The Scottish Parliament
Pàrlamaid na h-Alba

Official Report

WELFARE REFORM COMMITTEE

Tuesday 29 April 2014

Session 4

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WELFARE REFORM COMMITTEE
7th Meeting 2014, 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:

Mark Ballard (Barnardo's Scotland)
Neil Couling (Department for Work and Pensions)
Keith Dryburgh (Citizens Advice Scotland)
Dr John Ip (British Medical Association)
Barbara Kendall (The Salvation Army)
Dave Kilgour (Aberdeen City Council)
Jamie Livingstone (Oxfam Scotland)
Kay McIntosh (South Lanarkshire Council)

CLERK TO THE COMMITTEE

Simon Watkins

LOCATION

The Robert Burns Room (CR1)

Scottish Parliament

Welfare Reform Committee

Tuesday 29 April 2014

[The Deputy Convener *opened the meeting at 10:00*]

Decision on Taking Business in Private

The Deputy Convener (Jamie Hepburn): Good morning and welcome to the seventh meeting in 2014 of the Welfare Reform Committee. I ask everyone to ensure that their mobile phones and other electronic devices are switched off.

The convener has sent his apologies for not being able to make this morning's first evidence-taking session, but he hopes to attend for the second. I will therefore convene the first session, but I must apologise for my voice. I am suffering a little bit from tonsillitis, so you will need to bear with me.

The first item of business is a decision on whether to take in private item 4, which is consideration of today's evidence on food banks. Are members agreed?

Members *indicated agreement.*

Food Banks

10:00

The Deputy Convener: Under agenda item 2, we will take evidence on food banks and possible links with the United Kingdom Government's welfare reforms. For this round-table session, I welcome Dave Kilgour, city strategist, Aberdeen City Council; Mark Ballard, head of policy, Barnardo's Scotland; and Dr John Ip, general practitioner, British Medical Association. Given my tonsillitis, Dr Ip, you are particularly welcome. [*Laughter*.] I also welcome Keith Dryburgh, policy manager, Citizens Advice Scotland; Jamie Livingstone, head of Oxfam Scotland; Barbara Kendall, divisional director for community services, west Scotland division, the Salvation Army; and Kay McIntosh, tackling poverty team manager, South Lanarkshire Council.

I should point out that the round-table format not only allows members to ask questions directly of those who have kindly given their time to come along, but encourages interaction between everyone at the table. It has worked very well for us in the past, and I hope that it will work well today.

I will kick things off with a general question. The welfare reform minister, Lord Freud, has said that the increase in food bank use and demand predates his welfare reforms and that there is no evidence of a causal link between that rise and the reforms. However, Dr Filip Sosenko of Heriot-Watt University told the committee that welfare reform was

"a major factor fuelling demand for food aid"—[*Official Report*, *Welfare Reform Committee*, 4 March 2014; c 1308.]

and that the evidence for that is "robust and reliable".

In your experience, have the UK Government's welfare reforms, particularly the increasing use of sanctions, been a contributing factor in the rise in demand for emergency food aid?

Keith Dryburgh (Citizens Advice Scotland): The demand that is being experienced in citizens advice bureaux has been rising over the past two or three years and, as such, predates the Welfare Reform Act 2012. However, a number of the Government's changes such as the changes to tax credits and the tightening of the sanctions regime, which did not need to be done through the 2012 act, were introduced earlier and, along with reassessments for employment and support allowance, have been the biggest factors in the increase in demand for food banks. Latterly, the introduction of the bedroom tax and other measures in the 2012 act has increased demand

further, but a range of things that were introduced before the Welfare Reform Act 2012 has contributed to the increase.

In our experience, sanctions are a major factor in the referrals and signposting that citizens advice bureaux have had to make. In the period from January to March, we have had to signpost 1,300 clients—or about one in 50—to food banks. According to a recent survey of front-line advisers, 90 per cent agreed that sanctions had led directly to an increase in demand for food parcels. In short, the national evidence and our on-the-ground coalface evidence point towards welfare reform as the cause of the increase in demand.

Dr John Ip (British Medical Association): GPs have made it clear that the sanctions that patients are getting as they journey through the Department for Work and Pensions process are impacting on their mental and financial health. I have received many reports from GPs whose patients have told them stories about how rigid and unfriendly the system is. Patients have difficulty in finding their way through it and understanding the rules; the forms can be very complex; and the rules for the work-related activity group of ESA claimants can be extremely stringent. If people inadvertently do not follow those rules completely, their benefits are sanctioned.

Patients often come to their GP very stressed—indeed, in extreme distress—and looking for support from the national health service, and that is having a significant impact on GP workload at a time when that workload is under extreme pressure. Members will know about the ageing population and the increasing complexity of healthcare needs, but my experience—and certainly the experience of my colleagues—is that welfare reform and how it is being carried out are having a significant impact on GP services.

The Deputy Convener: Are your colleagues reporting that their patients are increasingly using food banks?

Dr Ip: Yes. As we all know, food banks are increasing their services, and we feel that that is demand led rather than supply led. One line of thought is that if food banks increase their supply more people will use them, but what we are seeing—indeed, as we have seen before with the expansion of food bank services—is that many patients, especially those in the most vulnerable groups in our society and those who live in very poor areas, are in severe financial distress, and the welfare changes are a significant contributor to that.

The Deputy Convener: I should have said earlier that anyone who wants to contribute should indicate as much to me. I call Mark Ballard.

Mark Ballard (Barnardo's Scotland): Thank you for inviting Barnardo's Scotland to this morning's event.

In research that Barnardo's recently carried out across the UK on the changing pattern of food bank use, we found that around 90 per cent of the Barnardo's services we talked to now use food banks and that almost all the services had seen an increase in demand for food banks. In addition, nearly half of Barnardo's services directly supply food and other essentials to the families they work with who are in emergency situations. Moreover, there has been much greater use of the small grants scheme that we have always run.

As for the question of where that demand is coming from, it is worth recognising that a range of factors is contributing to the situation. Keith Dryburgh and Dr Ip have already mentioned benefit sanctions and delays in benefit payments, and we should also highlight the impact of, for example, the bedroom tax, which is leading families to use money that would have gone on food to pay for the element of their housing costs that is no longer covered by their benefits.

We should acknowledge the impact of the rising cost of food and other essentials. Our research indicates that, between 2007 and 2012, food prices rose between 19 and 47 per cent. We are talking about the cost of essential goods, and for many of the families with whom we work that increase has also been a factor in making food unaffordable.

Of course, the issue goes wider than food banks. I refer the committee to Institute for Fiscal Studies research that indicates that increasing numbers of single-parent households and households with young children are switching from fresh fruit and vegetables to cheaper processed food, which will also have a long-term impact on diet and health.

The pretty unequivocal evidence from the front line is that demand is increasing but that a range of factors is contributing to that.

Jamie Livingstone (Oxfam Scotland): Oxfam is best known for its work around the world, but for the past 20 years or so we have been working in the UK and it is fair to say that, alongside the worldwide rise in hunger, there has been a big increase in the number of people in developed countries needing food support.

Reading the submissions for today's meeting, I was struck by the broad agreement about the causes of surges in food bank use. I do not think that it is credible to say that there is no link between welfare changes and food bank use.

Oxfam does not do direct delivery. We work with partners, and we are partnered with the Trussell

Trust. I know that the Trussell Trust has given evidence to the committee previously, but since then it has released figures that show that 77,000 Scots used its services last year and the top reason that was given was welfare delays. Low income came into it, but the third reason was welfare changes, so two of the top three reasons were welfare changes.

Alongside that, we work with West Dunbartonshire Community Foodshare, which is an independent food bank service that operates three outlets across the area. It tells a remarkably similar story, in that statistics for last year show 2,500 service users coming through its doors. We have to pause and give credit to the volunteers who man those services.

We can clearly say that the value of, and the protection that is afforded by, the welfare state has been degraded in recent years. People are faced with the double whammy of their cash benefits losing real-terms value and shifts in welfare entitlement. Some of that has been mitigated by measures that have been taken in Scotland, but I do not think that we can say that it has all been mitigated.

Yes, there is a link between welfare reform and the surge in the use of food banks.

The Deputy Convener: Jamie Livingstone mentioned that 77,000 Scots have used the Trussell Trust in the last financial year. Obviously, the Trussell Trust does not operate every food bank in Scotland. Do you have any information about the wider figure? I assume that it would be much higher.

Jamie Livingstone: We do not have that figure. There are a lot of independent food banks and food sharing services across the country. The recent report by the Scottish Parliament information centre shows that the trends that we are seeing in the Trussell Trust's figures are pretty much replicated in other food bank services across the country. I do not have the numbers, but the reasons that people give to the Trussell Trust for turning up at food banks are pretty much replicated elsewhere.

Dave Kilgour (Aberdeen City Council): Aberdeen City Council supports the food bank partnership, which brings together a number of organisations that have been doing food bank work for many years, such as Community Food Initiatives North East and Instant Neighbour, as well as community-based organisations and community projects. We support them through direct funding from the council's fairer Aberdeen fund.

The figure that those organisations gave for last year was 7,800 beneficiaries; that is obviously individuals and families. Essentially, there is a link between welfare reform and the growth in food bank use. The whole approach needs to take on board how we work in partnership in supplying food and in providing the range of services that are needed to address other aspects of welfare reform.

Kevin Stewart (Aberdeen Central) (SNP): Like other members, I have visited food banks in my area to get a grasp of what is happening out there. One of the things that has been bothering me of late is the number of reports of folk going to food banks but being unable to take certain foods because they no longer have cooking facilities. Often they have access only to a kettle and boiling water, or something like that. That restricts the food that they can take and cuts out almost all fresh vegetables, although not necessarily fresh fruit. Are the witnesses hearing about that in the work that they do? Perhaps Dr Ip could indicate how damaging it can be to folks' health, particularly young people's health, if they are not being fed properly.

The Deputy Convener: I note that Ken Macintosh wants to come in, but I shall allow answers to that point first.

10:15

Dr Ip: We all know that fresh fruit and vegetables and freshly cooked food rather than processed food are much more beneficial to people's overall health, so that concerns me if people are relying on food banks. In the short term, it is probably all right, but in the longer term, especially for families with younger children, if those children are not getting their supply of fresh fruit and vegetables, fresh meat and food that is freshly cooked rather than processed, that will have a longer-term impact on those young people's health.

Food is not just about stuffing bellies. Food is often part of getting together with the family, so there is a social interaction with eating. Unfortunately, especially in families that are suffering financial stress, that pastoral sense in which food and meals sit together with wellbeing has been damaged. Young people growing up in such families do not see food as something to do with a social situation that gives people strength and support, and in the longer-term that could be damaging.

Kay McIntosh (South Lanarkshire Council): I look at the issue from the perspective of a number of agencies in South Lanarkshire. The food poverty sub-group of our financial inclusion network helped to prepare our evidence statement, and it is clear that that group is seeing an increasing number of folk who are presenting at food banks and at other agencies, and are unable

to use a normal food parcel because they cannot pay their electricity bills and so cannot use their cookers. A lot of the food banks and other agencies are now looking into other mechanisms for supporting individuals, such as adding on community cafes and taking other approaches that might help.

As Dave Kilgour said, we need to think, from a council and community planning perspective, about how to get wider support to such families. There is a range of intensive family support projects to which we can refer people, and we need to make the link between people presenting for assistance and going beyond simply giving out crisis food aid.

