



House of Commons
Work and Pensions Committee

Cost of living support payments

First Report of Session 2023–24

Report, together with formal minutes relating to the report

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Work and Pensions Committee

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The current staff of the Committee are Henry Ayi-Hyde (Committee Operations Officer), Sarah Dixon (Committee Specialist), Oliver Florence (Senior Media and Communications Officer), Ed Hamill (Committee Operations Manager), Aaron Kulakiewicz (Second Clerk), Alexandra Ming (Committee Specialist), Danielle Nash (Clerk), Juliet Ollard (Senior Engagement Officer), and Djuna Thurley (Senior Committee Specialist).

Contacts

All correspondence should be addressed to the Clerk of the Work and Pensions Committee, House of Commons, London SW1A 0AA. The telephone number for general enquiries is 020 7219 8976; the Committee's email address is workpencom@parliament.uk

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Contents

Summary	3
1 Introduction	5
Background to the cost of living support payments	5
Initial package of cost of living support payments	5
Second package of cost of living support payments	6
Our inquiry	6
2 Access to the cost of living support payments	8
The support payment system	8
Ineligibility for cost of living payments	9
Cliff edges	9
Low-income households not in receipt of cost of living payments	11
The Household Support Fund	12
3 The impact of the cost of living support payments	15
Comparing the UK and International policy responses	15
The OECD energy support measure tracker	15
The impact of the payments on households	16
Positive impact and uses of the payments	16
Limitations of the payments	17
Impact of the payments on vulnerable groups	19
Support for older people	19
Support for those with disabilities	20
The irregular nature of the payments	22
Up-rating benefits as an alternative to cost of living support payments	22
The uncertain timings of cost of living payments	24
Conclusion	25
Annex 1: Public survey accompanying the inquiry	26
Annex 2: Lived experience questionnaires and semi-structured interviews	39
Recommendations for how the Government could help with the cost of living	44

Conclusions and recommendations	46
Formal minutes	49
Witnesses	50
Published written evidence	51
List of Reports from the Committee during the current Parliament	53

Summary

Following increased cost of living pressures due to energy price rises and high inflation, the Government issued a further package of cost of living support measures in 2023/24 to protect the most vulnerable against rising costs. These measures included a series of cost of living support payments for those in receipt of certain benefits. These payments followed the issuing of similar payments in 2022/23.

Our report builds on the work we have done previously and published in our July 2022 report on the cost of living. While that report looked more generally at various Government measures to try and help households with the rising cost of living, this report specifically examines the effectiveness of these payments in 2022/23 and 2023/24 in supporting the most vulnerable. In doing this we also build on the work of our fellow House of Commons Committee, the Treasury Committee, and its December 2022 report on cost of living payments.

We explore how the payment system worked, eligibility and access for the payments, and alternative support if a recipient was not eligible for the payments. We also look at the impact and limitations of the payments for those who received them, and how the support compared to similar international systems of support. This inquiry specifically looked at the additional payments given to those who receive benefits and not support that was available to everyone, such as the energy price guarantee.

We welcome the automated nature of the payments which removed a barrier to access for many and enabled the swift issue of cash support for those in need. However, we are concerned by the cliff edge nature of the payments which created an income gap where a person was financially penalised if they earned just over the qualifying threshold. Those paid on a non-monthly basis are particularly at risk of being unfairly penalised. We are also concerned that the support payments have not reached all low-income households. Further, the unsophisticated nature of the payment system has placed significant limitations on how the system has met the needs of different groups such as families, older people and those with disabilities.

Overall, the payments have had a significant impact and have boosted the finances of low-income households. But we have heard these payments are not a sufficient response to the scale of the issues at hand, and many people in receipt of these payments still could not meet essential costs or had only a temporary reprieve. We are particularly concerned that the additional support offered to those with disabilities was only £150 per year and we recommend that this particular support be increased in proportion to the costs that people with disabilities incur.

The Government should consider bringing forward its evaluation of the cost of living payments so that preliminary analysis can be fed into decisions on possible future payments in the next financial year. Given we have also heard that an uplift of the regular benefits received would be more beneficial for budgeting than ad-hoc cost of living support payments, the Government should consider uprating Universal Credit instead of issuing these payments. It should maintain the ad-hoc payment system for those on legacy benefits as these benefits cannot be so easily uprated.

When examining international support for those facing cost of living pressures, we found that most comparable nations offered families with children and young people additional support. While the UK has been relatively generous in cash terms to those in need of additional support, this failure to provide extra support for families is notable and should be examined further by the UK Government as those with children face higher costs but have currently only received the same flat-rate support as people without children. Future cost of living support payments should take account of family size.

1 Introduction

1. Over the past two years the UK has faced intense cost of living pressures with many people struggling to meet the rising costs of essentials. Although it has gone down over the last year, in September 2023 the consumer price inflation was still 6.7% in the UK, creating challenges for many households.¹ In May 2022, the Government acknowledged that “millions of households across the UK are struggling to make their incomes stretch to cover the rising cost of living” and announced support measures in response in May and November 2022.² These measures included two sets of cost of living payment packages for the financial years 2022/23 and 2023/24. The implementation and impact of these payments are the basis for this inquiry.

Background to the cost of living support payments

Initial package of cost of living support payments

2. In the wake of high inflation and rising energy costs, and the subsequent increased cost of living across the UK during 2021 and 2022, a package of one-off cost of living support measures was announced by the then Chancellor of the Exchequer, Rt Hon Rishi Sunak MP, on 26 May 2022.³ This was aimed at protecting the most vulnerable in society against rising costs. Three elements of the support package provided additional cash payments from the Department for Work and Pensions (and HM Revenue and Customs and the Ministry of Defence) to recipients of certain benefits or tax credits. These cost of living payments consisted of:

- A £650 Cost of Living Payment, payable in two instalments, to recipients of certain means-tested benefits;
- a £150 Disability Cost of Living Payment for recipients of certain non-means-tested disability benefits; and
- a £300 Pensioner Cost of Living Payment, paid as an addition to the Winter Fuel Payment, to households with at least one person entitled to a Winter Fuel Payment for winter 2022/2023.⁴

3. The package also included additional funding to extend the Household Support Fund, which allows local authorities in England to make discretionary payments to people most in need of help towards the rising cost of bills.⁵ The Barnett formula has been applied to each round of the Household Support Fund to allocate equivalent funding to the devolved administrations.⁶ It has been the prerogative of the devolved administrations to decide how to allocate this funding.

1 ONS, [Consumer price inflation](#), UK: September 2023

2 HM Treasury, [Cost of living support factsheet: 26 May 2022](#) [accessed 2 October 2023]

3 HC Deb, 26 May 2022, [col 451–452](#) [Commons Chamber]

4 Department for Work and Pensions, '[Cost of Living Payment 2022](#),' accessed 2 October 2023

5 Department of Work and Pensions, [Household Support Fund guidance](#), accessed 2 October 2023

6 HM Treasury, [Devolved administration funding and the Barnett formula](#), accessed 2 October 2023

Second package of cost of living support payments

4. In the Autumn Statement on 17 November 2022 the Chancellor, Rt Hon Jeremy Hunt MP, announced that a further set of cost of living payments would be awarded over the course of 2023/24. The payments would be made to recipients of the same benefits as the 2022/23 cost of living payments, the key differences being that payments for means-tested benefit recipients would total £900 rather than £650, and would be made in three instalments rather than two. He also announced that the Household Support Fund would be extended for a further 12 months to 31 March 2024.⁷

5. In January 2023, the Government outlined when instalments of the 2023/24 cost of living payments would be made, noting payments would be “spread across a longer period to ensure a consistent support offering throughout the year”.⁸ These payments were:

- A first Cost of Living Payment of £301 during Spring 2023;
- A second Cost of Living Payment of £300 during Autumn 2023; and
- A third Cost of Living Payment of £299 during Spring 2024.⁹

Each cost of living payment was linked to an assessment period completed before the payment. If a person was entitled to a payment for a qualifying benefit in the assessment period they then automatically received the cost of living payment.¹⁰

Our inquiry

6. Our inquiry examined the Government’s cost of living support packages for 2022/23 and 2023/24 and whether the DWP has been successful in reaching and supporting the most vulnerable people during this period. We have explored whether the adequacy of support made available to eligible households was sufficient in helping them meet the basic cost of living. We also explored the design and delivery of the payment system and its effectiveness in issuing these payments.

7. This inquiry builds on our previous work on the cost of living and the report we published in July 2022.¹¹ While that report looked at various Government measures to try and help households with the rising cost of living, this report specifically examines and goes into more depth on the effectiveness of the packages of cost of living payments in supporting the most vulnerable. Unlike our previous report, this report does not examine other measures which were available to everyone like the Council Tax Rebate or Energy Bills Support Scheme. This report also builds on the work of the Treasury Committee and its report on the cost of living payments published in December 2022.¹²

8. As part of our inquiry, we asked organisations and individuals to send us written evidence, and also ran a survey for people to tell us their personal experiences of the cost

7 HC Deb, 17 November 2022, [col 854](#)

8 [“Millions of low-income households to get new Cost of Living Payments from Spring 2023”](#), Department of Work and Pensions press release, 3 January 2023

9 [“Millions of low-income households to get new Cost of Living Payments from Spring 2023”](#), Department of Work and Pensions press release, 3 January 2023

10 Department of Work and Pensions, [“Cost of Living Payments Guidance 2023 to 2024”](#), accessed 2 October 2023

11 Work and Pensions Committee, Second Report of session 2022–23, [The cost of living](#), HC 129

12 Treasury Committee, Eighth Report of Session 2022–23, [Autumn Statement 2022 – Cost of living payments](#), HC 740

of living support payments. The survey was open between 3 and 16 April 2023, and we received over 1,900 responses. We also conducted outward engagement through the Select Committee Engagement Team, holding distributed dialogues with people with a learning disability who were affected by the payments but would be unable to complete the survey. Summaries of our survey and distributed dialogue results can be found in the annexes of this report. We have drawn on these responses to supplement our formal evidence. It is important to underline that the people who responded were a self-selecting group and that their experiences cannot be assumed to be representative of everyone receiving cost of living payments. Nevertheless, their first-hand experiences offer valuable insights into people's experience of the cost of living payments.

9. We have also heard from charities about the experiences of the people they support and from experts including academics on the effectiveness of the payments and potential alternatives to this system of payments currently being implemented. In addition, we explored how the UK Government's support payments have compared to the support offer available in other comparable countries. We also heard from Mims Davies MP, Minister for Social Mobility, Youth and Progression, and from DWP officials responsible for the implementation of the support payments. As ever, we thank witnesses for their willingness to give evidence to the Committee.

10. In this report, Chapter 2 will focus on access to the support payments. It will cover:

- How the payment system issues the payments to those eligible;
- Those ineligible for cost of living payments due to cliff edges in the benefit system caused by qualifying thresholds for eligibility for the payments. This ineligibility may be caused by sanctioning or non-monthly pay schedules;
- Low-income households who are ineligible for the payments; and
- The Household Support Fund and its effectiveness in supporting those for whom the cost of living payments do not reach or do not help enough.

11. Chapter 3 will examine the impact of the support payments, including:

- The positive impacts and limitations of the payments;
- The impacts of the payments on more vulnerable groups such as those with disabilities and older people; and
- The irregular nature of the payments, the impact this had and whether uprating of benefits would be more effective.

2 Access to the cost of living support payments

12. In this Chapter we explore access to cost of living support payments and limitations to the eligibility criteria, as well as the role of the Household Support Fund in England. Cost of living payments are issued automatically to those eligible by the Department for Work and Pensions (DWP) through its Ad Hoc Payment System. Mop-up payments then take place for anyone who is eligible but who missed out on the payment. Concerns have been raised that many households may be missing out on payments due to being just above the qualifying threshold, or through being on a non-monthly pay cycle, which could leave these households significantly worse off than those who are just under the threshold and receive the payments. We also heard directly from 753 respondents to our survey who were not eligible for the payments and were struggling with the cost of essentials.¹³ The Minister told us that the Household Support Fund, which local authorities can use to give support for essentials for those who do not receive payments, or for whom the payments are not enough, is supposed to act as backup in such cases.¹⁴

The support payment system

13. The cost of living support payments are made using the DWP Ad Hoc Payment System which sits outside, and is separate to, the normal benefit delivery system.¹⁵ We heard evidence from the DWP that the system is a clone of a payment system developed during the Covid-19 pandemic to issue heating payments in Northern Ireland.¹⁶ It was described by Neil Couling, Change and Resilience Director General with responsibility for DWP's cost of living payments, as “a rather unsophisticated system” utilised to enable a large number of payments to be issued quickly.¹⁷ The payment system is limited in the number of activities it can manage concurrently and payments must be of a single type and value.¹⁸

14. To issue payments the system utilises the DWP data warehouse and links to DWP's accounting and payment system to create an accurate record of payment recipients. The system recognises those who have received the payment of a qualifying benefit in the qualifying period. Those eligible are then automatically issued with a cost of living support payment.¹⁹

15. For anyone who believes they have missed a payment there is a reporting system on gov.uk to make a claim. This is then processed in the mop-up payments which are done continuously after the automated payments are issued.²⁰ The largest source of mop-up payments involves Pension Credit as Pension Credit can be backdated by three months, which enables claimants to become eligible for a previous cost of living payment.²¹

13 Annex 1: Public survey accompanying the inquiry

14 [Q93](#)

15 [Department for Work and Pensions \(CLP0033\)](#)

16 [Qq87–88](#)

17 Oral evidence taken on 11 January 2023, [HC 971](#), Q18

18 Treasury Committee, Fourth Special Report of Session 2022–23, [Autumn Statement 2022 – Cost of living payments: Government response to the Committee's Eighth Report](#), HC 1166

19 Department for Work and Pensions ([CLP0033](#)); Oral evidence taken on 11 January 2023, [HC 971](#), Q18

20 [Q103](#)

21 [Q89](#)

16. The automated nature of the payments has been commended by many groups, such as Feeding Britain, a network of anti-hunger partnerships, and Citizens Advice, an advisory service for members of the public, as it made sure that most eligible households did not miss out on benefits to which they were entitled by removing the requirement to apply for the payments.²² However, the basic nature of the ad hoc payment system means it is not possible to vary the size of payments to take into account family size or the additional needs of certain groups.²³ Save the Children stated “the fact that they were paid as a lump sum and at a flat rate meant that many families did not get the support, they needed in the way they needed it.”²⁴ Mencap also raised concern that “the flat-rate nature of the £900 cost of living payments and the low-figure sum of the £150 disability cost of living payment do not adequately account for the disproportionately high extra costs that disabled people face.”²⁵

17. We welcome the automated nature of the payment system, which enabled the swift issue of cash support to many of those most in need. However, we recognise that it is limited in its ability to target payments and therefore meet the additional needs of certain groups.

Ineligibility for cost of living payments

Cliff edges

18. We heard a large amount of evidence raising concerns about the cliff edge nature of the eligibility criteria for the cost of living payments. A cliff edge is when a benefit entitlement, in this case the cost of living payment, is entirely withheld at a certain qualifying threshold for eligibility, whereas those whose benefit entitlement falls just beneath this qualifying threshold still receive the full payment. The qualifying threshold for eligibility means that some households can just miss out on all cost of living support, while some others can just qualify.

