

Social Security Scotland (Act) 2018: progress report 2020-2021

November 2021

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Foreword



We are committed to delivering devolved social security benefits in a way which puts dignity, fairness and respect at the heart of the process. Social security is a collective investment for the benefit of all of Scotland. We have built a brand new public service from the ground up. The benefits we have already launched are making a meaningful difference and we have laid strong foundations for what is to come.

This report provides a progress update on the implementation of the Social Security (Scotland) Act 2018 from 1 April 2020 until the end of March 2021, and focusses on the policy aspects where the Scottish Government has a particular role and duty to report. The report is designed to complement Social Security Scotland's own comprehensive progress report, which focusses on operational aspects.

At the time of publication of this report we are delivering 11 benefits – 7 of them are brand new and unique to Scotland. The 4 others replace UK Government benefits in an improved and enhanced way. We have also been building the capacity and infrastructure for the delivery of several more benefits, including disability and carers benefits.

The period covered by this report saw unprecedented upheaval as a result of the COVID-19 pandemic but, despite this, represented another successful year - with the delivery of Job Start Payment, Child Winter Heating Assistance, Scottish Child Payment and further support for carer's with the Coronavirus Carer's Allowance Supplement payment.

Of course, the Scottish Government and Social Security Scotland continue to navigate the challenges created by the COVID-19 pandemic as we look towards recovery. Providing financial security for low income households in these difficult times remains a key priority for the Scottish Government as a whole, as we work to tackle poverty and enhance equality.

A handwritten signature in black ink, appearing to read 'Ben Macpherson', written in a cursive style.

BEN MACPHERSON
MINISTER FOR SOCIAL SECURITY AND LOCAL GOVERNMENT

Section 1 Purpose of Report

This report is published under Section 20 of the Social Security (Scotland) Act 2018 (the Act) which requires Scottish Ministers to report annually on the performance of the Scottish social security system. The social security system is defined in the Act as the system for giving assistance to individuals in accordance with Part 2 of the Act and regulations made under Part 3. Part 2 covers the type of assistance which would be paid by Scottish Ministers and the processes for determining entitlement from application to appeal.

Section 20 of the Act also sets out the requirements for the content of the report. It must include what has been done in the past year to meet the expectations on Scottish Ministers set out in the Charter. This report will therefore be published alongside our report on the Charter Measurement Framework which will confirm how well we are delivering against the commitments set out in the Charter and help us to improve that delivery.

The report should also contain an assessment of how the Scottish social security system has affected the circumstances of people whose finances are affected by a person in the household having a protected characteristic listed in section 4 of the Equality Act 2010 (for example age, disability).

The report is to be published and laid in Parliament as soon as practicable after the end of the financial year.

This report also contains an update on delivery of duties in Part 1 of the Act between 1 April 2020 to 31 March 2021, such as in relation to the Charter, the strategy to promote take up, and work of the Scottish Commission on Social Security. Although these aspects are not required by the Act they are being provided during the implementation period to give a fuller picture of progress in delivering the new Scottish social security powers. This reporting may not be required in the longer term and will be reviewed at the appropriate time.

The report should also be read alongside the annual report published by Social Security Scotland. That report contains more of the detail on the performance of the Scottish social security system and operational delivery including information on the payments made by it up to the end of March 2021. Social Security Scotland's annual report also includes its audited annual accounts and delivery of its Strategic Objectives. Both reports together provide a full picture of delivery of the system.

Section 2 Introduction

The Act creates the legal framework under which nine types of social security assistance will be given to people by Scottish Ministers. These forms of assistance are:

- Carer's assistance
- Cold-spell heating assistance
- Winter heating assistance
- Disability assistance
- Early years assistance
- Employment-injury assistance
- Funeral expense assistance
- Housing assistance
- Short-term assistance

Scottish Ministers are also given the power to make regulations establishing schemes to top-up social security assistance paid to people by the UK Government. The Act provides directly for Scottish Ministers to make the Carer's Allowance Supplement, a top-up to Carer's Allowance, which is paid on behalf of Scottish Ministers by the UK Government. Sections 79 and 95 of the Act allows Scottish Ministers to deliver Scottish Child Payment.

The Act sets out key features of the Scottish social security system. These include:

- the definition of 8 Scottish social security principles as a foundation for the system;
- the creation of a Scottish social security charter, which sets out standards for the provision of social security in Scotland that are aligned with the Scottish social security principles;
- the establishment of a Scottish Commission on Social Security which, amongst other things, is to be involved in the scrutiny of legislation and report on the extent to which the expectations set out in the Charter are being fulfilled;
- duties on Scottish Ministers to promote the take-up of Scottish social security;
- a requirement for Scottish Ministers to ensure that suitable advocacy support is available for those who, due to a disability, need that help to navigate the Scottish social security system; and
- a requirement for Scottish Ministers to report annually to the Scottish Parliament on the performance of the Scottish social security system.

Section 87 of the Act also requires Scottish Ministers to report on the number of individuals who had the right to appeal against a Scottish social security decision and the number of individuals who exercised that right to appeal. Scottish Ministers must also indicate whether they consider that the process to determine entitlement needs to be amended.

Going forward, the requirement for, as well as the format and content of both the Scottish Government and Social Security Scotland's annual reports will be reviewed to ensure that material is not duplicated whilst maintaining the reporting requirements of the Act.

Section 3 Performance of the System and Delivery of the Charter

This section provides an update on the Scottish Government's activity to deliver the requirements of the Social Security (Scotland) Act 2018 in the period from 1 April 2020 to 31 March 2021. As identified earlier, this information should be considered alongside Social Security Scotland's annual report which sets out the parallel and complementary activity that the Agency has carried out to deliver the Scottish social security system.

