

# **Social Security (Amendment) (Scotland) Bill**

## **Fairer Scotland Duty Summary**

# **Final Fairer Scotland Duty Impact Assessment Social Security (Amendment) (Scotland) Bill**

## **Title of Proposal**

Social Security (Amendment) (Scotland) Bill

## **Summary of aims and expected outcomes of strategy, proposal, programme or policy**

This Bill introduces provisions aimed at effecting the continuous improvement of the social security system across a range of topics, in line with the Scottish social security principles laid out in Part 1 of the 2018 Act.<sup>1</sup> These core principles, endorsed unanimously by the Scottish Parliament, deliberately correspond to some of the fundamental aspects of the right to social security, as set out in key human rights instruments such as the International Covenant on Economic, Social and Cultural Rights,<sup>2</sup> the Universal Declaration of Human Rights,<sup>3</sup> and the European Social Charter.<sup>4</sup>

In particular, the principles which connect most closely to the provisions included within the Bill state that –

“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”

and

“the Scottish social security system is to be efficient and deliver value for money”

The majority of provisions included within the Bill are designed to create efficiencies and enhance the administration of the Scottish social security system, with a focus on measures to improve client experience and to deliver value for money.

The Scottish Government believes that social security is a human right<sup>5</sup>, as set out in the 2018 Act, and a shared investment to help tackle poverty and build a fairer, more

---

<sup>1</sup> [s1, Social Security \(Scotland\) Act 2018 \(legislation.gov.uk\)](#)

<sup>2</sup> Article 9, [International Covenant on Economic, Social and Cultural Rights](#)

<sup>3</sup> Article 22, [Universal Declaration of Human Rights](#)

<sup>4</sup> Article 12, [European Treaty Series no. 163 – European Social Charter \(Revised\)](#)

<sup>5</sup> [s1\(b\), Social Security \(Scotland\) Act 2018](#)

equal society. The National Performance Framework<sup>6</sup> was created to explain the Scottish Government's aims for Scotland, the values that guide our approach and the national outcomes it is committed to achieving.

The majority of the proposals in the Bill are cross-cutting in nature and promote a person-centred, human rights-based approach to social security. The policy intention is to create efficiencies, remove barriers and empower people interacting with Social Security Scotland.

The Bill will contribute positively to advance the national outcomes of:

- **Communities:** We live in communities that are inclusive, empowered, resilient and safe.
- **Human Rights:** We respect, protect and fulfil human rights and live free from discrimination.
- **Poverty:** We tackle poverty by sharing opportunities, wealth and power more equally.

The Scottish Government published a strategy document titled "Equality, opportunity, community: New leadership – A fresh start" on 18 April 2023 which set out the First Minister's vision for Scotland and the outcomes the government aims to achieve by 2026.<sup>7</sup>

The Bill will contribute positively to two of the three indicators set out: Equality and Community. Firstly, Equality, through tackling poverty. Social Security Scotland makes payments which contribute to reducing inequality and which help protect people from the harms which flow from living in poverty.

The second objective, Community, will be advanced through this Bill by prioritising public services in a way which is person-centred, with a focus on tackling inequalities and ensuring that people are empowered to access and challenge their social security entitlement.

Further information about the background and the policy intention of the Bill is set out in the Policy Memorandum which accompanies the Bill. An overview of the provisions included in the Bill and their specific policy aims are set out below.

The scope of this FSDIA is focused on the possible equality impacts that may occur from implementing the provisions in the Bill. If passed, the Scottish Government intends to make regulations and to provide statutory guidance following consultation with stakeholders, to support the implementation of the Bill. This and further ongoing research and stakeholder engagement will contribute to further FSDIAs for each set of substantive regulations.

---

<sup>6</sup> [National Performance Framework | National Performance Framework](#)

<sup>7</sup> [Equality, opportunity, community: New leadership - A fresh start - gov.scot \(www.gov.scot\)](#)

## **Taking a regulation-making power for childhood assistance**

New enabling powers are provided within the Bill, allowing the Scottish Ministers to make regulations for childhood assistance, which will help towards meeting some of the costs associated with having a child in the family. Scottish Ministers intend to use the new powers for childhood assistance in due course as a new legislative footing for Scottish Child Payment (SCP) to allow better alignment of Social Security Scotland benefits.

SCP is currently delivered under s79 of the 2018 Act<sup>8</sup> as a 'top-up' where an individual is receiving a qualifying UK Government benefit.<sup>9</sup> Placing the payment on a new legislative footing will offer the opportunity for greater alignment across the five family payments (including the Best Start Grants and Best Start Foods) and will afford flexibility in the way the payment is delivered in the future.

