

# **Social Security (Scotland) Act (2018)**

## **Devolved Social Security Assistance**

### **Uprating for Inflation**

**A report in fulfilment of section 86A: Duty to  
consider effects of inflation**

**Laid before the Scottish Parliament by the Scottish Ministers under  
section 86A(1)(c)**

**SG/2021/344**

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## Foreword



This report lays out the impact of inflation on Scottish benefits we deliver and our policy position on uprating for the financial year 2022-23. It includes all forms of assistance that the Scottish Ministers have a responsibility to uprate in 2022-23 as well as what we intend to do for the types of assistance where there is no requirement to uprate.

I am proud that we have introduced 11 benefits, seven of which are completely new forms of financial support. In particular, payments of our game changing Scottish Child Payment were made for the first time in February 2021, and it is included in this report for the first time. We introduced this new benefit to tackle child poverty directly at £10 per week per child and the latest figures show that it is benefitting over 106,000 children. As part of our national mission to tackle child poverty this will be doubled to £20 in April.

I am pleased the pilot for Child Disability Payment opened for applications in July this year and following a successful pilot it is now open across the country. Next year will also be important for us as we introduce Adult Disability Payment and Low Income Heating Assistance.

This report sets out the inflation adjusted figures for each form of assistance and the rates that will be paid in 2022-2023. There is a duty set out in the Social Security (Scotland) Act and our Social Security Charter to uprate by inflation carer's, disability, employment-injury, funeral expense assistance and the Scottish Child Payment that are in effect and we will bring forward legislation in early 2022 to deliver that, with the notable exception of Scottish Child Payment which is being doubled to £20. We have also increased Child Winter Heating Assistance by more than inflation.

We are continuing to build a social security system which ensures that people are treated with dignity, fairness and respect.

**Ben Macpherson**

Minister for Social Security and Local Government

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# 1. Purpose

1.1 This report is published under section 86A<sup>1</sup> of the Social Security (Scotland) Act 2018<sup>2</sup> ('the Act') which requires Scottish Ministers to consider the effects of price inflation on all forms of assistance delivered under Chapter 2 of Part 2 or section 79 of the Act and to lay a report in the Scottish Parliament before the end of each financial year.

1.2 This report sets out the inflation-adjusted level of each relevant figure, explains how the inflation-adjusted levels have been calculated and states what the Scottish Ministers have done, or intend to do, in light of their calculations and their reasons for that decision.

1.3 The forms of assistance under the reporting duty in section 86A include:

1. Carer's assistance (includes Young Carer Grant)
2. Cold-spell heating assistance
3. Winter heating assistance (includes Child Winter Heating Assistance)
4. Disability assistance
5. Early years assistance (Best Start Grant)
6. Employment injury assistance
7. Funeral expense assistance
8. Housing assistance
9. Short-term assistance
10. Scottish Child Payment

1.4 Of the above forms of assistance, the Best Start Grant, Child Winter Heating Assistance, Funeral Support Payment, Young Carer Grant, Short-term assistance, Scottish Child Payment and Child Disability Payment have been delivered and are included in this report for consideration. The report also includes Adult Disability Payment which is expected to be launched in the form of a pilot before the end of the financial year. The report is required to consider the change in prices since the previous report was laid before the Scottish Parliament on 29 January 2021.<sup>3</sup>

1.5 This report also explains how the inflation-adjusted level of Carer's Allowance Supplement has been calculated. Although this reporting is not required by the Act, it is being provided to offer a fuller picture of all the assistance that is being delivered. Similarly, there will be reporting on other forms of assistance which are not covered by the 2018 Act such as Job Start Payment and Best Start Foods.

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<sup>1</sup> Social Security (Scotland) Act 2018 – Section 86A ([link](#))

<sup>2</sup> Social Security (Scotland) Act 2018 ([link](#))

<sup>3</sup> Social Security assistance – effects of inflation: report ([link](#))

1.6 Finally, section 86B<sup>4</sup> of the Act requires Scottish Ministers to bring forward legislation before the end of each financial year, to replace the payment amount in the regulations which is, in their opinion, materially below its inflation- adjusted level. All forms of carer’s assistance (including Young Carer Grant), disability assistance, employment injury assistance, and funeral expense assistance (now referred to as Funeral Support Payment) and Scottish Child Payment that are set out in devolved legislation are to be uprated to the inflation-adjusted level set out in section 86A. This means that for the financial year 2022-23 there is a requirement to uprate Funeral Support Payment, Young Carer Grant, Scottish Child Payment, Child Disability Payment and Adult Disability Payment.

1.7 The Scottish Government is committed to embedding the eight Scottish social security principles in Section 1 of the Social Security (Scotland) Act 2018 into the policy making process. The approach to uprating, in particular, is intended to reinforce the principles that:

- social security is an investment in the people of Scotland;
- social security is itself a human right and essential to the realisation of other human rights;
- the Scottish social security system is to contribute to reducing poverty in Scotland and
- 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.