Duty to promote take-up

Sections 8 and 9 of the Act require Scottish Ministers to prepare, publish and lay before Parliament a strategy to promote the take-up of Scottish social security assistance.

The first Benefit Take-Up Strategy was published on 21 October 2019, one year from the commencement of the relevant section of the Act. Since publication the Scottish Government have undertaken a number of new initiatives which aim to progress the ultimate goal of increasing awareness of, and supporting access to Scottish benefits in order to maximise their take-up. The Scottish Government has:

- Awarded £600,000 to 26 third sector organisations to support work to promote take-up. The successful projects deliver against two funds – the first to prepare staff to support hard to reach groups applying for Scottish benefits, and the second to ensure that individuals are aware of the financial support available to them. Since the successful projects were announced on 27th February 2020, officials have worked with organisations to ensure the projects that secured the funding remain viable throughout the COVID-19 pandemic and beyond. The final reporting received to date indicates that the funding has helped to achieve the intended outcomes. Funded projects have provided training for over 650 individuals and organisations to ensure they were prepared to give advice on Scottish Benefits; allowed an additional 5,129 individuals access to direct support; and increased client incomes by around £2 million.
- Established a Stakeholder Take-up Reference Group. This group provides advice and support in the development and implementation of the Benefit Take-up Strategy. Membership of the group includes representatives from third sector organisations, Local Authorities, and the NHS
- Established a cross-government officials' Income Maximisation Working Group to ensure a coordinated approach to initiatives across Scottish Government portfolios.
- Developed marketing campaigns and materials to support the promotion of benefits currently being delivered by Social Security Scotland, including best practice guidance to support third sector organisations and local authorities.
- Produced a toolkit for stakeholders, which provides information to help organisations to communicate with staff and clients about the significant

changes happening in the field of social security in Scotland across a number of factsheets. The Scottish Government have also worked with stakeholders to create bespoke products for groups including the Gypsy/Traveller community as well as producing promotional materials in nine languages identified through stakeholder engagement.

The second Benefit Take-up Strategy was published on 21 October 2021, as required by the Act. During the reporting period:

- The Scottish Government engaged closely with stakeholders, Social Security Scotland, and relevant teams across the Scottish Government to inform the principles upon which the Strategy was built. Policy Officials worked to produce the most inclusive and accessible strategy possible, in order to ensure that all those who are eligible to receive Scottish benefits are able to do so. This work included giving further attention to identifying the key barriers to take-up.
- A paper on mainstreaming good-practice was distributed amongst key stakeholders for consultation. This allowed officials to identify existing and effective take-up initiatives being implemented across the country. The learning from this consultation was used to inform the development of the Strategy.
- Stakeholder engagement was carried out with seldom-heard groups. During the development of the first Strategy, several vulnerable groups were identified as needing more support in accessing the benefits they are entitled to. The Scottish Government have been working closely with these groups, alongside local delivery partners and Social Security Scotland to reach out and bring various stakeholders together in a series of round table events.

Inclusive communication and accessible information

As required by Section 4 of the Act, Social Security Scotland continues to give regard to the importance of communicating in an inclusive way. Social Security Scotland continue to develop an inclusive communication strategy to ensure that people are able to engage with the organisation in a manner that best suits them. They also have the requirement to communicate inclusively in our Corporate Plan and Our Charter.

An Inclusive Communication Reference Group has been created and includes over 20 representatives from organisations across a wide range of client groups. This group provides expert advice to ensure that inclusive communication principles are embedded across the organisation.

Communication support is in place for Carer's Allowance Supplement, Best Start Grant, Funeral Support Payment and Young Carer Grant. This communication support includes language interpretation, translation, and transcription of information in over 100 languages.

Section 5 of the Act requires that Scottish Ministers must have regard to the importance of providing information in a way that is accessible for individuals who have a sensory, physical or mental disability. Information for benefits delivered by Social Security Scotland is available to clients in alternative formats, including braille, large print, audio channels and, where requested, Easy Read. British Sign Language (BSL) users can contact the Agency through the Contact Scotland provision for public sector bodies, ensuring they are able to access the social security system. Contact Scotland is a Scottish Government service that connects deaf BSL users across the country through an online BSL interpreting video relay service with all of Scotland's public authorities and voluntary organisations.

However, it is recognised that there are limitations in the current Contact Scotland provision to support future benefit delivery. The Scottish Government are therefore expanding services to support deaf and hard of hearing Social Security Scotland clients. Work is also ongoing to develop a range of contact channels, offering greater choice of how clients can engage with the Agency, as well as introducing a standard for the physical accessibility of Social Security Scotland locations for face to face engagement.

Advocacy

Section 10 (2) of the Social Security (Scotland) Act 2018 requires Scottish Ministers to ensure that independent advocacy services are available to disabled people who require support to apply for Scottish social security entitlements. The Act required that the right to an advocacy service should be met from 30 June 2020.

A procurement exercise for a provider for the independent advocacy service commenced on 2 April 2019. However, when the Coronavirus pandemic resulted in a delay to the rollout of the benefit programme, including the implementation of disability benefits, the procurement exercise was no longer fit for purpose and was cancelled. As Scottish Ministers were still required by the Act to provide an independent advocacy service, an interim service was implemented in order to meet any demand for advocacy. The interim service launched on 30 June 2020 and has been in place since.

The procurement exercise for a provider for the comprehensive service was re-started in early 2021. Following contract award, the successful bidder will implement a three month mobilisation plan in order to build capacity to ensure the service is ready to go live in January 2022.

Scottish Commission on Social Security

The Scottish Commission on Social Security (SCoSS) is an independent advisory Non-Departmental Public Body ("NDPB"). Its primary purpose is to provide scrutiny of the Scottish social security system (including benefit regulations). SCoSS was established on 21 January 2019 as per section 21 of the Act.

