

Cabinet Secretary for Social Justice, Housing and  
Local Government  
Rùnaire a' Chaibineit airson Ceartas Sòisealta,  
Taigheadas,  
agus Riaghladh Ionadail  
Shona Robison BPA/MSP



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Dear Convener,

I am writing to respond to the conclusions and recommendations in the Committee's 8<sup>th</sup> report on their Low Income and Debt Inquiry work, 'Robbing Peter to Pay Paul: Low Income and the Debt Trap' published on 2<sup>nd</sup> July 2022. I am grateful to the Committee for their substantial work in this area and for setting out their considered recommendations that span a wide range of policy areas, and even more grateful to the people who were willing to share their experiences with the Committee as part of this process.

Poverty, low income and debt continue to compound existing inequalities and we know that accessing advice early can play a critical role in helping people to maximise their incomes, prevent debt and seek solutions to unaffordable debt. This is particularly important given the cost of living crisis and rising interest rates which will disproportionately affect the most vulnerable in our society.

I am acutely aware that the impact of the pandemic coupled with the cost of living crisis has increased demand for advice services and we will continue to work with the advice sector to understand how their services are delivered to ensure that our funding continues to support the sector and people who are struggling the most. The Scottish Government has allocated around £12.5 million to support the provision of free income maximisation and welfare and debt advice services in 2022-23 to ensure that people can access the support they need. This funding includes, as in the past few years, the full allocation of our share of the Debt Advice Levy on the Financial Services Industry. We also recently announced £1.2 million of additional funding to enable the immediate expansion of energy advice services to ensure households and businesses receive the support and guidance they need. We will also undertake a public information campaign to promote energy efficiency measures alongside sources of help and support for those in difficulty.

While the Scottish Government is one of the biggest single funders of advice services in Scotland, local authorities remain the primary funder of locally based advice services. Local authority funding for money and welfare rights advice services was recorded as more than £27 million in 2020-2021. This figure includes a £10.8 million investment for externally commissioned services. However, the actual figure for local authority funding is likely to be higher than this. We are taking various actions, within our devolved powers and finite budget, to help people with the cost of living crisis. The Scottish Government is already committed to measures, worth almost £3 billion this year, that will help with rising costs. This includes targeted support such as social security payments not available anywhere else in the UK including the Scottish Child Payment which we will extend to under 16s and increase to £25 per eligible child per week in November – an increase of 150% within 8 months; as well as increased access to free childcare, prescriptions and travel.

We set out in our Programme for Government a number of additional actions we will take that will help to prevent households from falling into unmanageable debt due to increasing living costs or being at risk of losing their home. One of the key actions is a time limited rent freeze alongside a moratorium on evictions in the rented sector. Alongside this we are extending the scope of the Tenant Grant Fund so that local authorities can use it to prevent homelessness for those who have built up more recent arrears and considering where further support may be appropriate. We will encourage local authorities to use the existing flexibilities available to them to take a compassionate and proportionate response to arrears, taking account of the current pressures on household finances.

In addition, our Programme for Government confirmed rail fares will be frozen until March 2023, committed to double the Fuel Insecurity Fund to £20 million and an additional £5 million for Discretionary Housing Payments in 2022-23 to help households at risk of self-disconnection or self-rationing of energy use, and also widens the Warmer Homes Fuel Poverty Programme. Finally, to help people understand the significant range of support that they may be able to access, we are preparing to launch a Scottish Government “cost of living” website to help people find out what support may be available depending on their own personal circumstances, for example for families with children.

While we are doing everything within our powers, many of the levers that can make the biggest difference sit with the UK Government. We have continually urged the UK Government to use all the powers and fiscal headroom at its disposal to address the cost-of-living crisis and will continue to do so. This includes taking further action to address significant gaps in support for vulnerable households, the need to take more concerted steps to ensure more sustainable energy prices in the longer-term, ahead of the truly staggering Autumn price cap increase, and to consider additional funding for increased public sector pay. Until further action is taken by the UK Government we will continue to do everything we can to ensure people, communities and businesses in Scotland have the support they need. We have committed to an emergency budget review to assess all opportunities to target additional resources to those most in need within two weeks of the expected UK Government fiscal event.

The recommendations in your report span a wide range of policy areas with some being reserved matters for the UK Government and some within the remit of CoSLA and local authorities. Therefore the detailed responses set out in the enclosed table are focussed on devolved matters within the remit of Scottish Ministers. The responses are also grouped in themes as referenced in the report.

I hope that these responses are helpful and demonstrate the significant importance that Scottish Government places on ensuring people in this country are supported as much as possible in these difficult financial times.

Yours sincerely,

A handwritten signature in blue ink that reads "Shona Robison". The signature is written in a cursive style with a horizontal line at the end.

**SHONA ROBISON**

## Scottish Government response to report recommendations

### Theme: Impact of the rise in energy prices

**Recommendation:** In our consideration of the Scottish Government's proposed Tackling Fuel Poverty Strategy, we called on the Scottish Government to make use of its devolved powers to the full extent to make sure that social security benefits are used for maximum impact on tackling fuel poverty, particularly for disabled children and adults who face higher costs to meet their needs. We reiterate this ask.

**Scottish Government response:** Our foremost concern is for households who are affected by fuel price rises, particularly those who are in or at risk of fuel poverty and we are well aware that many more households are at risk since the Committee's report was first published due to spiralling energy costs and the cost of living crisis.

That is why our plans for replacing the UK Government's Cold Weather Payment (CWP) with our new Winter Heating Payment will be particularly vital. Using our social security powers we are transforming this benefit to provide a guaranteed annual £50 payment to around 400,000 low income Scottish households, including pensioners and disabled people, to help with the cost of energy bills. The Winter Heating Payment will mitigate some of the challenges presented by the volatile winter energy costs for vulnerable households and will contribute to alleviating poverty.

CWP is unreliable for households on low incomes as it only triggers a £25 payment when a 'cold spell' requirement is met and temperatures fall below zero degrees Celsius for seven days in a row in a certain place. The Winter Heating Payment will provide support to people irrespective of weather conditions or temperature levels where they live. This benefit will only be available in Scotland and will also be an automatic payment to all those who are eligible, so there is no need to apply. The first payments will start in February 2023.

This new benefit, will be the Scottish Government's thirteenth benefit and is backed by a £20 million annual investment. This will be a significant increase in support compared with only £325,000 and 11,000 payments made by the UK Government in Cold Weather Payments in Scotland in winter 21-22.

In addition, this year will be the third year of our Child Winter Heating Assistance, again a benefit only available in Scotland which helps families of the most severely disabled children and young people with energy costs. This benefit worth £214.10 is automatically paid to families with children and young people in receipt of the highest rate care of Disability Living Allowance Child, the highest rate of the care component of Child Disability Payment or the enhanced daily living component of Personal Independence Payment.

From this year Child Winter Heating Assistance will also be available to young people in receipt of the enhanced rate of the daily living component of Adult Disability Payment. Our Child Winter Heating Assistance provided assistance to 19,865 children and young people in 2021/22, at a cost of around £4 million. Last year to support families further, we updated Child Winter Heating Assistance by 6% for 2022/23.

Social Security Scotland Client Support Advisors who support people with information and with applications for Scottish benefits are also able to provide information to clients

## Scottish Government response to report recommendations

on tackling fuel poverty for example through the Fuel Insecurity Fund, particularly for vulnerable/disabled children and adults who face higher costs to meet their needs.

**Recommendation: We urge the Scottish and UK Governments to continue to consider what more could be done to alleviate the burden of rising inflation, increased energy prices and the cost of living on low income households and to target support at those most in need.**

**Scottish Government response:** We are taking various actions, within our devolved powers and finite budget, to help people facing the cost of living crisis and have committed to an emergency budget review to assess all opportunities to target additional resources to those most in need.

We have allocated almost £3 billion in this financial year which will support families and households to face the increased cost of living. This includes social security payments not available anywhere else in the UK, including the Scottish Child Payment which we will increase to £25 per child per week when we extend it to under 16s in November 2022 – representing a 150% increase within 8 months. This is in addition to other support including our council tax reduction scheme, free school meals, free childcare, free prescriptions, and concessionary travel now available to around 50% of the population.