## 2. Background

2.1 In 2019, the Scottish Government prepared an analytical report that provided a detailed review of relevant inflation measures to inform the options available to Scottish Ministers for uprating devolved social security assistance. The analytical report explored in depth the methodological features of inflation measures and drew on a range of evidence including recommendations from the UK Statistics Authority and the Office for National Statistics, an independent review led by the Director of the Institute of Fiscal Studies<sup>5</sup> and the House of Lords Economic Affairs Committee’s report ‘Measuring Inflation’.<sup>6</sup>

2.2 The analytical report subsequently informed a policy paper that set out the Scottish Government’s approach to uprating social security assistance. Both papers<sup>7</sup> were provided to the Social Security Committee (as it then was) and the Scottish Commission on Social Security on 2 September 2019.

2.3 The policy paper recommended that the September Consumer Price Index (CPI) rate be used for uprating devolved social security assistance in the short-term, with the assistance

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<sup>4</sup> Social Security (Scotland) Act 2018 – Section 86B ([link](#))

<sup>5</sup> UK Consumer Price Statistics: A Review ([link](#))

<sup>6</sup> House of Lords Economic Affairs Committee: Measuring Inflation Report ([link](#))

<sup>7</sup> Scottish Government (September 2019) – Uprating policy paper and analytical report ([link](#))

payment rounded to the nearest multiple of five pence. The September 2021 CPI rate published on 20 October 2021 was 3.1%.

2.4 Overall, the Scottish Commission on Social Security was supportive of the Scottish Government's uprating policy of using September CPI rate to uprate social security assistance at least in the short-term. The Scottish Commission on Social Security set out recommendations<sup>8</sup> for the Scottish Government approach to benefit uprating in terms of the significance of Social Security principles and human rights, the shorter-term and the longer-term approach to uprating. The Scottish Government responded<sup>9</sup> to these recommendations and will keep the recommendations under consideration to inform the development of future reports as more forms of assistance are introduced and reported on.

2.5 The Social Security Committee noted the Scottish Government's position on uprating of devolved assistance and had no further views to report beyond the discussion at the Committee on 10 October 2019.<sup>10</sup>

2.6 The following sections provide a detailed discussion of how the inflation-adjusted levels of assistance were calculated, what the inflation-adjusted levels of assistance would be and what the Scottish Ministers intend to do.

### **3. Impact of COVID-19**

3.1 The unprecedented COVID-19 pandemic has acutely affected inflation over the past few years. Considering the significant change in the CPI inflation rate over the last year, this report provides an overview of the reasons the CPI inflation rate has increased from 0.5% (September 2020) to 3.1% (September 2021).

3.2 Successful COVID-19 vaccination programmes and the subsequent easing of public health measures put in place to contain the virus spread have resulted in increased economic activity compared to the early stages of the pandemic as firms and households start to run down accumulated savings and return to the levels of production and spending that they usually would. The increase in demand in comparison to early stages of the COVID-19 pandemic has placed upward pressure on inflation.

3.3 Figure 1 shows how the monthly rate of CPI has moved over the last 12 months. The 3.1% CPI rate, compared to last September's 0.5% rate, can partially be explained by a base-effect<sup>11</sup> because prices and demand were lower than they otherwise might have been last year due to the restrictions in place as a result of COVID-19.

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<sup>8</sup> Scottish Government (October 2019) - Scottish Commission on Social Security: Uprating report 2019 - ([link](#))

<sup>9</sup> Scottish Government (November 2019) – Scottish Government responses to Scottish Commission on Social Security recommendations ([link](#))

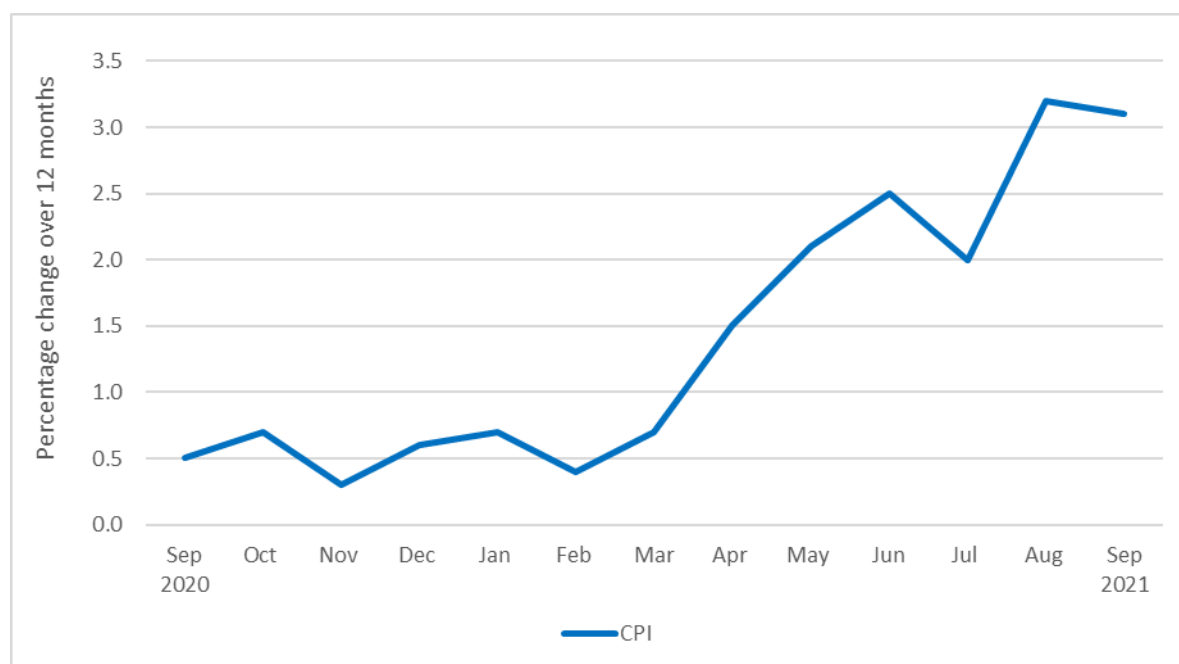
<sup>10</sup> Scottish Parliament (October 2019) – Social Security Committee report ([link](#))

