

## Scottish Affairs Committee

### Oral evidence: [Welfare policy in Scotland, HC 889](#)

Wednesday 16 December 2020

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Members present: Pete Wishart (Chair); Mhairi Black; Andrew Bowie; Deidre Brock; Wendy Chamberlain; Alberto Costa; Jon Cruddas; Sally-Ann Hart; John Lamont; Douglas Ross.

Questions 1 - 68

#### Witnesses

**I:** Professor Gráinne McKeever, Professor of Law and Social Justice, Ulster University, Professor Paul Spicker, Emeritus Professor of Public Policy, Robert Gordon University and Professor John McKendrick, Professor in Social Justice, Glasgow Caledonian University.

**II:** Chris Birt, Deputy Director of Scotland, Joseph Rowntree Foundation, Neil Cowan, Senior Policy and Parliamentary Officer, The Poverty Alliance and David Eiser, Knowledge Exchange Fellow, Fraser of Allander Institute.

Written evidence from witnesses:

- [Chris Birt, Deputy Director of Scotland, Joseph Rowntree Foundation](#)
- [Neil Cowan, Senior Policy and Parliamentary Officer, The Poverty Alliance](#)



## Examination of witnesses

Witnesses: Professor Gráinne McKeever, Professor Paul Spicker and Professor John McKendrick.

Q1 **Chair:** Welcome to the Scottish Affairs Committee and the first evidence session in our new inquiry into welfare policy in Scotland. We have a stellar cast, as always in these opening sessions. I will let our first panel introduce themselves and give a very short introductory statement.

**Professor McKeever:** Good afternoon and thank you very much for the invitation to speak. My name is Professor Gráinne McKeever. I am Professor of Law and Social Justice at Ulster University. My research interest is in the oversight of social security and in the role, particularly in Scotland, of the charter.

**Professor Spicker:** My name is Paul Spicker. I am an Emeritus Professor of Public Policy at Robert Gordon University. I have continued, having taken early retirement, to write about social security and poverty.

**Professor McKendrick:** I am Professor John McKendrick of the Scottish Poverty and Inequality Research Unit at Glasgow Caledonian University. My particular interest is looking at the impact of welfare and welfare decision making on people experiencing poverty in Scotland.

Q2 **Chair:** Thank you all very much for your very concise contributions to start things off. Let's start with a general inquiry. We are doing this inquiry into welfare in Scotland particularly. We will go to all of you for this opening question. Can you tell us how similar the poverty trends in Scotland are to those in the rest of the United Kingdom? You may choose to answer it by telling us what is different about the poverty trends in Scotland, but I will leave that up to you.

**Professor McKendrick:** They are broadly similar. I think that has to be said. The trend line is similar across the four nations and also broadly speaking across the different old government office regions in England compared to Scotland. Scotland has slightly lower levels of child poverty in particular and overall poverty relative to other parts of the UK. There was a period of divergence for the population as a whole. That was at the turn of the millennium where for a few years Scotland seemed to be making much more significant progress in reducing overall poverty relative to other parts of the UK. Since that time Scotland has maintained its relative advantage, but the trends have been broadly similar.

**Professor McKeever:** I don't really have anything to add to that comment. There are slight differences in Northern Ireland but none that would affect the Committee's consideration today.

Q3 **Chair:** Professor Spicker, I will ask you the same question, maybe with emphasis on whether there are any drivers of poverty in Scotland that are unique to us. Is there anything that you can highlight as a policymaker?



**Professor Spicker:** I wouldn't say that any of the drivers are unique. Scotland has certain relative disadvantages with, for example, rurality and remoteness but also a differential demography. Scotland has lost a lot of younger, economically active people to the south. It is important to say that we do not measure poverty precisely, whatever impressions may be given to the contrary. It is not just about low income. It is about material deprivation, economic relationships and social disadvantage as well. We see growing issues in Scotland and in England of insecurity of debt, destitution, holes in the welfare net and the ending of the safety net for categories of people. They are common factors in Scotland and England but quite clearly they have a devastating effect wherever they occur.

Q4 **Chair:** We have significant new welfare and social security powers in Scotland that were devolved as part of the last Scotland Act. What have you observed so far about a different approach that has been initiated by Scotland across the social security charter that has been put in place? How do you observe the different way that this has been tackled? We know that not a vast number of powers have been transferred, but in these early stages what are your observations about how the Scottish Government are approaching their responsibilities?

**Professor McKeever:** I think you are right that the main levers of power to make a difference in social security are not with the Scottish Government. There is no control over conditionality and the setting of income-based benefits under universal credit in particular, but none the less I think that the benefits that have been devolved are significant. Professor Spicker mentioned the issue of destitution and we saw in the Joseph Rowntree Foundation's report last week that the profile of people who are destitute includes those who are in receipt of disability benefits. That is a very significant area of policy control.

There is a very clear sense of difference in approach through the social security charter. My view of the charter is that it is one of the jewels in the Scottish Government's crown. It is a hugely impressive piece of work. It is a really significant policy innovation that involved people with lived experience and I think it is something that the Scottish Government ought to be commended for. The extent to which it will make a difference in practice remains to be seen but we are starting to see it being used in the cultural organisation in Social Security Scotland. There is the commitment to dignity and respect that we see transmitted from the Social Security (Scotland) Act into the objectives in the charter. From that policy perspective we are seeing differences.

Operationally, it is quite early to tell. The biggest test is yet to come with disability benefits, and for lots of different reasons that has not happened, but I think we can already see things are starting to make a difference. There was a report through the Scottish Government recently about the impact of the carer's allowance supplement, which said what I think we already know: if you give people more security and more secure



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income, they will have better outcomes. I think we are seeing a positive trajectory already.

Q5 **Chair:** Professor Spicker, what is your observation? I know we are early days and there are not many powers, but is there anything that you have particularly noted?

**Professor Spicker:** It is very early days and I have to confess that I am not fully up to date. I have been locked down since March and that does make a difference to what it is possible to do. But the outlook for 2020-21 shows the Scottish Social Security Agency as managing only 4% of the funds, that a lot of this is not going to kick in until 2024, and that the process will not be complete, on current plans or at least on the last plans I saw, until 2025. It is very difficult to be certain. We will see the first really major rollout when the Scottish child payment comes into payment but, of course, it has not happened yet. We can guess what the problems might be because it relies very heavily on communication between the DWP and the SSSA but we can't know at this stage that that is the case.

There are already some minor hiccups with just developing it but they have been relatively small or very small numbers of people. For example, the differential treatment of maternity allowance and the statutory maternity pay on universal credit has a knock-on effect to the best start grants that the Scottish Government seek to operate. But we are not talking about large numbers of people.

Q6 **Chair:** We will come on to issues about universal credit and the Scottish Government's responsibilities with that later in the session.

Professor McKendrick, in the way that this has been labelled, we call this an inquiry into welfare in Scotland and I think the Scottish Government use "social security" as their preferred term. Are you noticing a difference in approach, how do you observe it working, and what do you think is important in the way in which the Scottish Government are approaching this?

**Professor McKendrick:** How we approach a matter is equally important as what we actually do. How a service is delivered—how it is described—sets a mark of what we are trying to achieve. I don't think necessarily that Social Security Scotland has been transformative. It reflects a different tenor of approach that we have north of the border, which I think is shared across everybody in the political sphere north of the border about the type of Scotland that we want to fashion and create. It is saying the right things.

I think Paul and Gráinne are right, it is far too early to evaluate it. However, the very fact that we are seeing early signs of significant difference about the type of Scotland that we want to create—and the Scottish child payment is the most obvious example of that—to me is a marker of doing the right things at the early stages. We should not underestimate the importance of that language and the vision statement



of what we want. It is far too early to judge whether it is making a difference.

**Q7 Wendy Chamberlain:** Thank you all for attending today. I really appreciate it. I am going to ask a bit more about the difference in approach and I suppose that is because we are in a situation now where we have benefits being administered by the UK and Scottish Governments and by four agencies as well. What short-term and longer-term adaptations are needed to ensure that they are administered effectively? I am thinking of issues like those four agencies—I have had casework where that has had an impact—and also policy spillovers and the lengthening timescales that we have seen in the rollout of some of the benefits.

**Professor McKeever:** I am afraid I don't have much in the way of solutions at this stage. I echo the problems that you are reflecting from your work. Professor Spicker talked about information and I think that is a really big issue. It is not just about data sharing between DWP and Social Security Scotland, but about DWP collecting the right information and being able to decipher it to share it with the Scottish Government. The Scottish child payment has been mentioned. That will be rolled out for those under the age of six and part of that is because DWP cannot tell Social Security Scotland how many children will be in receipt of the child element of universal credit between the ages of six and 16.

Every researcher pushes for better data but my push is that for the Scottish Government to manage its fiscal responsibilities towards devolved social security benefits they will need to have better data. There will need to be better datapoints that reflect what the Scottish Government need to know, not just what the DWP might wish to know. Data is often seen as an added extra that is nice, but this is very critical to rolling out the success of the benefit system.

That is one area that I consider as vital but the other is to have each of these organisations talking to each other about their own monolithic structures. I would like to see a communication strategy between them all, because at the moment you have DWP providing batch payments. I am referring here to Professor Sharon Wright's research on universal credit in Glasgow where claimants were the victims of the mismanagement between DWP and local housing associations where batch payments of benefits to landlords were made by DWP, but not in time for the housing associations to avoid sending out rent arrears demands to claimants.

There has to be a better systemic approach. At the moment it seems too ad hoc. The architecture does not seem to be there to enable it to be approached systemically and, underneath an intergovernmental level, I that can go to a much more organisational level of what each organisation needs to make the system work more smoothly.

**Q8 Wendy Chamberlain:** The DWP is administering some of the Scottish



benefits in the short term anyway. Thank you very much. Professor McKendrick, do you share those views?

**Professor McKendrick:** My interest is in how it is received by the claimants. What has to happen here is one-stop shop, one-stop advice. You can't have different agencies providing advice on only their particular benefits. I understand the challenges that are involved in overcoming that problem but the bottom line is that we are all working towards the same goal. Whether it is DWP or Social Security Scotland, they are there to provide security to the most vulnerable clients and they are not interested in who the payment is coming from. They just want enough money to get by. My priority is making sure that there is a seamless totality of advice for social security and they don't get bits from here and bits from there.

