

## **Title of Proposal**

The Social Security (Miscellaneous Amendment and Transitional Provision) (Scotland) Regulations 2022

## **Purpose and intended effect**

Scottish Child Payment, Best Start Foods and the 3 Best Start Grant payments – Pregnancy and Baby Payment, Early Learning Payment and School Age Payment - are known collectively as the Five Family Payments (FFP). Delivered by Social Security Scotland, they are five different payments which aim to provide support to low income families with the costs of raising a child.

Scottish Child Payment (SCP) launched on 15 February 2021 and was introduced by the Scottish Government to tackle child poverty for low income families in receipt of reserved benefits. As of 1 April 2022, it pays the equivalent of £20 a week per child every four weeks in arrears to families with no cap on the number of eligible children a family can claim for. SCP is currently paid to families with children under the age of 6 – recognising that, of all children in poverty, almost 60% live in a household where the youngest child is aged under 6, and the early years are key to improving long term outcomes.<sup>1</sup> We are now introducing amendments to allow SCP to be rolled out to children aged 6-15 and to increase the value of SCP to £25 a week. These amendments will also ensure that, in the unfortunate situation where a child to whom a claim relates dies, these amendments will also provide for a payment, equivalent to the value of Scottish Child Payments made in the 12 weeks prior to the child's death, to be made. This will bring the payment closer in line with the reserved benefits which act as qualifying benefits for SCP. Changes will also allow reinstatement of SCP within 12 weeks of effective change, rather than within 12 weeks of original determination.

The Scottish Government has replaced the Sure Start Maternity Grant in Scotland with the Best Start Grant (BSG). The BSG is intended to support eligible families with the additional costs associated with having a child in their early years. It aims to help alleviate material deprivation, tackle inequality, and contribute to closing the educational attainment gap. The grant provides support to low income families at three key transition points in a child's early years.

The BSG consists of 3 payments: Pregnancy and Baby; Early Learning; and School Age. As of 1 April 2022, the Pregnancy and Baby Payment provides £642.35 for a first child and £321.20 for second and subsequent children. An additional payment of £321.20 is payable in the case of a multiple birth. The payment also provides support for people who have had a stillbirth. Both the Early Learning Payment and the School Age Payment provide £267.65 per child.

The amendments we are proposing would introduce auto-award for elements of Best Start Grant to improve take up of Early Learning and School Age Payments and make it easier for eligible families to receive their entitlement. The amendments will also provide new exceptions to the general rule that an individual is only entitled to

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<sup>1</sup> Scottish Government (2010) [Growing Up in Scotland: health inequalities in the early years](#)

the higher Pregnancy and Baby Payment when they are applying in respect of their first child. This will provide greater support for families who are more likely to be starting from scratch without the items that the Pregnancy and Baby Payment is intended to provide. The amendments will also remove the condition for BSG that the child is not looked after by the local authority in residential care. This aligns BSG with both Best Start Foods (BSF) and SCP, which do not have this condition.

The Scottish Government replaced the UK Healthy Start Voucher scheme in Scotland with Best Start Foods (BSF) on 12 August 2019. BSF supports low income families with a pregnant woman and/or a child or children under the age of 3. The payments are delivered via a pre-paid card.

BSF currently provides £18 every four weeks throughout pregnancy, £36 every four weeks from birth until a child turns one to support breastfeeding mothers or help with the costs of providing first infant formula milk, then £18 every four weeks from one until a child turns three.

For both BSF and BSG, the amendments will widen the meaning of surrogacy to ensure that all individuals who are responsible for a child through formal surrogacy arrangements can be classed as having responsibility for the child.

For BSG, BSF, and SCP, the amendments will widen the meaning of kinship care to ensure that, as we roll out Scottish Child Payment to children aged between 6 and 15, all eligible kinship carers who are not related to the child but are known to them and have a pre-existing relationship with the child are included.

The FFP all target support to low income families. For most eligible individuals, qualifying benefits are used as a proxy for means testing. For BSF, there are income thresholds which apply to some of the benefits.

This impact assessment focusses on the impact of the Amendment Regulations on businesses and children and families who will receive any of the Five Family Payments.

## **Background**

The Child Poverty (Scotland) Act 2017<sup>2</sup> sets ambitious interim (2023) and final (2030) targets for the reduction of child poverty, Scottish Ministers are required to publish child poverty delivery plans at regular intervals, with annual reports to measure progress. The first Tackling Child Poverty Delivery Plan (TCPDP)<sup>3</sup> was published in March 2018 and outlined plans up to and including 2022. It set out a range of policies and proposals to help us make strong progress towards the targets. Recognising the key role of social security, the delivery plan committed the Scottish Government to work towards the introduction of an ‘income supplement’ – a new benefit to support families with children – and a ‘new Best Start Grant’ – a new and expanded grant to support families with children on low incomes at key stages during the early years.

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<sup>2</sup> [Child Poverty \(Scotland\) Act 2017](#)

<sup>3</sup> Scottish Government (2018) [Every child, every chance: tackling child poverty delivery plan 2018-2022](#)

SCP was introduced in February 2021 and as of 1 April 2022, pays £20 a week to low income families with eligible children who are in receipt of qualifying reserved benefits. It is a four weekly payment, and there is no cap on the number of eligible children a family may claim for. The payment is delivered through an application based process by Social Security Scotland.