<sup>11</sup> Office for National Statistics (May 2021) – Beware Base Effects ([link](#))

3.4 Alongside a shift in demand from services to goods, we have seen supply shortages for some products resulting in higher prices than in earlier stages of the pandemic.<sup>12</sup> Strong global demand has also led to increased world export and UK import prices. The past year has also seen a strong contribution to the increase in CPI from the transport sector.<sup>13</sup> Supply shortages have affected the production of new cars, resulting in increased demand and prices for second hand cars. There has also been a 9.7% inflation of air fares over the last 12 months. Additionally, the energy sector has contributed to the inflationary pressures after Ofgem’s 9% increase of the tariff cap in April 2021.<sup>14</sup>

3.5 There was a slight slowing of inflation between August and September as CPI decreased from 3.2% to 3.1%. Restaurants and hotels made the largest downward contribution to the change between August and September<sup>15</sup>, offsetting the upward contributions from most other sectors including transport and housing and household services. The downward contribution from restaurants and hotels can partially be attributed to a base effect caused by higher restaurant prices in September 2020 than the previous month after the Eat Out to Help Out scheme expired. The upward contribution from transport is mainly driven by increase in motor fuel prices with the highest prices on record in 8 years.<sup>16</sup>

**Figure 1: CPI– 12 month rate**



<sup>12</sup> Bank of England (August 2021) - Monetary Policy Report ([link](#))

<sup>13</sup> Office for National Statistics (October 2021) - Consumer price inflation, UK: September 2021 ([link](#))

<sup>14</sup> The Office of Gas and Electricity Markets (February 2021) – Default tariff cap level ([link](#))

<sup>15</sup> Office for National Statistics (October 2021) – Consumer price inflation tables 12,26 and 45: September 2021 ([link](#))

<sup>16</sup> The queues outside garages seen toward the end of the month are not reflected as they fell outside the assessment period.

## 4. Policy position on uprating of Social Security Assistance

4.1 The Scottish Government's current policy position is to use CPI as the measure of inflation to uprate devolved social security assistance.

4.2 CPI is a National Statistic and has a reliable track record as a measure of inflation serving as ONS's headline measure of inflation until March 2017. CPI is used for inflation targeting by the Bank of England and also complies with the EU standard Harmonised Index of Consumer Prices.

4.3 CPI and CPIH are broadly similar measures, the only difference being that CPIH includes owner occupier housing costs. CPIH only regained its National Statistic status in 2017. As a result, it has not yet established a reliable track record as a National Statistic and official forecasts are not available, making policy planning and informed decision making Using CPIH more challenging.

4.4 RPI is recognised by experts as a poor measure of inflation and has been proven to be a more erratic measure than CPI. The UK Statistics Authority (UKSA) has put forward proposals to address the methodological shortcomings of the RPI by introducing CPIH data sources and methods into its production. At the Spring Budget the HM Treasury and UKSA launched a joint consultation seeking views on (i) whether UKSA's proposals should be implemented at a date other than 2030, and, if so, when between 2025 and 2030 and (ii) how to make UKSA's proposed methodological changes to the RPI in a way that follows best statistical practice. The UK Government's response to the consultation confirmed that the methodological changes to RPI as proposed by UKSA will not take place before the maturity of the final gilt linked to RPI in 2030.<sup>17</sup>

4.5 Finally, to complete the safe and secure transfer of existing clients from carer and disability benefits to devolved assistance, agency agreements with the Department for Work and Pensions (DWP) are required. While there is an agency agreement in place for DWP to administer the awards of existing clients for a given form of assistance, the Scottish Ministers are committed to annually uprate that assistance at the same rate as applied by the DWP, which is the September CPI rate.

4.6 As a result, the CPI rate is considered the most appropriate inflation measure for uprating assistance. However, the Scottish Government is committed to keeping policy on uprating under review and will consider alternative approaches if there is a material change to inflation measures.

4.7 Examples of a material change would include:

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<sup>17</sup> HM Treasury and UK Statistics Authority (November 2020) – A Response to the Consultation on the Reform to Retail Prices Index (RPI) Methodology ([link](#))



- The development of robust household and region specific measures by ONS. Currently these measures are being developed but it could take considerable time before they became National Statistics.
- CPIH establishing a reliable record as a National Statistic and official forecasts becoming available.
- Methodological improvements to RPI that would align its methodology and data with that of CPIH, which the UK government confirmed will take place after 2030.