Q9 **Wendy Chamberlain:** Citizens Advice Scotland told us that one system would help and not feeling that what it does has other impacts. Professor Spicker, do you have any additional observations?

**Professor Spicker:** I will make an observation about the principle of what can be done. I have seen very different agencies work successfully together basically by ignoring each other. That is the system in France where they work on the idea that as long as the benefit entitlement is there, it does not matter what other benefits are being paid by other agencies. It is critically important to have disregards of income from one body when the other body is making the assessment. If you try to have an interaction you end up with all kinds of problems and it is really not necessary. The standard approach in social security worldwide is to look at the final income package. It does not really matter where the income comes from, what matters is where it ends up. Once it has all ended up in the same place—your bank account—you can't tell which income it is and from which point, and that is how it should be.

**Wendy Chamberlain:** Yes, the opposite way and the interaction at the moment is probably what results in the casework that comes to MPs. Thank you.

Q10 **John Lamont:** Good afternoon. The question I was going to ask at this stage has been answered, so I will vary it slightly. Prior to my time as an MP, I was an MSP for 10 years and a large part of my casework was dealing with the very complicated benefit system that people had to deal with, overpayments, underpayments and the consequences that flowed from that. I have been getting quite a lot of consistent feedback from housing associations and the welfare officers in the council about how much simpler universal credit has made it and it has been much better able to deal with the crisis that we have had over the last eight or nine months. The previous system would have struggled to deal with the complexities of Covid. Do you agree with that from your perspective?

**Professor McKendrick:** Universal credit in principle is a good thing. Making the system simpler for everyone is commendable. The reality is that the devil is in the detail. It is about whether the amount of money



that people receive is adequate to get by on and then the conditions under which they access the benefit. The Scottish variations that were introduced have made it an even better system. I think it holds promise. I am not who thinks it is a bad system, full stop, but we need to listen to those who have had the experience and are using the system to make sure it measures up and delivers in a way that reflects their lived realities. There is plenty of potential but we have work to do to make that system effective.

**Professor Spicker:** I have been critical of universal credit from day one, 10 years ago. My primary concerns when the idea was mooted were that it was inappropriate for the range of groups that were to be served, that it was staggeringly complex and that it was far too reliant on technology to solve problems that came down to human issues. I did not realise at the time just how moderate that position would come to seem when I saw all the failures of universal credit being rolled out as time went on.

I am really surprised; I have just heard that housing associations are approving of universal credit. That is not what I have heard from housing associations. I was an adviser to the Scottish Federation of Housing Associations for a period and what I heard was concern about the disruption for housing benefit, often concern about the effect of removing the management of housing benefit from the local authorities that had come to understand what was involved in housing who had been supplanted by a group of DWP officials for whom it was all new. I don't know if people remember the foundation of housing benefits when exactly the opposite was true and it took local authorities about 10 years to get a grip of the management of the problems, but this was basically a problem built into the design of universal credit from the beginning.

It is still the case that despite having now come to an agreement about what is happening with the packaging of arrears and the late payments to housing associations—arrangements that incidentally led to the housing associations discouraging people from making claims for Scottish choices—it is still not rolled out and it still will not be available to people who started on another part of the system because the DWP does not have the flexibilities to make that adjustment. Time and again with universal credit we are hearing that the system is too complicated to be changed.

Q11 **John Lamont:** I think if you had been sitting in my office in Hawick 10 years ago dealing with my constituents who were extremely distressed with overpayments and underpayments and the consequences that flow from that, you might have taken a different approach in your advocacy of the previous system. On the point I was making about what the housing associations were saying, I recently spoke to one of our chief executives who said that the new system, the universal credit system, was much better at reacting to the Covid crisis whereas having multiple different types of benefit, which the previous system was modelled on, they would have struggled to react as quickly. Professor McKeever?



**Professor McKeever:** I think there is a yes and no on that. I think Professor McKendrick and Professor Spicker have reflected both those points. It has been simpler to administer during Covid because it has not required people to go in with paper copies for verification of identity and so on, so the online system has been helpful there. The evidence from Professor Sharon Wright at Glasgow is that if people have found it useful it is because they have digital access and they have digital literacy, but without those skills the problems started to arise. I think that Professor Spicker's experience speaks to that concern. I don't think anyone is thinking that we should look at the previous system with rose-tinted glasses. I agree that the legacy system had huge problems as well. You mentioned the overpayments and the underpayments. I think it will be interesting to see how well universal credit has coped during the pandemic.

We should give credit to the DWP for the huge number of claims that were processed. There were 2.9 million claims in February that went to 5.6 million in August and that is hugely impressive, but part of that was because the process of claiming was simplified. It will be interesting if that simplification has had a significant impact on the accuracy of those payments, for overpayment and underpayment. I am not clear on what the policy of the Government is in claiming back overpayments and underpayments on universal credit. They were paused initially during Covid. I do not know what the policy is on how aggressive or how light touch that overpayment recovery policy will be. We know that it tips people who are on universal credit into poverty and destitution, so there are concerns there.

We know very little about how many people were unsuccessful in underpayment claims on universal credit. There is some work by colleagues at Salford, led by Professor Lisa Scullion, looking at why universal credit claims were unsuccessful. Mostly it was because of savings and earnings being too high despite people's income dropping substantially, but there was a very small number who failed to complete their applications because of things like difficulties in verifying their identity online and that is a concern. I think we need more light shone on that particular issue to see if the accuracy and the issue of application are as straightforward as we would like them to be.

Professor Spicker has hit on the issue of Scottish choices. That is probably not working as well as it could in Scotland. Again, going back to Professor Sharon Wright's research, the difficulty is that in Northern Ireland we have similar choices but they are made as the default offer at the outset. Your universal credit proceeds from the outset on the basis of whether you decide your payment will go direct to the landlord or whether you will be paid twice monthly whereas in Scotland—

**Chair:** Thank you, Professor McKeever. We are keen to get the best out of all of you. I know Professor Spicker wants to come back in. You may be able to ingeniously weave in what you were going to say there in



response to the further questions, because we have to move on. I am very conscious of the time. We want to try to make sure we get the best out of you. I will now hand over to Deidre Brock.

Q12 **Deidre Brock:** Thank you all for coming along today. Good afternoon to you all. I want to ask about the impact that the benefit cap and the two-child limit have had on Scotland. My colleague Alison Thewliss and others have raised the issue of what is described as the rape clause with women being asked to prove that they have been sexually assaulted to access support over and above the two-child limit. Could you describe for us whether it has disproportionately affected other groups or communities within Scotland and, if so, which ones?

**Professor Spicker:** I have no evidence to say that what has happened is disproportionate. The two particular policies you have pointed to, while both have disturbing consequences, are not necessarily the ones that create the most serious problems. I point to a whole load of five-week wait, three-week wait for transfer of legacy benefits, the repayment of advances, the recovery of overpayments—which incidentally the law has changed on overpayments and you can now be asked to overpay something that you did not know that you were receiving an overpayment for—and the application of sanctions. What all of these have meant is that effectively there is no safety net.

I do compare this with legacy benefits but I am thinking of a much older legacy. I can remember, because it is the time when I started with welfare rights first, the massive increase in unemployment in the early 1980s from 500,000 people to more than 3 million people. I can remember Lynda Chalker, as the Minister for Social Security, apologising that it was not possible to bring the processing of applications down below two weeks. By comparison, we have lowered our standards bizarrely. We have made it much more difficult to get benefits. We are much more willing to tolerate people having no income for long periods. The minimums that are offered in the benefit system are being eroded by such things as the repayment of advances. These seem to me to be fundamental problems and I can't see anything happening in either Scotland or England to deal with it.

**Professor McKendrick:** I don't think one type of problem is any worse than another. I agree with the one set of problems that Paul described, but the whole idea of the benefit cap and the two-child limit is reducing significantly the income that is received by some of the most vulnerable. I think, full stop, they are problematic. There has been almost a doubling in Scotland this year of households that are subject to the benefit cap. We must remember these are vulnerable groups already whose income has been significantly reduced, of the order on average of £50 per week. These are not people living in largesse and luxury. These are people who are just about getting by and are losing a significant amount of income. I think absolutely the problems with how the system operates and leaving people without income are significant in and of their own right, but my personal opinion is that these two policies are also problematic not just



for the practical value but also symbolically for the message they send. They send a message—I think it is a wrong message and the evidence backs this up—that people are living with too much money, and that is wrong. There is a symbolic and a practical problem with both these policies.

**Q13 Deidre Brock:** You say that evidence backs it up. What is that evidence?

**Professor McKendrick:** If we look at how minimum income started as what people need to get by, there is clear evidence that the money that is being removed as a result of the two-child limit and the benefit cap is not taking away money that has been used to buy yachts or overseas holidays. It is taking away money that is needed for essentials and there is lots of evidence out there to demonstrate how people spend their money. That is essential money that people are losing that somehow has to be mopped up by communities and by incidental welfare support, by family incidentally and by community, as a result. These needs remain when the money goes away.

**Q14 Deidre Brock:** One of the evidence bases you could use would be the Joseph Rowntree Foundation's report on destitution, which I note discovered a 35% increase in destitution between 2017 and 2019. Do you have anything to add to that, Professor McKeever?

**Professor McKeever:** To pick up on the point about the benefit cap, there is a slight policy contradiction at the moment with the benefit cap. The additional support that is being provided under universal credit and the date of suspension of the minimum income floor is not benefiting lots of people because of the application of the cap. That seems to be a policy contradiction and that is particularly the case in areas with high rental costs where claimants would normally be told that their option would be to move into paid work or to move home to avoid the impact of the cap. That is neither a realistic nor a sensible choice perhaps for many people at this time.