This, and the social security benefits mentioned above, are in addition to a wider package of funding announcements made to tackle the cost of living crisis outlined in the Programme for Government as we are well aware of the hardship people are facing. We have doubled the Fuel Insecurity Fund to £20 million, which has been helping households at risk of self-disconnection, or self-rationing their energy use since 2020 and widened the Warmer Homes Fuel Poverty Programme.

In August we also announced an immediate funding package of an additional £1.2 million to key energy advice organisations to make sure energy customers can access crucial support and advice to deal with rising energy bills and heating costs. This funding to agencies including Advice Direct Scotland, Home Energy Scotland and Citizen's Advice Scotland, will help reach more people who need advice and will support a training programme for staff from third sector organisations to expand the reach of expert advice.

While we are doing everything within our powers, many of the levers that can make the biggest difference sit with the UK Government. We have continually urged the UK Government to use all the powers and fiscal headroom at its disposal to address the cost-of-living crisis. This includes taking further action to address significant gaps in support for households, the need to take more concerted steps to ensure more sustainable energy prices in the longer-term, and to consider appropriate funding for public sector pay.

See also response at bottom of page 3

## Scottish Government response to report recommendations

**Recommendation: The Scottish and UK Governments must use experience and learning from the Covid-19 pandemic and economic crisis to develop a framework for distributing emergency funding in a fair and timely manner.**

**Scottish Government response:** We recognise the importance of rapid action that can adapt to changing circumstances, including at times of emergency. During the pandemic, we allocated £95 million in flexible local authority funding to tackle financial insecurity and support households. This was underpinned by national guidance which identified at-risk groups and set out guiding principles such as cash-first and the integration of money advice and holistic support services to prevent future need<sup>1</sup>.

The most recent allocation of £25 million from the £41 million Winter Support Fund was informed by analysis of earlier activity, learning and trends<sup>2</sup>. Suggested activities included:

- Targeting emergency financial assistance, such as: supplementing local budgets for the Scottish Welfare Fund, boosting local funding for Discretionary Housing Payments, providing proactive financial assistance to support those likely to experience hardship – including people who may not be eligible for mainstream or other support - building upon supports already delivered by local authorities, such as Scottish Child Payment Bridging Payments;
- Direct assistance to access food, fuel and other essentials where it was more appropriate or the preference of individuals themselves was provided and
- Other activities and services, as necessary, to support individuals to overcome financial crisis and support wellbeing.

This investment was bolstered by £10 million through our Fuel Insecurity Fund and £6 million to third sector partners who support low income households.

From our experience during the pandemic we have recognised the importance of acting quickly and providing direct support to people most in need. Learning from this, in the distribution of the £41 million Winter Support Fund we allocated £6 million to third sector partners to directly support low income families. This funding was awarded to trusted Scottish Government third sector partners who had a wide geographical reach and who had previously demonstrated the ability to mobilise quickly to deliver support to people who find themselves in need due to a variety of circumstances.

**Recommendation: We urge both governments to seek clarity from energy companies on what current actions are being taken to address fuel poverty, including actions to recognise the disproportionate impact fuel cost has on disabled people.**

**Scottish Government response:**

At an energy summit with energy companies, consumer groups and advice agencies, chaired by the First Minister on 23 August 2022, participants agreed that while mitigation is vital - and was the main focus of discussions - significant action was needed from the

<sup>1</sup> [Financial insecurity: guidance to local authorities over winter 2021-2022 - gov.scot \(www.gov.scot\)](https://www.gov.scot/publications/financial-insecurity-guidance-to-local-authorities-over-winter-2021-2022/pages/11.aspx)

<sup>2</sup> [Activities delivered - Local action to tackle food insecurity: summary of activities, trends and learning - gov.scot \(www.gov.scot\)](https://www.gov.scot/publications/activities-delivered-local-action-to-tackle-food-insecurity/pages/11.aspx)



## Scottish Government response to report recommendations

UK government to tackle the energy crisis at source. The consensus reached in the energy summit was that the UK government should:

- Immediately cancel any further energy price increase for domestic consumers, and work with the regulator and energy companies to put in place the funding to support this;
- Provide significant additional support to help households and businesses meet current energy bills and the impact of inflation more generally;
- Take action to protect small and medium sizes businesses, and other organisations not covered by the price cap, from rising energy costs and Reform the energy market for the longer term to prevent this situation occurring again in the future.

We have called on the UK Government to extend the windfall tax, as well as scrapping VAT on energy bills and have also raised concerns over excluded consumers in support packages.

On Thursday 8 September, the Prime Minister announced a package of support for households and businesses across the UK and advised that more detail will become available on how this support will be implemented when the Chancellor delivers a fiscal statement at the end of September as well as introducing the emergency legislation it will require to deliver the support.

Whilst this support is welcome, the UK Government must go further in providing targeted, direct support for consumers most in need who will be significantly worse off after the cap price increase in October 2022, even with the measures announced.

### Theme: Changing pattern of credit and debt

**Recommendation: On access to affordable credit, we ask the Scottish Government what plans it has to invest in affordable credit in Scotland for families who are turning to high interest forms of credit.**

**Scottish Government response:** Our Affordable Credit Loan Fund, which is backed by funding of £1 million from the Scottish Government and £1 million from Carnegie Trust UK, is supporting the sector by enabling community lenders to provide access to affordable credit to low income households. The fund is also helping these organisations market their services effectively.

We also recognise the importance of the role community lenders can play in promoting good financial management. In February 2021, we launched the £15 million Scottish Community Lenders Fund which offered grants to Credit Unions and Community Development Financial Institutions to help them strengthen their balance sheets and reserves, improve financial resilience, and to promote the availability of affordable credit. This was followed in November 2021 by the £2.5 million Scottish Community Lenders Investment Fund, previously known as the Credit Union Investment Fund. The Fund, offers low cost and flexible loan capital to Credit Unions and Community Development Financial Institutions to help with their plans to strengthen their organisation, impact positively on members or impact on their capital structure.

## Scottish Government response to report recommendations

We have also invested in promoting awareness of the community lending sector. In February 2022 we launched a national affordable credit marketing campaign as part of a wider marketing strategy that also promoted benefit uptake and free debt advice. To support this the Money Support Scotland website<sup>3</sup> was developed to help point people to a range of organisations committed to providing relevant support, including community lenders. The campaign included TV and radio adverts, social media activity and outdoor advertising across Scotland. The new Scottish Government cost of living website will replace the Money Support website in signposting people to sources of affordable credit.

In addition to this current action we are also exploring new innovative solutions to support low income households. In partnership with Fair4All Finance, HM Treasury and other devolved administrations we are investing up to £1 million in a No-Interest Loan Scheme pilot. This scheme will promote financial inclusion by offering interest free loans to people on low incomes who are unable to access or afford existing forms of credit, but who can afford to repay small sums. The interest free loans will help them to manage any emergency or essential spending. The pilot is expected to commence in Scotland in November 2022 and run to March 2026.

**Recommendation: Also, we would welcome an explanation as to why there is an apparent change of emphasis on affordable credit between the Best Start, Bright Futures: tackling child poverty delivery plan 2022 to 2026 and the Every child, every chance: tackling child poverty delivery plan 2018-2022.**

**Scottish Government response:** We remain committed to supporting the affordable credit sector to ensure access to affordable credit for people on low-incomes. As demonstrated in our investment and activities noted above we are investing up to £1 million in the No Interest Loan Scheme pilot and continuing our long term financial support for the sector through the Affordable Credit Loan Fund and the Scottish Community Lenders Fund. Such action is enabling social lenders to provide access to affordable credit to low income households and helping tackle the credit poverty premium many people face.

Additionally we have representation on the newly established cross-sectoral Financial Inclusion Scotland Working Group, whose aims include encouraging the availability of fair and affordable credit. We look forward to working with the Group in the delivery of this vision.