The Act sets out a key role for SCoSS in providing independent scrutiny on legislative proposals and advice to Scottish Ministers to support them in achieving a

social security service which is human rights based, respects the dignity of individuals and contributes to reducing poverty in Scotland.

Within the last year SCoSS has produced five substantive reports on draft regulations, with more than 80% of their recommendations being accepted, at least in part, by the Scottish Government.

In addition, officials responded to suggestions for improvement made by SCoSS which were not recorded as formal recommendations in SCoSS's reports.

The response by officials to SCoSS recommendations demonstrated that SCoSS's independent scrutiny is adding value and helping to create a social security system that is improving outcomes for the people of Scotland.

SCoSS also worked closely with the Social Security Committee, providing evidence to the Committee on their report on draft Winter Heating Regulations. Furthermore, the SCoSS Chair attended an informal business planning meeting held by the Committee to explain how SCoSS could potentially add value to its work.

Our Charter and the Charter Measurement Framework

The Social Security Charter was passed unanimously by Parliament and launched at the start of 2019. It received positive feedback from people in Scotland, stakeholders, and experts.

The Act makes it clear that the approval of the Charter is not an end, rather it is the initial blueprint for how the new social security system will function. The Framework is the next step; it will ensure that we openly and transparently report on how well we are doing in delivering the commitments in the Charter. Further it will deliver robust evidence that allows Ministers to be held accountable by the Scottish Parliament.

On 17 October 2019, we published a measurement framework that sets out a strong commitment from Scottish Government and Social Security Scotland to openly and honestly report on the extent to which we are delivering the commitments in the Charter. Like the new Social Security System in Scotland the framework is innovative and challenging. It will be populated with bespoke data and the results will be published annually.

Like Our Charter itself the framework was co-designed with people with lived experience of the social security system. A diverse group of 20 took part in a series of workshops, they took advice from the Scottish Commission on Social Security and representatives from a range of stakeholder groups – professionals who represent the interests of, and work on behalf of, social security clients.

The measures look at how Social Security Scotland operates and delivers benefits, including how the agency treats clients, if staff are well supported and how systems are working. They also look at Scottish Government policy, what the new system is doing as a whole and what is being achieved over the longer term.

The first measurement framework report was published on 1 December 2020. We will continue to publish this report annually.

Support for carers

Unpaid carers make an immense contribution to our society, and we have delivered improved support for unpaid carers as a priority through social security.

Carer's Allowance Supplement, introduced in 2018, increases support for carers in receipt of Carer's Allowance, who tend to be those on some of the lowest incomes, as well as having some of the most intensive caring roles. Scottish Government officials have worked alongside carer organisations and wider stakeholders to ensure information and advice on Carer's Allowance Supplement is as accessible as possible. This was achieved through carer support organisations making this information available in a range of formats. The communications around the Supplement were also shaped by research undertaken with Experience Panels, speaking directly to carers with lived-experience to inform improvements to our communications. For the Coronavirus Carer's Allowance Supplement, input from stakeholder organisations on our communications ensured that information on this new payment was available in a range of formats, including video and BSL video.

Carer's Allowance Supplement is paid twice a year as an automatic top-up to Carer's Allowance which, at £67.25 a week in 2020-21, is otherwise the lowest of all working age benefits. As a part of our commitment to uprate our Scottish Social Security benefits in accordance with inflation, the Supplement was increased from £226.20 to £230.10 between 2019 and 2020 to reflect the cost of living, so in 2020-21 Carer's Allowance Supplement payments were £230.10.

In June 2020, in recognition of the impact of the coronavirus pandemic on unpaid carers, we made an additional Coronavirus Carer's Allowance Supplement payment of £230.10, doubling the support eligible carers received in June. This payment was an extra investment of £19.3 million and brought our total investment through Carer's Allowance, Carer's Allowance Supplement and the Coronavirus Carer's Allowance Supplement to almost £350 million in 2020-21. In 2020-21, around 91,000 carers received a payment of Carer's Allowance Supplement. A further Coronavirus Carer's Allowance Supplement payment will be made in December 2021, doubling the payment eligible carers will receive to £462.80.

In November 2020, we published the evaluation of Carer's Allowance Supplement, which found that the Supplement has gone some way to meeting its overall aims to improve outcomes for carers by providing extra financial support, and to provide greater recognition of the essential societal contribution that carers make – and has, in some cases had 'transformational' impacts where it had helped carers in great financial difficulty to pay off debts, or where it had been used towards a trip away when carers felt they were close to breaking point.

Young Carer Grant

The Young Carer Grant, the first of its kind in the UK, is a payment of £305.10 (2020-21) available to 16, 17 and 18 year-olds who spend a weekly average of 16 hours

caring for someone who receives a disability benefit. The grant is designed to support young carers to look after their own health and wellbeing, while reducing any negative impact of caring and improving access to opportunities. In 2020-2021 2,290 applications were approved with over £690,000 being issued to young carers in Scotland. The interim evaluation report for Young Carer Grant will be published in the Summer of 2021, the findings of the report will be considered when developing future Young Carer Grant policy.

Carer benefits policy - COVID-19 response

In response to coronavirus, in addition to the additional support from the Coronavirus Carer's Allowance Supplement, we have also worked with the DWP to relax some of the rules around Carer's Allowance eligibility to protect carers' access to support. For example, regulations were put in place in April 2020 to ensure where people are not able to provide 35 hours of care because they, or the person they are caring for, are ill or self-isolating due to coronavirus, this break in caring will not affect their Carer's Allowance.

These regulations were accompanied by guidance changes which allow carers to provide some care remotely where they are not able to do so in person as a result of illness or self-isolation due to coronavirus. We worked with DWP to extend these regulations in November 2020 in light of the ongoing impacts of the pandemic.