The Social Security Advisory Committee—and just to put on record I am a member of that committee but I am not speaking today in my capacity as a member of or for that committee—recently published its report on the unwinding of the temporary measures. One of the recommendations in that report was that the cap should be increased or removed to avoid the risk of homelessness. Failing that, that the exemption that currently exists to provide a nine-month grace period before the cap is applied might be looked at to make that more flexible. The committee recommended at the moment the cap will apply if in the previous 12 months somebody has been earning above the earnings threshold for every month in the previous 12 months. We know the last 12 months have been like no other so it may be difficult for people to hit that exemption, so that could be a policy option. My other suggestion is that the extension period, the grace period, could be extended because we know now that many people who went on to universal credit in March will face the end of the grace period.



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There are things that can be done at the moment. I agree with Professor Spicker that we are not seeing much movement on lots of things but those are options.

**Q15 Deidre Brock:** I notice from our excellent briefing that the UK Government are claiming that the changes to the benefit system such as the two-child limit and the benefit cap—which of course have been heavily criticised by representatives from the UN and the Equality and Human Rights Commission—as a couple of instances, were necessary to streamline the system but also to increase incentives for people to work. They pointed to the higher levels of employment in Scotland and drops in income inequality as providing proof that the approach has worked. Are any of you aware of studies that have been done that could confirm those claims from the Government?

**Professor Spicker:** I am aware of studies and claims to the contrary. You may remember that the National Audit Office two years ago published a report called “Rolling Out universal credit” in which they explained that there was absolutely no way of telling whether or not universal credit did move people into work. The fundamental problem with literally all the work that has been done on work incentives is that they are confounded by lots of other factors. People do not work specifically because of marginal cash rewards and if you design your study on that basis and you use the standard techniques of evaluation, which are to hold other things constant, you cannot find out what is motivating people into work or not motivating people into work. I am afraid that the vast majority of studies are either showing a very marginal effect or it is useless.

**Professor McKeever:** I will give the classic social science answer, which is that correlation is not causation. I do not have any research studies that would definitively be able to establish that the benefit cap caused people’s employment to increase.

**Professor McKendrick:** I have nothing too much to add, but you will always find a case study that backs up your argument and that can be dangerous. You will find one example of somebody who was driven into employment as a result of a catastrophic loss of income. That does not make for a good system though. I agree very much with Paul and Gráinne that there is not enough evidence to suggest that very simplistic tools have the desired effect of reducing benefit leading to desirable employment outcomes.

**Q16 Douglas Ross:** Thank you to our witnesses. There have been numerous delays in the rollout of the powers coming from Westminster to Holyrood and we know powers have come back to Westminster because the Scottish Government are not able to take them on now. How much concern does it give you that the Scottish Government do not seem to have the capacity to deal with the current powers they have, the powers they are asking for or that they are also asking for additional powers over social security?



**Professor Spicker:** It does not seem to me to be a great matter of concern because it is very easy to underestimate the amount of capacity that one needs to administer a benefit system adequately. Dealing with it adequately will usually mean that there has to be a great deal of personal attention and guidance available at different points in the system unless the benefits are kept to the simplest degree possible. There is a learning process to be undergone with this. When the housing benefit was introduced—I think I have mentioned this—there was a transfer of responsibility to local authorities. I was on housing association committees at the time and I can remember some local authorities that did not get a grasp of housing benefit within 10 years of the system being introduced.

Q17 **Douglas Ross:** Yes, you have mentioned that. Are you saying the reasons are that there is not the capacity or there is not the leadership in the Scottish Government to take on these powers? If there are concerns about that, should we not also be concerned about calls for further powers if they cannot enact those they are being offered now?

**Professor Spicker:** Doing it gradually seems to me the only way that it can be done effectively. I don't think we need to be alarmed at a gradual approach. I would be alarmed if the effect of the roll-out was simply to lead to a lot of inexpert and clumsy administration. I am afraid we have seen that sort of administration with the rollout of the universal credit system where there has been—

Q18 **Douglas Ross:** Are you saying that Scotland is currently inexpert and clumsy?

**Professor Spicker:** No, I am saying that that is the risk that happens when you take on a completely new responsibility and we are seeing this happening in the DWP.

Q19 **Douglas Ross:** But the Scottish Government were aware of this. They were requesting these powers and I do not quite understand. I am concerned that the Scottish Government feel that they are unable to meet their obligations under these powers and have asked for Westminster to administer them for some considerable amount of time post when they were supposed to be enacted in Scotland. Is that not a concern for our witnesses?

**Professor McKeever:** My instinct would be to look to the National Audit Office or the Audit Scotland report, which is the body that is tasked with making sure that there is value for money here, the system is not stretched beyond capacity and there is good long-term planning. The Audit Scotland report raised some concerns. I think it is right to be challenging the Government on what their capacity is but I also agree with Professor Spicker that there will be challenges and those are to be expected. Audit Scotland talked about the need for longer-term planning for the scale and complexity of the process but to date it has given a good report card to the Scottish Government on that. I think there is—



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*[Inaudible]*—what the capacity of the Scottish Government is, the extent to which the capacity could be enhanced by better information sharing from DWP or better considerations there on the interactions between benefits. There is an intergovernmental issue—I think that is probably where this Committee is coming at it from—that it is not just the Scottish Government or the UK Government but how it works for the people of Scotland.

**Q20 Douglas Ross:** It has been good for the people of Scotland that the UK Government have been able to take these powers back on again and deliver them at a UK level to benefit people in Scotland.

**Professor McKeever:** The Audit Scotland report acknowledges the substantial amount of work that has been done to date by Social Security Scotland and recognises a lot of impressive work, particularly on the cultural change on principles of dignity, fairness and respect. It is not just about the delivery of benefits but what the policy ambition is behind the delivery of the benefits. I think ultimately it is in the interests of claimants that benefits are administered. This point has been made before by Professor McKendrick. Nobody cares where their money comes from, if it comes from DWP or the Scottish Government, as long as they get the money that they need, but for me that just speaks to the need for the two Governments to work very closely together to enable claimants to access the funds that they require, that they are entitled to.

**Professor McKendrick:** I think we are right to ask the questions. I share Douglas's concern with urgency. I would like these problems to be solved tomorrow as well but I understand Paul's point about the need to get it right and sometimes that takes a little bit longer than we would like. Another thing that we should acknowledge is that there has been a nimbleness and a swiftness in using other ways of providing social security this year. For example, the extension of holiday provision of free school meals, which I know there is broad support for across the political spectrum, comes in quickly; extra payments to families over the winter period distributed by local authorities comes in quickly. I think we are right to be concerned with the big social security system, but there are other ways in which the Government at different levels have acted nimbly and swiftly to try to make sure that pounds and pence are in the pockets of those who need it urgently over 2020 and beyond.

**Q21 Douglas Ross:** We have spoken a lot about the benefit system and getting that support out to people, but how much of your own individual research also looks at how people get into poverty? The devolved Parliament in Holyrood has powers over education, health, communities and so on. How much has been done with devolution and through the Scottish Parliament to prevent people getting into poverty in the first place? Do you think there are areas where the Scottish Government alone could have done more for people prior to getting into poverty?

**Professor McKendrick:** Yes, I have to be honest, I think the Scottish Government could have done more, the UK Government could have done



more and local government could have done more. The reality is that it is a scaled-up problem. We know that it has been such for a long time and more needs to be done more effectively by more agencies to solve that, and that includes the Scottish Government. I am optimistic about the direction of travel about specifically the Child Poverty (Scotland) Act 2017 providing the legal obligation to eradicate child poverty by 2030. Much more needs to be done if we are going to get anywhere near meeting that target but it certainly has sharpened the mind not just of Scottish Government but of local government too to focus on what has to be done with the resources at its disposal. That means benefits in kind locally as well as trying to maximise income from employment and reducing everyday household costs. I think it is certainly the case that more has to be done by all levels of government if we are serious about eradicating poverty.

**Q22 Andrew Bowie:** Good afternoon, everybody. Thank you for taking the time to speak to us this afternoon. It has been very interesting. Before I go on, there was a comment made a little bit earlier—I can't remember which panellist it was—suggesting that the UK Government were quite happy to accept, due to the way that we operate universal credit, that people live on nothing for a period of time. To clear that up, that is quite simply not the case. Advances are known about, available for all as a matter of course and that is a change from 2018, and I think it is a good change. But the idea that the UK Government are happy and content about people living on nothing is simply not the case.

I want to ask about universal credit and coronavirus. When I was first elected in 2017, we seemed to spend debate after debate, hours and hours and hours of time discussing the rollout of universal credit, the possible problems with universal credit, the impact on ordinary people's lives of the new system. What we have seen since March, obviously with a huge strain on the benefit system and the welfare system in general, is that universal credit does actually work. Do you agree that it has done the job and is there anywhere that you think we could have done more or done something better to have improved what seems to be a system that is in fact working? That is open to any of you.

**Professor Spicker:** Since you started with my point about there being major gaps in the system, let me follow that through. There are many cases where people are receiving no benefit but advances are part of the problem. Advances are part of the problem because they are loans. The effect of having to repay a loan has been that if people are judged to have certain minimum income needs and there are thresholds and other things that are being complied with, is to guarantee that they will not get as much as those minimum amounts seem to guarantee. We have seen a huge number of people sanctioned for one reason. I don't have the figures for Scotland. I have them from David Webster for England and Scotland and 200,000 people in 2019 had their benefits stopped for a period because they had not appeared at a meeting. That is the primary



single reason for sanctions; not refusing work, failure to attend a meeting is the critical problem.

We have loads of examples where people do not get benefits. Let me ask you why is there any waiting period for people who are transferred from legacy benefits through to universal credit? Why is the benefit not consistent with all past practice that has been to arrange for transitional arrangements and, for that matter, linking rules so that if you have a gap in benefit periods but came back rapidly you would start again where you were? These decisions seem to be greatly to the detriment of the system.

**Q23 Andrew Bowie:** We could spend all afternoon discussing how universal credit works. I think we probably should stick to the brief that we have in front of us this afternoon but you know that there is no gap, advances are available to any and all that need it and the reason that that four-week period exists—do I think it should be shortened—is to get people used to the rhythm of receiving a monthly payment as they would in the world of work. That was one of the whole reasons for setting up universal credit in the way that it was done. The sanctions being brought in for people missing a meeting is because we want to demonstrate that if you go into the world of work you will be expected to have to keep to a certain timetable, certain rigid structures. That is why that is all there, but I asked about universal credit and coronavirus and through the period of the pandemic. Do you think it has been as effective as, broadly, most people think it has been over the past year?

