That has not been taken account of to the degree that it probably should have. I see Ms Flavell nodding, so perhaps she wants to go first.

Sarah Flavell: It is funny that you should ask that, because we lost two volunteers recently: a retired woman who was volunteering and had to go back to work because her husband's hours had been cut, and a lone parent who was working a number of hours and volunteering for us in her spare time, but had to give up the volunteering because she could not afford to continue.

We cannot afford to pay any more staff. I do not know whether Paul Drury's organisation is as complicated as ours, but we have so many different batches of funding—for example, our money advisers are funded by Money Advice Scotland and welfare rights advisers are funded from elsewhere. At present, we do not even know how much money we will be getting from the council in six months, because it cannot say. I am not blaming the council—it obviously has to review its spending—but it is not able to tell us how much we will get, so we cannot guarantee that any of our staff will have a job in six months.

Kevin Stewart: That is very important in budgetary terms because having no volunteers sometimes means having more paid staff—or not, as the case may be. It means that the service that organisations provide goes down. Does Mr Drury agree?

Paul Drury: I echo what Sarah Flavell said. Our organisation relies hugely on volunteers. There are clear instances of people, particularly those who are in supported volunteering placements, finding it exceptionally difficult. It is quite curious that our staff can deal with service users with a degree of empathy that they might never have experienced before as they often share the same challenges, given that many of our staff are at the lower end of the pay scales.

Some of our current funding agreements are short term, which brings a slight concern about being able as an organisation to build resilience to deal with issues in the future. We are often not sure whether we will be able to help people in particular areas in the months and years to come.

Kevin Stewart: I wonder whether Ms Kopel—

The Convener: Peter Kelly wants to come in on this point, Kevin.

Peter Kelly: We rely on volunteers slightly differently because we want people to come forward who are going to tell their story about the impact of welfare reform. We find that people are

increasingly willing to do that, although it is very difficult for them. However, they have a sense of cynicism about whether change can be made.

For quite some time now we have also done work, supported by West Lothian Council, in West Lothian to raise awareness of the impact of welfare changes and to help to monitor the impact on an on-going basis. We did some work recently with a housing association in West Lothian. The points that have been made here about the impact on staff relate to what our staff found in their work in West Lothian. They talk not just about an increased workload and busier phone lines, but about having to give far more intense emotional support to their clients, which is an additional source of stress for staff in many organisations—not just those in the housing association that is involved in our tracking work.

One of the clients said that all the welfare reforms are getting in the way of our doing a better job in supporting people. Staff are responding to what they have to respond to in terms of the problems that are presented to them, but that is getting in the way of dealing with longer-term issues, and of helping people to move on and lead better lives.

On the point about staff experiencing some of the problems themselves, people in the housing association are doing better-off calculations for themselves and finding that they are not that far away from some of the so-called clients whom they are trying to help.

The Convener: Kevin, if you do not mind, I will bring in Jacqui Kopel now. I am mindful of the time and the fact that there are a couple of areas that we have not touched on yet. I thought that you might be helpful, Jacqui, on a specific question about the implications of means testing. Obviously, the CTR will reduce by 20p for each extra £1. However, given that more people are in part-time and short-term work, can you give us a flavour of how that impacts on the fluctuations that affect your organisation?

Jacqui Kopel (Dundee City Council): Yes, although I can speak only from a Dundee perspective. Our CTR case load, like Les Robertson's, has come down in the past 12 months, so that is obviously a good news story for us in that we have fewer people claiming council tax reduction. In terms of the taper and the in-work claims, it is difficult to say, but we are still finding it difficult to collect from those who are in work and to get them to pay more because of the level of their income.

For Dundee City Council, collection is still a big problem. People who are on limited incomes and are affected by the taper do not have excess income to pay their council tax, which is where we

are finding difficulties. They still have their water and sewerage charges to pay, but on top of that they have an additional council tax bill to pay.

11:15

The Convener: Given the complexities of the rules on non-dependents, students and various other things, I can see that—

Jacqui Kopel: It just adds to everything for individuals. It is hard enough for my staff, who are applying a housing benefit scheme as well as a council tax reduction scheme. There is not much difference between them—one just replicates the other—but individuals cannot work it out themselves, so they rely on our staff to help them by doing the calculation for them. They ask what effect welfare reform will have on their income if they take a job with whatever potential earnings. At the moment, they are often worse off if they take the job, depending on the hours that they will have to work.

