Social Security for Scotland



Updated September 2019

EQUALITY, POVERTY AND SOCIAL SECURITY

£195.9 billion spent on social security in Rest of Great Britain

Social Security Expenditure in Scotland in 2017/18

In 2017/18, the forecasted expenditure by UK Government on benefits in Great Britain was **£214.3 billion.** Of this, the estimated amount spent on individuals in Scotland in 2017/18 was **£18.5 billion** (8.6%). Of this, around **£15.5 billion** (83.9%) was spent on reserved benefits and **£3.0 billion** (16.1%) was spent on devolved benefits.

In 2017/18 the Scottish Government spent **£59 million** on Discretionary Housing Payments (devolved since April 2017) and allocated **£33 million** to the Scottish Welfare Fund.

Scotland, £18.5 billion

Scottish Government expenditure, £92 million Reserved benefits, £15.5 billion

Benefits to be devolved, £3.0 billion Discretionary Housing Payments, £59 million Scottish Welfare Fund, £33 million £18.6 billion spent on social security in Scotland by UK government and Scottish Government

Sources: DWP Outturn and Forecast: Autumn Budget 2018, DWP benefit expenditure by Region 1996/97 to 2017/18, HMRC Tax Receipts between England, Wales, Scotland & Northern Ireland, Scottish Welfare Fund Statistics: update to June 2018, Office for National Statistics mid-year population estimates. Note: figures may not sum due to rounding . *A total of £32.9 million was spent on Scottish Welfare Fund awards in 2017/18 – funding for these awards came from SG allocation, underspend from previous years, and additional funds from Local Authorities.

Introduction

This slide pack summarises the current social security system in Scotland and how this will change as benefits are devolved to Scotland under the Scotland Act 2016, and as new benefits and top-ups to reserved benefits are introduced.

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High-level statistics (e.g. caseload, expenditure, key characteristics of claimants) for:

- Disability Living Allowance (DLA)
- Personal Independence Payment (PIP)
- <u>Attendance Allowance (AA)</u>
- <u>Carer's Allowance (CA) and Carer's Allowance Supplement</u> (CAS)
- Severe Disablement Allowance (SDA)
- Industrial Injuries Disablement Allowance (IIDB)
- Winter Fuel Payment (WFP)
- <u>Regulated Social Fund (CWP, FEP)*</u>
- Best Start Grant (SSMG)
- <u>Discretionary Housing Payment (DHP)</u>
- Scottish Welfare Fund (SWF)

Reserved benefits and UC Scottish choices Sources and abbreviations

* Funeral Expenses Payment now devolved, Funeral Support Payment data not yet published

Background

Following the Scottish independence referendum in 2014, the **Smith Commission** recommended that the Scottish Parliament be given autonomy to determine the structure and value of a range of powers over disability, as well as the power to make administrative changes to Universal Credit and to vary the housing cost element. It also recommended that Scottish Parliament be given powers to create new benefits in areas of devolved responsibility, and top-up reserved ones. These recommendations were made law by the **Scotland Act 2016**.

A summary of the benefits that have been devolved or that remain reserved is available on the Scottish Government website at: <u>https://www.gov.scot/publications/responsibility-for-benefits-overview/</u>.

Currently, **Social Security Scotland** (an executive agency of the Scottish Government) is administering Carer's Allowance Supplement, Best Start Grant and Funeral Support Payment. The Scottish Government also allocates funding to local authorities to administer Discretionary Housing Payments and the Scottish Welfare Fund. During Autumn 2019 Young Carer Grant will be delivered, followed by Job Start Payment next Spring. Scottish Child Payment will open for applications in Autumn 2020 for children aged 0-6. Further changes to benefits have also been announced for 2020 and 2021.

Sources: https://www.gov.scot/policies/social-security/

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Social security in Scotland by recipient group

The benefit system <u>currently</u> in place in Scotland is distributed across a number of recipient groups. Benefits that are devolved, localised, new Scottish benefits, and top-ups to reserved benefits are highlighted in **bold** and described on the <u>next page</u>. Future benefits have been announced: during Autumn 2019 Young Carer Grant will be delivered, followed by Job Start Payment next Spring. Scottish Child Payment will open for applications in Autumn 2020 for children aged 0-6. Further changes to benefits have also been announced for 2020 and 2021.

Benefits for people out of work	Benefits for elderly people	Benefits for people who are ill or disabled	Benefits for families with children	Benefits for people on low incomes	Other
Income Support	Winter Fuel Payments	Attendance Allowance	Child Benefit	Discretionary Housing Payments	Universal Credit, Inc. UC Scottish Choices
In Work Credit & Return to Work Credit	Financial Assistance Scheme	Carer's Allowance	Child Tax Credit	Scottish Welfare Fund	Bereavement Benefits
Jobseekers Allowance	Pension Credit	Carer's Allowance Supplement	Guardians Allowance	Cold Weather Payments	Christmas Bonus
	State Pension	Disability Living Allowance	Maternity Allowance	Best Start Grant	Other small benefits
	State Pension Transfers	Personal Independence Payment	Statutory Maternity Pay	Pregnancy and Baby payment, Early learning	
	TV Licences	Severe Disablement Allowance		payment, School payment**	
		Industrial Injuries benefits Inc. Industrial Injury Disablement Benefit		Funeral Expenses Payment/Funeral Support Payment	
		Employment & Support Allowance		·	
		Incapacity Benefit		New Deal & Employment Programme Allowances	
		Specialised Vehicles fund		New Enterprise Allowance	
		Statutory Sick Pay		Working Tax Credit	
		Vaccine Damage Payments		Housing Benefit	

Sources: Expert Working Group on Welfare, Re-thinking Welfare: Fair, Personal and Simple. Scottish Government News Releases- <u>https://www.gov.scot/news/1</u>, <u>https://www.gov.scot/news/3</u> **Information about Sure Start Maternity Grant has been retained in the slide pack as many figures refer to 2017/18 before the launch of Best Start Grant.

