

## POLICY NOTE

### THE SOCIAL SECURITY (UP-RATING) (MISCELLANEOUS AMENDMENTS) (SCOTLAND) REGULATIONS 2024

#### SSI 2024/XXX

The above instrument will be made in exercise of the powers conferred by section 28(2), 30(2), 31(2), 32(2), 34(2) and 95 of the Social Security (Scotland) Act 2018 ('the 2018 Act'), section 70(8) of the Social Security Contributions and Benefits Act 1992 and section 13 of the Social Security Benefits Act 1988. Some of the amendments made by this instrument can be made under the negative procedure and others require to be made under the affirmative procedure, so the instrument is subject to the affirmative procedure. For the purposes of this note, the instrument will be referred to as the '2024 Regulations'.

#### **Purpose of the instrument**

The 2024 Regulations fulfil the duty on the Scottish Ministers under section 86B of the 2018 Act to bring forward legislation to increase the amount of Scottish Child Payment, Child Disability Payment, Adult Disability Payment, Funeral Support Payment, Carer Support Payment and Young Carer Grant to an amount which is at least as high as if the existing amount was adjusted in line with price inflation. Following Ministers having complied with their duties under section 86A of the 2018 Act to consider the effects of inflation on certain existing forms of assistance, these Regulations give effect to the Ministers' intentions to up-rate other benefits which are not subject to the mandatory up-rating requirements in section 86B. Accordingly, increases of 6.7% are also made to Best Start Grants, Best Start Foods, Child Winter Heating Payment and Winter Heating Payment. Finally, the Regulations also increase the earnings limits for Carer's Allowance and Carer Support Payment which are not subject to the reporting or up-rating duties in sections 86A and 86B of the 2018 Act.

After considering the effects of inflation, the Scottish Ministers have decided to increase Scottish Child Payment, Child Disability Payment, Adult Disability Payment, Funeral Support Payment, Carer Support Payment, Young Carer Grant, Best Start Grant, Best Start Foods, Child Winter Heating Payment and Winter Heating Payment by 6.7%, which is the annual rate of Consumer Prices Index for September 2023.

The 2024 Regulations increase the amount of;

- Scottish Child Payment payable under the Scottish Child Payment Regulations 2020,
- Child Disability Payment payable under the Disability Assistance for Children and Young People (Scotland) Regulations 2020; namely 1) the mobility component and 2) the care component;

- Adult Disability Payment payable under the Disability Assistance for Working Age People (Scotland) Regulations 2021; namely 1) the daily living component, and 2) the mobility component,
- The transitional rate of Adult Disability Payment payable under the Disability Assistance for Working Age People (Transitional Provisions and Miscellaneous Amendment) (Scotland) Regulations 2022,
- Funeral Support Payment payable under the Funeral Expense Assistance (Scotland) Regulations 2019; namely, 1) the standard amount of assistance that is available towards other funeral costs, 2) the amount which is payable towards other funeral costs if the deceased has a pre-paid funeral plan and 3) the amount which is payable towards a fee for removing an active implantable medical device from the deceased,
- Carer Support Payment payable under the Carer's Assistance (Carer Support Payment) (Scotland) Regulations 2023,
- the Young Carer Grant payable under the Carer's Assistance (Young Carer Grants) (Scotland) Regulations 2019,
- The amount of Best Start Grant 1) Pregnancy and Baby Payment (1st Child Payment), 2) Pregnancy and Baby Payment (Subsequent Child Payment & Extra Payment for multiple pregnancy supplement), 3) Early Learning Payment and 4) School Age Payment payable under the Early Years Assistance (Best Start Grants) (Scotland) Regulations 2018,
- The amount of Best Start Foods payable under the Welfare Foods (Best Start Foods) (Scotland) Regulations 2019,
- the Child Winter Heating Payment payable under the Winter Heating Assistance for Children and Young People (Scotland) Regulations 2020, and
- The Winter Heating Payment payable under the Winter Heating Assistance (Low Income) (Scotland) Regulations 2023.

The increases to Young Carers Grant, Funeral Support Payment, Best Start Grants, Best Start Foods, Child Winter Heating Payment and Winter Heating Payment come into force on 1 April 2024. The increases to Child Disability Payment and Adult Disability Payment (including the Adult Disability Payment transitional rate) come into force on 8 April 2024. The increases to Carer Support Payment come into force on 7 April 2024.

Lastly, the opportunity has also been taken through these regulations to make amendments to the Social Security (Invalid Care Allowance) Regulations 1976. These amendments make changes to earnings limits used to determine entitlement to Carer's Allowance so far as prescribing earnings limits is within devolved competence. The Regulations also make changes to the earnings limits used to determine entitlement to Carer Support Payment which was introduced in Scotland on 19 November 2023. Both changes increase the earnings limits for the respective payments.