## 5. Social Security Payments in 2021-22

5.1 The social security payments which Social Security Scotland were responsible for during the financial year 2021-22 were:

5.2 Carer's Allowance Supplement: Carer's Allowance Supplement is a payment which provides extra support to people in receipt of Carer's Allowance in Scotland. It is paid every six months and was initially set at a level which would raise Carer's Allowance to the equivalent of the rate of Jobseeker's Allowance (JSA) for those aged 25 and over. Since 2018-19 the Scottish Government has uprated Carer's Allowance Supplement annually, in accordance with section 81 of the Act. This involves the supplement being calculated using an inflation-adjusted rate of Jobseeker's Allowance, and taking into account any change to the weekly rate of Jobseeker's Allowance paid by the DWP. As a result of uprating, Carer's Allowance and Carer's Allowance Supplement combined now exceed the equivalent weekly rate of Jobseeker's Allowance. In addition, through provisions in the Carer's Allowance Supplement (Scotland) Act, in December 2021 an extra payment of Coronavirus Carer's Allowance Supplement will be made to Carer's Allowance recipients, on top of the normal Carer's Allowance Supplement.

5.3 Young Carer Grant (YCG): The Young Carer Grant is the first of its kind in the UK and provides eligible young carers aged 16, 17 and 18 with a payment of £308.15, which can be applied for annually. There is a statutory requirement to uprate the grant annually and the Scottish Government has been uprating the grant since 2020-21.

5.4 Funeral Support Payment (FSP): Funeral Support Payment is a one-off payment to help meet the costs of a funeral and replaced Funeral Expenses Payment, delivered by DWP, in September 2019. Eligibility has been widened by 40% and in April 2020 the flat rate payment toward funeral costs was increased from £700 to £1000. As a result of uprating in April 2021 the flat rate is currently £1010. In 2021/22 Funeral Support Payment provided on average £1,799 towards the total costs of a funeral. There is a statutory requirement to uprate Funeral Support Payment annually and the Scottish Government has been uprating the payment since 2020-21.

5.5 Best Start Grant (BSG): The Scottish Government has replaced the DWP's Sure Start Maternity Grant with the Best Start Grant in Scotland. Best Start Grant provides support during three key transition points in a child's early years. The Pregnancy and Baby Payment

provides £606 for a first child and £303 for second and subsequent children. The Early Learning Payment provides £252.50 per child to support child development, and School Age Payment provides £252.50 per child to help with the costs of preparing for school. The UK Government makes no equivalent provision to either the Early Learning or School Age Payments. There is no statutory requirement to uprate Best Start Grant.

5.6 Best Start Foods (BSF): Best Start Foods is a new Scottish payment available to low income pregnant women and families who have children aged up to three years old. It is paid as a credit onto a payment card that can be used to buy healthy foods such as milk, fruit and vegetables. It replaced the UK-wide Healthy Start vouchers in Scotland and was increased in August 2021 from £4.25 to £4.50 per week for each eligible person in the family or £9 per week for a child under 1 year old. Best Start Foods is not delivered under the Act and so there is no statutory requirement to uprate or to provide the inflation-adjusted figures in this report, but they are included for completeness.

5.7 Job Start Payment (JSP): Job Start Payment was launched on 17 August 2020 and provides a one-off payment to eligible young people to help them with costs they may incur when starting a job. It is available to young people who reside in Scotland aged 16 to 24 and aged up to 25 for care leavers. The payment is £252.50. A higher award of £404 is made to those who have responsibility for a child. Job Start Payment is not delivered under the Act and so there is no statutory requirement to uprate or to provide the inflation-adjusted figures on Job Start Payment in the report, but they are included for completeness.

5.8 Child Winter Heating Assistance (CWAHA): CWAHA provides an annual payment to disabled children and young people in receipt of the highest rate of the care component of Disability Living Allowance/Child Disability Payment or the enhanced rate of Personal Independence Payment, to support households with the additional costs associated with winter fuel bills. Social Security Scotland began paying Child Winter Heating Assistance from 27 November 2020. In 2020 the payment was £200. It was uprated to £202 in 2021/22. There is no statutory requirement to uprate Child Winter Heating Assistance.

5.9 Scottish Child Payment (SCP): SCP pays the equivalent of £10 per qualifying child per week, paid every four weeks in arrears to qualifying applicants. It is paid as a top up of certain qualifying reserved benefits using powers available under the Social Security (Scotland) Act 2018. SCP is intended to help towards the costs of supporting a family and forms part of the wider Scottish Government strategy to combat child poverty. Ministers will have a statutory duty to consider uprating yearly from April 2022. We have committed to doubling the weekly amount of Scottish Child Payment to £20 as soon as possible and this will be achieved by increasing the rate to £20 from April 2022.

5.10 Child Disability Payment (CDP): CDP provides support for the extra costs that a disabled child might have. It is the first application-based disability benefit to be introduced by the Scottish Government. CDP will replace Disability Living Allowance for children (DLAC). It is available to children and young people from the age of 3 months to 18 years old, who have

care and/or mobility needs as a result of a disability. Like DLAC, CDP consists of a care and a mobility component, and an eligible child may qualify for either of these or both, depending on the nature of their disability. The care component has three different payment rates: lowest (£23.70), middle (£60.00) and highest (£89.60). The mobility component comprises two rates: lower (£23.70 if the child is 5 or over) and higher (£62.55 for children aged 3 or over). Both care and mobility components are paid four-weekly in arrears, except for terminally ill children, whom Social Security Scotland will pay weekly. Social Security Scotland began accepting new applications from children under 16 on 26 July 2021 in 3 local authority areas: Perth and Kinross, Dundee City and Na h-Eileanan Siar (Western Isles). Since 22 November 2021, children under 16 in all other Scottish local authority areas have also been able to make an application for CDP. There is a statutory requirement to uprate CDP by at least inflation.