Social security in Scotland - benefits with published data

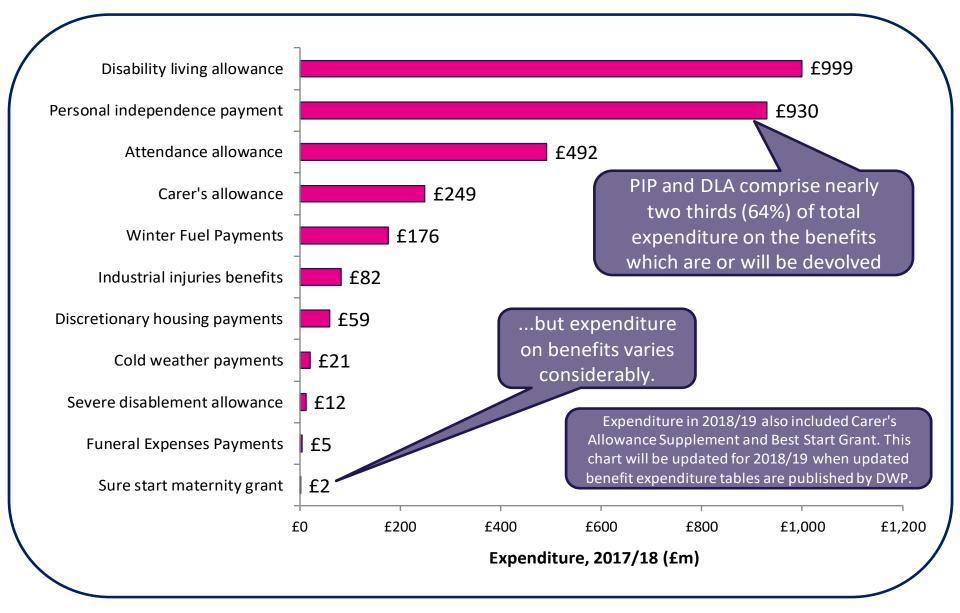
	Benefits*	Primary purpose of current benefit and devolved status.	Devolved/delivered status**
	Attendance allowance	To help with personal care for individuals aged 65 or over with a physical or mental disability.	Disability Assistance for Older People by end 2020.
	Carer's Allowance	To help an individual look after someone with substantial caring needs. To be eligible the individual must be 16 or over and spend at least 35 hours a week caring for them.	Carer's Assistance by end 2021. CA was devolved in September 2018 and is currently administrated by DWP.
		Carer's Allowance Supplement is an extra payment to increase the level of Carer's Allowance to that of Jobseeker's Allowance. First payments were made in September 2018.	Introduced by Social Security Scotland from September 2018.
	Disability Living Allowance / Personal Independence Payment	Help if your disability or health condition means one or both of the following are true: You need help looking after yourself or you have walking difficulties. PIP replaced working-aged DLA.	Disability Assistance for Children and Young People summer 2020 Disability Assistance for Working Age People early 2021.
	Industrial Injuries Disablement Benefit	For individuals who are ill or disabled as a result of an accident or disease caused by work or while you were on an approved employment training scheme or course.	To be delivered by DWP using agency agreement April 2020.
	<u>Severe Disablement</u> <u>Allowance</u>	For working age individuals who are unable to work due to illness or disability. Closed to new entrants.	To be delivered by DWP using agency agreement April 2020.
\sim	Cold Weather Payments	A payment for individuals on certain benefits when the temperature is either recorded as, or forecast to be, an average of zero Degree Celsius or below over seven consecutive days.	Cold Spell Heating Assistance by end 2021.
	Funeral Support Payment (Funeral Expenses Payment)	For individuals on low income and needing help to pay for a funeral they are arranging.	Delivered by Social Security Scotland since September 2019.*
	Best Start Grant (Sure Start Maternity Grant)	Best Start Grant launched on 10 December 2018, replacing Sure Start Maternity Grant, and providing lower-income families with financial support during the key early years of a child's life. Pregnancy and Baby, Early Learning and School Age payments are all available.	Delivered by Social Security Scotland since December 2018.
	Winter Fuel Payment	A tax-free payment to help pay for heating bills if you were born on or before 5 July 1952 (current state pension age for women).	Winter Heating Assistance by end 2021.
Other	Discretionary Housing Payments	To help for those in receipt of Housing Benefit and having difficulty meeting their rent payments. Paid at the discretion of the local authority. Also used to mitigate against the bedroom tax in Scotland.	Administered by Scottish local authorities, devolved April 2017.
	<u>Scottish Welfare Fund</u> <u>Universal Credit (Scottish</u> <u>Choices)</u>	Crisis Grants provide a safety net in a disaster or emergency. Community Care Grants enable people to live independently, preventing the need for institutional care. Universal Credit (Scottish Choices) give recipients of UC in Scotland a choice to have their UC award paid either monthly or twice monthly, and have the housing costs in their award of UC paid direct to	Administered by Scottish local authorities, localised April 2013. Introduced in October 2017 (delivered by DWP on behalf of the
	Reserved Benefits	their landlord. Benefits that remain reserved to the UK government (e.g. Universal Credit, State Pension). Statistics on reserved benefits are available from the <u>Department of Work and Pensions</u> (DWP), and via <u>StatXplore</u> and <u>Nomis</u> .	Scottish Government).

