

Pre-Budget Scrutiny – Call for Views Summary

As part of its pre-budget scrutiny the Committee issued a Call for Views receiving 44 responses. This paper summarises the main themes raised in response to the six questions asked. Individual submissions will be published on the [inquiry webpage](#).

Summary

Overall, while acknowledging fiscal challenges, respondents were firmly in favour of current, and often increased, investment in social security describing it in terms of preventative spend, human rights and responding to clear need.

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

Value for money and a human right

Responses were almost entirely positive about the growth in social security spending, generally because it is addressing individual need and reducing poverty. For example, SAMH said:

“the design of the social security system should be driven by the needs of people in our society, not arbitrary spending limits”

Similarly the Poverty and Inequality Commission also recommend focusing on what the spending achieves:

“What is most important are the causes of growth and outcomes that additional spending is intended to achieve – and what it actually achieves – compared to holding funding level or reducing it; how efficient the spend is in terms of realising said outcomes; how that spend compares against alternative approaches to meeting the same outcomes; and, particularly of interest to the Commission, who the beneficiaries of the spend are.”

In their view, the growth in spend reflects justifiable decisions to address poverty as a priority (particularly child poverty), improve disability benefit processes and mitigate effects of UK Government welfare reforms.

CPAG were among those who considered that growing spend was “in line with the social security principles set out in the Social Security (Scotland) Act 2018 and backed by all Holyrood political parties” and “is essential to achieving the Scottish Government’s number one priority of eradicating child poverty.”

A cash transfer that puts money back into the economy

Several respondents explained how social security spending, as a cash transfer, results in more money being spent in the economy. For example Social Enterprise Scotland said:

“Social security spending results in improved financial security for individuals, families and communities, more consumer spending, greater resilience and better health outcomes, therefore directly benefitting Scotland’s economy.”

Preventative spend

While many acknowledged financial challenges, they were generally in favour of prioritising social security spend as ‘preventative spend’. For example Parkinson’s UK Scotland said:

“if spending is reduced, this will put strain on health, local govt etc”

The opposite view was also put forward, with a few concerned that spending on social security places strain on other public services that assist those in need. For example one individual respondent considered that:

“While targeted support for the most vulnerable is a necessary and humane function of government, the expansion of benefits beyond the funding received through the block grant risks undermining other essential public services such as health, education, and care for older people.”

COSLA’s response described social security as reactive rather than preventative spend, and;

“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.”

A few respondents suggested resources might be better targeted at other preventative measures. For example IRRV said:

“money would be better allocated to preventative measures such as wider investments to improve economic development and creating more affordable housing.”

However, it was far more common for respondents to recommend spending in these areas in addition to social security. Respondents including CPAG, Poverty Alliance and CAS discussed the need for a broad package of investment across a range of policy areas in order to reduce poverty. Social security was described as necessary but not sufficient to address this on its own. In arguing for additional spend on tackling poverty both CPAG and the Poverty Alliance referred to IPPR Scotland’s estimate that:

“£2.3 billion of Scottish health boards budget is directed to responding to the impacts of poverty.”

Similarly, the Poverty and Inequality Commission refer to Scottish Government estimates:

“The Scottish Government’s recent Public Service Reform Strategy provides further illustrative figures on avoided public spending that may be realised if poverty were to be reduced. It estimates that reducing overall poverty by a quarter could avoid £2.9 billion of public spend and halve the projected fiscal gap by 2035/36.”

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

Reflecting the answers to question 1, few respondents were concerned about the increasing spend on social security, arguing instead that a human rights approach meant that the emphasis should be about supporting those in need and expressing concern about a negative narrative.

JRF explained that they were concerned not so much with spending but with why need for social security is increasing, saying:

“it is a legitimate public policy aim to try and reduce the number of working age people who require adult disability payments.”

They point out the: “alignment between a bad public policy outcome (people living shorter, less healthy lives) and increasing public spending” and recommend a deeper study into why disability benefit caseloads are increasing.

Impact on Scottish budget

There were different views on the extent to which the growth in social security spend would affect the rest of the Scottish Budget.

CPAG reflect the Scottish Government’s view that the additional spend above the level of the social security Block Grant Adjustment is small compared to the budget as a whole, saying:

“Scotland’s additional investment in social security (compared to England and Wales) is expected to be ‘just over 3 per cent’ of the Scottish government’s resource budget by 2029-30.”

In contrast, Professor David Bell, in considering rising social security spend in the context of the entire Scottish budget, said:

“it appears to me, having observed the Scottish budget since 1999, that Scotland’s current fiscal position poses the most significant challenge to SG financial stability yet experienced. Increases in social security spending are partly responsible for this challenge. If SG wishes to prioritise such spending it can clearly do so – but there will be a cost in terms of other governmental policy objectives.”