5.11 Adult Disability Payment (ADP): ADP will provide financial assistance to help meet the additional costs of living with a disability or health condition. It is the most complex form of assistance that will be delivered by Social Security Scotland. ADP will replace Personal Independence Payment (PIP) in Scotland for individuals aged between 16 and (subject to some exceptions) state pension age who are making an application for disability assistance. ADP will consist of two components. The daily living component provides two levels of assistance for individuals who face increased barriers to carrying out daily living activities as a result of physical or mental health condition(s) and/or disability: the standard rate (£60.00) and the enhanced rate (£89.60). The mobility component provides two levels of assistance for individuals who face increased barriers to carrying out mobility activities as a result of physical or mental health condition(s) and/or disability: the standard rate (£23.70) and the enhanced rate (£62.55). There is a statutory requirement to uprate ADP by at least inflation.

5.12 Short-term assistance: This assistance is available for CDP only at the moment but will be available for certain other forms of assistance when they come into effect. It is available where Social Security Scotland has made a decision to reduce or stop an ongoing devolved benefit and that decision is subject to a request for a re-determination or an appeal. The intention is to ensure that an individual is not discouraged from challenging a decision or from accessing administrative justice by having to manage, for a period of time, with a reduced income. The value of the short-term assistance would always reflect any uprating during the period that it is in payment, ensuring that while a re-determination or appeal remains live, the client is not disadvantaged compared to an individual who remains entitled to the principal form of assistance.

## **6. Devolved Assistance that continues to be delivered by DWP**

6.1 Scottish Ministers have had executive competence for Carer's Allowance (CA) since September 2018 and for Attendance Allowance (AA), Disability Living Allowance (DLA), Personal Independence Payment (PIP), Severe Disablement Allowance (SDA) and the Industrial Injuries Scheme (which comprises the Industrial Injuries Disablement Benefits (IIDB) and the Industrial Death Benefit (IDB)) since 1 April 2020.

6.2 Executive competence means that the Scottish Ministers have policy and funding responsibility for these forms of assistance. This competence is currently for the most part exercised under agency agreements, where the DWP deliver the payments on the Scottish Ministers' behalf. While there are agency agreements in place for DWP to administer existing claims, the Scottish Ministers are committed to annually uprate the assistance at the same rate as applied by the DWP. This is the September CPI rate with the payment rounded to the nearest multiple of 5p, with the exception of IIDB where the 100% degree of disablement entitlement is rounded to the nearest 10p and the lower rates rounded to the nearest 1p while the IDB is normally uprated through the triple lock guarantee, which ensures that pensions increase by the greatest of average earnings, prices as measured by CPI or 2.5%. However, due to the impact of COVID-19, earnings growth has been exceptionally high at 8.8% and as a result the UK Government has determined that the increase will be in line with the September CPI of 3.1%.

6.3 Social Security Scotland will progressively take over administering these benefits from the DWP but until Scottish Government regulations are in place, so that uprating can be achieved through the 2018 Act, the Scottish Ministers will be responsible for uprating these forms of assistance, where required, through powers under UK legislation.

6.4 The Scottish Ministers will be responsible for bringing forward legislation to uprate AA, CA, DLA, PIP, SDA, IIDB and IDB in April 2022.

## 7. Inflation-adjusted figures

7.1 Under section 86A of the Act there is a requirement to calculate the inflation-adjusted figures for all devolved assistance in Chapter 2 of Part 2 or section 79, which are in effect: YCG, FSP, BSG, CWHA, SCP, ADP and CDP. The inflation-adjusted figures are provided in Table 1. The 2022-23 levels for these benefits have been uprated with the September 2021 CPI (3.1%), except for CWHA which will be uprated by 5% and Scottish Child Payment which is being increased to £20. Best Start Grant is not being uprated in 2022-23, so will remain at 2021-22 level.

**Table 1 - Assistance covered by Section 86A of the Act**

<b>Benefit</b>	<b>2021-22 levels</b>	<b>Inflation-adjusted figures</b>
Best Start Grant Pregnancy and Baby Payment (1st Child Payment)	£606.00	£624.80 (not uprated in 2022-23)
Best Start Grant Pregnancy and Baby Payment (Subsequent Child Payment & Extra Payment for Twins/Triplets)	£303.00	£312.40 (not uprated in 2022-23)

