

# **Scottish Parliament Social Justice and Social Security Committee**

## **Budget scrutiny 2026-27, Future Social Security Spending in Scotland**

### **Written submission by COSLA**

#### **Key Messages**

- COSLA would welcome an open discussion on the impact of increased investment in social security in relation to other areas, in particular those crucial upstream key services which would ultimately provide more effective long-term results and would represent a more effective means of achieving poverty reduction goals.
- Given the fiscal sustainability challenges faced by local and national government, it is crucial that future spending priorities shift from acute, reactive spend to a focus on investment in prevention and early intervention, to reduce the demand for the key drivers of spending – such as social security and health services – while recognising the crucial role that social security benefits continue to play for households across Scotland.
- Local Government's contribution to a whole system approach to population health must be recognised through sustainable investment, a decrease in directed funding and a shift from reactive spend.
- Given the limited resource available and projected future pressures, there needs to be open and honest discussion with the public and partners on where increasingly tight resources should be prioritised to best support people.

#### **Question 1: To what extent do you welcome the growth in devolved social security spend?**

1. The growth of devolved social security spend is understandable as a means of tackling poverty, particularly child poverty, one of the shared priorities of Local and Scottish Government. However, COSLA recognises concerns that this investment has been provided at the expense of crucial upstream investment in key services which would ultimately provide more effective long-term results and would represent a more effective means of achieving poverty reduction goals.
2. In order to achieve our shared priorities, we must take a 'whole-system' approach to funding public services, with a focus on prevention and early intervention. An investment in Local Government upstream services that focus on preventing problems rather than responding to them would represent a commitment by the Scottish Government to address their priorities in a best value, high impact manner. Councils have the knowledge, expertise and ability to scale up preventative services, but must be

enabled through spending decisions to take forward these approaches.

3. The Scottish Fiscal Commission's (SFC) report<sup>1</sup> on fiscal sustainability shone an important spotlight on the challenges for local and national government in achieving sustainable service provision in the face of ageing demographics, widening health inequalities and a smaller relative block grant compared with rUK due to a proportionately larger public sector workforce. The SFC and the Scottish Government's Medium Term Financial Strategy (MTFS) identify that the driver in spending and demand is relating to health, social care and social security. Therefore, it is necessary to shift spend to areas that improve health, reduce health inequalities and prevent the need for spending on acute services and social security.
4. The publication of a MTFS and Fiscal Sustainability Delivery Plan (FSDP) provided an opportunity for the Scottish Government to commit to multi-year funding with a focus on preventative spend, particularly through the whole-system services provided by local authorities. Instead, there is a focus on ambitious savings targets that fail to recognise the acute starting point of Local Government and suggests a focus on prioritising NHS and social security funding. This is not the most effective way of directing spend to achieve our shared priorities and improve outcomes for our communities.
5. Below are some key examples of where investment in Local Government services will help to improve outcomes for our communities and reduce dependence on social security benefits. These are covered in more detail in the sections below.
  - Investment in social care and other upstream services will help to reduce health inequalities and improve physical and mental health outcomes for communities, thereby helping to reduce the need for disability benefits.
  - Investment in economic development and employability support to help people into good quality work will also reduce dependence on social security benefits, as will investment in improved public transport infrastructure to support people to travel to work and delivery of childcare to support parents back to work.
  - Local Government also delivers a range of wider upstream, preventative services that help tackle poverty, including housing, education, transport, money advice and income maximisation, culture and leisure, whole family support, community cohesion projects, youth work.
6. The SFC's conclusions on Scotland specific fiscal sustainability challenges should come as no surprise. It has been 14 years since the publication of Christie's future delivery of public services, where clear recommendations were made to prioritise preventative approaches and extend local partnership arrangements to reduce demand and lessen widening health inequalities. Local Government services are a direct example of services that benefit population whether it be social care, housing or

---

<sup>1</sup> [Fiscal Sustainability Report – April 2025](#)

