

# Ending the Need for Food Banks: Consultation on a Draft National Plan

## Citizens Advice Scotland response – 25 January 2022

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*Scotland's Citizens Advice Network is an essential community service that empowers people through our local bureaux and national services by providing free, confidential, and independent advice. We use people's real-life experiences to influence policy and drive positive change. We are on the side of people in Scotland who need help, and we change lives for the better.*

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### Summary

Citizens Advice Scotland (CAS) is supportive of the proposed approach to ending poverty and the need for food banks. The twin emphasis on prevention and response ensures the reasons for food bank use are tackled at source, rather than focusing only on how emergency support is delivered, and overall CAS would agree that moving towards a cash-first approach to food aid is a positive step. Measures which enable people to choose their own food can restore dignity in emergency food provision, enable people to buy food they enjoy and choose the items that will make the most difference to themselves and their families.

However, there are additional dimensions to the need for food banks that CAS would call for further consideration of. These include:

- The role of advice services in food bank referrals
- Availability of social security support for different types of people
- Debt as a driving factor in food bank use
- Fuel poverty as a driving factor in food bank use
- Housing costs as a driving factor for food bank use
- Potential barriers to a cash-first scheme

CAS suggests six areas where further action could be taken to reduce the need for food banks:

- Reducing the cost of living
- Increasing social security support and benefit take-up
- Encouraging fair work
- Improving debt solutions and debt recovery
- Making the Scottish Welfare Fund more accessible
- Integrating advice services into Cash-First Partnerships

### **Citizens Advice Scotland is calling for:**

- Development of a shared understanding and definition of housing affordability
- More help for tenants to meet their housing costs, for example through increased DHP funding
- Continued collaboration between expert stakeholders from Government, industry, and the third sector to meet the Scottish Government's fuel poverty targets
- Improvements to Social Security Scotland benefits including extension of the Scottish Child Payment to children under 16 and removal of the 20 metre rule from Adult Disability Payment
- Action to improve benefit take-up, in particular for Universal Credit, Discretionary Housing Payment, and Council Tax Reduction
- Adequate funding for employment support and wider advice services
- Improvements to Scottish Debt Solutions that allow debtors to retain a sufficient level of income to uphold a good standard of living and build financial resilience whilst repaying their debts
- A collaborative approach to council tax debt collection which supports people in debt to reach a sustainable resolution
- Integration of the National Ending the Need for Food Banks strategy into the forthcoming review of the Scottish Welfare Fund
- A no wrong door policy for people to access support for food insecurity
- Integration of advice services into any cash-first voucher scheme to ensure the root causes of food bank use are tackled, with sufficient funding to allow advice services to build cross-sector partnerships

## 1. Do you think that the approach outlined is consistent with the vision to end poverty and the need for food banks? Is there anything else you think should be included?

### - Yes

Citizens Advice Scotland (CAS), our 59-member CAB, and the Extra Help Unit form Scotland's largest independent advice network. Advice provided by our service is free, confidential, impartial, and available to everyone. Our self-help website Advice for Scotland provides information on rights and helps people solve their problems.

CAS is supportive of the proposed approach to ending poverty and the need for food banks. The twin emphasis on prevention and response ensures the reasons for food bank use are tackled at source, rather than merely focusing on how emergency support is delivered, and overall CAS would agree that moving towards a cash-first approach to food aid is a positive step. Measures which enable people to choose their own food can restore dignity in emergency food provision and enable people to buy food they enjoy and choose the items that will make the most difference to themselves and their families.

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- Fuel poverty as a driving factor in food bank use
- Housing costs as a driving factor for food bank use
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Below are statistics and cases drawn from across the 59 Citizens Advice Bureaux (CAB) in Scotland. When a client seeks help from a CAB, the advice they are given is coded, meaning we can track changes and trends in the advice needs of people across the country.<sup>1</sup> Our Citizens Alerts are then drawn from CAS's Social Policy Feedback system, where advisers can flag

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<sup>1</sup> All figures are expressed as percentages of their "parent" advice code category: e.g., Universal Credit advice is expressed as a proportion of all Benefits issues, and Entitlement (benefit check) advice is expressed as a proportion of all Universal Credits advice. This allows for more effective comparisons between quarters when overall numbers of clients fluctuate and/or there are changes in advice provision (e.g., the shift to telephone and email during lockdown).

serious cases to CAS. Together, these provide a picture of how food bank use impacts CAB across Scotland.

### **The role of advice services in food bank referrals**

During 2020-21, the entire Citizens Advice Network provided advice and assistance to over 171,000 individuals; this equates to one in every 26 adults living in Scotland. The Network put almost £147 million back into people's pockets during this time, with every £1 invested in core advice funding returning £14 in gains for people. Our extensive footprint across Scotland is important in helping us understand how issues impact locally and nationally across the country and the different impacts that policies can have in different areas.

When an individual facing food insecurity seeks advice from the Citizens Advice Network, they are supported to address their immediate needs (such as through a food bank referral and an immediate assessment of their other advice needs). Advisers will diagnose other emergency needs such as fuel and clothing needs and take action to address these issues, such as applying for a fuel voucher or clothing grant. Food bank referrals can also be a stop gap while other income maximisation or debt options are implemented. For example, if a client visits a bureau due to an income shock leaving them unable to afford food, the adviser might assist the client to apply for a Crisis Grant from the Scottish Welfare Fund. However, as Crisis Grants take time for a decision to be made, the client will require access to food whilst they await the decision.

Bureaux will always accompany food bank referrals with an offer of holistic income maximisation advice to tackle the root cause of a client's food insecurity. A Money or Benefits advisor will check that the individual is receiving all the benefits and social security support they are entitled to, ensure the individual is on the correct tax code, check if the individual is entitled to any grants, and identify ways the individual might reduce their expenditure. If the individual has debt that they are struggling to repay, a Money Adviser will help them find an appropriate resolution to their debt.