### **Theme: Households in financial crisis**

**Recommendation: We urge the Scottish Government, UK Government and Local Government to work collectively to develop a system of automation to consider the complexities of eligibility for benefits and to shift the burden of responsibility from the individual.**

**Scottish Government response:** We look for every opportunity to automate social security payments as part of a wider commitment to maximising incomes. Across all of the Scottish benefits, the Scottish Government is committed to ensuring we make applying as simple as possible, as well as working to promote our benefits and maximise uptake.

<sup>3</sup> <https://moneysupport.scot/>



## Scottish Government response to report recommendations

From November when we introduce Scottish Child payments to under 16s we will also introduce automatic payments of Best Start Grant Early Learning Payment and School Age Payment to eligible families in receipt of Scottish Child Payment, without the need to apply. We have also already automated payments for Child Winter Heating Assistance which is paid automatically based on entitlement to the qualifying benefits and Carer's Allowance Supplement which is paid automatically to carers living in Scotland and in receipt of Carer's Allowance.

Unlike DWP's migration onto Universal Credit and Personal Independence Payment, people already receiving the UK Government's Personal Independence Payment and Disability Living Allowance will not need to apply for Adult Disability Payment. These existing awards will transfer automatically from the DWP to Social Security Scotland, and we'll keep people informed before and during the transfer process so they know what will happen and when.

The Scottish Government and local authorities are committed to addressing and responding to the impacts of poverty on families and children and young people. We are working in partnership to establish a legal gateway to support the necessary data sharing to enable the proactive promotion and award of passported benefits including free school meals and school clothing grants to those families who are entitled, in order to increase uptake and to address the impacts of poverty on low income families. Sharing this data with local authorities would provide them with the flexibility and potential to automate processes where appropriate. We are continuing to progress this work with local authorities and the UK Government.

We continue to urge the UK Government to run a take up campaign for benefits alongside the following actions:

- Permanently uprate all social security benefits as if they had been increased by 10% in April to match the level of inflation;
- Introduce a further £25 uplift to Universal Credit, and extend to legacy benefits;
- Halt the roll out and migration of people from legacy benefits onto Universal Credit and fix the problems inherent in the benefit – such as removing the minimum five week wait for the first payment, stopping the use of sanctions, the two-child limit and the benefit cap;
- Change the advance Universal Credit payment to a non-repayable grant once the claim is confirmed;
- Reinstate the adult Universal Credit rate for single parents under 25 years old.

### Theme: Scottish Welfare Fund

**Recommendation: We ask that the Scottish Government's full independent review of the Scottish Welfare Fund be completed with urgency and certainly before the end of this year.**

**Recommendation: We recommend that any agreed actions following the review that could help those in crisis are prioritised for implementation.**

**Recommendation: We ask the Scottish Government to confirm the timescales it is working to.**

**Recommendation: Many witnesses state that there is disparity in the success of applications depending on where you live, and urge the Scottish Government to make this a priority following the independent review. Consideration should also**

## Scottish Government response to report recommendations

**be given across the sector to where people are accessing other crisis funds to ensure these are adequately funded.**

**Scottish Government response:** The Scottish Welfare Fund is an important safety net. To date, more than 470,000 individual households have received awards totalling £341.4 million since the scheme began in Scotland in 2013. The Fund is a discretionary scheme, administered by local authorities and decisions on whether to make an award are made by local authority staff taking into account a range of factors including the Statutory Guidance, the funds available at the time of application and the individual applicants' circumstances.

A full, independent review of the Scottish Welfare Fund is underway. The review is examining all aspects of the Fund including funding levels, local authority administration, accessibility and promotion. The purpose of the research is to provide a comprehensive and robust evidence base to inform future policy and funding decisions.

The review work incorporates in-depth research and analysis with a range of stakeholders including all 32 local authorities, applicants to the Fund and support organisations, and is gathering evidence from a wide range of stakeholders including successful and unsuccessful applicants and those that support them. The work is being guided by a Review Advisory Group with representation from key stakeholders.

The review is being undertaken in two phases. Phase one which took place from January to July this year is now complete and incorporates an analysis of existing data and evidence, the formation of the Review Advisory Group, the development of a logic model and finalisation of the methodology as well as interviews with all 32 local authorities. Phase two started in June and will end in December this year and involves more detailed field work including in-depth telephone interviews with applicants to the Fund and additional local stakeholders such as front line local authority staff and other support and referral organisations. The final report is due to be published in early 2023.

## Scottish Government response to report recommendations

### Theme: Management and recovery of "public debt"

**Recommendation:** We recommend that the Scottish Government works in partnership with public bodies to develop a debt management strategy covering all public bodies within devolved competence in Scotland. This should include:

- information on identifying customers who can't pay their debts or who need
- additional support to do so
- a requirement for active liaison with, and referral to, money advice services
- processes to ensure a proportionate approach to debt enforcement
- structures to enable performance across the sector to be monitored and improved
- an evaluation of the cost-effectiveness of debt collection

**Recommendation:** We were concerned to hear from our experts by experience that they have had to fight administrative errors that have led to debt. We recommend that all public bodies have clear processes to deal with disputes about whether a debt exists, or the amount of money owed. These should allow for independent consideration of disputes and could form part of the public sector debt management strategy discussed above.

**Scottish Government response:** We are acutely aware of the growing impact on low income households of public sector debts and there are actions we are taking.

#### *Council Tax*

Local authorities have a range of tools available for collection of arrears of council tax. They are not obliged to use any particular collection method and are free to agree mutually suitable payment arrangements with a household. We encourage all councils to have in place clear processes for resolving disputes on Council Tax liability. We also encourage local authorities to share good practice on debt assistance and collection, noting the principles set out in the collaborative council tax collection report published by the Improvement Service and Stepchange Scotland<sup>4</sup> and to use the existing flexibilities available to them to take a compassionate and proportionate response to the recovery of arrears, taking account of the current pressures on household finances.

The Minister for Public Finance, Planning and Community Wealth intends to visit the local authorities highlighted in the report to see these processes at first hand with a view to highlighting these successful approaches. However, Council Tax is a local tax and is key to delivering administrative and financial accountability to individual Councils. So whilst the Scottish Government is keen to promote such examples of best practice in its wider engagement with local government, we would also press the Committee to engage with local government in this matter.

#### *Rent Arrears*

All social landlords have processes in place for resolving disputes on rent arrears liability. A tenant can challenge any administrative errors by discussing this with their landlord, taking independent advice or by making a complaint using the landlord's formal complaints process. Legislative pre-action requirements require both landlords and tenants to do all that they can to resolve rent arrears at an early stage to prevent more acute problems developing.

<sup>4</sup> [Revised collaborative council tax guide published | Improvement Service](#)

## Scottish Government response to report recommendations

### *Free School Meals*

Local authorities have the flexibility to offer free school meals to families who are experiencing financial hardship but do not meet regular eligibility criteria. We are working with COSLA and partners to consider the issue of school meal debt and appropriate next steps.

### *Social Security*

Whilst the Scottish Government has a responsibility to steward public funds responsibly and will always seek to recover overpayments wherever it is appropriate and economical to do so, we also recognise the need to build in flexibility in how we go about this in the face of the challenging circumstances that many people may face.

Whenever an overpayment is identified, our aim is to engage with the person to discuss the situation and come to a mutually agreeable repayment plan wherever possible. This ongoing dialogue helps us to identify those individuals who are potentially in hardship, financially or otherwise and tailor the arrangements we can offer to them.

We are acutely aware that financial circumstances are just one of the factors that may affect a person's ability to repay an overpayment. This is why our policies, in seeking to minimise hardship, allow us to take a more holistic approach so that, where possible, we will also consider wider personal and family circumstances that may be potentially causing or contributing to hardship.

Whilst our focus is on prevention of overpayments due to error, a robust and accessible redetermination and appeals process has been created to allow people to dispute the existence of a debt should they disagree with it. The redetermination and appeals process is a three part process:

1. Entitlement – where a client disputes the determination of entitlement that led to the overpayment a redetermination would be carried out and this comes with appeal rights.
2. Liability – where a client disputes the liability decision for the overpayment being placed on them an informal review will be instigated however this does not come with appeal rights.
3. Imposing/requesting deductions from ongoing assistance – this is a determination and the client can ask for a redetermination should they disagree with this course of action and this also comes with appeal rights.

