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The Information Centre
An t-Ionad Fiosrachaidh

Social Justice and Social Security Committee

**3rd Meeting, 2023 (Session 6), Thursday,
09 February**

Uprating Regulations 2023

Introduction

The Scottish Government has laid draft [regulations to uprate](#) devolved social security benefits by 10.1%.

This paper considers the [recommendations from the Scottish Commission on Social Security](#) and the [Scottish Government's response](#). The Committee will consider the regulations with the Minister at its next meeting alongside regulations to uprate those devolved benefits still administered by DWP. The report on uprating required under s86A Social Security (Scotland) Act 2018 was laid on 24 January ([Annexed](#)).

The Committee will hear from Marilyn Howard, Member, Scottish Commission on Social Security.

Background

For 2023-24, the Scottish Government policy is to uprate all devolved benefits by 10.1% - which was the September 2022 CPI (Consumer Prices Index). The table in the annex shows the main benefit rates in 2022-23 and 2023-24.

The basic approach to uprating was [set out in 2019](#) - that is: uprating each April by the previous September's CPI. This is the same approach as the UK Government. The Scottish Government is committed to keeping its approach to uprating under review.

Some devolved benefits must be uprated, others are discretionary. Devolved benefits managed by DWP under agency agreements are uprated according to UK policy.

In December 2022, the Scottish Government referred draft regulations to the Scottish Commission on Social Security (SCoSS) who [reported on 20 January 2023](#). SCoSS made four recommendations and three observations to which the [Scottish Government responded on 3 February](#).

SCoSS recommendations and Scottish Government Response

- **Recommendation 1** asked what the Scottish Government's approach was to maintaining the value of benefit payments between annual uprating exercises.

The Scottish Government noted this, pointing out investment of over £770 million above the level of funding received from the UK Government and that Scottish Child Payment was increased by 25% outwith the normal uprating cycle.

- **Recommendation 2** asked why Scottish Child Payment was increased by £5 per week.

In the context of the targets to reduce child poverty, the Scottish Government considered increasing Scottish Child Payment to be the most efficient mechanism to provide additional support to low-income families.

- **Recommendation 3** asked for clarity in future on whether a benefit increase was 'early up-rating' or not.

The Scottish Government will consider whether in-year increases can be communicated earlier.

- **Recommendation 4** pointed out that the transitional rate of Adult Disability Payment needed to be uprated.

The regulations as laid have corrected this oversight.

Financial effect

Uprating devolved social security is [forecast to cost £433 million in 2023-24](#).

However, because benefits in the UK are also uprated, much of the cost is covered by the Block Grant Adjustment. In total, the Scottish Government is forecast to spend £776 million more on social security than it receives in Block Grant Adjustment. Of this, around £28 million is additional spending on uprating benefits ([See figure 5.10 of the Scottish Fiscal Commission's December 2022 Economic and Fiscal Forecasts for Scotland](#)).

This year, the Scottish Government decided to uprate all devolved benefits rather than only those it is required under statute to uprate. Using its discretion in this way added £6 million to forecast spend.

Suggested Themes for Discussion

The following suggests five themes for discussion: The themes focus on the broader issues raised in the SCoSS report rather than the technical detail of the regulations.

1. Adequacy of social security payments
2. Response to volatile inflation
3. Increasing the Scottish Child Payment
4. Earnings thresholds
5. Human Rights budgeting

THEME 1: Adequacy of social security payments

Uprating is intended to maintain the ‘real terms’ value of social security payments. A separate question is whether the basic payment rates are adequate given the purpose of the payments.

The SCoSS report notes that:

“What is required to maintain or make improvements to support an adequate standard of living and contribution to reducing poverty cannot be neatly captured by an average measure of price inflation.”

Their report discusses how CPI is only an average, and people’s actual experience of inflation depends on their spending patterns. Currently, inflation is high in essential goods, such as energy and food.

Food and non-alcoholic beverages increased by 16.9% in the year to December 2022, with [ONS noting that](#): “The annual rate of inflation in this category has risen for 17 consecutive months, from minus 0.6% in July 2021.” ONS estimates that food inflation hasn’t been this high since 1977.

The SCoSS report notes that stakeholders have welcomed uprating as a ‘minimum required action’ but “there have been calls for payment to be increased further in order to address the cost of inflation of particular pressure points such as fuel and food.” (SCoSS p.17).

Their report references the [Social Security Principles](#) including that:

- Social security is a contribution towards reducing poverty
- Seeking opportunities to continuously improve the Scottish social security system in ways which put the needs of those who require assistance first and advance equality and non-discrimination

Members may wish to discuss:

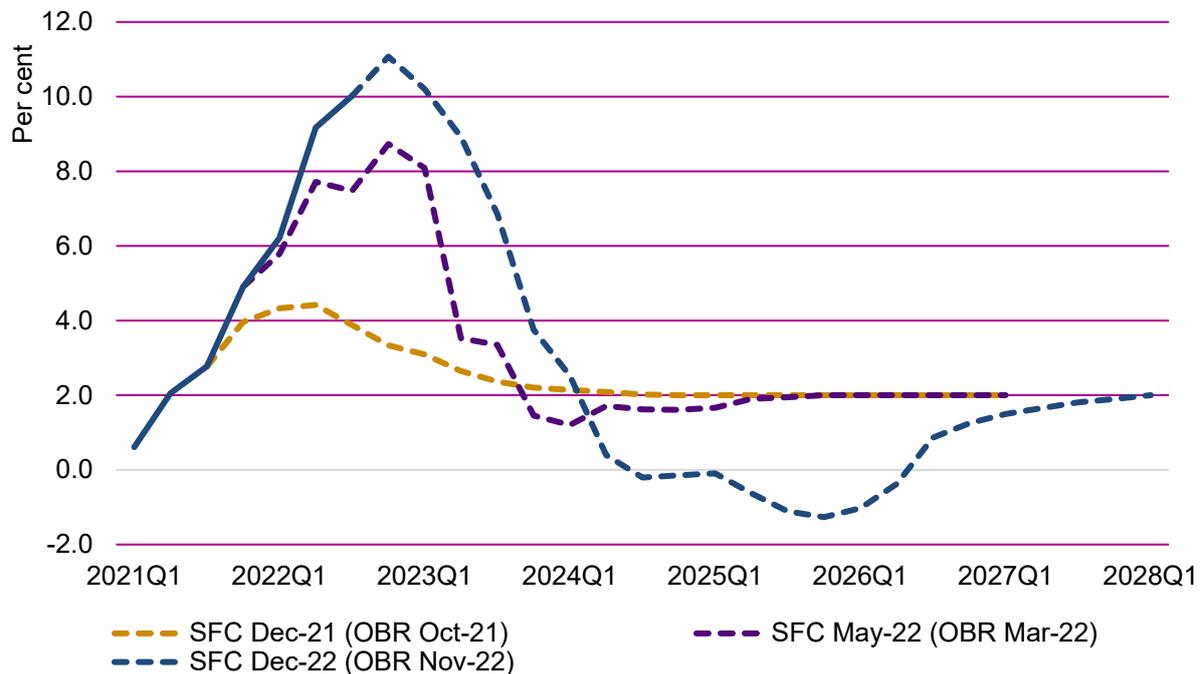
1. **How does the cost of living crisis affect the realisation of the social security principles?**