19. In evidence to us Policy in Practice, a social policy software and analytics company, observed that “a household earning only £1 above the level at which they would qualify for a means tested benefit will miss out on up to £1,200 in cost of living payments over the course of the year.”²⁶ This would be the case if a household missed out on all the cost of living payments. This problem was emphasised by Helen Barnard, Director of Policy, Research and Impact at the Trussell Trust, who, when speaking to us, stated “it makes the last pound of Universal Credit way too important for people”.²⁷ Maxwell Marlow, Director of Research at the Adam Smith Institute, reiterated this point that the “last pound really is very important ... having a bit of a smarter system with a better taper rate that is a little better adjusted and more accurate would definitely help”.²⁸

20. We received evidence from a number of individuals, in response to both our call for evidence and to our survey, that they missed out on a cost of living payment, that they

22 Feeding Britain ([CLP0006](#)), Citizens Advice Newcastle ([CLP0009](#)) and Barnardo's ([CLP0048](#))

23 [Qq111-113](#)

24 Save the Children ([CLP0049](#))

25 Royal Mencap Society ([CLP0037](#))

26 Policy in Practice ([CLP0055](#))

27 [Q5](#)

28 [Q36](#)

would have normally been entitled to, due to a nil award for Universal Credit during the qualifying period. This included one respondent who revealed that that one qualification period was the only month in 10 years that they had received a nil award.²⁹

21. Additionally, a number of those who gave evidence to our inquiry raised the concern that people who were sanctioned, and as a result had their Universal Credit entitlement suspended in a qualifying period, were in effect doubly punished: first by the sanction itself and then by the consequential loss of entitlement to a cost of living payment.³⁰

22. Further, in some cases, missing a payment could be the result of a pay system which operated on a weekly and not monthly system and it was therefore not because the recipients were above the qualifying threshold during the assessment period. Citizens Advice Newcastle pointed out that “some people on universal credit are at risk of missing out because of how the eligibility period falls in relation to their assessment period and pay frequency.”³¹ This point was expanded by the Child Poverty Action Group, a charity that works to alleviate child poverty, who stated “those who are paid on a non-monthly basis invariably receive an ‘extra’ pay cheque in an assessment period (even when their earnings follow a consistent pattern) which will considerably reduce their UC payment, sometimes to zero.”³²

23. Several contributors argued that a fairer method of determining eligibility among Universal Credit claimants would have been for the qualifying period to have had a longer timeframe, enabling those with a one-off increase in earnings to remain entitled to the payment.³³

24. In response to our questions about this problem Neil Couling told us that the Department had modified the second batch of payments for the 2023/24 financial year, and had “staggered the qualifying period for later payments, so they are not in a 13-week cycle”. This meant that if someone who was “paid either fortnightly or weekly miss[es] one of the payments because their earnings have accrued in that month and they don’t qualify for Universal Credit in that month, they qualify for the next two.”³⁴

25. We are concerned by the cliff edge nature of the cost of living payments which creates a fundamentally unfair income gap where a person is financially penalised for earning just over the qualifying threshold, being in receipt of a sanction or not receiving an eligible payment during the qualifying period. For example, a person earning just £5 over the qualifying threshold would lose nearly £300 if they are ineligible for a cost of living payment and would be significantly worse off than someone just under the threshold.

26. People who receive Universal Credit and are paid on a non-monthly basis, even if their earnings follow a consistent pattern, can fail to meet the eligibility criteria in a qualifying period. We recognise that the Government has taken steps to mitigate the risk of an individual missing more than one cost of living payment if they are

29 Anonymous ([CLP0019](#))

30 Dr Rita Griffiths (Research Fellow at University of Bath) ([CLP0014](#)), Brighton & Hove City Council ([CLP0035](#)), Refuge ([CLP0038](#)) Policy in Practice ([CLP0055](#)) and Public Law Project ([CLP0056](#))

31 Citizens Advice Newcastle ([CLP0009](#))

32 Child Poverty Action Group, Changing Realities ([CLP0028](#))

33 Dr Rita Griffiths (Research Fellow at University of Bath) ([CLP0014](#)) and Child Poverty Action Group, Changing Realities ([CLP0028](#))

34 [Q103](#)

paid fortnightly or weekly. This mitigation is not enough given a recipient of Universal Credit on such a pattern would still miss one of the cost of living payments and a considerable amount of support. *Anyone who misses a cost of living payment due to receiving regular earnings on a non-monthly basis should be issued the missed payment in the mop-up system.*

27. *The Government should change the eligibility for the final cost of living payment in 2023/24 and for any possible future payments so that Universal Credit (UC) claimants who receive a nil UC award in the qualifying period, but received a payment in the previous and subsequent assessment period, qualify for a cost of living payment. This could be incorporated into the mop-up payment system.*

Low-income households not in receipt of cost of living payments

28. In response to the Autumn Statement the Resolution Foundation said that four in ten of the poorest fifth of households in the UK do not receive means-tested benefits.³⁵ Greater Manchester Poverty Action, a not-for-profit organisation that works to address poverty across Greater Manchester, said that this had “left many households without any buffer”.³⁶ Age UK also raised concern that “there are many older people with low incomes who are in need of extra support but who do not receive Pension Credit.”³⁷ Those in this situation would not receive the cost of living payments.

29. We also received over 750 responses to our survey from those who had not received cost of living payments. Several respondents commented about how they were going further into debt because of increased costs. Some discussed spending savings to pay for essentials, including one who said they were using up savings “that were meant for my retirement”. Some referred to not having the heating on to keep bills down, with one being “frightened to put on the heating”. A number of responses also commented on the impact of not being able to afford essentials on their mental health with one commenting it “made me ill with stress”, another saying it “intensified fear of, and depression about, the future” and a third stating they felt “suicidal”.³⁸

30. The Child Poverty Action Group (CPAG) also pointed out that “the cost of living payments have not been made available to all people on a lower income receiving means-tested support from the DWP, notably, people who receive housing benefit.”³⁹ Morgan Wild, Head of Policy at Citizens Advice, expanded on this saying that housing benefit “probably affects around 100,000 working age households and around 370,000 pensioner households” and “we know that most people in that situation will be on a low income and may be eligible for income related benefits if they had applied.”⁴⁰ CPAG and Citizens Advice suggested that, in order to reach those households not currently receiving cost of living support payments, the eligibility criteria could be expanded to include those in receipt of housing benefit. Charities supporting older people were particularly enthusiastic about this proposed reform with Sally West, Policy Manager for Age UK, telling us that

35 Resolution Foundation, [Help Today, squeeze tomorrow: Putting the 2022 Autumn Statement in context](#) (November 2022) pp. 18–19

36 Greater Manchester Poverty Action (GMPA) ([CLP0020](#))

37 Age UK ([CLP0017](#))

38 Annex 1: Public survey accompanying the inquiry, [Q3] What effect did not receiving the support payments have on you?

39 Child Poverty Action Group, [Changing Realities](#) ([CLP0028](#))

40 [Q4](#)

“we would like to see cost of living payments extended to people who are getting housing benefit”.⁴¹ We have calculated that if housing benefit had been an eligible benefit for the cost of living payments 2023/24 this would have cost the Government £458 million.⁴²

31. We are concerned that support payments do not reach all low-income households in receipt of benefits as some households only receive housing benefit. *The Government should consider adding Housing Benefit as a qualifying benefit for future cost of living support payments and set out the practicalities of doing so.*

The Household Support Fund

32. The Household Support Fund was first announced on 30 September 2021 to enable local authorities in England⁴³ to provide help with essentials to vulnerable households.⁴⁴ It has since been extended three times with the last time being as part of the 17 November 2022 Autumn Statement when a further £1 billion of funding was announced and the fund was extended until 31 March 2024.⁴⁵

33. In our assessment of the Household Support Fund in our *Cost of Living Report*, published in 2022, we concluded the funding was welcome but we voiced concerns as to whether or not it was supporting the most vulnerable households effectively. Therefore, we recommended that the Government should:

- ensure councils were well supported to deliver the funding to the households who need it the most and asked the Department to publish information on what local authorities had spent this funding on to date; and
- by the end of this Parliament, the Government should review the adequacy of benefit levels and publish its findings. This should include a specific review of the adequacy of disability benefits and should consider whether it is appropriate to continue to rely on discretionary funds and one-off payments.⁴⁶

34. In response to these recommendations the Government stated:

We have published the Management Information (MI) for all completed discretionary schemes, including the Covid Winter Grant Scheme, Covid Local Support Grant and the first Household Support Fund. We also expect to be publishing the MI for the current iteration of the Household Support Fund after the closure of that scheme.⁴⁷

41 [Q25](#)

42 This figure is extrapolated from the total number of individuals who either claim only housing benefit, or both housing benefit and state pension. According to the DWP’s [National Statistics on Benefit Combinations](#) and [DWP benefits statistics: August 2023](#) this is a total of 508,904 people which would equate to £458,013,600 if all of them received all three cost of living payments.

43 The Barnett formula has been applied to each round of the Household Support Fund to allocate equivalent funding to the devolved administrations. It has been under the prerogative of the devolved administrations to decide how to allocate this funding.

44 [“Government launches £500m support for vulnerable households over winter”](#), Department of Work and Pensions press release, 30 September 2021

45 HC Deb, 17 November 2022, [col 854](#) [Commons Chamber]

46 Work and Pensions Committee, Second Report of Session 2022–23, [The cost of living](#), HC 129 p 18

47 House of Commons Work and Pensions Committee, Third Special Report, [The cost of living: Government Response to the Committee’s Second Report of Session 2022–23](#), (HC 732) 7 September 2022, p 3

It went on to state that it does “not intend to conduct a specific review into the adequacy of benefit levels” as “There is no objective way of deciding what an adequate level of benefit should be as everyone has different requirements, and beneficiaries are free to spend their benefit as they see fit, in the light of their individual commitments, needs and preferences.”⁴⁸

35. The Government argued that the Household Support Fund serves to help anyone who requires essentials but who is missed by the cost of living support payments, or for whom the payments are not sufficient. In her evidence to us Mims Davies MP, Minister for Social Mobility, Youth and Progression, said the fund was “drawn up with those circumstances in mind” and acts “as a safety net”.⁴⁹

36. Indeed, some local authorities have claimed the Household Support Fund is a better means of supporting those in need of assistance than cost of living payments. In evidence to us Leicestershire County Council explained that the Household Support Fund enabled the council to “utilise a range of support mechanisms to best target cost-of-living support for people in hardship who are most in need.” Their process enabled council officers to “ascertain if a household is in need of further support or referral into other services and to initiate provision of that additional ... support.” As such they went on to argue that their approach was more effective than small, intermittent cost of living payments which had no wider support mechanisms in place.⁵⁰

37. However, concerns have been raised that a reliance on the Household Support Fund makes accessing support more challenging for those in need. Policy in Practice said that while the “Household Support Fund goes some way towards supporting those who are ineligible for the cost of living payments, the need to apply and the discretionary nature may act as a barrier to access.”⁵¹ Meanwhile, the Public Law Project raised concern that “the level of support will be more modest, uncertain and dependent on a particular Local Authority.”⁵² Other groups similarly stated the Household Support Fund created a “postcode lottery of support and access”.⁵³

38. Further, in our one-off evidence session in April 2023 on the Household Support Fund we heard that many households in need either were not aware of the Household Support Fund,⁵⁴ or assumed they would not be eligible for support, and therefore did not apply.⁵⁵ It was suggested that increasing awareness of the Household Support Fund, and providing households with a breadth of avenues to apply for support, were crucial to increasing the effectiveness of the fund.⁵⁶ Alex Clegg, senior policy and data analyst at Policy in Practice, told us that:

lack of awareness is the biggest barrier ... Other barriers that came up for us were internet access, which is hard to picture because it feels so readily available to us, but in times of crisis especially people might not

48 House of Commons Work and Pensions Committee, Third Special Report, [The cost of living: Government Response to the Committee's Second Report of Session 2022–23](#), (HC 732) 7 September 2022, p 3

49 [Q93](#)

50 Leicestershire County Council ([CLP0021](#))

51 Policy in Practice ([CLP0055](#))

52 Public Law Project ([CLP0056](#))

53 Southampton Anti-Poverty Forum, SCRATCH, Southampton City Mission ([CLP0024](#))

54 Work and Pensions Committee Oral evidence: Household Support Fund, [HC 1273](#), Q2 [Alex Clegg and Dr Rita Griffiths]

55 Work and Pensions Committee Oral evidence: Household Support Fund, [HC 1273](#), Q29 [Dr Rita Griffiths]

56 Work and Pensions Committee Oral evidence: Household Support Fund, [HC 1273](#), Q19 & Q28

even have their devices available to access the internet; people who do not speak English; disability or illness; and people who might struggle to access support during work hours if they are working.⁵⁷

39. We heard that there has been “quite a bit of confusion” as to whether people with no recourse to public funds have been able to access the Household Support Fund. Oliver Crunden, a Senior Policy Researcher at Citizens Advice, told us that “authorities are hesitant to use the funds if there is any risk that you could jeopardise someone’s immigration status and claim”.⁵⁸ In a letter to us, DWP’s Permanent Secretary told us that Local Authorities can only use HSF funding under “specific powers or duties” to support people with NRPF, “for example, where support is required to meet a child’s welfare needs”. The implication of this appears to be that some people with NRPF will not be able to access support through the HSF, either because they will not be deemed to have qualified, or because of constraints in time and understanding from local authorities. The Permanent Secretary added in his letter that he could not provide us with a definitive list of circumstances under which a Local Authority can make payments.⁵⁹

40. We are concerned that some people with no recourse to public funds could be denied Household Support Fund (HSF) support from local authorities, despite potentially being eligible for such support, due to a lack of clarity in the guidance. We are also concerned that some people with no recourse to public funds will not be able to access support through the HSF because there are no specific powers or duties which can be used to enable their access to funding. *The Government should clarify in the Household Support Fund guidance the circumstances when a local authority can use the Household Support Fund to assist those with no recourse to public funds. We certainly hope this would explicitly include families with children who otherwise meet HSF’s eligibility criteria.*

41. The Household Support Fund has enabled the provision of support to vulnerable households who are not eligible for the cost of living support payments or for whom the payments are not sufficient. However, we are concerned by the uneven nature of support offered by the Household Support Fund which can be a postcode lottery dependent on the local authority in which a person lives. A lack of awareness of the fund seems to have resulted in those eligible, and in need, not applying for support. As a result of this we reiterate our concern, raised in our cost of living report in 2022, that a question remains as to whether or not the fund is supporting the most vulnerable households effectively.