## Policy Objectives

Section 86A of the 2018 Act requires Scottish Ministers to calculate the inflation-adjusted level of each amount of assistance prescribed in regulations under any section in Chapter 2 of Part 2 of that Act or section 79 and report to the Scottish Parliament, before the end of each financial year, on what they have done or intend to do as a result of the changes to prices. Section 86B of the 2018 Act requires Scottish Ministers to bring forward legislation before the end of each financial year to replace the amounts of Scottish Child Payment, Child Disability Payment, Adult Disability Payment (including the Adult Disability Payment transitional rate), Carer Support Payment, Funeral Support Payment and Young Carer Grant with amounts which are at least as high as the inflation-adjusted level of each amount. Scottish Ministers also decide whether to apply this up-rate to Best Start Grant, Child Winter Heating Payment and Winter Heating Payment, and explain their decision in the report as required under section 86A. This year, Best Start Foods and Job Start Payment is also included for completeness in the report.

It has been determined that there has been an increase in the general level of prices in the past financial year. Accordingly, the 2024 Regulations are brought forward in reliance on section 31 of the 2018 Act to increase the relevant sums for Adult Disability Payment (including the Adult Disability Payment transitional rate) and Child Disability Payment by 6.7% with the payment rounded to the nearest multiple of 5 pence. Carer Support Payment, Young Carers Grant, Funeral Support Payment, Best Start Grant, Child Winter Heating Payment and Winter Heating Payment are also increased by 6.7%, through the Regulations brought forward in reliance on section 28, 30, 32 and 34 of the 2018 Act. Best Start Foods rates are also increased by 6.7% brought forward in reliance on section 13 of the Social Security Act 1988. Job Start Payment is a benefit provided pursuant to a non-statutory scheme and is accordingly not up-rated through the 2024 Regulations.

The 2024 Regulations provide for a 6.7% increase to the Carer Support Payment (from £76.75 to **£81.90**); a 6.7% increase to Scottish Child Payment (from £25.00 to **£26.70**); Young Carer Grant Payment (from £359.65 to **£383.75**); a 6.7% increase to the Funeral Support Payment of the standard amount that is available towards other funeral costs (from £1,178.75 to **£1,257.75**), a 6.7% increase to the Funeral Support Payment that is available towards funeral costs where the deceased has left in place a pre-paid funeral plan (from £143.85 to **£153.50**) and a 6.7% increase to the Funeral Support Payment of the fee for removing an active implantable medical device from the deceased (from £23.75 to **£25.35**); a 6.7% increase to Child Winter Heating Payment (from £235.70 to **£251.50**); a 6.7% increase to Winter Heating Payment (from £55.05 to **£58.75**); a 6.7% increase to Best Start Grant Pregnancy and Baby Payment (1<sup>st</sup> Child Payment) (from £707.25 to **£754.65**), Best Start Grant Pregnancy and Baby Payment (Subsequent Child Payment & Extra Payment for Twins/Triples) (from £353.65 to **£377.35**), Best Start Grant Early Learning Payment (from £294.70 to **£314.45**) and Best Start Grant School Age Payment (from £294.70 to **£314.45**); a 6.7% increase to Best Start Foods (basic rate from £4.95 to **£5.30** and the higher rate is then defined as double the basic rate from £9.90 to **£10.60**); a 6.7% increase to Child Disability

Payment mobility component (higher rate from £71.00 to **£75.75** and lower rate from £26.90 to **£28.70**) and care components (highest rate from £101.75 to **£108.55**, middle rate from £68.10 to **£72.65** and lowest rate from £26.90 to **£28.70**); a 6.7% increase to Adult Disability Payment Daily Living Component (standard rate from £68.10 to **£72.65**, enhanced rate from £101.75 to **£108.55**) and Mobility Component (standard rate from £26.90 to **£28.70** and enhanced rate from £71.00 to **£75.75**) and a 6.7% increase to the transitional rate of Adult Disability Payment (from £26.90 to **£28.70**).

These regulations will also make amendments to the Social Security (Invalid Care Allowance) Regulations 1976. These amendments make changes to earnings limits used to determine entitlement to carer's allowance so far as prescribing earnings limits is within devolved competence. The Regulations also make changes to the earnings limits used to determine entitlement to carer support payment which was introduced in Scotland on 19 November 2023. Both changes increase the earnings limits for the respective payments.

The Deputy First Minister announced the proposed rates of devolved social security assistance for 2024-25 to the Scottish Parliament during the Scottish Budget on 19 December 2023. In accordance with the Social Security (Scotland) 2018 Act, a draft of these Regulations is laid before the Scottish Parliament for approval by resolution.

### **EU Alignment Consideration**

This instrument is not relevant to the Scottish Government's policy to maintain alignment with the EU.