In all cases the clients are supported through this process to ensure the correct determinations and decisions have been made. Debt recovery will be paused while the redetermination process is ongoing and restarted when it is completed. Should a valid appeal then be received the debt recovery process will again be paused until the outcome is known.

Social Security Scotland's core principles of treating people with dignity, fairness and respect extends to how the organisation deals with people in debt. Social Security Scotland's Debt Team has been working with Money Advice Trust, and staff have undergone training on working with vulnerable debtors. Within Debt Team processes, there is a pause allowing clients to seek independent advocacy/money advice support, before undertaking an assessment of their ability to repay debt.

## Scottish Government response to report recommendations

Social Security Scotland's Debt Team are working with the new independent advocacy service to raise awareness of support available as well as developing a partnership with Home Energy Scotland while more formal referral pathways are developed. Trauma-informed awareness training will be included in Learning and Development plans for Debt Team staff.

### *Statutory solutions*

The Scottish Government has been proactive in encouraging people to seek advice early if they start to struggle with their debt, having delivered a number of media and radio campaigns highlighting the importance of seeking advice at the earliest stage. We have also introduced mandatory debt advice prior to entering a statutory debt solution helping to ensure each person only enters a debt solution when it is right for them.

As highlighted during the Committee's evidence sessions, the Scottish Government has been carrying out two significant policy reviews covering Scotland's debt recovery mechanisms (diligence) and our statutory debt solutions. The Minister for Public Finance, Planning and Community Wealth has now carefully considered the recommendations brought forward by the working groups and appreciates the work that stakeholders across the debt sectors have done to develop these recommendations. He has now published his response in the form of a consultation: Scotland's Statutory Debt Solutions and Diligence: Policy review<sup>5</sup> which outlines a number of proposals which he plans to take forward. The feedback received during this consultation will enable the Scottish Government to finalise changes and plan for these to be taken forward, either through legislation, guidance or working with stakeholders.

### **Theme: Administrative error**

**Recommendation: The experts by experience highlighted the need for a fundamental change in attitude from frontline public sector staff dealing with people in debt. As noted below, the Committee supports their recommendation of trauma-informed practice training for all public sector staff dealing with debt issues.**

**Scottish Government response:** Building on the fundamental principles of dignity and respect that are embedded within our Social Security system, a trauma-informed approach has been incorporated into all learning plans for Social Security Scotland colleagues including recoveries officers. In addition to this, all our recoveries officers undertake bespoke learning on understanding bereavement and having sensitive conversations, specialist training in relation to vulnerability and debt collection was also commissioned from Money Advice Scotland.

The learning is intended to embed the trauma-informed approach into each and every interaction with clients. It supports our colleagues understanding of the impact of trauma, and to help them understand that the behaviour which may be demonstrated by clients may be due to trauma. The learning also provides information on where colleagues can get additional support.

The remainder of public sector employees dealing with debt issues will be local authority staff and therefore we encourage the Committee to engage with COSLA on this recommendation.

<sup>5</sup> [Scotland's statutory debt solutions and diligence: policy review response](#)



## Scottish Government response to report recommendations

<b>Theme: Communication</b>
<p><b>Recommendation:</b> We were concerned to hear that some local authorities only offer online communications and there can be a 7-week response time for emails. It is essential that there is channel-choice when contacting local authorities and government agencies like the DWP and Social Security Scotland regarding arrears.</p>
<p><b>Scottish Government response:</b> Scottish Government supports multi-channel routes of communication. Social Security Scotland offers clients a choice of contact methods that best suits their needs including telephone, online and face to face through their Local Delivery Service.</p>
<p>Whilst decisions relating to debt recovery will be made by specially trained recoveries officers there are processes in place so that the Local Delivery Service can support citizens with debts owed to Social Security Scotland to understand our processes and to support them in providing the information required to enable the correct decision to be made on whether or not recovery is appropriate. This support is offered via the means best suited to the individual's needs. The debt team also has their own Freephone telephone number to enable citizens that wish to speak to them, or their representatives/other individuals providing support to them, to contact the team directly. The team are also currently working with the new independent advocacy service to raise awareness of the support available through them.</p>
<p>In relation to local authority communication routes and response times, we encourage the Committee to engage with COSLA on this recommendation.</p>
<b>Theme: Prioritising a person-centred approach</b>
<p><b>Recommendation:</b> Our experts by experience stressed that compassion must be built into processes and services. We agree with their recommendation that creditors should be trained in trauma informed practice and urge the Scottish Government, COSLA and other public bodies to incorporate further training for public sector staff as part of their continuous professional development.</p>
<p><b>Scottish Government response:</b> We agree that public services should treat people with dignity, respect and compassion.</p>
<p>Social Security Scotland's core principles of dignity, fairness and respect are embedded in all our debt recovery processes and procedures. As set out above, our recoveries officers undergo training to ensure that they are able to offer a person centred approach and take into account the individual circumstances of each citizen that they work with. Staff undertake a wide range of training, including trauma informed approach, understanding bereavement, having sensitive conversations, vulnerability and debt recovery to support this. Our recovery officers are also working with the new independent advocacy service to help raise awareness of the support available to them and signpost to a number of other organisations who offer specialised support for a wide range of financial and personal circumstances. There is also the ability to pause our</p>



## Scottish Government response to report recommendations

recovery action to allow citizens time to seek and receive this support built in to our recovery processes.

However, the Scottish Government has no remit in relation to CPD for public sector staff outwith Social Security Scotland and therefore we encourage the Committee to engage with COSLA on this recommendation.

### Theme: Council Tax

**Recommendation: The Committee calls for local authorities, COSLA and the Scottish Government to work together with the free advice sector to develop national standards for Council Tax collection. Consideration should be given to placing these on a legislative footing to make them binding and enforceable. The standards should cover:**

- **promotion of Council Tax Reduction and Council Tax rebates – through easy to understand leaflets and links to online entitlement calculators**
- **identification of customers who may require appropriate adjustments and support to meet their circumstances**
- **active referral to sources of advice**
- **flexible payment methods, including two-weekly and four-weekly options starting at a date of choice for the customer (as recommended by our experts by experience)**
- **a requirement to maintain negotiations with the customer at all stages of the collection process and to accept reasonable repayment offers**
- **agreed parameters for proportionate enforcement action and consideration of individual debt write-off where there is no reasonable route to recovery**
- **access to an independent dispute resolution process**

**Scottish Government response:** We recognise the issues raised by the Committee and those who have given evidence on Council Tax collection and enforcement. We encourage any household struggling to meet their council tax liabilities to engage with their council as soon as possible, as well as accessing the impartial advice from Citizens' Advice Scotland's Money Talk Team, which is backed by the Scottish Government, or the Accountant in Bankruptcy's Debt Advice and Information Package available online.

Local authorities are independent of Scottish Government, and decisions on what collection methods to use are entirely a matter for them. Local authorities are not obliged to use any particular collection method and are free to agree mutually suitable payment arrangements with a household.

We very much welcome the recommendations set out in the "Collaborative Council Tax Collection" Guide<sup>6</sup>, published by the Improvement Service in May 2022 which is a useful document, in line with the views of the Committee. The Minister for Public Finance, Planning and Community Wealth will be visiting to see first-hand the collaboration between Citizens Advice & Rights Fife, the Money Advice team and Fife Council Revenues Officers, and Falkirk Council's joint working between the council's revenue services and advice teams. These were both highlighted in the "Collaborative Council Tax Collection" Guide as examples of best practice and how collaborative working can yield better outcomes for people and for the council.