42. *If the Government continues to issue cost of living support payments in the next financial year, it should maintain the Household Support Fund as it is an important safety net for those ineligible for these payments and other means tested benefits. In doing so, ahead of the next financial year, the Government should better communicate and advertise the fund to make sure that people are aware of its existence. The accessibility of the application process should be improved to enable people who may be disabled, do not speak English, do not have access to the internet, or may struggle to access support during working hours, to apply.*

57 Work and Pensions Committee Oral evidence: Household Support Fund, [HC 1273](#), Q28

58 Work and Pensions Committee Oral evidence: Household Support Fund, [HC 1273](#), Q21

59 DWP, Household Support Fund: Guidance for people with no recourse to public funds, 20 October 2023

3 The impact of the cost of living support payments

43. We have found through the evidence we received and through our survey results (see Annex 1 for more information about the survey) that the cost of living payments have had a substantial impact and been helpful to those who received them. However, there is some debate about the long-term impact of the payments and whether they have given enough support to those who required help to meet the cost of essentials. The irregular nature of the payments with their uncertain timings has also been a point of contention and we explore if smaller more regular payments would be more effective.

Comparing the UK and International policy responses

44. In response to rising inflation since late 2021, countries around the world have offered financial assistance similar to the UK's cost of living payments and other measures to support household finances. As in the UK, countries have embraced a range of different interventions. Targeted financial support topping up social assistance benefits has been one approach, but also, as in the UK, more has been spent on directly subsidising energy costs, and on other forms of support. In this report we have not looked at the Government's significant energy support package as this applied to all citizens, not just those in receipt of benefits.

The OECD energy support measure tracker

45. The Organisation for Economic Co-operation and Development (OECD) has been tracking policy responses to rising inflation through its energy support measures tracker.⁶⁰ This tracker aims to take stock of all government interventions to support energy users since February 2021 and provides an estimate of the associated budgetary costs. It allows users to compare amounts spent in different countries on support measures.

46. According to the OECD Energy Support Measures Tracker the UK ranks third out of the 41 countries measured in terms of total US dollar (USD) expenditure on government interventions to support energy users since February 2021. The UK ranks 15th when this is measured as a percentage of GDP.⁶¹

47. When only non-energy related income support is assessed (these are measures which directly increase the disposable income of beneficiaries through budgetary transfers or tax reductions without any link to energy consumption) the UK ranks first out of the 41 countries measured in terms of total USD expenditure on government interventions, and seventh when this is measured as a percentage of GDP.⁶²

48. Fran Bennett, Associate Fellow from the University of Oxford, told us that the elements of support packages from other countries are “quite similar with the cost of

60 Organisation for Economic Co-operation and Development, [OECD Energy Support Measures Tracker](#), accessed 2 October 2023

61 Organisation for Economic Co-operation and Development, [OECD Energy Support Measures Tracker](#), accessed 2 October 2023

62 Organisation for Economic Co-operation and Development, [OECD Energy Support Measures Tracker](#), accessed 2 October 2023

living package that we have done in the UK”.⁶³ We later heard examples of similarities between the UK system and other countries from Dr Jennifer Robson, a professor of political management in Canada, who told us that over half of the Canadian provinces issued temporary cash transfers to their residents⁶⁴ and Dr Miroslav Štefánik, Director at the Institute of Economic Research Slovak Academy of Sciences, who told us social assistance recipients in Slovakia received some ad-hoc €100 payments during 2022.⁶⁵ The international academics who gave evidence generally reflected positively on the UK system of payments, complementing its “co-ordinated effort” and the automated nature of the system which they thought was particularly important.⁶⁶

The impact of the payments on households

Positive impact and uses of the payments

49. Having considered international approaches, we now turn to looking at the impact in practice of the UK’s cost of living payments. The majority of those who contributed to our inquiry, both in written and oral evidence and through our survey, said that the payments were welcome, useful and had a positive impact on the households who received them. Several local authorities praised the payments, with Southwark Council telling us that “the extra income has and continues to protect many of those households from hardship by ensuring they had money to pay for food, energy, and other essentials as the cost of these items soared.”⁶⁷ Blackpool Council added that “the system has been great in getting the money out to residents”.⁶⁸ Academic researchers who wrote into our inquiry also commended the payments, with Dr Rita Griffiths at the Institute for Policy Research at the University of Bath advising us that the payments “have been effective at providing a much-needed boost to the finances of low-income households”.⁶⁹ Dr Kate Andersen and her colleagues at the Benefit Changes and Larger Families research study stated “the cost of living support payments were very welcome”.⁷⁰

50. The DWP stated that “households in England in the bottom 10 percent of the income distribution would receive support worth the equivalent of around seven percent of their net income” and that “receipt of payments enabled families to clear debt, pay for essentials and meet immediate household needs.”⁷¹

51. A number of those who gave evidence said most people who received cost of living payments spent them on immediate household needs such as buying food, household essentials and paying bills.⁷² The Trussell Trust conducted a survey with YouGov which included 1,646 people who had received the first cost of living support payment of £326 in

63 [Q51](#)

64 [Q67](#)

65 [Q65](#)

66 [Q71](#)

67 London Borough of Southwark (Southwark Council) ([CLP0047](#))

68 Blackpool Council ([CLP0053](#))

69 Dr Rita Griffiths (Research Fellow at University of Bath) ([CLP0014](#))

70 Dr Kate Andersen (Research Associate at University of York); Professor Aaron Reeves (Professor of Sociology and Social Policy at University of Oxford); Dr Ruth Patrick (Senior Lecturer in Social Policy at University of York); Dr Kitty Stewart (Associate Professor of Social Policy at London School of Economics) ([CLP0023](#))

71 Department for Work and Pensions ([CLP0033](#))

72 Citizens Advice Newcastle ([CLP0009](#)), Dr Rita Griffiths (Research Fellow at University of Bath) ([CLP0014](#)) and Christians against Poverty ([CLP0034](#))

July 2022. Within this sample 64% of recipients said they used the money to buy food, 38% to buy basic toiletries and 36% to pay off debts or arrears on bills.⁷³ These were the most common purchases with the payments.

52. Charities and organisations which run, or support, food banks told us that food banks saw a temporary fall in usage in the month following the issue of a cost of living payment.⁷⁴ Helen Barnard, Director of Policy, Research and Impact at the Trussell Trust, explained that while 2022 saw the highest ever need for food banks, in July after the first payment the Trust experienced a 21% dip in food bank usage compared to what they would have expected. This was repeated after the payment in November 2022 where the Trust saw a 15% dip in usage, and again after the payment in April 2023 where the Trust saw a 23% dip. She went on to state that the payments “clearly made a significant difference, but you see that it was a very short respite. The payments come out, and for between one and three weeks you see that dip, then the need shoots up again.”⁷⁵

53. Additionally, many of those who responded to our survey, who received at least one of the payments, said that the payments “helped” with additional costs. When asked how they helped, over 50% of respondents said they used the payments for bills, while 40% of respondents mentioned using the payments for food.⁷⁶ Respondents to our survey stated that the payments “helped hugely, stopped me from getting into any further debt”, “Made things slightly easier, especially energy costs”, “helped a great deal ... towards my food bills” and “I wouldn’t have been able to feed my family without it”.⁷⁷

54. We also received evidence that some of the payments were used to pay for larger one-off purchases. The Benefit Changes and Larger Families research study found that one beneficiary of a payment used it to buy a bed for their child.⁷⁸ The study led by Dr Rita Griffiths found that the payment allowed one family to have a holiday break for the first time in three years, while other households made one-off payments to replace a faulty washing machine and pay for car repairs.⁷⁹ The Trussell Trust survey noted that 7% of recipients said they used the money to pay for repairs or an MOT for their car or motorbike, 4% used the money to replace a major electrical good that had broken and 2% used the money to purchase adequate furniture.⁸⁰

Limitations of the payments

55. Whilst the vast majority of responses welcomed the payments, we were also told that the payments were limited in their impact and in most cases the payments were perceived as not going far enough given the scale of the cost of living pressures households faced.

73 The Trussell Trust ([CLP0036](#))

74 Feeding Britain ([CLP0006](#)), Citizens Advice Newcastle ([CLP0009](#)) and The Trussell Trust ([CLP0036](#))

75 [Q2](#)

76 Annex 1: Public survey accompanying the inquiry, [Q3] How and to what extent did the cost of living payments help offset the costs you were facing?

77 Annex 1: Public survey accompanying the inquiry, [Q3] How and to what extent did the cost of living payments help offset the costs you were facing?

78 Dr Kate Andersen (Research Associate at University of York); Professor Aaron Reeves (Professor of Sociology and Social Policy at University of Oxford); Dr Ruth Patrick (Senior Lecturer in Social Policy at University of York); Dr Kitty Stewart (Associate Professor of Social Policy at London School of Economics) ([CLP0023](#))

79 Dr Rita Griffiths (Research Fellow at University of Bath) ([CLP0014](#))

80 The Trussell Trust ([CLP0036](#))

56. Responding to our survey question asking to “what extent did the cost of living payments help”, one respondent stated “they helped somewhat ... but it was not enough because energy, food and other prices have risen considerably”. Another stated they were “exceedingly helpful but still not enough to cover increases in bills and rent”. Many other survey responses described the payments as helping “a little”, “slightly” and “not enough” or as being “short term” and only providing support “for a week or two”.⁸¹

57. Greater Manchester Poverty Action said that “The support packages introduced are a sticking plaster and do not address the underlying causes of rising poverty”.⁸² While In Kind Direct, a charity focused on distributing consumer products to those who need them, told us “cost of living payments have not been sufficient in helping households meet the cost of all necessary essentials” and “charities in our network have increasingly become a source of essentials for people as the basics become unaffordable”.⁸³ Burmantofts Community Projects, a debt and benefits advice charity based in West Yorkshire, emphasised the limitation of the payments, saying “even after Cost-of-Living support people had deficit budgets and were having to make cuts that affected their ability to heat and or eat.”⁸⁴

58. Of particular concern was the lack of dedicated support for families. The Child Poverty Action Group told us that the largest flaw in the payments is that family size is not taken into account and as a result “the payments, at most, provided temporary relief”.⁸⁵ The Southampton Anti-Poverty Forum also raised the issue that larger families have higher costs yet cost of living support payments are at a flat rate and ignore this.⁸⁶

59. Fran Bennett, Associate Fellow at the University of Oxford, emphasised that one striking difference was the number of countries which gave more to families with children which was something the UK chose not to do.⁸⁷ This was reiterated by our international academics who explained that specific family support policies were introduced in Germany and Slovakia as well as in one of the Canadian provinces.⁸⁸

60. In her evidence session to this inquiry Mims Davies MP, Minister for Social Mobility, Youth and Progression, when asked if she felt the Department had met the scale of this challenge, said that the Government would “have an evaluation of the cost of living payments, and we will begin that next year once this phase is concluded”. She went on to say she would be happy to share the evaluation when it was finished but she could not assess the payments until the evaluation was complete.⁸⁹

61. The cost of living payments have had an important impact and boosted the finances of low-income households. However, one-off payments were not a sufficient response to the scale of the issue, and many people in receipt of the payments still could not meet essential costs or only had a temporary reprieve. The Government has stated it will conduct an evaluation of the cost of living payments next year. *The Government should*

81 Annex 1: Public survey accompanying the inquiry: [Q3] How and to what extent did the cost of living payments help offset the costs you were facing?

82 Greater Manchester Poverty Action (GMPA) ([CLP0020](#))

83 In Kind Direct ([CLP0027](#))

84 Burmantofts Community Projects ([CLP0045](#))

85 Child Poverty Action Group, Changing Realities ([CLP0028](#))

86 Southampton Anti-Poverty Forum, SCRATCH, Southampton City Mission ([CLP0024](#))

87 [Q51](#)

88 [Q66](#)

89 [Qq75-76](#)

bring forward its evaluation of the cost of living support payments so that preliminary analysis can be fed into decisions on possible future payments ahead of the next financial year. The evaluation should be published before the start of financial year 2024/25.

62. While the UK support has been relatively generous compared to other countries, other countries have issued specific support for families and children, which the UK Government has not. *Given the flat rate nature of the cost of living payments, the Government should conduct an analysis of the value of the support received by low-income families with children compared to the support received by single people and couples. Further, future cost of living support payments should take account of family size.*

Impact of the payments on vulnerable groups

Support for older people

63. A number of organisations dedicated to supporting older people gave evidence to our inquiry. They all expressed support for cost of living payments during this period of high inflation and increased costs. Care & Repair Cymru, a charity who describe themselves as older peoples’ housing champions, said the payments were an important “lifeline to many households”, while Age UK said the payments “have made an important difference to many older households.”⁹⁰ The fact that these payments were linked to Pension Credit and that Pension Credit can be backdated by three months allowed the recipient to retrospectively put in a claim for a cost of living payment: this was considered a particularly good part of the policy. Sally West, speaking on behalf of Age UK, described it as “very good hook to get publicity around benefits going unclaimed”.⁹¹

64. However, of particular concern were those older people who did not receive Pension Credit. Age UK noted that the cliff edges already discussed in Chapter 2 of this report could hit those who missed out on Pension Credit more harshly than an average person. They pointed out that:

an older person with an income of say £1 above the Pension Credit threshold could be well over £1,000 worse off than someone receiving Pension Credit because they will not be able to receive: the £900 cost of living payment, the warm home discount of £150, £25 cold weather payments in weeks when the weather is particularly cold, a free TV licence (if they are 75+), plus other support.⁹²

65. Age UK also pointed out that the full rate of new State Pension is now £2.80 more than the standard Pension Credit rate for a single person. This means someone with only the full new State Pension is likely to just miss out on Pension Credit and linked support.⁹³ As a result Age UK feared that “there are many older people with low incomes who are in need of extra support but who do not receive Pension Credit.”⁹⁴

90 Care & Repair Cymru ([CLP0011](#)) and Age UK ([CLP0017](#))

91 [Q27](#)

92 Age UK ([CLP0017](#))

93 Age UK ([CLP0017](#))

94 Age UK ([CLP0017](#))

66. To support those eligible for Pension Credit, DWP informed us that it has taken steps to improve the take-up of Pension Credit. In March 2023 it released television adverts highlighting that a successful application will also qualify for cost of living payments and it wrote “to over 11 million pensioners to notify them of the up-rating of their State Pensions, with an accompanying leaflet that includes prominent information promoting Pension Credit”.⁹⁵

67. We commend the Government’s efforts to promote Pension Credit to those entitled to it, though there is still more to do to increase take-up as we remarked on in our July 2022 Cost of Living report. We remain concerned that there are low-income pensioner households who may just miss out on Pension Credit and as a result are significantly worse off compared to those who receive it and its passported benefits, including cost of living payments. The Government should devise and implement a policy to address this unfairness.