BSG Pregnancy and Baby payment was introduced on 10 December 2018. As of 1 April 2022, it pays £642.35 for a first child and £321.20 for second and subsequent children. An additional payment of £321.20 is payable in the case of a multiple birth. The Early Learning Payment opened for applications on 29 April 2019 and pays £267.65 per child to support child development. The School Age Payment opened for applications on 3 June 2019 and pays £267.65 per child to help with the costs of preparing for school. There is no cap on the number of eligible children a family may claim for.

The Scottish Government replaced the UK Healthy Start Voucher scheme in Scotland with Best Start Foods (BSF) on 12 August 2019. BSF supports low income families with a pregnant woman and/or a child or children under the age of 3. The payments are delivered via a pre-paid card.

BSF currently provides £18 every four weeks throughout pregnancy, £36 every four weeks from birth until a child turns one to support breastfeeding mothers or help with the costs of providing first infant formula milk, then £18 every four weeks from one until a child turns three.

The most recent Tackling Child Poverty Delivery Plan<sup>4</sup> was published in March 2022 and covers the period from 2022-26.

## **Overview of changes being proposed for Five Family Payments (FFP)**

We are amending the regulations to allow SCP to be rolled out to children aged between 6 and 15 and to increase the value of the payment to £25 a week. In the unfortunate situation where a child to whom a claim relates dies, these amendments will also provide for a payment, equivalent to the value of Scottish Child Payments made in the 12 weeks prior to the child's death, to be made. This will bring the payment closer in line with the reserved benefits which act as qualifying benefits for SCP. These qualifying benefits allow a run on of up to 12 weeks run-on of payment in the same circumstances. Changes will also allow reinstatement of SCP within 12 weeks of effective change, rather than within 12 weeks of the original determination.

We want to make changes to BSG in order to:

- introduce auto-award for the Early Learning and School Age Payments for eligible applicants in receipt of SCP, this will reduce the need for applications and increase uptake;
- provide new exceptions to the general rule that an individual is only entitled to the higher Pregnancy and Baby Payment when they are applying in respect of their first child; and

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<sup>4</sup> Scottish Government (2022) [Best Start, Bright Futures: tackling child poverty delivery plan 2022 to 2026](#)

- remove the condition that the child is not looked after by the local authority in residential care.

The amendments will also make changes to both BSG and BSF to update the meaning of surrogacy to mirror changes to the Human Fertilisation and Embryology Act 2008 and ensure that all individuals who are responsible for a child through formal surrogacy arrangements can be classed as having responsibility for the child.

We also want to widen the definition of kinship care across BSG, BSF and SCP to ensure that, as we roll out Scottish Child Payment to children aged between 6 and 15, eligible kinship carers who are not related to the child but are known to them and have a pre-existing relationship with the child are included.

### **Forecasts on the number of new SCP recipients, increased value of SCP and increased uptake for BSG due to auto-award**

More than 400,000 children under 16 are expected to be eligible for the Scottish Child Payment when it is rolled out to eligible children aged 6-15 later this year. We expect 304,000 children to be actively in receipt of the payment in 2022/23.<sup>5</sup>

The Scottish Fiscal Commission forecast that by automatically making awards for the BSG Early Learning and School Age Payments to recipients of Scottish Child Payment, when children reach the appropriate age for the application window, there could be an increase in the take-up rates for those two BSG payments.<sup>6</sup> The following tables show the forecasts for the increases in take-up for BSG Early Learning and School Age Payment and an updated forecast for the increase on SCP and BSG expenditure.

**Table 1 - Take-up rates for BSG Early Learning and School Age Payments**

	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28
BSG Early Learning Payment	74%	80%	90%	90%	90%	90%	90%
BSG School Age Payment	84%	70%	90%	90%	90%	90%	90%

**Table 2 – Illustrative impact on BSG and SCP expenditure**

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28
	£m	£m	£m	£m	£m	£m
SCP increase to £25	30	51	56	57	56	56
Automation of BSG	5	3	2	2	2	2

### **Objectives of the Amendments to the Five Family Payments Regulations**

Rolling out SCP to those with children aged between 6 and 15 will ensure more children can receive the payment. This, together with increasing the payment to £25

<sup>5</sup> Scottish Fiscal Commission (2022) [Scotland's Economic and Fiscal Forecasts – May 2022](#)

<sup>6</sup> Scottish Fiscal Commission (2022) [Scotland's Economic and Fiscal Forecasts – May 2022](#)

a week contributes to the Scottish Government's aim of meeting the child poverty targets outlined in the Child Poverty (Scotland) Act 2017.<sup>7</sup> We expect that the increased Scottish Child Payment of £25 could lift 50,000 children out of poverty, reducing overall child poverty by an estimated 5 percentage points in 2023/24.<sup>8</sup>

Introducing auto-award for the BSG Early Learning and School Age Payments will help ensure eligible families receive their entitlement. Providing new exceptions to the general rule that an individual is only entitled to the higher Pregnancy and Baby Payment when they are applying in respect of their first child, will provide greater support to those who are likely to be starting from scratch, without the items the Pregnancy and Baby Payment is intended to provide. Removing the condition for BSG that the child is not looked after by the local authority in residential care will allow more low income families to benefit from this support. This change aligns BSG with both BSF and SCP, which do not have this condition.

For both BSF and BSG, the amendments will widen the meaning of surrogacy to ensure that all individuals who are responsible for a child through formal surrogacy arrangements can be classed as having responsibility for the child.

Widening the definition of kinship care across the FFP will ensure that, as we roll out SCP to children aged between 6 and 15, eligible kinship carers who are not related to the child but are known to them and have a pre-existing relationship with the child are included.