Urgent changes were also made via the emergency Coronavirus (Scotland) Act to protect access to the Young Carer Grant by relaxing the rules around timings for applications. For example, if a young carer applies after their 19th birthday, their application will be treated as though it were made on time, even if they were delayed in applying.

Best Start Grant

We continue to deliver Best Start Grant, and in 2020-21 over £18 million in Best Start Grant Payments has been provided to those families who need it most. The payments aim to give children the best start in life by providing financial support to eligible parents and carers during key transition points in children's early years:

- the Pregnancy and Baby Payment opened for applications on 10 December 2018 and helps with expenses associated with pregnancy or with having a new child
- the Early Learning Payment opened for applications on 29 April 2019 and helps with the costs of early learning around the time a child might start nursery
- the School Age Payment opened for applications on 3 June 2019 and provides financial support around the time a child is first old enough to start primary school

The Best Start Grant represents significant additional investment by the Scottish Government in comparison to the UK Government's Sure Start Maternity Grant provision which it replaces. An eligible two child family will receive Best Start Grant

payments totalling £1,919 in their children's early years; £1,419 more than the Sure Start Maternity Grant.

Applicants apply for Best Start Grant and Best Start Foods on the same application form – a Programme for Government commitment. Following the launch of Scottish Child Payment, a single application form can be used to apply for Best Start Grant, Best Start Foods and Scottish Child Payment, making it easy for eligible families to access the money they are entitled to.

The interim evaluation on Best Start Grant, published on 15 Dec 2020, found that the payments were viewed very positively by interviewed recipients. The consensus was that the application process was straightforward, that it was not stigmatising to receive a payment and that the use of the grant led to positive outcomes for children and their parents and carers alike. Best Start Grant was perceived as easing financial strain on low income families at key transitional stages for their children, and prevented some families from going into debt. As the respondents thought of the payments as an entitlement and not as a donation, it allowed them to spend it appropriately, increasing their confidence as parents and carers.

Funeral Support Payment

Social Security Scotland began taking applications for the Funeral Support Payment in September 2019. This is a one-off payment for eligible low income families to help towards the costs of a funeral. The benefit is intended to help alleviate the burden of debt clients may face when paying for a funeral and so help to reduce funeral poverty.

The Scottish Government have substantially widened eligibility for Funeral Support Payment, supporting 40% more people compared to the UK Government funeral payment which it replaces in Scotland.

The Funeral Support Payment's standard flat rate for expenses such as funeral director fees, a coffin, and flowers was £700 (or £120 if a funeral plan was in place) at the point of introduction. However, we have since increased this amount to £1,000 for all applications received from 1 April 2020 (which was then uprated to £1,010 in April 2021). At the same time we uprated the lower flat rate in line with inflation from £120 to £123.25. We will continue to annually uprate these elements of the payment taking into account the impact of inflation. UK Government has given no commitment to do this.

We introduced special measures for COVID -19 to allow for late applications if COVID -19 was the reason for a delay in applying. COVID -19 has led to an increased number of people being eligible and applying for FSP, resulting in increased spending.

Between 1 April 2020 and 31 March 2021, we paid out a total of £10,959,821, with 6,120 payments made to support bereaved families.¹ The mean average payment in the year 2020-2021 was £1,791. This is up from £1,505 in the previous financial year

¹ Based on most up-to-date [official data](#) on Funeral Support Payment up until 24 August 2021

following an increase from £700 to £1,000 to the standard flat rate paid to clients on all completed applications received on or after 1 April 2020, which was then updated to £1,010 in April 2021.

Child Winter Heating Assistance

Social Security Scotland began making payments of Child Winter Heating Assistance in November 2020. This new form of assistance, not available anywhere else in the UK, provided a £200 payment in 2020/21 to eligible children and young people, to help mitigate the financial impact of winter heating costs. In 2020/21 14,015 payments were made, with a total value of £2.8 million.

In 2020/21, a child or young person (up to and including age 18) needed to be in receipt of the highest rate of the care component of Disability Living Allowance, in the 'qualifying week' (from the third Monday in September each year to the following Sunday, - the week which began on 21 September). The child or young person needed to be resident in Scotland, or have had a genuine and sufficient link to Scotland whilst being resident in one of the EEA countries listed in the regulations.

The majority of Child Winter Heating Assistance payments were made automatically without requiring an application. In limited circumstances clients could also apply for Child Winter Heating Assistance. This could apply for example when a child or young person no longer lives in Scotland, but has a link to Scotland, for example that they, or their parent or guardian, have spent a significant part of their life in Scotland. Clients also needed to apply for Child Winter Heating Assistance if they receive a backdated Disability Living Allowance award for the qualifying week.

Disability Assistance

Work to develop policy proposals for the delivery of Disability Assistance in Scotland continued throughout 2020 and 2021, with executive competence for disability benefits transferring to Scottish Ministers on 1 April 2021.

The Scottish Government referred a further draft of the regulations for Disability Assistance for Children and Young People, now known as Child Disability Payment (CDP), to the Scottish Commission on Social Security on 29 October 2020. The draft regulations were referred under section 97 of the 2018 Act. SCoSS subsequently laid its scrutiny report before Parliament on 17 December 2020, setting out their recommendations in relation to the regulations. The regulations were subsequently laid before Parliament on 26 February 2021.

A public consultation on the draft legislation for Adult Disability Payment, the Disability Assistance for Working Age People (Scotland) Regulations, was carried out between December 2020 and March 2021. Having been re-drafted, the regulations have been referred to the Scottish Commission on Social Security, who have reported their findings. The final Regulations will be laid in Parliament towards the end of this year.