Uptake of this income maximisation advice is high, with nearly 80% of clients who received advice on food banks between April 2019 and October 2021 also receiving advice in one or more other areas (including benefits, consumer, debt, discrimination, education, employment, health and community care, housing, immigration, asylum and nationality, legal proceedings, NHS concern or complaint, relationship, tax, travel, transport and holidays, utilities, and communications). However, due to the impact that food insecurity can have on an individual's mental wellbeing, some clients may struggle to absorb income maximisation advice. Not knowing when they will next eat can have a significant impact on an individual's ability to look

to the future and manage their finances.<sup>2</sup> Moreover, when an individual is experiencing destitution, often their priority is accessing essentials for their day-to-day survival.<sup>3</sup>

Accordingly, although income maximisation advice will always be explained and offered to the client, clients may be reluctant to take this advice forward because of a desire to meet their immediate needs first and foremost. Equally, some clients may only be undergoing a short-term income crisis and may not require holistic and detailed income maximisation advice. Under these circumstances, a food bank referral would still be provided.

Additionally, some clients will require continuous food aid as their incomes are insufficient to meet their needs. In our recent research on the experience of CAB clients who claimed Universal Credit during the pandemic, we found that one in five of the clients we surveyed had cut down on food during their claim and more than half (55%) were concerned about their ability to pay for food in the future.<sup>4</sup> For these clients, undertaking income maximisation advice each time they require food aid can have a negative impact on their wellbeing and act as a barrier to accessing support.

**Citizens Alert:** *An East of Scotland CAB reports of a client that was very upset at having to go through the reasons he experiences food insecurity every time he needs a food bank referral as his circumstances have not changed. The client is struggling on a low income on Universal Credit and feels it is degrading to have to repeatedly undertake income maximisation advice.*

It is therefore important that money advice does not become a prerequisite for emergency food aid. So long as the external income pressures that cause an ongoing reliance on foodbanks continue to exist, there will always be clients whose circumstances mean they are reluctant to undertake money advice. Ensuring they can access support whenever they need it must remain the top priority.

### **Availability of social security support for different types of people**

As the Consultation acknowledges, adequate social security support is vital for tackling food insecurity. Between April 2019 and October 2021, nearly 70% of clients that received advice on food banks also received benefits advice, and in our recent survey of CAB clients who sought Universal Credit advice during the pandemic, one in five people reported having cut down on

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<sup>2</sup> A Menu For Change '[Found Wanting Understanding journeys into and out of food insecurity: a longitudinal study](#)', October 2019, Page 44.

<sup>3</sup> Scottish Government and COSLA '[Ending Destitution Together: A Strategy to Improve Support for People with No Recourse to Public Funds Living in Scotland](#)', March 2021, Page 41.

<sup>4</sup> Citizens Advice Scotland, '[I am constantly penny pinching.](#)' [Research into Living on Universal Credit during the Pandemic](#), 6 September 2021. Note, too, that the percentage of unemployed clients we surveyed (i.e., those who do not have wages to top up their social security income) who were worried about paying for food was almost double the percentage of employed people (employed, 39%; unemployed, 77%; economically inactive, 53%).

food during their Universal Credit claim, making clear the linkages between low rates of social security support and food insecurity.<sup>5</sup>

While much social security policy remains reserved to Westminster, introduction of devolved benefits like the Scottish Child Payment have made a significant impact in raising people's incomes across Scotland.<sup>6</sup> However, as the Consultation acknowledges, a higher-than-average proportion of food bank users are single men who (unless they are eligible for disability benefits) will be unaffected by proposed changes to devolved social security such as the doubling of Scottish Child Payment.<sup>7</sup> While cash-first schemes will help, consideration should be given as to whether further support can be offered to all demographics facing food insecurity. This is particularly important as the two policy levers that would most directly impact single men – employment powers and Universal Credit – are not devolved to the Scottish Parliament.

As the Consultation also acknowledges, people who are subject to the Home Office's No Recourse to Public Funds policy are disproportionately reliant on food banks due to their general exclusion from the social security system. According to the Trussell Trust, 38% of referral agencies and 25% of food bank managers said (pre-pandemic) that the limited/restricted access to public funds experienced by migrants and refugees had a very high impact on the need for food banks.<sup>8</sup> Moreover, almost a third of referral agencies and one in ten food bank managers said the limited or restricted access to local support services (such as welfare advice, debt advice, and homelessness services) had a very high impact on food bank need for people with NRPF status.<sup>9</sup>

The impact of COVID-19 has been severe for people with No Recourse to Public Funds, who were disproportionately exposed to income shocks 'due to their reliance on self-employment, and "flexible", informal, casual, and other non-conventional and low-paid types of employment'.<sup>10</sup> According to research by the Trussell Trust, after March 2020 11% of people

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<sup>5</sup> Citizens Advice Scotland, ["I am constantly penny pinching." Research into Living on Universal Credit during the Pandemic](#), 6 September 2021.

<sup>6</sup> The Scottish Parliament Information Centre (SPICe) estimates that relative child poverty has already fallen by 3% between 2019-20 and 2020-21 as a result of the introduction of the Scottish Child Payment, in combination with other social security measures like the £20 uplift to Universal Credit: see SPICe, [Scottish Child Payment: where next?](#), 19 July 2021.

<sup>7</sup> Scottish Government, [Ending the need for food banks: consultation on a draft national plan](#), 20 October 2021, page 15.

<sup>8</sup> Trussell Trust, ['State of Hunger: Building the evidence on poverty, destitution, and food insecurity in the UK'](#), May 2021, page 63.

<sup>9</sup> Trussell Trust, ['State of Hunger: Building the evidence on poverty, destitution, and food insecurity in the UK'](#), May 2021, page 63.

<sup>10</sup> Trussell Trust, ['State of Hunger: Building the evidence on poverty, destitution, and food insecurity in the UK'](#), May 2021, page 63.



referred to food banks likely had NRPF immigration status, which was an increase from between 2% and 4% pre-pandemic.<sup>11</sup>

Due to their exclusion from the majority of welfare interventions, people with NRPF status are likely to need ongoing food support. The Scottish Government should therefore look to how interventions such as cash-first partnerships and other cash-first approaches to food security can be made available to individuals with NRPF status. Particular consideration should be made to how people seeking asylum, who Govan Community Project identified as in an 'ongoing emergency' with regards to food insecurity, can benefit from cash-first interventions without their Home Office support being subsequently impacted.<sup>12</sup> Asylum Seekers who are in receipt of asylum support receive only £5.66 per day, with people accommodated in hotels receiving only £8 per week. These rates mean that meaning people seeking asylum don't have the opportunity to build up any savings to withstand an income shock, making food insecurity an ever-present feature of their day-to-day lives.