Best Start Grant Early Learning Payment and School Age Payment	£252.50	£260.35 (not uprated in 2022-23)
Child Winter Heating Assistance	£202.00	£208.25 (uprated by 5% in 2022-23)
Funeral Support Payment (£1,010 rate)	£1,010.00	£1,041.30
Funeral Support Payment (£123.25 rate)	£123.25	£127.05
Funeral Support Payment (£20.55 rate)	£20.55	£21.20
Young Carer Grant	£308.15	£317.70
<b>Child Disability Payment</b>		
Care Component Highest Rate	£89.60	£92.40
Care Component Middle Rate	£60.00	£61.85
Care Component Lowest Rate	£23.70	£24.45
Mobility Component Higher Rate	£62.55	£64.50
Mobility Component Lower Rate	£23.70	£24.45
<b>Adult Disability Payment</b>		
Daily Living Component Enhanced Rate	£89.60	£92.40
Daily Living Component Standard Rate	£60.00	£61.85
Mobility Component Enhanced Rate	£62.55	£64.50
Mobility Component Standard Rate	£23.70	£24.45
Scottish Child Payment	10.00	£10.30 (increased to £20)

Note: rounding to the nearest multiple of 5p is applied

7.2 Table 2 presents inflation-adjusted figures for the other forms of devolved assistance that are not covered by section 86A. Attendance Allowance, Carer's Allowance, Disability Living Allowance, Industrial Injuries Disablement Benefit, Personal Independence Payment and Severe Attendance Allowance are to be uprated through powers under UK legislation as a requirement of their respective Agency Agreements, and Carer's Allowance Supplement is to be uprated through section 81 of the Act. Best Start Foods and Job Start Payment are not delivered under the Act but are included for completeness. The inflation-adjusted levels have been calculated using September 2021 CPI (3.1%). Best Start Foods is not being uprated in 2022-23 after a recent uplift in August 2021 so will remain at £4.50 and £9.00 a week.

**Table 2 - Assistance not covered by Section 86A of the Act**

<b>Benefit (weekly rate unless otherwise shown)</b>	<b>2021-22 levels</b>	<b>Inflation-adjusted levels</b>
<b>Attendance Allowance</b>		
Higher rate	£89.60	£92.40
Lower Rate	£60.00	£61.85

<b>Best Start Foods<sup>18</sup></b>		
During pregnancy and between the ages of 1 and 3	£4.50	£4.65 (not updated in 2022-23)
From birth until 1 year old 2 x £4.50 payments	£9.00	£9.30 (not updated in 2022-23)
<b>Carer's Allowance</b>	£67.60	£69.70
<b>Carer's Allowance Supplement</b>	£8.90	£9.15
<b>Disability Living Allowance</b>		
Care Component Highest Rate	£89.60	£92.40
Care Component Middle Rate	£60.00	£61.85
Care Component Lowest Rate	£23.70	£24.45
Mobility Component Higher Rate	£62.55	£64.50
Mobility Component Lower Rate	£23.70	£24.45
<b>Industrial Injuries Disablement Benefit</b>		
Standard rate 1.0	£182.90	£188.60
0.9	£164.61	£169.74
0.8	£146.32	£150.88
0.7	£128.03	£132.02
0.6	£109.74	£113.16
0.5	£91.45	£94.30
0.4	£73.16	£75.44
0.3	£54.87	£56.58
0.2	£36.58	£37.72
<b>Job Start Payment</b>		
Job Start Payment standard rate	£251.25	£260.35
Job Start Payment higher rate	£404.00	£416.50
<b>Personal Independence Payment</b>		
Daily Living Component Enhanced Rate	£89.60	£92.40
Daily Living Component Standard Rate	£60.00	£61.85
Mobility Component Enhanced Rate	£62.55	£64.50
Mobility Component Standard Rate	£23.70	£24.45
<b>Severe Disablement Allowance</b>		
Basic Rate	£81.25	£83.75
Age related addition	Higher Rate	£12.15
	Middle Rate	£6.75
	Lower Rate	£6.75

Note: rounding to the nearest multiple of 5p is applied except IIDB where the 100% degree of disablement entitlement is rounded to the nearest 10p and the lower rates rounded to the nearest 1p

<sup>18</sup> Best Start Foods was increased from £4.25 to £4.50 on 1 August 2021 under the 100 days manifesto commitment

7.3 Industrial Death Benefit is part of the Industrial Injuries Scheme and is paid to the widow, widowers or dependents of someone who has died as a result of an industrial injury or disease. The higher rate widow's pension of £137.60 will increase to **£141.85**, the lower rate widow's pension of £41.28 to **£42.56**. The widower's pension of £137.60 will increase to **£141.85**. This is a closed benefit and was abolished for all new claims in 2012 and is payable only if the person died before 1988.

## 8. Uprating Policy for 2022-23

8.1 During the Scottish Budget on 9 December 2021 it was announced that Child Disability Payment, Adult Disability Payment, Funeral Support Payment, Job Start Payment, Young Carer Grant and Carer's Allowance Supplement will receive an uplift to the payment rates of 3.1%. Child Winter Heating Assistance will receive an uplift of 5%. Scottish Child Payment will be doubled.

The new rates of assistance are presented in Table 3.