2. Does the underlying adequacy of benefit payments need to be reviewed? Does SCoSS have a role in any such review?

THEME 2: Volatile inflation

The chart below shows how inflation has risen rapidly since 2021, far faster than forecast. However, the current expectation is that it will fall equally rapidly in 2023-24. Inflation does seem to be starting to fall slightly. The latest [ONS data on CPI inflation](#) report CPI in the 12 months to December was 10.5% down from a peak of 11.1% in October.

Chart 1: Changing inflation forecasts



Source: [Scottish Fiscal Commission, December 2022 economic and fiscal forecasts](#), fig 3.1.

The SCoSS report points out that inflation in September may be far removed from the actual rate of inflation experienced when benefit payments change the following April.

The current expectation is that falling inflation will lead to benefit uprating by 6.9% in April 2024, and no uprating in the following two years.

SCoSS “see no grounds to change from CPI currently” but asks the Scottish Government to set out how it would ‘maintain the value of payments or otherwise help people manage rising costs between annual up-rating exercises (recommendation 1).

In reply the Scottish Government noted that:

“We appreciate during time of high inflation particularly, there can be differences between inflation rates used for uprating purposes and when they are applied.”

The Scottish Government hasn't always simply applied the 'September CPI' figure. For example, in April 2022 the Scottish Government increased some benefits by 6% rather than the 3.1% that was the September CPI. This reflected the higher inflation seen in April 2022 compared to September 2021.

However, current forecasts suggest that inflation in April 2023 might be around 9% - slightly below the 10.1% used for uprating. The Scottish Government notes that:

"Current inflation forecasts by the Office of Budget Responsibility and the Bank of England expect inflation in Q2 2023, when uprating is applied, to be slightly lower than the September CPI rate."

Members may wish to discuss:

- 3. Although inflation is currently very high, it is expected to fall rapidly over the next year. What are the implications of this for benefit uprating policy?**
- 4. Annual uprating is only ever an approximate measure, particularly where a single 'reference month' is used. What are the advantages and disadvantages of the current approach?**

THEME 3: Increasing the Scottish Child Payment

The Scottish Child Payment was increased from £20 to £25 in November 2022 and will not be uprated further in April 2023. This policy was announced in March 2022. The Scottish Government's uprating report describes this as:

"We brought forward the uprating of the Scottish Child Payment by four months."

At the time, the [policy note](#) to the regulations which increased Scottish Child Payment to £25 did not refer to 'uprating', rather it was described as an increase to the value of the Scottish Child Payment. However, when Ben Macpherson appeared at Committee in October to discuss the increase to the Scottish Child Payment he said:

"We took the decision to increase it by an inflation-busting 25 per cent, from £20 to £25, and to bring that increase forward by four months, from April 2023 to November 2022" [Committee Official Report, 27 October 2022, col 10](#).

SCoSS ask why £5 was chosen (recommendation 2) and recommend that the Scottish Government should be clearer, when announcing a policy, whether it is "early uprating" or an increase in value separate from uprating (recommendation 3). They note that some organisations (e.g. Engender) have called for the Scottish Child Payment to be increased to £40.

In response the Scottish Government undertook to:

"consider whether an 'in-year' increase of assistance can in future be communicated earlier."

Members may wish to discuss:

- 5. Why is it important to distinguish between ‘early uprating’ and other increases in payment?**
- 6. Does the legislation on uprating need to be made clearer?**
- 7. In discussions with stakeholders, how many were asking for further increases to the SCP?**

THEME 4: Earnings thresholds

SCoSS discusses the impact of inflation on those ‘just above’ the qualifying criteria for benefits. The report quotes a community organisation:

“People who are on the financial margins and working poor is what we are seeing more of. Those whose income might be just £10 above the benefit levels.”

SCoSS comments that ‘decreasing purchasing power’:

“risks leaving people who now find themselves under greater financial pressure than their incomes can accommodate excluded from social security support.” (p.20)

As a result, SCoSS suggest the Scottish Government might wish to re-examine earnings thresholds (observation 3). The Scottish Government did not include a specific response to observations.

There are two Scottish Government policies that relate to earnings thresholds in social security. The Scottish Government plan to remove the income threshold in Best Start Foods later this year.

In addition, a priority for change to Scottish Carer’s Assistance is amending the earnings threshold. Proposals for [Scottish Carer’s Assistance](#), published in February 2022, stated:

“We propose that increasing the earnings threshold is our first priority change in the area of paid work. This would increase the amount carers could earn while receiving Scottish Carer’s Assistance and could be linked to 16 hours at a specific rate, such as the Real Living Wage.”

Regulations for Scottish Carer’s Assistance are expected later in the year.

Earnings limits also exist in Severe Disablement Allowance and Industrial Injuries Disablement Benefits which are still administered by the DWP and so not subject to Scottish Government policy.

There are also earnings thresholds that exist in other assistance – that isn't social security, such as free school meals and entitlement to early learning and childcare for two-year-olds.

A related issue is that many Social Security Scotland benefits are passported from DWP low-income benefits, so eligibility is, in effect, dependent on the DWP rules. This can make it difficult to extend the 'reach' of Social Security Scotland benefits. The Scottish Government held a [consultation last year](#) which asked for views on this and other administrative issues.

Members may wish to discuss:

- 8. Should increases to earnings thresholds reflect wage inflation or price inflation or some other consideration?**
- 9. What discussions has SCoSS had with stakeholders about earnings thresholds?**
- 10. Does SCoSS have any view on the extensive use of 'passporting' in the Scottish system, and how that affects the Scottish Government's options to respond to the increasing cost of living?**

THEME 5: Human rights budgeting

SCoSS refer to the Scottish Government's commitment to human rights budgeting saying:

"We welcome the recognition that policies should be assessed throughout their development, implementation and execution and look forward to supporting the Scottish Government's commitment to the three key principles of transparency, participation and accountability."