## **Rationale for Government intervention**

As identified in the first TCPDP,<sup>9</sup> there is a strong rationale for intervention to tackle child poverty and improve children's outcomes. It is estimated that 24% of Scotland's children (240,000 children each year) were living in relative poverty after housing costs in 2017-20.<sup>10</sup> Prior to the outbreak of COVID-19, it was predicted that if no further action were taken to tackle child poverty one in three children in Scotland would grow up in poverty by 2030, damaging society and the economy.<sup>11</sup> The impact of COVID-19 on child poverty levels is still largely unknown, particularly the long term effects on families and our economy, however we know that the impacts have been felt most acutely by the most disadvantaged in our society. Children in low income households tend to experience a range of disadvantages including lower educational attainment and poorer health which will shape their future life. Poverty can have lasting impacts long into adulthood such as increased risk of homelessness, lower earning potential and greater likelihood of limiting illness. The growing evidence in developed economies suggests that gaining additional income has positive causal

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<sup>7</sup> [Child Poverty \(Scotland\) Act 2017](#)

<sup>8</sup> Scottish Government (2022) [Best Start, Bright Futures: tackling child poverty delivery plan 2022 to 2026](#)

<sup>9</sup> Scottish Government (2018) [Every child, every chance: tackling child poverty delivery plan 2018-2022](#)

<sup>10</sup> Scottish Government (2022) [Children's Social Work Statistics, Scotland 2020-21](#)

<sup>11</sup> Scottish Government (2018) [Every child, every chance: tackling child poverty delivery plan 2018-2022](#)

effects on health, behavioural development and educational attainment for children in households at the lower end of income distribution.<sup>12</sup>

The first TCPDP identified three main drivers of child poverty reduction: increasing incomes from work and earnings; reducing household costs; and maximising incomes from social security and benefits in kind.<sup>13</sup> As a result, social security was identified as one of the most immediate ways to boost family incomes utilising the new social security powers under the Social Security (Scotland) Act 2018.<sup>14</sup> The COVID-19 pandemic has only increased the importance of using the devolved social security powers to tackle child poverty, with early data showing an increased reliance on the social security system.

The extension to the eligibility criteria for SCP will provide additional financial support to parents of children aged 6-15 and will increase the level of support for all recipients of Scottish Child Payment from £20 a week per eligible child to £25. This support is specifically targeted at low income families. Scotland is the only part of the UK to offer this type of support.

In the unfortunate situation where a child to whom a claim relates dies, these amendments will also provide for a payment, equivalent to the value of Scottish Child Payments made in the 12 weeks prior to the child's death, to be made. This will bring the payment closer in line with the reserved benefits which act as qualifying benefits for SCP.

Introducing auto-award for elements of BSG will make it easier for eligible families to receive their entitlement.

Providing new exceptions to the general rule that an individual is only entitled to the higher Pregnancy and Baby Payment when they are applying in respect of their first child, will provide greater support for families who are more likely to be starting from scratch without the items that the Pregnancy and Baby Payment is intended to provide.

Removing the condition for BSG that the child is not looked after by the local authority in residential care allows more low income families to benefit from this support. This change aligns BSG with both BSF and SCP, which do not have this condition.

Widening the meaning of surrogacy for both BSG and BSF will ensure that all individuals who are responsible for a child through formal surrogacy arrangements can be classed as having responsibility for the child and therefore allows more low income families to benefit from this support.

Widening the meaning of kinship care for BSG, BSF, and SCP will ensure that, as we roll out Scottish Child Payment to children aged between 6 and 15, all eligible

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<sup>12</sup> Cooper & Stewart, Centre for Analysis of Social Exclusion (2017) [Does money affect children's outcomes? an update](#)

<sup>13</sup> Scottish Government (2018) [Every child, every chance: tackling child poverty delivery plan 2018-2022](#)

<sup>14</sup> [Social Security \(Scotland\) Act 2018](#)

kinship carers who are not related to the child but are known to them and have a pre-existing relationship with the child are included.

The FFP policies are supportive of the National Outcomes in the Scottish Government’s National Performance Framework.<sup>15</sup>

<b>National Outcome</b>	<b>Impact of changes</b>
Children and Young People: we grow up loved, safe and respected so that we realise our full potential	SCP and BSG are flexible payments that can be used to best meet the needs of the eligible child. For example, it can be used to fund hobbies and interests that help them realise their potential.
Poverty: we tackle poverty by sharing opportunities, wealth and power more equally	Social security has been identified as one of the most effective and immediate ways to boost family incomes.
Human Rights: we respect, protect and fulfil human rights and live free from discrimination	The principles, legislated within the Social Security Act (2018), enshrine social security as a human right. <sup>16</sup>
Education: we are educated, skilled and able to contribute to society	The BSG Early Learning and School Age Payments are paid around the time a child starts nursery or school. These payments can be used to fund nursery and school trips and educational toys.
We are healthy and active	There is evidence of the impact of diet in the early years on longer term outcomes. Research has shown that early educational attainment is negatively correlated with poor diet at home before the age of three. BSF is designed to support low income families with a pregnant woman and/or a child or children under the age of 3 to buy healthy foods.

The provision of financial resources to low income families with children under 16 contributes to the aim of having a fairer and more equal society as set out in Scotland’s Strategy for economic transformation.<sup>17</sup> The FFP are an investment in children ensuring they grow up to be well-skilled, healthy and resilient.