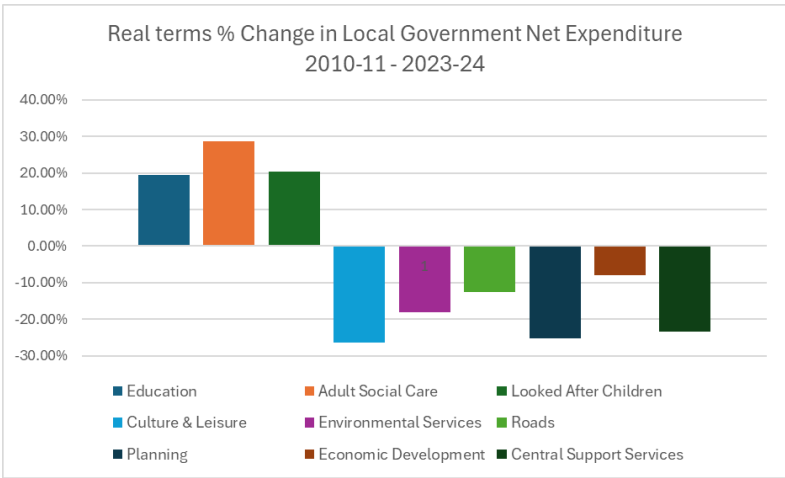
education. There is an intrinsic link between Local Government economic and social services and their contribution to population health. Benefits services, community projects, enterprise hubs and employability programmes all play a leading role in improved population health and represent true preventative spend. In practice, the preventative services delivered by Local Government contribute to a whole system approach to population health that can mitigate and reverse the fiscal sustainability challenges across the entire public sector, which must be recognised by the Scottish Government through increased investment, a decrease in directed funding and a shift from reactive spend; all in line with the Verity House Agreement.

Question 2: To what extent are you concerned about the growth in devolved social security?

7. As set out above, while COSLA recognises the crucial role that social security benefits continue to play for households across Scotland, there are concerns that investment in devolved social security spending has come at the expense of investment in local services, particularly those which can be defined as upstream and preventative services. There are also concerns that additional and growing investment in devolved social security benefits has come at the expense of maximising customer take up in existing benefits (i.e. Discretionary Housing Payments) and ensuring that local authorities have adequate funding for existing services which are currently experiencing significant pressure (i.e. Scottish Welfare Fund). That is not to say that social security benefits do not provide crucial support for our society, however when considering spending decisions, there needs to be real consideration of a whole system approach and the services that are required to improve outcomes for individuals and communities and prevent the need for acute, reactive services.
8. The 2025/26 Scottish Budget includes investment of £6.8bn for social security benefits, an increase of almost £780m from the previous year's budget. Scottish Government's decision to spend £780m over and above the block grant addition to the Scottish budget ultimately means that there is £780m less for other parts of the Scottish Budget. The MTFs sets out that social security spend is to continue to grow, with social security assistance increasing from £6.8bn in 2025/26 to £8.8bn by 2029/30. This is due to factors common across the UK (such as increasing demand for disability payments, increased cost of living and uprated payments) but is also due to the success in take-up of Scottish specific benefits such as the Scottish Child Payment and introduction of Universal Credit Two-Child Limit Mitigation Payment from March 2026.
9. The opportunity cost of these decisions needs to be considered, particularly with regards to ability to invest in the wider determinants of health. Some, or all, of this funding could have instead been invested in economic development and employability services which help to create jobs and support people facing barriers to the labour

market to progress toward, into and sustain work in fairly paid jobs, thus reducing dependence on the welfare system and also improving health outcomes. This funding could have been used to create more affordable housing supporting people out of poverty, reducing homelessness and improving health and education outcomes. These examples are covered in greater detail in the sections below. The challenge is particularly acute as these services are at risk as a result of the long- term real terms cuts to Local Government budgets and increased direction of funding.