Members may wish to discuss:

- 11. Whether SCoSS has any observations on the best way to apply human rights and equality budgeting principles to decisions about the levels of benefit payments**
- 12. In what ways can SCoSS support the Scottish Government's commitment to the principles of transparency, participation and accountability.**

Camilla Kidner
SPICe
6 February 2023

Annex: Social Security Scotland benefit rates

The table below shows the main benefit rates for Social Security Scotland benefits in 2022-23 and 2023-24 taken from the [policy note to the regulations](#) and s86A report.

Increases are rounded to the nearest 5 pence. Carer's Allowance Supplement is not included in the regulations as it does not need legislation to uprate it. The new rate for CAS is £270.50 as set out in the [s86A report](#) on uprating laid in the Parliament on 24 January.

Benefit	2022-23	2023-24
Young Carer Grant	£326.65	£359.65
Funeral Support Payment		
<i>Higher rate</i>	£1,070.60	£1,178.75
<i>Lower rate</i>	£130.65	£143.85
<i>Removing medical devices</i>	£21.55	£23.75
Child Winter Heating Assistance	£214.10	£235.70
Winter Heating Payment	£50.00	£55.05
Job Start Payment		
<i>Standard rate</i>	£267.65	£294.70
<i>Higher rate</i>	£428.25	£471.50
Best Start Grant		
<i>Pregnancy and baby – 1st child</i>	£642.35	£707.25
<i>Pregnancy and baby other children and extra payment for twins/triplets</i>	£321.20	£353.65
<i>Early learning</i>	£267.65	£294.70
<i>School</i>	£267.65	£294.70
Best Start Foods		
<i>Lower rate</i>	£4.50	£4.95
<i>Higher rate</i>	£9.00	£9.90
Child Disability Payment		
<i>Care lower</i>	£24.45	£26.90
<i>Care middle</i>	£61.85	£68.10
<i>Care higher</i>	£92.40	£101.75
<i>Mobility lower</i>	£24.45	£26.90
<i>Mobility higher</i>	£64.50	£71.00
Adult Disability Payment		
<i>Daily living standard</i>	£61.85	£68.10
<i>Daily living enhanced</i>	£92.40	£101.75
<i>Transitional rate</i>	£24.45	£26.90
<i>Mobility standard</i>	£24.45	£26.90
<i>Mobility enhanced</i>	£64.50	£71.00

Social Security (Scotland) Act (2018)

Devolved Social Security Assistance

Uprating for Inflation

A report in fulfilment of section 86A: Duty to consider effects of inflation

Laid before the Scottish Parliament by the Scottish Ministers under section 86A(1)(c)

SG/2022/344

January 2023



Scottish Government
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Foreword



This is a difficult time for many. The cost of living crisis is having a massive impact on people throughout Scotland, and inflation has reached levels not seen in more than forty years in the United Kingdom. This report, as in previous years, sets out the impact of inflation on Scottish social security payments, and our policy position on uprating for the financial year 2023-24. It includes all forms of assistance that Scottish Ministers have a responsibility to uprate in 2023-24 and what we intend to do for assistance where there is no requirement to uprate.

Social Security Scotland is now delivering twelve benefits, seven of which are completely new forms of financial support only available in Scotland. Our system is based on dignity, fairness and respect, and I am particularly proud of the Scottish Child Payment, which we introduced as part of national mission to tackle child poverty. In November 2022, eligibility was extended to children aged under 16 and clients receiving Scottish Child Payment will now receive £25 per week per eligible child. According to the Scottish Fiscal Commission forecast on 15 December 2022, the number of children receiving Scottish Child Payment will have risen to more than 300,000.

In addition, in this past year, we launched the pilot for Adult Disability Payment in March, and following a successful pilot it is now open for applications across the country. We designed this benefit working closely with people with lived experience of disability benefits, and have created a simplified and compassionate system as a result.

We will also soon launch our new Winter Heating Payment to provide targeted, reliable financial support to those most in need of help with their energy costs every winter. This will help around 400,000 people on low incomes with their heating expenses each and every winter, guaranteed at £50 and breaking the link with weather dependency.

This report sets out the inflation adjusted figures for each form of assistance based on the rate of the Consumer Prices Index in the 12 months to September 2022, and the rates that will be paid in 2023-2024 for each form of social security assistance. There is a duty set out in the Social Security (Scotland) Act 2018 and our Social Security Charter to uprate by inflation; carer's, disability, employment-injury, funeral expense assistance and the Scottish Child Payment. We will bring forward legislation in early 2023 to deliver that. We brought forward the uprating of the Scottish Child Payment by four months, with its increase to £25 in November. All other devolved benefits, those where uprating is at Ministers' discretion, will also be uprated.

The Scottish Government understands the enormous impact the cost of living crisis is having on people right across Scotland and our decision to increase benefit rates, as set out in this

report, recognises the crucial role social security assistance plays in supporting people in financial need. These increases contribute to our efforts to tackle child poverty and are part of our continuing aim to build a social security system that ensures people are treated with dignity, fairness and respect.

Ben Macpherson

Minister for Social Security and Local Government

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1. Purpose

1.1 This report is published under section 86A¹ of the Social Security (Scotland) Act 2018² ('the Act') which requires Scottish Ministers to consider the effects of price inflation on all forms of assistance delivered under Chapter 2 of Part 2 or section 79 of the Act and to lay a report in the Scottish Parliament before the end of each financial year.

1.2 This report sets out the inflation-adjusted level of each relevant figure, explains how the inflation-adjusted levels have been calculated and states what the Scottish Ministers have done, or intend to do, in light of their calculations and their reasons for that decision.

1.3 The forms of assistance under the reporting duty in section 86A include:

1. Carer's assistance (includes Young Carer Grant)
2. Cold-spell heating assistance
3. Winter heating assistance (includes Child Winter Heating Assistance)
4. Disability assistance (Child and Adult Disability Payment)
5. Early years assistance (Best Start Grant)
6. Employment injury assistance
7. Funeral expense assistance (Funeral Support Payment)
8. Housing assistance
9. Short-term assistance
10. Scottish Child Payment

1.4 Of the above forms of assistance, the Best Start Grant, Child Winter Heating Assistance, Funeral Support Payment, Young Carer Grant, Short-term assistance, Scottish Child Payment, Child Disability Payment and Adult Disability Payment have been delivered and are included in this report for consideration. The report is required to consider the change in prices since the previous report was laid before the Scottish Parliament on 5 December 2021.³

1.5 This report also explains how the inflation-adjusted level of Carer's Allowance Supplement has been calculated. Although this reporting is not required by the Social Security (Scotland) Act 2018, it is being provided to offer a fuller picture of all the assistance that is being delivered. Similarly, there will be reporting on other forms of assistance not covered by the 2018 Act such as Job Start Payment and Best Start Foods.

