



# Social security in Scotland

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*Previous page: Nicola Sturgeon, Scotland's first minister, attends a mobile food bank in Stirling. Despite the UK being one of the world's richest countries, many working as well as non-working people have to attend food banks to feed themselves and their family.*

**Investment in social security alone will not be enough to end child poverty in Scotland, but the last 25 years shows us the clear link between social security and poverty rates across the UK. What opportunities do Scotland's powers to invest in social security offer? And how can the Scottish government use them to reduce child poverty?**

Between 1998 and the early 2010s, 160,000 children in Scotland were lifted out of poverty, and child poverty fell by 1.1 million across the UK as a whole.<sup>1</sup> Although this period saw much broader investment than simply in social security, the Institute for Fiscal Studies puts this fall in child poverty down to 'very significant additional spending on benefits and tax credits.'<sup>2</sup>

In contrast, the last decade has seen massive cuts to social security across the UK.<sup>3</sup> At the same time, the devolution of some social security powers to Scotland in 2016 has created opportunities for the Scottish government to use social security as a lever for tackling poverty. Alongside this, the Child Poverty (Scotland) Act 2017 sets out ambitious child poverty targets for Scotland. The Scottish parliament passed the act unanimously, and it places a statutory duty on the Scottish government to ensure that child poverty is below 18 per cent by 2023/24 and under 10 per cent by 2030.

**What powers does Scotland have?**

The Scotland Act 2016 devolved responsibility for disability benefits, carers' benefits and the regulated social fund, which includes maternity grants, and funeral, cold weather and winter fuel payments. At the time of devolution, these benefits accounted for 15 per cent of social security spending in Scotland.

Scotland also gained powers to top up benefits managed at the UK level and to create new benefits. Although the UK government kept most powers over means-tested benefits, some powers relating to universal credit (UC) were devolved. These included the ability to change the frequency of payments, split payments between couples, pay housing costs directly to landlords and vary the housing costs element. These flexibilities have been used to introduce the option of twice monthly payments and payments directly to landlords, but a commitment to introduce split payments has stalled due both to complications in the way a split can be calculated and the apparent lack of flexibility in the UC digital system. CPAG, as part of the Scottish Campaign on Reform of Social Security (SCoRSS), continues to work with the Scottish government to address these issues.

In 2018, the Scottish parliament unanimously passed the Social Security (Scotland) Act. The act places the principles of human rights, dignity and poverty reduction at the heart of the social security system's legal framework. CPAG and other members of the Scottish Campaign on Welfare Reform (now

SCoRSS) have advocated for these principles for many years,<sup>4</sup> and so broadly welcomed the act. It set out a framework for the newly devolved benefits and their administration, changing the language of the system from that of 'benefits' and 'claims' to that of 'assistance' and 'applications.' There was hope that the Scottish social security system would move away from the cuts and undignified assessment found in the UK system towards a rights-based, person-centred approach. As part of this process, the newly formed Social Security Scotland developed a charter, in partnership with people with lived experience of the social security system, and has produced annual reports measuring its actions against the charter.<sup>5</sup> A commission on social security has also been established to scrutinise regulations.

Although the 2018 Act brought significant progress, there are concerns that too much of the detail in relation to benefits has been left to guidance rather than legislation, making it more difficult to challenge decisions. The rights-based principles of the new system contrast with, for example, the approach taken to recovery of overpayments, which arguably leaves claimants with fewer rights than under the previous system.

*Social Security Scotland delivers a number of benefits for families, including Best Start grant pregnancy and baby payment, early learning payment, school age payment and Best Start foods and, since February 2021, Scottish child payment. People can apply for the various Scottish benefits by filling in the one form.*

**What has been done with these powers?**

The Scottish government has used its powers to put much needed money into the pockets of low-income families. The most impactful and far-reaching of the measures introduced so far is the Scottish child payment. This payment uses the power to top up UK-wide benefits, adding £10 a week to UC and equivalent legacy benefits for eligible children younger than six years old. The first Scottish Child Payment was made in February 2021, and the benefit will be rolled out to all eligible children under the age of 16 by the end of 2022. Following successful campaigning led by CPAG, the Scottish government has committed to doubling the payment to £20 a week from April 2022. The Scottish child payment shows the key role social security can play in tackling child poverty. At its current level of £10, the payment is expected to have lifted 10,000 children out of poverty. At the £20 level, it is projected to lift a further 40,000 children out of poverty by 2023/24.<sup>6</sup>