The Scottish Government has progressed work to deliver the SNP manifesto commitment to ensure that clients receiving Disability Living Allowance for children

(DLAC) who turn 16 from 1 September 2020 will not be required to apply for Personal Independence Payment (PIP). The Scottish Ministers used devolved powers to extend the upper entitlement age of DLAC, for existing DLAC clients in Scotland, to age 18 in advance of the commencement of Child Disability Payment.

Scottish Child Payment

Scottish Child Payment (SCP) for under 6s opened for payments on 15 February 2021 utilising the powers set out in Section 79 of the Scotland Act 2018 - which enables the Scottish Government to top up reserved benefits. This followed a pre-application period which began on 9 November 2020. [High level statistics on Scottish Child Payment](#) are published quarterly. This includes statistics on the number of applications received, processed and authorised, as well as value of payments and number of children estimated to have received the benefit up to 31 March 2021.

The Payment has been introduced as one of a range of measures committed to in the first Tackling Child Poverty Delivery Plan, tackling child poverty for those families in receipt of low income reserved benefits. It aligns with the principles set out under Section 1 of the Social Security (Scotland) Act 2018, in particular that the social security system should contribute to reducing poverty

The Payment currently pays £10 per child, per week to eligible low income families. Payments are made every four weeks and there is no cap on the number of children under 6 a family can apply for.

We will significantly increase the level of the Scottish Child Payment, following the planned rollout to 6 to 15 year olds, in order to maximise the impact on child poverty, and double it to £20 payment within the lifetime of the Parliament. As the First Minister said in her Programme for Government statement, it is our intention to deliver this as early as possible and that how we will do this will be part of the budget bill process.

We were able to introduce the under 6s payment earlier because it builds on the existing infrastructure for our Best Start Grant payments. Further, in recognition of the fact that of all children in poverty, almost 60% live in a family where a child is under six years old.

We are committed to rolling out SCP for under 16s by the end of 2022. This is dependent on the UK Government providing us the data we need for 6-15 year olds.

SCP is being delivered through secondary legislation. The continued policy development, service design and input from the Scottish Commission on Social Security (SCoSS) has supported the development of the Regulations which came into force as Scottish Statutory Instruments on [9 November 2020](#). This was followed by amendment regulations which came into force on [15 January 2021](#). The regulations were accompanied by the publication of a suite of Impact Assessments.

The expansion of SCP eligibility to children aged 6-15 will see the laying of further amendment regulations in 2022, accompanied by a suite of impact assessments.

Uprating

For the financial year 2020-21, Funeral Support Payment, Young Carer Grant, Carer's Allowance and Carer's Allowance Supplement were uprated through September 2019 CPI of 1.7% from April 2020. In addition to the uprate by price inflation, the standard rate of the other expenses element of the Funeral Support Payment, was further increased to £1,000 from 1 April 2020.

Under section 77 of the Social Security (Scotland) Act 2018 ('the Act'), Scottish Ministers have a duty to consider the effects of inflation on all devolved assistance that were being delivered during 1 April 2020 to 31 March 2021 and to report to the Scottish Parliament on what the Scottish Ministers intend to do for the 2021-22 financial year as a result of the changes to inflation. Under section 78 of the Act there is also a duty to uprate by inflation Funeral Support Payment and Young Carer Grant each financial year.

[The section 77 report](#) was published on 29 January 2021. The Scottish Ministers recommended that the Best Start Grant, Child Winter Heating Assistance, Funeral Support Payment, Job Start Payment and Young Carer Grant were to be uplifted by 1% from 1 April 2021 which is 0.5% higher than the inflation-adjusted level of assistance. This was in response to the exceptional circumstances arising through COVID-19 in 2020 and the impact it has had on low income households. Carer's Allowance Supplement was to be increased by 0.5% as section 81 of the Act does not allow the payment to be increased higher than the rate of inflation.

Scottish Ministers have had executive competence for Carer's Allowance since September 2018 and for Attendance Allowance, Disability Living Allowance, Personal Independence Payment, Severe Disablement Allowance and the Industrial Injuries Scheme (which comprises the Industrial Injuries Disablement Benefits and the Industrial Death Benefit since 1 April 2020. Under the Agency Agreement the Scottish Ministers are committed to annually uprate these assistance at the same rate as applied by the DWP which was the September CPI rate of 0.5%.

The legislation to bring the uplift and uprate into effect in April 2021 was laid in the Scottish Parliament and scrutinised by the [Social Security Committee on 4 March 2021](#) and approved by the Scottish Parliament on 17 March 2021.

Appointees

Section 58 of the 2018 Act, made provision for Scottish Ministers to appoint another person (an appointee) to act on behalf of a client in certain circumstances. It applied in relation to benefits paid under section 24 of the 2018 Act, where the client was deceased, or 'incapable' within the definition of the Adults with Incapacity (Scotland) Act 2000.

These appointments were implemented in relation to Early Years Assistance, Funeral Expense Assistance, and Carers Assistance but low numbers of appointments were required given the demographic of the clients applying for these forms of assistance. The vast majority of clients who needed an appointee, already

had one identified and acting in relation to their reserved benefits, and a simple administrative process was put in place to allow them to act for devolved benefits.

However, in preparation for Scottish Child Payment, Child Winter Heating Allowance and Child Disability Payment, sections 1 and 2 of the Social Security Administration and Tribunal Membership (Scotland) Act 2020² made a large number of amendments and enhancements to the appointee provisions, as well as extending them to benefits paid under section 79.

Section 85A, which allowed Scottish Ministers to make an appointment on behalf of a child, where they were not in the care of a person with Parental Rights and Responsibilities, was inserted into the 2018 Act on 10th November 2020³. This was to allow for appointments to be made in respect of payments of Child Winter Heating Allowance. Section 85B was inserted on 23 December 2020⁴ for the purpose of making appointments in respect of Scottish Child Payment, where clients were either deceased or an adult regarded as 'incapable'.