<sup>6</sup> [Revised collaborative council tax guide published | Improvement Service](#)

## Scottish Government response to report recommendations

Council Tax is a local tax, and is fundamental to ensuring both financial and administrative accountability to individual local authorities and indeed the recommendations in the Guide are clearly addressed to them. Overall, the Scottish Government is therefore keen to facilitate local authorities' adoption of best practice in relation to the collection of council tax and the administration of the Council Tax Reduction scheme. We are not minded to legislate in the way suggested by the Committee given it would undermine the very local accountability associated with administration and collection of a local tax. We would encourage the Committee to engage with local government on this matter.

### Theme: Council Tax Reduction

**Recommendation: We recommend the Scottish Government works with COSLA and local authorities to proactively advertise and raise awareness of Council Tax Reduction (CTR) and Council Tax rebates, so that there is greater balance between the responsibility of the individual and of the council.**

**Scottish Government response:** The Scottish Government continues to promote take up of Council Tax Reduction (CTR) as part of the Money Talk Team service. From its launch in November 2018 to June 2022 those who used the service gained £1,480,611 of CTR to which they were entitled but had not previously applied for.

The Scottish Government will engage with local authorities on how best practice to promote uptake of the CTR scheme can be shared.

**Recommendation: We recommend that the proposed national standards for Council Tax collection, include set minimum standards for communicating CTR entitlement and changes to entitlement.**

**Scottish Government response:** A significant amount of information on household composition, income and circumstances, largely collected in the course of the administration of reserved and Scottish social security benefits, is used to calculate the amount of CTR a household is entitled to. Whilst this means the CTR scheme is complex, it is the very means of ensuring that as much support as possible is effectively targeted at those needing it the most. However, this inherent complexity means providing the sort of information the Committee may have in mind risks providing those in receipt of CTR with an overwhelming amount of detail.

The Scottish Government is respectful of the need for councils to make their own decisions about the information they provide to the people in their communities. We would expect and encourage local authorities to provide clarity on how a household's CTR was calculated if requested.

### Theme: Rent Arrears

**Recommendation: We recommend the Scottish Government tightens the pre-action requirements to formalise the need for a referral for free independent money advice. We also draw attention to our recommendation on funding debt advice, as there would need to be sufficient capacity within debt advice services to support this change.**

**Scottish Government response:** We are committed to ensuring eviction for rent arrears is a last resort. We have strengthened protection for private tenants against

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eviction, making pre-action protocol for rent arrears measures, which we introduced during the pandemic, permanent from October. This ensures that in line with social sector landlords, private sector landlords are required to do everything they can to sustain the tenancy before taking action to evict.

We have changed the law to ensure the First-tier Tribunal will also retain its discretion to decide whether an eviction case within the private sector is reasonable, taking into account all of the circumstances of the case, before deciding whether to issue an eviction order, providing further protection for PRS tenants. This protection already exists in the social rented sector.

As part of their on-going work on homelessness prevention, social landlords regularly consider the capacity of independent money advice services locally to further support tenancy sustainment. In addition, social landlords are also increasingly providing in house money and income maximum advice for their tenants. In 2022-23 the Scottish Government has allocated around £12.5 million to support the provision of free income maximisation and welfare and debt advice.

### Theme: School meal debt

**Recommendation: We recommend that the Scottish Government works with COSLA and local authorities to write-off individual school meal debt to allow families a clean slate as they move into the new school year and possible new school setting.**

**Scottish Government response:** We are currently working with COSLA and partners to consider the issue of school meal debt and appropriate next steps.

**Recommendation: We welcome the Scottish Government's commitment to expand free school meals to all primary school children by the end of this parliamentary session. We urge the Scottish Government to implement its free school meal expansion as soon as possible.**

**Scottish Government response:** We are committed to the expansion of free school meals during the course of this Parliamentary term. We have delivered expansion for primary 1 to 5 pupils and will work with authorities to expand to primary 6 and 7 pupils.

### Theme: Stigma

**Recommendation: We urge Social Security Scotland to ensure it delivers on its commitment to develop a social security system which has dignity, fairness and respect at its heart, and recognise the potential for this to help in tackling stigma.**

**Scottish Government response:** The Committee is aware of the focus we place on ensuring dignity, fairness and respect are at the heart of our social security system and how that remains fundamental to us. The Committee is also aware of how we aim to tackle stigma through our work to promote and increase benefit take-up and maximise incomes.

Social Security Scotland's Charter sets out what people should expect from Scotland's social security system and explains how Social Security Scotland will uphold the principles in the 2018 Social Security (Scotland) Act including how it will make sure it

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is taking a human rights-based approach and can demonstrate dignity, fairness and respect in all of its work.

Social Security Scotland's annual Client Survey (which goes to everyone who has applied for a benefit) offers clients the chance to share their views and experiences of the service.

The most recent results, published in November 2021, found that people have a very positive experience of Social Security Scotland with 92% of people saying their overall experience was 'very good' or 'good'. 94% of people who had been in touch with our client advisers also said they had been treated with kindness.

### Theme: Information and awareness campaigns

**Recommendation: We believe all spheres of government must lead the way in bringing organisations together to raise awareness of a wide range of services and make a concerted effort to increase benefit uptake.**

**Scottish Government response:** Ensuring that people can access all of the Social Security benefits to which they are entitled is a moral duty and fundamental priority of the Scottish Government. Our second Benefit Take-up Strategy, published in October 2021 sets out how we are working to ensure people can access the financial support they are entitled to, with partnership working playing a key role in delivering the commitments we have made.

In order to help more under-represented and hard to reach groups of the population access the benefits they are entitled to and eligible for, Scottish Government policy officials are working closely with stakeholders to understand the barriers to benefit take-up. The expansion of our Stakeholder Take-up Reference Group to include representatives from Seldom Heard groups identified in the Strategy, is one of the ways in which we are doing this.

The Scottish Government and Social Security Scotland work closely together to ensure that the way in which we are disseminating information, advice and services is meeting the diverse needs of the population.

Scottish Ministers have committed over £3.4 million for Welfare Advice and Health Partnerships which will, following a recent expansion, be delivered in 180 GP surgeries in deprived, remote and rural communities. The Welfare Advice and Health Partnerships provide an integrated approach with embedded advisers in NHS services who can give advice to patients on issues such as social security, income maximisation, debt and housing. We will continue to work towards increasing the accessibility of holistic advice services across the lifetime of this Parliament.

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<b>Theme: Funding</b>
<p><b>Recommendation: We note the Scottish Government's commitment to multi-year funding arrangements, and urge it to work with local authorities to agree a 3-year funding agreement which supports staff retention, cuts waiting times and builds capacity to offer preventative as well as crisis support.</b></p> <p><b>Scottish Government response:</b> The Scottish Government is committed to working with public bodies to support them to make the biggest positive contribution they can for our communities, economy and the environment.</p> <p>This year's Resource Spending Review (RSR) set out high level financial parameters to guide prioritisation of public spending over the parliamentary term. It aimed to provide as much clarity as possible at the time about the Scottish Government's forward spending plans. The RSR also stated our commitment to work closely with COSLA and SOLACE to agree a new deal for local government, building on the Review of Local Governance.</p> <p>The RSR was published at a time of economic and fiscal volatility and it is inevitable that funding and spending scenarios will change. The Scottish Government continues to operate within largely fixed budgets and with limited fiscal powers, and this, combined with the ongoing economic and fiscal uncertainty means difficult choices will need to be made.</p> <p>Ministers are continuing to examine how best to use current resources, and will use the forthcoming Emergency Budget review and Scottish Budget 2023-24 to provide organisations with as much clarity as possible on funding.</p> <p>At the SCVO gathering event in June, the First Minister stressed the importance of fair and stable funding for the third sector and committed to providing multi-year funding wherever possible.</p>
<p><b>Recommendation: The Scottish Government must ensure that project funding does not detract from the need for adequate core funding for organisations.</b></p> <p><b>Scottish Government response:</b> Most core funding agreements for advice agencies are made at local authority level.</p> <p>We are currently exploring a range of approaches to advice funding which will focus on finding the balance between sustaining the advice sector and using our funding to deliver outcomes aligned with our National Performance Framework and national policies such as the Best Start, Bright Futures tackling child poverty plan. We are always mindful when negotiating any new grant funding agreements to provide additionally to agencies' funding, not to replace longer-term, core funding streams.</p>



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**Recommendation:** We recognise the need to look at the wider funding framework for advice, but recommend the Scottish Government considers longer term funding arrangements for debt advice as a priority.