## Consultation

### Within Government

There has been policy engagement with stakeholders throughout the development of the FFP and since launch. Consultation in relation to the amended regulations have included Scottish Government colleagues from Social Security Analysis, Forecasting and Evaluation and Director General Economy. As part of the consultation with

<sup>15</sup> Scottish Government [National Performance Framework - National Outcomes](#)

<sup>16</sup> [Social Security \(Scotland\) Act, Part 1 Section 1](#)

<sup>17</sup> Scottish Government (2022) [Scotland's National Strategy for Economic Transformation](#)

Director General Economy we held a meeting with Retail and Cities policy, who could not identify any negative impacts on retail interests as a result of introducing the amended regulations.

### **External Stakeholders**

We have also consulted with external stakeholders throughout the development of FFP and since launch. This has included workshops with anti-poverty organisations, think tanks, local authorities and academia to develop the policy and delivery model for them. We have held one to one meetings and attended a number of member events organised by the Scottish Campaign for Welfare Reform, the Social Security Consortium in Scotland and the Poverty Alliance, amongst others. These events have been designed to seek views on the policy for the FFP, identify any barriers towards claiming and consider how we can best maximise uptake of the benefit.

We also hosted a series of events and meetings to consider the impact of the FFP on those with protected characteristics, including on young people. We engaged with Fife Gingerbread; Young Scot; Inclusion Scotland; CEMVO Scotland; Engender; Scottish Women's Aid; Families Outside; Shakti; and religious groups.

The Cabinet Secretary for Social Security and Older People hosted a stakeholder roundtable in January 2020 in relation to SCP, which was an open discussion with key stakeholders allowing them to ask questions about the policy and delivery of the benefit. The Cabinet Secretary for Social Justice, Housing and Local Government held an additional roundtable with stakeholders in August 2021.

We consulted with Scottish Women's Aid and Safelives in relation to the proposal to amend regulations to provide a new exception to the general rule that an individual is only entitled to the higher Pregnancy and Baby Payment when they are applying in respect of their first child for those who have been forced to leave the home with a child or children due to domestic abuse. The feedback received was broadly positive and it was highlighted that women, whose earnings are often limited when pregnant or looking after a young child, frequently have no financial means to leave home when they are experiencing abuse.

We have also held a number of meetings with our FFP reference group, which is made up of a number of key stakeholders with an interest in the policy area, including Child Poverty Action Group, Citizens Advice Scotland, Engender and a number of other groups. At our meeting in January 2022, we provided the reference group with an overview of our proposed changes. The overall feedback we received was positive.

We have consulted with the Scottish Fiscal Commission who have provided forecasts for the increases in take-up for BSG Early Learning and School Age Payment and an updated forecast for the increase on SCP and BSG expenditure (see Tables 1 and 2 above).

Private businesses have not been consulted directly as it is expected that the amendments to FFP regulations will not have a negative impact on their interests, as outlined in our consultation with Scottish Government Retail and Cities policy colleagues.



## Options

The 2018 TCPDP set out the range of actions being undertaken to reach the child poverty reduction targets set out in the Child Poverty (Scotland) Act 2017. If no actions were taken, it is estimated that one in three children in Scotland would grow up in poverty by 2030, damaging society and the economy.<sup>18</sup>

The options we currently have in relation to amending FFP regulations are as follows:

1. Do nothing – Leave the FFP as they are currently and not make any changes.  
– This would mean we fail to deliver on the ministerial commitment to roll SCP out to older children.
2. Proceed with The Social Security (Miscellaneous Amendment and Transitional Provision) (Scotland) Regulations 2022.

## Benefits of amending FFP policies

The automation of Early Learning Payment and School Age Payment awards was seen as something which could help overcome some of the accessibility issues which make delivering advice and support more difficult in island and remote rural areas. Auto-award can also remove barriers for those who are not aware of their entitlement, those who do not speak English as a first language, and ensures low income families receive their entitlement.

Social security payments have wider benefits of boosting local economies as result of spend in local shops and businesses, supporting responsible social behaviours and positively impacting health outcomes.

Providing new exceptions to the general rule that an individual is only entitled to the higher Pregnancy and Baby Payment when they are applying in respect of their first child, will support potentially vulnerable groups of people, such as refugees and domestic abuse survivors forced to leave the home and positively impact upon the economy with the additional spend.

Widening the definition of a kinship carer for all FFP, updating the meaning of surrogacy for BSG and BSF and removing the condition that the child is not looked after by the local authority in residential care for BSG could increase eligibility - leading to additional spend in the economy.

Expanding the eligibility criteria for SCP will ensure that more families can benefit from the payment and will contribute to reducing overall child poverty in Scotland, which is part of the Scottish Government's strategic aims. Increasing the value of the payment will provide greater financial support to eligible families and positively impact upon the economy with the additional spend. The other amendments to the Scottish Child Payment regulations will ensure we can provide additional support

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<sup>18</sup> Scottish Government (2018) [Every child, every chance: tackling child poverty delivery plan 2018-2022](#)

where there is a death of a child. This will help provide additional support at a time where families will be particularly vulnerable.

### **Sectors and groups affected**

The FFP aim to provide support to low income families and families living in poverty, including marginalised and seldom heard groups. It is envisioned that by giving families additional funds, which can be spent on any number of essential or non-essential items such as food, childcare, travel etc., there will be a positive effect on wellbeing within deprived communities. This could further extend to money being spent in local economies thereby creating a more stable environment for businesses. The expected expenditure on the FFP are set out in the SFC forecasts.<sup>19</sup>

A further positive economic impact has been the creation of employment opportunities with Social Security Scotland as a result of the FFP.