## **Financial support for people with care experience**

A provision will be included in the Bill allowing Scottish Ministers to create, by way of regulations, financial support for people with care experience. The current intention is that these powers will be used initially for a payment called the Care Leaver Payment (CLP).

The CLP will fulfil the commitment made in the Promise Implementation Plan published in March 2022 to 'provide some additional financial security for young people with care experience and will help reduce some of the financial barriers that young people face whilst moving on from care and into adulthood and more independent living'.

## **Amendments to Coronavirus (COVID-19) measures introduced in 2020**

In 2020, due to the coronavirus (COVID-19) pandemic, sections 52A and 52B were amended into the 2018 Act by the Coronavirus (Scotland) Act 2020.

Section 52A means requests for re-determinations must be considered valid beyond the maximum period of one year prescribed by the 2018 Act, where the reason for delay was related to COVID-19. Section 52A also allows for appeals to be brought beyond the maximum prescribed period of one year, where the Tribunal gives permission on the basis of being satisfied that the reason for the delay was related to COVID-19. Section 52B allows a late application to be treated as being made within the prescribed period for a given benefit under Chapter 2 of the 2018 Act, where the reason for delay was related to COVID-19.

---

<sup>8</sup> s79, [Social Security \(Scotland\) Act 2018](#)

<sup>9</sup> [Who should apply - mygov.scot](#)

The provisions in the Bill will give Social Security Scotland discretion to accept late requests for re-determination beyond the one-year prescribed period on the basis of 'exceptional circumstances', rather than only COVID-19. The provisions in the Bill will repeal section 52A of the 2018 Act and allow appeals to be brought, with the permission of the Tribunal, beyond the one-year prescribed period on the basis of 'exceptional circumstances', rather than only COVID-19. Provisions in the Bill will remove section 52B from the 2018 Act and revert application periods to existing pre-COVID deadlines.

### **Withdrawing a request for re-determination**

Under the 2018 Act, where a determination of entitlement to assistance is made, an individual has a right to a re-determination. If a client asks for a re-determination, the Scottish Ministers are under a statutory duty to make a new determination. A client cannot subsequently withdraw their request for re-determination, even if their circumstances have changed since making their request, or if they have otherwise changed their mind.

The Bill includes provision enabling clients to withdraw a re-determination request if they no longer wish to challenge the decision. This policy builds on the person-centred, rights-based approach already adopted for challenge rights in line with the Scottish social security principles and the Social Security Charter ('the Charter').<sup>10</sup>

### **Completing re-determinations beyond the period allowed**

Where a re-determination is not completed by the Scottish Ministers in the timescales set out in the relevant regulations, the re-determination becomes out-of-time and the client is notified that they have a right to appeal to the First-tier Tribunal (Social Security Chamber) without waiting for the re-determination to be made. The Scottish Ministers are, at that point, no longer under a duty to make the re-determination. However, in practice, they continue to consider the re-determination request.

Provisions are included in the Bill so that the Scottish Ministers remain under the duty to make the re-determination beyond the period allowed, unless the client opts to exercise their right to appeal. This will offer legal clarity in terms of what happens in practice when a re-determination runs late.

### **Making a new determination of entitlement whilst there is an ongoing appeal**

Under the 2018 Act, Scottish Ministers cannot make a new determination after a valid appeal has been brought, even if an error has been identified, or new evidence

---

<sup>10</sup> [Social Security Scotland - Our Charter](#)

received, which shows that a client has been underpaid, or not received an award that they were entitled to. The appeal must continue unless it is withdrawn by the client.

In instances where the Scottish Ministers recognise that an individual should have received a higher, or more advantageous, award, the provisions in the Bill allow a new determination to be made after an appeal has been lodged and the appeal to stop as a result. The new determination can only be made if the client agreed, and will come with challenge rights.

### **Appeals to First-tier Tribunal against process decisions**

The 2018 Act provides at section 61 that individuals can appeal to the First-tier Tribunal for Scotland against certain decisions made by the Scottish Ministers on the process of applying for benefits, or the process of challenging determinations.

The provisions in the Bill set out the powers of the Tribunal to uphold or set aside decisions in process appeals, and the effect of a Tribunal decision in a process appeal. The Bill also sets out further circumstances in which a process appeal may be raised, to include the new types of process introduced by the Bill.

### **Overpayment liability and challenge rights**

Under the 2018 Act, a client has a statutory liability to repay any overpayment made in error, except where they did not cause or contribute to that error, and if it was the sort of error a person could not reasonably be expected to have noticed.