Support for those with disabilities

68. The charity Scope estimated that on average a household with at least one disabled adult or child needs an additional £975 a month to have the same standard of living as non-disabled households, and on average the extra cost of disability was equivalent to 63% of household income after housing costs.⁹⁶ In their evidence to us Mencap cited this data and raised concern that:

the Government has failed to adequately recognise the increased costs that disproportionately impact people with a learning disability ... people with a learning disability have been impacted by the cost of living to a far greater degree and the existing cost of living payments are not commensurate with the scale of need.⁹⁷

Mencap went on to say that the “flat-rate nature of the £900 cost of living payments and the low-figure sum of the £150 disability cost of living payment do not adequately account for the disproportionately high extra costs that disabled people face,” especially as the one-off disability payment is less than a quarter of the additional monthly costs disabled households face as outlined by Scope.⁹⁸

69. Maddy Rose representing Mencap, told us: “£150 has been inadequate. It has effectively just replaced the warm home discount payment that many disabled people received and are now ineligible for since 290,000 were removed from that scheme”.⁹⁹ She went on to say that it was “equivalent to £2.88 per week, which is clearly not commensurate with the need” especially given the extra costs those with a disability face as they often require “certain foods” or have “significantly increased energy needs” they cannot reduce due to the fact these are often due to “mobility and hygiene” requirements.¹⁰⁰

70. In his evidence, Ed Hodson, an independent researcher with 12 years’ experience working at Citizens Advice, observed that the disability payment looked “like one-off

95 Department for Work and Pensions (CLP0033)

96 Scope, [Disability Price Tag 2023: the extra cost of disability](#), accessed 2 October 2023

97 Royal Mencap Society (CLP0037)

98 Royal Mencap Society (CLP0037)

99 [Q9](#)

100 [Q12](#)

token charity awards to those the government of the day have identified as “deserving poor” rather than any real attempt to address actual ongoing cost-of-living financial pressures”.¹⁰¹

71. 199 of the 1,140 responses (17.5%) to our survey who received cost of living payments said they only received the £150 disability payment. Almost all of these responses said the help represented by this individual payment was extremely limited. A selection of the responses to the question ‘what extent did the payment help with the costs you were facing’ were:

- “it was gone instantly”;
- “the £150 Disability Payment did not help with the Cost of Living crisis at all”;
- “it didn’t even cover one month’s gas and electricity bill”; and
- “It was far short of the support I needed” and it was “a drop in the ocean”.¹⁰²

72. Within the distributed dialogues that we conducted with those with a learning disability we found that, while most respondents said that the payments helped, some emphasised that they were still unable to fully meet their costs. Some participants discussed having to rely on other sources of financial support, including borrowing from friends, in order to buy essentials.¹⁰³

73. The Minister, Mims Davies MP, when asked how the Department arrived at the one-off figure of £150 cost of living payment for disabled people, said she did not know the reason for choosing £150 as a payment figure as it was before her time in the role, but she stressed that “if you are disabled, you would be entitled to various interventions accordingly, so the extra amount wouldn’t just be the £150.”¹⁰⁴ In the same evidence session Katy Roberts, Deputy Director of Poverty Strategy at the DWP, stated that “85% of people who get that £150 cost of living disability payment will also be receiving either the means-tested or the pensioner payment. That is an example of how the cost of living payments work as a package”.¹⁰⁵ The Minister provided follow-up information to the Committee on the factors taken into consideration when determining cost of living payments generally.¹⁰⁶ In that letter she also noted how the benefit system provided additional support to people with long-term health conditions or disabilities, but did not set out the detailed process for determining the level of the disability cost of living payment.

74. The cost of living payments do not provide a suitable level of support for vulnerable groups who are impacted to a greater extent by the cost of living crisis, such as those with disabilities, and do not cover the additional costs these people face. This is especially true if those who receive the £150 cost of living payment are not entitled to any of the other cost of living payments. We have not seen an adequate explanation for

101 Mr Ed Hodson (Independent Community Researcher at Freelance) ([CLP0025](#))

102 Annex 1, [Q3] How and to what extent did the cost of living payments help offset the costs you were facing?

103 Annex 2: Lived experience questionnaires and semi-structured interviews

104 [Q108](#)

105 [Q109](#)

106 [Correspondence from the Minister for Social Mobility, Youth and Progression relating to Cost of living support payments](#)

how £150 was determined as a suitable bridging payment for those with disabilities. *The Government should set out a detailed reasoning as to why a payment of this size was considered correct.*

75. *Should there be future cost of living payments, or similar ad hoc support, the Government should increase the financial support for those with disabilities in proportion to the additional costs that they incur.*

The irregular nature of the payments

Up-rating benefits as an alternative to cost of living support payments

76. There were concerns that the infrequent nature of the cost of living support payments had made it difficult for people on low incomes to budget. Several submissions suggested that an uplift of the regular benefits received would be more beneficial. These submissions stated that changing to monthly payments would help recipients manage their finances and budget by providing consistency.¹⁰⁷ For example, Brighton and Hove Council reported that their staff found that “applicants who receive lump sum payments find that they are absorbed immediately into debt and crisis abatement. It’s harder then to manage their day-to-day spending.”¹⁰⁸

77. Morgan Wild, from Citizens Advice, told us:

the evidence is pretty clear that, for policy design, it is better to have increments to Universal Credit than a system of one-off payments. That does have certain drawbacks. As you mentioned, there were ongoing problems with the legacy system in trying to extend the £20 uplift to that system, so it may be the case that while we maintain the legacy system, we need a parallel system of one-off payments for them while having an uplift for everybody else. That would make the entire process a lot smoother ... [and] would remove a great degree of arbitrariness in who receives a payment.¹⁰⁹

78. In the same evidence session Helen Barnard added that we “need to think about stability of income as well as amount of income” and “having fluctuating payments makes that far harder”. She emphasised the need for a social security system which helped people stabilise their finances to make planning and budgeting easier.¹¹⁰

79. A few researchers argued that larger one-off payments were at times preferred to a smaller, more regular up-rating. Dr Griffiths said, while some people say that “they would have preferred to have had a regular, monthly amount added to their benefit”, for some people getting a lump-sum paid into their bank account meant that the additional money “felt more tangible” whereas the previous £20 Universal Credit uplift “got lost within the

107 Greater Manchester Poverty Action (GMPA) ([CLP0020](#)), Southampton Anti-Poverty Forum, SCRATCH, Southampton City Mission ([CLP0024](#)) and Brighton & Hove City Council ([CLP0035](#))

108 Brighton & Hove City Council ([CLP0035](#))

109 [Q7](#)

110 [Q7](#)

benefit payment”.¹¹¹ Further, Fran Bennett, Associate Fellow at the University of Oxford, told us that “one-off payments were appreciated by some people because they were flexible and because they came all at once and you could pay off a particular thing”.¹¹²

80. In response to our questions about uprating benefits rather than issuing cost of living payments, Neil Couling, Change and Resilience Director General with responsibility for DWP’s cost of living payments, explained that you can uprate the Universal Credit system quickly but the other systems, including for legacy benefits, can only be uprated once a year and this takes about five months to complete. He also said that if the DWP only uprated Universal Credit and not the other benefits it would face an equal treatment challenge which they would probably lose.¹¹³

81. When presented with the alternative of increasing regular Universal Credit payments and just using the one-off payment system to provide support for legacy benefit claimants, Mr Couling said it would be possible to use the one-off payment system for the remaining legacy benefit claimants as the system works as “long as you can identify the group that you want to pay”.¹¹⁴ He caveated this by saying he did not know what the legal position of such an option would be.¹¹⁵

82. Our previous recommendations to the Government regarding the implementation of one-off payments are outlined in Box 1.

Box 1: Previous recommendations from the Work and Pensions Committee report on the cost of living

- While we understand that in this case one-off payments may have been quicker to put in place, and able to reach more people, we agree with the Secretary of State’s opinion from 2021 that they are not the preferred approach. We recommend that other options, such as more responsive benefit uprating, are prioritised in future.
- The Department must be able to uprate legacy benefits swiftly in times of high inflation. ... We repeat our recommendation that the DWP work to increase the speed with which changes can be made to legacy benefit and state pension rates.

In response to these recommendations the Government said, “Given working-age legacy benefits are closing and those legacy claimants will be moved to UC by 2024, we will not be making any IT changes. There are no plans to change the up-rating period: using a consistent period for up-rating, for example, the 12 months to September to measure inflation means any peaks and troughs even out over time.”

Source: <House of Commons Work and Pensions Committee, [Second Report of Session 2021–22: The cost of living](#), (HC 129), Paras 17 & 23; House of Commons Work and Pensions Committee, [Third Special Report - The cost of living: Government Response to the Committee’s Second Report of Session 2022–23](#), (HC 732) 7 September 2022, p.2>

83. It is clear that an uplift of regular working age benefits received would be more beneficial than ad-hoc cost of living support payments as it would better enable households to budget and reduce the chance of a recipient losing out on a major one-off payment. The Government have explained it is not possible to quickly uprate legacy benefits, however it can quickly uprate Universal Credit. We also note this problem will disappear once the transition to Universal Credit is complete. *The Government*

111 Dr Rita Griffiths (Research Fellow at University of Bath) ([CLP0014](#))

112 [Q43](#)

113 [Qq81–82](#)

114 [Qq85–86](#)

115 [Q85](#)

should clarify the legal position as to whether it can uprate Universal Credit and only maintain the one-off payment system for those on legacy benefits. If this can be done, and should further cost of living payments be required next year or in the future, the Government should uprate Universal Credit and only maintain the one-off payment system for those on legacy benefits.

The uncertain timings of cost of living payments

84. In January 2023, the Government only gave an indication of when instalments of the 2023/24 cost of living payments would be made, stating that “exact payment windows will be announced closer to the time”.¹¹⁶ This situation exacerbates the difficulty already mentioned for people on low incomes to budget as there is uncertainty as to when the payments will come through.

85. In a response to a December 2022 Treasury Committee report on cost of living payments, the Government said qualifying dates would be announced after they have passed. The response went on to state that:

this is to deter fraud and to mitigate risks to work incentives. As individuals will not know the qualifying dates in advance, this limits their ability to change their behaviour during the qualifying period to ensure they are eligible for an underlying benefit.¹¹⁷

In response to this concern Morgan Wild representing Citizens Advice told us that while it may be rational to suppress your income, in practice people are not doing this.¹¹⁸ Helen Barnard from the Trussell Trust added that “people do not have the level of financial buffer that would lead them to make those decisions.”¹¹⁹

86. When we challenged the Minister about publishing the payment dates she insisted: “we do not want to be stopping people from taking a job or taking a start-up date, where invariably they will be better off, because they are going to change their behaviour to get a cost of living payment.”¹²⁰

87. We recognise that the Government is concerned that publishing exact payment windows could encourage fraud and disincentivise people from taking work opportunities. However, the irregular nature of these payments, along with the uncertainty of when they will be received, continues to make household budgeting a challenge. If the Government decides to issue further cost of living payments in the next financial year, it should announce the payment dates (but not the qualifying period) in advance. This would improve the ability of households to budget whilst still mitigating the risk of fraud and risks to work incentives.

116 Department for Work and Pensions, [Millions of low-income households to get new Cost of Living Payments from Spring 2023](#), 3 January 2023

117 Treasury Committee, Fourth Special Report of Session 2022–23, [Autumn Statement 2022 – Cost of living payments: Government response to the Committee’s Eighth Report](#), HC 1166

118 [Q29](#)

119 [Q29](#)

120 [Q104](#)

Conclusion

88. To conclude, we recognise the importance of the cost of living support payments in helping the most vulnerable in this period of increased costs. These payments have clearly had an important impact and we are impressed by the speed and automated manner of their distribution. However, we remain concerned that in many cases, despite the UK being an international leader, the support was not sufficient to meet the scale of the problem and the payments only offered a short-term reprieve for those who received them. We hope that the Government will carefully consider the recommendations in this report, especially when planning for the next financial year if future cost of living payments will be issued.

Annex 1: Public survey accompanying the inquiry

Cost of living support payments survey

- 1) To accompany our call for evidence for this inquiry we ran a survey for members of the public to inform us of their lived experiences of the cost of living support payments and whether or not they received them.
- 2) This survey was a branching survey with two routes. Route A was for those who received the payments. Route B was for those who did not receive the payments.

Table 1: Survey questions to inform lived experience for cost of living support payments inquiry.

Route A	Route B
1. Have you received cost of living support payments?	1. Have you received cost of living support payments?
2. Which cost of living payments did you receive (tick all that apply): A. Low-income payments B. Disability payments C. Pensioner payments	2. Why did you not receive cost of living support payments? [Tick box, select one] Don't get relevant qualifying payments at all. Didn't get relevant payments during the qualifying period. Other: [Free text response up to 50 words].
3. How and to what extent did the cost of living payments help offset the costs you were facing? [Free text response]	3. What effect did not receiving the support payments have on you? [Free text response]
4a. How good a job do you think the Government did of making people aware of these payments? 1 = Very ineffective 2= Slightly ineffective 3 = neither effective nor ineffective 4= Slightly effective 5 = Very effective.	4. What ongoing support do you think the Government should provide to people to help with the cost of living? [Free text response]
4b. How did you find out about the cost of living payments? [Free text response]	
5. What ongoing support should the Government provide to help people in receipt of social security with the cost of living? [Free text response]	

3) The survey was open for responses between 3 and 16 April 2023 and was advertised on the Committee's social media as well as with various stakeholders. It was also promoted by the Select Committee Engagement Team.

Methodology for analysing free text responses in the survey

4) For a number of the questions respondents were invited to fill in an open text response to answer the question. For several questions this left us with tens of thousands of words of responses to review. In order to analyse this free text we assigned each free text question a series of umbrella terms such as bills, housing, food and loans. We then compiled a collection of key, regularly recurring, words related to each umbrella term. For example, the umbrella term bills would have the key words bill, utilities, gas, water and electric assigned to it. We then counted the number of responses that included one of these key words, and extrapolated the percentages of respondents who were referring to this umbrella term.

5) These percentages should be treated with caution as they are not quantitative tallies to single or multiple-choice questions, and so offer only a rough approximation of the total numbers who were discussing these overarching terms. A respondent may have discussed one of the selected umbrella terms without having used the key words selected or a key word may have been used outside of the context of the umbrella term.