**Scottish Government response:** The Scottish Government's current advice programme funds a range of organisations that provide debt advice through online, telephone and face-to-face channels and we remain committed to that.

The debt advice levy is collected and managed by the Financial Conduct Authority on behalf of the UK government every year, based on calculations carried out by the Money and Pensions Service of the need for debt advice across Scotland, England, Wales and Northern Ireland. The debt advice levy funding that is available to Scotland therefore varies every year but the Scottish Government remains committed within those confines to identifying ways to provide multi-year funding where possible and will continue to use Scotland's share of the debt advice levy funding to provide ongoing support for the provision of debt advice within a wider approach to ensuring holistic support that meets people's overall needs.

We will take account of the ongoing, commissioned work by the Improvement Service which is examining and consulting on funding models for the future planning of how debt advice services should be funded.

**Recommendation:** We also urge the Scottish and UK Governments to move swiftly on their review of the Fiscal Framework to agree a settled position.

**Scottish Government response:** The Scottish Government welcomes the review of the Fiscal Framework as we need to ensure we have the necessary levers to manage the Scottish budget effectively, and respond to pressures and risks. The current cost of living crisis makes this even clearer.

The Fiscal Framework is due to be reviewed this year, preceded by an independent report jointly commissioned by the UK and Scottish governments. The independent report process has been started and must be completed prior to the commencement of the review and both the Scottish and UK governments share the ambition to start the review shortly after that independent report is finalised. We anticipate the report will conclude in the autumn.

### Theme: Advice delivery

**Recommendation:** We note evidence that there was a lack of face-to-face services provided during the Covid-19 pandemic. This has led some people in debt to feel isolated and overwhelmed. We therefore urge the Scottish Government and Local Authorities to map geographical and communities of interest service provision to ensure that every person has access to online, telephone and face-to-face advice.

**Recommendation:** We therefore recommend that the Scottish Government supports COSLA and local authorities to map money advice services, as well as potential contact points for referrals to inform service delivery.

**Scottish Government response:** We acknowledge the impact of the pandemic on the availability of face-to-face advice services, which was due to the restrictions imposed on face-to-face engagement across all services as part of measures taken to halt the spread of coronavirus.



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The Scottish Government remains committed to a multichannel funding programme, which includes face-to-face advice provision. Mapping a sector as complex and dynamic as the advice sector would be a lengthy, labour-intensive process. Any mapping exercise would be out-of-date very soon after completion due to rapid changes in the delivery of services by the sector. The dissemination of inaccurate information would not benefit those communities who are in need of advice.

The Scottish Government and Social Security Scotland are currently working to increase signposting and referral arrangements with a range of organisations to make it as easy as possible for people to access the benefits they are entitled to. A project team has been established to develop and implement a social security policy on signposting and referrals focusing on solutions which target income maximisation and benefit take-up, ensuring people can maximise support they are entitled to. Lessons learnt as part of this work will be applied to referrals more broadly, such as to support available to improve people's wellbeing. In addition to this, Local Delivery Relationship Leads are active members of financial inclusion groups and forums across their areas.

### Theme: Digital exclusion

**Recommendation: Our experts by experience described making long journeys to access free wifi or to use a public computer. They recommended: "There must be the ability to use public services such libraries to use computers to apply for benefits for example. In public spaces this must be confidential and accessible." We agree with this important recommendation. It is vital that open access to public computers continues to be supported in places like libraries and community hubs and that there is access to free wifi in public spaces, particularly in rural areas. We ask the Scottish Government what measures it is taking to support access to free internet services and devices in public spaces.**

**Scottish Government response:** Local authorities have a statutory duty to ensure that there is adequate provision of library services for their residents. The Scottish Government places great importance on public libraries and believes everyone should have access to their services. Libraries provide access to reading material, play a crucial role in providing access to IT, support improving attainment, help engage both children in the early years and older people, and also empower our communities. As well as general revenue funding to local authorities, the Scottish Government provides an annual £450,000 Public Libraries Improvement Fund to support new projects in libraries. In 2015-16, this Fund supported a roll out of free public Wi-Fi to all 32 public library services in Scotland.

The Scottish Government have also provided funding of £20,000 which has been allocated to 10 libraries to develop community hubs, purchase equipment and refurbish facilities to support "Near Me" video consultations with health and care services. The hubs can be used by the public to access an online appointment with a healthcare professional within a safe space which is accessible, free and closer to their home, while the online access is also more convenient and confidential.

**Recommendation: We heard that during the pandemic, the Government worked with telecommunications businesses to provide access to certain websites without using data. We ask the Scottish Government to work with the UK Government and stakeholders to consider if this model could be developed to allow access to trusted money advice websites.**

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**Scottish Government response:** Telecoms legislation and regulation are reserved matters, overseen by the Department for Digital, Culture, Media and Sport and the regulator Ofcom. We understand the importance of opening up access to money advice via trusted websites and therefore we will open discussions with DCMS, Mobile UK and other mobile network operators with the goal of widening this access across further mobile providers.

**Recommendation:** We recognise there is a marked geographical disparity in access to mobile and broadband services and that this contributes to digital exclusion. Noting that telecommunications responsibility lies with the UK Government, we welcome work being carried out by the Scottish Government via the R100 programme to address this, and we urge the Scottish Government to continue the rollout of this programme at pace.

**Scottish Government response:** Delivery of our ambitions for digital innovation, and to ensure a digitally inclusive society, requires Scotland to be fully digitally connected. Scotland's existing commitments to enabling access to superfast broadband for all and reducing gaps in mobile provision are foundations that support a green economic transformation.

Scottish Government's own existing broadband investment programme (Reaching 100%, R100) has already committed £600 million and our own £28.75 million mobile infill programme (Scottish 4G Infill, S4GI) is scheduled to complete by the end of March 2023.

As telecoms is currently reserved, we expect current UK Government programmes in broadband (Project Gigabit, which aims to ensure 85% of UK premises can access gigabit capable broadband by 2025) and mobile (Shared Rural Network, aiming to bring 4G to 95% of the UK's landmass) to deliver targeted investment for Scotland in the areas that need it most.

### Theme: Connecting Scotland

**Recommendation:** We highlight concerns from our experts by experience that those who are the most isolated are not engaged with organisations and therefore cannot access the project. We ask the Scottish Government to outline what targeted support will be offered to these people.

**Scottish Government response:** Connecting Scotland will consider the referral points for all citizens to access the projects including through self-referral points. This means that those individuals who are not connected with organisations can also benefit from the programme.

Furthermore, the programme will have a robust communications plan which will offer means of engagement with the wider public including through a National Helpline to ensure our services are available for everyone and especially those who are digitally excluded.

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**Recommendation:** The Connecting Scotland project can provide free internet access for up to two years for those most in need. We urge the Scottish Government to consider how it can support low income households to continue to access an internet connection in the longer term. It is vital families making difficult budgeting decisions are not forced to sacrifice internet access when online connectivity provides an essential lifeline to many services.

**Scottish Government response:** We recognise that during a cost of living crisis, people may not be able to fund their own connectivity. Connecting Scotland are working with sector bodies and others to promote social tariffs as well as national data bank offerings to combat this.

### Theme: Early-intervention and prevention

**Recommendation:** We recognise that there could be a particularly valuable role for debt advice referrals from healthcare and mental healthcare settings. We recommend that the Scottish Government evaluates how the Money and Pensions Service money guidance programme has raised awareness among mental health professionals of the money advice process.

**Scottish Government response:** The Money and Pensions Service (MaPS) is an arms-length body of the UK Government, sponsored by the Department for Work and Pensions. In exercising its function, MaPS must work with others including the Scottish Government. Money Guidance is a core function of MaPS and we will encourage them to evaluate the impact of its Money Guiders work in Scotland to enable all stakeholders to learn from this work.