The provisions in the Bill set out that liability extends to clients who have a representative acting on their behalf, except where the representative uses the assistance for a purpose which is a breach of their duties or responsibilities, in which case the representative will be personally liable.

Currently, where Social Security Scotland determines that an overpayment has occurred, it makes a new determination on a client's entitlement to benefit. Although this new determination will bring re-determination and appeal rights if the client wants to challenge the decision, there is not any formal right to challenge the decision that an individual is liable to repay the overpayment.

The provisions in the Bill also introduce a right to a review (followed by a right to appeal to the First-tier Tribunal for Scotland (Social Security Chamber)) against a finding of liability for an overpayment. The further review and appeal provisions in part 6 of the Tribunals (Scotland) Act 2014 will also be available.

## **Recognising Appointments made by a Minister of the Crown**

Where a person lacks capacity to manage their own financial affairs, the Department for Work and Pensions (DWP) and Scottish Ministers both have provisions that allow them to appoint a person or organisation, known as an appointee, to act on that person's behalf.

Due to differences in the law and the processes that govern appointments in Scotland and the rest of the United Kingdom, a DWP appointee – which is an appointment made by a Minister of the Crown – cannot automatically be treated as equivalent to an appointee under the 2018 Act.

The Bill will introduce powers for Scottish Ministers to make provision in regulations prescribing circumstances in which a DWP appointee may be treated as though they had been appointed by Scottish Ministers to act on a client's behalf, pending an assessment by Social Security Scotland.

### **Liability of appointees**

Currently, there is no provision within the 2018 Act with the effect that an appointee will be liable to account to the individual for any mismanagement of the individual's property (either in relation to children or adults). There are provisions respectively, in terms of the Children (Scotland) Act 1995 and the Adults with Incapacity (Scotland) Act 2000, which make other types of representatives liable to the individual for mismanagement of their property.

The Bill provides that an appointee will be liable to account to the individual for whom they were appointed, for their use of the individual's funds out with their authority or power, or after having received intimation of the termination or suspension of their authority or power to intervene. They are to be liable to repay the funds to the account of the individual. No liability will be incurred where the appointee acted reasonably and in good faith in their use of the individual's funds.

### **Information for audit of the social security system**

Social Security Scotland need to produce effective measurements and estimates of the extent of client error, official error, and fraud as assurance that the social security system is efficient and delivering value for money in line with the Scottish social security principles.<sup>11</sup>

Currently Scottish Ministers can only request that people provide information for the specific purpose of determining an individual's entitlement to social security assistance. Provisions in the Bill will give Scottish Ministers powers to require

---

<sup>11</sup> s1(h), [Social Security \(Scotland\) Act 2018](#)

individuals to provide information when reasonably requested to do so, in order to review their entitlement for the purposes of audit. Safeguards will be built in to ensure that where a person has good reason they might be exempted from the process.

## **Recovering Scottish social security assistance from awards of compensation**

A person affected by accident, injury, or disease due to the fault of a third party may be entitled to compensation. Depending on the nature of their accident, injury, or disease they may also be entitled to social security assistance. The Scottish Government believes that a third party's legal obligation to fully compensate those they have harmed should not be subsidised by Scotland's social security system. The provisions in the Bill allow the Scottish Government to recover relevant forms of Scottish assistance from awards of compensation, avoiding the risk of a person being 'doubly compensated' for the same incident. The policy on compensation recovery is consistent with the responsibilities in the Scottish Public Finance Manual<sup>12</sup>, and aligns with the Scottish social security principle that the Scottish social security system is to be efficient and deliver value for money.<sup>13</sup> responsibilities in the Scottish Public Finance Manual<sup>14</sup>, and aligns with the Scottish social security principle that the Scottish social security system is to be efficient and deliver value for money.<sup>15</sup>

## **Changes to the remit and status of the Scottish Commission on Social Security**

The Scottish Commission on Social Security (SCoSS) reviews certain social security policies, by way of consideration of draft regulations, and provides the Government and the Scottish Parliament with scrutiny reports on each piece of legislation it reviews.

The provisions in the Bill expand the types of regulations that SCoSS is able to review, and replace the requirement for SCoSS to prepare accounts for external audit, with a requirement to submit an annual report on their work to Scottish Ministers. The Scottish Ministers will then share this report with the Scottish Parliament.

