

# **Devolved Social Security Assistance**

## **Up-rating for Inflation in 2024-25**

### **A report in fulfilment of section 86A in the Social Security (Scotland) Act 2018: Duty to consider effects of inflation**

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

## Foreword

The people of Scotland continue to face challenging economic conditions with relatively high inflation and the everyday cost of living continuing to increase. However, since reaching a record high of 11.1% (CPI) in October 2022, inflation has started to slow, and it is now expected to be below the Bank of England's target of 2%, in the second quarter of 2025.

The purpose of this report is to set out the impact of inflation (the rate of change in prices), on Scottish social security payments and to detail the Scottish Government's approach to up-rating these payments for 2024-2025.

Using the Consumer Prices Index in the 12 months to September 2023, each form of assistance has been adjusted for inflation in the report. We have also included the rates of all social security payments that will be paid from April 2024. As part of the Social Security (Scotland) Act 2018, we are required to increase the Scottish Child Payment, employment injuries related benefits, funeral expense assistance, and disability and carers' benefits by inflation, bringing forth legislation in early 2024 to facilitate this.

With the full national roll out of Carer Support Payment by Autumn 2024, Social Security Scotland will be responsible for the delivery of fourteen benefits to the people of Scotland. I am proud that the Scottish Child Payment remains one of them. This payment, which is entirely unique to Scotland, has provided families with crucial financial support, reducing poverty and helping to guard against the full impacts of the cost of living crisis. Over 323,000 children under the age of 16 were receiving Scottish Child Payment at the end of September 2023 and the total amount of this benefit paid out since its February 2021 launch stands at £459 million.

Additionally, in February 2023 we launched our new Winter Heating Payment, providing targeted and consistent financial support to assist low-income households with their heating expenses each winter. Unlike the equivalent Cold Weather Payment provided by the UK Government, the Winter Heating Payment does not depend on how cold the temperature gets. Removing the reliance on weather conditions means that every person identified as requiring that additional support will receive it. By April 2023, around 395,000 payments of £50 had been made to help people with their heating expenses, totalling financial support of almost £20 million.

From February 2024, we will also provide support to families by introducing regulations that remove income thresholds and expand the eligibility for Best Start Foods to around an additional 20,000 people.

The Scottish Government remains fiercely committed to providing support for those who need it most, in an effort to reduce inequality and tackle poverty. Increasing benefits annually, after taking into consideration the impact of inflation, remains a critical part of our approach.

Shirley-Anne Somerville  
**Cabinet Secretary for Social Justice**

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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 2018 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 2018 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 payments of assistance under the reporting duty in section 86A include:

1. Carers' assistance (Young Carer Grant and Carer Support Payment)
2. Cold-spell heating assistance
3. Winter heating assistance (Child Winter Heating Payment and Winter Heating Payment)
4. Disability assistance (Child and Adult Disability Payment)
5. Early years assistance (Best Start Grant)
6. Employment injury assistance
7. Funeral expense assistance (Funeral Support Payment)
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 Payment, Winter Heating Payment, Funeral Support Payment, Young Carer Grant, Short-term assistance, Scottish Child Payment, Child Disability Payment and Adult Disability Payment have been delivered and are included in this report for consideration. Carer Support Payment is due to be available nationally by Autumn 2024 and has also been included for consideration. The report is required to consider the change in prices since the previous report was laid before the Scottish Parliament on 28 February 2023<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 2018 Act, it is being provided to offer a fuller picture of all the assistance delivered<sup>4</sup>. Similarly, information on other forms of assistance not covered by the 2018 Act such as Job Start Payment and Best Start Foods will also be included.

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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](#))

<sup>4</sup> Scottish Ministers are required to publish a statement explaining how they have calculated inflation for the purpose of up-rating Carer's Allowance Supplement in terms of section 81(5)(b) of the 2018 Act. Including Carer's Allowance Supplement in this report is intended to fulfil that obligation.

1.6 Finally, section 86B<sup>5</sup> of the 2018 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 Carer Support Payment and Young Carer Grant), disability assistance, employment injury assistance, Funeral Support Payment and Scottish Child Payment that are set out in the 2018 Act and Regulations made under the 2018 Act are to be up-rated to the inflation-adjusted level calculated in accordance with section 86A. This means that for the financial year 2024-25 there is a requirement to up-rate Funeral Support Payment, Carer Support Payment, Young Carer Grant, Scottish Child Payment, Child Disability Payment and Adult Disability Payment. Carer's Allowance Supplement must also be up-rated in accordance with section 81 of the 2018 Act.

