



The Scottish Parliament
Pàrlamaid na h-Alba

Social Justice and Social Security Committee

Rt Hon Sir Stephen Timms
MP
Chair,
Work and Pensions
Committee,
House of Commons
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The Scottish Parliament
Edinburgh
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Via email only

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11 May 2023

Dear Rt Hon Sir Stephen Timms MP,

Call for Evidence - Cost of living support payments

Having recently taken over as Convener of the Scottish Parliament's Social Justice and Social Security Committee I'd like to introduce myself and say that I am looking forward to working with your Committee on issues of shared concern. With this aim in mind, I am writing to highlight the Committee's findings which are relevant to the Work and Pensions Committee's inquiry into cost of living support payments.

Before I share the Committee's most recent work, I'd like to highlight our inquiry work which looked at debt and the additional pressures brought on low income households by the cost of living crisis. Our report [Robbing Peter to Pay Paul: Low income and the debt trap](#), published on 2 July 2022, outlines the specific challenges faced by people with debt issues and low income in relation to accessing support and finding solutions to their debt situation.

In particular that report highlighted spiralling costs are pushing an increasing number of people into debt because they simply do not have enough money to pay for all their basic outgoings and bills. Despite receiving advice on social security entitlement and other forms of income maximisation, many people on low incomes simply did not have enough money to meet essential living costs. They are stuck in an inevitable cycle of debt. Christians Against Poverty shared an example with us of one of the many people it supports through its debt advice. This client is coming to the end of a Minimal Asset Process bankruptcy. Their sole income is social security benefits. They suffer from depression, anxiety and panic attacks. Once they have been discharged from bankruptcy, they will have £8.55 a week to live on for food and all household items. As Christians Against Poverty highlighted, "living on a budget of £8.55 is not sustainable, and the very tragic reality is that that individual will fall back into problem debt".

We held a debate on our report in the Scottish Parliament on [1 November 2022](#), where a number of committees participated revealing the cost of living impact on aspects within their remits.

In particular I highlight the contribution to the debate made by the Convener of the Health and Sport Committee, who explained the impact of increased energy costs of households caring for disabled family members. The Convener said people with multiple sclerosis, for example, are facing on average an additional £200 per week in bills. Also, the Convener advised some families have extensive medical equipment to power as many medical and mobility devices require charging or constant electricity to function. She specifically highlighted the case of a family who expected a £17,000 energy bill to keep their daughter, who has cerebral palsy, warm and alive.

To continue our focus, in November 2022, the Committee agreed to hold two one-off sessions to hear the views of stakeholder organisations on the impact of the cost of living crisis on disabled people and unpaid carers, and lone parents.

The aim of these sessions was to provide a better understanding of the impact of the deepening of the cost of living crisis, how things have changed for these groups and whether the current policies and support need to be reviewed.

The session focusing on disabled people and unpaid carers took place on [27 April 2023](#). The Official Report is available [here](#). The session focusing on lone parents took place on [4 May 2023](#). The Official Report is available [here](#).

Although, our report was published almost a year ago our recent roundtable sessions have highlighted how people continue to struggle. There was a very strong common theme across both sessions that the cost of living crisis has exacerbated existing inequalities and issues have been compounded first through austerity, then COVID and now cost of living. While temporary crisis support is necessary, stakeholders emphasised the need to also recognise the structural causes and take a longer-term approach to solutions.

Although much of the evidence gathered from these sessions focused on the Scottish Government and devolved action, we did receive some feedback on the effectiveness of UK temporary cost of living assistance at our sessions, as follows.

At our meeting on 27 April, Citizens Advice Scotland summed up the general view saying:

“The cost of living payments were welcome—and they were useful, although they were not enough—but the bigger issues relate to housing, energy, energy inefficiency and welfare benefits. Cross Government solutions will be required to address the underlying causes of this.”

It was recognised that “a decent amount” went to those who received pension credit. However, some participants said the payments could have been better targeted and provided at a higher amount. For example:

- The £150 payment for disabled people doesn't reflect the scale of their additional costs. Citizens Advice Scotland said: “£150 is not going to touch the sides of people's additional energy costs.”
- Energy Action Scotland argued that additional support should have reflected the 'enhanced heating regime' that is recognised in the Scottish fuel poverty legislation.
- There was no specific payment for carers. If they weren't getting 'low income' benefits or living in a household with someone who got a disability benefit, then they didn't get any additional support.

There was also concern about the number of people who haven't yet cashed in energy vouchers for pre-payment meters and that cost of living payments were linked to getting a benefit at a particular date – so people could lose out if they just missed that date.

It was acknowledged that, in the short term, a 'cash-first' approach is necessary, but “we need to start building a longer term plan for providing disabled people with support to meet their additional costs”.

Our second session, lone parents on 4 May, made it clear that the issues raised through our debt inquiry continue to have a profound impact. For example, parents are experiencing increasing debt, particularly public debt, and the impact of direct deductions. Financial issues are leading to increased stress and have an impact on adult's and children's mental and physical health.

Also, there is increasing demand for 'third sector 'emergency provision'. Aberlour pointed to the increased usage of their urgent assistance fund, and The Trussell Trust advised food banks are 'the busiest ever' and there is increased need amongst working people, with the Trust having to change their opening hours to accommodate working people.

Furthermore, this session pointed to the gendered impact of the cost of living crisis, emphasising it is important to consider equalities and intersectionality. Lone parents are mostly women, and a significant proportion are disabled themselves or are caring for someone with a disability.

We hope the evidence we have gathered from our work demonstrates the areas where the cost of living crisis is having the greatest impact in Scotland and is also useful in understanding the extent to which the UK's cost of living support payments have addressed these impacts.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Collette Stevenson', written in a cursive style.

Collette Stevenson MSP
Convener
Social Justice and Social Security Committee