Distributed dialogues

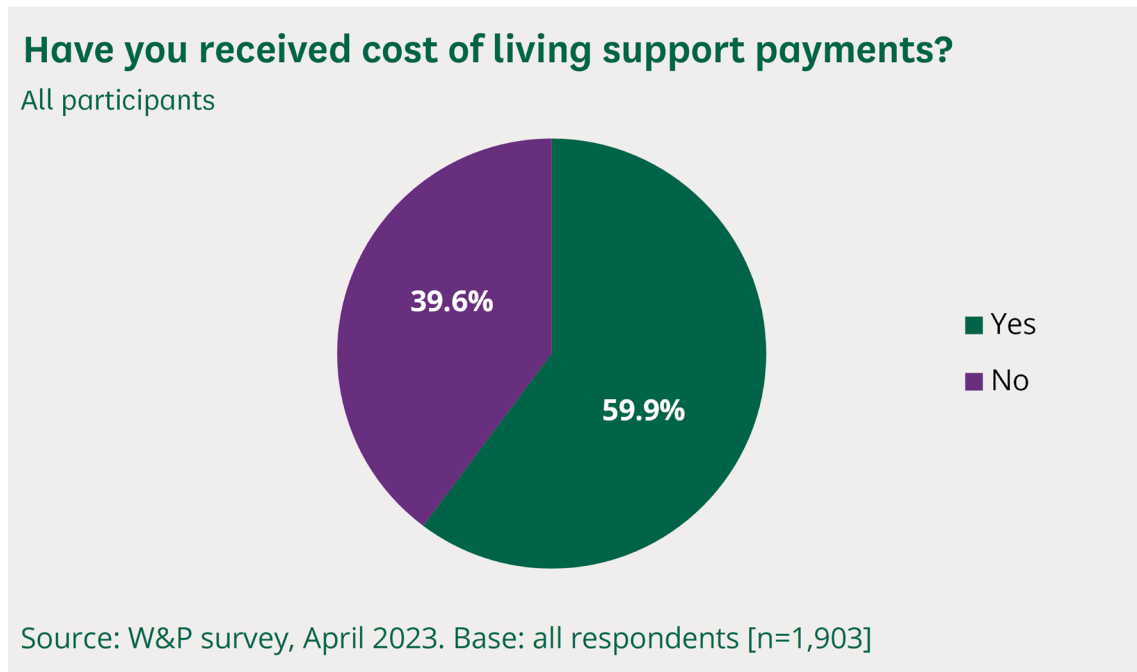
6) Upon the launch of the survey we received requests for an accessible version of the survey to help capture the experiences of those with a learning disability or other reason which would make it difficult to complete the survey online. In response to these requests we conducted outward engagement through the Select Committee Engagement Team to hold dialogues with some of those who were affected by the payments but would not be able to complete the survey. This engagement was supported by three organisations: Enable, Opening Doors and Z2K. This engagement consisted of a number of interviews and distributed dialogues utilising the main cost of living payments survey as a guide. A summary of the results from the distributed dialogues can be found at Annex 2.

Survey Responses

[Q1] Have you received cost of living support payments?

7) We received 1,903 responses in total. Of these 1,140 respondents informed us they had received at least one cost of living support payment, 753 respondents said they have not received any payments and 10 did not say if they received a payment or not. The breakdown between those who received and did not receive payments can be seen in Figure 1.

Figure 1: Chart of percentage breakdown of survey respondents who did or did not receive cost of living payments

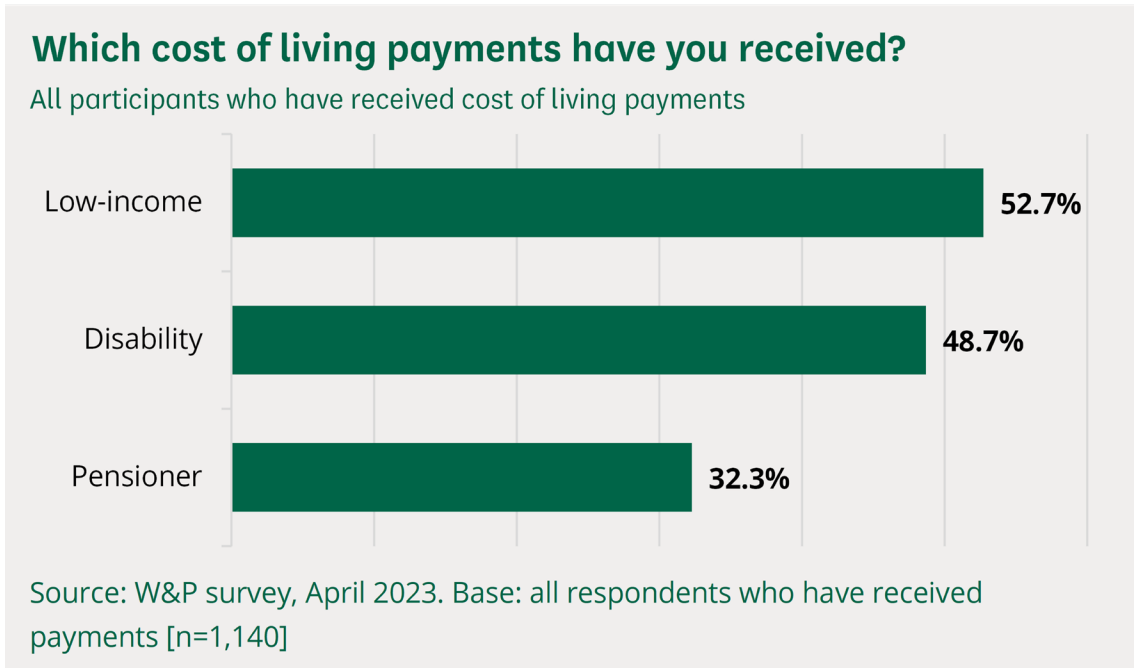


Results of survey branch A (those who received the cost of living support payments)

[Q2] Which cost of living payments did you receive?

8) 1,140 respondents informed us they had received at least one cost of living support payment. Of these 584 received one or more of the low-income payments, 542 received the £150 disability payments and 363 received the £300 pensioner payments. Percentage totals of the numbers of respondents who received each type of payment can be seen in Figure 2. Please note many of these recipients received a combination of these three types of payment.

Figure 2: Percentages of each type of payment survey respondents received



89. Table 2 reveals the number of respondents to the survey who received each combination of payments.

Table 2: Breakdown of combinations of payments received by survey respondents

Types of payments received	Numbers who received this combination of payments
Low-income payments only	295
£150 Disability payments only	199
£300 Pensioner payments only	253
Low-income payments and disability payments	249
Low-income payments and pensioner payments	16
Disability payments and pensioner payments	70
Disability payments, low-income payments and pensioner payments	24

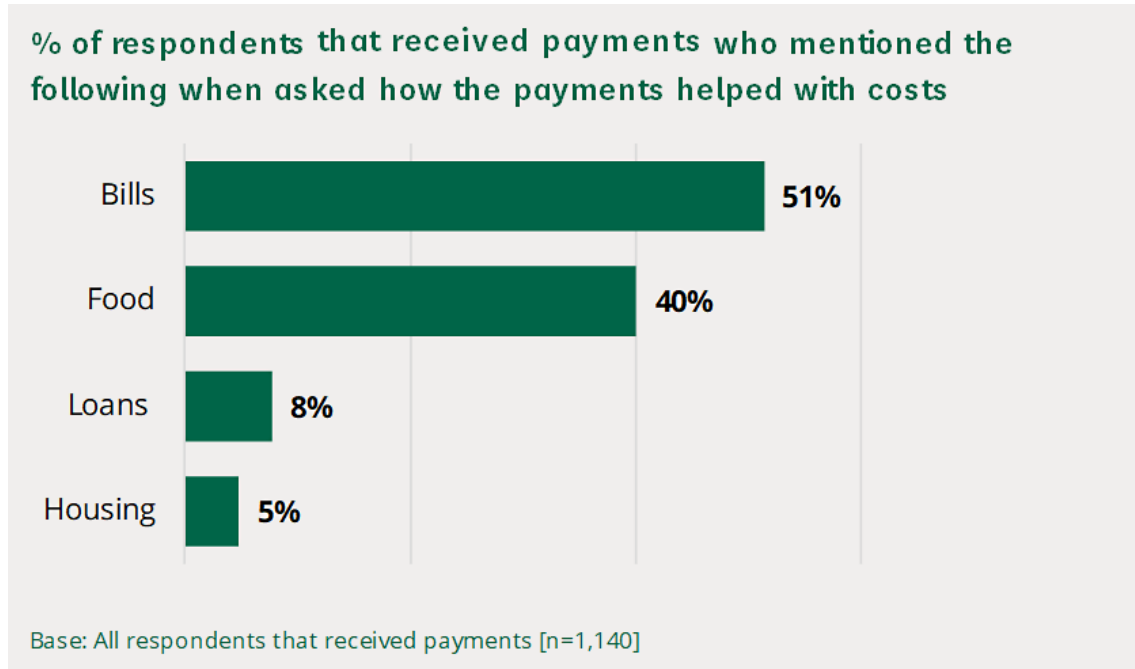
[Q3] How and to what extent did the cost of living payments help offset the costs you were facing?

Text Analysis

9) Respondents were invited to fill in an open text response to answer this question. As discussed in the free text methodology section earlier in this annex we compiled collections of key words under the umbrella groups; bills, food, loans and housing and

extrapolated the total number of times these terms were referred to in the responses. The percentage of respondents who mentioned each of these umbrella terms in their response is compiled in Figure 3.

Figure 3: Percentages of people who mentioned the following topics in their survey responses.



Text responses

10) We have also compiled a selection of responses which give an overview of the range of different answers to this question and demonstrate the extent to which the cost of living payments helped offset the costs respondents faced.

Comments from those who received the low income payments and other payments, or just the low income payments:

The payments ensured that I could remain relatively independent whilst simultaneously being more able to avail of several available measures (and their associated costs) that would protect, sustain and improve my health and well-being, and independence, for example, by being more able to afford; healthier foods and drinks, warmer clothes, exercise equipment and household items such as electric blankets and appropriate bedding.

They helped hugely, stopped me from getting into any further debt

Made things slightly easier, especially energy costs.

They helped a great deal with my gas and electric payments and towards my food bills.

I wouldn't have been able to feed my family without it.

Couldn't have survived without them

I don't know how I would have coped without them.

Just about covered the increases, but a little extra to give a buffer would be much appreciated

Massively. I could not have used heating without the support unless I went into debt.

They were certainly a help but even with them and the energy payments I was living in one, cold room. My savings have taken a hit.

They helped somewhat, and I certainly appreciated them, but it was not enough because energy, food and other prices have risen considerably and I have special needs for food and personal care products.

It's still not enough to cover rising costs

Helped slightly but still massively struggling

Payments were inadequate compared to rise in costs

Helped to pay essential bills

Exceeding helpful but still not enough to cover increases in bills and rent.

Very little with all bills soaring, shopping items continue to rise way above inflation rate on a weekly basis

It helped a lot with everything going up in price. Whilst I appreciate this extra money it unfortunately isn't enough and nothing seems to be improving.

It helped me for a week or 2 then I was back in the same place I was before

Helped slightly but not enough to keep up with soaring costs

They did help but with gas and electric so expensive and food it was really not enough

It's not enough, you have a choice eat or heat your home, you cannot do both.

They did help a lot short term but not in the long run

It was a good help but it being spread out does not help as people including myself rely on food banks and other help to get by

Comments from those who received only the disability payments:

I found the disability payment fell way short of the help I needed. Disabled people were completely forgotten in this scheme and the true cost of their needs was not taken into account. £150 barely touched the sides. In my case, my condition means I need to keep my joints warm and I need the heating on more than the average person, I also need to use hot water more frequently. I also need to charge equipment I use for my disability. This obviously leads to

more energy use and higher costs. A single payment of £150 did not take these extra needs into account, especially when compared to the amount those on certain benefits received

Gratefully received but a drop in the ocean of the tidal wave of extra costs

It barely touched the sides!

It was gone instantly!!

The £150 Disability Payment did not help with the Cost of Living crisis at all

Didn't cover one months energy price increase

A drop in the ocean

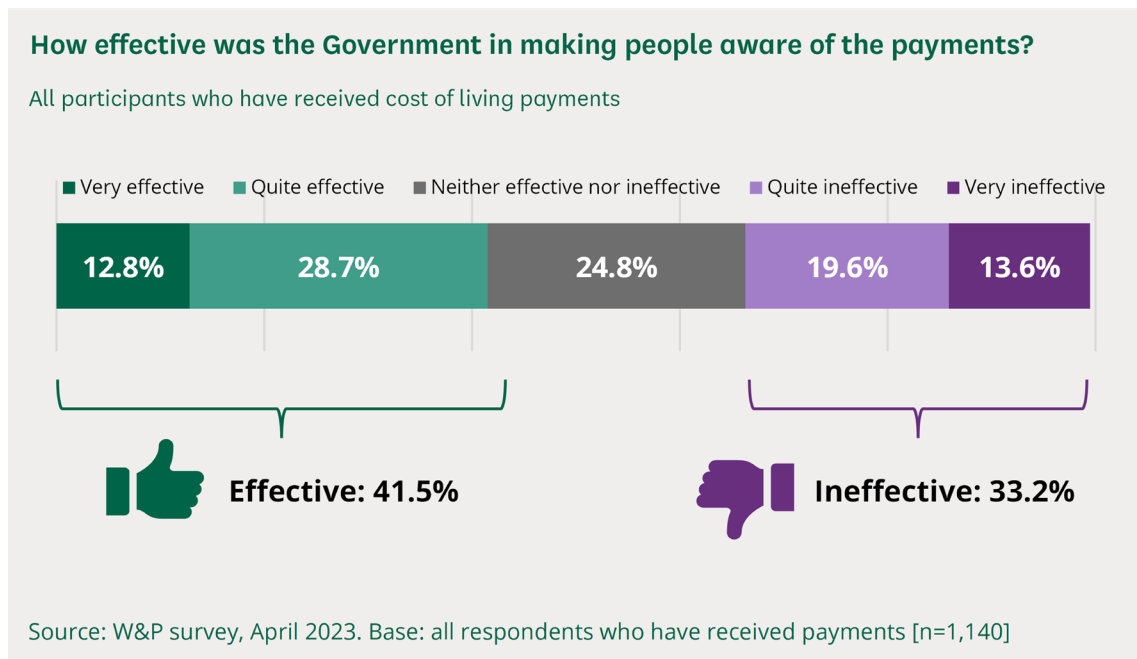
Nothing it disappeared with the cost of living crisis and never made any difference at all it was not even noticeable it was that much of a low pathetic amount

It was far short of the support I needed

[Q4 (a)] How good a job do you think the Government did of making people aware of these payments?

11) Overall 41.5% of respondents thought the Government had been effective in making people aware of these payments, while 33.2% thought the Government had been ineffective. Almost a quarter of respondents (24.8%) were neutral on this question. The breakdown of responses to this question can be seen in Figure 4.

Figure 4: Percentage breakdown of the number of people who rated the effectiveness of government messaging about the cost of living payments.