**Professor Spicker:** The quick answer to that is no. At the start of the pandemic we were seeing places where people had been applying for their initial application process to take place and being told that they would get a 45-minute window to carry on with their application in a month's time. So, no, this did not work. Despite the propaganda that has come from the DWP about the effectiveness of the system, the truth is that it is far worse than the system we had when we used to have supplementary benefit and—

**Andrew Bowie:** I am sorry, Professor Spicker, I can't let you say that the DWP is promulgating propaganda about the effects of universal credit. It has been an incredibly effective benefit and the system has held up under immense strain. I am not just talking about Ministers and—

**Professor Spicker:** I can cite, if you wish, the document—

**Chair:** Order, order. Andrew, we are here to ask the witnesses questions.

**Andrew Bowie:** I know, but I asked the question, Chairman.

**Chair:** I will leave you possibly outside of this meeting to have a chat.

**Andrew Bowie:** Okay, apologies, Chair.

**Chair:** We will move on. Maybe other witnesses want to respond to Andrew's question.

**Q24 Andrew Bowie:** Professor McKeever, do you think universal credit has



been effective over this time?

**Professor McKeever:** I think it has been effective for some people in that they have been able to access income that they may not have otherwise had access to if we had not pushed people to the front line of the claims process and managed to process so many applications. But is there more that could be done? Of course. Again, I refer you to the Social Security Committee's report on the unwinding of the temporary measures, looking at what worked and what didn't, what could be kept and what might not be as effective. I think the headline that everybody has seized on is the £20 uplift in universal credit payments. I think that has been helpful, in part because of the benefit freeze that existed for so long that undervalued the worth of universal credit. That has been helpful but it has not extended to legacy payments and I think that it ought to.

That was certainly the recommendation of the Social Security Advisory Committee. What we saw in the management of universal credit was useful where there was the suspension of conditionality and then in July the reintroduction of conditionality but on a light touch. I don't really know what that means. The committee's report queried what that would look like or how would discretion be applied, how would you ensure consistency of application, which is a misnomer. The recommendation was that the DWP would produce a strategic policy document to understand what the light touch exemptions might be and how the flexibilities would be applied.

I think one of the benefits in Covid was the way the DWP kept in touch with claimants. It was not simply through the online journal. There were phone calls and text messages and that could be helpful going forward. Some of the evidence to the Social Security Committee was that the easement on the minimum income floor was more effective than the £20 uplift. I think we are often in danger of overlooking the self-employed when we talk about unemployment and universal credit, so there is a critical issue there. I have spoken already about not knowing what the position is on the recovery of overpayment and debt and the extent of the grant of cap exemption.

The other area that Scotland has done differently is an improvement for those who receive carers' allowances, the carer's supplement. The UK Government have not looked at that. The carer's allowance itself is not a great benefit. It does not reach a lot of people, the take-up is not great, and so our recommendation was to look at what support unpaid carers are receiving and trying to see that. But it goes back to understanding how many people have been excluded from the system who might have otherwise been able to apply. That will also be the test for universal credit.

Q25 **Andrew Bowie:** Professor McKendrick, I am not going to ask you the same question. This is a very quick and slightly different question, going back to the original question at the top of the meeting about the simplicity of universal credit. Do you worry that with the different benefits



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coming in as result of the extra powers over social security that the Scottish Government will have as we move forward, that the simplicity element of UC and how we deliver benefits, the whole thing, might get a little bit more complicated and might be a detriment to the good that is trying to be achieved by these new benefits?

**Professor McKendrick:** No. My overriding concern is that people get the money that enables them to have a decent standard of living and if that means a little bit more complexity than we have, I am prepared to live with that, although we should always seek to have the simplicity that is there.

If I could jump to the original questions, if you don't mind, operationally there have been successes and we have to acknowledge that, but when you live in a country where too many people are still using foodbanks and we think that people with no income can do without, they can get a loan and somehow pay that back at some future point, I think we are misunderstanding the word "realities". We should not be prepared to say that some operational successes mean that we have a system that is working. We need to do much better and we need to have a system that really does match the reality of people's lives if we are going to say that universal credit, and our welfare system more generally, is a success. Good work is done but much more needs to be done to make this a system that works well.

Q26 **Sally-Ann Hart:** Good afternoon to our professors. I have just looked up what a group of professors is and it is a pomposity of professors. I was not quite sure whether to use that or not.

I have a question on universal credit that is slightly different to those that have been asked and I am going to direct it to Professor McKendrick first and then Professor McKeever. An aim of universal credit as an in-work benefit is to encourage people who receive social security payments to seek paid work or increase the number of hours that they work. To what extent has that worked or has universal credit achieved that aim in Scotland?

**Professor McKendrick:** The quick answer is that I don't know. I am not sure whether we can say specifically that universal credit has had that impact. However, previous research has demonstrated that people enter the labour market from a position of stability. When their lives are in a good place and they are able to avail themselves of the opportunities that are available then they are able to make that step. If the welfare system is punitive and it is squeezing people too hard, there is a logic that some people think that will drive people into employment. The reality, the studies demonstrate that is not the case. It seems a bit paradoxical and counterintuitive, but people do well, succeed and get the first steps in the labour market when they are doing so from a position of security. Squeezing people by reducing benefits is simply not the solution to a work-based future to eradicate poverty.



Q27 **Sally-Ann Hart:** To push that a bit further, when you are looking at security, presumably you are talking about things such as secure and stable housing as a platform?

**Professor McKendrick:** Yes. If you are able to put clothes on your back, food on your table and function effectively because you have enough money to allow you to do so, you are able to think about the labour market. If your life is in such a perilous state because the social security is not providing you with income to basically function, you are in no way, shape or form able to avail yourself of those opportunities. If you squeeze people too hard, the logic being to reduce welfare to force them into work—a stick approach rather than a carrot approach—we are setting ourselves up to fail.

**Professor McKeever:** I am afraid I do not have much insight to add to that. We don't yet know how in-work conditionality will work because it is a brand-new policy experiment. To my knowledge, there is not enough evidence of how it is working yet. The Social Security Advisory Committee tried to do some work on that and the committee's view was that we need to start to disaggregate some of the employment areas to be able to see if in-work conditionality works in different sectors in different ways and disaggregate some of the other factors, the other variables that will push people in and out of different levels of work.

The Social Security Advisory Committee also looked at the claimant commitment and how that might impact on people who are already in work and trying to understand how the claimant commitment might be modelled better to try to look at the issue of consistency across the UK—how were work coaches recording the additional responsibilities that were being put on claimants who were in work to increase their work levels.

This is another researcher answer, but we need more data to understand all these things and so we need to look more carefully at different sectors. It is all very well saying to increase your working hours in hospitality. That might have been possible 12 months ago but it is not at the moment. It is a sectoral issue in agriculture, engineering, healthcare and will be different in each field.

Q28 **Sally-Ann Hart:** Would you say, Professor McKeever, that at the moment you don't feel that there is enough evidence to show that universal credit might increase the incentive for people to work who are experiencing—I take account of what Professor McKendrick has just said. The point about universal credit is that the more you work the amount of benefit tapers off, so it is trying to encourage you to work longer or more hours.

**Professor McKeever:** I think the difficulty is that it worked as a really good idea at the start but then work tapers were impacted quite substantially by Treasury decisions. If you were to look at it as a pure economic package, which of course people don't, the incentive to work has been reduced by the lowering of the work tapers. I don't have



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evidence; I can't comment on it. I can give an opinion but it would only be conjecture. It is not evidence and I can't really say at this stage.

Q29 **Sally-Ann Hart:** Professor Spicker, do you have any thoughts on those questions? Do you want me to repeat them?

**Professor Spicker:** I think I have already answered to the best of my ability by saying that I don't think there is adequate evidence that people are motivated to work or not to work by tweaking the amount of money they get.

Q30 **Sally-Ann Hart:** Looking at the Scottish choices options, Professor Spicker, to what extent are people in Scotland benefiting from those options of being paid twice a month rather than once a month and having the landlords paid directly for their rent? Do you think that that is good for the people in Scotland claiming universal credit?

**Professor Spicker:** I think choice is a great idea in principle but there have been teething problems that have not yet been fully worked through. The first thing to say about Scottish choices is that it is not fully implemented yet. For example, division between partners has not been sorted. When the arrangement for landlords started, I was aware that housing associations were directly advising tenants not to use it and that was because of the peculiar packaging and delay that was put into the rent arrears. I understand that the DWP has agreed in principle that this will no longer be the case. I do not know at this stage whether that has been fully implemented, but I have heard a great deal of optimism from the housing association sector from next April when this should be properly put in place.

On the fortnightly budgeting, the response is that it is better people have a choice but it does not seem to have made a great deal of difference to those people who have made the choice or not.

Q31 **Sally-Ann Hart:** Professor McKendrick, considering Professor Spicker's answers and the question, do you think that when it comes to universal claimants and people who need to be paid perhaps twice a month that a more universal type of option is needed as well where people might need some help in managing their finances? Do you think that might be considered a way forward?

**Professor McKendrick:** I am not sure that gets to the root of the problem. I think the root of the problem is the adequacy of the income that allows them to manage their circumstance. I don't think it is necessarily an issue of people are struggling to know how to manage. Although there may be a tiny minority that need such advice, most people know how to manage their money. They just need enough money to manage.

Q32 **Sally-Ann Hart:** Thank you. Professor McKeever?



**Professor McKeever:** I think most people on low incomes are budgeting experts and many could teach us a thing or two on how to manage our own money. I think there is an issue there. In Northern Ireland we automatically offer this at the outset. If you want your rent payment—your housing element—to go directly to your landlord, that happens from the start so you do not have to go back into the system. It is similar with the frequency of payments, but the frequency of payments is not twice a week; it is twice a month, and that is different. Some months are longer than others and so there will be some payment periods that are longer than others. In the same way that people do not necessarily know when they are going to get paid every month, they do not necessarily know when they are going to get paid twice-monthly.