1.7 The Scottish Government is committed to embedding the eight Scottish social security principles in Section 1 of the 2018 Act into the policy making process. The approach to up-rating, 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 up-rating devolved social security assistance. The analytical report explored in depth the methodologies 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>6</sup> and the House of Lords Economic Affairs Committee's report 'Measuring Inflation'<sup>7</sup>.

2.2 The analytical report informed a policy paper that set out the Scottish Government's approach to up-rating social security assistance. Both papers<sup>8</sup> were provided to the Social Security Committee and the Scottish Commission on Social Security on 2 September 2019.

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<sup>5</sup> Social Security (Scotland) Act 2018 – Section 86B ([link](#))

<sup>6</sup> UK Consumer Price Statistics: A Review ([link](#))

<sup>7</sup> House of Lords Economic Affairs Committee: Measuring Inflation Report ([link](#))

<sup>8</sup> Scottish Government (September 2019) – Up-rating policy paper and analytical report ([link](#))

2.3 The policy paper recommended that the annual September rate of the Consumer Price Index (CPI) be used for up-rating devolved social security assistance in the short-term, with the assistance payment rounded to the nearest five pence. The annual rate of CPI to September 2023 published on 18 October 2023 was 6.7%.

2.4 Overall, the Scottish Commission on Social Security was supportive of the Scottish Government's up-rating policy of using the annual September CPI rate to up-rate social security assistance at least in the short-term. The Scottish Commission on Social Security set out recommendations<sup>9</sup> for the Scottish Government approach to benefit up-rating in terms of the significance of Social Security principles and human rights, the shorter-term and the longer-term approach to up-rating. The Scottish Government responded<sup>10</sup> to these recommendations and will keep the recommendations under consideration to inform the development of future up-rating as more forms of assistance are introduced and reported on.

2.5 The Social Security Committee noted the Scottish Government's position on up-rating of devolved assistance and had no further views to report beyond the discussion at the Committee on 10 October 2019<sup>11</sup>.

2.6 On 29 January 2024, the Scottish Government published a report setting out a Multi-Criteria Decision Analysis in accordance with HM Treasury Green Book guidance of the options of inflation metric and period available to up-rate devolved social security assistance. After assessing the various options against a set of carefully chosen criteria, it was recommended that devolved social security assistance should be up-rated in April 2024 (where Scottish Ministers are required to up-rate under section 86B or where they choose to do so for those benefits which are discretionary to up-rate) using the annual September 2023 rate of CPI, ranking highest in the scoring of multi-criteria options.

2.7 The following sections provide detail 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. Policy position on up-rating of Social Security Assistance**

3.1 The Scottish Government's current policy position is to use the annual rate of September CPI as the measure of inflation to up-rate devolved social security assistance. The Consumer Prices Index (CPI) is a National Statistic and has a reliable track record as a measure of inflation serving as the ONS' headline measure of inflation since 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.

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<sup>9</sup> Scottish Government (October 2019) - Scottish Commission on Social Security: Up-rating report 2019 - ([link](#))

<sup>10</sup> Scottish Government (November 2019) – Scottish Government responses to Scottish Commission on Social Security recommendations ([link](#))

<sup>11</sup> Scottish Parliament (October 2019) – Social Security Committee report ([link](#))

3.2 CPI and CPIH (Consumer Prices Index including owner occupiers' housing costs) are broadly similar measures, the only difference being that CPIH includes owner occupier housing costs and council tax. 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 yet available, making policy planning and informed decision making more challenging when using CPIH. The Retail Prices Index (RPI) is still used as a measure of inflation but does not meet the standard required of National Statistics. The UK Statistics Authority has described RPI as “not a good measure” and consistently urged the Government and private sector to stop using it as a measure of inflation<sup>12</sup>.

3.3 The specific use of the September annual rate of CPI avoids some of the seasonal volatility in price changes in the economy associated with later months of the year (e.g. December and January). Its publication in October allows its use in the Scottish Government budget process that begins shortly afterwards, ensuring sufficient funds are allocated to fund up-rating of social security assistance, and also sufficient time to update Social Security Scotland payments system in time to pay new payment rates in April.

3.4 October 2022 saw the annual rate of CPI reach a 41 year high of 11.1%. Since then, there has been a gradual slowing of inflation and on 17 January 2024, the annual rate of December CPI was published at 4.0%. In November 2023, the Office for Budget Responsibility published their latest Economic and Fiscal Outlook<sup>13</sup>, forecasting that inflation will remain higher for longer than previously thought, taking until the second quarter of 2025 to return to the 2% target, more than a year later than forecasted in March 2023.