1.6 Finally, section 86B⁴ of the Social Security (Scotland) Act 2018 requires Scottish Ministers to bring forward legislation before the end of each financial year, to replace the

¹ Social Security (Scotland) Act 2018 – Section 86A ([link](#))

² Social Security (Scotland) Act 2018 ([link](#))

³ Social Security assistance – effects of inflation: report ([link](#))

⁴ Social Security (Scotland) Act 2018 – Section 86B ([link](#))

payment amount in the regulations which is, in their opinion, materially below its inflation-adjusted level. All forms of carer's assistance (including Young Carer Grant), disability assistance, employment injury assistance, and funeral expense assistance (now referred to as Funeral Support Payment) and Scottish Child Payment that are set out in devolved legislation are to be uprated to the inflation-adjusted level set out in section 86A. This means that for the financial year 2023-24 there is a requirement to uprate Funeral Support Payment, Carer's Allowance Supplement, Young Carer Grant, Child Disability Payment and Adult Disability Payment. Scottish Child Payment was uprated to £25 per week, in November 2022. This action has met the duty to uprate for 2023-24.

1.7 The Scottish Government is committed to embedding the eight Scottish social security principles in Section 1 of the Social Security (Scotland) Act 2018 into the policy making process. The approach to uprating, in particular, is intended to reinforce the principles that:

- social security is an investment in the people of Scotland;
- social security is itself a human right and essential to the realisation of other human rights;
- the Scottish social security system is to contribute to reducing poverty in Scotland and
- opportunities are to be sought to continuously improve the Scottish social security system in ways which— i) put the needs of those who require assistance first, and ii) advance equality and non-discrimination.

2. Background

2.1 In 2019, the Scottish Government prepared an analytical report that provided a detailed review of relevant inflation measures to inform the options available to Scottish Ministers for uprating devolved social security assistance. The analytical report explored in depth the methodologies of inflation measures and drew on a range of evidence including recommendations from the UK Statistics Authority and the Office for National Statistics, an independent review led by the Director of the Institute of Fiscal Studies⁵ and the House of Lords Economic Affairs Committee's report 'Measuring Inflation'.⁶

2.2 The analytical report informed a policy paper that set out the Scottish Government's approach to uprating social security assistance. Both papers⁷ were provided to the Social Security Committee and the Scottish Commission on Social Security on 2 September 2019.

2.3 The policy paper recommended that the annual September rate of the Consumer Price Index (CPI) be used for uprating devolved social security assistance in the short-term, with the assistance payment rounded to the nearest five pence. The annual rate of CPI to September 2022 published on 19 October 2022 was 10.1%⁸.

⁵ UK Consumer Price Statistics: A Review ([link](#))

⁶ House of Lords Economic Affairs Committee: Measuring Inflation Report ([link](#))

⁷ Scottish Government (September 2019) – Uprating policy paper and analytical report ([link](#))

⁸ ONS, Consumer price inflation, UK: September 2022 ([link](#))

2.4 Overall, the Scottish Commission on Social Security was supportive of the Scottish Government's uprating policy of using the annual September CPI rate to uprate social security assistance at least in the short-term. The Scottish Commission on Social Security set out recommendations⁹ for the Scottish Government approach to benefit uprating in terms of the significance of Social Security principles and human rights, the shorter-term and the longer-term approach to uprating. The Scottish Government responded¹⁰ to these recommendations and will keep the recommendations under consideration to inform the development of future uprating as more forms of assistance are introduced and reported on.

2.5 The Social Security Committee noted the Scottish Government's position on uprating of devolved assistance and had no further views to report beyond the discussion at the Committee on 10 October 2019.¹¹

2.6 The following sections provides detail of how the inflation-adjusted levels of assistance were calculated, what the inflation-adjusted levels of assistance would be and what the Scottish Ministers intend to do.

3. Policy position on uprating of Social Security Assistance

3.1 The Scottish Government's current policy position is to use the annual rate of September CPI as the measure of inflation to uprate devolved social security assistance.

3.2 The Consumer Prices Index (CPI) is a National Statistic and has a reliable track record as a measure of inflation serving as the ONS' headline measure of inflation since March 2017. CPI is used for inflation targeting by the Bank of England and also complies with the EU standard Harmonised Index of Consumer Prices.

3.3 CPI and CPIH (Consumer Prices Index including owner occupiers' housing costs) are broadly similar measures, the only difference being that CPIH includes owner occupier housing costs and council tax. CPIH only regained its National Statistic status in 2017. As a result, it has not yet established a reliable track record as a National Statistic and official forecasts are not yet available, making policy planning and informed decision making more challenging when using CPIH.

3.4 The Retail Prices Index (RPI) is still widely used in contracts but does not meet the standard required of National Statistics. The UK Statistics Authority has described RPI as "not a good measure" and found it to significantly over-estimate and at other times under-estimate

⁹ Scottish Government (October 2019) - Scottish Commission on Social Security: Uprating report 2019 - ([link](#))

¹⁰ Scottish Government (November 2019) – Scottish Government responses to Scottish Commission on Social Security recommendations ([link](#))

¹¹ Scottish Parliament (October 2019) – Social Security Committee report ([link](#))

inflation and has consistently urged the Government and private sector to stop using it as a measure of inflation¹².

3.5 To complete the safe and secure transfer of existing clients from carer and disability benefits to devolved assistance, agency agreements with the Department for Work and Pensions (DWP) are required. Where there is an agency agreement in place for DWP to administer the awards of existing clients for a given form of assistance, the Scottish Ministers are committed to annually uprate that assistance at the same rate as applied by the DWP, which for 2023-24 is the annual September 2022 CPI rate (10.1%).

3.6 The September annual rate of CPI also avoids some of the seasonal volatility in price changes in the economy associated with other months of the year (e.g. December and January) and its publication in October allows its use in the Scottish Government budget process that begins shortly afterwards, ensuring sufficient funds are allocated to fund uprating of social security assistance.

3.7 The UK and Scottish economies are facing an extremely challenging period as they enter recession coupled with very high inflation - reaching a 40 year high of 11.1% in October (annual rate of CPI)¹³. Households are experiencing significant impacts to their spending power as rises in wages struggle to keep pace with price rises in the economy and increasing inflation erodes the true value of benefit income. At 10.1% the annual rate of CPI to September 2022 is close to the peak of inflation expected during this period, with inflation expected to fall back over the course of 2023 and below the Bank of England's 2% target by 2024¹⁴. Uprating benefits by the annual rate of CPI to September 2022 means that people in receipt of benefits will receive an uplift close to the peak of inflation during this period and expected to be higher than inflation at the time uprating is applied in April 2023 (around 9%).