Mark Ballard: I agree strongly with the points made by Dr Ip and by Kay McIntosh. Recently I spoke to a family support service manager in the west of Scotland, who said that one of the issues is that service users cannot afford the public transport to come to the food bank, so Barnardo's staff have to take the food or vouchers to them. There are problems about the cost of transport, the cost of electricity and a whole basket of rising prices at a time when wage income is being depressed and benefits income is facing sanctions and the bedroom tax. A situation in which people cannot even afford the bus fare to get to the food bank is also a major challenge in making a food bank service work.

Keith Dryburgh: People may be experiencing a crisis in their whole life, not just because they cannot afford food. That comes at the end of a big set of coping mechanisms. They might be skipping meals or they might be living without electricity, and by the time that they get to a bureau or a food bank they are often desperate and in crisis. We see cases in which people cannot afford to go and get food or to heat the food, and I know that some food banks have specific food parcels for people who cannot afford to cook.

Because there is a wide range of crisis issues, there has to be a wide range of responses to the situation. It cannot just be a short-term response. Everyone who is identified as being in a crisis situation must be able to access every service that would benefit them, so they should go to one place and get access to all the services.

We are trying to build our clients' resilience. Stirling Citizens Advice Bureau developed a crisis guide. The CAB has a poster in the window so that anyone who is in a crisis can see the things that they can do, the places that they can access at night and so on. People can take away the guide, which shows everywhere in Stirling that they can go to for help. We are funding 23 bureaux, I think, to do the same. We are trying to empower people, and to ensure that they know about the support that is out there.

Addressing the key causes is much more important, but building people's resilience to crisis situations is very important, too.

The Deputy Convener: I will take Barbara Kendall and Kevin Stewart, then Ken Macintosh, who has been waiting very patiently.

Barbara Kendall (The Salvation Army): The Salvation Army does not operate food banks per se, but we are at the coalface of providing emergency food parcels for folks who present at our church centres and other centres.

On the initial point about whether there is a link between welfare reform and the use of food banks, we have very raw data. We recognise that, over the years in which we have provided emergency food parcels, there has been a major increase in the number of people who use the service—folks in the community who are vulnerable and particularly deprived—and we have looked at ways to capture that data.

We have not been doing that for very long, but the data that we have suggests that the key reasons why people present for emergency supplies of food are welfare reform or benefit related—changes or delays to benefits. The new paperwork that we are working with gives our volunteers the opportunity to record whether particular sanctions have caused a difficulty that has resulted in people coming for food.

The Salvation Army offers quite a holistic approach. People have talked about folks being unable to heat food, et cetera. A number of our centres provide hot meals in community cafes and situations like that, so that people have another option in addition to receiving an emergency food parcel and have an opportunity to sit down and have social interaction, so folks can get to know them a bit better and perhaps signpost them to other services and agencies that might be able to help with other needs that contribute to the fact that they are in food poverty.

From our perspective, there has been an increase, and from the brief snapshot of evidence that we have, changes to benefits appear to have contributed to that.

The Deputy Convener: Kevin, is your question on the same area?

Kevin Stewart: Yes, it is, convener.

Food banks now provide other services, too. Just a few weeks ago I visited CFINE—Community Food Initiatives North East—and talked to a woman who works there who has worked in deprived communities for more than 35 years. She says that this is the worst that she has ever seen things.

A shocking thing that I had not really thought about until that day is the help that is now being provided with nappies. Folks cannot afford nappies and, in a lot of cases, cannot use reusable nappies because they are not able to wash them.

Are folks finding that those kinds of services are being bolted on to the food that food banks are providing and, if so, how much of the food banks' efforts are in those areas now?

The Deputy Convener: Can folk bear that in mind? I am going to bring in Ken Macintosh, because he has been waiting for quite a while.

Ken Macintosh (Eastwood) (Lab): Thank you, convener. I have a brief follow-up question, but it is on a different issue.

The Deputy Convener: That is okay.

Ken Macintosh: It is on Jamie Livingstone's point about Oxfam's international comparisons of the use of food banks. You might not have the statistics today, but the committee would appreciate any information about lessons that we can learn or similar patterns that have emerged in other countries. Our colleague Linda Fabiani was looking at food banks in America as part of her recent trip. It is always informative to know whether our experience here in the UK is unique, or whether it is widespread in developed countries, not just developing countries.

Everybody around the table—except perhaps one person—is conscious that the UK Government needs to respond and to change its welfare reforms, but there are many actions that we could take here in Scotland, too. My question is about the appropriateness of food banks as a response to the difficulties that people have. It is impossible not to be full of admiration and support for those who provide food, which people clearly need, but many observers have said that if people are in need, it would be better to give them money so that they can make their own choices.

I notice that the Salvation Army's submission points out that many local authorities, which are responsible for administering crisis support provided through the Scottish Government, offer only in-kind assistance. I think that it was Mark Ballard from Barnardo's who pointed out that the welfare fund and crisis support that is available are not available instantaneously, as food banks are.

Are there lessons that we could learn? Food banks have clearly been a fantastic reaction to the need that exists, but is there a more appropriate way of responding, such as providing cash, which might boost resilience and give people a bit more respect than providing them with food parcels does?

The Deputy Convener: Jamie, do you want to respond to the first point about international comparisons?

Jamie Livingstone: Scotland and the UK are certainly not alone in this. Around the world, one in eight people is going hungry. Over the past 20 years, we have seen a dramatic increase in the amount of food aid being distributed in developed countries.

How food poverty is defined and recorded differs dramatically in different contexts. What we could learn from Oxfam's humanitarian response is that giving cash is a useful way of trying to deal with the issue—Ken Macintosh picked up on that in the second part of his question. If cash is given instead of food, that not only gives people choice and dignity; it also boosts the local economy—people who go for food support will spend any money that they get in their local economy and boost that economy. Given our programme experience, cash, rather than food, would be our preference.

More broadly, this is not a matter of the affordability of welfare. What we spend on welfare now as a percentage of GDP is pretty much the same as it was 20 years ago. We are living in a country where five of the richest families own the same wealth as the poorest 20 per cent of the population—more than 12 million people. This comes down to choices and political will; I do not think that it comes down to whether we can afford to give people—whether they are in or out of work—enough money to live with the dignity to which we are all entitled.

Kay McIntosh: On Ken Macintosh's point about the Scottish welfare fund and its ability to pay cash, although I know that there is variance across the country, I think that we are sitting at 97 per cent of the fund having been spent, with applications still being processed. We try to turn around applications within a day, as opposed to two days—that is for crisis payments, rather than community care grants. We will pay cash, and when somebody cannot feed themselves, we will certainly pay cash.

I know that there is variance across the country and that we must try to make the systems around the Scottish welfare fund as appropriate as possible to people's needs. It is also about working out when that route, as opposed to a food bank route, is appropriate. It comes back to our working as community planning partnerships and working out appropriate referral routes. It is also about the additional supports that we mentioned earlier.

Mark Ballard: Everybody would acknowledge, I think, that food banks have been incredibly effective at meeting the needs of families when

they are in crisis. In Barnardo's response, I said that food banks, in enabling our workers to go to visit a family and offer an instant solution to the problem of there being no food in the house, have been incredibly valuable. However, Ken Macintosh is quite right to highlight the point that food banks are not an answer to the long-term problem of child poverty in Scotland and the rest of the UK.

On the point about giving cash, the decision to suppress the uprating of benefits will mean that benefits and tax credits continue to fall behind the increase in the cost of food, fuel and transport. I suggest that if we need to support people financially, we should do so through a welfare state that is adequate to meet the basic needs of families, in particular those with vulnerable children. My answer to the question about giving people cash is that yes, it should be done, but through a welfare system that meets people's needs.

I was part of the committee's previous discussion about the sanctions regime. Tackling a punitive and often illogical sanctions regime is part of ensuring that people have the cash that they need to support themselves while they move from one job to another.

10:30

Keith Dryburgh: Ultimately, a lack of cash is the root of the problem, whether that is caused by a reduction in benefits, the removal of benefits or a gap in payment. All of those mean that people do not have enough income to buy food or meet their outgoings. Logically, that leads to cash being part of the solution.

As Mark Ballard was saying, we need a proper benefits safety net to ensure that everybody has cash. Before the crisis, people were existing just above the crisis level. People are dipping down now because of the lack of income, and the trick is to raise those people out of the crisis that they are in. We are talking not just about benefit recipients but about people in low-paid employment. The majority of people in relative poverty are in work or in households that have at least one adult in work. It is a matter of examining their income and ensuring that they do not slide into crisis.

I am really thankful that food banks have done the work that they have—thank goodness that they have. In the long term, there is a need to consider people's income and whether the benefits system actually supports people or not.

The Deputy Convener: Annabelle, is your question in this area or in a different area?

Annabelle Ewing (Mid Scotland and Fife) (SNP): It picks up on some of the points that have been made, but broadens them out a wee bit.

The Deputy Convener: Go for it.

Annabelle Ewing: On the discussion about payments in kind or in cash, the committee had an interesting evidence session some weeks ago with those involved in the Scottish welfare fund on the front line. From memory, the majority view of the participants was that they wished to have the flexibility to make in-kind payments. The committee will be examining the issue in its broader consideration of the forthcoming legislation.

In relation to the debate that we are having now, what is the experience of the practitioners who are here today of the DWP hardship payment system? Are those payments being made available to people or not? It would be interesting for the committee to hear about your first-hand experience of that.

Many of you have discussed the impact of sanctions on people's health, which Dr Ip mentioned, and their deleterious impact on people's situations, with increased recourse to food banks. Mark Ballard described the sanctions system as "punitive and often illogical". In its written submission, CAS highlights one of the action points as being a need to make

"urgent reforms to the sanctions regime, improving DWP administration"

and so on. We are having an evidence session with the DWP after this one. What kind of practical suggestions would you make to improve the sanctions regime, which we can see is having such a very negative impact on people's lives?

I am sorry for having broadened things out so much, convener.

The Deputy Convener: That is okay.

Keith Dryburgh: We found that the majority of people who receive a sanction, or certainly a significantly high number of them, are not aware of it—they just go to the bank and find that they have no money. Then, they come to the bureau, and it is up to the bureau to find out. They have no idea about the support that is available, about hardship payments, about how to appeal or about how to go to mandatory reconsideration. There is a huge lack of information for claimants, so they do not understand why they have been sanctioned, and they do not even know that they have been. There is a big lack of information.

Where a sanction is applied, people have to be given notice, but our briefing outlines the case of a person who found out on the day that she was supposed to get her payment. Not many of us could survive a break in payment if we just found out on the day that we would not get what we were expecting.

We also think that people should get at least one written warning, saying that they would have been sanctioned, so that they can learn from their mistakes.

Such easy administrative changes would help people to build resilience and would make the sanctions regime work by giving people warning so that they could change their behaviour. At the moment, there is a significant lack of information and people really do not understand why they have no money in their accounts.

Jamie Livingstone: Sanctions are clearly on the DWP's agenda. Oxfam welcomed the Oakley review but we thought that it was probably too narrow. At this stage, there are problems with sanctions being misapplied and not leading to the intended outcomes. We need to look at the decision making around when sanctions are applied; what levels of sanctions are applied; and how sanctions are communicated. The Oakley review only really looked at the communication of sanctions rather than at how the system is working.

It is also important to realise that when sanctions are applied, there is currently an overturn rate of about 58 per cent, so it is not as though the sanctions regime is particularly effective.