As the Ending Destitution Together strategy involves a Hardship Fund pilot, which will involve cash distributions to support people with NRPF, lessons learnt from this could inform strategies to make cash-first partnerships accessible to people with NRPF. Alternatives to cash such as access to pantries and/or shopping vouchers could also be embedded within cash-first partnerships so people who may not have access to grants (such as the Scottish Welfare Fund) or other forms of social security support (such as Scottish Child Payment) are not excluded due to their immigration status. People facing food insecurity are often forced to choose between essentials such as warm clothing, travel (such as travel to essential appointments), and food, and so measures such as free/discretionary travel and clothing vouchers could free up income for people who may not be able to access cash-first support to spend on food.

Language can be a further barrier to food security.<sup>13</sup> Advisers at CAB have reported of difficulties accessing interpreters in other contexts, which can result in clients being excluded from services which might enable them to improve their financial circumstances. The below case demonstrates some of the existing difficulties people face accessing statutory support.

**Citizens Alert:** *An East of Scotland CAB reports that a client that speaks little English was told by their Local Council's support hub that they can't provide a translator. The CAB adviser contacted the housing department at the Local Council on client's behalf and they subsequently arranged an appointment with a translator for the client. Without CAB intervention, the client wouldn't be able to access Local Authority service.*

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<sup>11</sup> Trussell Trust, '[State of Hunger: Building the evidence on poverty, destitution, and food insecurity in the UK](#)', May 2021, page 63.

<sup>12</sup> Govan Community Project, '[An Ongoing Emergency: Barriers and Solutions in Access to Fair Food](#)'.

<sup>13</sup> Govan Community Project, '[An Ongoing Emergency: Barriers and Solutions in Access to Fair Food](#)', page 8.

Efforts should be made to ensure those that require it are provided with interpreters when seeking support from participants of cash-first partnerships and resources such as cash-first leaflets could be translated to widen accessibility.

### Debt as a driving factor for food bank use

Debt is another key driver of food insecurity for clients that seek advice from our Network. Nearly 20% of CAB clients that received advice on food banks between April 2019 and October 2021 also received debt advice. Further research CAS conducted on the living standards of CAB clients receiving complex debt advice (2020/21) found that 42% of clients appeared to have negative balances at the end of the month after all expenses had been covered. For almost one in three of these clients (30%), this monthly deficit was more than £500. Thus, even after receiving specialist advice, many people will continue to struggle to make ends meet.

**Citizens Alert:** *An East of Scotland CAB reports that a client has received little support from their creditors. The client has been borrowing from friends to maintain rent, has sold their car and has not been buying food whilst paying £476 each month to non-priority creditors.*

Even where a person's income would normally be sufficient to meet their needs, debt repayments can lead to an income shortfall. This is particularly clear with Government debt and its recovery through the social security system, where debt repayments are taken automatically and often set at an inappropriate level with no consideration of the person's individual circumstances.<sup>14</sup> According to the Trussell Trust's UK-wide analysis, the DWP is currently the main creditor for people referred to food banks, with 47% of all people referred to a food bank indebted to the DWP. Of those repaying debts to the DWP, 77% were repaying their Universal Credit advance, 34% another DWP loan such as a budgeting loan, and 20% were repaying a benefit overpayment.<sup>15</sup> Accordingly, any strategy to end the use of food banks must include efforts to ensure debt recovery processes, both public and private, do not leave people in hardship.

### Fuel poverty as a driving factor for food bank use

Often clients that present to bureau with food insecurity will also be facing fuel insecurity. Almost 30% of clients that received advice on food banks in 2020/21 also received advice on utilities, and recent rises in fuel costs have increased this pressure. The latest figures from the Scottish Government showed that 24.6% of households in Scotland were in fuel poverty even before COVID-19 took hold. Among those 613,000 households, more than half found

<sup>14</sup> See further Citizens Advice Scotland, [CAS response to the Cabinet Office consultation: Fairness in Government Debt Management](#), September 2020.

<sup>15</sup> Trussell Trust, [State of hunger: Building the evidence on poverty, destitution, and food insecurity in the UK \(year 2 main report\)](#), May 2021, page 56.



themselves in extreme fuel poverty.<sup>16</sup> The fall-out from the pandemic is only expected to make this situation worse, with Scottish Government estimates suggesting that the rate of fuel poverty in Scotland could increase by as much as 18% in 2020.<sup>17</sup> Recent polling commissioned by CAS found that more than one in three people in Scotland find their energy bills unaffordable, with 80% of those people citing rising energy costs as a reason.<sup>18</sup>

Increases in the wholesale cost of gas, proposed changes to the default tariff cap, and costs associated with supplier failures are also currently expected to place an upwards pressure on consumers' energy bills until at least 2023 and possibly beyond.<sup>19</sup> These price rises have been accompanied by an increased need for energy advice across CAB in Scotland. Data from the Citizens Advice Network in Scotland for September 2021 already shows a rise in demand for energy debt advice (a 5% increase since August 2021 and 53% since February 2020), whilst pages related to energy efficiency have been the most frequently viewed of the energy-related pages on our Advice for Scotland website since July 2020. Providing targeted support to ensure people can meet their fuel bills will greatly alleviate the pressure on people's incomes that drives food bank use.

### **Housing costs as a driving factor for food bank use**

Housing affordability is another key concern for CAS. Scottish Government figures suggest that between 2015/16 to 2017/18, 27% of Scottish private sector tenants' net income on average was spent on rent.<sup>20</sup> For those on the lowest incomes, however, private sector rents can be up to almost 60% of net household income.<sup>21</sup> Similarly, average weekly social sector rents have increased more than twice as fast as inflation over the most recent five years that data is available for.<sup>22</sup> The growth in the private rented sector and short-term lets market, the number of empty homes, changes to housing benefits, and a decrease in social housing stock all contribute to a squeeze on the affordable housing supply in many parts of the country.<sup>23</sup> While there are some welcome measures in place such as Discretionary Housing Payments and the recently-announced COVID Tenant Grant Fund, affordability remains a significant problem in many parts of Scotland.

<sup>16</sup> Scottish Government, [Scottish House Condition Survey: 2019 key findings](#), 1 December 2020.

<sup>17</sup> Scottish Government, [Scottish House Condition Survey: additional analysis](#), 3 September 2020.