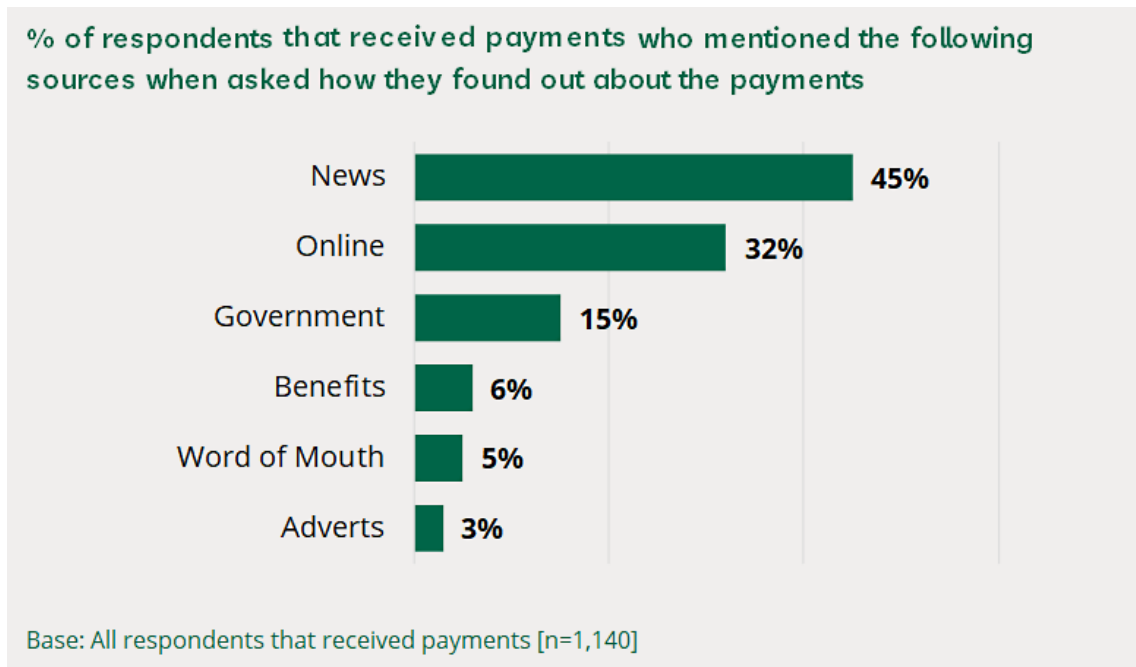


[Q4 (b)] How did you find out about the cost of living payments?

Text analysis

12) Respondents were invited to fill in an open text response to answer this question. As discussed in the free text methodology section earlier in this annex we compiled collections of key words under the umbrella groups: news, online, government, benefits, word of mouth and adverts and extrapolated the total number of times these terms were referred to in the responses. The percentage of respondents who mentioned each of these umbrella terms in their response is compiled in Figure 5. It appears that the most popular sources of information for finding out about the cost of living payments were the news and online.

Figure 5: Percentage breakdown of how people found about the cost of living payments



[Q5] What ongoing support should the Government provide to help people in receipt of social security with the cost of living?

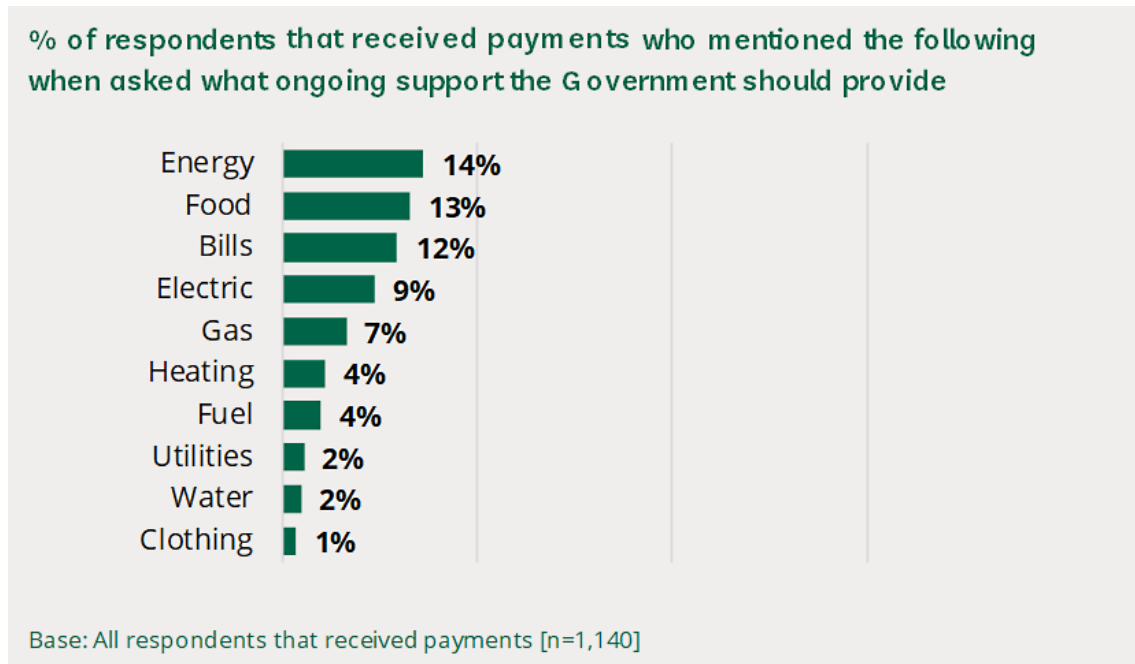
Text analysis

13) Respondents were invited to fill in an open text response to answer this question. As discussed in the free text methodology section earlier in this annex we compiled collections of key words under the umbrella terms: what people wanted support for and, how support should be delivered, and extrapolated the total number of times these terms were referred to in the responses.

What people wanted support for

14) All of the responses (1,140) were searched for the key terms (or variants of) energy, heating, gas, electric, food, fuel, water, clothing, bills and utilities. 449 responses included one or more of these key terms. The percentage breakdown of responses can be seen in Figure 6. The most popular requests for support were variants on support for energy costs.

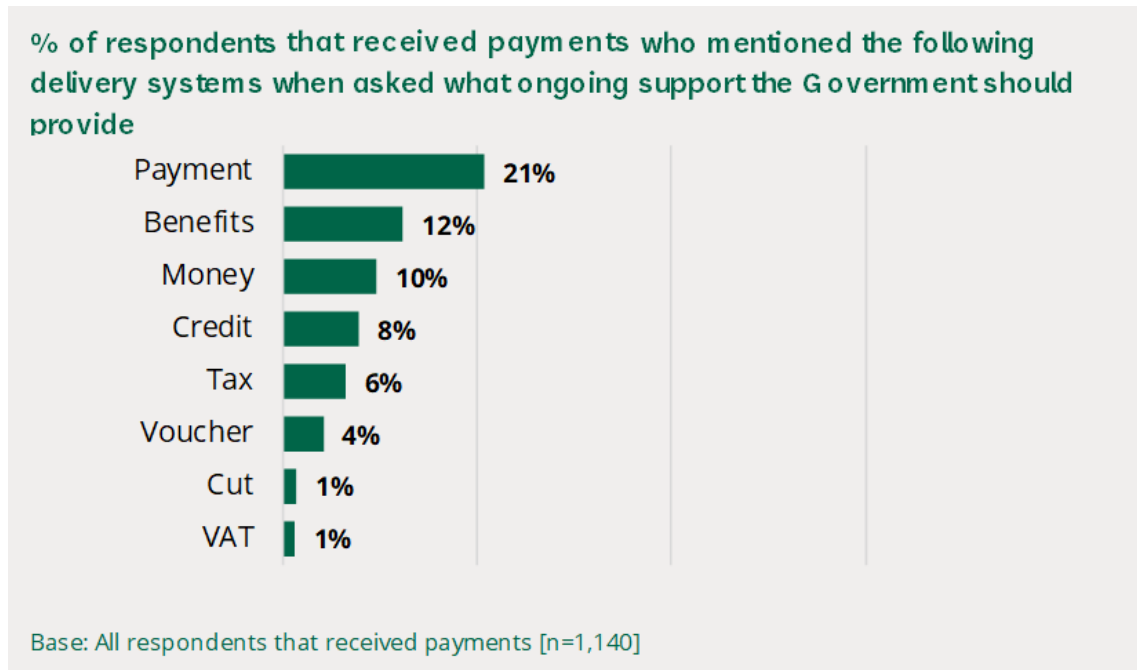
Figure 6: Percentage breakdown of what people felt the Government should provide support for



How support should be provided

15) All of the responses (1,140) were searched for the key terms (or variants of) payments, benefits, money, credit, tax and vouchers. 523 responses included one or more of these key terms. The percentage breakdown of responses can be seen in the chart which follows.

Figure 7: Percentage breakdown of what type of support people felt the Government should provide



Results for survey branch B (those who did not receive the cost of living support payments)

[Q2] Why did you not receive cost of living support payments?

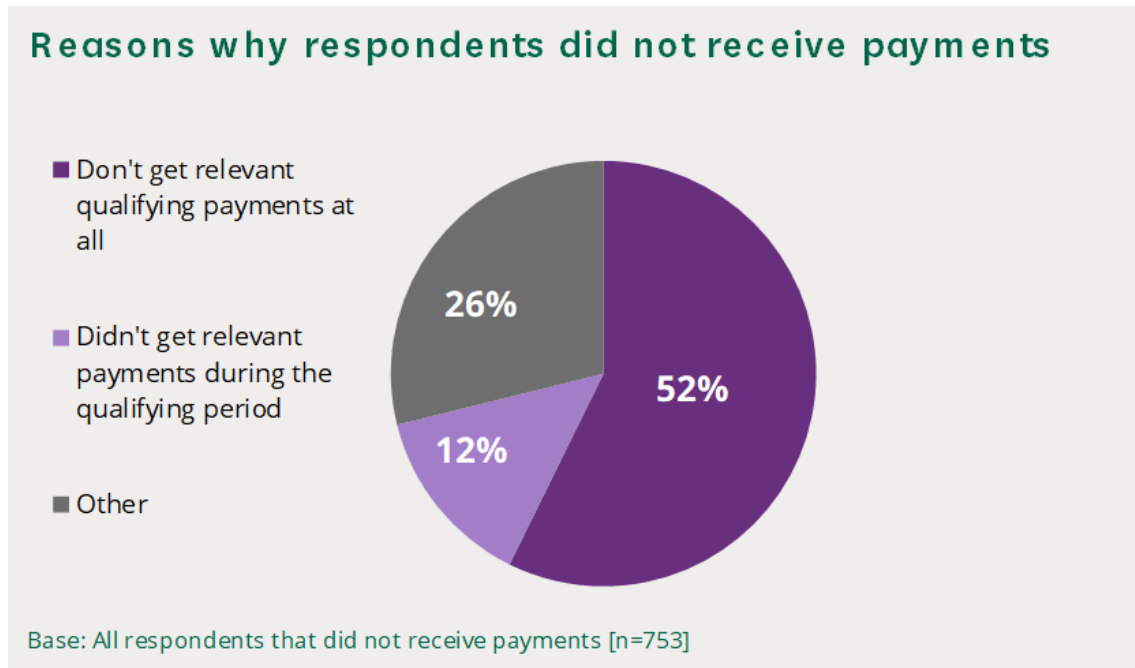
16) This question had multiple choice answers of which a respondent could select one. These were:

- Don't get relevant qualifying payments at all (389 responses);
- Didn't get relevant payments during the qualifying period (94 responses); and
- Other: [respondent could write a free text response up to 50 words] (196 responses).

17) The majority of the 'other' responses were variants of did not qualify/were not eligible for the payments, currently living abroad or did not know.

18) The breakdown of responses can be seen in Figure 8.

Figure 8: Percentage breakdown of why people did not get support payments



[Q3] What effect did not receiving the support payments have on you?

19) This question was a free text response. There were a very wide range of responses referencing (among other things) bills and energy, food, rent, pensions, loss of savings, mental health, family problems, disability and taxes. Given the wide range and variety of responses, with extremely different phrasing, it was not practical to conduct a key terms search and analysis of these responses. Instead we compiled a selection of responses which give an overview of the range of different issues faced by those who did not qualify for the payments:

I am now in a position where I have a consistent overdraft of £1200 that I cannot clear. I had to make special arrangements with my gas supplier because I couldn't sustain the £400 monthly costs

Using up my savings. Having to sell car so she'll have to bus it to work. No holiday this year or ever again.

It's a big struggle trying to make ends meet

It's left me going to foodbanks all the time and having to borrow money from loan people which has put me into debt

It's a struggle trying to juggle bills and shopping. More anxiety and stress.

Everything is more expensive. My spouse works from home because of personal issues, and the cost of electricity to heat our home and run a computer all day every day is astronomical. We also cannot afford to use our car much because of the cost of petrol.

Intensified fear of, and depression about, the future.

Makes life much harder, worry about paying our rent, being able to eat and pay all other bills

I have had to use savings that were meant for my retirement. What happens when I retire?

Struggling to live and pay all the bills despite both working full time

We are struggling - living hand to mouth, frightened to put on the heating.

I have to look out for bargains and limit myself to how much I spend when I go out

I am getting deeper into debt every month. Cannot reduce anymore outgoings

I have been cold trying not to have the heating on. I have changed what I eat to keep food costs down

It's meant I've had to take on additional paid work meaning I now work 7am-9pm 5 days a week. My physical and mental health is suffering.

I had to go to food banks and do without oil

I have had to sell items of jewellery

Made me worse off than those that did get them.

Almost Impossible to Live, Barely SURVIVING !!

Made me ill with stress.

Financially crippling

Made me suicidal

[Q4] What ongoing support do you think the Government should provide to people to help with the cost of living?

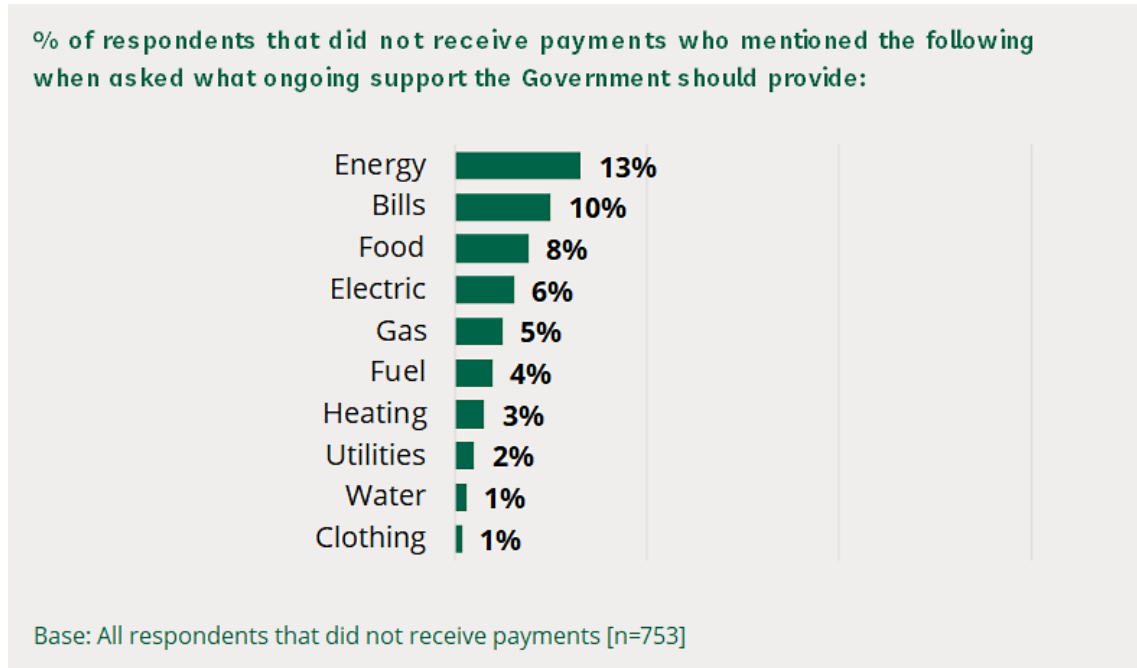
Text analysis

20) This question is the same as question 5 in branch A. Respondents were invited to fill in an open text response to answer this question. As discussed in the free text methodology section earlier in this annex we compiled collections of key words under the umbrella terms: what people wanted support for and, how support should be delivered, and extrapolated the total number of times these terms were referred to in the responses.