We are taking forward our own work in this area through our Welfare Advice and Health Partnerships. These allow GP Practices to refer patients directly to an in-house welfare rights officer for advice on increasing income, social security eligibility, debt resolution, housing, and employability issues as well as helping with representation at tribunals. We are investing a total of over £3.4 million in WAHPs embedded in 180 GP practices across Scotland - including the 'Deep End' group which cover the most deprived areas. WAHPs will reduce pressure on GPs and primary care services - allowing them to focus on clinical care and treatment for patients while a dedicated advisor supports them to address their social and economic needs. As a member of the multi-disciplinary Primary Care Team, the Welfare Rights Adviser can access patient records, with informed consent, to prepare medical reports for GPs to authorise. These reports are used to support applications for benefits and to address debt, housing and employability issues.

We will work with MaPS to consider what more can be done to raise awareness and encourage participation in the Money Guider's programme.

**Recommendation:** We recommend that consideration is also given to how best to integrate debt knowledge into continuous professional development modules for healthcare professionals in Scotland.

**Scottish Government response:** The Scottish Government has worked with Support in Mind Scotland and the Money and Pensions Service to develop a Mental Health and Money Toolkit to help people understand, manage and improve their mental and

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financial health. The Toolkit can be used to help guide conversations with relevant healthcare workers about mental health and money. This guidance was co-produced with healthcare professionals and people with mental health and money worries. We have recently published a resource to support staff working as part of a multi-disciplinary team in mental health and wellbeing in primary care which includes a link to the Mental Health and Money Toolkit guide. We will keep the resource for mental health and wellbeing in primary care services under regular review to ensure it remains as up to date and relevant as can be.

Work is currently underway to develop and publish a new Mental Health and Wellbeing Strategy in the year ahead. The strategy will outline actions for addressing the underlying reasons why people may experience poor mental health, helping create the conditions for people to thrive, and challenging the stigma around mental health, through to providing specialist help and support for people with mental illness.

Supporting income maximisation and financial inclusion forms part of a Health Visitor's role as set out in Scotland's Universal Health Visiting Pathway. In line with overarching ambitions to tackle child poverty, the Scottish Government will work to ensure that Health Visitors have access to increased training in respect of addressing money worries and providing financial advice. The Universal Pathways Quality Improvement Collaborative – Financial Inclusion has supported 15 health visiting teams across seven local authority /NHS Boards to collaborate with local money advice services to support families to increase financial gain through relational-based approaches. The focus was on accessibility and engagement for families and resulted in increased knowledge and understanding of the range of supports provided by money advice services including debt management.

### **Theme: Community link workers**

**We note that in 2016 the Scottish Government made a commitment to recruit at least 250 community link workers by the end of 2021-22, and request an update on whether this target has been fulfilled.**

**Scottish Government response:** We have over 300 primary care Community Link Workers (CLW) as of 31st March 2022<sup>7</sup>.

They continue to be at the forefront of our efforts to tackle health inequalities and are an established component of multidisciplinary teams in primary care, central to ensuring that people get the right care at the right time. During the pandemic, Community Link Workers provided invaluable support in many communities and demonstrated their adaptability to shifting demands and practicalities, supporting people with issues such as debt, social isolation and housing.

The Scottish Government has also committed to the implementation of new multidisciplinary Mental Health and Wellbeing Services in Primary Care, of which CLWs will be a key component.

**Recommendation: We recommend that the Scottish Government evaluates the impact of community link workers and considers if further investment should be made.**

<sup>7</sup> [Primary care improvement plans: summary of implementation progress - March 2022 - gov.scot \(www.gov.scot\)](https://www.gov.scot/publications/primary-care-improvement-plans-2022-23/pages/summary-of-implementation-progress-march-2022.aspx).

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**Scottish Government response:** The Committee may wish to note that several recent, published research and evaluation studies<sup>8</sup> have already demonstrated the impact of the CLW role and what works well.

The Scottish Government remains committed to full implementation of the GP contract and multi-disciplinary team (MDT), working, ensuring patients can continue to access the right healthcare professional at the right time, closer to home. Community Link Workers play a key role in that MDT and continue to be at the forefront of our efforts to tackle health inequalities, providing invaluable support to people with issues such as debt, social isolation and housing. In terms of monitoring, HSCPs provide data on CLW numbers twice a year. Data to 31 March 2022 are available<sup>9</sup>.

Evaluation of the impact of the MDT, including community link workers, is key to ensuring future investment is targeted most effectively to where it can have the greatest impact on outcomes. The Scottish Government is considering what more we can do to understand the impacts of the MDT, tackle barriers to implementation and promote best practice. This includes working with Public Health Scotland and local evaluators to understand the current evaluation landscape, including evaluation already embedded at the local level and any gaps that might exist. This will inform further development of the monitoring and evaluation of MDTs at the national level, in turn allowing us to better target investment in future years.

The Scottish Government also funds the Scottish Community Link Worker Network<sup>10</sup> run by Voluntary Health Scotland. The Network has been collaborating with Evaluation Support Scotland on training for CLWs themselves on demonstrating outcomes and impact; and it has recently undertaken a review of CLW training and development needs<sup>11</sup>.

### Theme: Preventative approaches

**Recommendation: We ask the Scottish Government to consider how money and debt advice will be embedded in whole family wellbeing support to improve outcomes and ease the burden on crisis advice and how its impact will be evaluated.**

**Scottish Government response:** The Whole Family Wellbeing Fund (WFWF) is focused on the wider system changes required to shift investment towards early intervention and prevention activities so families are able to access the help they need, where and when they need it and before they reach crisis point. Family support can encompass a broad continuum of preventative and early intervention approaches to help

<sup>8</sup> These studies include:

- an independent evaluation by Glasgow University of the CLW pilot in Glasgow: [Evaluation of the Glasgow 'Deep End' Links Worker Programme \(healthscotland.com\)](https://www.healthscotland.com); [Implementing social prescribing in primary care in areas of high socioeconomic deprivation: process evaluation of the 'Deep End' community Links Worker Programme \(gla.ac.uk\)](https://www.gla.ac.uk);
- a review of evidence from across the UK, drawing out relevant points for the Scottish context: [20191014-clw-summary-final-v12.pdf \(ihub.scot\)](https://www.ihub.scot);
- a qualitative study of early adopters of CLWs in general practice by Public Health Scotland: [Learning from the community link worker early adopters - Publications - Public Health Scotland](https://www.phscotland.nhs.uk).

<sup>9</sup> [Primary care improvement plans: summary of implementation progress - March 2022 - gov.scot \(www.gov.scot\)](https://www.gov.scot).

<sup>10</sup> [CLW-Training-and-Development-Review-Final.pdf \(vhscotland.org.uk\)](https://www.vhscotland.org.uk)

<sup>11</sup> [CLW-Training-and-Development-Review-Final.pdf \(vhscotland.org.uk\)](https://www.vhscotland.org.uk)



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families to meet their individual needs to improve their wellbeing including advice, support, and specialist help. In 2022-23 we have committed £50 million to support this work. Officials will explore how money and debt advice can be incorporated within this approach as part of our commitment to increase the accessibility of advice across the lifetime of this Parliament, alongside our commitment to increase access to holistic family support.

### Theme: Mental health

**Recommendation: We urge the Scottish Government to give particular consideration to debt within the Suicide Prevention Strategy and any future work on the Mental Health Strategy.**

**Scottish Government response:** We recognise the link between problems with debt and those experiencing mental health issues. In partnership with COSLA we will publish a new Suicide Prevention Strategy and Action Plan in September this year. We are aware that a number of complex factors, including debt, can lead to suicidal thoughts. Therefore we are considering how this is best reflected in the new Strategy as part of the whole of Government and society approach to suicide prevention.

We are also committed to publishing a new Mental Health and Wellbeing Strategy in the year ahead. The Strategy will guide the work that the Government, and our partners, will do over the coming years to improve mental health and wellbeing in Scotland, building on the Transition and Recovery Plan published in 2020. We want the Strategy to focus on every part of what mental health and wellbeing means, from addressing the underlying reasons behind poor mental health to providing specialist help and support for mental illness. We are currently seeking views to inform the new Strategy through a public consultation and will consider this recommendation as the Strategy is developed.

