

# **Islands Communities Impact Assessment**

# **Scottish Child Payment**

**September 2020**

# Islands Communities Impact Assessment for the Scottish Child Payment

## Introduction

The Scottish Child Payment (SCP) is a new benefit being introduced by the Scottish Government to tackle child poverty for low income families in receipt of reserved benefits. It will pay the equivalent of £10 a week per child every four weeks in arrears to families, with no cap on the number of eligible children a family can claim for. Early payments of the SCP will be made to families with children under the age of 6 – recognising that, of all children in poverty, almost 60% live in a household where the youngest child is aged under 6<sup>1</sup>. The early years are key to improving long term outcomes with socioeconomic differences during them having implications in later decades<sup>2</sup>. This is ahead of the payment being rolled out to children under 16. Recognising the need to get money to families quickly, the SCP will be introduced through secondary legislation, using the powers to top up a reserved benefit contained in Section 79 of the Social Security (Scotland) Act 2018

Islands Communities Impact Assessments (ICIA) are a duty under the Islands (Scotland)<sup>3</sup> Act 2018 whereby Scottish Ministers and other relevant public bodies must have regard to island communities in exercising their functions and in the development of legislation.

The scope of this ICIA is to examine the impact of the SCP on the children under 6 who will be eligible for the early payment, and their families, who live in remote or rural communities. It is more important than ever, given the challenges the current COVID-19 crisis has created for those on low incomes, to understand those impacts.

As children are part of the household unit, when assessing the impacts of social security and poverty it is necessary to consider the circumstances of the household. Given this, as we developed the impact assessments we identify issues that arise within the social security system as a whole, and the added impact of poverty, on all members of a household – both those receiving the benefits and their children. We will also consider the payment in the wider context of the devolution of social security powers to Scotland.

This impact assessment focusses on the early payment being made to children under 6, and a further one will be published for the launch of the payment for children aged 6 to 16.

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<sup>1</sup> [Family Resources Survey - Children in poverty or material deprivation by age of children in household](#)

<sup>2</sup> [Scottish Government, Growing Up in Scotland: Health Inequalities in the Early Years](#)

<sup>3</sup> [The Islands \(Scotland\) Act 2018](#)

## **Executive summary**

The Scottish Government does not consider that the SCP will negatively impact upon those in island and rural communities.

We have sought to understand the impact of the SCP through speaking to over 300 people with lived experience of the social security system across Scotland, including those living in rural and island locations. This has been carried out by phone interviews and face to face testing with parents from the islands, including in Orkney, Banff, Oban and Mull. As part of this process we have also spoken to welfare officers who have an acute understanding of the lived experience with which parents and others may present to them. The work has been undertaken to better understand the unique cultural and social issues which face these communities and help shape the design of the payment according to those needs.

There has also been policy engagement with stakeholders representing communities across Scotland including COSLA, the Scottish Campaign for Welfare Reform, the Social Security Consortium in Scotland and the Poverty Alliance, amongst others.

On average, rates of poverty tend to be lower in rural areas, however, in 2017 it was found that there are 40,000 children in rural areas in poverty. The barriers that those children and their families face to leaving poverty could relate to their island location and might include: poor public transport; lack of services; lack of opportunities; and increased isolation<sup>4</sup>.

The flexibility of the SCP will help address some of the issues specific to island communities including:

- the additional expense of transport costs for children accessing hobbies and other activities;
- the higher cost of living in rural areas, the money can be spent on practical items such as climate appropriate clothing.

Social Security Scotland, the agency responsible for delivering the SCP is focussed on reducing stigma and increasing accessibility across Scotland, which will benefit island communities. Our Charter<sup>5</sup>, a public document outlining what clients should expect from Social Security Scotland, sets out its responsibility to change the language around benefits and reduce stigma. Social Security Scotland will offer application and support services online, by phone, by paper and face to face to ensure the SCP is accessible to those in remote communities, regardless of circumstances.

The Scottish Government is committed to promoting benefit take-up in island communities. Our communication strategy is being designed with those in rural communities in mind, with targeted communications and roadshows promoting the SCP. Our first Benefit Take-up Strategy<sup>6</sup>, was published in 2019 setting out the ongoing work of the Scottish Government and Social Security Scotland to address

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<sup>4</sup> [Tackling Child Poverty Delivery Plan, Annex 2](#)

<sup>5</sup> [Our Charter](#)

<sup>6</sup> [The Social Security Benefit Take-up Strategy](#)

barriers to benefit uptake, including remote accessibility. Another important commitment in the Benefit Take-up Strategy is the development of two sources of funding to assist organisations supporting people to take-up the benefits they are entitled to, including those living in remote and island communities<sup>7</sup>. Through aforementioned user research we have sought to involve those in rural communities in designing this.

