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Dear Convener,

Follow-up to session on Public Sector Pay and the Emergency Budget Review

Thank you for the invitation to give evidence to the Committee on 29 September on Public Sector Pay and the Emergency Budget Review. I am writing to provide further information on issues raised at the meeting.

Cost of Living Support

Further to the discussion at the Committee on the support which the Scottish Government provides to households to mitigate the impact of the cost of living, Annex A sets out details of what is being provided as part of our package.

Support for take up of concessionary travel

We are determined for all young people to benefit from free bus travel, whether they use it every day to get to school, helping cut costs for their families; or use it once a year to go and visit family or go on holiday, again making something previously unaffordable now within reach.

Over half of children and young people eligible for free bus travel are already benefitting and our focus is now on ensuring the other half can too. We launched a national marketing campaign on 20 September which will significantly increase awareness and understanding of the Young Person's Scheme, and encourage even more young people to apply.

As part of our routine management of the funding for bus services, the Scottish Government continually monitors forecasted spend against budget. As a result of the demand led nature of the concessionary travel schemes, we have reduced our forecast for the rest of this financial year due to lower than expected patronage. This will help mitigate financial pressures being felt across Scottish Government.

This change in the forecast will have no impact on access to the Older and Disabled Persons Scheme and the Young Persons Scheme. If patronage were now to rise above the forecasted levels, so would our expenditure on the schemes.

Education Maintenance Allowance

The delivery of EMA in the 2022/23 financial year remains unchanged, there will be no impact on how local councils and the Scottish Funding Council (SFC) administer the allowance to young people from low income households. We continue to work with delivery partners who are expected to carry out promotional activities on the Education Maintenance Allowance programme throughout the academic year, targeted at all eligible young people.

The EMA is a legal entitlement which means that if a young person meets the eligibility criteria they will receive EMA support regardless of the published budget. Scottish Government officials are working closely with local government partners and with the SFC to improve forecasting and will ensure that budget is made available in line with demand.

Work to promote Benefit Take-Up

Our approach to maximising Benefit Take-Up remains focused on removing social barriers to people accessing Scottish benefits, addressing complex or costly access, and improving access to information.

With a renewed focus on hard to reach and seldom heard groups, as well as people with protected characteristics, we are working to ensure people from all walks of life can access the support they are entitled to through their new Scottish social security system. We are also absolutely committed to tackling the stigma that remains around accessing social security.

Our specific work to promote benefit take-up includes investing in advice in accessible settings to maximise incomes and tackle poverty. This includes expanding Welfare Advice and Health Partnerships through the funding of £3.5 million over three years to place welfare rights advisors in up to 180 GP surgeries in Scotland's most deprived areas, as well as in remote, rural, and island communities.

The rollout of Social Security Scotland's local delivery network – with over 400 staff are operational in 32 local authorities – alongside investment in marketing and promotion of the Scottish benefits further contributes to benefit take-up.

We have also committed £20.4m over the next four years in the Social Security Independent Advocacy Service, which launched in January 2022. The service is free and supports disabled people to access and apply for Social Security Scotland assistance.

At the heart of the second Benefit Take-up Strategy is the recognition that benefit take-up is part of a bigger picture, supporting a holistic Scottish Government approach to maximising incomes. This underpins the key commitments of tackling poverty and supporting recovery from the economic impacts of the COVID-19 pandemic, and the current cost of living crisis.

As part of this wider commitment to maximising incomes, we are dedicated to exploring all opportunities to automate social security payments, and build robust and effective referral pathways. Across all of the devolved benefits, the Scottish Government is committed to ensuring we minimise as far as possible any burden on clients, and ensure we put in place the appropriate mechanisms to maximise take-up.

Emergency Budget Review

As I have set out to the Committee I will set out the final Emergency Budget Review on the week commencing 24 October but I must be clear that further intervention will represent a significant challenge given the largely fixed Scottish Government budget and limited fiscal powers.

We value the insight of stakeholders and members of the public in helping shape our priorities and inform our spending decisions, and I look forward to learning more from the engagement soon to take place as part of the public conversation around Scotland's tax and spending priorities.

John Swinney

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Annex A

Breakdown of almost £3bn cost crisis support

By the end of March 2023, we will have allocated almost £3 billion in measures that will help to mitigate the impact of the cost crisis on households. This package spans a range of support for energy bills, childcare, health and travel, as well as social security payments that are either not available anywhere else in the UK or are more generous. It includes:

Policy	Current 22/23 resource (£m)
Access to Free Period Products	6.6
Baby Box	9.0
Best Start Foods	12.0
Best Start Grants	20.5
Bridging Payments	57.6
Carer's Allowance Supplement	43.9
Child Winter Heating Assistance	4.2
Concessionary travel	278.1
Cost-of-living payment or council tax credit (£150)	280.0
Council Tax Reduction	351.0
Discretionary Housing Payments	83.0
Free NHS-funded eye examinations	89.1
Free Prescriptions	57.0
Free dental check-ups	35.0
Free school meals (universal provision to P4 and P5)	42.2
Free school meals – holiday support for eligible families	21.8
Fuel Insecurity Fund	10.0
Funded Early Learning and Childcare	1,006.0
Funeral Support Payment	12.2
Heat, Energy Efficiency and Fuel Poverty measures	161.0
Job Start Payment	1.1
School Clothing Grant	11.8
Scottish Child Payment	219.0
Scottish Welfare Fund (including administration)	41.0
Summer 2022 Holiday Programme	10.0
Water Charge Reduction Scheme	86.0
Winter Heating Payment	20.4
Young Carer Grant	1.0
Total	**2970.5**

Note:
Policies marked in green are only available in Scotland and those in yellow are more generous in Scotland than in the rest of the United Kingdom.

Social Security benefits expenditure forecasts reflect the Scottish Fiscal Commission's May 2022 publication, with the exception of Job Start Payment and Young Carer Grant which are forecast by the Scottish Government. Scottish Child Payment figure taken from the Scottish Fiscal Commission's supplementary costing which was published on 20 September 2022.