Work is ongoing to develop and implement the many other significant changes required by the appointees provisions of the 2020 Act, and to consult on and prepare statutory guidelines. Engagement with DWP continues to agree processes that ensure interactions between the two agencies safeguard clients and do not introduce unnecessary complexity or duplication.

Offences and Investigations

Following extensive consultation with stakeholders⁵ the Social Security Assistance (Investigation of Offences) (Scotland) Regulations 2020⁶ came into force on 24 January 2020 creating specific powers for Social Security Scotland to undertake investigative activity where necessary into suspected fraud in applications for benefits paid under the Social Security (Scotland) Act 2018. It also created a new offence of obstruction of an investigation.

The regulations were accompanied by the statutory Code of Practice for Investigations⁷ which sets out how officers from Social Security Scotland will investigate suspected fraud and what clients can expect in the course of an investigation.

Sections 4 and 5 of the Social Security Administration and Tribunal Membership (Scotland) Act 2020 also modified the Social Security (Scotland) Act 2018 to ensure that offences and powers of investigation would also apply to forms of 'top up' assistance provided for under the 2018 Act.

In preparation for recurring benefits, work has continued throughout the year with the Department of Work and Pensions to develop processes that are consistent with the

² <https://www.legislation.gov.uk/asp/2020/18/part/1/crossheading/appointees/enacted>

³ <https://www.legislation.gov.uk/ssi/2020/18/section/1/enacted>

⁴ <https://www.legislation.gov.uk/ssi/2020/422/contents/made>

⁵ <https://consult.gov.scot/social-security/fraud-investigations/>

⁶ <https://www.legislation.gov.uk/ssi/2020/11/contents/made>

⁷ <https://www.gov.scot/publications/social-security-fraud-code-practice-investigations/>

principle of dignity and respect, and that can be applied in common interest investigations where there is fraud across multiple benefits or spanning periods during which both agencies have overpaid benefit.

Coronavirus Emergency Legislation

The Scottish Government introduced legislation to ensure that Social Security Scotland clients were not disadvantaged by the Coronavirus crisis and were able to apply for assistance to which they were entitled and which they may otherwise have missed out on if late applications were not allowed.

Section 8 and paragraphs 1(a), 2, 3 and 4 of Schedule 7 of the Coronavirus (Scotland) Act 2020 were commenced on 01 April 2020, and relaxed timescales set out in the Social Security (Scotland) Act in relation to applications, re-determinations and appeal requests. These are set out below:

Redetermination and appeal requests

- Clients were able to submit re-determination requests for up to one year from the date of receiving the original decision provided they had 'good reason' for doing so. COVID-19 disruption related reasons fell within the 'good reason' description.
- The maximum one year time period for making a re-determination and appeal request was disapplied where clients could show that the delay was due to COVID-19 disruption.
- Social Security Scotland has extended timescales allowed for re-determinations on 38 occasions.
- A small number of appeals were accepted by the Tribunal, citing COVID-19 as a factor for accepting the late appeal.
- Social Security Scotland statistics on re-determinations and appeals can be found at <https://www.gov.scot/collections/social-security-scotland-stats-publications/>

Paragraphs 1(a), 2, 3 and 4 were expired on 29 September 2020 as they are spent provisions.

The provisions which remained in force after this were paragraphs 1(b) and 5 of schedule 7, which relax the timescales which apply for Social Security Scotland to make re-determinations. The original timescale of 16 working days is extended by an additional 9 weeks, although the provisions also require that Social Security Scotland always make the re-determination as soon as possible within a new extended timescale.

Application for assistance

As a result of these provisions, the Act allowed for late applications across all forms of assistance to be accepted and considered where the lateness was due to coronavirus. This also included applications where someone lost their entitlement to assistance due to their age as a direct result of coronavirus, for example in relation to Young Carer Grant or Best Start Grant.

Section 4 Equality Assessment and Data

The Act specifies that the annual report should contain an assessment of how the Scottish social security system has affected the circumstances of people whose finances are affected by a person in the household having a protected characteristic listed in section 4 of the Equality Act 2010 (for example age, disability).

As noted in previous reports, this assessment is made in two ways:

- Where a benefit is directly focussed on supporting the situation arising because an applicant has a protected characteristic.
- Understanding the equality distribution of benefits to identify where it is more likely to be helping people with a protected characteristic. In some cases the protected characteristic may be a factor in why someone is eligible for a benefit, e.g. employment discrimination, gendered expectations of caring, but this is difficult to quantify.

We are able to make an assessment of the benefits that were paid during the financial year 2020/21, but information is likely to be more partial for some benefits, such as Scottish Child Payment, which opened for applications only in November 2020 and Child Winter Heating Assistance, which was paid for the first time in the Winter of 2020/21. Data are gathered in a number of ways. In some cases, data are a routine part of the application. Up to December 2019, data were also collected through a voluntary equalities monitoring questionnaire. Since December 2019, data on how individuals identify with respect to equalities are now collected within the application, although it is possible for an applicant to select that they prefer not to answer the question. For Carer's Allowance Supplement and Child Winter Heating Assistance, payment is automatic for recipients of the UK Carer's Allowance or the highest level of care award for Disability Living Allowance respectively, and so available equalities data is that published by the Department of Work and Pensions.

The Scottish Government are able to identify those instances, where having a protected characteristic will directly impact on financial circumstances (e.g. the cost of disability or pregnancy) and record where benefits address this. Other impacts are more indirect (e.g. discrimination affecting access to employment), and are thus more difficult to quantify or assess the role benefits play in counteracting them.