Commenting on the Scottish Government’s Fiscal Sustainability Development Plan he said:

“there is huge uncertainty around the effectiveness of the remedial actions listed in the FSDP to bring down the budgetary shortfall that is primarily driven by the difference between social security spending in Scotland and the BGA that it receives from the UK Government.”

Taxation and public sector efficiency

Several responses, that were in favour of increased social security spending, referred to the potential to meet the cost through taxation and public service reform.

The Poverty Alliance was among those advocating tax changes. They support the Tax Justice Scotland campaign referencing:

“Costed proposals from the Scottish TUC show how this could unlock an annual £1.1bn of extra revenue for social investment in the short-term, and an additional £2.6bn a year through a package of longer-term reforms”

Others referring to tax changes included CPAG, OPFS and the Poverty and Inequality Commission, the latter stating that:

“Structural pressure on public finances in Scotland appear here to stay, and the Commission believes the right response is to plan and prepare for them through growing the economy by investing in our people, increasing the efficiency of public spend where possible, and raising revenue through progressive taxation.”

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

Respondents generally considered that devolved social security spending is effective, citing a range of emerging evidence. Discussion focused mainly on the Scottish Child Payment and Adult Disability Payment.

Evidence of effectiveness

Specific evidence on SCP included:

- Child poverty statistics showing higher poverty rates in England and Wales
- The submissions refer to a range of recent modelling by Scottish Government, IPPR, WPI economics, JRF and FAI, which suggest that child poverty will be around 19% to 22% by the end of the decade due in part to the SCP and other Scottish social security benefits. (See submission from CPAG and FAI for details).
- Individual case studies, qualitative research and reports from service users on the individual impact of SCP on families
- Trussell and Fraser of Allander Institute, (2024) ‘Impact of the Scottish Child Payment on the need for food banks’ found that SCP reduced the use of food banks slightly among single-adult households with children aged 0-4 and among households in general with children aged 5-16.

- Scottish Government (2022) Interim review of SCP found that individuals valued the payments.
- FAI referred to forthcoming work from University of York on SCP, work incentives and impact on poverty,

Specific evidence referred to on disability benefits included:

- ProBono Economics (January 2025) [More than money: The lifelong wellbeing impact of disability benefits](#) finding an “average annual wellbeing improvement valued at £12,300 per person,” which is more than the cash value of disability benefits.
- FAI research into financial disadvantage amongst those with learning difficulties, found that, of the 21 households studies, 9 would have been in poverty without disability benefits.
- SCOPE research on the disability price tag illustrating the additional cost of disability.

Some respondents gave examples of how social security payments helped individuals. For example, Disability Equality Scotland said:

“We asked our members what their social security payment helped them with and the most common themes were it helped disabled people to maintain their independence, helped with daily living and the additional costs they incur due to their impairments”.

The Poverty Alliance ‘Citizen Panel’ of 16 individuals on low incomes described how Social Security Scotland was less stigmatising than DWP.

Organisations including CPAG, CAS and OPFS gave examples from individuals about how the Scottish Child Payment had helped them.

CPAG reported emerging finding from the ‘Family Finances Project’ (LSE, York University and CPAG) which is comparing experiences of low-income families in England and Scotland, and has shown potential health impacts of SCP as some parents have reported being better able to access healthy food.

CPAG’s report on the ‘Cost of a Child in Scotland in 2024’ shows that the gap between family income and the cost to raise a child to a minimum socially acceptable standard of living is significantly narrower in Scotland than the rest of the UK, in large part due to the Scottish child payment

Some respondents considered that further evidence was needed, and that outcomes could only be fully assessed over the long term (for example Counselling Services Glasgow, Free Church of Scotland).

Evidence that social security could be more effective

The main issues raised on lack of support related to adequacy of payment rates, take-up and administration.

COSLA was unusual in its view that the continuing level of child poverty suggested that devolved social security is not effective in tackling it. The more common view (discussed above) was that child poverty would be higher in the absence of payments such as the SCP.

While praising the effectiveness of payments in supporting low-income parents, carers and disabled people, some respondents criticised the adequacy of payments. For example, the Poverty Alliance said;

“current rates of support fall well short of what is needed for a decent and dignified life”

The Coalition for Racial Equality referred to low take-up amongst black and minority ethnic families and Carer’s Scotland noted that only 1 in 10 unpaid carers receive Scottish Carers Payment (this relates to eligibility criteria as well as take-up rates).