Alongside the Scottish child payment, other payments have been introduced to boost incomes in Scotland. Carer's allowance supplement and the young carer grant provide additional support to carers. Child winter heating assistance of £200 supports families with a severely disabled child. A £606 Best Start grant (with £303 for second and subsequent children) has replaced the £500 Sure Start grant provided elsewhere in the UK, alongside two new early years and school-age payments of £252.50 each. Reflecting on the principles the system is trying to live by, 92 per cent of those surveyed described a positive experience of claiming support from Social Security Scotland.<sup>7</sup>

The transfer of disability payments from the UK's Department for Work and Pensions (DWP) to Social Security Scotland has started, with the child disability payment replacing disability living allowance for all new claims from November 2021. Personal independence payment and attendance allowance will also be replaced by new Scottish benefits, with adult disability payment replacing personal independence payment this year. The Scottish government has committed to a safe and secure transfer of claimants from the UK to the Scottish system, and has made few changes to the eligibility criteria. However, the commitment to a human rights-based approach and changes to the application and assessment process, mean the Scottish government is forecast by March 2026 to spend £500 million more on adult disability payment than would have been spent by the DWP on personal independence payment in Scotland.





**The Child Poverty (Scotland) Act places a statutory duty on the Scottish government to meet its child poverty targets**

One significant change is the intention to remove most face-to-face assessments from the application process. Instead, the claimant’s own report of their difficulties and supporting information from both professional and informal sources, such as family members and carers, will inform the assessment. It is too early to say how this will work in practice, but this change in policy is a significant victory for campaigners in Scotland who drew on evidence from the DWP’s systems that its assessments are unreliable<sup>8</sup> and cause more harm than good.<sup>9</sup>

Earlier devolution in 2013 had allowed Scotland to establish the Scottish welfare fund, providing crisis grants and community care grants at higher levels than similar schemes across the rest of the UK.<sup>10</sup> While this support has been invaluable, those attempting to access the fund have reported barriers to getting the support they need. Charities have highlighted that many people receiving support from food banks and other voluntary hardship funds have not been able to access support from the fund.<sup>11</sup> People have reported inconsistencies in decision-making processes, and the fund needs to be more visible with better referral pathways to ensure that food aid is only ever a last resort, with cash support available to people experiencing an income crisis. The Scottish government has committed to carrying out a review of the fund’s purpose and operation to make sure it is working well in all parts of the country.

**What are the opportunities and barriers in Scotland?**

The Child Poverty (Scotland) Act places a statutory duty on the Scottish government to meet its child poverty targets. Social security alone will not get Scotland there, but it doubtless has a huge role to play in preventing and reducing child poverty. The introduction of the Scottish child payment has already made a huge difference to families and its doubling from April will lift even more families out of poverty. All the evidence suggests that even alongside policies such as expanded funded childcare and increased employability support, however, the interim target in 2023/24 will be missed without further increases to the Scottish child payment.<sup>12</sup>

In March 2022, the Scottish government will publish the Tackling Child Poverty Delivery Plan for 2022–26, covering the period of the interim target. If the Scottish government is serious about the national mission to end child poverty, then the cumulative action of the measures laid out in the plan must meet the target for 2023/24 and place Scotland on the path to the 2030 target.

Ahead of the 2021 Scottish parliament election, the Scottish National Party (SNP) committed to ‘begin work to deliver a Minimum Income Guarantee, ensuring that everyone in Scotland can live healthy,

fulfilling lives.<sup>13</sup> Since the election, the Scottish government has set up a steering group and has conducted a public consultation on its plans. The ambition of achieving a minimum income guarantee in Scotland has been widely welcomed.<sup>14</sup> There are immediate actions and commitments that the Scottish government can take and which use existing powers to improve incomes from social security as well as from other sources such as employment.<sup>15</sup>

When developing a minimum income guarantee there needs to be careful consideration of the best way to use social security powers to support people's incomes. Universal and contributory benefits have an important role to play in social security. A reliance solely on means-tested benefits is unlikely to provide genuine financial security. It is also important that the level of any guarantee is adequate. The measure currently used in policy discussions around a minimum income guarantee, the minimum income standard,<sup>16</sup> has wide support. Planning for a minimum income guarantee in Scotland should continue to be based on this standard.