**Table 3 – 2022-23 assistance rates for Child Disability Payment, Adult Disability Payment, Scottish Child Payment, Child Winter Heating Assistance, Funeral Support Payment, Job Start Payment, Young Carer Grant, and Carer's Allowance Supplement**

<b>Benefit</b>	<b>Assistance Rates 2022-23</b>
<b>Child Disability Payment</b>	
Care Component Highest Rate	£92.40
Care Component Middle Rate	£61.85
Care Component Lowest Rate	£24.45
Mobility Component Higher Rate	£64.50
Mobility Component Lower Rate	£24.45
<b>Adult Disability Payment</b>	
Daily Living Component Standard Rate	£61.85
Daily Living Component Enhanced Rate	£92.40
Mobility Component Standard Rate	£24.45
Mobility Component Enhanced Rate	£64.50
<b>Scottish Child Payment</b>	£20
<b>Child Winter Heating Assistance</b>	£212.10
<b>Funeral Support Payment (£1,010 rate)</b>	£1041.30
<b>Funeral Support Payment (£123.25 rate)</b>	£127.05
<b>Funeral Support Payment (£20.55 rate)</b>	£21.20
<b>Job Start Payment standard rate</b>	260.35
<b>Job Start Payment higher rate</b>	416.50
<b>Young Carer Grant</b>	£317.70
<b>Carers Allowance Supplement (bi-annual rate)</b>	237.90

Note: rounding to the nearest multiple of 5p is applied

8.2 Best Start Grant and Best Start Foods will not be uprated in 2022-23. This decision has taken into consideration the significant improvements and extensions of this assistance.

8.3 Best Start Foods was increased from £4.25 to £4.50 in August 2021 under the 100 days manifesto commitment, so will not be increased for 2022-23. Best Start Grant was launched in 2018 with a more generous package of support than the equivalent Sure Start Maternity Grant in England and Wales. The increase in payment from £500 to £600, the expansion of eligibility with a £300 payment for every subsequent birth, and the introduction of the Early Learning Payment and the School Age Payment (of £250 each), has resulted in a considerably higher investment in the people of Scotland and in more families receiving support. For example, an eligible family with two children would receive Best Start Grant payments totalling £1,900 in their children's early years. This is £1,400 more than they would receive if they lived elsewhere in the UK.

8.4 In addition, Scottish Child Payment, which started being paid to clients in February 2021, was found to be benefitting over 106,000 children as of the end of September this year. It will be rolled out to all eligible children under 16 before the end of 2022, assuming the UK Government provides the necessary data in time to support the extension. Once fully rolled out, it is projected to support over 330,000 children and young people.

8.5 Scottish Ministers will bring forward legislation to uprate the assistance for which they have executive competence, namely AA, CA, DLA, PIP, SCP, SDA, IIDB and IDB, by April 2022. A summary of the devolved Social Security assistance rates to be delivered in Scotland in 2022-2023 is available in **Annex A**.

8.6 The UK Government also uprates the reserved social security benefit and pension rates each year. The rates for 2022-23 can be found at: [Benefit and pension rates 2022 to 2023 - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/news/benefit-and-pension-rates-2022-to-2023)

## **9. Carer's Allowance Supplement Statement**

9.1 As Carer's Allowance has the lowest rate of all working age benefits, the Carer's Allowance Supplement was designed to increase Carer's Allowance to the level of Jobseeker's Allowance. The supplement is an interim measure until the Scottish Government is delivering Scottish Carer's Assistance in full under the powers in the 2018 Act.

9.2 Section 81 of the Act provides a formula for determining the rate of Carer's Allowance Supplement by calculating the difference between the weekly rate of Carer's Allowance and Jobseeker's Allowance. To ensure the support provided through the Supplement is protected as prices change, Section 81 provides for the amount of Jobseeker's Allowance used in this calculation to be uprated for inflation, while taking into account any changes in the rate of Jobseeker's Allowance since the introduction of the Supplement. This means that since the



introduction of Carer's Allowance Supplement in 2018, the Jobseeker's Allowance rate used for its calculation was uprated with inflation despite Jobseeker's Allowance remaining frozen at 2015-16 prices under the UK Government benefit freeze policy until April 2020.

9.3 As no legislation is required to uprate Carer's Allowance Supplement, Scottish Ministers are to publish a statement before the start of each new tax year, explaining how inflation has been calculated for this purpose. It is appropriate to include this statement within this report.

9.4 For 2022-23, Scottish Ministers will use the rate of Jobseeker's Allowance calculated for 2021-22 (£76.50), uprated by September 2021 CPI of 3.1%, in the calculation of Carer's Allowance Supplement – giving a rate of £9.15.

9.5 The effect of this will be to uprate the Supplement, increasing the weekly rate from £8.90 to £9.15, so that the bi-annual payment will increase from £231.40 to £237.90.

## **10. Conclusion**

10.1 This is the third publication of the report on the impact of inflation on devolved social security assistance. The report has explained the Scottish Government's approach to uprating social security assistance for the financial year 2022-23.

## Devolved Social Security Assistance Rates 2022-2023

Weekly rates unless otherwise shown.