What people want support for

21) All of the responses (753) were searched for the key terms (or variants of) energy, heating, gas, electric, food, fuel, water, clothing, bills and utilities. 227 responses included one or more of these key terms. The percentage breakdown of responses can be seen in Figure 9. As with the responses for those who received the payments the most popular requests for support were variants on support for energy costs.

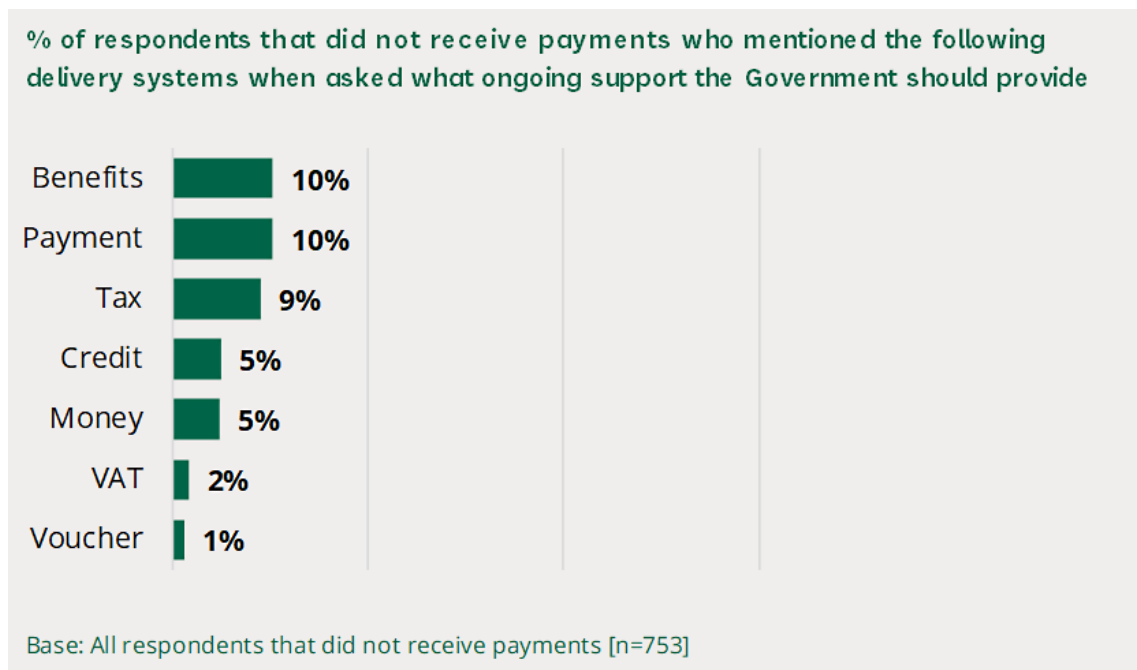
Figure 9: Percentage breakdown of what people felt the Government should provide support for



How support should be provided

22) All of the responses (753) were searched for the key terms (or variants of) payments, benefits, money, credit, tax and vouchers. 348 responses included one or more of these key terms. The percentage breakdown of responses can be seen in figure 10.

Figure 10: Percentage breakdown of what type of support people felt the Government should provide



Annex 2: Lived experience questionnaires and semi-structured interviews

1) In order to gather the input of adults with learning disabilities into the inquiry on cost of living support payments, the Select Committee Engagement Team conducted a distributed dialogue activity, which included a short questionnaire adapted from the online survey conducted in April 2023. 27 people completed questionnaires across three organisations (Enable, Opening Doors, and Z2K). In addition, two semi-structured interviews were carried out in July 2023, one with an adult with a learning disability and their support worker, and the other with a parent of an adult with a learning disability.

Questionnaire results

Receiving the support payments

2) The majority of participants had received cost of living payments, although several had not or were unsure whether or not they had:

- 16 participants (59%) responded that they had received cost of living support payments;
- six participants (22%) said they had not received the payments; and
- five participants (19%) said that they didn't know.

Of those participants who did receive cost of living payments, five were unsure which payments they received, and several reported the benefits they received (i.e. PIP, income support) rather than the cost of living payments themselves.

3) Responses demonstrated a lack of awareness of the automatic nature of the scheme, in that those eligible for certain benefits would automatically receive cost of living support payments. For example, one participant said that “advertising did not reach me”, while another said: “The Government didn't do a good job of informing people how to claim the payments and should have written to every household or person”.

4) Several people said that they did not know why they did not receive support, while others said they “did not even know about it”. Responses also raised the issue of the accessibility of the scheme to those with learning disabilities, with a participant stating that “letters are too complex” and “I [have] trouble reading”.

Impact of receiving support payments

5) Those who received support payments reported that they helped them with the following costs:

- Gas and electricity (n=8);
- Food (n=4);
- Household bills (n=4);

- Phone bill (n=2);
- College supplies (n=1);
- Gym (n=1); and
- Bedroom tax (n=1).

6) While most respondents said that the payments helped, some emphasised that they were still unable to meet their costs fully: “[the payments] supported me with food and energy costs, however the amount received was nowhere near enough with the cost of energy and food prices increasing in shops”.

7) A participant mentioned that the disability cost of living payment did not enable them to meet their costs: “It did not help with all of the different costs (especially hot water and heating) because of my different medical conditions e.g. I suffer more intense pain due to the cold weather, I need to turn my heating and hot water on more frequently, also because of bowel and bladder conditions, I need to wash clothing and to shower more frequently.” They also mentioned that “the cost of food was extremely expensive”.

Impact of not receiving support payments

8) Respondents who did not access the support payments shared details of how this affected them:

- “I have less money for food”;
- “I cannot buy food”;
- “I live on £10 a week”; and
- “The rising cost of food and energy meant a carefully balanced scheme was thrown out of whack. Needs no longer meet. Borrowing from friends became regular and I lost friends. I lay awake at night thinking what to go without to come within budget, but they are essentials so the stress of having to do the impossible was tough. More and more medicines and services are no longer covered by NHS and have to be done privately. So taking care of my complex blood/skin condition became even harder.”

Recommendations for how the Government can help with the cost of living

9) Respondents made a range of recommendations of other ways that the Government could help with the cost of living:

- “Vouchers to buy things I need: clothes, food, toiletries, bedding, radio, Hoover, electricity, gas, council tax, internet”;
- “Emergency fund if something happens”;
- “Cut price of bills”;
- “Reduce item prices in shops and add more payments to assist us”;

- “Help with the food shop as some do skip meals because their payment goes towards rent and bills”;
- “Stop the bedroom tax, it’s causing bad anxiety”; and
- “Treat us as human beings, not categories of faceless numbers. We all have different needs. Those of us who live alone and have little opportunity to find out about schemes lose out. It would be helpful if communication is improved and those of us who ought to get a benefit get it instead of having to jump through hoops.”

Semi-structured interviews: key themes

10) Both interview participants (or those they represented) had received both the disability payment and the low-income payments.

Accessibility

11) Participants expressed the view that the support payments scheme was not communicated in a way that was accessible for adults with learning disabilities. While the automatic nature of the scheme was appreciated, participants felt that the Government should have made use of accessible communication tools such as EasyRead explainers, as well as providing further information that could help adults with learning disabilities to manage the payments.

“I think first of all, they need to make their written letters and information far simpler and not in a frightening thing because they don’t always understand. [My son] sometimes gets things from Mencap which are pictorial and they are very good. He goes to respite and respite sends out information... all the things they write, by the side they’ve got the picture to explain these things - and the Government don’t do that. They send these long letters, you know, 4 pages long, all written. And obviously [my son] can’t understand it at all. He doesn’t even know what it’s all about. And I know a lot of his friends, the same as well.” (Participant B)

“ ... with the cost of living payments, we found it extremely difficult to try and explain how and when people are going to get it because it was very unclear when people were going to get it. So even for us to translate it into EasyRead for people to understand, it was really difficult. Don’t get me wrong, it’s lovely what’s been done, but we also have some members who don’t even access their bank account. And, you know, I even spoke to a member yesterday about it and I said, “Oh, did you receive it?” He said he’s got no idea and that’s difficult.” (Support worker)

“They might - just because they don’t really understand it’s for a certain length of time - they might say, “Oh I can buy this with it”, and they go out and buy something they don’t really need with it instead of using it for the things that they do need.” (Participant B)

“I was just told it’ll be paid out from this particular date to this particular date and that just wasn’t helpful. You need to know when you’re getting that

so you can pay bills and things like that, and it was just frustrating when you were hearing and seeing other people getting it, but you weren't, and you're just there waiting for it." (Participant A)

Payment amounts

12) Participants said that even with the cost of living payments it was proving difficult to make ends meet, and that adults with learning disabilities were having to rely on other sources of financial support, including borrowing from friends, in order to buy the essentials:

"When I think about [my son], what his needs are, he needs a lot more money than what he actually gets. So obviously because we are both retired, we pay for it, I pay for all of [my son's] clothes and things like that out of my money. So, it is hard." (Participant B)

"Now and then, there's a friend of mine - he doesn't live far - that occasionally I've had to ask if I can borrow £20 so I can go and get myself some food and he's always helped me out. And I've paid him back as soon as I've got paid. Before the cost-of-living crisis, it might have been once in a blue moon, but now it's more often." (Participant A)

Particular needs of those living independently

13) Participants in both interviews emphasised that adults with learning disabilities who live independently (rather than in residential care or with family) were especially vulnerable in light of the rising cost of living.

14) Participants explained how a lack of social services support was making people in this group more vulnerable and less able to cope with the rising cost of living, as they found it harder to manage their money, claim support they were entitled to, and access community resources such as food banks independently.

"I would say it's much harder for [people] who live independently in their own flats, and some of those have been really struggling and particularly - there's about three of them - one phoned me up and said he didn't have enough money to pay his bills for the month and didn't know what to do because he couldn't get any food. He went to the food bank. And the thing is, he hasn't got a social worker because he was released from that, but he didn't know how to claim benefits [for] extra things and I had to take him to the council and they helped him to claim for some extra money. But he couldn't even afford to have his Wi-Fi. He had to cancel it because he couldn't afford it, and that was his only means of contacting people. It's very difficult for some of them." (Participant B)

"I see a lot of people who have been under the umbrella of social services in the last five years. They no longer are. They don't have a named social worker. Nobody checks up on these people to see that they're OK or phones them to say, "Are you alright? Is there anything you're struggling with? Are

you managing financially? Are you able to get out and get your things?” Nobody does that anymore, and that’s where I think it’s all gone haywire.” (Participant B)

“[Community fridges] are generally open in the evenings because they rely on donations from shops and then some people aren’t able to access those because they don’t have the support to take them because their care is generally in the day. So I think that would be a concern if the money was to stop, that there would be more financial hardship. I think there’s a lot of pressure anyway on the food banks at the moment but people not being able to access the community fridges that are only open in the evenings, 6 till 8, if they don’t have support to take them.” (Support worker)

15) Participants also highlighted that it was more difficult for adults with learning disabilities to economise safely in the face of rising costs, or deal with the knock-on effects of economising measures such as limiting the use of heating:

“Yes, you have to compromise. And we can compromise, but other people can’t compromise. They don’t know how to. You see what I mean? They don’t know how to look in the shop to find out which is the more economical thing to get or how to use less power. They don’t understand. I mean some of them sometimes don’t even understand when they’re feeling really cold. They just don’t have that wherewithal, and so it becomes very difficult.” (Participant B)

“We’ve heard from a lot of members because they were short and on key meters for the gas and electric, they weren’t putting their heating on all the time in the winter and then their homes had got mould in them. And so they’re now tackling with mould issues... And the councils don’t want to help with that. Someone without a learning disability maybe could sort out an issue of mould by maybe treating it and repainting it. But someone with a learning disability and autism, if they don’t have support, may be unable to do that so freely and we’ve found that was an issue.” (Support worker)

16) One participant suggested that support payments should take into account whether someone is living independently or in residential care or with family:

“Participant A would pay everything on his own. So even though he’s had these pay-outs, he’s still struggling with money most weeks because of the increase of everything. But then there are some people who are in residential and they’ve received that money or they’re living at home with their parents and they receive their money and it’s not so difficult for them to eat every day. That was quite confusing for some people because across the line it’s the same amount of money.” (Support worker)

Social isolation

17) One participant spoke about adults with learning disabilities being at increased risk of social isolation and how this impacts them, from affecting their wellbeing to putting them at greater risk of death:

“Some of [my son’s] friends, they might go to disability football, but they don’t go to Mencap or they don’t go to the disability forum group because they don’t feel - maybe they don’t want to get that involved with people or they can’t because for many different reasons they don’t go to groups. Sometimes they can’t even afford it. I know that a young girl... there was a Mencap party and she couldn’t even afford to get there to the party in the summer this year, a few weeks ago, she said, because there was no buses where she lives and she said, “I can’t come”, and she was really upset about it.” (Participant B)

“One really vital thing is in the last few years there’s been quite a lot of people that have died in Mencap and I’m a bit concerned that... they both lived alone. They have carers in the day, but at night they live alone in the flat and one of them, their carer came in and found him dead in his bed and he had tried to phone a friend, but the friend switches his phone off at night when he goes to sleep, and I don’t think that some people realise about dialling 111 and how difficult it is for people who have learning difficulties to speak to someone, or if they try to phone their surgery, it’s all automated, you don’t speak with anyone, and I think at Mencap they’ve tried to explain to people that if they are really ill at night, they must make sure they speak to a human being.” (Participant B)

Recommendations for how the Government could help with the cost of living

18) Participants made a number of recommendations for the Government on clearer and more accessible communication, including:

- “If they could write something simple like if you’re getting PIPs, they could say in a pictorial way, “We’re going to give PIP people this amount of money and that’s going to help you to buy your food”, and just write a few things like, “This is going to help you to buy your food, help to pay your heating and electricity and gas”. Just very simply, and so they can read that and say, “Oh yes, that might help my electricity and gas, that might help me be able to go to Aldi’s or Lidl or wherever they get their food from and then they will think about that and use it that way.” (Participant B)
- “When we get the one-off payments, it should say somewhere in the document or letter they say, “This is for ... ” and you just itemise a few things: “This will help you get food. Pay your bills, pay your phone bill. Help you get the bus.” (Participant B)
- DWP should communicate more clearly what disabled people are entitled to more generally, as this could help with the cost of living. One participant mentioned that the DWP could be more explicit about entitlement to free dental care and bus passes, for example.
- Price controls on energy: “I was wondering if maybe what would be helpful would be if Rishi told energy providers to stop rising their prices” (Participant A)

- Vouchers: “I’m wondering about vouchers or something, to the supermarkets or to petrol stations, that would help them as well.” (Participant A)
- Splitting payments into smaller chunks to help people with learning disabilities to manage their money: “Because we did find some members, because it was quite a lot of money in one lump, some members said, “Oh, I can get my new TV with that”, and sort of forgetting the fact it was to help them through with things that have risen.” (Support worker)

