



Cabinet Secretary for Social Security and Older People
Shirley Anne Somerville MSP

Claire Cairns
Coalition of Carers

By email: coalition@carersnet.org

26 June 2019

Dear Claire,

Following a statement to Parliament on the first Tackling Child Poverty Delivery Plan, the Cabinet Secretary for Social Security and I wanted to write to provide you an update on the outcome of our joint work to develop a new income supplement.

As you will be aware, the Tackling Child Poverty Delivery Plan 2018-2022 set out our commitment to develop the income supplement – to use our social security powers to provide a much needed cash boost for low income families, and to help meet our ambitious child poverty targets.

Over the last year there has been a significant amount of work undertaken to explore potential options for the income supplement, guided by a desire to introduce something as quickly as possible, in recognition of its transformative potential to tackle poverty. We have considered the supplement in the context of our existing timetable for devolved benefits, and the need to ensure that we continue their safe and secure delivery for the millions of people who rely on them.

The result of that work is that we are today able to announce that the income supplement – now called the Scottish Child Payment– will be fully rolled out in 2022. Our new agency Social Security Scotland will deliver this, and it will pay families £10 per week per eligible child under the age of 16, with entitlement based on receipt of existing qualifying benefits. Alongside the statement to Parliament, we have also published an analysis of the options we considered, and a position paper setting out further policy and delivery detail of the option we will be taking forward. These can all be found on www.gov.scot/publications.

Once fully rolled out, we anticipate that around 410,000 children will be eligible for the Scottish Child Payment, with the potential to lift 30,000 children out of relative poverty – reducing the relative child poverty rate by 3 percentage points. In addition, the payment will help prevent poverty for families just above the poverty threshold but on insecure incomes. It will also help children at risk of material deprivation, one of four targets set by the Child Poverty (Scotland) Act.

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Through all of this work, we have been acutely aware of the challenges that families in poverty face – we’ve heard loud and clear from parents that they need help as soon as possible. That is why we were delighted to set out our intention to bring forward early payments of the Scottish Child Payment by the end of this parliamentary term. This will start with all eligible children under 6.

Whilst this has the potential to be a transformative measure for children and families, it will take place at a time when we are already undertaking a very ambitious programme of devolved benefits delivery. To be able to deliver, we will need to actively manage a series of significant risks which will be our priority over the coming months. For social security, the early introduction of the Scottish Child Payment will add to an already highly complex and challenging programme of benefits delivery.

Most critically, it will require amendments to the existing timetable for the delivery of the devolved benefits, announced in February. At this stage, that is expected to include that:

- Carers Allowance will be introduced a few months later, in early 2022
- Disability Assistance for Older People will be introduced in 2021 (rather than late 2020)
- Transfer of the majority of existing benefits cases from DWP to Social Security Scotland, is now expected to be complete in 2024, with transfer complete in 2025

We will test these and our other assumptions over the summer as we assess the detailed impact of the new Scottish Child Payment on our plans for delivery of the devolved benefits. We anticipate that there will be implications for our resourcing and supplier arrangements, as well as for Social Security Scotland’s estates and recruitment planning. As with all our benefits, we will also need to work closely with the Department for Work and Pensions and have commissioned DWP officials to work over the summer to assess the expected impact of the Scottish Child Payment on their business processes. We will of course keep the Committee updated on the findings from these assessments.

We are clear that we will not be making any changes to the previously announced schedule for delivery of Disability Assistance for Working Age People (our PIP replacement): this will be introduced in early 2021, as we announced in February.

In taking these decisions, we have sought to reach a position whereby we can deliver an ambitious unique policy which can have a profound impact for children and families, while protecting as far as possible the existing programme of devolved benefits. Critically, this options presents the only viable route to introduce an income supplement early, without jeopardising delivery of the complex disability and carer benefits.

The decision to review our timetable for the introduction of Disability Assistance for Older People was not taken lightly, and involved careful consideration of the stakeholder and user feedback we have received. We know from our research that, although the current application process for the existing Attendance Allowance scheme is not always well received, the vast majority of applications are successful. User research has suggested that most people are broadly supportive of the rules and entitlement criteria for the benefit. This is not the case for PIP, where people with lived experience of the benefit have raised significant concerns about the assessment process, and as such it was critical that we protected delivery of Disability Assistance for Working Age People (our PIP replacement scheme).

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Accordingly we concluded that we must prioritise introducing our PIP replacement service in early 2021, to address the wide-ranging concerns about that benefit, with Disability Assistance for Older People introduced later in that year. Our track record shows how much we support and value older people, and of course we will look to work closely with stakeholders to ensure we are able to reassure people around any concerns they may have.

Clearly, we recognise that some stakeholders may be disappointed by our decision to introduce new claims for Scottish Carers Allowance a few months later, in early 2022 rather than 2021. We have always valued and supported the immense contribution carers make to our society, and we trust our track record shows how highly we prioritise supporting them. It is important to remember that the new Scottish Child Payment will benefit a significant number of carers as well: approximately 20,000 families in Scotland where an adult receives Carer's Allowance could also receive the Scottish Child Payment, once it is fully implemented.

Our ambition for improved support for carers will never waver, and is demonstrated by our introduction of the Carer's Allowance Supplement (which, together with Carer's Allowance, represents an investment in carers by the Scottish Government of £323 million in this financial year alone); our new Young Carer Grant which will be introduced this autumn; and our commitment to introduce higher payments for carers of more than one disabled child by the end of this Parliament, in recognition of the higher costs they face. In taking this decision on our delivery timetable, we have balanced the need to progress as quickly as we can with the introduction of the Scottish Child Payment, while also upholding our commitments to Scotland's Carers and protecting the payments they rely on.

Similarly, by the end of 2022 we will have introduced new claims for all the devolved benefits we are delivering, but the early introduction of the Scottish Child Payment means that it may take a little longer to transfer all benefits existing cases from the Department for Work and Pensions to Social Security Scotland. With the early delivery of the Scottish Child Payment, we would expect to complete the transfer of the majority of cases in 2024, with transfer fully completed in 2025.

If we find during that time that we can safely complete transfer more quickly, then we will do so – but we will not rush this and run the risk that people fall through the gaps, as has happened with previous DWP benefit migrations. We know from our user research with people who rely on these benefits that what matters to them most is that they continue to get the right payment at the right time.

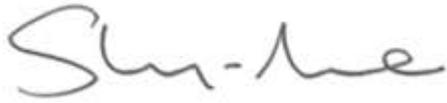
In making this announcement, we have sought to ensure we delivered an income supplement which can have a genuine impact for families, while ensuring we protect the safe and secure delivery of the devolved benefits, and always placing our core principle of dignity and respect at the heart of our decisions. Our assessment of options showed clearly that this was the only one which secured that, and we hope that we can work positively together as we take forward one of the single biggest programmes of social policy under devolution.

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Yours sincerely,



SHIRLEY-ANNE SOMERVILLE



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