The Best Start Grant Pregnancy and Baby Payment is made to households where there is someone who is, or has recently been, pregnant. Between 1 April 2020 and 31 March 2021 16,360 applications had been authorised for payment, with £6.9 million added to family budgets. Of the applications authorised for Pregnancy and Baby Payment, 35 percent were estimated to be for a first birth and 65 percent for a subsequent birth⁸.

Best Start Foods launched in Scotland in August 2019 to replace the UK Healthy Start voucher scheme. It provides pregnant women and families with children under the age of three, who are in receipt of certain benefits, with a minimum of £4.25 a week to purchase healthy foods using a payment card (from 16 August 2021, Best

⁸ [Best Start Grant and Best Start Foods: High level statistics to 31 May 2021](#)

Start Foods payments were increased to a minimum of £4.50 per week). Between 1 April 2020 and 31 March 2021, 46,430 applications had been authorised for Best Start Foods.

Best Start Grant and Best Start Foods share an integrated application process. Of all the Best Start Grant and Best Start Foods applications that were authorised for payment between 1 April 2020 and 31 March 2021, 36,530 (47 per cent) were for applicants under 30.

With respect to Carer's Allowance Supplement, it is not possible from current data to say what the relationship is between the carer and the person who receives care. However, it is likely that a proportion of recipients will be providing care to a member of their household who must be a person in receipt of a specified disability benefit. In those circumstances, the additional support provided in 2020/21 – up to £690.30, through two standard payments of £230.10 and the additional Coronavirus payment of £230.10 paid with the June Supplement – was a contribution to the carer's income which may have had an impact on the household overall. These payments were increased to £231.40 for 2021-22.

Social Security Scotland has published fuller diversity analysis – up to November 2020⁹ which includes breakdowns by a greater number of equality characteristics. These statistics are based on information collected in equalities monitoring forms, which are completed after a client makes an application. Numbers of applications approved and denied are based on the most recent outcome for each individual client only. We set out selected highlights of these statistics for this and other benefits.

From June to November 2020, 90 per cent of Best Start Grant or Best Start Foods applicants identified as “white”, 4 per cent “Asian” and 2 per cent “African”. Clients who identified as “Asian” were most likely to have their application denied (35%), with clients identifying as “White” least likely to be denied (27%) out of these most represented groups. Overall 28% clients were denied and 72% were approved.

The applicants for Best Start Grant or Best Start Foods are highly skewed towards women (90 per cent), with 8 per cent identifying as men. The application approval rate was 73 per cent for women, 66 per cent for men and 72 per cent for clients who “prefer not to say”. Fifteen per cent of applicants reported that they had a physical or mental health condition which was expected to last 12 months or more.

In terms of sexual orientation, 92 per cent of applicants for Best Start Grant reported their sexuality as “heterosexual” compared to 2 per cent for “Bisexual” and 5 per cent who “preferred not to say”. Around 66 per cent of respondents said “None” on responding to questions about their religion, followed by Roman Catholic (13 per cent), Church of Scotland (6 per cent), Other Christian (5 per cent), Muslim (5 per cent) and Prefer not to say (4 per cent). Other options were rounded to 0 per cent.

⁹ [Social Security Scotland client diversity and equalities analysis to November 2020 - gov.scot \(www.gov.scot\)](https://www.gov.scot/publications/social-security-scotland-client-diversity-and-equalities-analysis-to-november-2020/pages/10/index.aspx)

Best Start Grant was evaluated¹⁰ in 2020, and the qualitative research with recipients concluded that they valued the timeliness of the payment of helping them to meet the extra costs of birth and pregnancy (this was also true of Early Years and School Payments). An evaluation for Best Start Foods will be commissioned to report in mid 2022.

As might be expected for a benefit targeted at families with young children, the vast majority of applicants in the June to November 2020 equalities analysis were under 45, with 15 per cent aged 16-24, 54 per cent ages 25-35 and 27 per cent aged 35-44.

From June to November 2020, 92 per cent of the applicants for the Scottish Child Payment identified as having a “White” background. A further 2 per cent were from Asian, and also 2 per cent from African backgrounds. As with Best Start Grant, the vast majority of applications came from women (93 per cent and 5 per cent from men).

Ninety-two per cent of applicants identified as “heterosexual” while 6 per cent selected “prefer not to say”, 2 per cent “bisexual” and 1 per cent “gay & lesbian”. Around 70 per cent of respondents said “None” on responding to questions about their religion, followed by Roman Catholic (12 per cent), Church of Scotland (6 per cent), Other Christian (3 per cent), Muslim (4 per cent) and Prefer not to say (4 per cent). Other options were rounded to 0 per cent. Again, as with Best Start Grant, most applicants were under the age of 45, with 18 per cent aged 16-24, 53 per cent aged 25-34 and 25 per cent aged 35-44.

With respect to carer benefits (Carer’s Allowance Supplement and Young Carer Grant), it is not possible from current data to say what the relationship is between the carer and the person who receives care. However, it is likely that a proportion of recipients will be providing care to a member of their household who must be a person in receipt of a specified disability benefit. The client group are generally on lower incomes than those without caring responsibilities. As well as benefitting the carer themselves, carer benefits will have an indirect positive impact on disabled people, as the person the carer looks after will be disabled.

In those circumstances, the additional support provided by the Carer’s Allowance Supplement in 2020-21 – up to £690.30, through two standard payments of £230.10 and the additional Coronavirus payment of £230.10 paid with the June Supplement – was a contribution to the carer’s income which may have had an impact on the household overall. These payments were increased to £231.40 for 2021-22. Women are disproportionately represented in the client group for Carer’s Allowance Supplement, being 69 per cent of the client group for Carer’s Allowance. In addition, 46 per cent of applicants for Carer’s Allowance are aged 50 or over¹¹.