*Benefits are summarised in the slide pack where there is available published data. Therefore, the slide pack does not yet include information on new benefits such as Funeral Support Payment. Sources: <u>www.gov.uk</u>, <u>www.gov.scot/policies/social-security/</u>, <u>https://www.gov.scot/news/1</u>, <u>https://www.gov.scot/news/2</u>, <u>https://www.gov.scot/news/3</u> **delivered by Social Security Scotland unless otherwise stated.

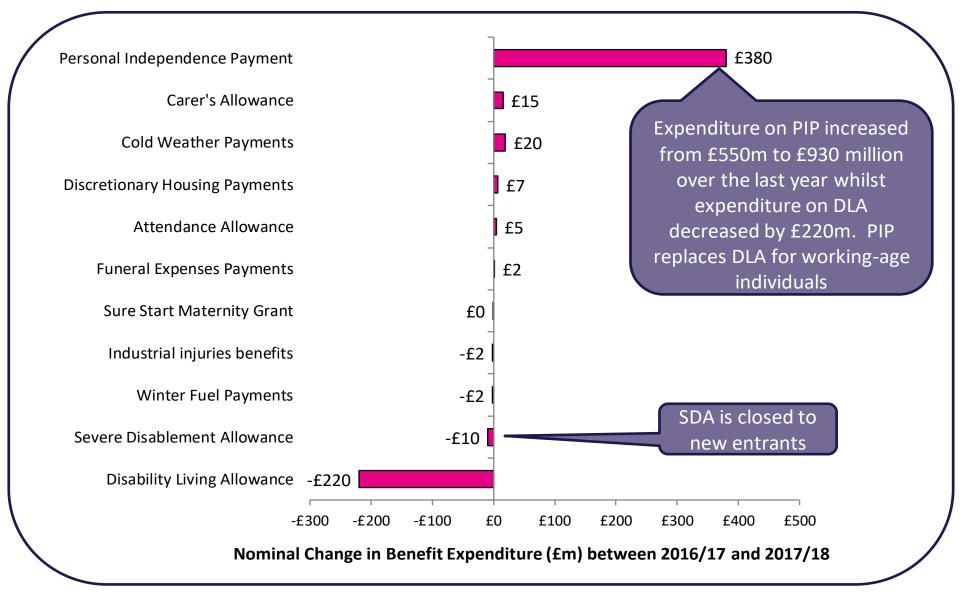
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Other

Devolved benefit expenditure in Scotland – 2017/18



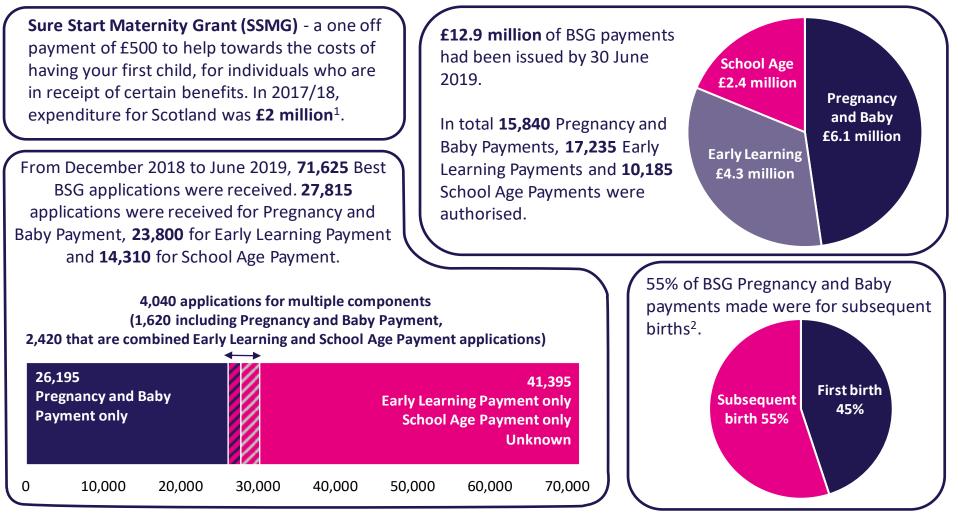
Source: DWP benefit expenditure by region from 1996/97 to 2017/18. Industrial Injuries benefits includes IIDB. A further breakdown is unavailable. Scottish expenditure on Sure Start Maternity Grants and Funeral Expenses Payments estimated based on GB figures in DWP Outturn and Forecast: Autumn Budget 2018



Source: DWP benefit expenditure by region from 1996/97 to 2017/18. Industrial Injuries benefits includes IIDB. A further breakdown is unavailable. Scottish expenditure on Sure Start Maternity Grants and Funeral Expenses Payments estimated based on GB figures in DWP Outturn and Forecast: Autumn Budget 2018