10. The 2025/26 Local Government Settlement included an additional, uncommitted £289m revenue funding, which was welcome, but was not sufficient to mitigate the immediate pressures Councils face (inflation, pay awards, increased employers National Insurance contributions, increased demand). The 2025/26 budget remained a challenging settlement for Local Government. Committed funding for areas such as teacher numbers and pay uplifts removes flexibility in local decision making and has resulted in increasingly difficult local decisions being made which prioritise statutory services and cut those which can often best support our communities. Local Government has continued to prioritise areas such as social care and education within the limited envelope provided, at the expense of other areas (as highlighted in the chart below). These are often the areas that are most critical for early intervention and prevention.



(LFRs 2010-2024)

11. As mentioned above, more investment in Local Government means more investment in prevention and early intervention, which improves outcomes for our communities, reduces demand for social security benefits and is a more efficient use of funding. Examples of such services are set out below.

## Housing

12. Adequate affordable housing has the potential to reduce poverty and in turn reduce health inequalities, grow the economy and contribute to a just transition to Net Zero. Poor housing during childhood has huge financial and social costs across many areas including health, education and the economy. Children living in poor housing conditions, or temporary accommodation, are more likely to experience long-term health problems and low educational attainment which increases the likelihood of unemployment and poverty. In a 2018 Shelter report<sup>2</sup>, an intrinsic link is made between good quality social housing and the benefit on young peoples' mental health and emotional wellbeing, educational attainment, cardiorespiratory health, digestive health, allergies and skin conditions.
13. Appropriate housing in the right place that meets a range of needs and adaptations can also improve social mobility, inclusivity and labour mobility. The type, price and quality of housing can have an impact on the attractiveness of new locations to different types of workers, potentially also improving the retention of a skilled workforce for key sectors and regions, therefore boosting productivity and economic output. This is particularly relevant for remote, rural and island communities.
14. Housebuilding also unlocks wider benefits for the economy, communities and local services, including driving investment in supply chains, regeneration and place making objectives, stimulating economic activity through direct and indirect creation of jobs and apprenticeships, supporting local economic growth through increased consumer spend and via developer contributions towards affordable housing and infrastructure to support schools, healthcare, open spaces, transport and sport and leisure facilities. There is also a significant amount of economic benefit and jobs involved with the repair, maintenance and improvement of existing homes.
15. There needs to be sustainable investment in affordable housing to achieve the above benefits and outcomes. However, the Affordable Housing Supply Programme (AHSP) budget was reduced in 2023/34 and then there was another, much more drastic cut (£163m) in 2024/25. This has had a significant impact on the provision of social housing. Although the AHSP was restored to 2023/24 levels in 2025/26 in cash terms, this is still 26% below the 2022/23 level in real terms and the volatility has an impact on the industry availability and confidence. Councils are still facing significant challenges. Thirteen local authorities, and the Scottish Government, have declared housing emergencies. Local authorities across the country are experiencing housing challenges. In order to address these challenges, and fully achieve the positive outcomes that good quality, affordable housing has, there needs to be sustainable capital funding to enable an increased supply of affordable housing.

---

<sup>2</sup> [The housing crisis generation - Homeless children in Britain.pdf](#)

## Employability

16. Local Government must be sustainably funded to continue to deliver the employability services that are vital to support people into work, thus helping to reduce the numbers receiving social security benefits.
17. Long-term sickness and disability are the main reasons for someone being economically inactive in Scotland, with 33.5% of those who were inactive from October 2023 to September 2024 citing long-term sickness and disability as the reason<sup>3</sup>. This is higher than the UK average of 28.5%. Furthermore, Scotland's disability employment gap, as reported in 2023, is 30.3%<sup>4</sup> and the Scottish Government has set a target to halve the gap by 2038.
18. To support this work, additional funding (£5m) for Specialist Employability Support (SES) provision has been allocated as part of No One Left Behind funding for 2025-26. Disabled people and people who have been economically inactive due to ill- health face particularly significant barriers to work and the keyworker support delivered via SES services is highly likely to be needed for an extended period. As such, the annualised approach to funding under No One Left Behind presents a potential risk to the continuity of services, particularly those commissioned services delivered by small Third Sector providers.
19. Employability services are also a key tool in helping increasing numbers of economically inactive young people, as a result of mental health issues, seeking support to return to work and improving wellbeing outcomes. The estimated rate of economic inactivity for 16 to 24 year olds in 2024 was 38.6%, a 0.7% increase on the previous year<sup>5</sup>. There are growing concerns that this rate is closely linked to increased reports of mental health conditions amongst young people. For instance, the 2022 Census demonstrated that 15.4% of 16 to 24 year olds reported a mental health condition – a growth of 12.9% since 2011.<sup>6</sup> The case for multi-year funding, and increased funding overall, for Specialist Employability Support is therefore clear. This further strengthens the case for investment of preventative services and assets which support mental wellbeing such as culture and leisure, green spaces and affordable housing.
20. Through the ongoing development of connections between local services, employers, schools and colleges, Local Employability Partnerships have a key role to play in the whole systems approach needed to support more young people into sustainable, fair work.