The Convener: Is that your experience, Les?

Les Robertson: We have to take the taper into account. I do not want to sound too controversial, but I cannot understand why council tax reduction was not taken into universal credit. The way the taper works is that, for every extra £1 that someone has over a set limit, they lose so much in the pound. If someone is on housing benefit, they lose 65p in the pound, and if they are on council tax reduction, they lose 20p in the pound. With universal credit, I believe that the taper is going to be around 70 per cent. If somebody gets extra income, they are going to lose 70 per cent of the universal credit, plus they will still lose the council tax reduction.

I do not see why, if we are to have one means-tested benefit, we would want to localise council tax reduction. It is good that councils operate the system because we probably do it more efficiently but, nationally, if we take housing costs into account in universal credit, council tax reduction should have been taken in as well.

Sarah Flavell: The figure is 65 per cent according to the latest information, but that does not change much.

Ruchir Shah: An important factor that we have not discussed is the impact that the visibility that we are now getting for council tax support alongside some of the other welfare changes, particularly as they are decoupled from the other benefits, is having on public attitudes. We have seen a divisive debate around support for people in poverty.

If we look at public attitudes, many people do not have the same manner of thinking as people who are round this table today and the

organisations that are trying to tackle the issues. Many people see their neighbours not paying water and sewerage charges and they have problems with that; they have built up a lot of resentment and anger towards the people around them.

What concerns me is that, as we make the support systems and the welfare support that we have been discussing in terms of the budget more and more visible, that is having the impact of creating divisions in communities. How are we going to tackle that?

Peter Kenway: The point in my written evidence that council tax reduction is not really a benefit is in one sense a techie, wordy point, but the substantial point behind it is that, rather than being a benefit, it is really a tax rebate. One way to help people through the conflicts that Ruchir Shah correctly described is to put the matter in those terms. We do not ask people whose income is only £3,600 a year on jobseekers allowance—we can do that sum—to pay any income tax, so why are we asking them to start paying council tax? A former Prime Minister had an answer to that, which was that everybody should contribute something, but I do not think that that view was particularly shared here.

That is why it is important to say that council tax reduction is not a benefit but a rebate. It is an integral part of the tax system, and the question is at what level of income we should expect people to start paying. In their positive form, the conflicts that Ruchir Shah described represent empathy, as somebody said, but in their negative form they represent people saying, "My God, I'm struggling", and people are. That is why it is important to put it in the way that I have described, if that is possible.

Annabelle Ewing: I will go back to the point that Les Robertson and Jacqui Kopel made about universal credit and the lack of any real joined-up approach. Can we tease out in a bit more detail the potential impacts of universal credit, if we get it? It depends on what happens in the years to come. In light of the fact that housing benefit and council tax benefit have been disaggregated and we are getting universal credit, which does not, as Les Robertson said, factor in council tax benefit, what concrete specific examples are there of what that will mean for local authorities and for collection? What other impacts will there be on people?

Jacqui Kopel: Universal credit will affect collection and, as a local authority, we will have a harder job collecting the council tax. Even this year, we have had to chase so many more claimants to apply for council tax reduction because it was joined with housing benefit in previous years and we could use the information from the DWP. Because we cannot use that

information now, we have to chase claimants to get them to apply for their council tax reduction. That work is resource intensive for the local authority. We do not want people to lose out on their council tax reduction, so we are making a conscious effort to chase them.

The task has, in previous years, always been done for people alongside their housing benefit, but it is now separate and they are finding it more difficult. They have to duplicate with the local authority what they are doing with Jobcentre Plus. That can only get worse under universal credit.

Ken Macintosh: I was going to ask about that. There is to be a separation between the two systems. Jacqui Kopel said earlier that her staff are running them in parallel, but they will be separate.

Under the old system, discretionary payments were available for housing benefit and council tax reduction. Peter Kelly suggested that there has not been a huge emphasis on council tax reduction, but will the lack of discretionary payments for council tax reduction be an issue? Is it an issue yet?

Jacqui Kopel: That could eventually be an issue. The answer from my perspective is that that is an unknown at the moment.

Ken Macintosh: How many payments were made previously?