It is still very difficult to manage. Even though the window is easier to manage, it is still not a very fixed window, so I think that could be a potential issue. I think the evidence from Professor Sharon Wright was that lots of people are not using it, and in part that is because they have already made their choices at the outset and it is too difficult to go back in to remake those choices, so there is an administrative burden on them to do that. That might be something that could be looked at.

Q33 **Sally-Ann Hart:** Do you think that is why there is a limited take-up on the Scottish choices option?

**Professor McKeever:** From Sharon Wright's research, it does look as if that can have an impact. It was not a representative piece of research, it was a qualitative study, but there were claimants within that study who said, "I have already figured this out now on a monthly basis. To go back in would just be more hassle" and it is that massive hassle factor, that nobody wants to engage with the social security system unless they have to. That may well be discouraging people if they cannot get it from the outset. They just leave it, rather than disrupt payments in future.

Q34 **Mhairi Black:** Thank you to everyone for joining us, it has been very interesting listening to you. I have three questions, so I will just jump right in, if that is all right with everyone. The first one is do you see any evidence of the demographics or the characteristics of people seeking support changing in general or due to Covid? Have you seen anything to suggest that? Whoever wants to go first.

**Professor McKendrick:** I know that there is an interesting geography to universal credit. The highest proportion of increases are in the more affluent parts of Scotland, and the highest numerical increases are in the more deprived parts of Scotland, with Edinburgh being a quirk there. That would kind of suggest that there is a different demographic too, as in groups that we do not traditionally associate with being benefit claimers are finding the need to use the benefit system over 2020.

Q35 **Mhairi Black:** The reason I ask is because so far, I and other MPs only have the anecdotal evidence of the constituents that we are dealing with, so it would be good if there was some body of work to back it up. Is



anything like that happening or has it been noticed enough?

**Professor McKendrick:** The Scottish Government produces a monthly update on universal credit and the profile of the claimants. That information is available. Whether you can ascertain that the change is due to transition—which would have happened anyway—or Covid, is another matter for interpretation, but there is some evidence on the overall profile of the current monthly status of claimants.

**Mhairi Black:** Thank you. Does anyone have anything to add to that?

**Professor McKeever:** I am not familiar enough with the research, but I mentioned the Welfare at a (Social) Distance project at the University of Salford, led by Professor Lisa Scullion, looking at how the benefit system is supporting people during Covid and trying to understand what that will look like. I imagine that project will cover some of those issues, but I am not unfortunately familiar enough with it.

Q36 **Mhairi Black:** That is helpful, thank you. My second question is do any of you have predictions around some of the different groups or job areas that might be disproportionately hit by Covid. Will any specific areas in the labour market be hit worse than other sectors? Again, whoever wants to go first can start.

**Professor McKendrick:** I have not undertaken any of that research. There is a lot of commonsense interpretation of who has been hit in the short term, but myself, I am not able to make a substantive contribution to that just now, Mhairi. I think that there is a great fear that collectively there will be a hit, but who will be disproportionately affected by way of sector is unclear. Sorry, I am unclear.

**Professor McKendrick:** I can perhaps throw in something extra, but it is not necessarily specifically about the job sectors. Inclusion Scotland has been working with people suffering from disabilities in Scotland and that points to a number of problems relating to Covid and lockdown. Some of that relates to employment. About a tenth of the respondents were concerned about the possibility of losing their jobs, but for lots of other people the main concern is about the break in continuity of care, that sometimes they are paying for care that they are not receiving because the carers are not allowed into households, that there are problems of isolation, that it is a struggle to get access to basic things like food and medicine because of the difficulties of managing under restriction. Inclusion Scotland interviewed about 800 people, again largely qualitatively, I understand, concerned particularly about people who have no basic services to see them through.

Q37 **Mhairi Black:** Thank you. My last question—and this is what I was driving at—is about one of the things that was said earlier on: the devil is in the detail when it comes to universal credit and it is all about the different caveats that are put on or hoops that people have to jump through in order to qualify for money. Given that basically the whole world has been turned upside down essentially, that seems to be more of



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an opportunity to implement a change to policy than any other time. Do you think that the claimant commitment process, or just the document, is fit for purpose? Even after Covid, is it fit for purpose?

**Professor McKeever:** I am happy to start on that one. I think that there are concerns about what the new claimant commitment will look like post-Covid, but I think that the DWP has recognised that, in that it has said there will be a light touch, that discretion will be applied, but unfortunately we do not really know what that means. I think we would like to learn a little bit more about what it means. There is a recognition that pre-Covid claimant commitments will have to be reviewed and revised because they will not be appropriate anymore. Again, I think that is a recognition that the caveats, as you have put it, in the claimant commitment will have to be cognisant of the current circumstances.

The increase in the number of work coaches that have been appointed is a positive move. In relation to your previous question, I did not know the answer, but I think it is a very important question because unless you can give targeted support, then the claimant commitment is not going to be as effective as it could be. It is not enough to just tell people that they need to improve their CV writing if there is no industry for them to send their CVs to. There will need to be much more targeted support around the skills that people need and creating the opportunities for people to develop their work potential, their skill levels, and their training requirements.

The claimant commitment could be a way to do that, a creative approach to the claimant commitment that looks individually at what the claimant needs on paper. It is one of these things that could be incredibly useful, because you work individually with your work coach, you work on the basis of what it is that you need to move yourself from your current position into decent employment so that you are not relying on social security benefits. But unfortunately, I think the system is overwhelmed at the moment. Work coach appointments have been reduced from 50 minutes to 30 minutes. That is giving less time to give individualised support.

I am not clear what the support is outside the system. I think there has to be intergovernmental working here, but also intersectoral and interdepartmental working here. It is not enough to just rely on social security benefits. There have to be other opportunities.

Again, looking back to the Social Security Advisory Committee's report on how to support work coaches to proactively identify the vulnerabilities that people are facing in Covid, what will be the differences between somebody who is single and somebody who has childcare responsibilities where the lockdown requires that the child is isolating because school has been closed? They are very different.

There is potential. I would not necessarily throw the baby out with the bathwater, but there is potential to improve what it is that the claimant



commitment is intending to do to deliver in the new circumstances that we are in.

**Chair:** Thank you, Mhairi. Could I just thank you all? I know we have had to rush through issues and we have been trying to get obviously the optimum benefit from having you all in front of us, but I think we got what we required. It was an excellent session, so thank you ever so much. Again, if there is anything that you feel you could productively help this Committee with in the course of this inquiry, please get in touch. We are not lax to take further evidence and support on any other issues that you feel might be important today. Thank you for your appearance. We will have the second panel now.

## Examination of witnesses

Witnesses: Chris Birt, Neil Cowan and David Eiser.

Q38 **Chair:** I think we are all here. That was very quick and efficient, all of a sudden everyone just appeared in front of the screen like that. Again, just for our record, please say who you are, who you represent and anything by way of a short introductory statement, a short introductory statement meaning two sentences or less. We will start with you, Professor—they are not professors this time. There are no professors. I do not know how we will survive this session without that. We will maybe start with you, Mr Eiser. You have to unmute yourself, David.

**David Eiser:** Thank you. Good afternoon, my name is David Eiser. I work at the Fraser of Allander Institute at the University of Strathclyde. Other than that, I have no opening remarks.

**Chris Birt:** Good afternoon. My name is Chris Birt. I am the Deputy Director for Scotland for the Joseph Rowntree Foundation. For the sake of brevity, I will also leave it there.

**Chair:** Excellent. Mr Cowan.

**Neil Cowan:** Yes, thanks very much, and thank you for the invitation today. My name is Neil Cowan and I am Senior Policy and Parliamentary Officer at the Poverty Alliance. We are the national anti-poverty network in Scotland.

Q39 **Chair:** I am grateful. You probably heard the last session; at least I hope you were able to listen to some of that session. We will ask you roughly the same type of questions. Obviously you do not need to repeat some of the things that have been said by the professors we had on the first panel, but any particular individual takes would be very much welcome.

I will kick things off, as I did last time. May we have your observations about whether you have identified any specific trends in poverty in



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Scotland, if you think there are any drivers in Scotland that are unique to our culture and society, and how these things manifest. We will start with you, Mr Birt.

**Chris Birt:** Thank you. I will not repeat what the pomposity of professors has said. I think there are a couple of things to note in particular about Scotland. In the last few years we have seen a slight rise—although it has stabilised—in child poverty and also 65% of kids in poverty are in working households now. That has been a change over the last few years. One thing that does give us our relatively lower rate of poverty in Scotland is housing costs; keeping housing costs down is vital.

**Neil Cowan:** I do not have too much to add to what Chris has said. Obviously we have marginally lower poverty rates in Scotland than in the rest of the UK. I think that is principally because of the greater availability of social housing and lower housing costs, but they are marginally lower. I think the fact that we have slightly better poverty rates than the rest of the UK is probably quite cold comfort to the 1 million people in Scotland living in poverty. Even though housing costs are lower in Scotland, that should not mask the significant housing issues that we do have. On the levels of poverty, I think that is the point to say.

In terms of drivers of poverty in Scotland, I think there are no real drivers that are unique to Scotland. I think the drivers of poverty in Scotland are the same as those across the rest of the UK. It is principally our social security system and our labour market that drive the levels of poverty. There are perhaps different drivers of poverty within Scotland. There are different experiences of poverty, for example, rurality; transport or fuel costs can be a more significant factor for people living in more remote and rural areas, but ultimately these are not Scottish specific. Ultimately it all boils down to the same thing, which is a lack of income. I think that is common across the whole of the UK.

**David Eiser:** I agree with all of that. The drivers of poverty are not fundamentally different in Scotland from the rest of the UK. It is all about the distribution of earnings, employment rates, the levels of work, and low-income benefits. Ultimately, clearly, we have the same social security system. Average earnings are very similar and employment rates are very similar, so it is not really any surprise that the before-housing cost measure of relative poverty is essentially the same. As others have said, if you look at an after-housing cost measure of poverty, the poverty rate is a bit lower in Scotland. That is because housing costs for the private rented sector and social rented sector are slightly lower in Scotland than in other parts of the UK.