---

<sup>3</sup> [People not in work - Scotland's Labour Market Insights: February 2025 - gov.scot](#)

<sup>4</sup> [People in work - Scotland's Labour Market Insights: April 2025 - gov.scot](#)

<sup>5</sup> [Unemployment - Labour Market Statistics for 16 to 24 year olds: Scotland and the United Kingdom - January to December 2024 - gov.scot](#)

<sup>6</sup> [Scotland's Census 2022 - Health, disability and unpaid care | Scotland's Census](#)



## Social Care and upstream services that benefit wider social determinants of health

21. Many of the levers to effect population health change lie at the local level, close to communities, across the essential services that local authorities and partners provide. Integration Joint Boards (IJBs) provide a plethora of services within the community, enabling care to be provided in the right place at the right time, thus reducing hospital admissions, reducing delayed discharge, and providing better health outcomes for citizens and communities. Improving population health outcomes can support a reduction in dependence on health-related social security benefits.
22. However, the scale of the financial challenges IJBs face has reduced the capacity of preventative services and threatens the future of social care. The Accounts Commission (March 2025) reported<sup>7</sup> that IJBs faced a projected funding gap of £457m in 2024/25. To date, additional funding for social care has largely been purposed and has failed to deliver the ability to transform services and prioritise preventative provision.
23. In the 2025/26 Scottish Budget, an additional £135m was provided to IJBs through local authorities, however, this was purposed for the uplift in the Real Living Wage and Free Personal Nursing Care. Although welcome, IJBs require substantial, uncommitted funding to transform services, prioritise upstream investment, and ease the fiscal sustainability challenges through reducing delayed discharge and unnecessary hospital admissions. While Local Government received £289m of uncommitted revenue in 2025/26 some of which has been used to support IJBs locally, however this is not sufficient to address the pressures across all Local Government services.
24. In contrast, much like with social security spend, Health Boards have continued to receive significant uplifts in budgets and additional in-year pass throughs. **If the Scottish Government wants to tackle the fiscal sustainability challenges in the SFC's report, there must be a shift from acute, reactive spend to upstream, preventative spend.** This has the opportunity to offset some of the projected pressures in health and social security demand and spending.
25. Further, as set out above, Local Government provide a range of upstream services that benefit the wider determinants of health that again hold the ability to mitigate the pending fiscal sustainability challenges, in particular, the reduction of health inequalities. Wider local services such as leisure centres, addressing social isolation, active travel infrastructure and education all contribute to an improved population health, as do the local community initiatives led and supported by local authorities, which provide whole family support, support employability and community cohesion.

---

<sup>7</sup> [Integration Joint Boards finances continue to be precarious | Audit Scotland](#)

26. Additionally, there is significant evidence that social capital is a key driver of productivity<sup>8</sup>. Social capital refers to the networks and trust that exist between people. The economic benefits of social capital can be seen at an individual, community and national level. The recent report published by Demos sets out that a 10% increase in social trust is associated with a 1.3%-1.5% increase in relative economic productivity. Higher social capital also appears to improve a range of other outcomes, such as improved educational attainment, lower crime and fear of crime and improved efficacy of government. These may in turn also further boost economic growth. Local Government is key in delivering many of the services which increase social capital; from education to youth services; culture and leisure; as well as community support and development. Many of these services however, are the ones that have faced the most significant cuts due to the pressure on the Local Government settlement. This could lead to a reduction in social capital with the resulting negative economic impact.
27. Given the limited resource available, there needs to be open and honest discussion with the public and partners on where increasingly tight resources should be prioritised to best support people.