Jacqui Kopel: Not many discretionary payments were made for council tax reduction. The majority of payments were for housing benefit, with a small number being for council tax reduction. Obviously we do not have the luxury of being able to make any such payments now, but as things change and people fall further into poverty because of welfare reform, a discretionary fund for council tax reduction would be welcome.

Les Robertson: Convener, if you do not mind, I would like to go back to Annabelle Ewing's question. The way in which we administer housing benefit and council tax reduction together is very efficient. We get the information once and use it twice. Obviously that system is going to be disaggregated.

I will give some figures. My current case load for housing benefit is 34,000, and I have just under 40,000 council tax reduction cases. My point is about workforce planning and the fact that we get funding to administer housing benefit. When we move to universal credit, that funding will be removed. It is a cost-shunting exercise. I will be left with 40,000 council tax reduction cases to administer with no funding to deal with the housing benefit element. Someone will have pay for that, whether it be the Scottish Government or the local

authority, if we still have a council tax reduction scheme in the same format.

The system is very efficient at the moment. As Jacqui Kopel said, as we move away from it, there will be data issues. The Department for Work and Pensions will not allow us to use some of the data and we will only have data on council tax reduction so we will have to chase people. Council tax is not like rent—people will not lose their house if they do not pay it—so people are a bit remiss about returning forms and the amount of administration goes up.

We talked earlier about staffing; we have issues with staffing. Staff can see the writing on the wall because housing benefit is going, so staff retention is becoming an issue for local authorities, especially with jobs moving to other areas such as housing, customer services or whatever.

On discretion, we paid about 2 per cent to 5 per cent on council tax. When we start looking at the money we are getting from the Scottish Government and the discretionary housing payments fund, we might want to think about how some of that or some of the other funding that we get may be used to open our own discretionary schemes.

Annabelle Ewing: Can you remind us why the DWP has refused to share the information?

Les Robertson: The DWP has not refused to share the information. As I said, it is an issue only in a small proportion of cases. Where there is still a linked case, that is fine; the problem is where there is council tax reduction only. Because it is not a social security benefit, the DWP will give us an indication that the person has claimed and will allow us to follow it up, but we are not allowed to rely on that information to award a council tax reduction.

Annabelle Ewing: Okay. In the vast majority of cases, you still have the information.

Les Robertson: In the vast majority of cases, it is fine.

Susan Mathers: I will make a few points on disaggregation before returning to the discretionary housing payment.

As Les Robertson said, because of the efficiency savings a lot of local authorities moved to a generic service in which housing benefit and council tax reduction, as well as rent and council tax liability arrangements, are handled by the same staff. One of the main issues that local authorities face is the cost of disaggregating the generic service.

At the moment there is a single claim and a single system, but there will be problems in establishing the true cost of CTR administration

because of the efficiencies. The administration grant from the DWP is being cut and transferred to the Scottish Government, and the impacts on customers will be duplication of effort, increased bureaucracy and lack of transparency. It is obvious that the system is not efficient if people have to provide information to local authorities and to the DWP for the universal credit. That is an issue for our customers.

There are going to be major issues for software suppliers because most local authorities have single systems; there is no stand-alone council tax reduction system, so they will have to disaggregate their programming. Will there be an additional cost for a stand-alone CTR system? *[Interruption.]* There are lots of issues around costs and lots of real problems for local authorities in disaggregating the information, as well as in the loss of efficiency savings.

There is a similar story in relation to DHP. Prior to 2013, DHP was paid for council tax in very few cases. However, if localisation is to be introduced it will be an important mitigating tool, especially if there is to be protection for pensioners. In our area, 42 per cent of working-age claimants are passported, so they already have a safety net. If localisation is to be brought in and funding cuts are to be passed on, there needs to be a mitigating tool, which would be a discretionary scheme.

The Convener: I apologise for the interruption—my phone keeps switching itself on when it is in my pocket. I do not know why it keeps doing that. I will need to find one that does not do that. Linda Fabiani has a question.

Linda Fabiani: My question is on Susan Mathers's last points about localisation. When I read Peter Kelly's written submission, I was filled with horror at what is happening with localisation south of the border. We have heard a couple of times about the impacts if localisation were to be introduced here. I would like to know whether people around the table think that localisation is appropriate for council tax reduction or whether they would like a preservation of the way in which the Scottish Government and COSLA have started to deal with it.