3.8 In summary, the CPI is considered the most appropriate inflation measure for uprating assistance and the annual rate to September as the most appropriate period. However, the Scottish Government is committed to keeping policy on uprating under review and will consider alternative approaches if there is a material change to inflation measures.

4. Social Security Payments in 2022-23

4.1 The social security payments Social Security Scotland were responsible for during the financial year 2022-23 were:

4.2 Carer's Allowance Supplement: Carer's Allowance Supplement is a payment that provides extra support to people in receipt of Carer's Allowance in Scotland. It is paid every six months and was initially set at a level that would raise Carer's Allowance to match the rate of Jobseeker's Allowance (JSA) for those aged 25 and over. Since 2018-19 the Scottish

¹² Office for National Statistics (September 2019) – UK Statistics Authority Statement on the future of the RPI ([link](#))

¹³ ONS, Consumer price inflation, UK: October 2022 ([link](#))

¹⁴ Office for Budget Responsibility, Economic and fiscal outlook - November 2022

Government has updated Carer's Allowance Supplement annually, in accordance with section 81 of the Social Security (Scotland) Act 2018. This calculates the supplement as the difference between Carer's Allowance and JSA, had it been updated in line with inflation. As a result of this updating and since the UK Government has not routinely updated JSA in line with inflation, Carer's Allowance and Carer's Allowance Supplement combined now exceed the equivalent weekly rate of Jobseeker's Allowance. The rate of Carer's Allowance Supplement in 2022-23 is £245.70 in each bi-annual payment.

4.3 Young Carer Grant (YCG): The Young Carer Grant provides eligible young carers aged 16, 17 and 18 with a payment of £326.65, which can be applied for annually. There is a statutory requirement to update the grant annually and the Scottish Government has been updating the grant since 2020-21.

4.4 Funeral Support Payment (FSP): Funeral Support Payment is a one-off payment to help meet the costs of a funeral and replaced Funeral Expenses Payment, delivered by DWP, in September 2019. In April 2020 the flat rate payment toward funeral costs was increased from £700 to £1000. As a result of updating in April 2022 the flat rate is currently £1,070.60. In 2022-23 Funeral Support Payment provided on average £1,800 towards the total costs of a funeral.¹⁵ There is a statutory requirement to update Funeral Support Payment annually and the Scottish Government has been updating the payment since 2020-21.

4.5 Best Start Grant (BSG): The Scottish Government replaced the DWP's Sure Start Maternity Grant with the Best Start Grant in Scotland. Best Start Grant provides support during three key transition points in a child's early years. The Pregnancy and Baby Payment provides £642.35 for a first child and £321.20 for second and subsequent children. The Early Learning Payment provides £267.65 per child to support child development, and School Age Payment provides £267.65 per child to help with the costs of preparing for school. The UK Government makes no equivalent provision to either the Early Learning or School Age Payments. There is no statutory requirement to update Best Start Grant.

4.6 Best Start Foods (BSF): Best Start Foods is a payment available to low income pregnant women, their partners and children aged up to three years old. It is paid as a credit onto a payment card that can be used to buy healthy foods such as milk, fruit and vegetables. It replaced the UK-wide Healthy Start vouchers in Scotland and was increased in August 2021 from £4.25 to £4.50 per week for each eligible child in the family or £9 per week for a child under 1 year old. Best Start Foods is not delivered under the Social Security (Scotland) Act 2018 and so there is no statutory requirement to update or to provide inflation-adjusted figures in this report, but they are included for completeness.

4.7 Job Start Payment (JSP): Job Start Payment provides a one-off payment to eligible young people to help them with costs they may incur when starting a new job. It is available to young people who reside in Scotland aged 16 to 24 and aged up to 25 for care leavers.

¹⁵ <https://www.mygov.scot/funeral-support-payment/if-the-person-who-died-was-18-or-over>

The payment is £267.65. A higher award of £428.25 is made to those who have responsibility for a child. Job Start Payment is not delivered under the Social Security (Scotland) Act 2018 and so there is no statutory requirement to uprate or to provide inflation-adjusted figures on Job Start Payment in the report but these have been included for completeness.

4.8 Child Winter Heating Assistance (CWAH): CWAH provides an annual payment to disabled children and young people in receipt of the highest rate of the care component of Disability Living Allowance, Child Disability Payment or the enhanced rate of the daily living component of Personal Independence Payment or Adult Disability Payment, to support households with the additional costs associated with winter fuel bills.. In 2021 the payment was £200. It was uprated to £202 in 2021-22, and again to £214.10 in 2022-23. There is no statutory requirement to uprate Child Winter Heating Assistance.

4.9 Scottish Child Payment (SCP): Until November, SCP paid the equivalent of £20 per eligible child per week, paid every four weeks in arrears to clients. It is paid as a top up of certain qualifying reserved benefits (notably Universal Credit) using powers available under the Social Security (Scotland) Act 2018. SCP is intended to help towards the costs of supporting a family and forms part of the wider Scottish Government strategy to combat child poverty. We increased the weekly amount of Scottish Child Payment to £25 on 14 November 2022, when eligibility was extended to 6-15 year olds.

4.10 Child Disability Payment (CDP): CDP provides support for the extra costs that a disabled child or young person might have. It was the first application-based disability benefit to be introduced by the Scottish Government. CDP replaces Disability Living Allowance for children (DLAC) in Scotland; we aim to have completed the transfer by Spring 2023. It is available to children and young people from the age of 3 months to 18 years old, who have care and/or mobility needs as a result of a disability. CDP consists of a care and a mobility component, and an eligible child may qualify for either of these or both, depending on the nature of their disability. The care component has three different payment rates: lowest (£24.45), middle (£61.85) and highest (£92.40). The mobility component comprises two rates: lower (£24.45 if the child is 5 or over) and higher (£64.50 for children aged 3 or over). Both care and mobility components are paid four-weekly in arrears, except for terminally ill children, whom Social Security Scotland will pay weekly. There is a statutory requirement to uprate CDP.

4.11 Adult Disability Payment (ADP): ADP provides financial assistance to help meet the additional costs of living with a disability or health condition. It is the most complex form of assistance delivered by Social Security Scotland. ADP replaces Personal Independence Payment (PIP) in Scotland for individuals aged between 16 and state pension age (subject to some exceptions) who are making an application for disability assistance. ADP consists of two components. The daily living component provides two levels of assistance for individuals who face increased barriers to carrying out daily living activities as a result of physical or mental health condition(s) and/or disability: the standard rate (£61.85) and the enhanced rate (£92.40). The mobility component provides two levels of assistance for individuals who face

increased barriers to carrying out mobility activities as a result of physical or mental health condition(s) and/or disability: the standard rate (£24.45) and the enhanced rate (£64.50). There is a statutory requirement to uprate ADP.