**Recommendation: We call on the Scottish Government to make specific funding available for money advice agencies to test better ways of working with people with mental health issues, with the aim of developing best practice recommendations that could be taken forward by all services. We note as a result however, that ongoing funding may be needed to enable money advice organisations to adapt their services.**

**Recommendation: We believe that the Debt and Mental Health Evidence Form has the potential to be a valuable tool in ensuring that people with mental health conditions receive the support that they need to manage their problem debt. However, there must be greater awareness of the benefits of the form among individuals, mental health professionals and creditors if it is to be of real impact. We recommend that the Scottish Government works with health and social care partnerships to promote the form and endorse its use.**

**Scottish Government response:** We recognise the importance of financial wellbeing and understand the impact that debt and money worries can have on mental health and wellbeing and are working with stakeholders to tackle this issue. In our Mental Health Transition and Recovery Plan we have committed to further develop a response to those whose mental health has been affected by issues relating to debt. We are working closely with a range of advice organisations, including Citizens Advice Scotland, to better understand and tackle these issues. We will consider the Debt and Mental Health Evidence Form as part of this work.



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<b>Theme: Mental Health Evidence Form</b>
<p><b>Recommendation:</b> We think it is inappropriate for people with mental health conditions to be charged a fee for the completion of the Debt and Mental Health Evidence Form, simply to be treated in a considerate way that is mindful of their needs. It is particularly unacceptable for individuals to incur these costs given that many have low incomes and are already in debt. We note that this charge has been removed in England and Wales and call on the Scottish Government to work with GPs to implement a similar change in Scotland.</p> <p><b>Scottish Government response:</b> Under their contracts GP practices are required to complete a number of prescribed certificates which are, unlike the Debt and Mental Health Evidence form, based on legal requirements. GP practices have discretion about whether or not to complete any other certificates, letters or forms requested from them and how much to charge for this private work. In addition to GP's a range of other health and social care professionals are eligible to complete the form including social workers and mental health therapists. The Scottish Government is not currently looking to negotiate any changes to the GP contract in this regard.</p>
<b>Theme: Breathing Space</b>
<p><b>Recommendation:</b> We believe that it is unfair for people experiencing a mental health crisis to be pressurised by creditors and continue to be charged interest on their debt. We note that the Accountant in Bankruptcy's Stage 2 review recommended there be a mental health element to the moratorium on diligence and urge the Scottish Government to progress quickly to implement this change.</p> <p><b>Recommendation:</b> The barrier to dealing with debt created by minimum debt thresholds has been identified by respondents to our call for views, witnesses, our experts by experience and the Stage 2 debt review. We call on the Scottish Government to move quickly to introduce legislative change in this area to provide debt relief for those currently excluded from bankruptcy by the threshold. The Stage 2 debt review recommended removing the threshold for Minimal Asset Process Bankruptcy.</p> <p><b>Scottish Government response:</b> We recognise the strong links between problem debt and those experiencing mental health issues and welcome the Committee's desire to see a mental health provision implemented quickly. The Scottish Government has set out its proposal to bring together specialists in the provision of debt counselling, delivery of mental health care provision and other key stakeholders to devise a system that would be tailored for Scotland in our consultation<sup>12</sup> which was published in August. We have also set out our intention to remove the minimum debt level for MAP bankruptcy acknowledging concerns that the existing threshold can act as a barrier to debt relief. This consultation sets out a number of proposals in direct response to a stakeholder led review of our statutory debt solutions and we will consider any further feedback received from the consultation.</p>

<sup>12</sup> [Scotland's statutory debt solutions and diligence – policy review response: consultation](#)

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<b>Theme: Bankruptcy</b>
<p><b>Recommendation:</b> Applying for a Minimal Asset Process Bankruptcy or full administrative bankruptcy can be the best, and sometimes only, option for someone to escape the debt trap. We believe that application fees are an unnecessary barrier, which could prevent people on low incomes from becoming debt-free. We welcome the removal of fees introduced for people receiving certain social security benefits, but urge the Scottish Government to consider removing the application fees for bankruptcy where someone is assessed as having no surplus income using the Common Financial Tool.</p> <p><b>Scottish Government response:</b> We will give further consideration to the fee structures in place for accessing bankruptcy as part of the ongoing policy review which is examining other entry criteria.</p>
<b>Theme: Minimum debt threshold</b>
<p><b>Recommendation:</b> In addition, we would also encourage the Scottish Government to consider removing the threshold for full administration bankruptcy within this parliamentary term.</p> <p><b>Scottish Government response:</b> A recent stakeholder led policy review highlighted mixed views on this issue. While there was support for removal of the threshold, some members considered that retaining the threshold provides an important protection for those with lower levels of debt taking the serious step of entering full administration bankruptcy and the significant consequences involved, notwithstanding that the introduction of mandatory money advice has helped mitigate against this.</p> <p>The Scottish Government has considered this and recognises the concerns about this being removed and has not proposed any change to the entry criteria for full administration bankruptcy. We will, however, continue to take account of views expressed and continue to monitor the impact of the current debt level.</p>
<b>Theme: Bankruptcy cycle</b>
<p><b>Recommendation:</b> We recommend that the Scottish Government considers reducing the period that people must wait to reapply for a Minimal Asset Process Bankruptcy.</p> <p><b>Scottish Government response:</b> While the Scottish Government recognises that debt relief through bankruptcy is in some instances the only practical solution to unsustainable debt we do not agree that the time period that was introduced as part of the 2015 bankruptcy reforms be revised. Where debt relief through bankruptcy is required within a shorter timeframe, this can be accessed through the full administration process within a five year period. It is acknowledged that the process involved is different and there are separate arrangements for obtaining discharge from debt, however, the application process remains free of charge for the most financially vulnerable.</p>

## Scottish Government response to report recommendations

Theme: Debt Arrangement Scheme
<p><b>Recommendation:</b> We recommend that the Accountant in Bankruptcy raises awareness among creditors of the Debt Arrangement Scheme, as evidence highlighted that some creditors continue to take enforcement action when this should have been stopped.</p> <p><b>Scottish Government response:</b> The Debt Arrangement Scheme (DAS) provides statutory protection against the creditors involved taking enforcement action. The Scottish Government continues to work with Sheriff Officers to try and prevent any inappropriate enforcement action being instigated when someone is in the DAS. Our understanding is that this is most likely to occur at the initial stages of DAS as the public register is being updated. We also work with creditors to encourage use of the IT system that supports DAS which in itself is a valuable tool to raise awareness. The UK Government's plans to develop a mechanism similar to DAS - the Statutory Debt Repayment Plan – provides a further opportunity to highlight these important issues amongst creditors.</p>
Theme: Earnings arrestment
<p><b>Recommendation:</b> We recommend that creditors should be given greater flexibility to reduce the amount of money taken in an earnings arrestment (to address the situation where someone cannot pay their current Council Tax liability because too much money is being taken to pay arrears). We note there is precedent elsewhere and recommend that the Scottish Government takes forward this change in legislation.</p> <p><b>Recommendation:</b> We recommend the review of diligence further considers if household composition could be factored into banking and earning arrestment to enable people who are more likely to live in poverty (such as lone parents, families with three or more children and disabled people) to retain more of their income.</p> <p><b>Scottish Government response:</b> We recognise the issues raised and the desire to ensure an individual's circumstances are factored into bank and earnings arrestments. We are currently exploring the impact of introducing greater flexibility to the amount of money taken in an earnings arrestment and any further action that may be taken. In addition, as part of the review of diligence, we are considering what more can be done to protect those who are most vulnerable when faced with a bank or earnings arrestment.</p> <p>Our intention to look into this further is set out in Scotland's Statutory Debt Solutions and Diligence: Policy Review Response<sup>13</sup>. The consultation includes a specific proposal to investigate options for variation of earnings arrestment under certain circumstances and further work on this diligence will be explored.</p>

<sup>13</sup> [Scotland's statutory debt solutions and diligence: policy review response](#)