---

<sup>12</sup> [Scottish Public Finance Manual - gov.scot](http://gov.scot) ([www.gov.scot](http://www.gov.scot))

<sup>13</sup> s1(h), Social Security (Scotland) Act 2018

<sup>14</sup> [Scottish Public Finance Manual - gov.scot](http://gov.scot) ([www.gov.scot](http://www.gov.scot))

<sup>15</sup> s1(h), Social Security (Scotland) Act 2018



The Bill also removes the status of SCoSS as a body corporate. SCoSS will continue to be recognised as an advisory non-departmental public body which better reflects how it operates in practice.

The individuals who use the services provided by Social Security Scotland are more likely to suffer socio-economic disadvantage than the general population of Scotland. The improvements being made to the system which delivers assistance to those individuals will have a disproportionately positive impact on those individuals. Approximately 10% of the population of Scotland live in each decile of the Scottish Index of Multiple Deprivation (SIMD)<sup>16</sup>, which can be used to rank areas from decile 1 (the most deprived areas) to 10 (the least deprived areas). Social Security Scotland clients lived across all deciles of the SIMD, including the least deprived (3% clients), but a disproportionate number lived in the more deprived deciles. The latest equality and diversity statistics show that around one in five clients (21%) lived in the most deprived decile, and more than half (52%) of clients lived in the three most deprived deciles, compared to 28% of the population aged 16 and over in 2021.<sup>17</sup> This pattern was similar across all benefits, with the exception of Child Disability Payment<sup>18</sup> and Adult Disability payment<sup>19</sup>, where the pattern was closer to overall population trends, although there were still higher proportions in the most deprived areas compared to the least deprived. Child Disability Payment and Adult Disability Payment are to support people with the additional costs of living with a disability while other benefits being reported on (excluding Young Carer Grant) are to support people on low incomes<sup>20</sup>.

Two of the provisions in the Bill have particular potential to have an impact on socio-economic disadvantage, by being used to make payments to individuals experiencing socio-economic disadvantage. Those are the provisions in Part 1 of the Bill, which take regulation-making powers for Childhood Assistance and Care Experience Assistance. As such, the remainder of this assessment deals with those two provisions in more detail.

## **Childhood Assistance**

SCP<sup>21</sup> helps to support low-income families in Scotland. It is payable to families in receipt of certain UK Government benefits, such as Universal Credit. There is no limit to the number of children per family who can receive the payment. SCP launched in February 2021 for children under six. It was doubled from £10 to £20 in April 2022. In November 2022, it was extended to children under 16 and the payment was increased again to £25 per child per week. SCP is delivered under section 79 of the 2018 Act, which allows the top-up of a reserved UK qualifying benefit. Introducing it under the

---

<sup>16</sup> [Scottish Index of Multiple Deprivation 2020 - gov.scot \(www.gov.scot\)](https://www.gov.scot/publications/scottish-index-of-multiple-deprivation-2020/pages/introduction.aspx)

<sup>17</sup> [Client-diversity-to-March-2023-Publication-14u89.pdf \(socialsecurity.gov.scot\)](https://www.gov.scot/publications/client-diversity-to-march-2023-publication-14u89/pages/introduction.aspx)

<sup>18</sup> [Child Disability Payment - mygov.scot](https://www.mygov.scot/child-disability-payment)

<sup>19</sup> [Adult Disability Payment - mygov.scot](https://www.mygov.scot/adult-disability-payment)

<sup>20</sup> [Client+diversity+to+March+2023+--+Publication.pdf \(www.gov.scot\)](https://www.gov.scot/publications/client-diversity-to-march-2023-publication-14u89/pages/introduction.aspx)

<sup>21</sup> [Scottish Child Payment - mygov.scot](https://www.mygov.scot/scottish-child-payment)

'top-up' power in section 79 was considered the fastest and most efficient way to deliver the payment.

The current approach has various advantages; in particular, it has allowed for a streamlined application and assessment process. It does however place constraints on the Scottish Government, because the relevant qualifying benefits are reserved to the UK Government and the Scottish Government cannot control the eligibility criteria for them.

The Scottish Government considers that it would be desirable to have additional flexibility over the rules governing SCP to be able to make changes in future. The provisions at section one of the Bill take a regulation-making power for Scottish Ministers in relation to childhood assistance. The purpose of this assistance is to help towards meeting some of the costs associated with having a child in the family.