On trying to influence the debate, an all-party parliamentary group on food poverty is currently being set up at Westminster but there is no Scottish MP on the group and, to the best of my knowledge, a visit to Scotland is not on the group's timetable. Certainly this committee could play a role in feeding back some of the concerns to that group.

The Deputy Convener: Thank you—that is a helpful suggestion.

Alex Johnstone (North East Scotland) (Con): Barnardo's written evidence mentioned that one of the drivers of food poverty is the increase in the cost of food—a point that Mark Ballard made in his opening remarks. I do not think that he got any support for that point from people around the table. There is the general cost of living issue but does anyone have a specific view on the cost of food in relation to the increase in demand for food banks?

Mark Ballard: I am glad that Alex Johnstone has raised that specific point. The issue is not the rising cost of food; it is that the rising cost of food and of other basic living costs—

Alex Johnstone: Energy as well.

Mark Ballard: —such as energy and transport has not been matched by an increase in wages. As I mentioned, the fact that benefits will not be uprated from 2013 to 2015 means that benefits will also be falling in real terms. There is a cost of living issue because of declining real wages and coming out of the recession and because of declining benefits.

The cost of food is one of the contributory factors, but the issue is not fuel, transport or food price inflation on its own; it is the fact that we have an increasingly insecure, low-wage economy. The increasing costs of basic goods create a difficult situation for vulnerable families, especially when the benefits that support people—and support as many people in work as out of work, as Keith Dryburgh said—are also being depressed.

Dave Kilgour: The high cost of living in a city such as Aberdeen is a factor in the use of food banks now by people who are in work. Certainly that is the information that I have had back from the food bank partnership. Aspects such as the lack of available housing at low cost within the city, particularly in the private rented sector, are leading to people having to be much more reliant on such things as food banks to get by.

The cost of living is a factor. Aberdeen is a city that has a huge gap between the wealthy and the poor and the minimum wage and the living wage are issues for the city. There is some discussion about whether Aberdeen should have an Aberdeen weighting allowance or an Aberdeen living wage that reflects the local economy.

Dr Ip: GPs see a lot of people in crisis because of benefit sanctions. In my practice, there was a lady who was on jobseekers allowance who could not sign on because she was in a job interview. When she told the Jobcentre Plus staff that she had an interview on the day that she was due to sign on, she received the hardline response that if she did not attend the job centre, she would be sanctioned. I think that she ended up going to the job interview because she wanted the job, but doing so caused her a great deal of stress, and she ended up being sanctioned. That is an example of the system working against people who are following the rules and trying their best. Those who have resilience can cope with that, but some people can be tipped over the edge by a small event like that. GPs see cases in which it has been hugely damaging. In the long term, people who are trying to better themselves can be tipped into a stress-related illness because of that kind of decision.

The Deputy Convener: Thank you for that, Dr Ip. One of the reasons why we were keen to have you along today was because you had been quoted in the press as expressing concern about GPs being required to refer patients to food banks.

The SPICe briefing that we have been provided with tells us that the GP magazine *Pulse*—which is not a publication that I am particularly aware of—

surveyed more than 500 GPs and found that 16 per cent had been asked to refer patients to food banks. It also notes that the annual conference of representatives of Scottish local medical committees passed a resolution about the issue. That is interesting because, at our previous evidence-taking session on food banks, I specifically asked the food bank providers whether they required people to be referred to them by a GP, and not one of them said that they did. That evidence does not tally with your experience. Can you tell us a bit more about your experience? Where is this a particular issue?

Dr Ip: Having spoken to GPs in my area and elsewhere in Scotland, I can say that the experience of GPs is variable. There are some experiences that are not positive. For example, some GPs find that the local food bank has experienced significant pressure on its service and has decided to deal with that by asking people to get a referral from a health professional—usually a GP—to access the service. That is a sign that those services are under too much pressure and are unable to meet the demand.

There are other areas where the situation is quite positive. For example, when the new food bank opened in Rutherglen, it proactively informed local GPs of what it was offering and engaged them in promoting its services. The GP forum in Rutherglen was hugely supportive and identified a lot of the issues that we are talking about today. A lot of the people whom GPs see are vulnerable and are often in crisis. GPs want to be involved in helping people, and directing people to food banks is one way in which we can do that.

As I say, the experience of GPs is variable. That is probably a sign that the explosion in food bank provision has happened over a relatively short time. In some areas, the information that is going out to GPs and patients is good but, in others, because of the rapid expansion, things have not been as well connected with the health sector.

10:45

Kay McIntosh: I want to pick up on Dr Ip's point about GPs being asked to make referrals. He talked about the Rutherglen and Cambuslang Food Bank, which is doing a fantastic job. It is my understanding that most of the food banks in South Lanarkshire require a referral as a way of managing their system and of recording some data, which they are trying to do more of now. The referral does not have to be from a doctor; it could be from a social worker, a health visitor or anybody else who is working to support that individual. I just wanted to highlight the fact that the doctor is just one of a number of professionals who may be asked to refer folk on to services.

Keith Dryburgh: The experiences of citizens advice bureaux are similar to what Dr Ip has described. A few years ago, it would have been unheard of for a client to come in saying that they had not eaten, but the explosion in the number of such cases in the past three years has shown that that is now quite a common thing. It is difficult for an adviser who may be a volunteer to tell someone, "There's nothing I can do for you other than give you a food bank referral." Most bureaux have had to forge links urgently with their local authorities and with food banks, the Salvation Army and other organisations to ensure that there is somewhere for the volunteers to signpost people to, and the experience has been difficult.

One of our membership conditions is that we are non-judgmental and do not make decisions on entitlement, so we should not have to decide whether somebody is entitled to a food parcel. It should be the service that is offering the food that does that. That has caused some difficulties, but we have worked past them. It can be difficult for a bureau to ensure that clients are being signposted to the right place.

Dr Ip: Our position is that if, in the course of seeing a patient and doing a mental and physical assessment, a GP finds that food is an issue, we want to be involved in giving people the right advice and signposting them to a good service, based on our knowledge of local services. We do not want people coming into the GP practice with the sole aim of getting a referral because they have been to a food bank and have been told, "Go back to your GP practice." We feel that that lengthens the patient journey and adds to the practice workload.

We are already extremely pressed for GP appointments. Practices tell me that they are working flat out—I certainly work flat out when I am in the practice—so we do not want that additional step when people present to food banks. When we see that there is a need, we are happy to work with food banks to get people the right services.

The Deputy Convener: Food banks are informal, whereas GP services are part of the state-run NHS. Is part of the problem to do with the interaction with informal organisations that are telling people to go to their GP? Do you have evidence that that is what is happening? How are you dealing with it where it happens?

Dr Ip: You mentioned the survey that was done by the GP magazine. I do not have hard figures, but I have anecdotal evidence from GPs. For example, two patients turned up at a morning surgery having been told by a food bank administrator that they could not self-present but that they had to get a letter or a voucher.

For a lot of people who do not know how to access services, GP surgeries are often the first port of call, because they are visible and open and their services are available to patients. That is how it should be, but my concern—especially with the growing number of food banks—is that we are increasingly seen as the first port of call and that people are being told, "If you've got a food issue, go and see the GP." I would not support that at all.

Dave Kilgour: I will pick up the point about the proliferation of food banks. In Aberdeen, people can self-refer to the food banks, although I know that the Trussell Trust is perhaps a bit different, in that it requires a referral. The approach in Aberdeen, which was to build on the food banks partnership, aimed to establish some common standards and develop some guidance around how food banks should operate and communicate with different services, widening that to the whole public sector, so that knowledge about the impact of welfare reform increases in the city as a whole and the systems that cover how people access services and when they require them therefore become a lot clearer.

We have not succeeded in making every food bank in the city part of our food banks partnership, but part of the partnership approach is to ensure that a range of things covering diet, nutrition, money advice and personal budgeting become part of an overall approach to welfare reform. We work on a community planning partnership basis in relation to all those issues—we cannot treat food banks in complete isolation.

One of my issues and concerns around the proliferation of food banks is that, as the committee will have seen from the various case studies, many of the people who present at food banks are very vulnerable. The whole situation around food banks is ad hoc. People are providing support that, although it is well meaning, essentially does not comply with other things concerning vulnerable people. One of the things that perhaps needs to be considered is whether there is something that the Scottish Government could do—without getting into the bureaucracy of registration and so on—to provide practical guidance or some method of recognising what a food bank actually is.

Alex Johnstone: That point is key. We are dealing with what is essentially an unregulated sector. I am greatly concerned by food banks referring people back to GPs, as that is a flaw in the process. You suggest that some kind of regulation is needed. Who should be doing that? Is it not the job of the local authority to do essentially what you are doing in Aberdeen, but with a stronger hand?

Dave Kilgour: I have just floated the idea; I do not have the solution as such. However, the area needs to be examined. What would be involved? It is not necessarily up to a local authority to impose a solution on the voluntary sector; the issue needs to be taken on board through a wider discussion with food banks. What would help the development of food banks? Their purpose would need to be made very clear. How, in the long term, will they be part of a sustained approach to supporting people in poverty?

Alex Johnstone: Even in a—

The Deputy Convener: Other people are indicating that they wish to contribute. I want dialogue and discussion, but I want it to be fairly structured. Has Dave Kilgour finished?

Dave Kilgour: Yes.

Jamie Livingstone: It is worth noting that not all food banks require a referral. The partner organisation that we work with—West Dunbartonshire Community Foodshare—does not operate a referral system. If someone turns up needing food, they will get food.

I am a little bit uncomfortable having a discussion about almost institutionalising food banks and food support. We need to view food banks as a temporary solution and to deal with the root causes of the problem, rather than embedding that solution within a response to tackling poverty. Although it is important that we support food banks and the many volunteers around the country who answer newspaper adverts and come and support them, we need to be cautious about where we put the balance of our energies between institutionalising that response and tackling the root causes.

The Deputy Convener: Presumably, one of the strengths of food banks is that they are informal, community-led bodies.

Does Alex Johnstone want to come back in now?

Alex Johnstone: We are getting the message from Jamie Livingstone that general regulation is not required. We have heard clearly that practice is different in different local authority areas, and that the service exists, to a significant extent, because it is required. Some form of overarching understanding is required within local authority areas, but I do not think that a one-size-fits-all approach is likely to be successful.

Jamie Livingstone: Dave Kilgour has vastly more experience with the situation in Aberdeen. The point that I was making was that the balance of our efforts should be focused on tackling the root causes of people going to food banks, rather than on seeking to regulate and institutionalise food banks.

The Deputy Convener: I was about to go to Kevin Stewart, but a number of people wish to pick up that point. I will come back to him later.

Kay McIntosh: On the role of local authorities, we are working hard to support food banks and other food poverty initiatives locally, so that we can build a stronger network, because there has to be a strong network.

As I am sure we stated in our written submission, council services—particularly services such as money matters or other money, debt and welfare rights advice services—have to deal with increasing numbers of folk who present with debt issues and require representation at appeals. That takes us away from doing the preventative work that we would far prefer to be doing in relation to income maximisation and supporting people's financial capability. It should be noted that the impact of increasing sanctions and benefit delays—the things that we have discussed today—is making it very hard for our council services to do the work of focusing on preventative solutions that they should be doing.

Mark Ballard: My comment very much follows on from that. As all the participants have said, food banks are a response to families in extreme crisis. It is hard to imagine a more severe crisis than not being able to feed your family. The Christie commission highlighted that the way forward for public services has to be to take demand out of the system through preventative actions and early intervention and to tackle the root causes of inequality rather than have a crisis management system. No matter how much effort people put into crisis management, it will always be better to tackle the problem at the earlier stages.