Alex Johnstone (North East Scotland) (Con): I am not aware that anyone is proposing such a scheme in Scotland.

The Convener: Well, the question has been asked. Does anyone have any comments or observations to make, even if it is to say what Alex Johnstone has just said?

11:30

Peter Kelly: All I would say is that the proposal has not been made and, indeed, I cannot think of anyone who has suggested that the scheme should be localised. The Poverty Alliance and the Scottish campaign on welfare reform lobbied strongly for the Scottish welfare fund to be a national scheme, and I think that we would apply the same logic to the council tax reduction scheme.

Les Robertson: The only issue would be if funding were to be withdrawn and a 10 per cent cut had to be imposed. Instead of council tax reductions, would we have to start considering, say, the provision of discounts and exemptions? Should single people, for example, still get a 25 per cent discount just because they are single? Are they not using the same services? That might happen in the longer term but my professional view and that of the institute is that the national scheme should be retained and fully funded for as long as possible.

Sarah Flavell: On Jacqui Kopel's point that there has not necessarily been a huge take-up of council tax reduction, I have to say that take-up is only going to increase when universal credit comes in. After all, this is the only benefit that is taken at source; people do not have to remember to save the money, because it goes back straight to the council. With universal credit, everything else is in their pocket. We will certainly be encouraging more people to claim council tax reduction but, if the scheme were to be localised, that would put huge pressure on councils.

Ruchir Shah: My only point is that scrutiny is important and if having a national scheme means more scrutiny of the policy, I think that that is valuable. If a similar level of scrutiny can be guaranteed at a local level, the proposal for a localised scheme should be part of the discussion, but an absolutely critical issue is the level of scrutiny that can be brought to bear on decisions about the scheme's running.

The Convener: I am mindful of the time, but I want to give our witnesses a final opportunity to add to any comments that have been made or to re-emphasise any important points that we should take on board and consider in more depth. Please do not think that this will be your last opportunity to make comments. If, after you leave, you think, "Oh, I wish I'd said that or provided information on this," please send us the information in writing. We are more than happy to receive written contributions.

Jacqui Kopel: On Kevin Stewart's point about the effect of the welfare reform changes on staffing, we have noticed a big impact on staff dealing with discretionary housing payments and

the Scottish welfare fund and on those experienced in housing benefit as a result of the introduction of the underoccupancy charge. Dealing day in, day out with people who find themselves in situations of severe poverty that they have never found themselves in before and hearing their tales of woe is having an adverse effect on our staff, because they simply cannot help them. There are people who genuinely need two bedrooms, but nothing in the legislation allows our staff to pay for them; we ask them to apply for a discretionary housing payment but even if they do so, that is only a short-term measure and we cannot make such payments for ever. The fact that our staff cannot help the people who need help is having an effect on their mental health and their feelings about the job that they do day in, day out.

Paul Drury: On the impact of welfare reform, the need to collect so much data and information is putting added pressure on organisations such as ours. That information is also really telling, for example in respect of the number of people who need to move because of the bedroom tax but cannot do so because of the lack of accommodation. This is not necessarily happening in rural areas but there are places where people have been asked to move not just to a different scheme but to a different town in the local authority area, with the result that they lose their social networks and the opportunity to have positive social interaction with people round about them whom they know. We need to meet that challenge and do everything we can to mitigate the situation.

Sarah Flavell: I emphasise the point that many of those who benefit from council tax reduction are in low-paid work and that, with universal credit and the pay-as-you-earn live feed, employers are only going to find it easier to introduce zero-hours contracts, with people working 10 hours one week and not working at all the next. The council tax reduction is a lifeline not just for people on benefits but for low-paid, part-time workers.

Les Robertson: I want to make two final comments. First, I have already suggested that council tax reduction should be part of universal credit; either that happens or we remove housing costs from universal credit altogether, because I think that local authorities are best placed to deal with those costs.

Secondly, a large proportion of people who claim benefits are out working. In fact, looking at my own staff, I think that 30 to 40 per cent of them might well be recipients of universal credit when it comes in.

Sarah Flavell: Some of ours, too.

The Convener: I thank everyone for their contributions. As I have said, if you have any other information, please feel free to feed it back to us.