### **Eligibility**

We started paying SCP to eligible families with children under the age of 6. We are now introducing amendments to extend eligibility to those with a child aged between 6 and 15. The qualifying benefits for SCP are:

- Child Tax Credit
- Universal Credit
- Income Support
- Pension Credit
- Working Tax Credit
- Income-based Jobseeker's Allowance
- Income-related Employment and Support Allowance

BSG provides support to low income families with a pregnant woman and/or young child or children who are in receipt of a qualifying benefit. The qualifying benefits are the same as for SCP, with the addition of Housing Benefit. Under 18s are automatically entitled to BSG without the need for a qualifying benefit. This is also true for 18 and 19 year olds who are still dependent on someone who is either receiving benefits for them or is a kinship carer for them.

BSF provides support to low income families with a pregnant woman and/or young child or children. The qualifying benefits are as follows:

- Child Tax Credit, if not in receipt of Working Tax Credit – relevant income must be less than £17,005 per year
- Universal Credit – income from working must be less than £660 a month, after tax and National Insurance
- Income Support
- Pension Credit
- Child Tax Credit and Working Tax Credit – relevant income must be less than £7,920 per year
- Income-based Jobseeker's Allowance
- Income-related Employment and Support Allowance
- Housing Benefit – relevant income must be less than £328 a week

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<sup>19</sup> Scottish Fiscal Commission (2022) [Scotland's Economic and Fiscal Forecasts – May 2022](#)

Pregnant women who are under 18 and their partners are automatically entitled to BSF, without the need for a qualifying benefit. This is also true for parents who are under 18 and have a child who is under 1. Where a pregnant woman is under 18 and her or her partner are in receipt of BSF they continue to be eligible for BSF without the need for a qualifying benefit once the pregnant woman turns 18 up until their child turns one.

There is a 12 week period during which people would stay on Social Security Scotland's systems and would not have to reapply for SCP or BSF, instead they can notify Social Security Scotland if they subsequently come back into a qualifying benefit or child responsibility benefit entitlement.

### **Application process**

We have committed to a multi-channel approach for the FFP as with the other devolved benefits with applications taken online, over the phone or on a paper form. We have already introduced a single application form to apply for the FFP to make it easier to apply and increase uptake. The introduction of auto-award for the Early Learning and School Age Payment for eligible families in receipt of SCP will build on this work and ensure more families receive their entitlement.

In addition, local delivery is the face to face channel of Social Security Scotland, providing pre-claim support to clients accessing the Scottish benefits system.

### **Entitlement to other Social Security support**

It has been agreed with the UK Government through the Fiscal Framework that any new benefits or discretionary payments introduced by the Scottish Government, which provide additional income for a recipient, will not affect their entitlement elsewhere in the UK benefit system.

### **Scottish Firms Impact Test**

There has been extensive engagement with a wide range of stakeholders throughout FFP development to understand the impact of the policy on the third sector and the groups they represent. We have held one to one meetings and attended a number of member events including with: the Scottish Campaign for Welfare Reform; the Social Security Consortium in Scotland; the Poverty Alliance; Inclusion Scotland; Fife Gingerbread; Who Cares?; CEMVO Scotland; religious groups; Engender; Women's Aid; and Shakti Women's Aid.

The Cabinet Secretary for Social Security and Older People hosted a stakeholder roundtable in January 2020 in relation to SCP, which was an open discussion with key stakeholders allowing them to ask questions about the policy and delivery of the benefit. The Cabinet Secretary for Social Justice, Housing and Local Government held an additional roundtable with stakeholders in August 2021.

It is expected that the rollout of SCP to families with children aged between 6 and 15 could cause additional requests for information and support from existing advice services. In recognition of the work that they do the Scottish Government has

committed in its second Benefit Take up Strategy<sup>20</sup> to provide £10 million of funding over this parliamentary term to increase access to advice services to maximise incomes, tackle the poverty penalty and improve wellbeing. This will be in accessible settings, for example schools, with a focus on families.

As part of this, the Scottish Government has committed £3.17 million over two years to placing money advisors in up to 150 GP practices in some of Scotland's most deprived areas. Evidence has shown that money and welfare advisors in health centres often reach people who do not engage with traditional advice services.

Local delivery is the face to face channel of Social Security Scotland, providing pre-claim support to clients accessing the Scottish benefits system. The Local Delivery service is made up of specially trained Client Support Advisers who are based within every local authority area in Scotland including our Island communities. The Local Delivery Relationship Leads have built close relationships with Local Authorities, Health & Social Care and Third Sector agencies creating opportunities to co-locate agency staff and deliver a service that is tailored to meet the differing needs of each individual area.

For example, in the Western Isles Local Delivery are co-located with Comhairle nan Eilean Siar, in Orkney with Skills Development Scotland, in Shetland with the NHS and in Argyll & Bute they have community outreach locations with LiveArgyll. Clients can book an appointment to meet with an adviser at a venue within their local community or at their home and are also able to request video call or telephone appointments.

### **Competition Assessment**

The Scottish Government does not believe that the amendments to the FFP will have an adverse impact on the competitiveness of Scottish companies or the third sector within Scotland, the UK, or elsewhere in Europe or the rest of the world. These benefits do not directly or indirectly limit the number of suppliers, nor do they limit the ability of suppliers to compete or reduce suppliers' incentives to compete vigorously. Additionally, the Scottish Government have reached out to advice groups such as Child Poverty Action Group, One Parent Families Scotland and Citizens Advice Scotland and does not expect there to be any significant impact on the operational business of local authorities or health boards as a result of introducing the amendments to the Five Family Payments.

