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Convener
Social Justice and Social Security Committee
The Scottish Parliament
Edinburgh
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By email to: sjss.committee@parliament.scot

28 January 2022

Dear Elena,

I am writing to inform the Social Justice and Social Security Committee that the Social Security (Up-rating) (Miscellaneous Amendment) (Scotland) Regulations 2022, the Social Security Up-rating (Scotland) Order 2022 and the Carer's Allowance Up-rating (Miscellaneous Amendment) (Scotland) Regulations 2022 have been laid in Parliament today together with my response to the Scottish Commission on Social Security's (SCoSS) recommendations on the Social Security (Up-rating) (Miscellaneous Amendment) (Scotland) Regulations 2022.

The Social Security (Up-rating) (Miscellaneous Amendment) (Scotland) Regulations 2022 uprate Adult Disability Payment (ADP), Child Disability Payment (CDP), Child Winter Heating Assistance (CWA), Funeral Support Payment (FSP), Scottish Child Payment (SCP) and Young Carers Grant (YCG). The regulations also include amendments to the Best Start Food earnings limits.

We are increasing Job Start Payment, Funeral Support Payment, Young Carer Grant, carers and disability benefits by 3.1% in line with September's Consumer Price Index. We have chosen to increase Child Winter Heating Allowance by 5% to support the families of the most severely disabled children and young people with the rising energy costs. It is also worth noting that we are doubling the Scottish Child Payment to £20 per child per week from April – a 100% rise – and that in August 2021, we increased Best Start Foods from £4.25 to £4.50 a week – a rise which exceeds the rate of inflation and provides a level of support that is more generous than in other parts of the UK.

The Social Security Up-rating (Scotland) Order 2022 uprates Attendance Allowance (AA), Carer's Allowance (CA), Disability Living Allowance (DLA), Personal Independence Payment (PIP), Severe Disablement Allowance (SDA), Industrial Injuries Disablement Benefits (IIDB) and Industrial Death Benefit (IDB).

The Carer's Allowance Up-rating (Miscellaneous Amendment) (Scotland) Regulations 2022 uprate the earnings limit and the child dependency increase for Carer's Allowance.

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Please find attached my letter dated today to the Chair of the Commission, Dr Sally Witcher OBE, responding to SCoSS' recommendations and thanking them for their continued co-operation and support.

I look forward to appearing before Committee to give evidence on the draft Regulations and Order in due course.

Best regards,



BEN MACPHERSON

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28 January 2022

Dear Sally,

ANNUAL UP-RATING OF SOCIAL SECURITY ASSISTANCE

Thank you for your letter of 17 January and the accompanying report under section 97 of the Social Security (Scotland) Act 2018 on the draft 'The Social Security (Up-rating) (Miscellaneous Amendment) (Scotland) Regulations 2022'.

I have reviewed the recommendations and I have responded to each in turn in **Annex A**. The Regulations have now been laid in Parliament. I am pleased that no substantive changes to them are required and that you welcome the doubling of Scottish Child Payment and the uprating of Child Winter Heating Assistance to mitigate the impact of rising energy costs on disabled children and young people and their families.

My officials will also consider the issues you raise regarding repositioning the regulations and the stakeholder engagement on uprating.

I am very grateful to you and your team for responding so promptly and thoroughly.

Please accept my sincere thanks for your support for helping to ensure that the Regulations could be laid in the Scottish Parliament with sufficient time for them to come into force from 1 April 2022.

Best regards,

BEN MACPHERSON



SCoSS Recommendation	SG Response
<p>Recommendation 1: In view of the rapid and substantial rise in inflation since September 2021, and the possibility that by April 2022 a 3.1% increase could fall well short of CPI, we invite the Scottish Government to set out its thoughts on the need for mitigating action and its strategic approach to adjustments in light of inflation volatility.</p>	<p>Accepted: The Scottish Government’s uprating policy has been underpinned by a comprehensive evidence review, as published in 2019, and remains focussed on ensuring that payments keep pace with price inflation as reflected by the September CPI. CPI index has a reliable track record as a national statistic, and it is consistent with the measure used by the Bank of England for inflation targeting. September is approximately half way through the financial year and is considered a suitable barometer to reflect how inflation has been. On a similar note, using out-turn data is more robust than relying on forecasts.</p> <p>The Scottish Government also uprated by more than inflation in 2021 in response to the pandemic, which means the new increment is an increase on top of that higher baseline.</p> <p>The longer-term, strategic policy approach to uprating is to ensure it remains relevant and suitable, and should reflect changes or improvements to inflation measures, so our approach will be keeping the measure under review.</p>
<p>Recommendation 2: The Scottish Government is requested to clarify if they intend to double or uprate the Scottish Child Payment bridging payment for children over 6 years.</p>	<p>Accepted: The Scottish Child Payment Bridging Payments will remain fixed at £520 in 2022, paid through four equal payments of £130. These payments are made by local authorities on behalf of the Scottish Government using powers to promote the wellbeing of children and families. We remain committed to delivering the Scottish Child Payment in full by the end of 2022, subject to the necessary data being made available from DWP, at which point around 400,000 children and young people will be eligible for the benefit.</p> <p>For background, Bridging Payments are not a social security benefit and therefore no estimates on eligibility / uptake are produced by the Scottish Fiscal Commission and the payments themselves are subject to different treatment by DWP than the Scottish Child Payment will be in future. The treatment of these payments is set out in further detail within sections 20-23 of the guidance published for local authorities.</p>

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SCoSS Recommendation	SG Response
<p>Recommendation 3: SCoSS invites Scottish Government to clarify whether the increase in income threshold for Best Start Foods takes account of the increase in the National Living Wage and confirm that eligibility has not been inadvertently tightened.</p>	<p>Accepted: The income thresholds for Best Start Foods are being increased in line with the National Living Wage. This will ensure that those households seeing a slight rise in their income, as a result of the increase in the National Living Wage, will retain their eligibility to Best Start Foods.</p>
<p>Recommendation 4: In view of the impact of the pandemic on unpaid carers, SCoSS invites Scottish Government to set out its thoughts on the case for continuing to pay the Coronavirus Carers Allowance Supplement beyond 31 March 2022.</p>	<p>Accepted: We recognise that the pandemic has identified a need for greater flexibility in how we support carers when society faces significant changing circumstances. The Scottish Government chose to pay a Coronavirus Carer's Allowance Supplement in 2020 and was elected on a manifesto that promised to pay again in 2021. The additional £40m invested in the two Coronavirus Carer's Allowance Supplements, this year and last, is all from the Scottish Government budget.</p> <p>While no initial allocation has been made for a further extra payment in 2022-23, we will keep this position under review as part of the on-going budget process. This will take into consideration the circumstances of carers and the financial constraints which we face.</p>

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