I suspend the meeting for a few minutes to let our witnesses leave.

11:36

Meeting suspended.

11:41

On resuming—

Fact-finding Visit (Report)

The Convener: Our second item of business is a report back on the fact-finding visit to meet Department for Work and Pensions decision makers at the Bathgate benefits centre. I went on that visit, along with Annabelle Ewing and Alex Johnstone. I invite Annabelle Ewing to report back on the visit, and Alex and I will offer any additional comments, if that is necessary.

Annabelle Ewing: Last week, we went to the DWP office in Bathgate and met the site manager, the group manager and three decision makers. They felt it appropriate to go through three case studies—with the names and addresses deleted—to demonstrate how they go about handling various elements of their case load.

The decision makers were clearly making decisions within the parameters that are set by the rules that are applicable to them. They stressed that they were not required to meet any quota of cases that are allowed or disallowed. We also dealt with the issue of points being placed in the medical report forms by Atos, further to the medical examination, with regard to various elements of the work capability assessment. We tried to get to the bottom of the question of whether Atos awards points or not, and the answer that we were given is that the medical report form includes points by way of recommendation, but those points are not the end of the story. The decision makers consider all of the information before them, which includes the information from the applicant, the medical report form from the individual in Atos and, where it exists, information from the GP or further medical evidence. They were at pains to say that they consider all the information, and that the points that appear on the form that they receive from Atos are simply recommendations, not the final decision.

The decision makers also indicated that, following the Harrington reviews, they have changed some of the procedures in terms of the number of call-backs that they make to reach an applicant by phone when they need further information. They say that they call back at least twice. They also say that the Harrington reviews have led to the inclusion within the work capability assessment documentation of a personalised summary relating to the applicant or client.

11:45

The decision makers also provided some information to the effect that the procedure now is that if, within one month of the applicant or the

client receiving notification of the decision maker's decision, they provide further information that is relevant and compelling, the decision maker can change their decision, absent going through the appeal process. That was quite an important piece of information to extract, because that is something that we can, in turn, pass on to our constituents.

One case study concerned someone who was receiving treatment for cancer and was put into the support group. That was a clear-cut case, where certain obvious conditions were met.

The second case was in more of a grey area. The applicant had provided information, and the Atos recommendation was six points for mobility, which meant that the points were not high enough to secure support group status. The decision makers said that they considered that case and all the information that was before them and decided to raise the points that were awarded for mobility. That was an example of a case in which the decision makers went against the recommendation from Atos.

The third case concerned a situation in which the points were not sufficient for an award to be made. I guess that that case seemed fairly clear-cut as well.

Certain issues arose from our visit. I am sure that the convener and Alex Johnstone will want to make some points, but I would like to make some first.

At least in the three case studies that we saw, the medical report form says on its front page who carried out the assessment and what their status or level of qualification is—we do not have the papers because they took them back, notwithstanding the fact that they had deleted the salient information relating to identity; they had a belt-and-braces approach to confidentiality. One of the papers was by a doctor, another was by a nurse, and I am not sure whether the third one mentioned who had conducted the assessment.

In a whole series of categories in the form, Atos awards zero points. I asked the decision makers whether, when they say that they consider the whole of the information again, they mean that they also conduct a detailed consideration of all the zero categories because, if someone suddenly had points in one of those many categories, they could find themselves in a completely different position. They stressed that they did that. However, my feeling is that, the minute you have something on paper, that is a presumption, and changing that is akin to changing the status quo, which involves a slightly different psychological approach.

There was an issue about the descriptors and what possible relevance they could have to the

world of work. We had a discussion with regard to the second case, which involved an applicant who was capable of sitting for more than an hour. What relevance that would have to their ability to carry out an eight-hour shift at work was not clear. To be fair, that is not an issue for the decision makers, but I wish to make that observation.

Before the medical assessment forms were taken back, I noted the headings that are used when someone mentions depression or a mental health issue in their initial application. One of those headings was, "THOUGHTS". That was followed by:

"Does not ruminate (recurrent or persistent thoughts, involving complex sequences and internal debates, that enter the mind despite efforts to exclude them)"

and

"No obsessive ideas (distressing repetitive thoughts)".