Best Start Grant – June 2019

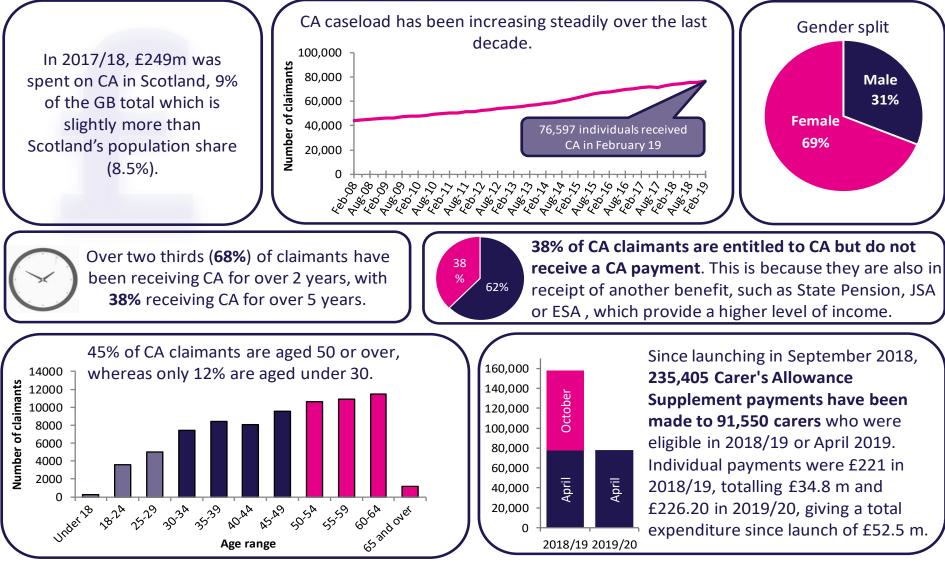
The Best Start Grant (BSG) includes three types of payment: Pregnancy and Baby Payment (applications taken from 10 December 2018, replacing Sure Start Maternity Grant), Early Learning Payment (applications taken from 29 April 2019) and School Age Payment (applications taken from 3 June 2019). Best Start Foods replaced Healthy Start Vouchers for new claims from 12 August 2019, however statistics on Best Start Foods are not yet available.



Sources: 2017/18 expenditure - DWP unpublished data - http://www.fiscalcommission.scot/about-us/correspondence/correspondence-response-from-dwp-on-social-fundfigures-for-scotland-4-september-2018/. 1. Sure Start Maternity Grant has been replaced by Best Start Grant, data is unpublished historical DWP data. 2. Scottish Government Best Start Grant: high level statistics to 30 June 2019 7

Carer's Allowance - February 2019 & Carer's Allowance Supplement - April 2019

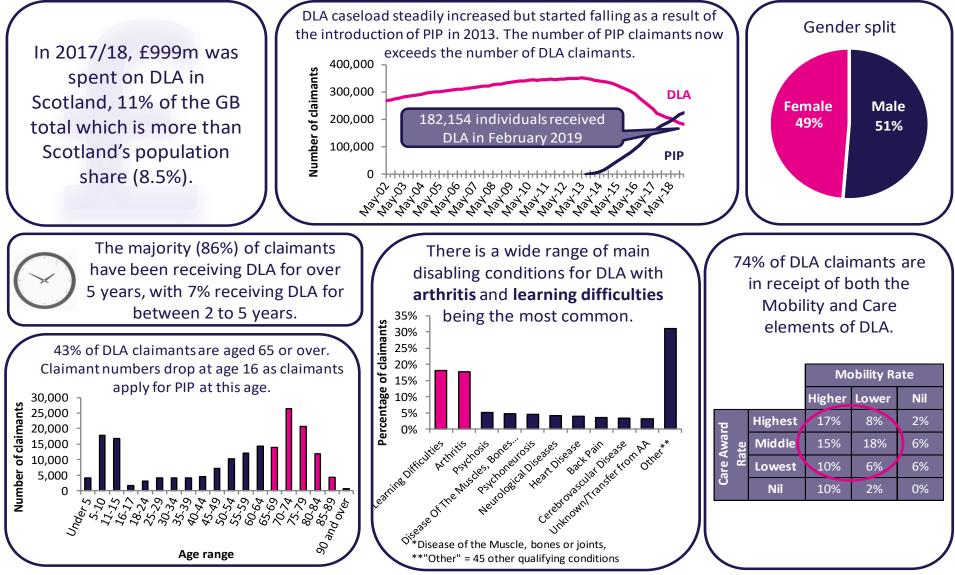
Carer's Allowance (CA) is provided to help an individual look after someone with substantial caring needs. Must be 16 or over and spend at least 35 hours a week providing care. Devolved in September 2018 - we now have data available to February 2019. Carer's allowance supplement (CAS) was introduced in September 2018, and data is available for payments made to carers eligible in April and October 2018.



Sources: Stat-Xplore, DWP Outturn and Forecast: Autumn Budget 2018, DWP benefit expenditure by Region 1996/97 to 2017/18. Note: caseload data relates to cases in payment. 1. Scottish Government Carer's Allowance at November 2018 and Carer's Allowance Supplement, October eligibility date 2018.