4.12 Short-term assistance: At this time, this assistance is available for only ADP and CDP. It is available where Social Security Scotland has made a decision to reduce or stop an ongoing award and that decision is subject to a request for a re-determination or an appeal. The intention is to ensure that an individual is not discouraged from challenging a decision or from accessing administrative justice by having to manage, for a period of time, with a reduced income. The value of the short-term assistance would always reflect any uprating during the period that it is in payment, ensuring that while a re-determination or appeal remains live, the client is not disadvantaged compared to an individual who remains entitled to the principal form of assistance.

4.13 Winter Heating Payment (WHP): WHP will be paid as an annual payment for households in receipt of certain low-income benefits who may have extra heating needs over winter, such as those living with a disability, or are responsible for a child under 5. WHP will be paid from February 2023, at a rate of £50.00. There is no statutory requirement to uprate Winter Heating Payment.

5. Devolved Assistance that continues to be delivered by DWP

5.1 Scottish Ministers have had executive competence for Carer's Allowance (CA) since September 2018 and for Attendance Allowance (AA), Disability Living Allowance (DLA), Personal Independence Payment (PIP), Severe Disablement Allowance (SDA) and the Industrial Injuries Scheme (which comprises the Industrial Injuries Disablement Benefits (IIDB) and the Industrial Death Benefit (IDB)) since 1 April 2020.

5.2 Executive competence means that the Scottish Ministers have policy and funding responsibility for these forms of assistance. This competence is currently for the most part exercised under agency agreements, where the DWP deliver the payments on the Scottish Ministers' behalf. While there are agency agreements in place for DWP to administer existing claims, the Scottish Ministers are committed to annually uprate the assistance at the same rate as applied by the DWP. This is the annual September CPI rate with the payment rounded to the nearest 5p, with the exception of IIDB where the 100% degree of disablement entitlement is rounded to the nearest 10p and the lower rates rounded to the nearest 1p while the IDB is normally uprated through the triple lock guarantee, which ensures that pensions increase by the greatest of average earnings, prices as measured by CPI or 2.5%.

5.3 Social Security Scotland will progressively take over administering these benefits from the DWP but until Scottish Government regulations are in place, so that uprating can be achieved through the 2018 Act, the Scottish Ministers will be responsible for uprating these forms of assistance, where required, through powers under UK legislation.

5.4 The Scottish Ministers will be responsible for bringing forward legislation to update AA, CA, DLA, PIP, SDA, IIDB and IDB in April 2023.

6. Inflation-adjusted figures

6.1 Under section 86A of the Social Security (Scotland) Act 2018 there is a requirement to calculate the inflation-adjusted figures for all devolved assistance in Chapter 2 of Part 2 or section 79, which are in effect: YCG, CAS, FSP, BSG, CWHA, WHP, SCP, ADP and CDP. The inflation-adjusted figures are provided in Table 1. The 2023-24 levels for these benefits have been updated with the annual September 2022 rate of CPI (10.1%), except for Scottish Child Payment which was already increased to £25 in November 2022.

Table 1 - Assistance covered by Section 86A of the Social Security (Scotland) Act 2018

Benefit	2022-23 levels	Inflation-adjusted figures
Best Start Grant Pregnancy and Baby Payment (1st Child Payment)	£642.35	£707.25
Best Start Grant Pregnancy and Baby Payment (Subsequent Child Payment & Extra Payment for Twins/Triplets)	£321.20	£353.65
Best Start Grant Early Learning Payment and School Age Payment	£267.65	£294.70
Child Winter Heating Assistance	£214.10	£235.70
Winter Heating Payment	£50.00 (from February 2023)	£55.05
Funeral Support Payment (higher rate)	£1,070.60	£1,178.75
Funeral Support Payment (lower rate)	£130.65	£143.85
Funeral Support Payment (medical device removal)	£21.55	£23.75
Young Carer Grant	£326.65	£359.65
Child Disability Payment		
Care Component Highest Rate	£92.40	£101.75
Care Component Middle Rate	£61.85	£68.10
Care Component Lowest Rate	£24.45	£26.90
Mobility Component Higher Rate	£64.50	£71.00
Mobility Component Lower Rate	£24.45	£26.90
Adult Disability Payment		
Daily Living Component Enhanced Rate	£92.40	£101.75
Daily Living Component Standard Rate	£61.85	£68.10
Mobility Component Enhanced Rate	£64.50	£71.00
Mobility Component Standard Rate	£24.45	£26.90

Scottish Child Payment	£20.00	£22.00 (increased to £25)
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Note: rounding to the nearest 5p is applied

6.2 Table 2 presents inflation-adjusted figures for the other forms of devolved assistance that are not covered by section 86A. Attendance Allowance, Carer's Allowance, Disability Living Allowance, Industrial Injuries Disablement Benefit, Personal Independence Payment and Severe Attendance Allowance are to be uprated through powers under UK legislation as a requirement of their respective Agency Agreements, and Carer's Allowance Supplement is to be uprated through section 81 of the Social Security (Scotland) Act 2018. Best Start Foods and Job Start Payment are not delivered under the Act but are included for completeness. The inflation-adjusted levels have been calculated using annual rate of CPI to September 2022 (10.1%).

Table 2 - Assistance not covered by Section 86A of the Social Security (Scotland) Act 2018

Benefit (weekly rate unless otherwise shown)	2022-23 levels	Inflation-adjusted levels
Attendance Allowance		
Higher rate	£92.40	£101.75
Lower Rate	£61.85	£68.10
Best Start Foods¹⁶		
During pregnancy and between the ages of 1 and 3	£4.50	£4.95
From birth until 1 year old 2 x £4.50 payments	£9.00	£9.90
Carer's Allowance	£69.70	£76.75
Carer's Allowance Supplement (bi-annual amount)	£245.70	£270.50
Disability Living Allowance		
Care Component Highest Rate	£92.40	£101.75
Care Component Middle Rate	£61.85	£68.10
Care Component Lowest Rate	£24.45	£26.90
Mobility Component Higher Rate	£64.50	£71.00
Mobility Component Lower Rate	£24.45	£26.90
Industrial Injuries Disablement Benefit		
Standard rate 1.0	£188.60	£207.60
0.9	£169.74	£186.84
0.8	£150.88	£166.08
0.7	£132.02	£145.32
0.6	£113.16	£124.56