**Question 3: What is the evidence that spending on devolved social security is effective in supporting those who need it?**

28. Local Government is largely not a delivery organisation for social security policy. However, through discussions with local authorities, it is clear that the expansion of the devolved social security system, and rising spending, has had an impact on local authority processes, budgets and local support provided.
29. The impact of poverty on children and the general population remains a fundamental challenge. The Scottish Governments poverty and income inequality statistics 2021-24<sup>9</sup> detail that some progress has been made in tackling child poverty, however, 23% of children (240,000 children) remain living in relative poverty after housing costs. This has been broadly stable in the last decade. Three quarters of children in poverty live in working households. 20% of the general Scotland population (1,070,000 people each year) are living in relative poverty after housing costs. A third of people in poverty live in households that lack high food security. Poverty rates remain higher for households in which somebody is disabled compared to those where no one is disabled, at 23% after housing costs (550,000 people) compared to 17% in a household without disabled household members.
30. As set out above, pressure on core council budgets as well as increased ringfencing

---

<sup>8</sup> [https://demos.co.uk/wp-content/uploads/2025/01/Social-Capital-2025\\_The-Hidden-Wealth-of-Nations.pdf](https://demos.co.uk/wp-content/uploads/2025/01/Social-Capital-2025_The-Hidden-Wealth-of-Nations.pdf)

<sup>9</sup> [Poverty and Income Inequality in Scotland 2021-24](#)



and directed funding has an impact on the local services, activities and interventions that can be delivered to tackle poverty, and in particular child poverty. Despite this, local authorities and schools continue to provide a range of key services to combat child poverty including delivering early learning and childcare, free school meals, support with cost of the school day, Pupil Equity Fund, school clothing grant, administer education maintenance allowance, provide youth work, homelessness services, employability support, economic development, money advice and income maximisation.

31. Within discussions on rising social security spending at a devolved level, it is vital that we recognise the key existing impact of a range of benefits and payments delivered by our local authorities at a local level. This includes services such as the Scottish Welfare Fund (SWF), Discretionary Housing Payments (DHP), and Council Tax Reduction Schemes. These payments provide support for those living through a crisis situation, experiencing high levels of rent, or to help with the purchase of vital items needed to ensure a minimum standard of living.
32. However, as devolved social security spending has risen, core funding for locally delivered payments such as the SWF (£35.5 million per year since 2020/21, though a one-off additional £17.5 million was provided by the Scottish Government in 2024/25) has remained largely stagnant since the introduction of the Fund in 2013/14 when £33 million was allocated by the Scottish Government.<sup>10</sup> As such, local authorities regularly top-up funding received from the Scottish Government with local funding, which is not sustainable. In the context of acute financial pressures across Local Government, these services are therefore under intense pressure. For example, Scottish Government statistics show that, by December 2024, ten local authorities had spent 100% of their SWF budget for the financial year, with three local authorities spending over 150%.<sup>11</sup> The result is that local authorities move to Highest Most Compelling (HMC) status earlier in the financial year, reducing access to the SWF to those most in need, with knock on negative impacts on those seeking access to vital support who may otherwise had received it.<sup>12</sup>
33. Local authorities are also experiencing significant pressure as a result of the increased cost of delivering these payments and services. As demand increases, so do costs associated with administration. The administration funding provided by Scottish Government to local authorities to deliver these payments is often insufficient (particularly in the case of SWF and DHP), adding even more pressure to an already-stretched council workforce and constrained budgets.