### **Consultation**

Section 97(2) of the Social Security (Scotland) Act 2018 requires Scottish Ministers to inform the Scottish Commission on Social Security of proposals in the form of draft regulations to meet the scrutiny and consultation process. That section also requires that the Scottish Ministers notify the Scottish Parliament that they have done so. Section 97(9) requires Scottish Ministers to lay a response to the Commission's report on the proposals for the Regulations before the Scottish Parliament. Scottish Ministers can here confirm that a response from the Commission has been received and that these requirements have been carried out. The response from Scottish Ministers to the Commission's report will be laid in the Scottish Parliament along with this policy note.

### **Impact Assessments**

The full range of impact assessments were considered and completed where necessary for the Social Security (Scotland) Act 2018 and have been published for Funeral Expense

Assistance<sup>1</sup>, Young Carer Grant<sup>2</sup>, Carer Support Payment<sup>3</sup>, Child Disability Payment<sup>4</sup>, Adult Disability Payment<sup>5</sup>, Scottish Child Payment<sup>6</sup>, Best Start Grant<sup>7</sup>, Best Start Foods<sup>8</sup>, Child Winter Heating Payment<sup>9</sup> and Winter Heating Payment<sup>10</sup>. Impact assessments for any new Scottish assistance will be undertaken at the point where policy is being developed and regulations are being drafted.

As the increase to Scottish Child Payment, Carer Support Payment, Child Disability Payment, Adult Disability Payment, Young Carer Grant, Funeral Support Payment, Best Start Grant, Winter Heating Payment and Child Winter Heating Payment ensures that the assistance people are eligible for in 2024-25 at least keeps pace with inflation, then it is considered that there is no significant impact on the private, voluntary or public sector.

It is not considered necessary to carry out additional impact assessments for the amendments to the Welfare Foods (Best Start Foods) (Scotland) Regulations 2019. These Regulations do not seek to substantively change the policy intent of the regulations.

## **Financial Effects**

A Financial Memorandum<sup>11</sup> was completed prior to introduction of the Social Security (Scotland) Bill.

The Financial Memorandum states that funding for existing benefits will be transferred from the UK Government under the terms of the Fiscal Framework agreement. The Financial Memorandum also considers the costs of up-rating and recognises that the methodology of up-rating of benefits for inflation is a source of financial risk. This is because any future policy differentials between Scotland and the UK for the method of up-rating could result in additional pressures on the Scottish Budget.

Scottish Child Payment, Young Carer Grant and Child Winter Heating Payment are forms of assistance only available in Scotland, therefore there is no funding transfer from the UK government and the cost of these and the up-rating increase will be met from the existing Scottish Budget. The equivalents of Funeral Support Payment, Best Start Grant and Best Start Foods are not up-rated annually by inflation in England and Wales and therefore the cost of the up-rating increase will be met from the existing Scottish Budget. The Scottish Fiscal

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<sup>1</sup> <https://www.gov.scot/publications/consultation-funeral-expense-assistance-regulations/pages/8/>

<sup>2</sup> <https://www.gov.scot/publications/consultation-young-carer-grant-regulations/pages/8/>

<sup>3</sup> The Carer's Assistance (Carer Support Payment) (Scotland) Regulations 2023

<sup>4</sup> The Disability Assistance for Children and Young People (Scotland) Regulations 2021

<sup>5</sup> The Disability Assistance for Working Age People (Scotland) Regulations 2023 ([legislation.gov.uk](https://www.legislation.gov.uk))

<sup>6</sup> The Scottish Child Payment Regulations 2020

<sup>7</sup> Section 7 - Impact Assessments - Early years assistance: consultation on the Best Start Grant regulations

<sup>8</sup> The Welfare Foods (Best Start Foods) (Scotland) Regulations 2019

<sup>9</sup> The Winter Heating Assistance for Children and Young People (Scotland) Regulations 2020 ([legislation.gov.uk](https://www.legislation.gov.uk))

<sup>10</sup> Winter Heating Payment (Low Income) (Scotland): equality impact assessment - gov.scot ([www.gov.scot](https://www.gov.scot))

<sup>11</sup> [http://www.parliament.scot/S5\\_Bills/Social%20Security%20\(Scotland\)%20Bill/SPBill18FMS052017.pdf](http://www.parliament.scot/S5_Bills/Social%20Security%20(Scotland)%20Bill/SPBill18FMS052017.pdf)

Commission used the September CPI rate of 6.7% when producing their forecasts of benefits expenditure which are set out in their Economic and Fiscal Forecasts December 2023<sup>12</sup>.

Scottish Government  
Social Security Directorate

January 2024

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<sup>12</sup> Scotland's Economic and Fiscal Forecasts | Scottish Fiscal Commission