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6 June 2019

Dear Dr Witcher,

ANNUAL UPDATING OF SOCIAL SECURITY ASSISTANCE

The Scottish Commission on Social Security (SCoSS) will have a scrutiny role in relation to annual updating of social security assistance using powers under section 78 of the Social Security (Scotland) 2018 ('the 2018 Act'). This is because the updating applies to assistance made under sections within Part 2 Chapter 2 of the 2018 Act which fall within the scrutiny remit of the Scottish Commission on Social Security (SCoSS). I am therefore writing to inform you of the proposed timetable for annual updating for the financial year 2020/21, which will be the first time devolved social security assistance will be updated using powers under section 78 of the 2018 Act.

Sections 77 and 78 of the 2018 Act, which are to be commenced later this year, create a statutory duty for Scottish Ministers, before the end of each financial year, to consider the effects of inflation on all forms of assistance under Part 2 Chapter 2 which are being delivered. It also requires Ministers to report to Parliament their conclusions and to bring forward legislation to uprate carer's, disability, employment-injury and funeral expense assistance.

In financial year 2020/21, there will be reporting requirements under section 77 for the three forms of assistance that are being delivered. This includes Best Start Grant (BSG), which began in 2018, Funeral Expense Assistance (FEA) (to be known as Funeral Support Payment) and Young Carer Grant (YCG) – a form of Carer's Assistance – both of which will be delivered later this year. There is also a duty under section 78 to uprate FEA and YCG which will apply in 2020/21. Updating will require regulations under the super-affirmative procedure involving scrutiny of the draft regulations by the SCoSS and affirmative procedure in the Scottish Parliament.

The updating of Carer's Allowance (CA) will follow the same process as last year in that a Carer's Allowance Order and Regulations will be laid before the Scottish Parliament under powers in UK legislation. As the updating is through UK legislation, SCoSS does not have a

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statutory role in the scrutiny of that legislation. Carer's Allowance Supplement (CAS) will be uprated in accordance with section 81 of the 2018 Act and no legislation is required to effect this uprate.

As you may be aware, during the Social Security Committee's scrutiny of CA and CAS uprating for financial year 2019/20, I gave a commitment to consider a process to allow the Committee to engage on policy for uprating measures prior to the laying of regulations in the future¹. I also gave assurances during the Scottish Parliamentary debate on the uprating of CA and the CAS that alternative methods of uprating would be kept under review². To meet that commitment, the Scottish Government intends to produce a comprehensive report, including analytical evidence, on uprating measures which will be provided to the Committee for scrutiny shortly after summer recess, in September 2019.

Although there is no statutory requirement for the SCoSS to consider the Scottish Government's uprating measures report, given your role in scrutinising uprating regulations that will be made under the 2018 Act, I would like to invite the SCoSS to consider the uprating measures report in accordance with section 22 (1)(b). This allows Scottish Ministers to request SCoSS to prepare and submit a report on any matter relevant to social security.

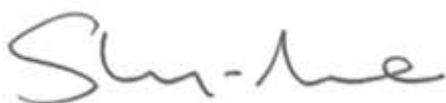
If you are agreeable, I will send a copy of the uprating measures report to you at the same time as the Committee and would welcome your views by mid October 2019. I do not expect this level of consideration of the uprating measures to be carried out every year unless there is a material change to those measures.

As the uprating of assistance is also part of the budget process, there are constraints to when decisions need to be made. I intend to make a decision on the uprating measure by the end of October or early November 2019 taking into account the views of the Committee and SCoSS. The section 77 report and the draft uprating regulations under the 2018 Act will be informed by this decision and will be prepared in time for the Scottish Budget 2020-21 announcement, as will the CAS statement under section 81.

The draft uprating regulations under the 2018 Act for FEA and YCG must be laid in the week beginning 27 January 2020 at the latest in order to come into force by 1 April 2020. As the draft uprating regulations can only be submitted to SCoSS when the Scottish Budget 2020/21 announcement is made in December, this will allow around 6 weeks for SCoSS to complete their scrutiny and for the Scottish Government to respond. A provisional timetable for the key elements of the uprating process is provided at **Annex A**.

I understand that this is a very tight time-scale. I hope that early sight of the uprating measures report will assist in your deliberation of the regulations. I have asked my officials to discuss with you further how this short time-scale for scrutiny of the draft regulations can be managed.

Best wishes,



SHIRLEY-ANNE SOMERVILLE

¹ <http://www.parliament.scot/parliamentarybusiness/report.aspx?r=11972&mode=pdf>

² <http://www.parliament.scot/parliamentarybusiness/report.aspx?r=11963&mode=pdf>
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Provisional Timetable for the 2020/21 uprating process

Date	Activity
September 2019	Scottish Government provides report on uprating measures to Social Security Committee and SCoSS.
September-October 2019	Social Security Committee and SCoSS consider and feedback on uprating measures report.
October 2019	SG commences sections 77 and 78 of the 2018 Act.
Mid October 2019	ONS release September CPI figure.
End October 2019	UK Autumn Budget.
Mid November 2019	UK Uprating Statement.
Mid December 2019	Scottish Budget 2020/21 Lay section 77 report in the Scottish Parliament and formally provide draft uprating regulations under the 2018 Act to SCoSS. Publish statement under section 81 on uprating of CAS.
Early January 2020	SCoSS provide report on uprating regulations
Week beginning 27 January 2020	SG Lay draft Order and Regulations in Scottish Parliament to uprate CA and CA earnings threshold SG lay draft regulations under the 2018 Act in the Scottish Parliament to uprate FEA and YCG
February/March 2020	Parliamentary scrutiny of uprating legislation
1 April 2020	Uprating FEA and YCG Regulations under the 2018 Act come into force
6 April 2020	Uprating CA Order and Regulations come into force

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