Conclusions and recommendations

Access to the cost of living support payments

1. We welcome the automated nature of the payment system, which enabled the swift issue of cash support to many of those most in need. However, we recognise that it is limited in its ability to target payments and therefore meet the additional needs of certain groups. (Paragraph 17)
2. We are concerned by the cliff edge nature of the cost of living payments which creates a fundamentally unfair income gap where a person is financially penalised for earning just over the qualifying threshold, being in receipt of a sanction or not receiving an eligible payment during the qualifying period. For example, a person earning just £5 over the qualifying threshold would lose nearly £300 if they are ineligible for a cost of living payment and would be significantly worse off than someone just under the threshold. (Paragraph 25)
3. People who receive Universal Credit and are paid on a non-monthly basis, even if their earnings follow a consistent pattern, can fail to meet the eligibility criteria in a qualifying period. We recognise that the Government has taken steps to mitigate the risk of an individual missing more than one cost of living payment if they are paid fortnightly or weekly. This mitigation is not enough given a recipient of Universal Credit on such a pattern would still miss one of the cost of living payments and a considerable amount of support. *Anyone who misses a cost of living payment due to receiving regular earnings on a non-monthly basis should be issued the missed payment in the mop-up system.* (Paragraph 26)
4. *The Government should change the eligibility for the final cost of living payment in 2023/24 and for any possible future payments so that Universal Credit (UC) claimants who receive a nil UC award in the qualifying period, but received a payment in the previous and subsequent assessment period, qualify for a cost of living payment. This could be incorporated into the mop-up payment system.* (Paragraph 27)
5. We are concerned that support payments do not reach all low-income households in receipt of benefits as some households only receive housing benefit. *The Government should consider adding Housing Benefit as a qualifying benefit for future cost of living support payments and set out the practicalities of doing so.* (Paragraph 31)
6. We are concerned that some people with no recourse to public funds could be denied Household Support Fund (HSF) support from local authorities, despite potentially being eligible for such support, due to a lack of clarity in the guidance. We are also concerned that some people with no recourse to public funds will not be able to access support through the HSF because there are no specific powers or duties which can be used to enable their access to funding. *The Government should clarify in the Household Support Fund guidance the circumstances when a local authority can use the Household Support Fund to assist those with no recourse to public funds. We certainly hope this would explicitly include families with children who otherwise meet HSF's eligibility criteria.* (Paragraph 40)

7. The Household Support Fund has enabled the provision of support to vulnerable households who are not eligible for the cost of living support payments or for whom the payments are not sufficient. However, we are concerned by the uneven nature of support offered by the Household Support Fund which can be a postcode lottery dependent on the local authority in which a person lives. A lack of awareness of the fund seems to have resulted in those eligible, and in need, not applying for support. As a result of this we reiterate our concern, raised in our cost of living report in 2022, that a question remains as to whether or not the fund is supporting the most vulnerable households effectively. (Paragraph 41)
8. *If the Government continues to issue cost of living support payments in the next financial year, it should maintain the Household Support Fund as it is an important safety net for those ineligible for these payments and other means tested benefits. In doing so, ahead of the next financial year, the Government should better communicate and advertise the fund to make sure that people are aware of its existence. The accessibility of the application process should be improved to enable people who may be disabled, do not speak English, do not have access to the internet, or may struggle to access support during working hours, to apply.* (Paragraph 42)

The impact of the cost of living support payments

9. The cost of living payments have had an important impact and boosted the finances of low-income households. However, one-off payments were not a sufficient response to the scale of the issue, and many people in receipt of the payments still could not meet essential costs or only had a temporary reprieve. The Government has stated it will conduct an evaluation of the cost of living payments next year. *The Government should bring forward its evaluation of the cost of living support payments so that preliminary analysis can be fed into decisions on possible future payments ahead of the next financial year. The evaluation should be published before the start of financial year 2024/25.* (Paragraph 61)
10. While the UK support has been relatively generous compared to other countries, other countries have issued specific support for families and children, which the UK Government has not. *Given the flat rate nature of the cost of living payments, the Government should conduct an analysis of the value of the support received by low-income families with children compared to the support received by single people and couples. Further, future cost of living support payments should take account of family size.* (Paragraph 62)
11. We commend the Government's efforts to promote Pension Credit to those entitled to it, though there is still more to do to increase take-up as we remarked on in our July 2022 Cost of Living report. We remain concerned that there are low-income pensioner households who may just miss out on Pension Credit and as a result are significantly worse off compared to those who receive it and its passported benefits, including cost of living payments. *The Government should devise and implement a policy to address this unfairness.* (Paragraph 67)
12. The cost of living payments do not provide a suitable level of support for vulnerable groups who are impacted to a greater extent by the cost of living crisis, such as those with disabilities, and do not cover the additional costs these people face.

This is especially true if those who receive the £150 cost of living payment are not entitled to any of the other cost of living payments. We have not seen an adequate explanation for how £150 was determined as a suitable bridging payment for those with disabilities. *The Government should set out a detailed reasoning as to why a payment of this size was considered correct.* (Paragraph 74)

13. *Should there be future cost of living payments, or similar ad hoc support, the Government should increase the financial support for those with disabilities in proportion to the additional costs that they incur.* (Paragraph 75)
14. It is clear that an uplift of regular working age benefits received would be more beneficial than ad-hoc cost of living support payments as it would better enable households to budget and reduce the chance of a recipient losing out on a major one-off payment. The Government have explained it is not possible to quickly uprate legacy benefits, however it can quickly uprate Universal Credit. We also note this problem will disappear once the transition to Universal Credit is complete. The Government has explained it is not possible to quickly uprate legacy benefits, however it can quickly uprate Universal Credit. We also note this problem will disappear once the transition to Universal Credit is complete. *The Government should clarify the legal position as to whether it can uprate Universal Credit and only maintain the one-off payment system for those on legacy benefits. If this can be done, and should further cost of living payments be required next year or in the future, the Government should uprate Universal Credit and only maintain the one-off payment system for those on legacy benefits.* (Paragraph 83)
15. We recognise that the Government is concerned that publishing exact payment windows could encourage fraud and disincentivise people from taking work opportunities. However, the irregular nature of these payments, along with the uncertainty of when they will be received, continues to make household budgeting a challenge. *If the Government decides to issue further cost of living payments in the next financial year, it should announce the payment dates (but not the qualifying period) in advance. This would improve the ability of households to budget whilst still mitigating the risk of fraud and risks to work incentives.* (Paragraph 87)

Formal minutes

Wednesday 8 November 2023

Members present

Sir Stephen Timms, in the Chair

Shaun Bailey

Siobhan Baillie

David Linden

Nigel Mills

Selaine Saxby

Sir Desmond Swayne

Cost of living support payments

Draft Report (*Cost of living support payments*), proposed by the Chair, brought up and read.

Ordered, That the draft Report be read a second time, paragraph by paragraph.

Paragraphs 1 to 88 read and agreed to.

Annexes and Summary agreed to.

Resolved, That the Report be the First Report of the Committee to the House.

Ordered, That the Chair make the Report to the House.

Ordered, That embargoed copies of the Report be made available (Standing Order No. 134).

Adjournment

Adjourned till Wednesday 15 November 2023 at 9.15 am

Witnesses

The following witnesses gave evidence. Transcripts can be viewed on the [inquiry publications page](#) of the Committee's website.

Wednesday 07 June 2023

Helen Barnard, Director of Policy, Research and Impact, The Trussell Trust; **Maddy Rose**, Policy Specialist, Royal Mencap Society; **Sally West**, Policy Manager, Age UK; **Morgan Wild**, Head of Policy, Citizens Advice

[Q1–32](#)

Fran Bennett, Associate Fellow, University of Oxford; **Richard Hunt**, Head of Hospitality, Catering and Country Parks, Leicestershire County Council; **Maxwell Marlow**, Director of Research, Adam Smith Institute

[Q33–58](#)

Wednesday 05 July 2023

Dr Miroslav Štefánik, Director, Institute of Economic Research Slovak Academy of Sciences; **Dr Jennifer Robson**, Program Director and Associate Professor of Political Management, Kroeger College, Carleton University (Canada); **Professor Thomas Gerlinger**, Faculty of Health Sciences, Bielefeld University (Germany)

[Q59–71](#)

Mims Davies MP, Minister for Social Mobility, Youth and Progression, Department for Work and Pensions; **Katy Roberts**, Deputy Director, Poverty Strategy, Department for Work and Pensions; **Neil Couling**, Director General, Change and Resilience Group, Department for Work and Pensions; **Nagesh Reddy**, Portfolio Director, Change and Resilience Group, Department for Work and Pensions

[Q72–114](#)

Published written evidence

The following written evidence was received and can be viewed on the [inquiry publications page](#) of the Committee's website.

CLP numbers are generated by the evidence processing system and so may not be complete.

- 1 Age UK ([CLP0017](#))
- 2 Andersen, Dr Kate (Research Associate, University of York); Reeves, Professor Aaron (Professor of Sociology and Social Policy, University of Oxford); Patrick, Dr Ruth (Senior Lecturer in Social Policy, University of York); and Stewart, Dr Kitty (Associate Professor of Social Policy, London School of Economics) ([CLP0023](#))
- 3 Anonymised ([CLP0012](#))
- 4 Anonymised ([CLP0058](#))
- 5 Anonymised ([CLP0032](#))
- 6 Anonymised ([CLP0018](#))
- 7 Anonymised ([CLP0005](#))
- 8 Anonymised ([CLP0004](#))
- 9 Anonymised ([CLP0019](#))
- 10 Anonymised ([CLP0016](#))
- 11 Anonymised ([CLP0008](#))
- 12 Barnardo's ([CLP0048](#))
- 13 Blackpool Council ([CLP0053](#))
- 14 Bradford Council ([CLP0060](#))
- 15 Bright Blue ([CLP0030](#))
- 16 Brighton & Hove City Council ([CLP0035](#))
- 17 Burmantofts Community Projects ([CLP0045](#))
- 18 Care & Repair Cymru ([CLP0011](#))
- 19 Child Poverty Action Group; and Changing Realities ([CLP0028](#))
- 20 Christians against Poverty ([CLP0034](#))
- 21 Citizens Advice Newcastle ([CLP0009](#))
- 22 Community Housing Cymru ([CLP0031](#))
- 23 Cornwall Independent Poverty Forum ([CLP0040](#))
- 24 Department for Work and Pensions ([CLP0033](#))
- 25 Entitledto ([CLP0057](#))
- 26 Equity ([CLP0059](#))
- 27 Feeding Britain ([CLP0006](#))
- 28 Greater Manchester Poverty Action (GMPA) ([CLP0020](#))
- 29 Griffiths, Dr Rita (Research Fellow, University of Bath) ([CLP0014](#))
- 30 Hodson, Mr Ed (Independent Community Researcher, Freelance) ([CLP0025](#))
- 31 In Kind Direct ([CLP0027](#))

- 32 Independent Age ([CLP0029](#))
- 33 Law Centre NI ([CLP0054](#))
- 34 Leicestershire County Council ([CLP0021](#))
- 35 Leonard Cheshire ([CLP0044](#))
- 36 London Borough of Southwark (Southwark Council) ([CLP0047](#))
- 37 Melin Homes Ltd ([CLP0010](#))
- 38 Mental Health Foundation ([CLP0046](#))
- 39 Mitton, Dr Lavinia (Senior Lecturer in Social Policy, University of Kent) ([CLP0052](#))
- 40 Organise ([CLP0007](#)), ([CLP0043](#))
- 41 Parkinson's UK ([CLP0022](#))
- 42 Policy in Practice ([CLP0055](#))
- 43 Public Law Project ([CLP0056](#))
- 44 Refuge ([CLP0038](#))
- 45 Royal Mencap Society ([CLP0037](#))
- 46 Save the Children ([CLP0049](#))
- 47 Scope ([CLP0061](#))
- 48 Scottish Parliament's Social Justice and Social Justice Committee ([CLP0042](#))
- 49 Sense ([CLP0050](#))
- 50 Southampton Anti-Poverty Forum; SCRATCH; and Southampton City Mission ([CLP0024](#))
- 51 Southampton City Council ([CLP0041](#))
- 52 Sustain: the alliance for better food and farming ([CLP0039](#))
- 53 The Trussell Trust ([CLP0036](#))
- 54 the3million ([CLP0026](#))

List of Reports from the Committee during the current Parliament

All publications from the Committee are available on the [publications page](#) of the Committee's website.

Session 2022–23

Number	Title	Reference
1st	The appointment of Dominic Harris as the Pensions Ombudsman and the Pension Protection Fund Ombudsman	HC 465
2nd	The cost of living	HC 129
3rd	Protecting pension savers – five years on from the pension freedoms: Saving for later life	HC 126
4th	Universal Credit and childcare costs	HC 127
5th	Health assessments for benefits	HC 128
6th	Children in poverty: Child Maintenance Service	HC 272
7th	Defined benefit pensions with Liability Driven Investments	HC 826
8th	Plan for Jobs and employment support	HC 600
1st Special	Children in poverty: No recourse to public funds: Government Response	HC 328
2nd Special	The Health and Safety Executive's approach to asbestos management: Government Response to the Committee's Sixth Report of Session 2021–22	HC 633
3rd Special	The cost of living: Government Response to the Committee's Second Report of Session 2022–23	HC 671
4th Special	Protecting pension savers—five years on from the pension freedoms: Saving for later life: Government, Financial Conduct Authority and Money and Pensions Service Responses to the Committee's Third Report of Session 2022–23	HC 1057
5th Special	Universal Credit and childcare costs: Government Response to the Committee's Fourth Report of Session 2022–23	HC 1266
6th Special	Health assessments for benefits: Government response to Committee's Fifth Report of Session 2022–23	HC 1558
7th Special	Children in poverty: Child Maintenance Service: Government Response to the Committee's Sixth Report	HC 1675
8th Special	Plan for Jobs and employment support: Government Response to the Committee's Eighth Report	HC 1867

Session 2021–22

Number	Title	Reference
1st	DWP's preparations for changes in the world of work	HC 216

Number	Title	Reference
2nd	Disability employment gap	HC 189
3rd	Children in poverty: Measurement and targets	HC 188
4th	Pension stewardship and COP26	HC 238
5th	Protecting pension savers—five years on from the Pension Freedoms: Accessing pension savings	HC 237
6th	The Health and Safety Executive’s approach to asbestos management	HC 560
7th	Children in poverty: No recourse to public funds	HC 603

Session 2019–21

Number	Title	Reference
1st	DWP’s response to the coronavirus outbreak	HC 178
2nd	The appointment of Dr Stephen Brien as the Chair of the Social Security Advisory Committee	HC 733
3rd	Universal Credit: the wait for a first payment	HC 204
4th	The temporary increase in Universal Credit and Working Tax Credit	HC 1193
5th	Protecting pension savers—five years on from the pension freedoms: Pension scams	HC 648
6th	The appointment of Sarah Smart as Chair of the Pensions Regulator	HC 1358