[\(link\)](#)

on 1 August 2021 under the 100 days manifesto commitment

0.5		£94.30	£103.80
0.4		£75.44	£83.04
0.3		£56.58	£62.28
0.2		£37.72	£41.52
Job Start Payment			
Job Start Payment standard rate		£267.65	£294.70
Job Start Payment higher rate		£428.25	£471.50
Personal Independence Payment			
Daily Living Component Enhanced Rate		£92.40	£101.75
Daily Living Component Standard Rate		£61.85	£68.10
Mobility Component Enhanced Rate		£64.50	£71.00
Mobility Component Standard Rate		£24.45	£26.90
Severe Disablement Allowance			
Basic Rate		£83.75	£92.20
Age related addition	Higher Rate	£12.55	£13.80
	Middle Rate	£6.95	£7.65
	Lower Rate	£6.95	£7.65

Note: rounding to the nearest 5p is applied except IIDB where the 100% degree of disablement entitlement is rounded to the nearest 10p and the lower rates rounded to the nearest 1p

6.3 Industrial Death Benefit is part of the Industrial Injuries Scheme and is paid to the widow, widowers or dependents of someone who has died as a result of an industrial injury or disease. The higher rate widow's pension of £141.85 will increase to **£156.20**, the lower rate widow's pension of £42.56 to **£46.86**. The widower's pension of £141.85 will increase to **£156.20**. This is a closed benefit and was abolished for all new claims in 2012 and is payable only if the person died before 1988.

7. Uprating Policy for 2023-24

7.1 During the Scottish Budget on 15 December 2022 it was announced that Child Disability Payment, Adult Disability Payment, Funeral Support Payment, Young Carer Grant and Carer's Allowance Supplement will receive an uplift to the payment rates of 10.1%. Scottish Child Payment has been increased to £25 in November 2022, an above inflation increase of 25%. All other devolved benefits, i.e. those where uprating is at Ministers' discretion, will also be uprated by 10.1%.

The new rates of assistance are presented in Table 3.

Table 3 – 2023-24 assistance rates for Child Disability Payment, Adult Disability Payment, Scottish Child Payment, Child Winter Heating Assistance, Winter Heating Payment, Funeral Support Payment, Job Start Payment, Young Carer Grant, Carer's Allowance Supplement, Best Start Grants, and Best Start Foods

Benefit	Assistance Rates
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	2023-24
Child Disability Payment	
Care Component Highest Rate	£101.75
Care Component Middle Rate	£68.10
Care Component Lowest Rate	£26.90
Mobility Component Higher Rate	£71.00
Mobility Component Lower Rate	£26.90
Adult Disability Payment	
Daily Living Component Enhanced Rate	£101.75
Daily Living Component Standard Rate	£68.10
Mobility Component Enhanced Rate	£71.00
Mobility Component Standard Rate	£26.90
Scottish Child Payment	£25.00
Child Winter Heating Assistance	£235.70
Winter Heating Payment	£55.05
Funeral Support Payment (higher rate)	£1,178.75
Funeral Support Payment (lower rate)	£143.85
Funeral Support Payment (medical device removal rate)	£23.75
Job Start Payment standard rate	£294.70
Job Start Payment higher rate	£471.50
Young Carer Grant	£359.65
Carers Allowance Supplement (bi-annual rate)	£270.50
Best Start Grant: Pregnancy and Baby Payment 1st child	£707.25
Best Start Grant: Pregnancy and Baby Payment subsequent	£353.65
Best Start Grant: Early Learning Payment	£294.70
Best Start Grant: School Age Payment	£294.70
Best Start Foods: Higher payment rate	£9.90
Best Start Foods: Lower payment rate	£4.95

Note: rounding to the nearest 5p is applied

7.2 Scottish Child Payment will not be further updated in April 2023, as it was already increased to £25 per week in November 2022, an above-inflation increase of 25%. SCP, which started being paid to clients in February 2021, was benefitting over 100,000 children at the end of September this year¹⁷. Eligibility was widened to eligible children aged under 16 in November 2022. As a result, by the end of 2022-23, the Scottish Fiscal Commission expect over 300,000 children to be benefitting from the payment.¹⁸

7.3 Scottish Ministers will bring forward legislation to uprate the assistance for which they have executive competence, namely AA, CA, DLA, PIP, SCP, SDA, IIDB and IDB, by April

¹⁷ Scottish Government, Scottish Child Payment: high level statistics to 30 September 2022 ([link](#))

¹⁸ [Social Security Scotland - Scottish Child Payment: high level statistics to 30 September 2021](#)

2023. A summary of the devolved Social Security assistance rates to be delivered in Scotland in 2023-2024 is available in **Annex A**.

7.4 The UK Government also updates reserved social security benefit and pension rates each year. The rates for 2023-24 can be found at: [Benefit and pension rates 2023 to 2024 - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/publications/benefit-and-pension-rates-2023-to-2024)

8. Carer's Allowance Supplement Statement

8.1 As Carer's Allowance has the lowest rate of all working age benefits, the Carer's Allowance Supplement was designed to increase Carer's Allowance to the level of Jobseeker's Allowance. The supplement is an interim measure until the Scottish Government is delivering Scottish Carer's Assistance in full under the powers in the Social Security (Scotland) Act 2018.

8.2 Section 81 of the Social Security (Scotland) Act 2018 provides a formula for determining the rate of Carer's Allowance Supplement by calculating the difference between the weekly rate of Carer's Allowance and Jobseeker's Allowance. To ensure the support provided through the Supplement is protected as prices change, Section 81 provides for the amount of Jobseeker's Allowance used in this calculation to be updated for inflation, while also taking into account any actual changes in the rate of Jobseeker's Allowance since the introduction of the Supplement. This means that since the introduction of Carer's Allowance Supplement in 2018, the Jobseeker's Allowance rate used for its calculation was updated with inflation despite the actual rate of Jobseeker's Allowance remaining frozen at 2015-16 prices under the UK Government benefit freeze policy until April 2020.

8.3 As no legislation is required to update Carer's Allowance Supplement, Scottish Ministers are to publish a statement before the start of each new tax year, explaining how inflation has been calculated for this purpose. It is appropriate to include this statement within this report.

8.4 For 2023-24, Scottish Ministers have chosen to update the 2022-23 bi-annual rate of Carer's Allowance Supplement of £245.70 by the annual rate of CPI to September 2022 of 10.1%, to £270.50. This is equivalent to a weekly rate of £10.40 when rounded to the nearest 5p.