<sup>18</sup> Citizens Advice Scotland, [1 in 3 people find energy bills 'unaffordable' - CAS Launches new campaign](#), 6 December 2021. In terms of further stats, 65 percent of those who found their energy bills unaffordable said the rising cost of living was a problem; 40 percent said low incomes were an underlying problem; and 24 percent stated their home being hard to heat was a factor.

<sup>19</sup> Cornwall Insight, [Price cap set for 46% rise for Summer 2022](#), 20 December 2021.

<sup>20</sup> Scottish Government, [Social tenants in Scotland 2017](#), 16 April 2019.

<sup>21</sup> Office for National Statistics, [UK private rented sector: 2018](#), 18 January 2019.

<sup>22</sup> Scottish Government, [Social tenants in Scotland 2017](#), 16 April 2019.

<sup>23</sup> Institute for Fiscal Studies, [The cost of housing for low-income renters](#), October 2017.

## Potential barriers to a cash-first scheme

CAS welcomes a cash-first approach to tackling food insecurity and CAB are proud to be involved with delivery of the Scottish Government's Shopping Card Pilot. A cash-first approach would allow people to choose what they eat and thus accommodate dietary and cultural requirements. Individuals would also have more flexibility accessing food with a cash-first scheme than they might have when using a food bank as food shops tend to be open longer hours. Case studies from our bureaux show that these are barriers to food bank use that can prevent people from accessing food when in crisis.

**Citizens Alert:** *An East of Scotland CAB reports that a client's local Food bank is only open two days a week, on a Monday and a Friday. The client phoned CAB on the Wednesday but will have to wait until the end of the week before they can collect their food parcel.*

**Citizens Alert:** *A North of Scotland CAB reports that a client who is struggling financially has a child with autism who is very fussy about his food and the food provided by the food bank does not cater to the child's needs.*

However, our bureaux also report of barriers to accessing food that might not be easily mitigated by vouchers that people can use in shops. Access to shops can be a barrier for disabled people, for example, and transport costs can prevent a person accessing food where they have insufficient funds to travel to the places where they might access food. Those living in rural areas may have to travel greater distances to access a shop compared to clients living in urban areas. At times, this difficulty is duplicated when they face food insecurity as the person must first travel to an advice provider to access a referral or voucher and then travel again to a food bank/shop.

**Citizens Alert:** *An East of Scotland CAB reports that a client who lives in a rural settlement and is disabled was referred for food parcel. However, the client was unable to travel to the food bank and the food bank did not deliver.*

**Citizens Alert:** *An East of Scotland CAB reports that a client was unable to get to their local food bank as they had no money to travel there.*

Through CAB involvement with the voucher pilot, it has become apparent that some rural areas would struggle to utilise a voucher scheme as they tend to have fewer supermarkets and local shops don't tend to have the infrastructures in place to accept vouchers. An effective cash-first approach will therefore need to account for people's access needs, for example by providing travel vouchers for transport to supermarkets, enabling online shopping and delivery, or ensuring that vouchers can be used in local shops. Aligning cash-first approaches with the uptake of schemes like Scotland Loves Local could also present a way forward as the cards

distributed through this scheme can be used in local shops which might be more accessible for rural clients. However, this would need to be paired with promotion to encourage more retailers to accept Scotland Loves Local cards.

Further challenges that rural communities face include the price of food, which tends to be much more expensive than in urban areas. Advisers from rural bureaux have recently expressed concern that the cost of living in rural communities, in particular the cost of food, is becoming increasingly unaffordable. Residents of remote and rural communities in Scotland are also disproportionately impacted by postal delivery surcharges due to their location, with 33% of consumers having experienced parcel operators imposing surcharges due to their geographic location.<sup>24</sup> Some companies may also refuse to deliver to our remote and rural communities, reducing choice in accessing food.<sup>25</sup> A survey conducted amongst CAS clients and members of the public in 2018 found that the availability of certain foodstuffs was also a particular issue for those in remote rural areas and some respondents expressed the wish for more locally sourced foodstuffs to be made available:

*"...(I) can only buy fresh fish when working away from home. Ridiculous as I live [a] 19-minute walk from (the) dock where fishing boats land catch."*

A food voucher of an equivalent amount is therefore likely to go much further in an urban centre than in a rural community. Nevertheless, the issues discussed here are not confined to rural areas. Many people who live in more deprived urban areas can also have less access to amenities and therefore might be more reliant on small local shops which can often be more expensive.<sup>26</sup> Any cash-first scheme must therefore be balanced to ensure it works for all local communities.

Finally, it is essential that individuals do not feel judged by frontline staff when requesting support. Evidence from our bureaux suggests that when clients experience negative interactions with frontline staff it can exacerbate feelings of shame and deter them from seeking further support. The Scottish Government could encourage a culture change in this area by ensuring that staff within Social Security Scotland, local authorities, and participant organisations within cash-first partnerships are trained to treat customers fairly and with empathy.

**Citizens Alert:** *A West of Scotland CAB reports that a client with health issues has been refused a SWF crisis grant while they wait 5 weeks for Universal Credit first payment. The client was not given reason for this refusal and the client said the council staff they spoke to about the grant "seemed to be having a bad day from their tone".*

<sup>24</sup> Citizens Advice Scotland, [Postal Services in Scotland: CAS Briefing on Polling on the Universal Services Obligation](#), September 2021.

<sup>25</sup> Citizens Advice Scotland, [Delivering for all: How vulnerable groups access post in Scotland](#), May 2021.

<sup>26</sup> Govan Community Project, ['An Ongoing Emergency: Barriers and Solutions in Access to Fair Food'](#), page 23.

Cash-first partnerships should be encouraged to build a positive story around the service they provide in order to position themselves as non-judgemental sources of support. For example, cash-first partnerships could demonstrate a level of understanding and care by using non-judgemental language that acknowledges hardship in their public facing communications. The 'Worrying About Money' Cash-First Referral leaflets are a good example of how cash-first partnerships might be able to spread awareness of their service.<sup>27</sup>

## **2. Do you think that the actions underway will help to reduce the need for food banks as a primary response to food insecurity?**

- **Yes**

## **3. Do you think that the suggestions for what more we plan to do will help to reduce the need for food banks as a primary response to food insecurity?**

- **Yes**

## **4. Is there anything else that you think should be done with the powers we have at a national or local level to reduce the need for food banks as a primary response to food insecurity?**

Building on both the Consultation and the additional dimensions to food insecurity set out in our response to Question 1, CAS suggests six areas where further action could be taken:

- Reducing the cost of living
- Increasing social security support and benefit take-up
- Encouraging fair work
- Improving debt solutions and debt recovery
- Making the Scottish Welfare Fund more accessible
- Integrating advice services into Cash-First Partnerships

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<sup>27</sup> Food Aid Network, [Cash First Leaflets](#).