Others suggested that the administration, particularly data-sharing arrangements, could be more effective (COSLA, IRRV) or that there needed to be more funding for advice services (eg Poverty Alliance, CAS).

Another theme was that the design of disability benefits did not reflect the needs of people with particular conditions such as MS, chronic pain and Premenstrual Dysphoric Disorder. For example, a submission from researchers at the Universities of Glasgow and West of Scotland discussed the barriers to getting ADP for those with Premenstrual Dysphoric Disorder. They said that:

“Despite the Scottish Government’s intention to deliver a fairer, rights-based model of devolved social security, our research shows that many eligibility criteria and regulatory structures risk reproducing inequalities that we have seen in the UK welfare benefits system.”

More broadly, CAS highlight the lack of social security support for working age single people and recommend that consideration should be given to supporting this group.

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?

Almost all responses agreed with increasing social security, particularly the Scottish Child Payment, as part of a package of policies to address child poverty. There were a couple of exceptions. One response, from an individual, cautioned against expanding social security saying:

“The Scottish Child Payment may offer short-term relief for some families, but continuously raising entitlements without assessing behavioural impact or return on investment risks encouraging long-term dependency rather than addressing root causes.”

COSLA called for more investment in local government and that:

“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.”

Scottish Child Payment

The most common proposal was to increase the Scottish Child Payment, with many referring to modelling illustrating the poverty impact of this. These were summed up by the Fraser of Allander Institute (FAI) who set out that:

“SCP probably costs an additional £100m to £230m for every percentage point reduction in child poverty.”

Respondents called for SCP of:

- £30 (Health and Social Care Alliance)
- £40 in the next budget (Scottish Women’s Budget Group, Quarriers, Poverty Alliance, JRF, CPAG)
- £55 by the end of the next parliament (CPAG, OPFS, Poverty Alliance)

CPAG state that increasing the SCP to £40m in the 2026-27 budget would cost an additional £190m and result in 15,000 fewer children in poverty.

Counselling Services Glasgow reflected a common view that:

“boosting SCP levels further is the most effective single tool available for accelerating progress towards Scotland’s child poverty targets by 2030/31.”

FAI suggested looking at a more targeted approach, referring to modelling showing a £20 payment for households getting disability benefits would cost £90m and reduce child poverty by one percentage point.

The Poverty and Inequality Commission referred [to previous SPICe analysis](#) showing that around half of SCP recipients were in poverty. PIC argue that SCP is still the most cost-effective choice as: there is little time before 2030 to create alternatives and that FAI have shown that SCP is more cost-effective compared to large scale increases to universal childcare and employability services.

PIC are currently considering options such as payment premiums for particular groups ahead of providing advice to the Scottish Government on its next child poverty delivery plan.

Other social security payments

Several organisations recommended increasing or at least reviewing the adequacy of disability and carer payments. (Free Church of Scotland, MS Scotland, Health and Social Care Alliance, Disability Equality Scotland, Carers Scotland)

MS Scotland considered that:

“Recognising that children’s wellbeing is deeply connected to the economic circumstances of the adults who care for them, investing in social security for disabled adults and carers supports Scotland’s national child poverty reduction targets and broader strategic goals.”

Disability Equality Scotland recommended extending disabled people’s eligibility for winter heating payments and creating a new benefit to help towards the cost of running independent living equipment.

Several organisations welcomed plans to mitigate the two-child limit (eg OPFS, Scottish Women’s Budget Group, Glasgow City Council).

Other recommendations were:

- Introduce a Minimum Income Guarantee (eg Social Enterprise Scotland, Community Food Initiative, Carers Scotland)
- Increase the ‘Best Start’ payments (eg Stirling Council)
- Increase Carer Support Payment and expand eligibility (Carer’s Scotland)
- Increase housing support (eg Free Church of Scotland, Chartered Institute of Housing)

Other action on child poverty

Many respondents advised that additional measures were required in order to tackle child poverty and progress towards the 2030 target.

Childcare and employability were the most often mentioned policies. For example, JRF referred to their [‘Meeting the Moment’](#) report sets out different ‘policy packages’ and their impact on child poverty. JRF state that in addition to social security:

“We must radically increase the ambition we have in supporting parents into work. This requires a multifaceted approach which centres the needs of families, most notably in terms of childcare provision but also in terms of employment support.”

FAI looked at the estimated cost of increasing universal free childcare and employability services to support a large increase in parental employment. They concluded that:

“it is very likely this option is more expensive than available social security levels like the Scottish Child Payment on a per-percentage point reduction basis.”