3.5 Although reporting is not required by the 2018 Act regarding the devolved benefits under UK legislation, it is being reported on to offer a fuller picture regarding the use of CPI. To complete the safe and secure transfer of existing clients from carer and disability benefits provided by DWP to benefits provided by Scottish Ministers, agency agreements with the Department for Work and Pensions (DWP) are required. Where there is an agency agreement in place for the DWP to administer the awards of existing clients for a given form of assistance, the Scottish Ministers are committed to annually up-rate that assistance at the same rate as applied by the DWP, which for 2024-25 is the annual September 2023 CPI rate (6.7%).

3.6 A full Multi-Criteria Decision Analysis in line with HM Treasury Green Book guidance has been undertaken by Scottish Government analysts and accompanies this report. This analysis assessed a range of inflation metrics and periods against a carefully chosen set of criteria to determine which approach scored most highly. This analysis concluded for 2024-25, the annual September CPI rate was the highest scoring of available options.

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<sup>12</sup> Office for National Statistics (September 2019) – UK Statistics Authority Statement on the future of the RPI ([link](#))

<sup>13</sup> [Office for Budget Responsibility – Economic and fiscal outlook – November 2023](#)



3.7 In summary, the CPI is considered the most appropriate inflation measure for up-rating assistance and the annual rate to September as the most appropriate period. However, the Scottish Government is committed to keeping policy on up-rating under review and will consider alternative approaches if there is a material change to inflation measures.

#### **4. Social Security Payments in 2023-24**

4.1 The social security payments Social Security Scotland are responsible for during the financial year 2023-24 are:

4.2 **Carer's Allowance Supplement:** Carer's Allowance Supplement is a payment that 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 that would raise Carer's Allowance to match the rate of Jobseeker's Allowance (JSA) for those aged 25 and over. Since 2018-19 the Scottish Government has up-rated Carer's Allowance Supplement annually, in accordance with section 81 of the 2018 Act. This calculates the supplement as the difference between Carer's Allowance and JSA, had it been up-rated in line with inflation. As a result of this up-rating and since the UK Government has not routinely up-rated JSA in line with inflation, Carer's Allowance and Carer's Allowance Supplement combined now exceed the equivalent weekly rate of Jobseeker's Allowance. The rate of Carer's Allowance Supplement in 2023-24 is £270.50 in each bi-annual payment.

4.3 **Young Carer Grant (YCG):** The Young Carer Grant provides eligible young carers aged 16, 17 and 18 with a payment of £359.65, which can be applied for annually. There is a statutory requirement to up-rate the grant annually and the Scottish Government has been up-rating the grant since 2020-21.

4.4 **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. In April 2020 the flat rate payment toward funeral costs was increased from £700 to £1000. As a result of up-rating in April 2023 the flat rate is currently £1,178.75. To date in 2023-24, Funeral Support Payment has provided on average £1,949 towards the total costs of a funeral. The value of Funeral Support Payments paid out in the first six months of the 2023-24 financial year was £7 million. There is a statutory requirement to up-rate Funeral Support Payment annually and the Scottish Government has been up-rating the payment since 2020-21.

4.5 **Best Start Grant (BSG):** The Scottish Government 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 £707.25 for a first child and £353.65 for second and subsequent children (with some exceptions for the higher payment to be made in certain circumstances for subsequent children). The Early Learning Payment provides £294.70 per child to support child development, and School Age Payment provides £294.70 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 up-rate Best Start Grant.

**4.6 Best Start Foods (BSF):** Best Start Foods is a payment available to low-income pregnant women, their partners and 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 child in the family or £9 per week for a child under 1 year old. The rates were increased in April 2023 to £4.95 per week for each child 1 year or older, and £9.90 per week for every child under 1 year old. Legislation is planned in February 2024 to remove the income thresholds and it is predicted that an additional 20,000 people will then be eligible to receive this payment. The legislation will also seek to confirm that the higher rate of Best Start Foods is double the basic rate. Best Start Foods is not delivered under the 2018 Act so there is no statutory requirement to up-rate or to provide inflation-adjusted figures in this report, but they are included for completeness.

**4.7 Job Start Payment (JSP):** Job Start Payment provides a one-off payment to eligible young people to help them with costs they may incur when starting a new 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 £294.70. A higher award of £471.50 is made to those who have responsibility for a child. Job Start Payment is not delivered under the 2018 Act and so there is no statutory requirement to up-rate or to provide inflation-adjusted figures on this payment in the report but these have been included for completeness.