## Reducing the cost of living

A primary driver of food insecurity is the rising cost of living. Even where a person is able to meet their day-to-day living costs, living for extended periods on a low income can make it impossible for people to build savings and withstand even the smallest income shock. This can mean that an unexpected bill, a fall in income, or an increase in expenditure could cause clients to experience food insecurity. Cases from our bureaux show that these factors are a reason for people requiring food bank assistance.

**Citizens Alert:** *A South of Scotland CAB reports that a client was left with insufficient income to live on after having to pay unexpected bill.*

**Citizens Alert:** *A North of Scotland CAB reports that a client required a food bank referral as they had to leave their job as they could not obtain suitable childcare during the summer holiday period.*

CAB frequently report of clients who cut down on food in order to cover heating and electricity bills as well as rent,<sup>28</sup> issues which will have only been made more acute by recent increases in food bills and energy costs in particular.

The Scottish Government should therefore be proactive in its actions to drive down the cost of living. In terms of housing costs, the Rented Sector Strategy provides an opportunity for the Scottish Government to tackle housing arrears at source by making housing more affordable across Scotland.<sup>29</sup> Similarly, although reserved powers over energy markets and energy prices rest with the UK Government, the recently published Fuel Poverty Strategy by the Scottish Government sets out how it will respond to current and future challenges in tackling fuel poverty.<sup>30</sup>

However, more clarity is needed on how the Scottish Government intend to use the full portfolio of fuel poverty support across both Government and energy company obligations to target fuel poverty support, taking into account differences in geography, such as the needs of island and remote rural communities, and using devolved powers most effectively to meet Scotland's long-term and interim fuel poverty targets. This includes (1) urgent clarity on the Warm Home Discount scheme design post-2022, including safeguarding industry initiatives to protect funding for fuel vouchers and energy advice,<sup>31</sup> (2) reconsidering current approaches to winter heating benefits, for example, ensuring that island and remote rural communities are fully considered in the design of Low Income Winter Heating Assistance, as well as maximising the

<sup>28</sup> See, for example, Citizens Advice Scotland, ["I am constantly penny pinching." Research into Living on Universal Credit during the Pandemic](#), 6 September 2021, Section 5.

<sup>29</sup> Scottish Government, [A New Deal for Tenants - draft strategy: consultation](#), 20 December 2021.

<sup>30</sup> Scottish Government, [Tackling Fuel Poverty in Scotland: A Strategic Approach](#), 23 December 2021.

<sup>31</sup> Citizens Advice Scotland, [Mind the Fuel Poverty Gap: Warm Home Discount in the Scottish context](#), July 2020.

opportunity of devolution of Winter Fuel Payments to target support at those households most in need of additional support, and (3) protecting energy efficiency funding as a long-term mechanism to alleviate fuel poverty and reduce pressures on the cost of living.

### CAS is calling for:

- Development of a shared understanding and definition of housing affordability
- More help for tenants to meet their housing costs, for example through increased DHP funding
- Continued collaboration between expert stakeholders from Government, industry, and the third sector to meet the Scottish Government’s fuel poverty targets

### Increasing social security support and benefit take-up

A strong social security system is vital for supporting those who are out of work, unable to work, or in low-income employment.<sup>32</sup> 86% of people using Trussell Trust food banks in early 2020 were receiving support from the social security system (72% on Universal Credit specifically), demonstrating that even before the pandemic the system was failing to meet people’s basic needs.<sup>33</sup> The Trussell Trust also found that food insecurity is six times more prevalent among people claiming income-replacement benefits (UC, ESA, JSA) than among people who were not.<sup>34</sup> This mirrors the DWP’s own pre-pandemic statistics, which found that 43% of households in receipt of Universal Credit are food insecure, compared to 8% of the total UK population.<sup>35</sup>

As the Consultation acknowledges, the Scottish Government is limited in its influence over basic social security provision through Universal Credit, and where possible it has introduced top-up benefits like the Scottish Child Payment to target low-income families. However, there is still space for the Scottish Government to further develop its social security policy in the immediate term, alongside its longer-term visions for a Minimum Income Guarantee, Universal Basic Services, and a strengthened human rights framework.

The first way the Scottish Government could increase incomes is through the direct uprating of devolved social security. The announcement that the Scottish Child Payment will be doubled in April 2022 is welcome news and a step in the right direction to tackling child poverty.<sup>36</sup> But

<sup>32</sup> For analysis of these different client types in the context of Universal Credit, see Citizens Advice Scotland, [Five People, Five Reforms: Strengthening Universal Credit after the Pandemic](#), December 2021.

<sup>33</sup> Trussell Trust, [State of hunger: Building the evidence on poverty, destitution, and food insecurity in the UK \(year 2 main report\)](#), May 2021, page 48.

<sup>34</sup> Trussell Trust, [State of hunger: Building the evidence on poverty, destitution, and food insecurity in the UK \(year 2 main report\)](#), May 2021, page 77.

<sup>35</sup> DWP, [Households below average income: for financial years ending 1995 to 2020](#), 25 March 2021.

<sup>36</sup> Scottish Government, [Press release: Doubling the Scottish Child Payment](#). 29 November 2021.



more can be done to maximise the number of families receiving additional support. For example, an estimated 130,000 families with children over six who would be entitled to Scottish Child Payment currently do not receive bridging payments due to the income threshold for Free School Meals.<sup>37</sup> The Scottish Government should consider extending bridging payments and/or Free School Meals to all families on UC, which would close this eligibility gap and provide additional support to some 55,000 children living in poverty.<sup>38</sup> Additionally, the Scottish Government should ensure that efforts to provide access to affordable credit to low-income households do not counterbalance the doubling of the Scottish child payment by permitting creditors to make deductions against the Scottish Child payment.