**Q40 Chair:** I will ask the same question as I asked the other panel about your observations on the establishment of Social Security Scotland. The proviso that was raised in the last session is we know it is very early days and there has not been a significant devolution of those powers yet, but what do you make of the approach, particularly around some of the stuff around the contract and the values that seem to be at the heart of the



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way that Scotland seems to be approaching this? Have you noticed a difference? What do you make of it, and what are your views about how this will work itself out? We will start with you this time, Mr Cowan.

**Neil Cowan:** I will reiterate the caveat that it is very early days, but I think what we have seen over the past couple of years is a real change in approach, a change of language. The social security charter acts as a very good embodiment of that; it a crucial document for the system that has been developed in partnership with people with experience of the system. That is a real positive step and a real sea change.

As the previous session touched upon, the critical thing will be translating that very welcome language and very welcome change in approach into practice. Can we drive down levels of poverty in Scotland using the social security system? That will be the true test of success. The first steps in terms of things like the Scottish Child Payment are very welcome. That is a very welcome addition to the support that people receive, but it is still very early days and there is a long way to go, but certainly the early signs are promising.

Q41 **Chair:** These are early days, Mr Eiser, but how do you think it is doing so far? Again, it has to be acknowledged and said that most of it is to do with disability benefits. Just at this stage, is there anything that you have seen with the handling of those responsibilities that is making a difference or anything significant about the way it has been done?

**David Eiser:** The charter is very important and the emphasis on a rights-based approach and on dignity and respect and so on is very welcome. All of the intent is very good. Of course it will be when the new disability benefits are fully transferred and fully in place that we will be able to judge the extent to which these principles have been applied and adopted. You are right that this charter applies to the elements, as I understand it, that will be delivered by Social Security Scotland. The charter does not apply directly to aspects of welfare that are delivered at a local level, such as the Scottish Welfare Fund, but the Scottish Government does seem to making a strong statement about bringing local provision into the fold of dignity, respect and fairness as well, which is welcome.

Q42 **Chair:** Mr Birt, would it be helpful for the DWP and the UK Government to have a social security charter that would guide the principles of their delivery of service?

**Chris Birt:** The important thing from our perspective is that the charter was helped and designed by people will be using the services and their voice is vital. The language that we see coming through in the charter is around our social security system being an investment in our people, that it is not a cost, that it should be there to contribute to reducing poverty, that it is a compassionate response of our society when we might all face troubles. Yes, absolutely, we would welcome this approach being rolled



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out everywhere, but it must be with the voice of people who will use the service.

**Chair:** Excellent, thank you. That is enough from me just now. I will hand over to Wendy Chamberlain.

Q43 **Wendy Chamberlain:** Thank you very much, Chair, and thank you to all the witnesses for your time today and also for attending the previous session as well. I am obviously picking up on some of your observations. We do have a system now and emerging where the Scottish Government and the UK Government will be delivering benefits, with the challenge sometimes of as many as four agencies delivering benefits.

As the timescales have been extended by the Scottish Government, what short-term adaptations would be helpful to help to administer reserved and devolved benefits more effectively? I will come to Mr Eiser in the first instance.

**David Eiser:** You are right that there are lots of instances now when the devolved and reserved competencies interact and that does seem to be creating a number of issues around data-sharing and collaboration. It seems to go both ways. Take something like the Scottish Child Payment, for example. There appear to be some delays in the extent to which DWP is able to share some aspects of its data in relation to universal credit eligibility that appear to be having an impact on the pace at which the payment can be rolled out.

There are also issues around the transfer of the core disability benefits that are being transferred through the 2016 powers. I do not have any major insight other than what the Governments and the agencies have said on that in terms of whether anything can be done or what can be done to speed up those data-sharing arrangements.

Q44 **Wendy Chamberlain:** Absolutely.

Mr Cowan, something that came across strongly in the last panel was that at the end of the day, for the people who are in poverty, it does not matter where support comes from; it is the adequacy of what comes. Is that your experience? Is there more that we can do from a short-term adaptation perspective?

**Neil Cowan:** I think that is absolutely right. Ultimately people experiencing poverty, as you say, do not necessarily care where the money is coming from; it is just about receiving the money that they need to loosen the grip of poverty on their lives.

In terms of how the systems interact, given the existence of a Scottish and a UK system, there is a risk that adds to the complexity that people can experience. We know that navigating the social security system can already be quite a complex process for many people and also for the organisations that support them. Certainly there is a risk that we might add to the complexity.



I think what we need to do—and again, this was touched on in the previous session—is for every level of Government and every relevant agency to ensure close partnership working, but also to ensure that DWP and Social Security Scotland staff, for example, are equipped to advise about both systems, so individuals are able to access information about their entitlements from both systems at one point of access, whether it is a one-stop shop or some colocation of services. What we do not want is people having to go to multiple different agencies to access multiple pieces of advice about different systems. One-stop shops and colocation of services: that is the kind of approach that we need to avoid the kind of complexity that could arise.

**Q45 Wendy Chamberlain:** That is true in the longer term as well, I suppose, given that DWP will not be administering Scottish benefits once the transition is complete.

Finally to Mr Birt, you mentioned the increase in in-work poverty in your remarks to the Chair. Is it your view that in-work benefits potentially risk increasing the complexity that the different systems might create?

**Chris Birt:** Potentially. I would repeat what Neil said. The idea of a one-stop shop is absolutely vital. It is complicated for us to get it. Imagine how complicated it is to try to access services yourself. Ultimately people want to get into work, so that is why it is so important that work coaches within the job centres, and so on, are able to see all the support that is there for people so the social security system can provide the safety net that we all want to have, but most importantly, are able to provide very good employability support to folk to get them into work, because that is what the vast majority of people want to do.

**Wendy Chamberlain:** Absolutely, and I suppose it is because of complexity that people get into poverty in the first instance as well. That is it from me, Chair. Thank you.

**Q46 Deidre Brock:** Good afternoon and thank you for coming along to the inquiry. I want to ask you about the benefit cap and the two-child limit and what impact you have seen that have on folk in Scotland.

Mr Birt, I have mentioned the Joseph Rowntree Foundation's report "Destitution in the UK 2020". Is that one of the areas that you have looked at? Have you been able to discern any difference as a result of the introduction of those two changes to the benefit system?

**Chris Birt:** You are right to highlight it. I think some of the findings of the destitution report are quite shocking and should give us all pause. There has been a 50% increase in the number of people who have experienced destitution at some point in the year. This is where you cannot heat your house; you cannot feed your kids. This is pretty desperate.

I think the two-child cap, the benefit cap, will have played a role, but I think Professor Spicker mentioned the five-week wait. I think our report definitely shows that the five-week wait has had an impact and can force



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people into destitution, which I do not think anyone wants to see. Yes, it is maybe not an individual change that has the impact, but cumulatively these changes are putting people into destitution.

**Neil Cowan:** For us, the two-child limit is a policy that violates or contravenes one of the most fundamental tenets that we all share in our society, which is that we should protect one another from harm and that our social security system should protect people from poverty. It is a policy that creates harm and that locks families and children into poverty rather than protecting them from it. For us, it contravenes everything that our social security system should try to do. One of the rationales for introducing the limit was so that families who access the benefit should face the same financial choices about having children as those people supporting themselves through work, but I think in practice in-work and out-of-work benefits are affected and more than half of the people impacted by the policy are families that include people who are working. Even by that measure, putting aside the harm that it causes, it is a policy that just does not work, even according to its stated aims, so yes, I think the two-child limit is simply an unjust policy.

We also believe the benefit cap to be unjust. We think it is arbitrary in nature. It is pulling people and families into poverty, disproportionately lone-parent families, affects women disproportionately, and it is having a hugely negative impact on the life chances of children across the country. The principal aim for introducing the benefit cap was to incentivise work, but if that ever was the rationale—and I don't necessarily think that it was—I think in the context of pandemic and the impact it has had on the labour market, that rationale has become pretty much obsolete. For us, the two-child limit and benefit cap are unjust policies that create harm and that drive levels of hardship.

**Q47 Deidre Brock:** You see the pandemic as compounding this issue particularly, obviously, but are your organisations—yours and Mr Birt's—calling for these approaches to be reversed? What calls are you making about these particular changes to the benefit system?

**Neil Cowan:** We believe the two-child limit and the benefit cap should be scrapped—and urgently. We think they cause harm, they drive levels of poverty, drive hardship, drive destitution and that they should not have a place in our social security system. I hope that is clear.

**Chris Birt:** I agree with that. As Neil said, some of the justifications for them, even if they were strong in the first place, have evaporated because of the pandemic.

**Q48 Deidre Brock:** Obviously issues of destitution and poverty have been with us for many years and, unfortunately, do seem to have intensified in recent years. How will your organisations go about unpicking or disentangling the impact of the pandemic in compounding the problems from the issues that were already there? Is this a piece of work that you have already embarked on? I worry sometimes that the impact of the



pandemic will be used to cover core faults in the system that have been there all along and could potentially be disguised by the seriousness of the pandemic situation and its knock-on impact.

**Neil Cowan:** I am happy to answer that. That is a very important point to make.

Many of the issues we are discussing in relation to the pandemic—or almost all the issues—and the social security system existed before the pandemic. Before the pandemic, we already had over 1 million people in Scotland living in the grip of poverty, almost one in four children, so although the pandemic is clearly exacerbating levels of poverty in Scotland, we still had unacceptably high levels of poverty before the pandemic. A lot of the issues that I am sure we will talk about and have already touched upon today—the two-child limit, the benefit cap, the five-week wait for universal credit—were all issues that existed pre-pandemic. Although the pandemic has obviously made them more acute, has exacerbated them, and pulled more people into experiencing them, they are longstanding. When the pandemic is over, unless we fix those issues, they will still be causing problems. They existed before and if we want to fix them, the time is now.