At the same time as developing a minimum income guarantee, there are immediate opportunities for investment in social security that could begin to establish a guaranteed income for everyone in Scotland. These include closing the gaps in the safety net caused by UK policies such as the two-child limit and the benefit cap and promoting take up and automating payments of benefits. Such steps will also help Scotland meet its statutory child poverty targets.

The last parliament unanimously passed the United Nations Convention on the Rights of the Child (Incorporation) (Scotland) Bill, which sought to incorporate the convention into Scots law. In October 2021, the UK Supreme Court ruled that doing so was beyond the legislative competence of the Scottish parliament and so there have been delays to full incorporation. The Scottish government intends to amend the bill in the coming months and bring it back to parliament. The incorporation of the convention into Scots law would include 'for every child the right to benefit from social security', requiring the Scottish government to 'take the necessary measures to achieve the full realisation of this right'.<sup>17</sup> It will not be clear what the full implications of this are for social security in Scotland until the bill makes its way through parliament once more, but there is a clear opportunity to protect the right for children to access security and live a life free from poverty in Scotland.

The UC cut in October 2021 pushed an estimated 22,000 children in Scotland into poverty.<sup>18</sup> It cannot be ignored that the policies and approach to social security at the UK level is jeopardising progress on child poverty in Scotland. This cut is one of many actions taken over the last decade at Westminster to cut social security support for families. Ignoring pandemic-related measures, UK spending on social security in Scotland was estimated to be £3.7 billion a year less in 2020/21 than in 2010.<sup>19</sup> The Scottish government has an opportunity to address some of the worst of UK-wide social security policy.

## Conclusion

The action taken by the Scottish government since 2016 has provided the beginnings of a social security system that could lay the foundation to reducing and ending poverty. Yet child poverty is rising in every local authority in Scotland, and to stop this rising tide more action is needed. Families in Scotland are struggling. The UK government's £20 universal credit cut coupled with a rise in the cost of living across the board is increasing financial insecurity for those who have been hardest hit by the pandemic. Incomes cannot stretch any further. The immediate priority in Scotland must be taking whatever action is necessary to ensure the 2023/24 target is met and to place us on the path to meeting the 2030 target. The doubling of the Scottish child payment from April is a huge step in that direction.

The Scottish government has made significant investment in social security since 2016, but current levels of investment will not be enough to meet their own targets. The Scottish child payment has shown the potential social security has in Scotland to contribute to ending child poverty. The Scottish government must now use all of the levers at its disposal, including further investment in social security, if it is to meet its own targets, halt the rising tide of poverty and realise the national mission to end child poverty in Scotland for good.

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### Footnotes

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8. 73 per cent of personal independence payment appeals found in favour of the claimant at tribunal in April-June 2019. Ministry of Justice, *Tribunal Statistics Quarterly: April to June 2019*, 2019, available at [gov.uk/government/statistics/tribunal-statistics-quarterly-april-to-june-2019](http://gov.uk/government/statistics/tribunal-statistics-quarterly-april-to-june-2019)
9. B Barr and others, "'First, do no harm': are disability assessments associated with adverse trends in mental health? A longitudinal ecological study", *J Epidemiol Community Health*, 70, 2016, pp339-345, available at [jech.bmj.com/content/70/4/339](http://jech.bmj.com/content/70/4/339)
10. Spend on crisis support in 2019/20 per head was £6.88 in Scotland compared with £0.64 in England. A Nichols and C Donovan, *The Postcode Lottery of Crisis Support*, End Furniture Poverty, 2021, available at [static1.squarespace.com/static/5a02be2eb1fb6f0e483368f/t/607e85353213a53b693cceb8/1618904376260/The+Postcode+Lottery+of+Crisis+Support+%28Final+Online%29+.pdf](http://static1.squarespace.com/static/5a02be2eb1fb6f0e483368f/t/607e85353213a53b693cceb8/1618904376260/The+Postcode+Lottery+of+Crisis+Support+%28Final+Online%29+.pdf)



*In the process of taking control over a range of benefits, the Scottish government asked the people of Scotland how these new powers should be used. It was agreed the UK system is stressful, complicated and often inhumane. The Scottish government set-up Social Security Scotland to deliver benefits in a more positive and supportive way, based on the fact that social security is a human right. Produced by Social Security Scotland, 'Our Charter' takes these principles and explains what they mean in practice and what people are entitled to expect from the benefits system. The charter was put together by people with lived experience of social security alongside other experts, relevant organisations and officials.*

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