Other devolved social security payments can be uprated in different ways. The Adult Disability Payment (ADP), for example, retains the 20 metre rule from Personal Independence Payment (PIP), meaning many are denied access to the Enhanced Mobility Rate, as well as passported access to additional support like the Motability Scheme. Inclusion Scotland estimates that when people who were on higher rate mobility in Disability Living Allowance transfer to PIP, approximately 50 per cent of them lose entitlement to the enhanced rate of the mobility component of PIP.<sup>39</sup> Previous Scottish Government research estimated that the cost for an individual who loses their higher rate mobility is around £3,000 per year.<sup>40</sup> Removing the 20 metre rule would boost the incomes of many ADP claimants, with a likely knock-on effect on food bank use – according to the Trussell Trust, two in three (66%) households referred to a food bank in early 2020 included one or more disabled people.<sup>41</sup> Widening access to the Motability Scheme would also help overcome some of the transport barriers disabled people face in accessing food banks and shops under a cash-first scheme, as discussed in our response to Question 1.

The second area for improving social security is benefit take-up. The Scottish Government's recent Benefit Take-Up strategy shows some encouraging signs towards tackling unclaimed benefits, such as investigating automatic payment of linked benefits like Scottish Child Payment and the Best Start Grant.<sup>42</sup> However, certain gaps remain in how take-up is calculated. With Scottish Child Payment, for example, benefit take-up is calculated in terms of the percentage of Universal Credit claimants with children under six who have successfully claimed Scottish Child Payment. While this is an important measure, it fails to take into account the passported nature

<sup>37</sup> CPAG, [After the Cut: What Now for Families?](#), October 2021.

<sup>38</sup> CPAG, [After the Cut: What Now for Families?](#), October 2021. See also SPICe, [Scottish Child Payment: where next?](#), 19 July 2021, which estimates that extending Scottish Child Payment to under 16s will reduce child poverty by a further 3% compared to only doubling the Payment.

<sup>39</sup> Social Justice and Social Security Committee, [14<sup>th</sup> Meeting 2021, Session 6](#), 16 December 2021, page 15.

<sup>40</sup> Meeting of the Scottish Parliament, [Official Report](#), 13 August 2014; c 33391.

<sup>41</sup> Trussell Trust, [State of hunger: Building the evidence on poverty, destitution, and food insecurity in the UK \(year 2 main report\)](#), May 2021.

<sup>42</sup> Scottish Government, [Social Security \(Scotland\) Act 2018: benefit take-up strategy - October 2021](#), page 16.

of Scottish Child Payment – that is to say, that in order to claim Scottish Child Payment a person must be claiming a qualifying benefit such as UC, legacy benefits, or Pension Credit. Because of recent changes to these qualifying benefits, in particular variations to the Taper Rate and Work Allowances for Universal Credit, more families may be entitled to Universal Credit – and therefore Scottish Child Payment – but may not be claiming. Scottish Government should consider how this wider meaning of take-up could be considered – or, alternatively, could look to decouple Scottish Child Payment from UC, allowing the Scottish Government to set its own eligibility criteria that is separated from Westminster policy changes.<sup>43</sup>

In order to reduce expenditure, more could also be done to ensure that those who are eligible for the Council Tax Reduction Scheme, receive their entitlements. Many people do not realise they are entitled to a Council Tax Reduction or think that because they are already getting one discount – say the single household discount - they will not qualify for others. Wider promotion of the Council Tax Reduction scheme could increase uptake, this could include increased signposting to CAS' Council Tax Reduction tool which helps people identify whether they could be entitled to savings.

Figures released by the Scottish Government show that the number of households supported by the Council Tax Reduction scheme in Scotland in March 2021 was 496,580 which is 10 percent lower than when the scheme began in 2013<sup>44</sup>. Previously, Council Tax Reduction was joined up alongside other benefits whereas now people often have to apply separately to receive the benefit. CAS believes this is a contributing factor to the fall in Council Tax Reduction uptake. We would therefore recommend that Council Tax Reduction be automatically applied for those on qualifying benefits. There is further opportunity to ensure that people do not miss out on support they are entitled to by streamlining certain benefits. For example, Dumfries and Galloway Council have merged Free School Meals and Clothing Grants with their Council Tax team in order to more efficiently identify individuals eligible for support.

A similar issue exists with mitigation of the Benefit Cap through Discretionary Housing Payments (DHPs). Recent Scottish Government analysis indicates that, as of May 2020, over 6,000 households in Scotland have had their benefit capped, with each household losing out on an average of £2,600 per year. The same analysis found that just over 4,000 of those households with capped benefits included lone parents and their children.<sup>45</sup> While these

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<sup>43</sup> Scottish Campaign on Right to Social Security (SCoRSS), [Briefing: Cancel the £20 cut to Universal Credit and Tax Credits](#), 9 September 2021.

<sup>44</sup> Scottish Government, ['Council Tax Reduction supports half a million Scots'](#), June 2021.

<sup>45</sup> Scottish Government, [Food Insecurity and Poverty: Response to UN Special Rapporteur Communication](#), February 2021, page 17. See also Citizens Advice Scotland, [Five People, Five Reforms: Strengthening Universal Credit after the Pandemic](#), December 2021, Section 5, which found that more than three times as many

households are eligible to have the effects of the Benefit Cap mitigated through DHPs, households must actively apply for this payment from their local authority, meaning that many who would be entitled to further support do not receive it. Increasing promotion of DHP mitigation, or even investigating how these payments could be automatically passported or automated from other benefit applications, would provide wider support to families who need that additional support.

### CAS is calling for:

- Improvements to Social Security Scotland benefits including extension of the Scottish Child Payment to children under 16 and removal of the 20 metre rule from Adult Disability Payment
- Action to improve benefit take-up, in particular for Universal Credit, Discretionary Housing Payment, and Council Tax Reduction

### Encouraging fair work

The Consultation is correct to identify the role of fair work in ending the need for food banks. CAB frequently reports of low-paid workers requiring referrals to food banks, as a result of reduced hours, work that is insecure and fluctuates in income, and unexpected job losses. Almost 10% of clients who received advice on food banks in 2020/21 also received advice on employment.