There is an issue for some of the Barnardo's projects that are trying to deliver early intervention. When we turn up to deliver an early intervention and discover that the parents' primary concern is how they are going to put food on the table that night, anything that we are doing about parenting support has to wait until we have solved that problem. Crisis management is not a good use of an early intervention service. That is why food banks cannot be anything more than short-term crisis management, and we need long-term interventions, as Jamie Livingstone described, which actually tackle inequality.

As for the question about what a good service looks like, when I gave evidence about the sanctions regime, I highlighted some of the evidence from our homelessness service in North Lanarkshire, which works in particular with young people leaving the care system who are homeless and who need support to get them out of that crisis and into settled accommodation.

My understanding from talking to those who work in our service in North Lanarkshire is that the fact that someone is a young homeless care leaver does not automatically mean that they will not get sanctioned. Sanctioning a homeless care leaver is punitive and illogical in the extreme. It makes no sense in the context of what the proper path should be for getting that young person settled into appropriate accommodation, so that they are then able to deal with whatever led them to that situation. Sanctioning them is not an appropriate response and does nothing to support that young person on to a positive pathway.

Dave Kilgour: I agree with Jamie Livingstone. Prevention is obviously the best approach in the long term.

I was trying to address the point about the proliferation of food banks, which are part of the alleviation of food poverty.

My lead concern is about vulnerable people in relation to the services that we provide. I know from some of the food banks in Aberdeen that the people who work as volunteers in food banks are often vulnerable people themselves. We need to look at that and ask how we can ensure that the overall situation for organisations and individuals using those services is protected.

11:00

Kevin Stewart: Preventative measures are key, but unfortunately we are where we are. Sometimes we are not very good at exporting best practice from one part of the country to another. My experience of the partnership that has been formed in Aberdeen is that many of the folks who work in food banks—not as volunteers but as workers—are pretty experienced community workers who have been on the ground for a very long time. They signpost folk at the right point to money advice services and other ways of getting them out of the cycle. If that is going on right across the country, that is a very good thing; if it is not, we need to export it around the country.

As part of our on-going work, convener, we should continue to look at how various parts of the country are developing and linking services to create solutions, rather than just trying to fix crisis after crisis.

The Deputy Convener: That is something that we can think about when we consider our report.

Does anyone want to respond to Kevin Stewart's point about exporting best practice? Is that something that your organisations can be involved in? Obviously, a lot of you operate across the country.

Keith Dryburgh: Clearly, it has been a community response—it has been a bottom-up,

rather than top-down, response and has been fantastic. Local organisations such as West Dunbartonshire Community Foodshare have come together to design a system that works for local people in their local community. It would be absolutely worth while to carry out research to find out what is happening across the country, because there are some very innovative and fantastic responses and it would be really interesting and useful to find out what they are and see whether they are applicable in a wider sense to different areas.

There is a knowledge gap regarding what those responses are, but I am aware of bureaux being involved in multiple activities across the country that are having great effects locally. It would be worth while to look into whether such approaches can be applied elsewhere.

Dr Ip: I remain concerned that the solutions to the problem are still a long way off. In September 2013, the GPs at the deep end group reviewed its March 2012 report on the effects of the benefits reforms. The group was very concerned that things had got significantly worse since March 2012, in terms of welfare changes and benefit sanctions as a result of the Welfare Reform Act 2007, and the housing benefit, universal credit and personal independence payment changes resulting from the Welfare Reform Act 2012 are still in the pipeline. GPs in very deprived practices are concerned that although food banks are a good thing, they are just firefighting, and the fire rages on. Unless the system as a whole is more focused on our patients—on helping people with their finances and to navigate what is a complex system—I do not see things changing soon.

Ken Macintosh: Again, my question is on how we should respond, in particular on how the Scottish Government and the Scottish Parliament should respond to the crisis. Keith Dryburgh said that food banks are a "fantastic" community response, and the Scottish Government has been very good by providing £1 million to support food banks. However, part of the welfare reform process has been to devolve responsibility for many of the welfare systems to local authorities and to the Scottish Government—crisis funds and housing benefits being the main ones. Our main political reaction has been to try to persuade the UK Government that it has got it wrong. I think that that will remain our main intent but clearly, an alternative is for the Scottish Government and the Scottish Parliament to decide to support our local authorities to enable them to intervene and make up the difference. That is what we did with the bedroom tax.

Would it be appropriate for us to make up the shortfall, given the sanctions and the financial hardship that are being imposed on people—by providing far greater financial support through our local authorities and giving more money to people through that route—or would that be a case of letting the UK Government "off the hook", in the words of John Swinney? It is a big question.

The Deputy Convener: Annabelle Ewing wants to be the first to respond.

Ken Macintosh: If I may say so, my question was not for Annabelle—

The Deputy Convener: Annabelle was the first to indicate.

Annabelle Ewing: I just want to add a few comments on that question, perhaps while our panellists are composing their responses to it. There is also another issue that I wish to raise. Obviously it would be fantastic if we could mitigate everything that is coming from Westminster, but the fact is that, financially, we simply cannot mitigate all the impacts of welfare reform. The solution, of course, is to take control of welfare in this Parliament.

Ken Macintosh mentioned that there are a few issues that we can deal with, but we cannot deal with most of the issues that we are hearing about today because we do not have the power to do so. I would argue that we should get the power to do something about it. We would make a much better job of it than successive Westminster Governments.

Of course, if we take money for one thing out of a fixed budget, we are taking away that money from something else. I do not know which budget has to be—

Kevin Stewart: We could take the money out of the preventative spend budget.

The Deputy Convener: One person at a time, please.

Annabelle Ewing: We could, but we have heard that preventative spend is very important.

While the panel members are thinking about Ken Macintosh's question, the other issue that I want to raise is the impact on children. In 2013-14, the number of people who had recourse to the Trussell Trust food banks included 22,387 children. I find that figure astonishing and appalling. Are those children on somebody's radar? I would assume that they are, through the various processes of the local authorities and health services. Also, how is it that an arm of the state, the DWP, can in effect sanction children? How can the DWP take food out of the mouths of children, which is what it is doing when it sanctions adults with children? How can it deal with children in that way? Is that not a breach of children's rights under the United Nations Convention on the

Rights of the Child, among other things? How can that happen in the 21st century?

Sorry, but I get really annoyed when I think about these issues. That is the key point that I wished to raise.

The Deputy Convener: Do people want to respond to the points from Ken Macintosh and Annabelle Ewing?

Keith Dryburgh: I will not get into the independence debate, because I will get in trouble with CAS if I do.

The Scottish Government has had some success in mitigating the impact of welfare reforms. The extra funding for council tax reduction and the Scottish welfare fund for the bedroom tax have had an impact, and I think that things would be worse in Scotland had the Scottish Government not done those things.

However, there is the issue that the policy is wrong, so spending money on mitigating the policy that is causing the problem in the first place is not the most efficient way of doing things. I do not think that we can ever mitigate the effects completely, but there is a role for the Scottish Government in there.

On the point about the children, our figures show that the majority of people who need food parcels are single men with no caring responsibilities. However, a significant minority of people who need charitable support have dependent children—27 per cent of them. Annabelle Ewing is absolutely right. When people get sanctioned, their children are not a mitigating factor—they still get sanctioned—so there is a significant concern that there are families out there in which the children are paying a price either for a policy or for something that their parents may or may not have done.

Kay McIntosh: Annabelle Ewing talked about children being on the radar. As Dave Kilgour said, there are groups of volunteers supporting vulnerable individuals, and sometimes the volunteers can be vulnerable as well. In South Lanarkshire, our voluntary sector workers and all our partners are well connected to getting it right for every child, so they know what to do if there is a child involved and how to ensure that those who should know about such a case do know about it. I would not be able to say with any confidence that every food bank volunteer has that knowledge. It is not a question of bringing in bureaucracy, but we should be aware of the fact that vulnerable people are using those services, so we must ensure that the people who are operating them have the skills and abilities to refer folk on to the right services.

As CAS has said, the majority—I think that in South Lanarkshire the figure is 51 per cent—of folk using food banks are single, and mainly men with no caring responsibilities. Not all the food banks are breaking down their data yet, but I know from a couple of them that 24 per cent of people using those food banks are single parents and 13 per cent are parents. If you add that together, it is nearly 40 per cent, so it is still a large number.

Mark Ballard: The first thing to say is that food banks are a crisis response, so they are used by families who might be doing quite well and surviving but who experience a sudden sanction, a benefit delay or an issue with a payday loan that tips them into crisis. They might not be families who have any requirement to be identified by social services or anybody else until the point at which they suddenly find themselves in an unexpected crisis.

That provides a huge challenge to the new statutory GIRFEC system that is going to come in with the Children and Young People (Scotland) Act 2014. The act gives responsibilities to public bodies for the wellbeing of children. As Annabelle Ewing has passionately pointed out, a child cannot have wellbeing if its parents are reliant on food parcels to feed it. There is a big issue to do with where those responsibilities overlap, and it comes down to the minutiae of the Scotland Act 1998 in terms of situations in which local authorities have responsibility for the wellbeing of children but the Scottish Government, the Scottish Parliament and local authorities do not have any responsibility for the general benefits system.

A complicated set of factors needs to be unpicked to clarify the responsibilities, but if local authorities and health boards are going to fulfil their responsibility for the wellbeing of all children in their area under the 2014 act, they will have to address the needs of children who are made vulnerable by parents in crisis, whether because of a benefit delay or sanction or because of the bedroom tax cutting payments for accommodation.

The Deputy Convener: Oxfam's submission highlights a previous report entitled "Walking the Breadline", which made a number of recommendations. For example, it recommended that the House of Commons Work and Pensions Committee conduct an urgent parliamentary inquiry into the relationship between benefit delay, error or sanctions, welfare reform changes and the growth of food poverty; and it recommended that the DWP should publish data on the number and type of households deprived of benefits by reason of benefit delay, error or sanctions, and commission independent monitoring of the roll-out of universal credit to ensure that there is no unintentional increase in fuel poverty. I am sure that you will want to respond to other points that

have been raised in the discussion, but can you also tell us how you have got on with pushing those organisations?

Jamie Livingstone: The all-party parliamentary group is one response to the "Walking the Breadline" report, and I would advise you to watch this space on a follow-up to "Walking the Breadline" shortly.

To pick up on Ken Macintosh's point, we have to respond to the crisis and we should not argue about where the money is coming from. The money needs to be put in place to ensure that people have food when they need it. That is the bottom line. The Scottish Government has taken some welcome mitigation measures, such as the emergency food aid action plan, funding for the bedroom tax and the Scottish welfare fund, and that is all great, but it is mitigating a problem. We need to turn the spotlight on the root causes of that problem, and the Welfare Reform Committee has a role to play in that.

Alongside that, there are measures that the Scottish Parliament and Scottish Government can take to tackle some of the underlying problems, such as in-work poverty and decent work, through encouraging the move from the minimum wage to the living wage and through the Procurement Reform (Scotland) Bill, for example. We can also recognise that poverty is not just about a shortage of money but about a shortage of power and influence. We have been campaigning for the creation of a poverty commissioner in Scotland to put a pro-poor lens over all decision making in this place.

More broadly, we have just come through a major financial crisis, and Oxfam's work internationally suggests that when we are responding to crises, we should not simply try to rebuild a model that was not particularly effective or resilient in the first place. Instead we need to build back better. However, the model that we seem intent on building back towards is one that still has poverty at its core. Prior to the financial crisis, we had around one in five people across the UK in poverty, and we seem to want to go straight back to the same model.