It is for Scottish Ministers to agree how these powers would be used in future, however the powers could be used to modify the payment to improve its administration in ways which are not currently possible using the powers granted under Section 79 of the 2018 Act. One possible use of these new powers may be to resolve an outstanding workaround with the way claims are handled in the unfortunate event of the death of a child to whom a claim relates. It is Ministers intention that there should be a consistent 12 week run-on of Scottish Child Payment in the event of a child's death. However, under the existing legislative footing a normal run-on is not possible and in effect Scottish Child Payment (SCP) is paid at double the normal rate for the final 12 weeks of the claim. In practice this can mean that some SCP recipients will be entitled to less than 12 weeks' worth of SCP where a child dies before entitlement has been in place for 12 weeks. Amending the legislative footing would allow for this provision to be administered as intended, in the form of a standard 12 week run-on in all cases.

SCP payments made under the new regulation-making powers are likely to have positive impacts on socio-economic disadvantage. Further impact assessments will be undertaken as necessary on any new payment established by regulations.

## **Care Experience Assistance**

Young people leaving care have often experienced adversity in their early life and have often endured multiple placements moves in their time in care. Consequently, young people continue to leave care at an earlier age than their non-care experienced peers, with less preparation, less support and often before they are ready.

Financial stress and strain for young people moving on from care can quickly escalate to create a multitude of challenges and can lead to financial hardship. The Independent Care Review<sup>22</sup> listened to the experiences of 5500 people with lived experience of the care system, over half of whom have experience of care

---

<sup>22</sup> [The Promise](#)

themselves. Many spoke about the anxiety they felt about moving on from care and living alone for the first time.

The Independent Care Review highlighted and recognised the links between those with care experience and the increased risk of poor mental health, addiction, homelessness and exploitation. Care experienced people are over one and a half times more likely to experience financial difficulties and have more than double the chance of experiencing homelessness, mainly before age 30. Multiple reports have also found money management to be a top concern for young people moving on from care.

The Scottish Government is committed to Keeping the Promise to all children and young people. Therefore, in March 2022, the Scottish Government published the and exploitation. Care experienced people are over one and a half times more likely to experience financial difficulties and have more than double the chance of experiencing homelessness, mainly before age 30. Multiple reports have also found money management to be a top concern for young people moving on from care.

The Scottish Government is committed to Keeping the Promise to all children and young people. Therefore, in March 2022, the Scottish Government published the Promise Implementation Plan<sup>23</sup>, which sets out the actions and commitments that will be taken across the Scottish Government to Keep The Promise by 2030. This includes a continued commitment towards ensuring that care leavers are provided with person-centred support to enable positive transitions from care to more independent living.

Following the SNP Manifesto 2021<sup>24</sup> and subsequent Programmes for Government 2021/22<sup>25</sup> and 2022/23<sup>26</sup>, the Scottish Government committed to developing a payment to provide young people leaving care with additional financial security.

The provision at section 2 of the Bill gives a regulation-making power to the Scottish Ministers to establish one or more schemes to provide care experience assistance to those who have experience of the care system. The regulation-making power will enable the Scottish Ministers to establish a scheme to deliver the Care Leaver Payment. The Care Leaver Payment will form part of a broader package of support which includes access to Continuing Care and Aftercare support for care leavers, the Care Experience Bursary and Council Tax Exemption for care leavers.

The assistance will provide a one-off payment for young people leaving care, with the intention of helping to reduce some of the financial barriers that young people face in transition to adulthood and more independent living. This payment aims to provide care leavers with additional financial support, and thereby seeks to reduce

---

<sup>23</sup> [Keeping the Promise implementation plan - gov.scot \(www.gov.scot\)](https://www.gov.scot/publications/keeping-the-promise-implementation-plan/pages/1-10.aspx)

<sup>24</sup> [SNP Manifesto 2021 by HinksBrandwise - Issuu](https://www.snp.gov.scot/manifesto-2021/)

<sup>25</sup> [Programme for Government 2021 to 2022 - gov.scot \(www.gov.scot\)](https://www.gov.scot/publications/programme-for-government-2021-to-2022/pages/1-10.aspx)

<sup>26</sup> [Programme for Government 2022 to 2023 - gov.scot \(www.gov.scot\)](https://www.gov.scot/publications/programme-for-government-2022-to-2023/pages/1-10.aspx)

the socio-economic inequality experienced by young people leaving care. Further impact assessments will be undertaken as necessary on any scheme established by regulations.