Any procurement required to support the administration of the Five Family Payments will be subject to the Public Contracts (Scotland) 2015 Regulations<sup>21</sup> and the Procurement Reform (Scotland) Act 2014<sup>22</sup> which together provides a national legislative framework for sustainable public procurement. The Regulations and the Act provide the statutory foundations for the Scottish Model of Procurement.

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<sup>20</sup> Scottish Government (2021) [Social Security \(Scotland\) Act 2018: benefit take-up strategy - October 2021](#)

<sup>21</sup> [The Public Contracts \(Scotland\) 2015 Regulations](#)

<sup>22</sup> [The Procurement Reform \(Scotland\) Act 2014](#)

Will the measure directly or indirectly limit the number or range of suppliers?	No
Will the measure limit the ability of suppliers to compete?	No
Will the measure limit suppliers' incentives to compete vigorously?	No
Will the measure limit the choices and information available to consumers?	No

### Business forms

No new business forms will be brought in with the implementation of the proposed amended regulations. It will be possible to make applications online, by post or by telephone. Support from Social Security Scotland will also be available in all local authority areas through their Local Delivery service.

### Consumer Assessment

The Scottish Government does not believe that the amendments to the Five Family Payments regulations will have an adverse impact on children/families or any other consumer either within Scotland, the UK, or elsewhere in Europe or the rest of the world. Social Security Scotland has published Our Charter,<sup>23</sup> detailing the service clients can expect from them.

Does the policy affect the quality, availability or price of any goods or services in a market?	No
Does the policy affect the essential services market, such as energy or water?	No
Does the policy involve storage or increased use of consumer data?	No
Does the policy increase opportunities for unscrupulous suppliers to target consumers?	No
Does the policy impact the information available to consumers on either goods or services, or their rights in relation to these?	No
Does the policy affect routes for consumers to seek advice or raise complaints on consumer issues?	No

### Digital Impact Test

Does the measure take account of changing digital technologies and markets?	We have committed to a multi-channel approach for the FFP as with the other devolved benefits with applications taken online, over the phone or on a paper form. This offers options for those with digital access and for those who find it more challenging.
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<sup>23</sup> Social Security Scotland (2019) [Our Charter](#)

<p>Will the measure be applicable in a digital / online context?</p>	<p>FFP will be available in a digital/online context, including an online application channel. Guidance material advising on who may or may not be eligible will also be available online. Further information on the FFP policies are already available on the Scottish Government website. This allows potential applicants to access information on the benefits quickly and easily. We will also ensure information is available in other formats for people who may find it difficult to access information online.</p>
<p>Is there a possibility the measure could be circumvented by digital / online transactions?</p>	<p>We recognise the value of automating SCP payments, and considered whether a data feed from DWP to SG confirming client eligibility digitally and payments being made automatically was feasible. However, automation of this sort is complex, time-consuming, and technically challenging – and simply isn't possible without affecting our planned delivery schedule. We are committed to exploring the feasibility of automated payments after the full roll out of the under 16s payment.</p> <p>We will be auto-awarding the Early Learning and School Age Payments elements of the BSG as a result of the amended regulations.</p>
<p>Alternatively, will the measure only be applicable in a digital context and therefore may have an adverse impact on traditional or offline businesses?</p>	<p>No, the service will be available by telephone, paper form and face to face through the Social Security Scotland Local Delivery service.</p>
<p>If the measure can be applied in an offline and online environment will this have any adverse impact on incumbent operators?</p>	<p>No adverse impacts have been identified on incumbent operators at this stage of the impact assessment.</p>

### Legal Aid Impact Test

Someone who has applied for SCP or BSG but whose application has been unsuccessful will be able to ask Social Security Scotland for a re-determination without having to supply further evidence. Social Security Scotland will, however, take into consideration any new evidence provided. The timescales for requesting a re-determination and the time period allowed for the agency to complete the re-determination is set out in the original regulations for SCP<sup>24</sup> and BSG.<sup>25</sup> If the

<sup>24</sup> [The Scottish Child Payment Regulations 2020](#)

<sup>25</sup> [The Early Years Assistance \(Best Start Grants\) \(Scotland\) Regulations 2018](#)

individual is dissatisfied with the re-determination outcome, they can appeal to the First-tier Tribunal. Advice and assistance is available to enable solicitors to provide initial advice on social security appeals. Assistance in the form of representation is not available, but this is available for an onward appeal to the upper tribunal dependent on eligibility. Legal assistance through the statutory scheme of Advice and Assistance, and Advice by Way of Representation will continue. Any impact on legal aid of the extension of eligibility for SCP to children aged between 6 and 15 is expected to be minimal, as this is a top up benefit so individuals will already be engaged with the benefits system prior to applying for SCP.

In the majority of cases those applying for BSG will also be in receipt of a qualifying benefit, except for those under the age of 18 or those who are 18 or 19 and named on someone else's benefit claim. As those aged under 18 do not require a qualifying, reserved benefit to be eligible for BSG, we have sought and received agreement from the UK Government that for BSG Pregnancy and Baby Payment, individuals who are under 18 and have no recourse to public funds are able to receive support. We expect the numbers receiving BSG Pregnancy and Baby Payment who have no recourse to public funds to be small.