We need to do better than that. We need to broaden our horizons beyond a narrow focus on GDP and whether economic growth goes up or down, to look at the quality of that economic growth and who benefits from it. That may well involve looking at such things as rebalancing the UK's books and progressive taxation, not on the poorest and most vulnerable people as happens now but on those who are more than capable of paying their share.

The Scottish Parliament has a role in doing whatever it can to mitigate the worst impact of hunger in Scotland, but we need to go beyond that and look at the root cause, both within our control here in Scotland and across the UK. To return to CAS's point, Oxfam does not take a view on the constitution, but we do have a view on poverty and inequality, and, regardless of where the levers are sitting, we need to do better.

The Deputy Convener: We are scheduled to finish this session now, I am afraid, although I am sure that we could go on a lot longer. I thank the witnesses for coming along to give us the benefit of their experience and their thoughts on the subject. The committee will consider its next steps later.

11:17

Meeting suspended.

11:26

On resuming—

Benefit Sanctions

The Deputy Convener: Okay, folks. The convener has sent a message to say that unfortunately he is not going to be able to make it to the meeting at all, so you are stuck with me for the entire session today.

We come to agenda item 3, which is evidence on benefit sanctions from the Department for Work and Pensions. In February, the committee issued an invitation to the Minister of State for Employment to provide formal evidence on benefit sanctions at today's meeting. I speak for almost all the committee when I say that we are very disappointed that Esther McVey has declined that invitation. The committee hopes, however, to confirm arrangements for an informal meeting with the minister before the summer recess.

Formal evidence from the DWP is a vital part of our scrutiny of benefit sanctions, so we have accepted the offer that a senior official attend to provide evidence today. On that basis I welcome Neil Couling, who is work services director at the DWP. I understand that you have an opening statement. Is that correct?

Neil Couling (Department for Work and Pensions): Deputy convener, I thought that I might pick up on a few things that were said in your previous evidence hearing and draw the committee's attention to the memorandum that the department has submitted. For reasons that are outside my control, I think that it came to your clerk a bit late. It left my office on time, so we are investigating why the memorandum was late. I apologise to everybody for that.

As Jamie Livingstone was summing up in his last comments, I was thinking just how much the DWP agrees with him. Clearly, we need to tackle poverty, but one of the most effective ways of tackling poverty is to get people into jobs. The committee has heard a lot of evidence that suggests that the regime is not working—or is pointless, as some of your contributors have said—but actually the regime is not out of line with what other countries do. The UK has a strong reputation for its ability to implement policies such as those that we are delivering, with some great results. You are seeing employment rising in Scotland, unemployment falling and the number of people on workless benefits falling. We think that the policy mix and operational delivery on the ground—by our people in jobcentres, who do a fantastic job day in, day out—is achieving those positive outcomes for Scotland.

I do not know whether members have had a chance to read the memorandum, but it tries to put the academic case for what we are doing, and to give you a real evidence base—rather than the anecdotes that you have been hearing—about why other countries adopt active benefit regimes, why the UK has such an approach and the successes that flow from that.

Jamie Hepburn: Thank you.

In your memorandum you say:

"It is a mistake to see sanctions as a punitive measure".

Do you think that benefit recipients see it that way?

Neil Couling: I do not know. My experience is that many benefit recipients welcome the jolt that a sanction can give them. Indeed, I have evidence—which I can share with the committee if members want it—of some very positive outcomes from just those kinds of tough conversations. They are tough conversations to have on the jobcentre side, as well as for the claimants.

Some people no doubt react very badly to being sanctioned—we see some very strong reactions—but others recognise that it is the wake-up call that they needed, and it helps them get back into work.

11:30

The Deputy Convener: So, jobcentres across the country have been inundated with thank you cards from people who have received sanctions.

Neil Couling: Yes—that is not so remarkable.

The Deputy Convener: It is certainly a surprise to me; I do not know about my colleagues.

In your memorandum, you mention that

"some jobseekers do not respond as positively"

and you say:

"Psychologically they withdraw into dependency and denial. Attitudes abound such as 'there are no jobs', 'I don't have the skills' 'I am happy on benefits' are a defensive psychological response brought on by the unsettling circumstances."

I am just wondering who, with a degree in psychology, came up with that assessment.

Neil Couling: We have done an awful lot of work academically, and we also employ psychologists in our jobcentres. Moral judgments are often made about people's motivations, but I have never made any myself. We hear language about people being "feckless", "scroungers" and the like, but that is not the language that the Department for Work and Pensions uses. Becoming unemployed can be a traumatic thing to happen in somebody's life. People respond to that trauma in different ways. Some people remain

positive, as I mentioned in the memorandum; some people withdraw.

The system cannot just rely on one approach or two approaches; it needs to be multifaceted. We need to adopt different approaches, and that is what advisers in jobcentres are doing. Sanctions are part of that, but they are not the only thing that our jobcentres are doing. The impression that you might be left with from some of the evidence that you have heard is that all that jobcentres are doing is applying sanctions. That is not the case.

The memorandum contains an attitudinal group analysis, at paragraph 10. It shows how people actually respond and how active they are in their job searches. Only a small minority of people—less than one fifth—are actively seeking work. In order to get a job, people have to be looking for one. The system tries to calibrate a set of responses that will move more people into that group. That is why we have been having success over the past few years in terms of falls in the numbers of people on benefit and falling unemployment. It is because we are managing to encourage, support and move people through the different attitudinal groups into the "determined seekers" group. That is the essence of the policy.

The Deputy Convener: At our last session on sanctions, Bill Scott from Inclusion Scotland, which works with disabled people, informed us that, in his understanding, the DWP and Jobcentre Plus were operating a system whereby a certain proportion of people going through the system had to be sanctioned—a quota, in essence. Is that true?

Neil Couling: That is absolute nonsense.

The Deputy Convener: Is it absolute nonsense?

Neil Couling: It is absolute nonsense. Through one of the footnotes to the memorandum, it is possible to access the report on the matter that I did last year for the secretary of state, and which we published. I am sure that the clerk can do that for you. There was a set of benchmarks running until 2011. Ironically, it was the coalition Government that got rid of the benchmarks in 2011. It did so because targets being set in that area will prompt in jobcentre staff behavioural responses that we do not want.

My report pulls no punches about this: there have been isolated examples in which jobcentres have misunderstood the instructions and have put local targets in place. Where we have found that to be the case, we have taken quick action to remind them of our policy and of what we want them to do.

The Deputy Convener: What was the instruction that was misunderstood?

Neil Couling: I will tell you a little story. Jobcentre Plus is a target-focused organisation, which is one of the reasons why it is so successful. As you will see from the sanctions data, when the benchmarks were removed in 2011, many people came to the erroneous conclusion that because senior managers had got rid of the benchmarks, they did not want jobcentres to sanction people any more, so there was a drop-off in the sanctions total. When we communicated the fact that that was not the case, and that we wanted staff to sanction people appropriately, a number of people responded by putting in local targets. That reinforced the notion that it was not possible to do anything in Jobcentre Plus without targets being attached. That is not the case, but that was the simplistic way in which some people thought about it.

That is set out in my report, which is not a long report, so I hope that you will not be bored reading it.

The Deputy Convener: You are saying that the DWP is target driven, but can you tell us categorically that it does not have a target in terms of—

Neil Couling: Jobcentre Plus is a very target-driven organisation. For example—

The Deputy Convener: You can categorically tell us that you are not driving a target to have a set proportion of people going through the system who have to be sanctioned.

Neil Couling: Yes—exactly. Targets can lead to perverse behaviours. Whenever we set a target, we must be alive to risks of that sort. In terms of sanctions, we think that a set of targets would drive perverse behaviours. We want people to be sanctioned appropriately; that is part of the system. The outcome that we are seeking is not to have more people being sanctioned; getting more people into work is what we are about.

The Deputy Convener: You say that you do not want more people being sanctioned as an outcome, but the number of people who are being sanctioned now is higher than it was previously, is it not?

Neil Couling: The number is higher. As to whether that is a trend, we must wait for the next set of data so that we can understand that.

The committee also needs to understand that we have increased the amount of contact with claimants. The chances of a person's being sanctioned are going up simply because the number of interactions with people is going up; for example, we now pull in young people once a week, as opposed to once every two weeks.

Yesterday, we announced the start of the help to work scheme. That includes a daily intervention

regime for a number of people who have been unemployed for three years plus. The chances of having a sanction in the course of interaction with the state organisation are going up, so there might well be an increase in the numbers. However, that is not an outcome that we are driving towards.

The Deputy Convener: Okay. I have spoken too long for a man with tonsillitis, so I call Alex Johnstone.

Alex Johnstone: I am going to speak for as long as I can for a man sitting next to a man with tonsillitis.

The use of sanctions is controversial, of course. Could you briefly outline why sanctions are used, their effectiveness and the cause-and-effect relationship in use of sanctions?

Neil Couling: The system has always had some form of contract for the person who is claiming benefits on receipt of those benefits. It is no surprise that the last two Governments have both spoken about new contracts in their approaches to welfare reform; the previous Labour Government did so, and the present coalition Government does it.

The reason for a sanction is that, where there is a responsibility on a claimant to do something, there has to be a consequence of not doing the thing that they are being asked to do. In essence, if we were to get rid of sanctions, as I heard some contributors suggest in evidence, it would mean our having to get rid of any conditions on benefit. Otherwise, the conditions would be essentially toothless. We want to ensure that the sanction drives the right behaviour. We are looking to have people engage with the system, rather than their being disengaged from it. It is a careful balance.

Rather than my organisation being sanction happy, the chances are that someone going into a jobcentre and observing what was going on there would see many more cases that advisers could sanction not being sanctioned, because advisers are using their common sense and intelligence to make judgments about who is actively engaging and who is not, and who needs to be reminded of their responsibilities.

We are doing hundreds of thousands of interventions a week in about 700 jobcentres across the country. We are bound to get some judgments wrong, but in general the DWP is not an organisation that is chasing sanctions, despite what the committee has been told. That they should chase sanctions is certainly not the message that I am giving out to the 30,000 people across Great Britain who are doing this work, and whom I lead.

Alex Johnstone: I am sure that very few people regard being sanctioned as a positive thing. What proportion of the people who have received a sanction experience a positive outcome as a result?

Neil Couling: Another way of thinking about the issue is to consider how many people are sanctioned for a second time. Typically, 80 per cent of the people on intermediate sanctions, for example, receive only one sanction. When people are coming round two or three times, I ask my advisers and work coaches to look carefully at what is going on. Why are those people not engaging positively with the help that we can offer in getting them into work?

The jobseekers allowance regime is a phenomenally successful policy intervention for getting people jobs. Some three-quarters of people who claim JSA have left the benefit after six months. The approach is copied in a number of countries across the world because it is such a successful intervention. We know that getting someone to comply with the system is the best route to getting them a job.

Alex Johnstone: We have talked to people about the system and one group gives us cause for concern: people who have rather disorganised or chaotic lifestyles seem to be more likely to experience sanctions, which appear to be less likely to have a positive effect on such individuals. The statistics show that it tends to be young men who are in that category. Is that your experience? Is there specific support for that group? Are you making specific efforts to deal with people who seem to fall out of the system?

Neil Couling: I think that it was Mark Ballard in your previous panel who talked about homeless people—I cannot recall whether he was talking about young men. His view is that sanctions are never appropriate; I am probably half way towards his position, in that it is clear that we need to understand, from the jobcentre perspective, what drives non-compliant behaviour.