Disability Living Allowance in Scotland – February 2019

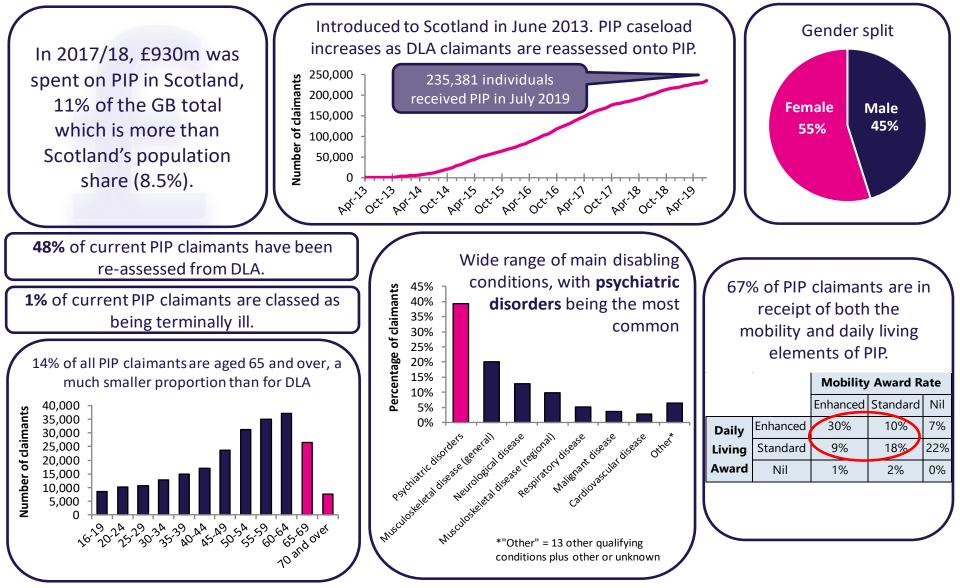
Provides help if health or a disability means a person needs help looking after themselves, or if they have difficulty walking. DLA is being replaced by PIP for working age people.



Sources: Stat-Xplore, DWP Outturn and Forecast: Autumn Budget 2018, DWP benefit expenditure by Region 1996/97 to 2017/18. Note: caseload data relates to cases in payment.

Personal Independence Payments in Scotland – July 2019

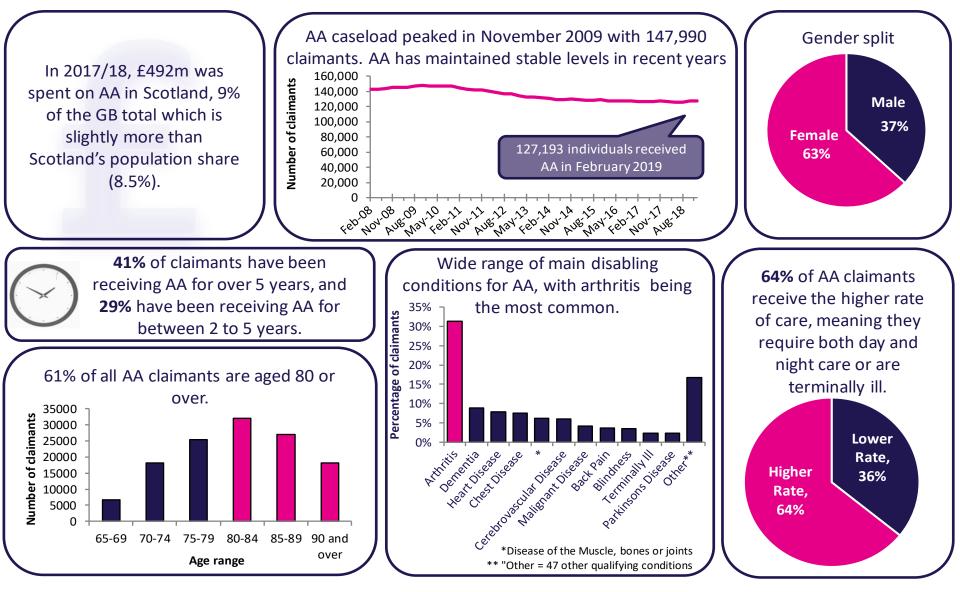
PIP helps with some of the extra costs caused by long-term ill-health or disability for individuals aged 16 to 64. It is also replacing DLA for working age individuals.



Sources: Stat-Xplore, DWP Outturn and Forecast: Autumn Budget 2018, DWP benefit expenditure by Region 1996/97 to 2017/18 Note: caseload data relates to cases in payment.

Attendance Allowance in Scotland – February 2019

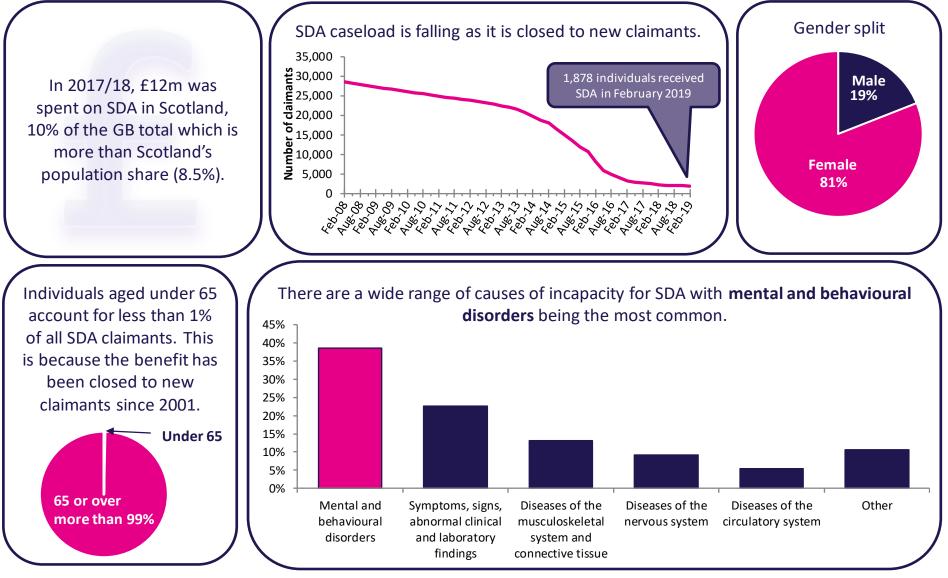
AA provides help with personal care for individuals aged 65 or over with a physical or mental disability.