In the majority of cases, those applying for BSF will also be in receipt of a qualifying benefit. However, pregnant women who are under 18 and their partners are automatically entitled to BSF, without the need for a qualifying benefit. This is also true for parents who are under 18 and have a child who is under 1. Where a pregnant woman is under 18 and her or her partner are in receipt of BSF they continue to be eligible for BSF without the need for a qualifying benefit once the pregnant woman turns 18 up until their child turns one. Furthermore, pregnant women who are 18 or 19 and a dependent can be eligible on the basis of the person responsible for them receiving a qualifying benefit. Where this is the case, the pregnant woman's partner is also eligible. Parents of an eligible child who are 18 or 19 and a dependent, can similarly be eligible on the basis of the person responsible for them receiving a qualifying benefit.

All applicants to BSF have the ability to request a review of any decision made on their claim and details of this are laid out in Social Security Scotland operational guidance. This is not included in BSF legislation and should have no further impact on legal aid. We have enacted legislation to ensure that SCP is disregarded as income when applying for legal aid.

### **Enforcement, sanctions and monitoring**

We have not been made aware of any new burdens for businesses, local government or the third sector generated by these amended regulations in regards to enforcement, sanctions or monitoring.

The Scottish Government has established the independent Scottish Commission on Social Security (SCoSS) who have provided independent scrutiny of the amended FFP regulations.<sup>26</sup> The Scottish Government will publish a response to the report and their recommendations.

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<sup>26</sup> Scottish Commission on Social Security (2022) [Best Start Foods, Best Start Grants and Scottish Child Payment \(Miscellaneous Amendments\) Regulations 2022: scrutiny report](#)

The Social Security (Scotland) Act 2018<sup>27</sup> places a duty on the Scottish Ministers to report annually to the Scottish Parliament on the performance of the Scottish Social Security System during the previous financial year. The report is to describe what the Scottish Ministers have done in that year to meet the expectations on them set out in the Charter.

We have established a stakeholder take-up reference group. This group comprises key individuals and organisations representing academic, third-sector, and local authority interests. It is designed so that members can bring their experience, expertise, and extensive networks to bear in supporting the implementation and monitoring of the first Benefit Take-up Strategy, as well as feeding into the development of the second and subsequent strategies.

Audit Scotland will monitor and report on the delivery of the social security system, including Social Security Scotland.

We have also committed to reviewing the FFP during the course of the current TCPDP<sup>28</sup> (2022-2026) and will continue to work closely with stakeholders, and people with experience of the benefits, to ensure that support is targeted at those families that need it most.

### **Implementation and delivery plan for The Social Security (Miscellaneous Amendment) (Scotland) Regulations 2022**

The Child Poverty (Scotland) Act 2017<sup>29</sup> sets out child poverty reduction targets and the TCPDP<sup>30</sup> commits to BSG, BSF and SCP as three of the measures to reach those targets. The Social Security (Scotland) Act 2018<sup>31</sup> provides the overarching framework to provide early years assistance in the form of BSG and SCP. BSF is not currently included in the Social Security (Scotland) Act 2018 and is delivered through the Welfare Foods (Best Start Foods) (Scotland) Regulations 2019,<sup>32</sup> made under the Social Security Act 1988. The proposed amendments to the FFP will be implemented through the Social Security (Miscellaneous Amendment and Transitional Provision) (Scotland) Regulations 2022 using powers in the both the 2018 Act and the 1988 Act.

Between launching in December 2018 and 31 May 2022, we have authorised more than 233,000 Best Start Grant and Best Start Foods applications and £88 million has been paid to low income families.<sup>33</sup>

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<sup>27</sup> [Social Security \(Scotland\) Act 2018](#)

<sup>28</sup> Scottish Government (2022) [Best Start, Bright Futures: tackling child poverty delivery plan 2022 to 2026](#)

<sup>29</sup> [Child Poverty \(Scotland\) Act 2017](#)

<sup>30</sup> Scottish Government (2022) [Best Start, Bright Futures: tackling child poverty delivery plan 2022 to 2026](#)

<sup>31</sup> [Social Security \(Scotland\) Act 2018](#)

<sup>32</sup> [The Welfare Foods \(Best Start Foods\) \(Scotland\) Regulations 2019](#)

<sup>33</sup> Scottish Government (2022) [Best Start Grant and Best Start Foods: high level statistics to 31 May 2022](#)



SCP official statistics were released on 31 May 2022<sup>34</sup> and provide an up-to-date analysis of benefit uptake. These statistics confirmed 157,755 applications were received from 9 November 2020 to 31 March 2022. A single application form can include all the children in the household thought to be eligible. These statistics show that over this time period, Social Security Scotland had processed 148,170 applications for SCP and of these 86% had been authorised. The statistics also show that as of March 2022 the total value of Scottish Child Payments issued to clients since the launch was £58.6 million.

The FFP are delivered by the Social Security Scotland, in collaboration with the wider Scottish Government and key stakeholders, through an application based process.

Since Spring 2021, BSG, SCP and BSF have been promoted as part of the overarching FFP campaign. This is a promotional marketing campaign focused on the package of support available to low income families, which includes the three BSG payments, BSF and SCP. This includes television, radio, print and digital advertising. The roll out of SCP to children aged between 6 and 15 will be included in the overarching FFP campaign.

Furthermore, a communications and engagement strategy has been developed ahead of the launch of the changes we are making to the FFP. This aims to ensure that families who are eligible, the third sector, local government, education sector and advice providers are aware of the changes, know how to apply and understand the eligibility criteria. Communications and engagement are tailored to make sure we are reaching seldom heard groups.