I wondered about the extent to which any assessment could be made by an average Atos examiner with no mental health specialism. What do those headings mean in practice? They do not mean a lot to me. I can think of a lot of people who may or may not have obsessive ideas, but that does not stop them proceeding with a host of things.

Those were the issues that arose for me in particular. Everybody was most helpful and sought to answer all our questions. The clear message was that they act within the parameters set. That probably brings us back to some of the broader issues that we have discussed before.

I will make one last point, if I may. At the end of the medical assessment form there is a declaration to be completed by the person who conducts the examinations. This is what they have to sign and swear to:

"I have completed this form in accordance with the current guidance to ESA examining health care professionals as issued by the Department for Work and Pensions."

I asked whether the decisions makers had the document guidance referred to here, whether it is in the public domain, and whether we could have it. I have to say that the answers were not terribly clear. I suspect that we may have to go back to the DWP to try to get hold of that because it would be very interesting to see what guidance they are supposed to comply with in order to complete the medical assessment forms.

The Convener: That is a pretty comprehensive account of the visit. There are a couple of points that I want to pick up. I am not saying that they have been left out, but they struck me when I was there because I had no expectations at all about the scale of what we were dealing with.

The scale of the centre in Bathgate is different from that of the Atos centre that we visited. Atos has facilities in different parts of Scotland whereas the decision makers centre in Bathgate is the only one for Scotland—and not only Scotland; it is also for the north-west of England. Two of the cases that we got were from the lake district. I was surprised by the scale of what goes on in the facility in Bathgate. I think that last year it had 44,500 cases to review. I do not know how many staff do that, but the scale of what happens there struck me as very significant.

We danced on the head of a pin at one point about what Atos actually does—whether it allocates, recommends or suggests points, or whatever. However, it became quite clear that the decision makers were not aware that the further medical information from general practitioners—which we have banged on about, and which has been lacking in so many of the assessments that have taken place—was a requirement. They just thought that it was a matter for Atos—whether it was able to get this information or not and whether it was helpful or not. They did not know that that information should be there and that it was part of the assessment.

That was very significant in one of the cases that Annabelle Ewing identified. Two of the cases were fairly clear-cut, either way. In the one in the middle, however, points were added to what was recommended when more information became available. That emphasised to me just how vital that additional information from the GPs or health centres is when it comes to making these decisions. Had the information been available to Atos or had Atos taken all the information into account, the person might not have had the recommendation.

Alex Johnstone: When we were shown some examples of responses from medical professionals, it was quite noticeable that they were extremely poor.

The Convener: Yes, and the level of the information was not particularly good. As Annabelle Ewing indicated, in one of the cases that she described, the person who carried out the Atos assessment was a nurse. The information on physical activity, movement and what have you was reasonably detailed, but, when it came to mental health, the descriptors were very, very limited. The contrast in the assessment between physical ability and mental health was quite stark.

Alex Johnstone: When we visited the Atos centre some time ago, we were shown a worked example of a case that represented a mental health issue. Can you remember whether, at that time, we were told whether individuals with apparent mental health problems were treated any

differently? Were they seen by people who had specialist knowledge or was it random?

The Convener: My recollection is that it was just random.

Annabelle Ewing: When I heard that the forms were going to be taken back, I checked the language that was used in them and saw that they used different language when they dealt with issues that had more to do with mental health. The decision makers said that there was a difference in the headings in the forms because, in those other cases, a mental health issue had not been raised in the initial application form. The one that talked about rumination and obsessive thoughts concerned a person who had raised depression in their initial application.

It is clear that there is no differentiated approach to mental health. That is worrying, and it picks up on the points that were made in our earlier session about the impact on people, particularly those who are struggling with mental health issues.

Jamie Hepburn: I thank all of you for the information that you have given us about what sounds like an interesting visit. You might recall that, over the summer, I visited New Horizons Borders, which is the peer support group for folk who have had or have mental health challenges of various types. People there placed on the record their concerns about the types of questions that were being asked and the fact that the people who were undertaking the assessment did not have the requisite expertise. Your experience tallies with the experience of those who are going through the assessments.

Kevin Stewart: I would like to make two comments. The first relates to a question that I posed to DWP officials in this committee. Do any of the decision makers have any medical experience?

Secondly, Annabelle Ewing said that there were two clear-cut cases and one in which the decision maker chose to move the person up by giving them additional points. In how many cases does the decision maker move someone down and thereby take them out of the equation?