<b>Benefit</b>	<b>Rates 2021-22</b>	<b>Rates 2022-23</b>
<b>Attendance Allowance</b>		
Higher Rate	£89.60	£92.40
Lower Rate	£60.00	£61.85
<b>Carer's Allowance</b>		
Carer's Allowance	£67.60	£69.70
Carer's Allowance Supplement	£8.90	£9.15
Carer's Allowance Earnings Threshold	£128.00	£132.00
Earnings limit: Child dependency increase payable with Carer's Allowance (for first child)	£245.00	£255.00
Earnings limit: Child dependency increase payable with Carer's Allowance (for each subsequent child)	£33.00	£34.00
Child Dependency Increases payable with CA	£11.35	£11.35
<b>Disability Living Allowance</b>		
Care Component Highest Rate	£89.60	£92.40
Care Component Middle Rate	£60.00	£61.85
Care Component Lowest Rate	£23.70	£24.45
Mobility Component Higher Rate	£62.55	£64.50
Mobility Component Lower Rate	£23.70	£24.45
<b>Industrial Injuries Disablement Benefit</b>		
Standard Rate 1.0	£182.90	£188.60
0.9	£164.61	£169.74
0.8	£146.32	£150.88
0.7	£128.03	£132.02
0.6	£109.74	£113.16
0.5	£91.45	£94.30
0.4	£73.16	£75.44
0.3	£54.87	£56.58
0.2	£36.58	£37.72
<b>Industrial Injuries Unemployability Supplement permitted earnings level (annual amount)</b>	£7,436.00	£7,904.00
<b>Maximum life gratuity (lump sum)</b>	£12,140.00	£12,520.00
<b>Unemployability Supplement</b>	£113.10	£116.60
<b>Increase for early incapacity</b>		
Higher rate	£23.40	£24.15
Middle rate	£15.00	£15.50
Lower rate	£7.50	£7.75
<b>Maximum reduced earning allowance</b>	£73.16	£75.44
<b>Maximum retirement allowance</b>	£18.29	£18.86
<b>Constant Attendance Allowance</b>		

Exceptional rate		£146.40	£151.00
Intermediate rate		£109.80	£113.25
Normal maximum rate		£73.20	£75.50
Part-time rate		£36.60	£37.75
<b>Exceptionally severe disablement allowance</b>		£73.20	£75.50
<b>Industrial Death Benefit</b>			
Widow's	Higher Rate	£137.60	£141.85
	Lower Rate	£41.28	£42.56
Widower's Rate		£137.60	£141.85
<b>Personal Independence Payment</b>			
Daily Living Component	Standard Rate	£60.00	£61.85
Daily Living Component	Enhanced Rate	£89.60	£92.40
Mobility Component	Standard Rate	£23.70	£24.45
Mobility Component	Enhanced Rate	£62.55	£64.50
<b>Severe Disablement Allowance</b>			
Basic Rate		£81.25	£83.75
Age related addition	Higher Rate	£12.15	£12.55
	Middle Rate	£6.75	£6.95
	Lower Rate	£6.75	£6.95
Earnings limit: Child dependency increase payable with SDA (for first child)		£245.00	£255.00
Earnings limit: Child dependency increase payable with SDA (for each subsequent child)		£33.00	£34.00
Child Dependency Increases payable with SDA		£11.35	£11.35
Earnings limit: Adult Dependency Increase payable with SDA dependant is living with claimant		£74.70	£77.00
Earnings limit: Adult Dependency Increase payable with SDA dependant still qualifies for the tapered earnings rule		£45.09	£45.09
Earnings limit: Adult Dependency Increase payable with SDA dependant is not living with claimant		£39.95	£41.20
Adult Dependency Increase payable with SDA		£39.95	£41.20

#### Grants or one-off payments

Benefit	Rates 2021-22	Rates 2022-23
<b>Best Start Grant (BSG)</b>		
BSG Pregnancy and Baby Payment (1st Child Payment)	£606.00	£606.00
BSG Pregnancy and Baby Payment (Subsequent Child Payment & Extra Payment for Twins/Triples)	£303.00	£303.00
BSG Early Learning Payment	£252.50	£252.50
BSG School Age Payment	£252.50	£252.50

<b>Child Winter Heating Assistance</b>		
Child Winter Heating Assistance (annually)	£202.00	£212.10
<b>Funeral Support Payment</b>		
standard rate for other expenses element	£1,010.00	£1041.30
other expenses element where there is a funeral plan	£123.25	£127.05
removal of implanted medical devices	£20.55	£21.20
<b>Job Start Payment</b>		
Job Start Payment (one-off) standard rate	£252.50	£260.35
higher rate	£404.00	£416.50
<b>Young Carer Grant</b>		
Young Carer Grant (annually)	£308.15	£317.70

Weekly rates

<b>Benefit</b>	<b>2021-22</b>	<b>2022-23</b>
<b>Child Disability Payment</b>		
Care Component Highest Rate	£89.60	£92.40
Care Component Middle Rate	£60.00	£61.85
Care Component Lowest Rate	£23.70	£24.45
Mobility Component Higher Rate	£62.55	£64.50
Mobility Component Lower Rate	£23.70	£24.45
<b>Adult Disability Payment</b>		
Daily Living Component Standard Rate	£60.00	£61.85
Daily Living Component Enhanced Rate	£89.60	£92.40
Mobility Component Standard Rate	£23.70	£24.45
Mobility Component Enhanced Rate	£62.55	£64.50

Weekly rates (up to the age of 3)

<b>Best Start Foods</b>	<b>Rates 2021-22</b>	<b>Rates 2022-23</b>
During pregnancy and between the ages of 1 and 3	£4.50	£4.50
From birth until 1 year old	£9.00	£9.00

Weekly rates (up to the age of 6)

<b>Scottish Child Payment</b>	<b>Rates 2021-22</b>	<b>Rates 2022-23</b>
0-5	£10.00	£20



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