Sources: Stat-Xplore, DWP Outturn and Forecast: Autumn Budget 2018, DWP benefit expenditure by Region 1996/97 to 2017/18. Note: caseload data relates to cases in payment.

Severe Disablement Allowance in Scotland – February 2019

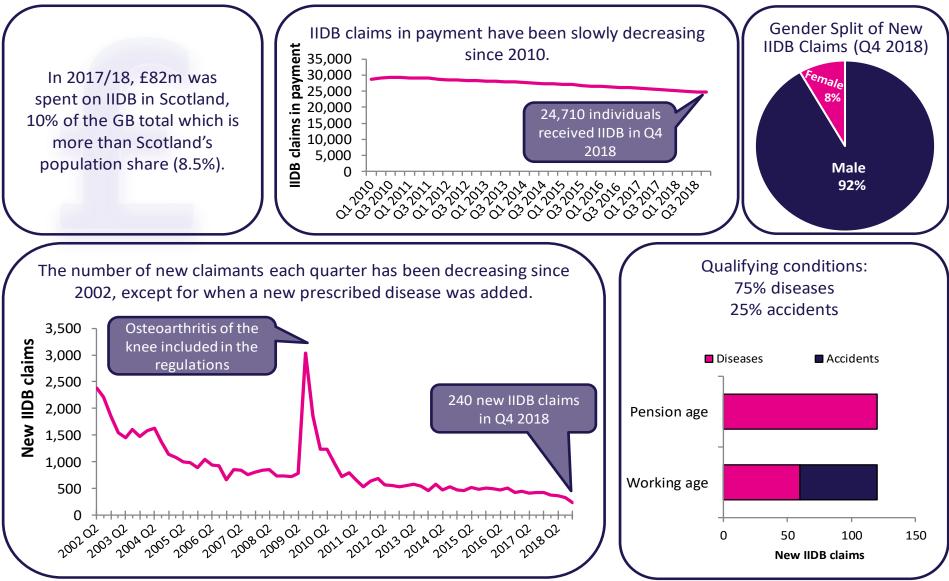
SDA is for working age individuals who are unable to work due to illness or disability. It was closed to new entrants and the provision replaced by Incapacity Benefit in April 2001, which is now replaced by Employment and Support Allowance.



Sources: Stat-Xplore, DWP Outturn and Forecast: Autumn Budget 2018, DWP benefit expenditure by Region 1996/97 to 2017/18. Note: caseload data relates to cases in payment.

Industrial Injuries Disablement Benefit in Scotland – December 2018

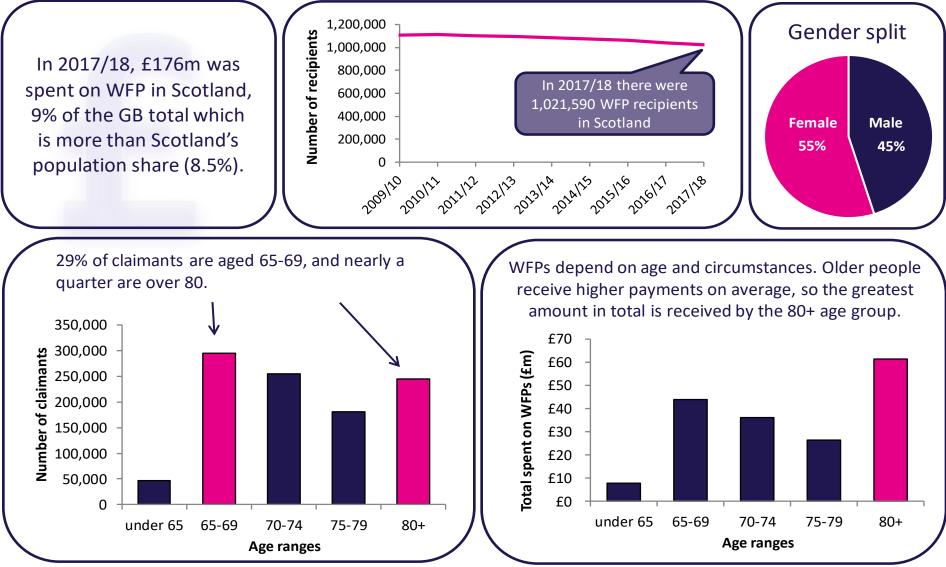
For those who are ill or disabled as a result of an accident or disease caused by work or while they were on an approved employment training scheme or course.



Sources: Stat-Xplore, DWP Outturn and Forecast: Autumn Budget 2018, DWP benefit expenditure by Region 1996/97 to 2017/18, DWP Industrial injuries disablement benefit quarterly statistics.

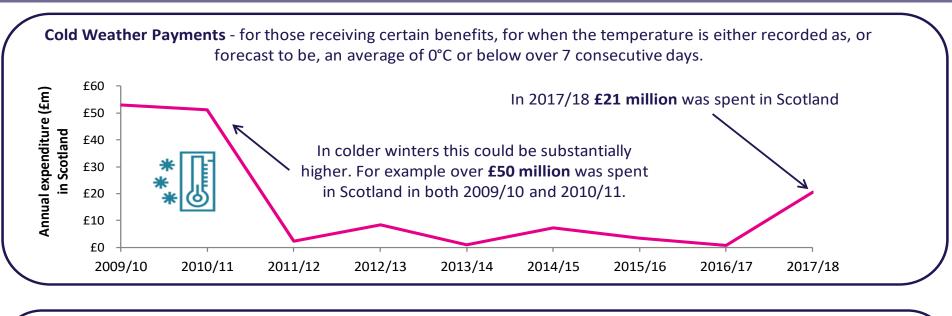
Winter Fuel Payment in Scotland – 2017/18