## **Childhood Assistance**

It is estimated that 24% of Scotland's children (250,000 children each year) were living in relative poverty after housing costs in 2019-22.<sup>27</sup> Prior to the outbreak of COVID-19, it was predicted that if no further action were taken to tackle child poverty one in three children in Scotland would grow up in poverty by 2030, damaging society and the economy.<sup>28</sup> The impact of COVID-19 on child poverty levels is still largely unknown, particularly the long-term effects on families and our economy, however we know that the impacts have been felt most by the most disadvantaged in our society.<sup>29</sup>

Children in low-income households tend to experience a range of disadvantages, including lower educational attainment and poorer health. Poverty can have lasting impacts long into adulthood such as increased risk of homelessness, lower earning potential and greater likelihood of limiting illness. The growing evidence in developed economies suggests that gaining additional income has positive causal effects on health, behavioural development and educational attainment for children in households at the lower end of income distribution.<sup>30</sup>

Scottish Child Payment (SCP), Best Start Foods (BSF) and the 3 Best Start Grant (BSG) payments – Pregnancy and Baby Payment, Early Learning Payment and School Age Payment - are known collectively as the Five Family Payments (FFP). Delivered by Social Security Scotland, they are payments which aim to provide support to low-income families with the costs of raising a child. All five payments intend to tackle inequality, improve outcomes and make a positive impact on all of the priority groups identified in the Scottish Government's Tackling Child Poverty Delivery Plan (TCPDP) 2022-2026.<sup>31</sup>

The TCPDP identifies priority groups, which are more likely to experience poverty and are therefore more likely to require social security support: lone parents; disabled people; families with more than three children; minority ethnic groups; families with a child under one; and mothers under 25. The TCPDP commits to addressing these socioeconomic inequalities through its child poverty reduction policies and measures (including the FFP).

---

<sup>27</sup> [Poverty and Income Inequality in Scotland 2019-22](#)

<sup>28</sup> [Chapter 1: Introduction - Every child, every chance: tackling child poverty delivery plan 2018-2022 - gov.scot \(www.gov.scot\)](#)

<sup>29</sup> [Introduction - Best Start, Bright Futures: tackling child poverty delivery plan 2022 to 2026 - gov.scot \(www.gov.scot\)](#)

<sup>30</sup> [Does Money Affect Children's Outcomes? An update. Centre for Analysis of Social Exclusion, 2017](#)

<sup>31</sup> [Best Start, Bright Futures: tackling child poverty delivery plan 2022 to 2026](#)

housing costs in 2019-22.<sup>32</sup> Prior to the outbreak of COVID-19, it was predicted that if no further action were taken to tackle child poverty one in three children in Scotland would grow up in poverty by 2030, damaging society and the economy.<sup>33</sup> The impact of COVID-19 on child poverty levels is still largely unknown, particularly the long-term effects on families and our economy, however we know that the impacts have been felt most by the most disadvantaged in our society.<sup>34</sup>

Children in low-income households tend to experience a range of disadvantages, including lower educational attainment and poorer health. Poverty can have lasting impacts long into adulthood such as increased risk of homelessness, lower earning potential and greater likelihood of limiting illness. The growing evidence in developed economies suggests that gaining additional income has positive causal effects on health, behavioural development and educational attainment for children in households at the lower end of income distribution.<sup>35</sup>

Scottish Child Payment (SCP), Best Start Foods (BSF) and the 3 Best Start Grant (BSG) payments – Pregnancy and Baby Payment, Early Learning Payment and School Age Payment - are known collectively as the Five Family Payments (FFP). Delivered by Social Security Scotland, they are payments which aim to provide support to low-income families with the costs of raising a child. All five payments intend to tackle inequality, improve outcomes and make a positive impact on all of the priority groups identified in the Scottish Government's Tackling Child Poverty Delivery Plan (TCPDP) 2022-2026.<sup>36</sup>

The TCPDP identifies priority groups, which are more likely to experience poverty and are therefore more likely to require social security support: lone parents; disabled people; families with more than three children; minority ethnic groups; families with a child under one; and mothers under 25. The TCPDP commits to addressing these socioeconomic inequalities through its child poverty reduction policies and measures (including the FFP).

The TCPDP identifies three main drivers of child poverty reduction: increasing incomes from work and earnings; reducing household costs; and maximising incomes from social security and benefits in kind. society and the economy.<sup>37</sup> The impact of COVID-19 on child poverty levels is still largely unknown, particularly the long-term effects on families and our economy, however society and the economy.<sup>38</sup>

---

<sup>32</sup> [Poverty and Income Inequality in Scotland 2019-22](#)

<sup>33</sup> [Chapter 1: Introduction - Every child, every chance: tackling child poverty delivery plan 2018-2022 - gov.scot \(www.gov.scot\)](#)

<sup>34</sup> [Introduction - Best Start, Bright Futures: tackling child poverty delivery plan 2022 to 2026 - gov.scot \(www.gov.scot\)](#)

<sup>35</sup> [Does Money Affect Children's Outcomes? An update. Centre for Analysis of Social Exclusion, 2017](#)