**4.8 Child Winter Heating Payment (CWHP):** Child Winter Heating Payment provides an annual payment to children and young people with disabilities in receipt of the highest rate of the care component of Disability Living Allowance, Child Disability Payment or the enhanced rate of the daily living component of Personal Independence Payment or Adult Disability Payment, to support households with the additional costs associated with winter fuel bills. In 2021 the payment was £200. It was up-rated to £202 in 2021-22, and again to £214.10 in 2022-23. It is currently £235.70 in 2023-24. There is no statutory requirement to up-rate Child Winter Heating Payment.

**4.9 Scottish Child Payment (SCP):** Scottish Child Payment is paid as a top up of certain qualifying reserved benefits (notably Universal Credit) using powers available under the 2018 Act. It is intended to help towards the costs of supporting a family and forms part of the wider Scottish Government strategy to combat child poverty. It is paid every four weeks in arrears to clients. It was initially set at a rate of £10.00 per week per child under 6 with no limit to the number of eligible children. The Scottish Government increased the rate of this payment in April 2022 to £20.00 and in November 2022 Scottish Child Payment was made available to all children under 16 with the payment increased to £25.00, which is the current weekly rate. There is a statutory requirement to up-rate Scottish Child Payment under the 2018 Act.

**4.10 Child Disability Payment (CDP):** Child Disability Payment provides support for the extra costs that a child or young person with disabilities may have. It was the first application-based disability benefit to be introduced by the Scottish Government. This payment replaces Disability Living Allowance for children (DLAC) in Scotland and 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. 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 (£26.90), middle (£68.10) and highest (£101.75). The mobility component comprises two rates: lower (£26.90 if the child is 5 or over) and higher (£71.00 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 pay weekly. There is a statutory requirement to up-rate Child Disability Payment.

**4.11 Adult Disability Payment (ADP):** Adult Disability Payment provides financial assistance to help meet the additional costs of living with a disability or health condition. It is the most complex form of assistance delivered by Social Security Scotland. This payment replaces Personal Independence Payment (PIP) in Scotland for individuals aged between 16 and state pension age (subject to some exceptions) who are making an application for disability assistance. Adult Disability Payment consists of two components, the daily living component and the mobility component. The first 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 with the standard rate (£68.10) and the enhanced rate (£101.75). 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 (£26.90) and the enhanced rate (£71.00).

**4.12** A transitional rate for Adult Disability Payment was introduced for adults in Scotland who currently receive Disability Living Allowance (DLA) and were under 65 when PIP was introduced on 8 April 2013. Adult Disability Payment does not have an equivalent of the lowest rate of the care component in DLA so in this situation, people are transferred to a special 'transitional rate' of the daily living component paid at the lowest rate of the care component, currently £26.90. This transitional rate will be paid until the case is reviewed against the eligibility rules for Adult Disability Payment. There is a statutory requirement to up-rate Adult Disability Payment including this transitional rate.

**4.13 Short-term assistance:** At this time, this assistance is available for only Adult Disability Payment and Child Disability Payment. It is available where Social Security Scotland has made a decision to reduce or stop an ongoing award 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 up-rating 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.

**4.14 Winter Heating Payment (WHP):** Winter Heating Payment is paid as an annual payment for households in receipt of certain low-income benefits who may have extra heating needs over winter, such as those living with a disability, or have responsibility for a child under 5. This payment was first made in February 2023 at a rate of £50 with the current rate for 2023-24 set at £55.05. There is no statutory requirement to up-rate Winter Heating Payment.

**4.15 Carer Support Payment (CSP):** Carer Support Payment was first introduced in November 2023 in specific parts of Scotland and will be available across Scotland by Autumn 2024. This payment is designed to provide financial assistance to those people supplying regular and substantial care to someone in receipt of a qualifying disability benefit. To be eligible to receive this payment, earnings must be a specific amount or less a week after tax, National Insurance and expenses. The earnings limit for 2023-24 is £139.00.

**4.16** This payment will replace Carer's Allowance for people in Scotland and for those people who already receive this benefit, there will be no requirement to apply for Carer Support Payment, as their benefits will be transferred over. This transfer is planned to happen between February 2024 and Spring 2025. The current rate of this payment for 2023-24 is £76.75. As with other carer related benefits, there is a statutory duty to up-rate Carer Support Payment. There is no statutory duty to up-rate the earnings limits.

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

**5.1** Scottish Ministers have legal, policy and funding responsibility for other forms of assistance that are delivered by the DWP through agency arrangements. Carer's Allowance has been devolved since September 2018 with Attendance Allowance, Disability Living Allowance, Personal Independence Payment, Severe Disablement Allowance and the Industrial Injuries Scheme (comprising of the Industrial Injuries Disablement Benefits and the Industrial Death Benefit) devolved since 1 April 2020. Although there is not a requirement under the 2018 Act to include these forms of assistance in this report, they have been included to help provide a more complete view of the steps taken by the Scottish Government to investigate the impact of inflation for all devolved payments.