## **Background**

The Child Poverty (Scotland) Act 2017<sup>8</sup> sets ambitious interim (2023) and final (2030) targets for the reduction of child poverty, Scottish Ministers are required to publish child poverty delivery plans at regular intervals, with annual reports to measure progress. The first Tackling Child Poverty Delivery Plan (TCPDP)<sup>9</sup> was published in March 2018 (and will run until 2022), setting out the range of policies and proposals to help us make strong progress towards the targets. Recognising the key role of social security, the delivery plan committed the Scottish Government to work towards the introduction of an ‘income supplement’ – a new benefit to support families with children.

Since the publication of the delivery plan, an Analysis of Options for the Income Supplement report<sup>10</sup> was published, establishing a set of key objectives to help guide the development of the SCP, determine potential options and support future evaluation. The objectives set for the SCP are: achieve a minimum reduction in child poverty (relative, after housing costs) of 3 percentage points when fully rolled out; reduce the depth of poverty and provide support to those who need it most; and help to support a sustainable and lasting reduction in poverty for families with children. The outcomes of this work was announced by the Cabinet Secretary for Communities and Local Government on 26 June 2019 which confirmed that the Scottish Government would introduce a new benefit – the SCP.

To meet these objectives, the SCP will pay £10 a week to low income families with eligible children who are in receipt of reserved benefits – Universal Credit, the legacy benefits it replaces, and Pension Credit. It will be a four weekly payment, and there will be no cap on the number of eligible children a family may claim for. The payment will be delivered through an application based process by Social Security Scotland.

As a result of COVID-19, the Scottish Fiscal Commission (SFC) expect there to be more eligible children than previously projected due to the increase in numbers of families applying for qualifying benefits, such as Universal Credit. As of 9 July 2020 there were around 470,000 people on Universal Credit. This compares to 243,000 people claiming Universal Credit in January 2020, meaning that the caseload has almost doubled in that time<sup>11</sup>. The SFC have published a new set of forecasts (including numbers eligible and expenditure) to accompany the SCP regulations, these can be found [here](#). As a demand led benefit, the SG guarantees that all those who are eligible and apply for the payment will receive their entitlement.

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<sup>7</sup> [Benefit Take Up Forms and Guidance](#)

<sup>8</sup> [Child Poverty \(Scotland\) Act 2017](#)

<sup>9</sup> [Tackling Child Poverty Delivery Plan](#)

<sup>10</sup> [Analysis of Options for the Income Supplement report](#)

<sup>11</sup> [Universal Credit Scotland dashboard: August 2020](#)

Further information on the policy and delivery detail, including three position papers published by the Scottish Government, is available on the Scottish Government's website<sup>12</sup>.

## **Key Findings**

### *Demography*

Rural Scotland accounts for 98% of the land mass of Scotland and 17% of the population are resident there<sup>13</sup>. Scotland had 93 inhabited islands with a total population of 103,700 - 2% of Scotland's population as per 2011 Census<sup>14</sup>. Of these islands, only five are connected to the Scottish mainland by bridge or causeway<sup>15</sup>. Island stakeholders have emphasised the importance of understanding the island experience.

On average, rates of poverty tend to be lower in rural areas. However, there are 40,000 children in rural areas that are in poverty, and the barriers to leaving poverty may be greater<sup>16</sup>.

There are 6 local authorities representing island communities, defined under the Islands Act these are: Argyll and Bute Council; Comhairle nan Eilean Siar/ Western Isles; Highland Council; North Ayrshire Council; Orkney Islands Council; and Shetland Islands Council. Amongst them, Orkney, Shetland and Western Isles are entirely island authorities, while Highland, Argyll and Bute and North Ayrshire local authorities cover island regions as well as mainland regions.