<sup>36</sup> [Best Start, Bright Futures: tackling child poverty delivery plan 2022 to 2026](#)

<sup>37</sup> [Chapter 1: Introduction - Every child, every chance: tackling child poverty delivery plan 2018-2022 - gov.scot \(www.gov.scot\)](#)

<sup>38</sup> [Chapter 1: Introduction - Every child, every chance: tackling child poverty delivery plan 2018-2022 - gov.scot \(www.gov.scot\)](#)

The impact of COVID-19 on child poverty levels is still largely unknown, particularly the long-term effects on families and our economy, however we know that the impacts have been felt most by the most disadvantaged in our society.<sup>39</sup>

Children in low-income households tend to experience a range of disadvantages, including lower educational attainment and poorer health. Poverty can have lasting impacts long into adulthood such as increased risk of homelessness, lower earning potential and greater likelihood of limiting illness. The growing evidence in developed economies suggests that gaining additional income has positive causal effects on health, behavioural development and educational attainment for children in households at the lower end of income distribution.<sup>40</sup>

Scottish Child Payment (SCP), Best Start Foods (BSF) and the 3 Best Start Grant (BSG) payments – Pregnancy and Baby Payment, Early Learning Payment and School Age Payment - are known collectively as the Five Family Payments (FFP). Delivered by Social Security Scotland, they are payments which aim to provide support to low-income families with the costs of raising a child. All five payments intend to tackle inequality, improve outcomes and make a positive impact on all of the priority groups identified in the Scottish Government's Tackling Child Poverty Delivery Plan (TCPDP) 2022-2026.<sup>41</sup>

The TCPDP identifies priority groups, which are more likely to experience poverty and are therefore more likely to require social security support: lone parents; disabled people; families with more than three children; minority ethnic groups; families with a child under one; and mothers under 25. The TCPDP commits to addressing these socioeconomic inequalities through its child poverty reduction policies and measures (including the FFP).

The TCPDP identifies three main drivers of child poverty reduction: increasing incomes from work and earnings; reducing household costs; and maximising incomes from social security and benefits in kind.

The FFP are addressed to the third of these drivers and help to tackle cuts to social security entitlements made by the UK Government, providing additional financial support to low-income families in receipt of reserved benefits.

When it was launched, the broad aims of SCP were to:

---

<sup>39</sup> [Introduction - Best Start, Bright Futures: tackling child poverty delivery plan 2022 to 2026 - gov.scot \(www.gov.scot\)](https://www.gov.scot/publications/best-start-bright-futures-tackling-child-poverty-delivery-plan-2022-2026/introduction)

<sup>40</sup> [Does Money Affect Children's Outcomes? An update. Centre for Analysis of Social Exclusion, 2017](#)

<sup>41</sup> <https://www.gov.scot/publications/best-start-bright-futures-tackling-child-poverty-delivery-plan-2022-26/>

- Achieve a reduction in child poverty of 3 percentage points when the benefit is fully rolled out
- Reduce the depth of poverty by increasing incomes of people not just below the poverty line but those further below it
- Ensure a sustainable and lasting reduction in poverty for families with children.<sup>42</sup>

It should be noted that the most recent estimates suggest Scottish Child Payment could reduce the relative child poverty rate (after housing costs) by an estimated 5 percentage points in 2023-24<sup>43</sup>.

The most recent estimate of SCP take-up was 87%<sup>44</sup>. An evaluation of SCP published in July 2022<sup>45</sup> found:

- People from across Scotland with a wide range of personal and demographic characteristics had applied for SCP.
- SCP is used by parents and carers to buy a range of items for children (e.g. essential goods, treats, and toys) that they otherwise could not have afforded. This suggests the payment has led to an overall increase in child-related spend.
- SCP has helped to reduce pressure on household finances. Some rely on it for essential items such as bills and food. Others do not rely on it for essentials, but could not afford day trips or certain treats for their children without the payment.
- Having SCP has reduced financial stress for families, and provided some with a general peace of mind.
- SCP has enabled children to participate in days out and regular activities such as parent and toddler groups, which parents otherwise would have struggled to afford.
- A limited amount of evidence suggests that SCP has given the main carers of children more financial independence than they had previously.
- Parents and carers who rely on the payment for essential household costs feel strongly they would get into debt without the money. This suggests SCP has contributed to reduced incidence of debt.
- Some recipients rely on SCP for essential costs such as food and bills. This suggests that the benefit may have contributed to reduced incidence of material deprivation for children and families.