**5.2** While there are agency agreements in place for DWP to administer existing claims, the Scottish Ministers are committed to annually up-rate the assistance at the same rate as applied by the DWP. This is the annual September CPI rate with the payment rounded to the nearest 5p, with the exception of Industrial Injuries Disablement Benefit where the 100% degree of disablement entitlement is rounded to the nearest 10p and the lower rates rounded to the nearest 1p while the Industrial Death Benefit is normally up-rated through the triple lock guarantee, which ensures that pensions increase by the greatest of average earnings, prices as measured by CPI or 2.5%. In 2024-25, the UK Government will increase the Industrial

Death Benefit by 8.5%, in line with the increase in Average Weekly Earnings in the year to May-July 2023.

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

5.4 The Scottish Ministers will be responsible for bringing forward legislation to up-rate Attendance Allowance, Carer’s Allowance, Disability Living Allowance, Personal Independence Payment, Severe Disablement Allowance, Industrial Injuries Disablement Benefit and Industrial Death Benefit in April 2024.

## 6. Inflation-adjusted figures

6.1 Under section 86A of the 2018 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: Young Carer Grant, Funeral Support Payment, Best Start Grant, Child Winter Heating Payment, Winter Heating Payment, Scottish Child Payment, Adult Disability Payment and Child Disability Payment. The inflation-adjusted figures are provided in **Table 1**. The 2024-25 levels for these benefits have been up-rated with the annual September 2023 rate of CPI (6.7%).

**Table 1 - Assistance covered by Section 86A of the Social Security (Scotland) Act 2018**

<b>Benefit</b>	<b>2023-24 levels</b>	<b>Inflation-adjusted figures</b>
<b>Best Start Grant Pregnancy and Baby Payment (1st Child Payment or subsequent child if relevant exemption applies)</b>	£707.25	£754.65
<b>Best Start Grant Pregnancy and Baby Payment (Subsequent Child Payment &amp; Multiple Pregnancy Supplement)</b>	£353.65	£377.35
<b>Best Start Grant Early Learning Payment and School Age Payment</b>	£294.70	£314.45
<b>Best Start Grant School Age Payment</b>	£294.70	£314.45
<b>Child Winter Heating Payment</b>	£235.70	£251.50
<b>Winter Heating Payment</b>	£55.05	£58.75
<b>Funeral Support Payment (higher rate)</b>	£1,178.75	£1,257.75
<b>Funeral Support Payment (lower rate)</b>	£143.85	£153.50
<b>Funeral Support Payment (medical device removal)</b>	£23.75	£25.35
<b>Carer Support Payment</b>	£76.75	£81.90
<b>Young Carer Grant</b>	£359.65	£383.75
<b>Child Disability Payment</b>		

Care Component Highest Rate	£101.75	£108.55
Care Component Middle Rate	£68.10	£72.65
Care Component Lowest Rate	£26.90	£28.70
Mobility Component Higher Rate	£71.00	£75.75
Mobility Component Lower Rate	£26.90	£28.70
<b>Adult Disability Payment</b>		
Daily Living Component Enhanced Rate	£101.75	£108.55
Daily Living Component Standard Rate	£68.10	£72.65
Mobility Component Enhanced Rate	£71.00	£75.75
Mobility Component Standard Rate	£26.90	£28.70
Transitional rate	£26.90	£28.70
<b>Scottish Child Payment</b>	£25.00	£26.70

Note: rounding to the nearest 5p is applied

6.2 **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 Disablement Allowance are to be up-rated through powers under UK legislation. The approach to the up-rating of these payments is in accordance with the requirements of their respective Agency Agreements. Carer's Allowance Supplement is to be up-rated through section 81 of the 2018 Act . Best Start Foods and Job Start Payment are not delivered under the 2018 Act but are included for completeness. The inflation-adjusted levels have been calculated using the annual rate of CPI to September 2023 (6.7%).