---

<sup>10</sup> [Background - Scottish Welfare Fund Statistics: update to 30 September 2024 - gov.scot](#)

<sup>11</sup> [Scottish Welfare Fund Statistics: update to 31 December 2024 - gov.scot](#)

<sup>12</sup> [Spotlight on the impact of the Scottish Welfare Fund High Most Compelling priority rating](#)

34. When considering effectiveness of social security benefits, it is also important to consider the impact that the introduction of devolved benefits has had on local authority teams. Data sharing arrangements between public sector bodies involved in delivering social security benefits have been inefficient. For instance, the prevalence for the Scottish Government and Social Security Scotland (SSS) to share data which requires manual intervention by local workforces, as opposed to a fully automated solution, increases administrative costs for local authorities and is very rarely met by additional funding. These increased administrative costs, including cost of software changes, are not always met by Scottish Government. This means more local authority resource is going into supporting these benefits, taking resource away from other Local Government services and limiting the ability to support those most in need. This also places further pressure on an already stretched workforce. The manual interventions required are also highlight inefficient. It should be noted that in the case of reserved benefits delivered through the DWP, advisors have stated strong existing relationships mean that data sharing and manual intervention processes are often matched by additional UK Government funding.
35. One example of an inefficient manual process can be seen in the additional workload created as a result of SSS processes is in relation to sharing of data to allow local authorities to identify those children and young people newly eligible for free school meals from February 2025 due to being in receipt of Scottish Child Payment. As a result of SSS not being able to share relevant data with partners or even other parts of Scottish Government, a new legal gateway was required to be developed. This took a while to be put in place (this was not agreed until May 2025) and delays in developing and agreeing relevant data sharing agreements between SSS and local authorities has meant that many local authorities have had to introduce an applications process in order to identify those individuals now eligible for free school meals. This places a burden on families to apply which, along with issues of stigma, may impact on uptake levels. This has also resulted in an additional administration burden for local authorities, for which no additional funding has been provided.
36. It is also appropriate to question the long-term effectiveness of increased devolved social security spending in tackling the root causes of poverty. For example, during 2024/25, 70% of SWF Crisis Grant awards were awarded to those had previously received assistance. Of those receiving any kind of award from the SWF, Scottish Government statistics show that 36% of awards in 2024/25 went to households containing children.<sup>13</sup> As such, this would suggest that the same groups of people, particularly households with children, are still experiencing barriers to alleviating poverty, even with the receipt of vital social security support, and even as devolved social security spending (such as that within the Scottish Child Payment programme) continues to rise. The poverty statistics above also highlight that levels of poverty have not decreased as levels of social security spend has increased.

---

<sup>13</sup> [Scottish Welfare Fund Statistics: update to 31 March 2025 - gov.scot](https://gov.scot/statistics/scottish-welfare-fund-statistics)

37. A further point around effectiveness of social security spend relates to the costs attached to supporting these benefits. SSS employs 4,000 FTE. A significant proportion of social security costs will therefore be related to staff costs. In 2025/26 there was £320m in the Budget for SSS on top of the £6.8bn for social security assistance – this represents about 4.7% (as a comparison, local authorities deliver £97m Discretionary Housing Payment with just 2.2% administration funding). If any of the projected increase in social security spend is related to a projected increase in staffing levels, there would be questions around whether this was the most efficient and effective use of resource to best support those who need it (particularly in the context of the MTFS/FSDP and savings/workforce targets).
38. A final broader point we would wish to make in relation to effectiveness of Scottish Government spending in relation to child poverty and supporting those who need it is around the increasing trend of numerous small pots of funding in the form of bid funds, pilots, pathfinders, early adopters or tests of change initiatives which often have a short timeframe attached to achieve the intended outcomes. It is often apparent swiftly that scaling up the approaches will never occur due to the extremely prohibitive cost this would represent. This is frequently seen within the children and young people space and inhibits progress that can be made to support child poverty. This approach is also not in line with the First Minister's commitment to increase funding flexibility to better enable partners to deliver whole family support. It would be much more effective to ensure sustainable and flexible funding which can support investment in long term preventative solutions. We also do not believe this method provides an effective use of funding to tackle long term issues as well as not being in line with the principle of equitable funding for local authorities. These pots of funding are often not joined up, leading to a fragmented landscape of different pots of funding each with their own conditions and reporting requirements, with services often aimed at the same people. This model also favours those who have the capacity to submit bids rather than being based on need. It often places administrative and resource burden on councils with no guarantee that the funding will be granted; and if the funding is granted, then there are reporting and evaluating burdens attached, though limited evaluation is shared.