I have witnessed really good work at my Gateshead jobcentre with the local Cyrenians—the charity that is responsible for some homeless hostels. Staff have gone in and explained to the hostel workers what is going wrong with young people's job searches and how we can help people not to be sanctioned. That does not mean that we do not sanction people, because even after all that effort and explanation there are people who do not comply and do not want to engage with the system.

However, I agree with your suggestion that there are cases in which just piling in with a sanction is not the appropriate response. That is why we ask work coaches and advisers to use their judgment. Again, there will be instances in which we get that wrong, but there will also be

instances in which there is a great intervention. When I visited Gateshead and met some of the young people there, one of the most pleasing things was that we had got people not just resettled in properties in the community, outside the hostels, but into jobs, and their lives were on the heal because of that.

This is not something that we can direct from a central chair; I cannot say, "This is absolutely what you must do in those circumstances." We have to empower work coaches to make the right decisions and to make judgments about what is going on, and that is what we try to do. For example, I recently went out to talk to homeless charities through Homeless Link. We are doing the same thing locally right across the country, so that we review our relationships, with a particular emphasis on where we are with sanctions, because the rub points are quite hard and we need to take particular care with people who are in the group that Alex Johnstone asked about.

11:45

The Deputy Convener: Mr Couling, a variety of people—you heard some of them today—have told us that the sanctions regime is a major driver of the growth of food banks. Do you agree?

Neil Couling: No. I have been thinking about how, if you asked me that question, I might help the committee to understand a bit more about the growth of food banks and what is going on there. I thought that the end of your previous discussion was interesting: people were speculating about how to stop the growth of food banks, when the Trussell Trust's objective is to put a food bank in every town in Great Britain—that has been the trust's stated objective since 2004.

It is interesting to consider whether we are witnessing demand-led growth or supply-led growth. I can share with you two bits of evidence that suggest that growth is to do with supply and not demand. First, the Trussell Trust produced figures a couple of weeks ago and said that a million people had used food banks in the past year. The trust reckons that it accounts for about a third of the food bank sector, so if we gross the figure up to 3 million and work out weekly usage we get to about 60,000 people a week—that is with a generous grossing up.

In Canada, where the population is half that of the United Kingdom, at 32 million, the weekly use of food banks is not 60,000 but 700,000. In Germany, Deutsche Tafel, which is the equivalent of the Trussell Trust, reckons that in 2009 it helped a million Germans a week—not 60,000 but a million—and its most recent figure is 1.5 million. Germany is not some kind of welfare wasteland, where no help is available. That makes me think that supply is what is driving the growth. Why would poor people respond in a different way from rich people to incentives and things that they can claim or get?

The second piece of evidence on which I draw is the experience of the social fund in 2006. The previous Labour Government did four things: it reduced the rate of repayment; it extended the time over which people could repay their social fund loan; it increased the amount of money that people could borrow; and it made the fund much more accessible, by enabling individuals to access it by telephone, which took away the face-to-face challenge that used to go on in jobcentres.

In the space of three years, the number of applications for crisis loans trebled. It is ironic that, at the time, the Conservative and Liberal Democrat Opposition said that that was evidence of greater welfare problems and more crises. It was not; what we had done was expand a service for people who have not got very much money, and—surprise, surprise—they applied for it.

That is why, in my view, it is supply-led growth that is going on, which will continue over the years ahead, whatever the path of welfare policies. We live in a society in which we have poor people and rich people, and people will maximise their economic choices. That is just how economies work.

The Deputy Convener: Dr Filip Sosenko, from Heriot-Watt University, told the committee that the growth is demand led, not supply led. He said that the evidence for that is robust and reliable and that welfare reform is a major factor—

Neil Couling: He should look at Germany, should he not?

The Deputy Convener: He said that welfare reform is a major factor in fuelling the demand for food aid, and a variety of people who work with folk on the ground have told us that people who come in cite sanctions and other welfare reform matters as factors. Are all those people, including Dr Filip Sosenko, wrong?

Neil Couling: They should look at Germany and try to understand what is behind growth there. I think—

The Deputy Convener: With respect, they have looked not at Germany but at what is happening on the ground here in Scotland and across the rest of the United Kingdom, and that is what they have found.

Neil Couling: Indeed, and people will tell you things in order to maximise their economic choices. In the same way as people will tell you, "I am looking for work", because they know that if they say that they are not doing so there will be consequences and they will get sanctioned,

people will tell you things when they present to food banks. It might not be wilful deceit that is going on; it might well be their belief about the situation. Then, the food banks will record that and it will be presented back as a fact. However, that does not establish a causal link. The supply argument is a much stronger argument. Academics are not exploring the supply argument though; they are looking at what people are reporting in food banks and citing that as evidence. That does not make it right; it is just what they are doing.

The Deputy Convener: I am bound to say that I find that a very unconvincing argument indeed.

Kevin Stewart: I would go so far as to say that it is complete and utter nonsense.

Neil Couling: You just need not engage with it, then; you can just say that it is complete and utter nonsense and not engage with the argument.

Kevin Stewart: I would suggest that you go and speak to folk at food banks, as I have done—the workers, the volunteers and those folks who are presenting themselves, who without doubt are facing major difficulties in their life, often due to sanctioning.

Let us move away from that and look at some of the figures.

Neil Couling: So, let us ignore what I have said, shall we?

Kevin Stewart: Mr Couling, we are here to question you, sir.

The Deputy Convener: Hold on. We will have the questions, then the answers. Finish your question, Kevin.

Kevin Stewart: There has been a 209 per cent increase in the number of benefit sanctions since 2006. The number of cases in which a decision to sanction somebody's benefits was made has more than tripled, from 25,953 in 2006 to 80,305 in 2013. In that time, the single largest increase took place between 2012 and 2013, when there was an increase of 15,463 benefit sanctions in a single year. In your paper, you say that you are looking for

"'tough' rather than co-operative attitudes of caseworkers".

Is that the reason why there has been such a massive increase in such a short period of time?

Neil Couling: I do not agree that there has been "such a massive increase" in the way that you set it out.

Kevin Stewart: It is 209 per cent.

Neil Couling: It is not a 209 per cent increase.

Kevin Stewart: Those are House of Commons figures, Mr Couling. Are they wrong?

Neil Couling: Yes they are—in that sense. The first thing you have to do is look at the number of people on benefits. You cannot just use a figure from 2006—of what unemployment was in 2006—and then compare it with today. It is a ridiculous calculation to make, to be quite honest.

Kevin Stewart: So the calculation from the House of Commons library is "ridiculous".

Can I ask you about the

"'tough' rather than co-operative attitudes of caseworkers"?

Is that attitude leading to more sanctioning? Where does understanding come into play when it comes to your caseworkers?

Neil Couling: The international evidence, which I cited as an example in paragraph 3 of the memorandum, is clear. We are trying to walk a difficult path between showing understanding and being co-operative and making some challenge. In some locations, it is true that our folk—and I have witnessed them being quite open and honest about this—have not been applying the regime, and so when they started applying it, at first the claimants remarked, "What are you doing? We have never done this before"—that was the case with one claimant I met, because I was part of the interview. However, the results from that were positive and more people were getting jobs as a consequence. So, we are doing both.

Kevin Stewart: Let us look at that regime and at cases that I know of from my constituency. Like many others round the table, my office is inundated with folk coming to me to help them, often in tragic situations. I refer to a case that I was handed this morning. It involves a man who has mental health problems and who has previously had addiction problems. At one point, he produced a sick line to Triage Central and was told that it was still mandatory to attend work-related activity, despite his having submitted a sick line, and he was sanctioned for that. The sanction was eventually lifted after a caseworker from the Seaton recovery project intervened. What do you have to say about that kind of situation, Mr Couling?

Neil Couling: It does not sound as if there was a correct application of the sanction process in that case.

Kevin Stewart: It seems to me that there are a lot of incorrect applications of the process.

Neil Couling: You might say that, but when members of the Scottish Parliament, as well as MPs, write to the secretary of state about individual constituency cases, I often have to write back. I have started citing what has gone on in the case in my response to MSPs and MPs and, funnily enough, I have not had one subsequent response back from them.

Where we make a mistake, I am quite happy to admit that and to put the case right, and if necessary we will pay compensation to the individual. However, there are also a number of people who will present their case in your constituency surgeries and tell you that something has gone on, but from whom you might get not the full facts of the case, just a partial representation.

Kevin Stewart: Triage said that, despite the fact that a sick line had been submitted, it was still mandatory to attend work-related activity. That would be wrong.

Neil Couling: A sick line? I do not understand that.

Kevin Stewart: A doctor's note saying that somebody was unfit to attend.

Neil Couling: It would depend on what their condition was. You would have to ask. For example, if it was just a repetition of the medical condition that they had expressed in the work capability assessment, there is a chance that the interviewer would say, "We know that you have that medical condition, but we still want you to attend for the kind of help that we are offering you here." Or it could be that the person had contracted tonsillitis or something, and was therefore not well enough to attend.

Kevin Stewart: So we are now—

Neil Couling: I do not know enough about the case to tell you whether it is right or wrong.

Kevin Stewart: We are in a situation where, if somebody presents a note from their doctor saying that they are unfit, Triage will not necessarily take that as being the case.

Neil Couling: I thought that you might ask me about the danger in the system that people who move from employment support allowance, if they are found capable of work after a work capability assessment, might then present at a jobcentre bringing medical evidence and saying, "I'm not well enough. I should be on ESA." There can be quite a nasty feedback loop around that if we are not careful, so I wondered if you were going to ask me about that, because—

Kevin Stewart: I am not asking you about that. I am asking you about a situation in which it seems that doctors' medical advice is being ignored.

If I could move on with the same case, convener—

Neil Couling: Was that a question, that last bit, or was it a statement?

Kevin Stewart: It was a statement.

Neil Couling: Okay. That is good—

Kevin Stewart: When the man—

Neil Couling: I should just note that I do not agree with you there.

Kevin Stewart: Convener?

The Deputy Convener: I would rather that we spoke one at a time.

Kevin Stewart: Thank you very much.

Later on, the same gentleman received a call from a Triage office saying that he had to be available to take a phone call at a said time. He phoned the Triage office and was told that they were running late and would call soon, but nobody called. That was on a Friday. The man phoned and got an answering machine over the course of the weekend.

The gentleman was extremely concerned that he was going to be sanctioned again. As I said, he has mental health problems. On the Sunday afternoon, very worried, he phoned Police Scotland and was admitted to the Royal Cornhill hospital, where he spent two weeks at God knows what cost to the public purse. Is that the tough rather than co-operative regime that you want? Is it a case of cost shunting and creating even more crises in people's lives?

Neil Couling: I do not think that it is a case of cost shunting; it sounds like a case of failing to phone back the person as we promised.

12:00

Kevin Stewart: And how often are such failures taking place, Mr Couling? How often are people forced to take drastic action because of failures in the system?

Neil Couling: The current requirement is to phone back claimants within three hours. We are not hitting 100 per cent at the moment, but in 96 per cent of cases, we are meeting the three-hour call-back target.

Kevin Stewart: You talked about compensation earlier. How much compensation has there been in the past year to folks who have been sanctioned against all the rules that you have in place?

Neil Couling: I do not have that figure to hand but I am happy to provide it to the committee.

Kevin Stewart: That would be extremely useful. Monetary compensation is one thing, but how do we compensate those folks who are put through the mill and end up in situations like that of the gentleman whom I described, who had to spend two weeks of his time in a mental health unit after failures in the system?