**Table 2** - Assistance not covered by Section 86A of the Social Security (Scotland) Act 2018

<b>Benefit (weekly rate unless otherwise shown)</b>	<b>2023-24 levels</b>	<b>Inflation-adjusted levels</b>
<b>Attendance Allowance</b>		
Higher rate	£101.75	£108.55
Lower Rate	£68.10	£72.65
<b>Best Start Foods</b>		
During pregnancy and between the ages of 1 and 3	£4.95	£5.30
From birth until 1 year old	£9.90	£10.60
<b>Carer's Allowance</b>	£76.75	£81.90
<b>Carer's Allowance Supplement</b> (bi-annual amount)	£270.50	£288.60
<b>Disability Living Allowance</b>		
Care Component Highest Rate	£101.75	£108.55
Care Component Middle Rate	£68.10	£72.65
Care Component Lowest Rate	£26.90	£28.70
Mobility Component Higher Rate	£71.00	£75.75
Mobility Component Lower Rate	£26.90	£28.70
<b>Industrial Injuries Disablement Benefit</b>		
Standard rate 1.0	£207.60	£221.50

0.9		£186.84	£199.35	
0.8		£166.08	£177.20	
0.7		£145.32	£155.05	
0.6		£124.56	£132.90	
0.5		£103.80	£110.75	
0.4		£83.04	£88.60	
0.3		£62.28	£66.45	
0.2		£41.52	£44.30	
<b>Job Start Payment</b>				
Job Start Payment standard rate		£294.70	£314.45	
Job Start Payment higher rate		£471.50	£503.10	
<b>Personal Independence Payment</b>				
Daily Living Component Enhanced Rate		£101.75	£108.55	
Daily Living Component Standard Rate		£68.10	£72.65	
Mobility Component Enhanced Rate		£71.00	£75.75	
Mobility Component Standard Rate		£26.90	£28.70	
<b>Severe Disablement Allowance</b>				
Basic Rate		£92.20	£98.40	
Age related addition		Higher Rate	£13.80	£14.70
		Middle Rate	£7.65	£8.15
		Lower Rate	£7.65	£8.15
Adult Dependant increase for Severe Disablement Allowance		£45.35	£48.40	

Note: rounding to the nearest 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

6.3 Industrial Death Benefit (IDB) 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. IDB is normally up-rated through the triple lock guarantee, which ensures that pensions increase by the greatest of average earnings, prices as measured by CPI or 2.5%. The UK Government has determined that IDB will increase by 8.5% in line with the growth in Average Weekly Earnings in the year to May-July 2023. The higher rate widow's pension of £156.20 will increase to £169.50, the lower rate widow's pension of £46.86 to £50.85. The widower's pension of £156.20 will increase to £169.50. This is a closed benefit and was abolished for all new claims in 2012 and is payable only if the person died before 1988.

## 7. Up-rating Policy for 2024-25

7.1 During the Scottish Budget on 19 December 2023, it was announced that the Scottish Government will increase all forms of carer's assistance, disability assistance, employment injury assistance, funeral expense assistance and Scottish Child Payment by 6.7%. All other devolved benefits where up-rating is at the discretion of Ministers will also be up-rated by 6.7% save for IDB which will increase by 8.5% in line with the growth in Average Weekly

Earnings in the year from May-July 2023. The earnings limit for Carer Support Payment will also be increased by 8.5% in line with the growth in Average Weekly Earnings in the year to May-July 2023, aligning with the increase of the earnings limit for Carer's Allowance. Legislation will be brought forward to up-rate these forms of assistance by April 2024.

7.2 The new rates of assistance are presented in **Table 3**.

**Table 3** – 2024-25 assistance rates for Child Disability Payment, Adult Disability Payment, Scottish Child Payment, Child Winter Heating Payment, Winter Heating Payment, Funeral Support Payment, Job Start Payment, Young Carer Grant, Carer's Allowance Supplement, Best Start Grants, and Best Start Foods

<b>Benefit</b>	<b>Assistance Rates 2024-25</b>
<b>Child Disability Payment</b>	
Care Component Highest Rate	£108.55
Care Component Middle Rate	£72.65
Care Component Lowest Rate	£28.70
Mobility Component Higher Rate	£75.75
Mobility Component Lower Rate	£28.70
<b>Adult Disability Payment</b>	
Daily Living Component Enhanced Rate	£108.55
Daily Living Component Standard Rate	£72.65
Mobility Component Enhanced Rate	£75.75
Mobility Component Standard Rate	£28.70
Transitional rate	£28.70
<b>Scottish Child Payment</b>	£26.70
<b>Young Carer Grant</b>	£383.75
<b>Carers Allowance Supplement (bi-annual rate)</b>	£288.60
<b>Carer Support Payment</b>	£81.90
<b>Funeral Support Payment (higher rate)</b>	£1,257.75
<b>Funeral Support Payment (lower rate)</b>	£153.50
<b>Funeral Support Payment (medical device removal rate)</b>	£25.35
<b>Child Winter Heating Payment</b>	£251.50
<b>Winter Heating Payment</b>	£58.75
<b>Job Start Payment standard rate</b>	£314.45
<b>Job Start Payment higher rate</b>	£503.10
<b>Best Start Grant: Pregnancy and Baby Payment 1st child (or subsequent child if relevant exemption applies)</b>	£754.65
<b>Best Start Grant: Pregnancy and Baby Payment subsequent child</b>	£377.35
<b>Best Start Grant: Pregnancy and Baby Payment subsequent child multiple pregnancy supplement</b>	£377.35