A wide range of other policies were also mentioned such as: affordable housing (Chartered Institute of Housing), addressing public debt (OPFS and an individual response), family support services, education, community initiatives, health inequalities, social isolation (Free Church of Scotland), free school meals (Stirling Council), financial capability education and free advisory services (Highland Council)

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

Responses to this question were very consistent. Social Enterprise Scotland noted that this was a long-standing debate, and JRF described the arguments as ‘well-worn’.

Advantages to universal payments were: no stigma, high take-up, they are simple to apply for and administer and tend to enjoy public support. Universal benefits ensure that those on the margins of need, or whose income fluctuates, do not lose out.

The main disadvantage to universal payments is the cost, and they can give payments to those who don’t need them, leaving less resource to those in greatest need. For example, MS Scotland state that universality “risks spreading resources too thinly.”

Targeted benefits focus resource on those who need it but they tend to be more complex, expensive to administer and risk failing to reach those who need support. The Poverty and Inequality Commission said:

“Universal benefits and targeted benefits are alternative mechanisms which are fit for different purposes. Therefore, the task is to clarify the intended purpose and then select the most appropriate approach” [...] “Targeting and universalism can be seen as a binary choice. However, proportionate universalism suggests that targeting and universalism are instead ends of a spectrum, rather than a mutually exclusive choice.”

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

Many respondents emphasised the significant impact of UK Government policy decisions on the funding available through the social security block grant adjustment.

JRF was unusual in stressing the similarities between social security and other areas of public spending saying:

“It is tempting, because of the unique way in which the Block Grant Adjustment makes explicit the comparison between UKG and SG spending

on social security, to think of social security differently to other devolved policy. But in most ways, it is no different to other areas of spend.”

The recent proposals for changes to PIP and changes to Winter Fuel Payments were often raised as an example of how UK Government policy changes can affect the funding available to the Scottish Government. Even though the proposals for PIP were not included in recent legislation, some are still concerned that eligibility for PIP will be tighter in future. (eg Parkinson’s Scotland)

Many respondents discussed the limitations on the Scottish Government as the reduction to the BGA requires a choice between replicating UK policy or cutting budget elsewhere (eg Fife Council, Social Enterprise Scotland, Community Food Initiative, Glasgow City Council).

The two other main impacts discussed were the cost of Scottish Government decisions to mitigate UK Government cuts (eg Social Enterprise Scotland, Poverty and Inequality Commission) and uncertainty about recognition of passported benefits were the Scottish and DWP systems to diverge further (eg Parkinson’s UK, Quarriers, Stirling Council, SAMH).

Some respondents emphasised Scottish Government choice. For example, MS Scotland said:

“while the overall budget envelope is determined by the UK Government, the Scottish Government retains responsibility for how it allocates funding within that context.”

OPFS, similarly emphasised Scottish Government choices saying:

“The Scottish Government has its own duties under the UNCRC (Incorporation) (Scotland) Act 2024 to ensure that all children fulfil their rights to health, social security and an adequate standard of living.”

Some made suggestions for raising funds. For example, the Scottish Women’s Budget Group called for council tax reform and a wealth tax saying:

“Apart from changes to income tax the Scottish Government has not made significant use to these powers which is a missed opportunity.”

Others described the limitations of those choices. For example Parkinsons UK Scotland said:

“While we recognise that Scottish spending decisions are the responsibility of Scottish Ministers, in practice it is inevitable that such large reductions in the block grant allocation will make it particularly challenging to protect social security spending in Scotland.”

Communication

Many responses emphasised the need for good communication and collaboration between UK and Scottish Governments on the implications of policy decisions for the other government. (Counselling Services Glasgow, SAMH, Health and Social Care Alliance, Maggie's, Scottish Women's Budget Group, Poverty and Inequality Commission, CAS). For example, JRF considered that:

“Both governments seem to make decisions that impact on reserved/devolved policy with little regard for the impact it might have on the systems of the other government”

The Health and Social Care Alliance said that uncertainty around policy for winter fuel payments and PIP led to worry amongst recipients. They recommended a more collaborative approach:

“This should include more timely notification of changes, clarity on the budgetary consequences, and better assessment of the impacts on people affected.”

Another area of uncertainty mentioned by several respondents was how people in Scotland will qualify for the health element in Universal Credit. For example Parkinson's UK said there as been:

“no decision as yet about how people in Scotland (who have all been transferred to ADP) will qualify. It has become clear that there was very little or no consideration from UK DWP about the implications of the UK policy changes for claimants in Scotland who straddle the two systems.”

Camilla Kidner, Senior Researcher, SPICe, 25 August 2025

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