Neil Couling: Clearly, that sounds like a terribly regrettable case.

Kevin Stewart: There are many such cases in my office and I could go on, but I will give others the opportunity to come in.

The Deputy Convener: Alex, do you want to come back in?

Alex Johnstone: I will wait until later.

Neil Couling: I have a comment. After I have answered questions, there have been further comments and I have not been allowed to answer back, so I just want to say one thing. Clearly, I personally regret any case in which we get it wrong, but it is a mistake to infer a general view of the system and of the efficacy of a sanctions regime from the cases in which we get it wrong. That is a bit like talking only to victims of domestic fire to get an understanding of how effective the fire prevention policy is.

I will put my hand up and say that the case that was described should not have happened. However, from my perspective, such examples should not then lead to the conclusion that everything is wrong with the system, because that is not the case. As the memorandum shows, the sanctions regime and our overall approach to an active benefits regime are having positive impacts on rising employment, falling unemployment and falling numbers of people on benefits. I do not want the committee to lose sight of that point because it is really important in relation to our system design.

The Deputy Convener: Mr Couling, I do not want to stop you from saying whatever you want to say—you are here to give evidence. If it seemed as though I was trying to stop you, I apologise. If you want to raise any point at any stage, I assure you that you are able to do so.

Ken Macintosh: Mr Couling, you have made a number of positive claims for the effects that the sanctions are having on getting people back into the workforce and into the job market. Do you agree that the sanctions regime also has negative impacts and repercussions?

Neil Couling: Can you give an example of what you consider to be a negative impact?

Ken Macintosh: In today's context, there is the increased use of food banks. Have the sanctions had any role in that whatsoever?

Neil Couling: If somebody is sanctioned, they will have no benefit income for the period of the sanction unless they claim for hardship, so those individuals will present to food banks. In fact, there have been sanctions in the benefits system since it started. Is that a negative outcome? Clearly, when somebody has been sanctioned, it is a failure of the system. We have failed, in one sense, as well as the individuals who have put themselves in that circumstance. Whether that is a negative connotation, I do not know—it depends on how you define negative.

Ken Macintosh: Earlier, the deputy convener asked about the rise in the use of food banks. We were talking about supply and demand. You talked about examples from Germany and Canada. We could also point to America and other places. Is it the Government's intention for food banks to be institutionalised in this country? That is clearly a different approach to food banks.

Neil Couling: The Department for Work and Pensions has said—I will paraphrase it a bit—that the growth in food banks is nothing to do with us. As somebody has pointed out, they are a community-led response. We support food banks to the extent that we signpost people to them from jobcentres, but the Government does not have a policy on the growth or otherwise of food banks.

Ken Macintosh: We are looking at food banks as well as welfare reforms generally. You talked about the States. Food banks are an integral part of the approach to welfare there, whereas we have never taken such an approach in our country. Food banks have always been there as a charitable response from the community, but they have not been part of our welfare system. I am not sure whether you answer for the Government, but is the Government not even concerned that we are developing a system in which food banks are an integral part of welfare rather than just a charitable response?

Neil Couling: I do not think that it has been proved that food banks are an integral part of the welfare system. They are responding to a desire of people to contribute to them—they are a charitable establishment in the main, although the Scottish Government has given them some funding.

Food banks are outside the Government and state sphere. General UK Government policy is to applaud voluntary and community action. For the Trussell Trust, food banks started as an evangelical device to get religious groups in touch with their local communities. As far as I know, the Government has no policy on evangelism.

Ken Macintosh: You have justified sanctions in terms of employment and unemployment, but the welfare state is about far more than just employment and unemployment—it is about supporting people in their time of need. If people are sanctioned and left with very little or nothing, they will have to find something. In some ways, that is a breakdown of the welfare system. It might not be proof that sanctions are not working, but it is a fundamental breakdown—a big hole in the net of welfare.

Neil Couling: I tried to say in response to Mr Johnstone's questions that, if the system's design put a premium on providing support in every

circumstance, it would not include sanctions. We have a system of sanctions in the UK because popular support for the welfare system rests on there being responsibilities as well as rights. Challenging the individuals concerned about their job search activity has a positive effect for them, as it returns a lot of people to a path of proper job seeking, with a job at the end of that.

That is why we have sanctions. If that is accepted, it is in the nature of a sanction that not meeting responsibilities will have some kind of implication. There is no easy design way around that. If people buy into the fact that the system must involve rights and responsibilities, there must be consequences for not fulfilling the responsibilities. However, if people do not buy into that, it is possible to conceive of a benefits system that runs without sanctions.

I will give another bit of evidence. When Dr Webster spoke to the committee, he gave some information on the history of the system, but he did not take the committee through the experience of the 1980s. During the big recession in the 1980s, my predecessors—under pressure—abandoned the sanctions and conditionality regime. The unemployment figure grew to 3 million—it was probably going to do that because of the nature of the economy—but it is interesting that it stayed at 3 million until 1986 and started to downturn only when we reintroduced into the system such a regime—the programme was called restart then.

The counterfactual that proves that sanctions work is that, after the 1990s recession, when we worked hard—as we did in the 2008 recession—to hang on to the conditionality regime, the unemployment rate fell very fast. In the 2008 recession, unemployment was much lower than most external commentators suggested that it would be. Some former members of the Bank of England's monetary policy committee said that it would rise to 5 million, but it did not—it peaked at between 2.5 million and 2.6 million, and it is now falling back towards 2 million.

We think that the evidence is there that the system is working. When we did not have that system, we saw some extremely negative outcomes for general society and for the 3 million people who stayed unemployed for five, six or seven years as a consequence.

Ken Macintosh: I will ask about the use of sanctions. You said earlier that there are no targets and that you abolished the use of benchmarks. Do you believe that there is a problem with the unfair application of sanctions? Just one indicator that that is the case is the fact that more than half of the appeals against sanctions are successful.

Neil Couling: I am concerned that we get the application right. In the organisation, we have spent a lot of time working on that.

However, there is a bit of a misreading of the statistics going on. I think it was Jamie Livingstone who said earlier that 40 to 50 per cent of decisions are wrong. If you do not understand how the sanctions system works, it is possible to look at the statistics and to draw that erroneous conclusion. I am not having a go at Jamie Livingstone for misunderstanding the situation, but it is a misunderstanding of what is going on.

I can see that Ms Ewing looks as unpersuaded—

Annabelle Ewing: What is the figure?

The Deputy Convener: Hold on.

Annabelle Ewing: Jamie Livingstone mentioned that the application of sanctions is successfully overturned in 58 per cent of cases.

The Deputy Convener: I know that Mr Couling was commenting on what was said earlier, but you will get a chance to respond. Carry on, Mr Couling.

Neil Couling: It is fine. I moaned earlier; I will stop moaning.

I tried to explain matters in paragraph 28 of the memorandum that we produced for the committee. We are required to send cases from jobcentres to decision makers even when we do not think that sanctions should be applied, but I reassure the committee that sanctions are not applied at the point at which cases are sent to the decision maker.

In the cases that involve a suspension of benefit by jobcentres, as I set out in paragraph 29,

"83% of referrals are upheld with a further 6% cancelled".

Cancellation will tend to occur because, for example, the person has got a job and they have signed off benefit, so the sanction is no longer appropriate. The application of a sanction may have been right or it may have been wrong. Of the adverse cases—the 10 out of 100 cases in which we get things wrong—a reconsideration is asked for in two of those cases. Less than half of those get overturned at appeal. In other words, decisions that are made in jobcentres are overturned in one out of 100 of the cases in which we are absolutely certain that sanctions should be applied, not in 40 to 50 per cent of them.

We are asked to refer cases. The biggest example is when someone leaves work voluntarily. All those cases get referred to a decision maker, even when we think that the employer has behaved badly. That has to be investigated. In the statistics, those cases show up as ones that we got "wrong". There is some frustration in

jobcentres about that, as it is not the case that we got things wrong; it is just that the process requires us to send off the case. In such cases, the individual is not sanctioned. The decision comes afterwards. That is why I said that it is possible to look at some of the statistics and to get an erroneous impression of what is going on.

Ken Macintosh: There is also an issue of fairness to do with lack of consistency. If you do not benchmark, how do you assess whether the same process is being followed and the same criteria are being applied from one jobcentre to another?

I will give an example. West Dunbartonshire CAB recently produced quite a hard-hitting report on the impact of sanctions. This is anecdotal, but it was reported that the number of cases in which sanctions were applied subsequently declined. Dr Webster, whom you mentioned, has done some analysis that shows that there is variation between and within areas of Scotland as regards the number of claimants. Do you recognise that that inconsistency will, in itself, create unfairness?

12:15

Neil Couling: I do, and I am concerned about it. In fact, I advertently put pressure on myself and my organisation by recommending when I did the review for the secretary of state last year that we publish the data down to individual job centre level, so in the September statistics you will see for the first time, in effect, all the management information that I have at my fingertips set out for everybody. There is therefore no place to hide on any of the sanction numbers for anybody in Jobcentre Plus; it is apparent what jobcentre A and jobcentre B are doing and it possible to compare the two.

There is too much variation, so I have set out at paragraph 31 of the memorandum some of the things that we are launching this year as part of the new operational year. In effect, there will be a full check in which we look at every case to see whether there is evidence to support the decision. We are also having managers sit in on interviews to work out whether the individual has wrongly referred somebody for a sanction or has failed to sanction somebody when that would have been the right course.

We are investing quite a lot of activity in this. I have to say that it is very difficult to do it without a target, because we have to ask what “good” looks like. There is a lot of discussion of what “good” looks like, so I have reduced it down to the individual cases. I do not know whether or not this will comfort Mr Stewart, but we are looking at every case and trying to decide whether we have made the right decision, because there is too much variation in the system for me to be confident about that. At district level, the variations are not so big, but when we get down to job centres there is some really wide variance.

We also look at the outliers—the bottom 10 offices and the top 10—and have things called go look see visits, when we send people in from outside to work out what is going on and to establish whether there are other issues. We are taking the issue very seriously, but it is not an easy one to crack, because ultimately individuals make subjective decisions based on the evidence that they are presented with. Of course, a reconsideration process will often throw up evidence that was not presented when the decision was made. This is an imperfect science.

Ken Macintosh: I have one last question on this issue. You made some positive claims for sanctions and I began by asking whether you accept that there are a series of negative effects and impacts. You talked about having external people come in and look at your work. Are you aware of the recent reports from the Scottish Association for Mental Health and from the deep-end group of GPs that Dr Ip mentioned, which are practices serving the 100 most deprived populations in Scotland? Both reports focus specifically on the fact that stress levels and mental health have been affected severely by the sanctions under the welfare reform regime and that it is not only having a personal effect but is putting a demand on other parts of the estate. Do you accept that that has happened?

Neil Couling: I have not seen those reports. We talked about rights and responsibilities. The system is designed to challenge people and we are challenging people in ways that they perhaps have not been challenged before. It could well be the case that that is having some consequences outside the sphere of social security, but I have not seen those reports. Am I concerned about that? We are dealing with some quite deep-seated problems. One of the best things that has happened in the past 10 years-worth of state delivery is the coming together of agencies to work together more.