**Chris Birt:** I agree. A lot of the research you see just now was done just before the pandemic. On the impact of things like the two-child cap, CPAG research showed that 95% of people affected have had to change decisions about paying for basic things. That was before the pandemic, so the pandemic will not have helped, it will have made that worse. As I think the professors said before us, we are all still trying to get to grips with the medium and longer-term impacts of the pandemic, but the problems that were there before will only have become worse.

**David Eiser:** I agree. It will clearly be difficult in a few years' time to assess the extent to which the pandemic as opposed to the particularities of a Brexit deal contribute to a particular level of employment or economic growth or whatever, but on the two policies that you mention, because those are very specific policies and we know how they operate and who they impact, it should be possible to estimate pretty clearly what sort of effect of those policies have on household incomes. That is something that should be possible and has been possible to quantify quite specifically. I agree with everything that Chris and Neil said specifically about those two policies. They seem to be policies that are designed purely to reduce Government spending and they do that in a way that is arbitrary, unfair and harmful.

Q49 **Andrew Bowie:** Going back to the simplicity of the system, and something that Wendy Chamberlain said earlier on, UC was designed and is designed to simplify the benefit system. When I talked to staff in my former role as a member of the Work and Pensions Select Committee and up here as a constituency MP, the one thing that you get back loud and clear from staff in the job centres is that the system is massively simplified, much easier to deal with, not just from their perspective of



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helping people, but for the people that need the support that universal credit is offering. Do you agree with that? Do you think that it has succeeded in its aim of simplifying the benefit system that we have? Any of you, or all three, can answer the question.

**Neil Cowan:** I am happy to kick off. I think some people do find it more straightforward, but I think people's positive accounts of the universal credit process and of their experience in claiming tends to rest upon their confidence in using IT and in having received the requisite level of support and information from their work coach, which can be sometimes quite inconsistent.

I think that for people who have dependants or have health issues, particularly mental issues, for disabled people, for carers and for lone parents, it is often not all that straightforward. The level of complexity can be quite variable.

For people with IT or literacy issues, for example, it can sometimes be almost impossible to make applications and to manage their claims online. Certainly for some people it is more straightforward, but for others I think it is hugely complex and compounds a lot of the challenges that they already face.

**Chris Birt:** I echo that. We did a report with the Poverty Alliance, which was published in July, about the experience of universal credit in Glasgow. Yes, there is a direct correlation between people's digital skills and the ease with which they found the change. For some people, yes, being able to do it online is far simpler and that is obviously welcome. We see this from the job centre staff as well. They are saying, "Okay, that bit is a bit easier". But people's experiences are varied wildly by the amount of time that a work coach is able to put into helping them get back into work. Work coaches can really change people's lives positively, but not if they are not able to invest that time. Evidence in our report showed that some work coaches said it was almost impossible to do the employability element of their job. I echo what Neil has said. Yes, it is fine for people who are digitally literate, but in those more complex cases, for some people who would have received the employability support allowance in the past, it is more difficult.

**Andrew Bowie:** David, you want to come in there as well, do you?

**David Eiser:** I do not have anything to add to what has been said already.

Q50 **Andrew Bowie:** That is absolutely fine. By common consent, certainly from some quarters, universal credit is a great advancement on where we were before with the legacy benefits. Do you agree? How does it compare to those legacy benefits, not just in terms of simplicity and managing it, which we have already spoken about, but delivering for the people that are applying for universal credit?



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**David Eiser:** I am not quite sure how that is distinct from the previous question.

**Andrew Bowie:** A simple question: is universal credit better than the legacy benefit system that we had before?

**David Eiser:** I think for many people there are aspects of universal credit that are better than the legacy system, as we have heard before, but that is not universal. The integration, for most people, is a very good thing. That was one of the things that motivated the idea of universal credit, the idea that it meant transitions to and from work were more seamless and could be made without fear of new applications and so on. There is the online approach rather than the face to face, which for some people is very good—not necessarily everybody—and then there are some of these issues around the single payment. For some people that is very useful, not necessarily for everybody. The linkage with the live earnings data rather than the manually inputted stuff is clearly one of the things that has helped very much in this pandemic in allowing DWP to ramp up significantly the number of claimants very quickly. That has been beneficial. There are clearly aspects of it that are certainly beneficial for many claimants and for DWP, but that does not necessarily mean that it has been beneficial for everybody.

**Andrew Bowie:** Fine. Thank you very much, Chairman. I am conscious of time, so thank you very much.

**Chair:** Thank you for that. I know Sally-Anne does not have much time left, so Sally-Anne, over to you if you want to ask a couple of questions.

Q51 **Sally-Ann Hart:** Thank you, Chair. A question on the aim of universal credit as an in-work benefit to encourage people who receive social security payments to seek paid work or increase the number of hours they work. Can anyone give an opinion as to what extent universal credit has achieved the aim in Scotland? I do not know who wants to go first, perhaps Chris Birt.

**Chris Birt:** Sure. Partly, unfortunately, I will repeat what the professors said. It is very hard to tell. There are more factors than social security that will allow people to get back into work. We have heard about them already—transport, childcare, and so on.

One thing I would say though—and I think Professor McKendrick said this—is that the level of the support available to some people will be sapping people's energy. If you reduce to such a low income, your ability to get back into work will be limited.

Yes, it is difficult to say for the moment, but I think adequacy will play a role in that as well.

Q52 **Sally-Ann Hart:** Thank you. Does anyone else want to contribute anything new?



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**Neil Cowan:** I would agree that it is difficult to assess, but I think things like the inadequacy of support provided does not help and nor do things like cuts to work allowances, although they were increased in the 2018, but not sufficiently to compensate for previous cuts.

I would also make the point that given the kind of job market we are in, talking about incentives to work is probably looking at the issue from maybe the wrong aspect. While the risk of someone living in poverty remains much lower if someone in the household is working, employment is becoming less, rather than more, reliable as a route out of poverty. Even if universal credit was a fantastic incentive to support people into work, it does not necessarily reduce poverty, because as Chris touched upon earlier, 65% of children in Scotland living in poverty are living in a working household. Yes, I would make that point as well.

Q53 **Sally-Ann Hart:** Talking about adequate amounts, what would you say is an adequate amount? I think the average yearly income is about £27,000. That might well be for the south-east. I do not know if it is for Scotland. What is the average income for people in Scotland, £23,000, £24,000?

**David Eiser:** I think it is about £24,000 or £25,000, yes.

Q54 **Sally-Ann Hart:** When you are looking at universal credit, and presumably when we are talking about a benefit cap, you would not have it more than the average income, is that right?

**David Eiser:** I am not sure I would have a benefit cap. It seems to me that the Government designs rules around eligibility and it then seems odd for them to say, "Okay, we have calculated your eligibility based on our rules, but now we are going to introduce another rule that undermines the previous set of rules". I am not sure I would have a cap. Sorry, go ahead.

**Chris Birt:** Sorry to interrupt, David. It is important to think about different types of household as well. Obviously different households have different costs. For a single person, life costs less than it does for a family.

**Sally-Ann Hart:** Obviously if you have children you get more.

**Chris Birt:** I think that is the issue. Things like the two-child cap do not recognise the real cost of living for families with more than two children.

Q55 **Sally-Ann Hart:** In terms of the effectiveness of the Scottish choices options for people who receive universal credit, to what extent are people in Scotland benefiting from the Scottish choices options of being paid every other week and having their landlord paid directly? Chris, you are on my screen first, so do you want to take that first?

**Chris Birt:** Sure. I think they are being used and they are being used in reasonably high volumes. I think Gráinne mentioned in the earlier session some of the practical things that might make people less likely to take



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them up, for example, it being part of your second assessment rather than your first. There will, I suppose almost inevitably, be some variability in how they are offered. Our report, which we published in July, said that in particular those direct payments to landlords can be the difference between becoming homeless or not. They are choices too. People are different, people will choose to do different things, so I think that choice is very important and welcome.

**Q56 Sally-Ann Hart:** Thank you. Neil Cowan, do you have anything to add to that?

**Neil Cowan:** We really welcomed the introduction of Scottish choices. I think anything that makes universal credit more responsive to people's needs and gives people greater choice over how they are supported is a positive thing and should be welcomed. I think we are still seeing relatively low numbers of people taking up the option of the flexibilities. There are a number of reasons for that. As Chris said, some people just might not want to, it might work fairly well for them just now, but we also know that some people do not necessarily know about it. In research that we conducted with the University of Glasgow for JRF, some of the participants in our research on universal credit claimants in Glasgow did not know that they could take up their choices, they were not aware of it, so there is obviously some work to do around increasing awareness of the flexibilities.

Again, the point that Chris raised and that Gráinne raised in the previous session around the payment dates, the fact that they are bimonthly rather than fortnightly is not ideal. A lot of the participants in the research that we undertook who had taken up bimonthly payments were still struggling financially and one highlighted how there were 19 days between two sets of payments and how that meant they were already out of money by the ninth day. They are some of the reasons why we are maybe not seeing the very high levels of take-up of Scottish choices that we might expect. I think there is maybe a little bit of work to do around tweaking that a bit further.

**Sally-Ann Hart:** Thank you. David Eiser, do you have anything to add?

**David Eiser:** No further comments on that, other than to say that the flexibilities are very welcome.

**Sally-Ann Hart:** Thank you, that is me done. Thank you, Chair.

**Q57 Chair:** Mr Eiser, I know that you are the fiscal framework adviser to the Scottish Government. What do you make of the intergovernmental infrastructure that is in place for the devolution that is going in and do we have all the aspects of the financial devolution right for this transfer of powers?

**David Eiser:** That is a very good question. I should add, just a slight correction, I was fiscal framework adviser to the Scottish Parliament's Finance Committee, but I am no longer in that role. There are going to be



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some real tests to this framework coming up. One of the things that was set out in the fiscal framework was this issue of so-called policy spillovers. That is the possibility that changes to a devolved payment in Scotland could increase the UK Government's expenditure on a reserved benefit. For example, we might see that, if the new child disability payment in Scotland is based on slightly wider eligibility criteria, that might increase eligibility for the disabled child element of universal credit potentially.