Alex Johnstone: We were told that, although it is not unheard of, it is extremely rare for people to be reclassified downwards.

Kevin Stewart: And on the issue of the medical experience of the decision makers?

The Convener: That was clarified. All the staff who conduct Atos assessments are health professionals.

Kevin Stewart: I understand that, and I remember that from my visit. However, my concern involves the decision makers—the folk in

Bathgate. The DWP officials were reticent on that issue, and my suspicion was that not many of the decision makers had any medical qualifications. Was that question asked? Did anyone give any indication of the situation?

Alex Johnstone: It was made clear that the decision makers were civil servants. They were experienced in that role and had arrived in that role as a result of the experience that they had gained. However, they are civil servants. The medical knowledge and experience is on the Atos side.

Annabelle Ewing: To be clear, the latter pages of the medical assessment form are concerned more with issues such as the general appearance of the applicant—whether their clothes are clean, whether they have washed, whether they are unkempt. Those are things that can be observed by anyone. However, as I said, there were also questions about whether the applicant ruminated or had obsessive ideas. How would you know by looking at someone whether they are ruminating or not? There was no explanation about what questions had been asked to pursue that—that is to say, it seemed that none had been asked—and that person got zero points for that section. I have a real concern about that part of the form. It is completely meaningless. With respect, how could anyone who is not a mental health specialist make any progress with that kind of questioning?

For the record, I should say that we were accompanied by our excellent clerk Rebecca Macfie, who prepared the report. We thank her.

The Convener: Thank you, Rebecca.

12:00

Alex Johnstone: I have visited Atos, I have visited the DWP and I have also sat here and heard about the experiences of individuals who have been through the system. While there is no part of this process that is foolproof—I doubt whether it would be possible to achieve that—I believe that I have seen a system that is broadly robust and that allows assessments to be made, reviewed and considered in a way that, as we heard from people who came forward as part of the your say initiative meeting, enables decisions to be reversed, following an appeals process. I believe that the combination of processes is largely robust. If there are members of the committee who believe that there is some kind of conspiracy afoot to achieve objectives that have not been declared, I say to them that I have seen no evidence to support that idea.

The Convener: In fairness, I would concur with about 90 per cent of what you have said, Alex. My concern, which I raised at the meeting with the DWP decision makers last week, is that, even

though they and the Atos healthcare professionals can be as professional as they want to be, if what they are looking for bears no relevance to someone's practical experience of work, it makes no difference how thorough and professional those individuals are. You can assess 100 people on the basis that they can walk 50m, sit for an hour, move a box from one position to another or raise one of their hands above their head for a certain period of time and you might arrive to the same conclusion on every one of them. However, whether that makes someone capable of working an eight-hour shift for five days a week is a different question. For me, that undermines the whole process.

Regardless of how well someone at Atos or in the facility in Bathgate does their job, people will be taken off benefits because they are deemed fit for work when, clearly, that is not the case. The assessments from the DWP, which were devised to create that system, mean that people who need support from society because they are vulnerable are no longer going to get it. That undermines the whole process; it is nothing to do with the individuals who are carrying out the assessments.

Kevin Stewart: If the system is so robust, why do so many people win their appeal when they produce more medical information? That is key to all of this.

Alex Johnstone: With respect, I point out that I included the appeals process as being part of what makes the system robust. I am well aware that there are more appeals than we would like there to be, and that a lot of them are successful. However, nevertheless, the system seems to produce results that concur with the objectives of the system.

Kevin Stewart: I disagree with that, convener.

Annabelle Ewing: So do I.

Linda Fabiani: And so do I.

The Convener: I think that there is a consensus around that, on the part of some members.

Linda Fabiani: And your agreement was hardly 90 per cent, if I may say so, convener.

Alex Johnstone: A bit of magnanimity from the convener never hurts.

The Convener: I was trying my best.

Does anyone else want to raise any points on the report? It might be useful to collate all the information that we have gathered from our visits and so on into a document that we can refer to.

Annabelle Ewing: Yes. Also, there are a couple of questions that arose during our visit that we would like to pursue with the DWP or the UK Government directly.

The Convener: We will have a look to see what they are and get a letter off to the appropriate people.

12:04

Meeting continued in private until 12:31.

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