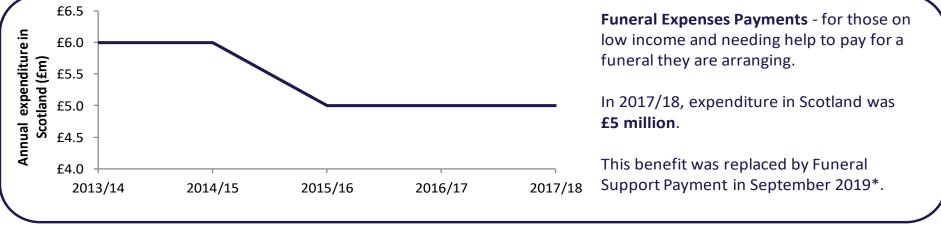
Tax-free payment to help with heating bills. For those born on or before 5 July 1952 (current State Pension Age for women). Must be UK resident during a specified week in September of that year.



Sources: DWP Outturn and Forecast: Autumn budget 2018, DWP benefit expenditure by Region 1996/97 to 2017/18, DWP Winter Fuel Payment: recipient and household figures 2017 to 2018.

Benefits which were part of the UK Government's Regulated Social Fund in 2017/18



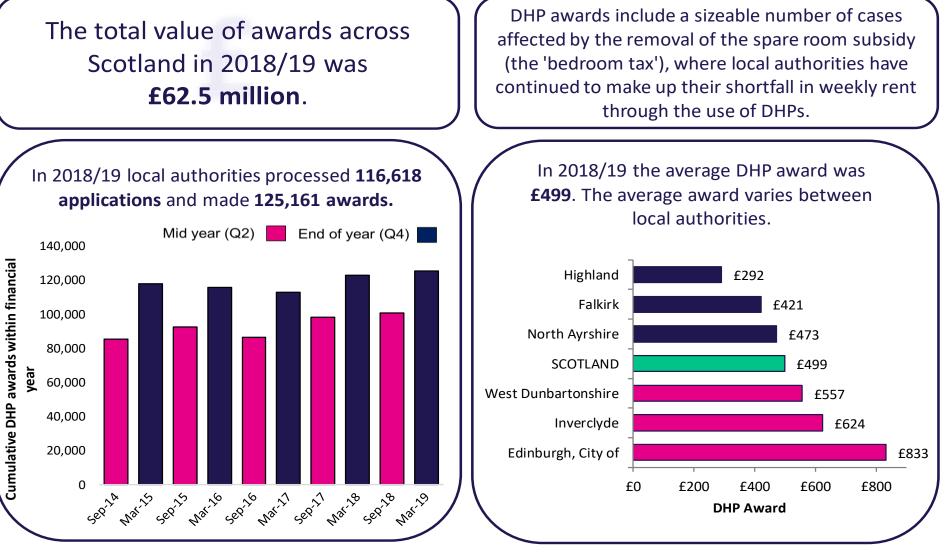


Sources: 2017/18 expenditure - DWP unpublished data - http://www.fiscalcommission.scot/about-us/correspondence/correspondence-response-from-dwp-on-social-fund-figuresfor-scotland-4-september-2018/. CWP time series: DWP Outturn and forecast: Benefit expenditure by country and region, 1996/97 to 2017/18. and DWP Cold Weather Payment estimates 2017 to 2018. FEP time series: Unpublished DWP data.

*Benefits are summarised in the slide pack where there is available published data, so does not yet include information on Funeral Support Payment.

Discretionary Housing Payments in Scotland – March 2019

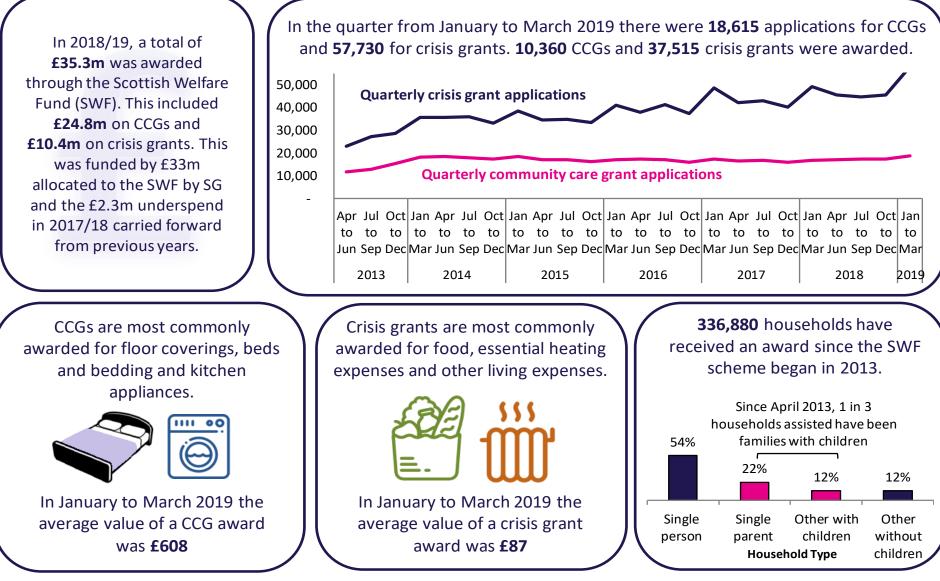
Help to meet rent payments for Housing Benefit recipients. Paid at Local Authority discretion. As of April 2017, DHPs are fully devolved to Scottish Government.