**Citizens Alert:** *A South of Scotland CAB reports that a client's employer has significantly reduced the client's hours due to reduced trade and opening times with COVID restrictions. Client has requested a food bank referral and assistance to look at any possible benefits and ways that she can get help with her rent as she doesn't have enough money coming in now to cover her bills and outgoings.*

CAS is pleased to see that the Scottish Government is taking steps to achieve fairer work through its Fair Work Plan. As CAS set out in its response to the Scottish Government's Becoming a Fair Work Nation consultation,<sup>46</sup> CAS welcomes the Scottish Government's progress on equal employment access and pay for women, minority ethnic, and disabled workers, as is the commitment to introduce a requirement on recipients of public sector grants to pay at least the real Living Wage to all employees by summer 2022.<sup>47</sup>

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households subject to the benefit cap in May 2021 compared to February 2020, with families with children and particularly single parent families disproportionately affected.

<sup>46</sup> Citizens Advice Scotland, Becoming a Fair Work Nation consultation response, 23 December 2021.

<sup>47</sup> Scottish Government, [Consultation on Scotland Becoming a Fair Work Nation](#), October 2021, page 7.

However, the majority of people CAB see every day – and particularly those facing food insecurity on low incomes – do not work in the sectors supported by the Scottish Government’s most ambitious plans. They will instead be in low-paid and insecure work, often facing violations of very basic employment rights. For these people, the first step to a Fair Work Nation must be better enforcement of their already-existing rights.

Advice services like CAB play an important role in informing people about their employment rights, giving them a more effective voice in challenging unfair work practices. This is particularly necessary for low-paid jobs where union membership is likely to be less concentrated. CAB can also offer holistic advice to a person facing employment issues, allowing them to carry out income maximisation checks to improve the person’s financial situation outside of work, and the local knowledge and face-to-face support of a CAB can be a great comfort for clients in times of stress. While more holistic changes to employment law remain reserved, ensuring that employment advice is adequately funded is a crucial action for enforcing worker’s rights across Scotland.

### **CAS is calling for:**

- Adequate funding for employment support and wider advice services.

### **Improving debt solutions and debt recovery**

As part of the national plan to end the need for food banks, it is imperative that indebted individuals are enabled to live healthy, financially secure, and fulfilling lives whilst they resolve their debts. Ending the need for food banks entails ensuring that people are not reduced to destitution to repay their debts. This could be achieved through improvements to statutory debt solutions as well as private and public debt recovery processes. CAS welcomes the Scottish Debt Solutions Review and its efforts to improve Scottish Debt Solutions for Scottish debtors. CAS also welcomes the announcement that Social Security Scotland will be using the Common Financial Statement as a means of affordability criteria to assess contributions to benefit overpayments and urges the Scottish Government to use the lessons learnt from the detriment caused by DWP benefit deductions to create a debt recovery policy that does not cause further financial hardship.

Consideration should be paid to the recommendations made by the ongoing Scottish Debt Solutions Review regarding the Common Financial Tool which is used to assess a debtor's contribution to a statutory debt solution. As a debtor's full surplus income is currently taken as a contribution to their debt solution, CAS believes that the current approach does not provide sufficient financial resilience as debtors are less able to build savings and are disincentivised from seeking opportunities for increased earnings. CAS therefore recommends flexibility to the approach taken to capturing surplus income to allow debtors to build financial resilience whilst making contributions to a statutory debt solution.

The current Common Financial Tool matches acceptable levels of retained income/expenditure by the indebted individual with the poorest in our society. Those on the lowest incomes are often only able to spend what they have available and not what they should be spending based on need. Therefore, calculating acceptable levels on this basis undermines an acceptable living standard. A joint survey CAS conducted with one of the Network's CAB members on the living standards of people in debt found that 15% of clients in DAS or Full Administration Bankruptcy were finding it difficult or very difficult, 47.5% were 'coping', whilst only 12.5% were comfortable financially. Of those surveyed, almost 25% had gone without food for their household and over 25% went without appropriate clothing/footwear since making repayments. As part of its work on a Minimum Income Guarantee, the Scottish Government should seek to engage debt advice providers to examine how this would apply to individuals entering into a statutory debt solution.

Improvements to the processes through which council tax debt is collected could help reduce the demand for food banks amongst individuals with council tax debt. Council tax debt is the biggest debt issue clients present to our bureaux with. Analysis of figures for 2020/21 show that 2,155 people sought help from the Citizens Advice Network with a debt issue involving council tax in 2020/21, owing a cumulative £5.9 million in council tax. Cases from the Citizens Advice Network show that clients can feel pressured into repayment arrangements which they cannot afford which can affect their ability to meet their everyday needs, including their food costs.

**Citizens Alert:** *An East of Scotland CAB reports that a client has attempted to negotiate with Sheriff Officers regarding their council tax arrears but the Sheriff Officers will not accept what the client can afford and have threatened bank arrestment. The client is anxious as they have children in their household and are concerned about meeting their living costs.*

**Citizens Alert:** *An East of Scotland CAB reports that their Local Council have taken £700 from client's bank without any warning and the client is now very short of money for the rest of the month and so may require food bank assistance.*

Supporting local authorities to implement procedures that enable residents to repay their council tax debt at an affordable rate (or enter into a debt solution) could be achieved by the Scottish Government with its devolved powers. Local authorities could support residents with Council Tax arrears through an automatic moratorium to allow clients to work with an adviser to reach a solution to their council tax debt; awareness raising of the Council Tax Reduction Scheme; increased signposting to debt advice; and a No Points of No Return Policy which states that no matter the stage the client is in the debt collection journey they will be supported to reach a suitable resolution to their debt. An example of good practice by a local authority can be seen in Fife Council, which will stop taking direct deductions from benefits if causing

hardship to an individual, apply a 6-week moratorium on the debt of individuals working with a debt advice agency, and has started a Council Tax support fund which can be used to write off unrecoverable debt.

### **CAS is calling for:**

- Improvements to Scottish Debt Solutions that allow debtors to retain a sufficient level of income to uphold a good standard of living and build financial resilience whilst repaying their debts
- A collaborative approach to Council Tax debt collection which supports people in debt to reach a sustainable resolution

### **Making the Scottish Welfare Fund more accessible**

CAS recognises that the Scottish Welfare fund often provides a lifeline for households experiencing financial hardship. Indeed, the Consultation singles the Scottish Welfare Fund out as a primary part of the cash-first response to food insecurity. However, it is important to note that the Scottish Welfare Fund is not always effective, and some bureaux have reported waiting multiple weeks for a response to Crisis Grant applications. The chances of a person having their application to the SWF accepted varies widely across local authorities (for Crisis Grants the acceptance rate varied from 47% to 82% of applications; for Community Care Grants this ranged from 28% to 88%).<sup>48</sup> Clients on low-incomes or with high debt repayments can also face difficulties accessing support due to limits placed on the Fund, with their applications rejected because they had 'too many' previous claims. The longer a person waits for a response from the Scottish Welfare Fund, the longer they are likely to be reliant on food banks.