## **Summary and recommendation**

In summary, the Scottish Government has identified evidence that the amendments to the FFP regulations will contribute an additional investment into the Scottish economy. It is anticipated that these funds will be used to pay for goods and services. Therefore businesses could benefit from the amendments to the FFP. Any impact to businesses of the amendments to the FFP regulations should be positive.

The Scottish Government have worked closely with stakeholders to identify any potential negative consequences of amending the FFP policies and will continue to do so until the amendments to the FFP regulations are implemented and will continue to monitor the success of the FFP policies after the regulations have been amended.

It has been a longstanding commitment that we will extend SCP to those responsible for children aged 6-15 by the end of this year. These regulations enable that extension. We have also taken the opportunity to make a number of other improvements to the FFP.

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<sup>34</sup> Scottish Government (2022) [Scottish Child Payment: high level statistics to 31 March 2022](#)

We consider that combining these with the legislation to extend SCP eligibility is the most effective and timely way to make these improvements and ensure the payments deliver in the best way possible for the people of Scotland.

The available evidence shows that there is a strong case to amend the current regulations. This will allow us to extend the financial assistance to qualifying families with children aged 6-15, auto-award aspects of the BSG and provide greater support to families living in poverty.

### Summary costs and benefits table

Option 2 - Proceed with The Social Security (Miscellaneous Amendment and Transitional Provision) (Scotland) Regulations 2022 is being recommended.

<b>Option</b>	<b>Benefits: - economic, environmental, social</b>	<b>Costs: - economic, environmental, social - policy and administrative</b>
1 – Do Nothing	No additional expenditure for SCP and BSG by not making amendments to the regulations.	<p>Reputational costs to the Scottish Government by not meeting the Ministerial commitment to roll out SCP to parents of children aged 6-15.</p> <p>If roll out does not happen 224,000 additional children forecast to benefit due to the roll out of SCP to parents of children aged 6-15, will miss out on SCP. This will impact upon the Scottish Government’s aim of meeting the child poverty targets as outlined in the Child Poverty (Scotland) Act 2017.</p> <p>If the increase to £25 per child per week, which has the potential to lift 50,000 children out of poverty, reducing overall child poverty by an estimated 5 percentage points in 2023/24 does not happen this would be a reputational cost to Scottish Ministers by not delivering on their commitment in the second Tackling Child Poverty Delivery Plan, ‘Best Start, Bright Futures’.</p> <p>Not introducing auto award of the BSG Early Learning and School Age Payments could lead to eligible families not receiving their entitlement. There would also be reputational costs of not delivering on</p>

		<p>commitments. The Scottish Government stated in the 2021-22 Programme for Government that the possibility of auto award for devolved social security benefits would be explored, to maximise take up. The Scottish Government also committed to introducing these auto-awards in the most recent TCPDP.<sup>35</sup></p> <p>Potentially vulnerable cohorts, such as refugees and women forced to leave home as a result of domestic abuse, will not receive the higher rate of the BSG Pregnancy and Baby Payment. The higher rate is designed to help those starting from scratch.</p> <p>Additional spend that these measures will introduce will not be spent in the economy.</p>
2	<p>224,000 additional children forecast to benefit due to the roll out of SCP to parents of children aged 6-15, will receive SCP. This will impact positively on the Scottish Government's aim of meeting the child poverty targets as outlined in the Child Poverty (Scotland) Act 2017.</p> <p>The increase in the value of SCP to £25 per eligible child per week, could lift 50,000 children out of poverty, reducing overall child poverty by an estimated 5 percentage points in 2023/24. This delivers on the commitment in the second Tackling Child Poverty Delivery Plan, 'Best Start, Bright Futures'.</p> <p>Introducing auto award of the BSG Early Learning and School Age Payments will ensure eligible families receive their entitlement. This can also help</p>	<p>The most recent Scottish Fiscal Commission forecasts in relation to Five Family Payments spend can be found <a href="#">here</a>.</p> <p>The Scottish Fiscal Commission are providing a Supplementary Costing to sit alongside the regulations. This accounts for the launch date of the roll out of SCP to 6-15 year olds and the increase to £25 per eligible child, per week from 14 November which is earlier than SFC had forecast this change taking effect. The Supplementary Costing will be available on their website from the date on which the regulations are laid in parliament.</p>

<sup>35</sup> Scottish Government (2022) [Best Start, Bright Futures: tackling child poverty delivery plan 2022 to 2026](#)

	<p>the Scottish Government meet their 2021-22 Programme for Government commitment to explore the possibility of auto award for devolved social security benefits would be explored, to maximise take up.</p> <p>Potentially vulnerable cohorts, such as refugees and women forced to leave home as a result of domestic abuse, will receive the higher rate of the BSG Pregnancy and Baby Payment. The higher rate is designed to help those starting from scratch.</p> <p>Additional spend in the economy as a result of introducing the rollout of SCP to SCP to parents of children aged 6-15, auto award of BSG Early Learning and School Age Payments and awarding the higher rate of BSG Pregnancy and Baby Payment to potentially vulnerable cohorts.</p>	
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### **Declaration and publication**

I have read the Business and Regulatory Impact Assessment and I am satisfied that (a) it represents a fair and reasonable view of the expected costs, benefits and impact of the amended regulations, and (b) that the benefits justify the costs. I am satisfied that business impact has been assessed with the support of businesses in Scotland.

Signed: Ian Davidson, Deputy Director, Social Security Policy Division  
Date: 31 August 2022

Scottish Government Contact point: Kai Stuart

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