A recent case in Margate in England involved an individual who was a lone parent and whom we would normally have sanctioned because he was struggling with his job search. However, when we contacted other agencies we found out that his children were misbehaving at school and getting suspended, and that when the health authorities had gone into the home they had found that the individual’s wife had died and that he had no idea how to care for his children. They were misbehaving at school because they were hungry and they were being teased because they were dirty and had not been cleaned, and so forth. The

intervention in that case meant, in effect, putting in a supernanny to explain to the individual how to keep house and look after children. The children's behaviour at school then improved to the extent that he could then get a job.

I think that there is a case for state agencies, however they are configured, to work more closely together because the issues that we encounter in our work are also encountered by other agencies. I would not call it, as someone did earlier, a form of cost shifting. Although having the best of intentions, organisations have inadvertently created more negative outcomes. I think that the way forward is the coming together of agencies, which is going on across the United Kingdom under various initiatives: in England it is the troubled families programme and in Scotland a similar initiative was already well developed because of the devolution settlement.

Ken Macintosh: Thank you.

Annabelle Ewing: Good afternoon, Mr Couling. I will just pick up on a few points. You said in your earlier remarks that the vast increase in recourse to food banks was not demand led but supply led. If I recall correctly, you used phrases such as "wilful deceit" and "maximising economic position". However, the committee has heard on a number of occasions, including in our earlier evidence session today—I understand that you listened in to that—that the considerable increase in the imposition of sanctions by the DWP has had an impact and has led to increased recourse to food banks. We have also heard that the Trussell Trust has reported that 22,387 children have used its food banks in the past year in Scotland. I just want to be clear. Are you saying that those children are engaged in wilful deceit? Are you saying that they are maximising their economic position by having recourse to food banks? Are you saying that they are not hungry?

Neil Couling: No.

Annabelle Ewing: No. Okay. So that is the—

Neil Couling: Well, it was a ridiculous question, wasn't it?

Annabelle Ewing: Excuse me?

Neil Couling: It was a ridiculous question.

Annabelle Ewing: Well, I find that actually—

Neil Couling: It was twisting the words that I had said and then trying to throw them back at me. Look—

Annabelle Ewing: Mr Couling, you said those words, and I gave you the opportunity to recant.

Neil Couling: Yes, but not in—

Annabelle Ewing: You said those words and the fact of the matter is that the DWP's imposition of sanctions, particularly the unfair, overly bureaucratic and inflexible way in which they are being imposed, is having an impact. It is having an impact on children, who have got nothing to do with the situation. They are hungry and need food, but the DWP is taking away their parents' ability to feed them.

Neil Couling: Well, the sanctions—

Annabelle Ewing: You have given me a one-word answer to my question.

Neil Couling: Well, we sanction—

Annabelle Ewing: If we could move on to the issue of mental health—

Neil Couling: Fine.

Annabelle Ewing: Mr Couling can come back in a minute on that issue, if he wishes.

We are helpfully provided by our clerks with a weekly digest of various activities in the field of welfare reform. The one that we were provided with for this meeting referred to a recent freedom of information request to the DWP about the level of sanctions against ESA claimants with mental health conditions. The report that we have before us indicates that the FOI response disclosed that the proportion of ESA claimants hit with a sanction who have a mental health condition has increased from 35 per cent of sanctioned claimants in 2009 to a massive 58 per cent in 2013. Going back to your comments a moment ago on the mental health issues that were raised by my colleague, perhaps you would care to comment on that disturbing report.

Neil Couling: I will comment on that, and also on the point regarding children. There is a chance that those without a detailed knowledge of the benefits system might be inadvertently misled about the position regarding children and sanctioning. What we sanction is the single adult component of somebody's benefit entitlement. For instance, for a family that is sanctioned, the amount that is initially sanctioned is £71. The amounts for child benefit, child tax credit and housing—and, if it is a two-parent family, the money for the couple—are untouched. Those families then qualify for a hardship payment, which adds back in 60 per cent of that £71. It is not that there are families or children being left with no money at all. It is misleading to suggest that that is the case.

On the question about the increase from 34 per cent to 56 per cent, I think you said—if I have got that wrong, I apologise.

Annabelle Ewing: It was from 35 per cent to 58 per cent, referring to the DWP's own figures.

Neil Couling: Okay. We are talking about a very small number of people. We are talking about 1 per cent of people in the ESA work-related activity group. That increase is statistically significant if we consider the number of people who have been sanctioned. As a total of the population on ESA, however, it is infinitesimally small.

Annabelle Ewing: It is presumably of importance to those who are suffering the sanctions.

Neil Couling: Indeed.

Annabelle Ewing: On the issue of children, I do not know whether you realise that, if you take away a bit of the money coming into a household that is under severe pressure, particularly a lone parent, that household will then be under further severe pressure. I do not know whether you really understand that, Mr Couling, given the remarks that you have just made.

Neil Couling: Of course I completely understand that. It was the suggestion that families are somehow being left with no money because of sanctioning that I was trying to correct. That is a misleading impression.

Annabelle Ewing: Perhaps you do not have the figures to hand, but in how many cases of sanctions in Scotland are hardship payments made? In what percentage of cases? In all cases? Is it 50 per cent, or 1 per cent?

Neil Couling: Nationally—and I have no reason to think that the position in Scotland is any different—about 90 per cent of applications for hardship payments are met.

Annabelle Ewing: That begs the question of how many applications are made. What signposting to hardship payments exists? You did not really answer my question. The question is how many hardship payments are made in cases where sanctions are applied. You could then break that down into cases where there has been an application and cases where there has not been an application.

Neil Couling: Let me see if I have that information somewhere.

Annabelle Ewing: To be fair, I did preface my question by saying that, if you have the information, we would be happy to receive it, but I do not expect you to have all the statistics in your head at the moment.

Neil Couling: I am slightly infuriated, because I was looking at that information this morning.

The Deputy Convener: We are happy to get that information subsequently.

Annabelle Ewing: There are some technical issues that I also wanted to deal with. In the memorandum to which you have referred and which is before us, which is about six and a half pages of A4 text and one and a half pages of annex—for those who have not seen it yet, it is not exactly a tome—I do not see anything addressing the issue of communication. According to the evidence that we have received, which I think you have had the opportunity to read, communication is a very considerable concern. A question that has been posed is why there is not prior written communication in every case where money has been withdrawn. That is certainly not happening on the ground.

Neil Couling: The memorandum is indeed not a tome. The committee asked for tomes not to be sent to it, for very good reasons. If you follow the footnotes, there is a wealth of reading with which you can while away the summer hours.

We have asked Matt Oakley to do a review of communications. I did not put in the memorandum what we are doing on that issue, because we need to wait for Matt to report and the Government then has to respond. What I would say to the committee is that, although we sometimes get it wrong, a lot of the time people who have been sanctioned will say that they were not aware. When we go back and show them that they agreed in their claimant commitment or jobseeker's agreement to take certain steps, that we warned them and that they had conversations with their advisers, there is an acceptance that they were communicated with. However, that is one of the issues that Matt Oakley is looking at. I am sure that the Government will respond to that when we have his report.

12:30

Annabelle Ewing: Just to clarify, you gave these scenarios where people have been communicated with. Are you saying that they have been communicated with in writing or is it some other form of communication?

Neil Couling: The claimant commitment is in writing.

Annabelle Ewing: But in the communication process that you refer to, is the fact that the sanction has been imposed always communicated in writing?

Neil Couling: They will get a communication in writing.

Annabelle Ewing: Do they get that before or after the sanction?

Neil Couling: It depends on the nature of the sanction. There are three different types, which the memorandum sets out: low, intermediate and

high. In the case of some decisions, such as an intermediate decision, it will feel to the claimant as though they have not been told that they would be sanctioned, because, technically, they will not have been. Their benefit will have been suspended and they may feel that we have not communicated to them the decision on the sanction. Technically speaking, a decision will not yet have been made on their case; their benefit will have been suspended. In that case, that will have been communicated to them orally. However, how that is done is not always as clear as it could be, because the person in the jobcentre may tell the claimant, "I have to refer your case to a decision maker." A claimant will not always understand that that could mean that they will not be paid benefit that week. I cannot prejudge what Mr Oakley will say, but that is a process that we could tighten up and help claimants more to understand.

Annabelle Ewing: I think that there is perhaps a slight misunderstanding of language here. You made the point earlier that a suspension is somehow very different from a final sanction decision, but as far as I can understand it from what you are saying—and indeed from the evidence that we have taken—a suspension can mean no money coming into a person's bank account. For that person, to all intents and purposes, a decision has been made. They may have children to feed and expect the money to be in their bank account. However, despite there being no written communication, the money is not there. For them, a decision has in effect been taken. In your book, it may not be called a sanction decision, but it is a decision not to pay them the money that they had been expecting. They have had no prior communication to that effect and they have mouths to feed at home. Perhaps you can see why people feel that this system is not working.

Neil Couling: I agree—that is exactly what I just said.

Annabelle Ewing: If it is the case that a suspension actually means that the money does not get paid, how do your appeal figures stack up? We heard from Oxfam that there is an overturn rate of 58 per cent when sanctions are applied. Perhaps it is the phraseology that you have a problem with. When suspensions are applied—in other words when the money is not paid—is that not a fair representation of what the overturn rate applies to? The DWP can call that what it likes, but it goes back to the point that, if the money is not paid, for the recipient that is a problem.

Neil Couling: As I explained earlier, it is 1 per cent.

Annabelle Ewing: It is 1 per cent of all cases in which money has not been paid, be it suspension—

Neil Couling: In suspension. It is a 1 per cent overturn rate.

Annabelle Ewing: Right, okay.

I have one last question—I appreciate that we have moved on and that time is pressing. One of the issues that arose when a small delegation from the committee spoke to people who have been impacted by benefit sanctions was the apparent disregard for any voluntary work carried out by claimants, which felt to me a bit short-sighted. Surely it is to be applauded that the individual is seeking to move on and, if no job is available, to do something to contribute to society. Would you care to comment on why voluntary work cannot be recognised?

Neil Couling: Voluntary work is recognised in the system. However, where a conflict or clash arises, it is often because the adviser thinks that the voluntary work may be getting in the way of somebody's job search. We encourage voluntary work. It is a good way of filling a CV; in fact, having gaps on their CV is one of the biggest problems that jobseekers face. There is no blanket ban on voluntary work.

However, if an adviser thinks that the individual's voluntary work is not helping them with their job seeking—when they have been doing it for a while, their CV is up to date and they should be doing job search rather than voluntary work—that is when you will find these cases. It will be expressed as, "They won't allow my voluntary work." I am sure that that is exactly how it feels from that individual's perspective, but that is not the system—it is not the rules doing that.

Annabelle Ewing: In this instance, perhaps the person did not feel that there was any conflict between their universal jobmatch search and their voluntary work.

I have one last, very brief question. You say in your memorandum:

> "On the 8th April we launched a full quality assurance framework and checklist for the staff that work in our Jobcentres, and will be implemented consistently from 28th April 2014."

Would it be possible to forward a copy to the committee?

Neil Couling: Of course.

The Deputy Convener: As Annabelle Ewing pointed out, time is moving on. That concludes this evidence session. I thank Mr Couling for coming along. It is probably safe to say that we did not agree with everything that you said, but we appreciate you giving us your time. That said, I—

and, I think, other committee members—continue to believe that we would benefit by the attendance, on the record and in public, of a minister from the DWP. That is something that we will continue to pursue.

As agreed at the start of today's meeting, we now move into private session.

12:36

Meeting continued in private until 12:56.

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e-format first available
ISBN 978-1-78457-247-1

Revised e-format available
ISBN 978-1-78457-263-1

Printed in Scotland by APS Group Scotland