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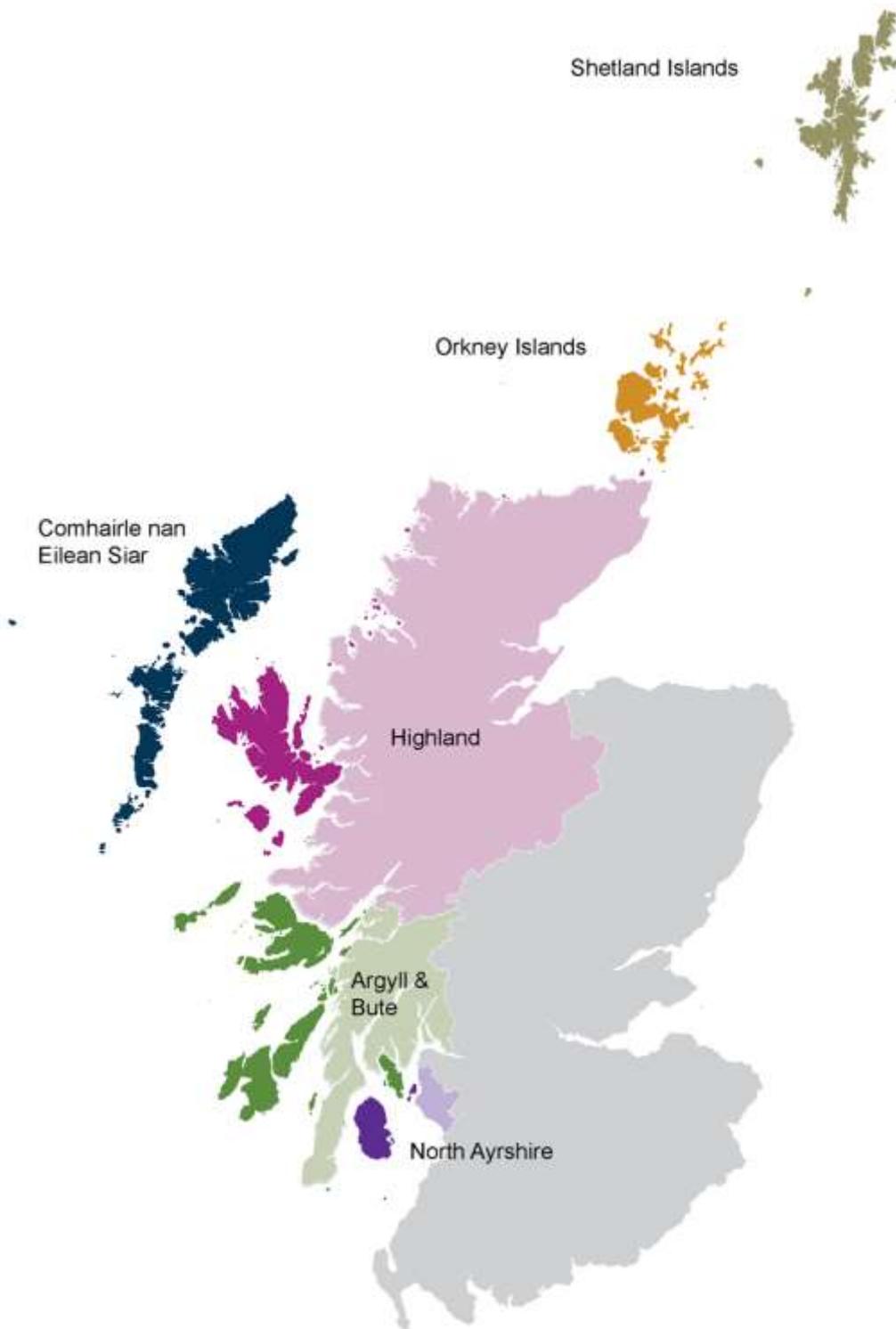
<sup>12</sup> [Scottish Government website - Scottish Child Payment](#)

<sup>13</sup> [Key facts on rural Scotland 2018](#)

<sup>14</sup> [Scotland's Census 2011: Inhabited islands report 2015 \(NRS\)](#)

<sup>15</sup> Haswell-Smith, H. (2004). *The Scottish Islands: A Comprehensive Guide to Every Scottish Island*. Edinburgh: Canongate Books Ltd

<sup>16</sup> [Tackling Child Poverty Delivery Plan: annex 2 - what is the role of place in relation to poverty?](#)



**Figure 1: Map** highlighting all 6 local authorities representing Island Communities (islands in darker shades where islands are part of mainland LAs) (Source: research briefings 2017 on Islands Scotland Bill )

### *Connectivity and Accessibility*

The Scottish Government is committed to ensuring that the SCP is accessible to all of Scotland, including those living in the islands. The unique accessibility challenges faced by those living in island communities was considered as part of our user research. Participants told us the following:

- sometimes internet connectivity can be an issue in more rural areas, as can the access to data on mobile phones;
- access to post offices/post boxes wasn't very easy, so online may be preferable; and
- internet connection could drop out, making a postal application preferable.