As part of its promised review into the Scottish Welfare Fund,<sup>49</sup> the Scottish Government should consider how the current operation of the Fund fits with the cash-first approach that is being taken to ending the need for food banks. Increased funding as well as harmonisation of guidance and decision-making practices across local authorities may be needed to ensure the Scottish Welfare Fund is accessible to everyone.

### **CAS is calling for:**

- Integration of the National Ending the Need for Food Banks strategy into the forthcoming review of the Scottish Welfare Fund

<sup>48</sup> Scottish Government, Scottish Welfare Fund to 31 December 2020 Statistics <https://www.gov.scot/publications/scottish-welfare-fund-statistics-update-to-31-december-2020/>, April 2021.

<sup>49</sup> Scottish Government, [A Fairer, Greener Scotland: Programme for Government 2021-22](#), 7 September 2021, page 39.



## Integrating advice services into Cash-First Partnerships

Although CAS agrees that cash-first responses such as supermarket vouchers are a positive step, any national plan must be taken in collaboration with food aid providers such as food banks. Trusted relationships between food aid and/or advice providers and service users are essential to providing effective support.<sup>50</sup> Feelings of shame are highly associated with seeking help<sup>51</sup> and people are more likely to seek support in environments that they feel comfortable and where people do not feel judged.<sup>52</sup> It is therefore essential that the relationships that staff and volunteers at food banks, pantries, and community cafes have built with service users are harnessed and not lost in efforts to promote cash-first responses.

Financial responses to food insecurity should therefore be embedded within networks people already use for support. To achieve this, the Scottish Government could widen the types of partners who are encouraged to participate in cash-first partnerships to include service providers that are familiar with crisis response, such as GPs, housing associations, education professionals, mental health services, addictions services, employability teams and community services such as community cafés. Increased financial education in schools to equip students with the skills to manage money in adulthood and develop an awareness of the financial support that is available could also form part of a long-term strategy to build financial resilience and spread awareness of financial responses to food insecurity. Currently, the level of financial education a student will receive depends on the school they attend. CAS would encourage consistency across schools so that, no matter what school they attend, all students receive a high level of financial education.

Mental health issues can have a significant impact on a person's finances, money worries manifest as stress, depression and anxiety, or existing mental illness or poor mental wellbeing can impact someone's financial situation and therefore make people experiencing mental health issues susceptible to food insecurity. For example, 46% of people in problem debt also have a mental health problem and 18% of people with mental health problems are also in problem debt.<sup>53</sup> However, only one in five respondents to a survey conducted by the Money and Mental Health Policy Institute (all had experience of mental health problems) had spoken to a health or social care professional about how their financial circumstances affected their mental health.<sup>54</sup> CAS would therefore recommend widening participants to include services that provide support to people with mental health issues to promote partnership working between advice providers

<sup>50</sup> A Menu For Change '[Found Wanting Understanding journeys into and out of food insecurity: a longitudinal study](#)', October 2019, page 88.

<sup>51</sup> A Menu For Change '[Addressing Shame as a Barrier to Advice Services for People Experiencing Food Insecurity](#)'.

<sup>52</sup> A Menu For Change '[Found Wanting Understanding journeys into and out of food insecurity: a longitudinal study](#)', October 2019, page 51.

<sup>53</sup> The Money and Mental Health Policy Institute, [The Facts, What You Need to Know](#)

<sup>54</sup> Money and Mental Health Policy Institute, [The State We're In: Money and mental health in a time of crisis](#)', 2021, page 41.

and specialists in these areas. Partnerships could also be extended to addiction or domestic violence services, as anecdotal evidence from our bureaux suggests that experiencing addiction or domestic violence can result in financial difficulty and lead to food bank use. Fundamentally, there should be a no wrong door policy to seeking help with food insecurity.

Existing links already exist between CAB and other organisations like the Fuel Bank Foundation, which works with food banks and advice providers to provide people in financial difficulty the breathing space they need to get back on their feet. However, funding remains a barrier to new partnerships being established. The Scottish Government should ensure advice services across Scotland are adequately funded in order to build a comprehensive support net for people facing food insecurity. Only by joining up cash vouchers with signposting and holistic advice can we ensure the root causes of a person's financial difficulties can be tackled.

### **CAS is calling for:**

- A no wrong door policy for people to access support for food insecurity
- Integration of advice services into any cash-first voucher scheme to ensure the root causes of food bank use are tackled, with sufficient funding to allow advice services to build cross-sector partnerships

## **5. Do you have any views on how we intend to measure impact, and what would give you confidence that we are moving in the right direction?**

It is important to acknowledge that this is a long-term plan. Therefore, impact should not be measured solely in terms of a decline in food bank use or food bank referrals. Data from local authorities, healthcare providers, and advice services like CAB can help provide a holistic picture of food insecurity across Scotland, which should remain the final measurement of whether the need for food banks is being tackled effectively.

As the national strategy begins to be implemented, it is likely that increased partnership working will cause a growth in food bank use as less people will slip through the cracks. It is therefore imperative that food banks are provided with adequate funding to meet this surge in demand. Additionally, many smaller more independent food banks have popped up during pandemic, with a majority of these being volunteer led and without supportive infrastructure to capture demand/use of their service. Capturing data from these sources is also vital going forward, as it is likely that the level of food bank use nationwide is currently under reported.

When measuring impact, the Scottish Government will also need to be aware of external factors that may be outwith its control, such as benefit applications times for Universal Credit and PIP.

This means that emergency support will still be needed as a stop gap, despite the national strategy to end the need for food banks. It is also important to acknowledge the limitations of cash-first approaches such as Crisis Grants which have limits on the amount of time they can be used. When clients max out such limits, they are likely to still require the support of a food bank.

## **6. Is there anything else that you think should be considered in the development of this plan?**

n/a

### **For further information, please contact:**

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