---

<sup>42</sup> [Scottish Child Payment: interim evaluation](#)

<sup>43</sup> [Scottish Child Payment - estimating the effect on child poverty](#)

<sup>44</sup> [Take-up rates of Scottish benefits: October 2022](#)

<sup>45</sup> [Scottish Child Payment: interim evaluation](#)

Parents and carers report a wide range of health and wellbeing benefits for themselves and their children as a result of having SCP. This testimony indicates that the benefit has contributed to improved health and wellbeing outcomes.

- A limited amount of evidence indicates that SCP reduces parents' barriers to education and the labour market e.g. by funding transport to job interviews or work.
- Evidence of increased spend amongst recipients would suggest that SCP has had positive impacts on the Scottish economy. However, there is little evidence to suggest it has encouraged people to shop locally<sup>46</sup>.

It should be noted that the data used for the interim evaluation covers the period from November 2020 to March 2022. During this time, Scottish Child Payment was a weekly sum of £10 per child aged under 6, paid every four weeks.

In combination, it can be reasonably assumed that Scottish Child Payment is making some contribution towards the Scottish Government's long-term aims for children and families. The extent to which this may change when the regulation-making power in the Bill is exercised by Scottish Ministers will be subject to future Fairer Scotland Duty Impact Assessment.

## Care Experience Assistance

The Independent Care Review highlighted that care experienced people are over one and a half times more likely to experience financial difficulties and have more than double the chance of experiencing homelessness.

- The "Follow The Money" report from The Promise highlighted that children and adults who have lived in the 'care system' have reduced opportunities, which follows them right through their lives. Health, education and employment outcomes are all poorer than non-care experienced people. Incomes are lower and care experienced people generally face more barriers than their non-care experienced peers. The report includes an analysis which shows that care experienced people earn
- incomes which are 27% lower on average than their non-care experienced peers.<sup>47</sup>

Experience Bursary and Council Tax Exemption for care leavers. The assistance will provide a one-off payment for young people leaving care, with the intention of helping to reduce some of the financial barriers that young people face in transition to adulthood and more independent living. This payment aims to provide care leavers with additional financial support.

---

<sup>46</sup> Findings - Scottish Child Payment: interim evaluation - gov.scot ([www.gov.scot](http://www.gov.scot))

<sup>47</sup> [Follow-the-money.pdf \(carereview.scot\)](https://www.carereview.scot)



- Details on the eligibility criteria, processes and delivery model of the payment are still to be determined. This will be developed through engagement and consultation with care experienced people and those with experience of delivering similar support.
- The Care Leaver Payment will form part of a broader package of support which includes access to Continuing Care and Aftercare support for care leavers, the Care

This assessment shows that improvements to the Scottish system of social security overall have the potential to disproportionately positively impact people experiencing socio-economic disadvantage, particularly individuals in households experiencing child poverty and individuals with experience of care.

This assessment shows that positive progress has been made against SCP outcomes since introduction of the payment. It can be reasonably assumed that SCP is making a contribution towards the Scottish Government's long-term aims for children and families. Any new form of SCP made under the regulation-making power in the Bill is likely to have broadly similar or improved outcomes in terms of reducing socio-economic disadvantage.

This assessment suggests that the powers in the Bill to make Care Experience Assistance regulations will have a positive impact on socio-economic inequality.

The exercise of any regulation-making powers in the Bill will be subject to further impact assessments where appropriate, including Fairer Scotland Duty Impact Assessments.

Sign off:

Name: **Ian Davidson**

Job title: **Deputy Director**



© Crown copyright 2023

**OGL**

This publication is licensed under the terms of the Open Government Licence v3.0 except where otherwise stated. To view this licence, visit [nationalarchives.gov.uk/doc/open-government-licence/version/3](https://nationalarchives.gov.uk/doc/open-government-licence/version/3) or write to the Information Policy Team, The National Archives, Kew, London TW9 4DU, or email: [psi@nationalarchives.gsi.gov.uk](mailto:psi@nationalarchives.gsi.gov.uk).

Where we have identified any third party copyright information you will need to obtain permission from the copyright holders concerned.

This publication is available at [www.gov.scot](http://www.gov.scot)

Any enquiries regarding this publication should be sent to us at

The Scottish Government  
St Andrew's House  
Edinburgh  
EH1 3DG

ISBN: 978-1-83521-564-7 (web only)

Published by The Scottish Government, November 2023

Produced for The Scottish Government by APS Group Scotland, 21 Tennant Street, Edinburgh EH6 5NA  
PPDAS1379094 (11/23)

**W W W . g o v . s c o t**