Some of the views expressed contradicted others, making choice and flexibility for clients looking to communicate with Social Security Scotland essential. This aligns to the multi-channel approach of Social Security Scotland, which is focussed on accessibility, clients can receive applications online, over the phone or by paper. Clients will be able to receive communications in a variety of different ways, this includes texts, emails and phone calls depending on their preferred method of contact.

In addition, Social Security Scotland now has staff working across the country to set up a local service, including in island communities, with staff in all 32 local authority areas. These staff will operate at the local level helping and informing clients of benefits available and assisting clients claim what they are entitled to. Currently Local Delivery staff in each area are engaging with external stakeholders, building networks to assist the delivery of a local, person-centred service. They will give clients a choice in regard to how they access the service by offering support in outreach locations, home visits and prisons. Clients will be able to receive one to one support, to understand what devolved benefits they are entitled to and help them to complete applications. Although the preference is to have Local Delivery support in place for the launch of SCP, at this point it is unlikely that this will be fully functional due to COVID-19 restrictions. This is because it is not yet known which external locations/offices will be available to enable face to face contact nor the impact on clients allowing access to their households. In addition, supporting products and kit, such as a lone working solution, booking tool and pdf document access, need to be in place to enable a successful launch. This situation will be kept under close review in the coming months and alternative solutions found for clients with specific needs.

To ensure accessibility, it is essential that benefit take-up is promoted in island communities. A communication strategy is being developed with targeted communications developed in collaboration with those living in rural and island locations to ensure they are aware of their entitlements. This will be accompanied by a series of roadshows promoting the SCP, where stakeholders from the third sector, charities and local authorities are invited to attend demonstrations of the application process and to ask any relevant questions regarding the benefit. These roadshows will ensure that families who are eligible and those that support them are aware of the SCP, know how to apply; and understand the eligibility criteria.

The Scottish Government published its first Benefit Take-up Strategy<sup>17</sup> in 2019, setting out the ongoing work of the Scottish Government and Social Security

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<sup>17</sup> [The Social Security Benefit Take-up Strategy](#)

Scotland to address barriers to benefit uptake. Costly or complex access to services was identified as one of the key accessibility barriers, particularly pertinent to those in island communities. As the SCP's eligibility is based on being in receipt of a qualifying benefit (e.g. Universal Credit) we have confirmed with the UK Government that we can promote the fact that eligibility for the SCP is based upon take-up of reserved benefits, it has been confirmed this will not pose a fiscal detriment to the Scottish Government.

Another important commitment in the Benefit Take-up Strategy is the development of two sources of funding to assist organisations supporting people to take-up the benefits they are entitled to<sup>18</sup>. The £500,000 Benefit Take-up Fund will have an emphasis on projects and activities that prepare organisations to support: first-time applicants, seldom-heard groups, and those who face particular barriers in accessing social security. The Income Maximisation Fund will have an emphasis on projects and activities that assist organisations to support: groups of people who have traditionally not applied for benefits; groups who may be in particular need of support; and groups that may have particular barriers to overcome in applying for benefits. As announced on the 27 February 2020, a total of 26 bodies from across the country received allocations to support hard to reach groups, including organisations specifically targeting those in rural or remote locations<sup>19</sup>.

### *Geography/Transport*

In rural and remote areas the costs of travel to essential services, is generally much higher. Those experiencing poverty may be unable to afford transport which reduces their quality of life and increases social isolation. In circumstances where there is no public transport infrastructure families may be forced to run a car, putting pressure on their finances<sup>20</sup>. For children, there are problems of access to youth clubs and after-school clubs; over 35% of children in remote rural areas had difficulties accessing youth clubs compared to under 20% in all other areas<sup>21</sup>.

Similar issues were raised in our user research, the cost of travel, particularly public transport is prohibitive for families. The contribution of the SCP to these transport costs would be helpful, in particular for children and families who rely on public transport to get to out of school activities.