The Young Carer Grant was launched in October 2019. According to Young Carer Grant official statistics for the 2020-21 reporting year, 2,290 awards had been

¹⁰ [Best Start Grant: interim evaluation - gov.scot \(www.gov.scot\)](https://www.gov.scot/best-start-grant-interim-evaluation)

¹¹ [Carer’s Allowance Supplement, April eligibility date 2021 and Carer’s Allowance, Disability Living Allowance, Attendance Allowance and Severe Disablement Allowance at February 2021: statistics - gov.scot \(www.gov.scot\)](https://www.gov.scot/carers-allowance-supplement-april-eligibility-date-2021-and-carers-allowance-disability-living-allowance-attendance-allowance-and-severe-disablement-allowance-at-february-2021-statistics)

authorised, 36 per cent of applications were made by 16 year-olds, 39 per cent by 17 year olds and 22 per cent by 18 year olds¹².

Equalities analysis covering applications received from June to November 2020 shows that, 92 per cent of the applicants identified as “White” and 4 per cent as “Asian”. Seventy-four per cent of the applicants from those with White backgrounds were approved, compared to 70 per cent of those from Asian backgrounds. As with Carer’s Allowance, the gender of applicants for Young Carer Grant was skewed towards women (57 per cent, compared to 41 per cent men). However, women were less likely to have their application approved (73 per cent compared to 76 per cent of men). Fifteen per cent of applicants for Young Carer Grant reported that they had a physical or mental health condition which was expected to last 12 months or more. Eighty-three per cent of Young Carer Grant applicants identified as “heterosexual”, 9 per cent selected “prefer not to say”, 5 per cent bisexual and 3 per cent “Gay and lesbian”.

For Young Carer Grant, around 2 per cent of respondents identified as transgender. This tends to compare with about 1 per cent or less for other benefits, but given the relatively small caseload of Young Carer Grant, it is still a small number in absolute terms. However a further 2 per cent selected “prefer not to say”. This was similar to Job Start Payment (2 per cent), but less than Scottish Child Payment and Best Start Grant (3 per cent) and Funeral Support Payment (7 per cent).

Around 65 per cent of respondents said “None” on responding to questions about their religion, followed by Roman Catholic (13 per cent), Church of Scotland (10 per cent), Other Christian (3 per cent), Muslim (4 per cent) and Prefer not to say (5 per cent). Other options were rounded to 0 per cent. As expected, given the eligibility for Young Carer Grant (16, 17 and 18 year olds), 99 per cent of applicants were aged 16-24.

Evaluations of both Carer’s Allowance Supplement¹³ and Young Carer Grant have been published which confirmed that most recipients thought that the money was timely and helped them in their caring role, as well as positively impacting on their wellbeing. While the payments were welcome, co-ordinated action in a variety of policy areas would be required to transform outcomes for carers.

Job Start Payment (JSP) launched in Summer 2020, and from launch until the end of November 2020 95 per cent of applicants identified as “white”, and 33 per cent of their applications were approved (the same as the overall approval rate, which was also 33 per cent). The majority of applicants for JSP were male (54 per cent, 45 per cent women). The respective approval rates were 29 per cent and 36 per cent. The number of applicants who reported that they had a physical or mental health condition which was expected to last 12 months or more was 14 per cent. Eighty seven per cent of applicants identified their sexuality as “heterosexual” with 4 per cent “gay & lesbian”, 5 per cent “bisexual” and 4 per cent “prefer not to say”. Around 78 per cent of respondents (the highest for all benefits) said “None” on responding to questions about their religion, followed by Roman Catholic (10 per cent), Church of

¹²[Young Carer Grant: high level statistics to 31 January 2021 - gov.scot \(www.gov.scot\)](http://gov.scot)

¹³[Carer's Allowance Supplement: evaluation - gov.scot \(www.gov.scot\)](http://gov.scot)

Scotland (4 per cent), Other Christian (2 per cent), Muslim (1 per cent) Other (1 per cent) and Prefer not to say (3 per cent). Other options were rounded to 0 per cent. With the benefit targeted to young entrants to the labour market, 97 per cent of applicants were aged 16 to 24.

From June to November 2020, applicants for Funeral Support Payment (FSP) identified as “White” in 91 per cent of cases, “Asian” in 1 per cent of cases, while 7 per cent preferred not to say. 74 per cent of Asian respondents had their application approved, compared to 86 per cent of White respondents. Of all Social Security Scotland benefits, FSP had the highest proportion of people who reported that they had a physical or mental health condition which was expected to last 12 months or more (34 per cent), and in addition 14 per cent selected “Prefer not to say” in answer to this question.

Women also make up the majority of applications for FSP (61 per cent) with 33 by men. The approval rate is 87 per cent for women and 82 per cent for men. Eighty-seven per cent of applicants for FSP identified as “heterosexual” while 11 per cent selected “prefer not to say”.

There was a notable difference in responses on religious background for Funeral Support Payment, compared to other benefits. Around 46 per cent of respondents said “None” on responding to questions about their religion (compared to 66 per cent for all benefits), followed by Roman Catholic (18 per cent), Church of Scotland (18 per cent), Prefer not to Say (12 per cent), Other Christian (3 per cent) and Muslim (1 per cent). Other options were rounded to 0 per cent.

Funeral Support Payment saw a slightly older group applying than for other benefits, however around 32 per cent were still aged under 45. Forty-three per cent were aged 45-65 and 25 per cent aged 65 or over.

Section 5 Right to appeal

Scottish Ministers must indicate, as part of this report, whether it is appropriate to amend the process for determining entitlement. The volume of appeals remains low and there is no clear indication of issues around the application and determination process. Therefore Scottish Ministers do not consider that there is any need for change at this time.

Appeals data will be kept under review and, as required, Scottish Ministers will report annually on whether the determination process needs to be amended.

The redeterminations and appeal data will be included in Social Security Scotland's Annual report.



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