Question 4: Do you think further increasing any particular social security payments would be a cost-effective way of reducing child poverty? If you think that it would, what increases to which payments should be considered?

39. Given the limited funding available, the focus of the Scottish Government's future social security programme should move away from even greater spending on the introduction and expansion of new and existing devolved social security benefits.
40. Instead, the Scottish Government should provide greater investment in Local Government for use on early and preventive local services, based on local needs and circumstances. This would also include providing adequate funding for existing local

social security and welfare services which, as noted above, have experiencing stagnant funding settlements alongside rising administrative costs and demand.

41. Although some progress has been made in recent years, Scottish Government must consider Local Government as a key partner in the preventative space and a crucial part of delivering preventative services which can enable the realisation of shared priorities and mitigate financial sustainability threats.
42. There is evidence that investing in Local Government services and early intervention and prevention not only improves outcomes for our communities and helps tackle poverty, but that investing upstream in preventing problems rather than dealing with them later down the line, and directing spend at more costly downstream services, is more cost effective and presents greater value for money. Research<sup>14</sup>, based on English Councils, indicates that cuts in funding for Local Government might in part explain adverse trends which have emerged in healthy life expectancy.
43. As set out above, Local Government's contribution to a whole system approach to population health must be recognised through sustainable investment, a decrease in directed funding and a shift from reactive spend. It is crucial that future spending priorities should focus on investment in prevention and early-intervention, to reduce the demand for social security and health services.
44. Future spending should focus on investment in existing services targeting poverty (such as Scottish Welfare Fund, Discretionary Housing Payment), investment in the wider public sector infrastructure surrounding existing social security benefits, including investment to allow more effective cross-organisational working and more effective data sharing arrangements to allow local authorities to identify vulnerable households more effectively (and also reduce the need for the manual interventions referenced above).

Question 5: What are your views on the advantages and disadvantages of universal benefits compared to those targeted at low-income households?

45. Rising social security spending over the coming years is a key driver in the Scottish Government's projected budget gap as set out in the MTFS. Within this context, i.e. with clear limitations on the resource available to the Scottish Government, and with expected increases in demand over coming years, there arises a question as to whether the universality of some existing payments and benefits remains either evidence-based or financially sustainable.
46. There are a number of policies which have been introduced over the years providing universal benefits or removing charging. This is not to say that these are not valuable

---

<sup>14</sup> [What did local government ever do for us? | Place-based Longitudinal Data Resource](#)

policies, however these represent a vast commitment of resources, irrelevant of income of households and consideration must be given to whether these and any other policies deliver best value and have high impact.

47. In order to meet targets associated with tackling poverty, particularly those related to child poverty, and in light of the acute financial pressures being experienced by Scottish and Local Government, COSLA would welcome further engagement with partners across the public sector to better understand how changes to social security policy, such as a renewed focus on targeting benefits at low income households, may help meet future targets and ensure assistance reaches those most in need in the most effective and high impact way. This must include an open discussion around the need for disinvestment in policies and interventions which are not effective or good value.

Question 6: To what extent is the Scottish Government's ability to manage the devolved social security budget affected by UK Government policy choices?

48. The Scottish Government is clearly impacted by UK Government policy choices on social security. This has been seen most clearly in recent discussions around the potential impact of the UK Government's 'Universal Credit and Personal Independence Payment' Bill, with the lack of engagement between the UK and Scottish Governments a key feature of criticism of the UK Government's approach. Due to the close relationship between the UK-wide and devolved social security systems, it is paramount that the UK Government closely engages with the Scottish Government and Local Government on proposed changes to the UK social security system. However, this does not mean that the Scottish Government does not have significant decision-making power when it comes to the devolved social security system.