### *Cost of living*

There is widespread evidence that rural areas, and remote and island communities in particular, experience higher costs of living for some goods and services. Highlands and Island Enterprise found that, typically, the minimum cost of living in remote rural Scotland ranged between 10% and 35% more than the equivalent in urban Britain in 2016. The additional costs are mainly from shopping; broadband; delivery costs; transport; childcare; and fuel costs<sup>22</sup>.

The ability of the SCP to address these additional costs was considered in our user research, it was found that the £10 per week was significant enough to have a

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<sup>18</sup> [Benefit Take Up Forms and Guidance](#)

<sup>19</sup> [Scottish Government: Funds Awarded to Maximise Benefit Take Up](#)

<sup>20</sup> [Transport and Poverty in Scotland, Report of the Poverty and Inequality Commission](#)

<sup>21</sup> [Poverty and social exclusion in rural and urban areas of Scotland, the University of Glasgow](#)

<sup>22</sup> [The Tackling Child Poverty Delivery Plan, Annex 2](#)

positive effect on families. In particular, those participating identified that the additional money could be spent on helping out with essentials such as the weekly shop or clothing.

### *Culture*

Through previous user research and experience panels conducted when designing Best Start Grant, Funeral Support Assistance and Young Carers Grant<sup>23</sup> we have found that there is a danger of stigma hindering applications for benefits, particularly in more rural communities. Access to services and support can be difficult. It is suggested that poverty in rural areas may be more isolating in its impact, due to the greater visibility of individuals within rural communities and a rural ideal of self-reliance. Poor adults in remote rural areas have been found to have particular problems with low levels of support<sup>24</sup>

Social Security Scotland is committed to tackling this stigma, committing in Our Charter<sup>25</sup> to:

- promote a positive view of social security, explaining it is a public service to be proud of – a human right there for all of us who need it;
- publicly challenge the myths and stereotypes about social security to help reduce stigma and negativity;
- change the language on social security - introducing more positive words to describe the service and the people who use it.

One way of changing the language around benefit take-up is through our communication strategy, which will portray applying for the SCP in a positive light<sup>26</sup>.

Where possible we have endeavoured to make the SCP application form as straightforward as possible, combining the form with Best Start Grant and Best Start Foods, to encourage those who experience stigma to take up their entitlement. In addition, Social Security Scotland local delivery will co-locate with existing services e.g. in local authorities, third sector and health centres. It is hoped this will reduce the stigma felt by people, since the reason for their visit will not be immediately obvious to other members of the community.

### **Monitoring and Review**

The Scottish Government has established the independent Scottish Commission on Social Security (SCoSS) who have provided independent scrutiny of the Scottish Child Payment regulations. The Scottish Government will publish a response to the report and each recommendation on 8 September.

The Social Security (Scotland) Act 2018 places a duty on the Scottish Ministers to report annually to the Scottish Parliament on the performance of the Scottish Social Security System during the previous financial year. The report is to describe what the Scottish Ministers have done in that year to meet the expectations on them set out in the Charter.

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<sup>23</sup> [Social Security Experience Panels: Publications](#)

<sup>24</sup> [Tackling Child Poverty Delivery Plan, Annex 2](#)

<sup>25</sup> [Our Charter](#)

<sup>26</sup> [/Social Security Scotland: Positioning Statement](#)

We have established stakeholder take-up reference group. This group comprises key individuals and organisations representing academic, third-sector, and local authority interests. It is designed so that members can bring their experience, expertise, and extensive networks to bear in supporting the implementation and monitoring of the first Benefit Take-up Strategy, as well as feeding into the development of the second and subsequent strategies.

We have committed to reviewing the SCP during the course of the next Tackling Child Poverty Delivery Plan (2022-2026) and continue to work closely with stakeholders, and people with experience of benefits, to ensure that support is targeted on those families that need it most.

### **Recommendations and Conclusions**

The work undertaken to produce this impact assessment, which was carried out in partnership with local people from island and rural communities, has helped us to better understand the unique challenges faced by those families living on low incomes in remote locations.

The need for flexibility, to meet the unique circumstances of those living in island communities was recognised throughout. In particular in recognition of the challenges regarding transport, higher costs of living and accessibility. The fact that the SCP can be used in a flexible manner to best meet the needs of the child and the emphasis Social Security Scotland places on an accessible, multi-channel service is expected to result in positive impacts for those in island communities.



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