<b>Best Start Grant: Early Learning Payment</b>	£314.45
<b>Best Start Grant: School Age Payment</b>	£314.45
<b>Best Start Foods: Higher payment rate (from February 2024 “double the basic rate”)</b>	£10.60
<b>Best Start Foods: Lower payment rate (from February 2024 “the basic rate”)</b>	£5.30

Note: rounding to the nearest 5p is applied

7.3 Scottish Ministers will also bring forward legislation to up-rate the forms of assistance within devolved competence under UK legislation and delivered by the DWP via agency arrangements by April 2024. These include Attendance Allowance, Carer’s Allowance, Disability Living Allowance, Personal Independence Payment, Severe Disablement Allowance, Industrial Injuries Disablement Benefit and Industrial Death Benefit. A summary of the devolved Social Security assistance rates to be delivered in Scotland in 2024-2025 is available in **Annex A**.

7.4 The UK Government also up-rates reserved social security benefit and pension rates each year. The rates for 2024-25 can be found at [Proposed Benefit and Pension rates 2024 to 2025](#).

## **8. Carer’s Allowance Supplement Statement**

8.1 As Carer’s Allowance has the lowest rate of all working age benefits, 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 Carer Support Payment in full under the powers in the 2018 Act.

8.2 Carer’s Allowance Supplement will continue to be paid in the same way as it is now until case transfer from Carer’s Allowance to Carer Support Payment is complete to protect the safe and secure transfer of benefits for carers in Scotland. We are considering how best to integrate Carer’s Allowance Supplement with Carer Support Payment as part of our future improvements for Carer Support Payment and after all awards have been transferred over from Carer’s Allowance.

8.3 Section 81 of the 2018 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 up-rated for inflation, while also taking into account any actual 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 up-rated with inflation despite the actual rate of Jobseeker’s Allowance remaining frozen at 2015-16 prices under the UK Government benefit freeze policy until April 2020.

8.4 As no legislation is required to up-rate 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.

8.5 For 2024-25, Scottish Ministers have chosen to up-rate the 2023-24 bi-annual rate of Carer's Allowance Supplement of £270.50 by 6.7%, to £288.60. This is equivalent to a weekly rate of £11.10.

8.6 Up-rating the weekly Jobseeker's Allowance rate used in last year's calculation of Carer's Allowance Supplement (£87.15) by the annual rate of CPI to September 2023 of 6.7% produces £93.00 (to the nearest 5p). Compared with the 2024-25 rate of Carer's Allowance (£81.90) this is a weekly difference of £11.10, a 6.7% rise from the £10.40 weekly Carer's Allowance Supplement rate set in 2023-24.

## **9. Conclusion**

9.1 This is the fifth publication of the report on the impact of inflation on devolved social security assistance. The report has explained the Scottish Government's approach to up-rating social security assistance for the financial year 2024-25.

## Devolved Social Security Assistance Rates 2024-2025

Weekly rates unless otherwise shown.

<b>Benefit</b>	<b>Rates 2023-24</b>	<b>Rates 2024-25</b>
<b>Attendance Allowance</b>		
Higher Rate	£101.75	£108.55
Lower Rate	£68.10	£72.65
<b>Carer's Allowance</b>		
Carer's Allowance	£76.75	£81.90
Carer's Allowance Supplement (bi-annual payment)	£270.50	£288.60
Carer's Allowance Earnings Threshold	£139.00	£151.00
<b>Disability Living Allowance</b>		
Care Component Highest Rate	£101.75	£108.55
Care Component Middle Rate	£68.10	£72.65
Care Component Lowest Rate	£26.90	£28.70
Mobility Component Higher Rate	£71.00	£75.75
Mobility Component Lower Rate	£26.90	£28.70
<b>Industrial Injuries Disablement Benefit</b>		
Standard Rate 1.0	£207.60	£221.50
0.9	£186.84	£199.35
0.8	£166.08	£177.20
0.7	£145.32	£155.05
0.6	£124.56	£132.90
0.5	£103.80	£110.75
0.4	£83.04	£88.60
0.3	£62.28	£66.45
0.2	£41.52	£44.30
<b>Constant Attendance Allowance</b>		
Exceptional rate	£166.20	£177.40
Intermediate rate	£124.65	£133.05
Normal maximum rate	£83.10	£88.70
Part-time rate	£41.55	£44.35
<b>Exceptionally severe disablement allowance</b>	£83.10	£88.70
<b>Maximum of aggregate weekly benefit payable for successive accidents</b>	£207.60	£221.50
<b>Industrial Injuries Unemployability Supplement permitted earnings level (annual amount)</b>	£8,684.00	£9,542.00
<b>Maximum life gratuity</b>	£13,780.00	£14,700.00
<b>Unemployability Supplement</b>	£128.40	£137.00
<b>Increase for early incapacity</b>		
Higher rate	£26.60	£28.40
Middle rate	£17.10	£18.20
Lower rate	£8.55	£9.10