Sources: Scottish Government Discretionary Housing Payments in Scotland.

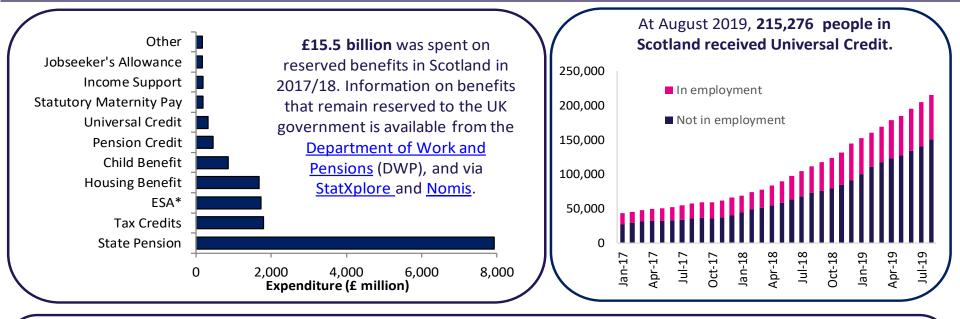
Scottish Welfare Fund – March 2019

National grant scheme run by Local Authorities. Crisis Grants provide a safety net in a disaster or emergency. Community Care Grants (CCGs) enable people to live independently, preventing the need for institutional care.



Sources: Scottish Welfare Fund Statistics: update to March 2019, https://www.gov.scot/Topics/Statistics/Browse/Social-Welfare/swf

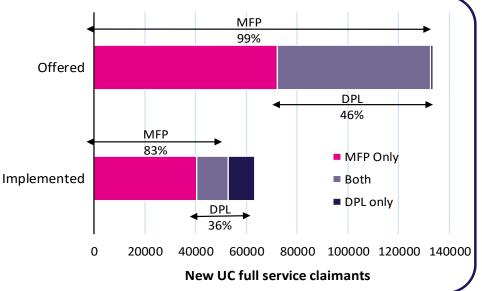
Reserved benefits and UC Scottish choices



Universal Credit (Scottish choices) give recipients of Universal Credit (UC) in full service areas a choice to have their award paid either monthly or twice monthly (MFP) and/or have the housing costs in their award of UC paid direct to their landlord (DPL).

From October 2017 to end February 2019, a total of **63,360 new** claimants who were offered have taken up one or both choices. Of these claimants **47%** took up at least one of the UC Scottish choices offered to them.

In total from October 2017 to end February 2019, **76,590 people have taken up one or two choices**, either with or without an offer (this includes new, existing and live to full transfer claimants). Of those, 59,760 have chosen MFP and 30,670 have chosen DPL.



Sources: DWP Outturn and Forecast: Autumn Budget 2018, DWP benefit expenditure by Region 1996/97 to 2017/18, HMRC Tax Receipts between England, Wales, Scotland & Northern Ireland. Stat Xplore. Scottish Universal Credit Choices - management information to end February 2019 http://www.gov.scot/Topics/Statistics/Browse/Social-Welfare/SocialSecurityforScotland.*Employment Support Allowance

Sources

Background

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The Smith Commission, *Report of the Smith Commission for further devolution of powers to the Scottish Parliament*, 27 November 2014. <u>https://www.smith-commission.scot/</u>

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Scottish Government- continued

Scottish Government, Scottish Universal Credit Choices https://www2.gov.scot/Topics/Statistics/Browse/Social-Welfare/SocialSecurityforScotland/UCMIFeb2019

Scottish Government, Scottish Welfare Fund Statistics http://www.gov.scot/Topics/Statistics/Browse/Social-Welfare/swf/swf-statistics

Scottish Government Best Start Grant: high level statistics to 28 February 2019 https://www2.gov.scot/Topics/Statistics/Browse/Social-Welfare/SocialSecurityforScotland

Scottish Government Carer's Allowance at November 2018 and Carer's Allowance Supplement, October eligibility date 2018 <u>https://www2.gov.scot/Topics/Statistics/Browse/Social-</u> Welfare/SocialSecurityforScotland

Scottish Government News Release 1 <u>https://www.gov.scot/news/delivery-of-disability-assistance-to-start-in-2020/</u>

Scottish Government News Release 2 <u>https://www.gov.scot/news/scottish-child-payment-ahead-of-schedule/</u>

Scottish Government News Release 3 <u>https://www.gov.scot/news/new-jobs-benefit-to-</u>launch-next-spring/

Scottish Government Social Security Policy information https://www.gov.scot/policies/social-security/

Social security Committee Report

http://www.parliament.scot/parliamentarybusiness/report.aspx?r=12090&mode=pdf

- AA Attendance Allowance
- BSG Best Start Grant
- CA Carer's Allowance
- CAS Carer's Allowance Supplement
- CWP Cold Weather Payment
- DHP Discretionary Housing Payments
- DLA Disability Living Allowance
- DWP Department for Work & Pensions
- ESA Employment & Support Allowance
- FP Funeral Payment
- IB Incapacity Benefit
- IIDB Industrial Injuries Disablement Benefit

- IS Income Support
- JSA Jobseeker's Allowance
- PC Pension Credit
- PIP Personal Independence Payment
- SDA Severe Disablement Allowance
- SP State Pension
- SPA State Pension Age
- SSMG Sure Start Maternity Grant
 - UC Universal Credit
- WA Widow's Allowance
- WFP Winter Fuel Payment