8.5 Updating the weekly Job Seeker's Allowance rate used in last year's calculation of Carer's Allowance Supplement (£79.15) by the annual rate of CPI to September 2022 of 10.1%, produces £87.15 (to the nearest 5p). Compared with the 2023-24 rate of Carer's Allowance (£76.75) this is a weekly difference of £10.40, a (10.05%) rise from the £9.45 weekly Carer's Allowance Supplement rate set in 2022-23. To ensure that the bi-annual payment fully increases in line with inflation (10.1%), a further 10p has been added so that it rises from £245.70 to £270.50 (rather than £270.40 (£10.40 x 26)).

9. Conclusion

9.1 This is the fourth publication of the report on the impact of inflation on devolved social security assistance. The report has explained the Scottish Government's approach to uprating social security assistance for the financial year 2023-24.

Annex A

Devolved Social Security Assistance Rates 2023-2024

Weekly rates unless otherwise shown.

Benefit	Rates 2022-23	Rates 2023-24
Attendance Allowance		
Higher Rate	£92.40	£101.75
Lower Rate	£61.85	£68.10
Carer's Allowance		
Carer's Allowance	£69.70	£76.75
Carer's Allowance Supplement (bi-annual payment)	£245.70	£270.50
Carer's Allowance Earnings Threshold	£132.00	£139.00
Earnings limit: Child dependency increase payable with Carer's Allowance (for first child)	£255.00	£280.00
Earnings limit: Child dependency increase payable with Carer's Allowance (for each subsequent child)	£34.00	£37.00
Child Dependency Increases payable with CA	£11.35	£11.35
Disability Living Allowance		
Care Component Highest Rate	£92.40	£101.75
Care Component Middle Rate	£61.85	£68.10
Care Component Lowest Rate	£24.45	£26.90
Mobility Component Higher Rate	£64.50	£71.00
Mobility Component Lower Rate	£24.45	£26.90
Industrial Injuries Disablement Benefit		
Standard Rate 1.0	£188.60	£207.60
0.9	£169.74	£186.84
0.8	£150.88	£166.08
0.7	£132.02	£145.32
0.6	£113.16	£124.56
0.5	£94.30	£103.80
0.4	£75.44	£83.04
0.3	£56.58	£62.28
0.2	£37.72	£41.52
Industrial Injuries Unemployability Supplement permitted earnings level (annual amount)	£7,904.00	£8,684.00
Maximum life gratuity (lump sum)	£12,520.00	£13,780.00
Unemployability Supplement	£116.60	£128.40
Increase for early incapacity		
Higher rate	£24.15	£26.60
Middle rate	£15.50	£17.10
Lower rate	£7.75	£8.55
Maximum reduced earning allowance	£75.44	£83.04
Maximum retirement allowance	£18.86	£20.76

Constant Attendance Allowance		
Exceptional rate	£151.00	£166.20
Intermediate rate	£113.25	£124.65
Normal maximum rate	£75.50	£83.10
Part-time rate	£37.75	£41.55
Exceptionally severe disablement allowance	£75.50	£83.10
Industrial Death Benefit		
Widow's Higher Rate	£141.85	£156.20
Lower Rate	£42.56	£46.86
Widower's Rate	£141.85	£156.20
Personal Independence Payment		
Daily Living Component Enhanced Rate	£92.40	£101.75
Daily Living Component Standard Rate	£61.85	£68.10
Mobility Component Enhanced Rate	£64.50	£71.00
Mobility Component Standard Rate	£24.45	£26.90
Severe Disablement Allowance		
Basic Rate	£83.75	£92.20
Age related addition Higher Rate	£12.55	£13.80
Middle Rate	£6.95	£7.65
Lower Rate	£6.95	£7.65
Earnings limit: Child dependency increase payable with SDA (for first child)	£255.00	£280.00
Earnings limit: Child dependency increase payable with SDA (for each subsequent child)	£34.00	£37.00
Child Dependency Increases payable with SDA	£11.35	£11.35
Earnings limit: Adult Dependency Increase payable with SDA dependant is living with claimant	£77.00	£84.80
Earnings limit: Adult Dependency Increase payable with SDA dependant still qualifies for the tapered earnings rule	£45.09	£45.09
Earnings limit: Adult Dependency Increase payable with SDA dependant is not living with claimant	£41.20	£45.35
Adult Dependency Increase payable with SDA	£41.20	£45.35

Grants or one-off payments

Benefit	Rates 2022-23	Rates 2023-24
Best Start Grant (BSG)		
BSG Pregnancy and Baby Payment (1st Child Payment)	£642.35	£707.25
BSG Pregnancy and Baby Payment (Subsequent Child Payment & Extra Payment for Twins/Triplets)	£321.20	£353.65
BSG Early Learning Payment	£267.65	£294.70

BSG School Age Payment	£267.65	£294.70
Best Start Foods (BSF)		
Best Start Foods: Higher payment rate	£9.00	£9.90
Best Start Foods: Lower payment rate	£4.50	£4.95
Child Winter Heating Assistance		
Child Winter Heating Assistance (annually)	£214.10	£235.70
Winter Heating Payment		
Winter Heating Payment (annually)	£50.00	£55.05
Funeral Support Payment		
standard rate for other expenses element	£1,070.60	£1,178.75
other expenses element where there is a funeral plan	£130.65	£143.85
removal of implanted medical devices	£21.80	£23.75
Job Start Payment		
Job Start Payment (one-off) standard rate	£267.65	£294.70
higher rate	£428.25	£471.50
Young Carer Grant		
Young Carer Grant (annually)	£326.65	£359.65

Weekly rates

Benefit	2022-23	2023-24
Child Disability Payment		
Care Component Highest Rate	£92.40	£101.75
Care Component Middle Rate	£61.85	£68.10
Care Component Lowest Rate	£24.45	£26.90
Mobility Component Higher Rate	£64.50	£71.00
Mobility Component Lower Rate	£24.45	£26.90
Adult Disability Payment		
Daily Living Component Enhanced Rate	£92.40	£101.75
Daily Living Component Standard Rate	£61.85	£68.10
Mobility Component Enhanced Rate	£64.50	£71.00
Mobility Component Standard Rate	£24.45	£26.90

Weekly rates (up to the age of 3)

Best Start Foods	Rates 2022-23	Rates 2023-24
During pregnancy and between the ages of 1 and 3	£4.50	£4.95
From birth until 1 year old	£9.00	£9.90

Weekly rates (up to the age of 6)

Scottish Child Payment	Rates 2022-23	Rates 2023-24
0-5 (0-15 since November 2022)	£20.00	£25 (from November 2022)