Increase under para 4 of schedule 7 SSCBA 1992 to weekly disablement pension (increase for dependent children)	£11.35	£11.35
<b>Maximum reduced earning allowance</b>	£83.04	£88.60
<b>Maximum retirement allowance</b>	£20.76	£22.15
<b>Industrial Death Benefit</b>		
Widow's Higher Rate	£156.20	£169.50
Lower Rate	£46.86	£50.85
Widower's Rate	£156.20	£169.50
<b>Weekly rate of allowance in respect of children under paragraph 18 of Schedule 7</b>	£11.35	£11.35
<b>Personal Independence Payment</b>		
Daily Living Component Enhanced Rate	£101.75	£108.55
Daily Living Component Standard Rate	£68.10	£72.65
Mobility Component Enhanced Rate	£71.00	£75.75
Mobility Component Standard Rate	£26.90	£28.70
<b>Severe Disablement Allowance</b>		
Basic Rate	£92.20	£98.40
Age related addition Higher Rate	£13.80	£14.70
Middle Rate	£7.65	£8.15
Lower Rate	£7.65	£8.15
Adult Dependency Increase payable with SDA	£45.35	£48.40

#### Grants or one-off payments

<b>Benefit</b>	<b>Rates 2023-24</b>	<b>Rates 2024-25</b>
<b>Best Start Grant (BSG)</b>		
BSG Pregnancy and Baby Payment (1st Child Payment unless a relevant exemption applies)	£707.25	£754.65
BSG Pregnancy and Baby Payment (Subsequent Child Payment & Extra Payment for Twins/Triples)	£353.65	£377.35
BSG Early Learning Payment	£294.70	£314.45
BSG School Age Payment	£294.70	£314.45
<b>Child Winter Heating Payment</b>		
Child Winter Heating Payment (annually)	£235.70	£251.50
<b>Winter Heating Payment</b>		
Winter Heating Payment (annually)	£55.05	£58.75
<b>Funeral Support Payment</b>		
standard rate for other expenses element	£1,178.75	£1,257.75
other expenses element where there is a funeral plan	£143.85	£153.50
removal of implanted medical devices	£23.75	£25.35
<b>Job Start Payment</b>		
Job Start Payment (one-off) standard rate	£294.70	£314.45
higher rate	£471.50	£503.10

<b>Young Carer Grant</b>		
Young Carer Grant (annually)	£359.65	£383.75

Weekly rates

<b>Benefit</b>	<b>2023-24</b>	<b>2024-25</b>
<b>Child Disability Payment</b>		
Care Component Highest Rate	£101.75	£108.55
Care Component Middle Rate	£68.10	£72.65
Care Component Lowest Rate	£26.90	£28.70
Mobility Component Higher Rate	£71.00	£75.75
Mobility Component Lower Rate	£26.90	£28.70
<b>Adult Disability Payment</b>		
Daily Living Component Enhanced Rate	£101.75	£108.55
Daily Living Component Standard Rate	£68.10	£72.65
Mobility Component Enhanced Rate	£71.00	£75.75
Mobility Component Standard Rate	£26.90	£28.70
Transitional Rate	£26.90	£28.70
<b>Scottish Child Payment</b>	£25.00	£26.70
<b>Carer Support Payment</b>	£76.75	£81.90
<b>Best Start Foods (BSF)</b>		
Best Start Foods: double the basic rate	£9.90	£10.60
Best Start Foods: basic rate	£4.95	£5.30

Weekly rates (up to the age of 3)

<b>Best Start Foods</b>	<b>Rates 2023-24</b>	<b>Rates 2024-25</b>
During pregnancy and between the ages of 1 and 3	£4.95	£5.30
From birth until 1 year old	£9.90	£10.60



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Any enquiries regarding this publication should be sent to us at

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

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