Under the fiscal framework, the two Governments have agreed that if that happens, there will be some mechanism by which the Scottish Government could compensate the UK Government for the additional expense. So far, no formal process has been agreed for deciding how we will estimate those spillover effects, how they will be calculated, and how they will be compensated. That is one area where some real frictions could emerge and, as far as I can see, there is no very clear formal set of intergovernmental structures in place at the moment that is driving that forward.

**Q58 Chair:** Surely it is very important, imperative, to put that in place, that there is a basic understanding about how both Governments interact on that basis.

**David Eiser:** Certainly, because otherwise we are going to suddenly find that, actually, one of these new payments has been transferred and this issue does arise and where is the mechanism that is in place? Next year the two Governments have agreed that they are going to review the fiscal framework and I think there is an expectation that some of this might be sorted out or formalised at that point. That is just one example of where an issue may arise. That is specifically in relation to this policy spillover effect. Of course, there are the other issues about data sharing that would have been touched on.

Another area that may come under test next year is where there are some particularly fuzzy boundaries around what is devolved and what is reserved. That is partly in the social security space but in particular in the employability space where the landscape is particularly fuzzy.

**Chair:** Thank you. Just while you were there I thought I would ask you that. I am fascinated by your response because it suggests to me that there is a lot of work needs to be done to ensure that these issues are addressed. We might come back to you, Mr Eiser, at a future point just to get more of a view on all of this, because I think it is an area that we will want to explore to ensure that everything is in place for the continual transfer of powers and the fiscal arrangements are obviously copped out so that this could be done with confidence and certainty.

We will maybe leave that there just now because I am conscious of time. I particularly want to go across to Mhairi Black who has been waiting patiently. Mhairi.

**Q59 Mhairi Black:** Thanks, Chair, no pressure there. Welcome to our



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witnesses as well. It has been really enjoyable sitting and listening to you.

My first question is the same one that I asked the last panel. Given the current situation that we are in, do you think that the claimant commitment is fit for purpose at the moment? Anyone can start with that. Neil, you look like you want to say something.

**Neil Cowan:** I think even prior to the pandemic, a lot of people struggled with the claimant commitment. Thirty-five hours a week of job search expectations can be challenging for a lot of people—really difficult; often just not realistic.

Given the current context as well, the economic environment, the kind of economic storm that has engulfed the country and engulfed individuals, certainly looking at the claimant commitment and how realistic it is in this context will be a necessity. Therefore, yes, I think there is absolutely a clear rationale for reviewing it and making sure that it is not placing hugely onerous expectations on people, particularly if there is a clear limit on sanctions if they don't meet the expectations of the claimant commitment.

As Gráinne touched on earlier, there has been a suggestion that there will be a light touch approach towards the commitment. It would be good to know more about what that means in practice. It would also be good for individuals who are living with the anxiety of potential sanctions, for example, to get clarity.

Q60 **Mhairi Black:** Thanks. Chris, what about you?

**Chris Birt:** Yes, I agree with all that Neil said there. Part of this also comes back to this idea of a one-stop shop. It is all very well having to fill in a commitment form, but if you are really struggling to follow through in getting into work, what would really help you is people being able to link into UK and Scottish Government programmes and the support you can get from your council. That is difficult at the minute and work coaches don't seem to have the time to do it.

Claimant counts have doubled in the last nine months. That is remarkable, so I think that is the thing that we really want to see that, if there are going to be changes to how the conditionality system works, they need to recognise the pressure that the staff in job centres will be under as well as the economic storm that is going on around the people that are walking through the doors.

Q61 **Mhairi Black:** Thanks. David, what about yourself?

**David Eiser:** Nothing to add. I agree with those points. I think you have to take the labour market context into account when you are thinking about the commitment.

Q62 **Mhairi Black:** Yes. That is helpful. Thank you. My last question, forgive me that it might be a bit long.



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This entire afternoon we have been discussing the different pitfalls in the system and the different problems that arise and how we can tweak things here and there to provide answers. That is important and legitimate, but how many of the broader issues that people are face when they are caught up in the social security system would be alleviated, if not solved, if we just gave people a bit more money? Does anyone want to go?

**Neil Cowan:** Giving people a bit more money cuts to the core of the argument. Adequacy within the social security system should be the fundamental value and protecting people from poverty, preventing poverty by increasing the adequacy of support should be an absolute driving force behind everything we do.

For too long the social security system has created poverty. It has tightened the grip of poverty on people's lives rather than lifted it and if we want to reflect our values and keep a bit of compassion in the social security system we have to focus on the adequacy of support. At a very basic level, that does just mean giving people more money. It needs to be done in tandem with changes to the labour market. I think 15% of workers in Scotland still receive less than the Real Living Wage. We should be giving people more money, as you say, via the social security system and also via the labour market.

Q63 **Mhairi Black:** Do you think that the best avenue to tackle that or to realise that would be through the social security system or through tackling the Real Living Wage and making sure that people are paid a proper wage, or is it the case that it should be both approaches at the same time? Is one better than the other? Anyone?

**David Eiser:** Both the minimum or living wage and the adequacy of the social security system are important, but they have slightly different impacts. Not everyone who works on or near the minimum wage is in a household in poverty, for example.

In terms of international comparisons, you come to different conclusions with those two things. Actually, the UK is now getting to a point where it is fairly generous on the minimum wage side of things on many measures, but in terms of the adequacy of low-income benefits it is a very different conclusion. If you compare the UK with many other countries in terms of rates of out of work and low income benefits relative to what people earn if they are in work, the UK system is pretty meagre on many measures.

Q64 **Mhairi Black:** Thank you. Chris, do you want to go?

**Chris Birt:** Yes. I think you have hit the nail on the head to a certain extent because the social security system should be there to be a safety net. An extra 100,000 people in Scotland are claiming universal credit and loads more across the UK. To be fair to the UK Government, the £20 uplift in universal credit has been very welcome. It is really needed at this time.



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In our view, you need to keep that up beyond April and also it should be extended to legacy benefits. For example, if that is taken away in April, 60% of single parent families will lose that £1,000. That adequacy point is absolutely key. As for how you do it, the study we did in Glasgow talked about work allowances perhaps being the best way, so that you could see that if you went into work, you had that solid work allowance block there that you knew wasn't going anywhere.

There are different ways of doing it, different ways of cutting it, taper rates and so on but, yes, fundamentally the adequacy of the money people have to pay their bills at the end of the day is the most important thing.

**Mhairi Black:** That is really helpful. Thank you, Chair.

Q65 **Chair:** One question to each of you and it will be specifically for the individual named. This is just to finish things off; stuff that we have not quite touched on in the course of this. We will start with you, Mr Cowan.

We all anticipate that there will be a rise in unemployment in the course of the next few months and that it will go into next year. Do you think that the social security system is equipped to deal with what could be a big rise in the number of newly unemployed people?

**Neil Cowan:** In terms of capacity over the last nine months, I think the system has held up pretty well with the strain. I suppose it depends on what you mean by cope with additional demands.

If we mean protecting people from hardship and poverty, I think it is not equipped to do it because of a lot of the issues that we discussed earlier today: the five-week wait for universal credit, the two-child limit, and the benefit cap. Therefore, no, in that sense.

In the capacity sense, I would not like to say definitively but I think the system has held up fairly well over the past nine months on that side of things. In terms of bringing people to a decent standard of living and protecting them from poverty and hardship then, no, I have the sense that the system is not up to that challenge.

Q66 **Chair:** Thank you. Mr Eiser, we did not really touch much on the issues around digital by default, which of course is one of the major characteristics in universal credit. Do you think that has worked? I am thinking of Scotland's choices, for example. Could that be extended to be able to access universal credit from a job centre or through traditional means?

**David Eiser:** I don't think I have much insight into that question, I am afraid, other than to remark that in general the UC system seemed to cope pretty well with this surge in claims.

There is an interesting read-across to what is happening in Social Security Scotland. I don't know to what extent that agency is intending to introduce face-to-face assessments for something like the Scottish Child



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Payment or whether that is all going to be online by telephone. That would be an interesting sort of comparison to make there.

Q67 **Chair:** Thank you. Mr Birt, could the changes that we have observed to welfare payments in the course of the past few months with the Covid crisis be extended? Would it be helpful if they were extended? If we were to do anything with this again, and we were to face the same major conditions, is there anything that you could see that could help to improve the situation and conditions for people who access our welfare system?

**Chris Birt:** Yes, I think that lifeline of the £20 uplift should stay. It should also be extended to legacy benefits. Those people with disabilities and ill health deserve the same uplift.

The other thing that would be really welcome, which the UK Government did start, would be to lift the local housing allowance rates back up to closer to the actual cost of housing. Again, that should be extended. As I said at the beginning, the cost of housing is the one thing that keeps the relative poverty rate a bit lower in Scotland.

The benefits freeze since the financial crash has pulled people's income down and pulled more people into poverty, so the more we can do to ease that the better. Also, the range of employability support, which both the UK Government and the Scottish Government are looking at, will be hugely vital over the next nine months to a year, as we recover from this crisis. We will have to learn as we go. If there were easy answers to this, we would do them, of course, so let both Governments make sure they know whether or not things are working and change things if they need to.

Q68 **Chair:** One last question that you can answer with a couple of sentences. Could you make one recommendation about how current welfare system in Scotland could be improved to address some of the issues we have discussed today? We will start with Mr Birt first; one recommendation.

**Chris Birt:** Thank you for letting me go first. I would bring the level of support closer to the cost of living.

**Neil Cowan:** I second that; putting adequacy at the heart of today's system.

**David Eiser:** That sounds like a very sensible recommendation and the most fundamental one. Could I introduce a boring one as well? Looking at this issue of data sharing a bit more closely and trying to see what can be done to expedite that, if anything, would be sensible as well.

**Chair:** It is good to have consensus at the end of what has been quite a long session for us. That has been fantastic and we are very grateful to you all. You have kicked our inquiry off to a fantastic start.

If there is anything else that you feel you could usefully share with the



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Committee as we progress this inquiry, please get in touch. I am sure that a Clerk will get in touch with you but, for today, thank you ever so much for your time.