



MSP BRIEFING - Scottish Government Debate: Update on Delivery of Social Security Benefits.

26/5/22

The Child Poverty Action Group (CPAG) in Scotland works for the one in four children in Scotland growing up in poverty. We collect evidence from families living in poverty and campaign for solutions to bring about a society where children have a fair chance in life free from hardship. We provide training, advice and information on social security to frontline workers to make sure families get the financial support they need.

Scotland has legally binding child poverty targets enshrined in the Child Poverty (Scotland) Act 2017 with cross party support. Investment in social security is essential to meeting these targets. We welcome the current investment in social security and the use of Scotland's social security powers to directly tackle child poverty. These will change the trajectory of child poverty in Scotland. But there is more to be done. Families need help now. Further investment is needed to support families through the cost of living crisis, lift more families out of poverty and help those in deepest poverty.

Key Points

- The introduction of the Scottish Child Payment and subsequent increases to its value are a hugely welcome use of Scottish social security powers to directly tackle child poverty. The payment is already making a real difference to families and will shift the trajectory on child poverty. The value and reach of the payment must now be kept under close review to ensure it is sufficient to help meet the statutory child poverty targets in 2024 and 2030. Further increases to the value of the payment will be needed.
- It is vital that the value of Scottish child payment bridging payments are doubled in line with the April doubling of the Scottish child payment. In the context of the cost of living crisis this would be a straightforward way to get additional cash support to more of the lowest income families in Scotland.
- To successfully mitigate the benefit cap in line with policy intent the Scottish government must publish Scottish specific discretionary housing payment guidance for local authorities as matter of priority.
- The Scottish Government now needs to also consider how the two-child limit could be mitigated in Scotland. This could lift between 15,000 – 20,000 children out of poverty
- It is vital that social security primary legislation, regulation and guidance is developed in such a way that rights to social security are protected and enhanced
- To help maximise benefit take up practical solutions to both the legal and technical barriers to data sharing between delivery agencies must now be found to ensure families get all the support they need

- Analysis for CPAG shows that Scottish policies will reduce the cost of a child in Scotland by up to 31% (£24,000) for lower income families in comparison with elsewhere in the UK¹. Despite this a family with two children in Scotland getting means-tested benefits still falls 30% short of meeting their needs, and thousands of children still live in households where they are unable to afford the basic essentials. There is more to be done.

Scottish child payment / bridging payments

The doubling of Scottish child payment in April this year and the announcement of a further £5 a week increase to the Scottish child payment by end of 2022² is and will make a big difference to struggling families across Scotland at a time when the cost of living is rising. **The value and reach of the payment must now be kept under close review to ensure it is sufficient to help meet the statutory child poverty targets in 2024 and 2030. Further increases to the value of the payment will be needed.**

Scottish child payment is currently available for children under the age of 6, with full roll out to all children under the age of 16 expected by the end of this year. In the meantime, families who are entitled to free school meals are receiving bridging payments.³ These payments provide support for families whilst they wait for the full roll out, but when the Scottish child payment was doubled no extra funding was provided to double the bridging payments. This means parents of children over 6 are missing out on equivalent of £10 per week. **The value of the bridging payments must be increased from the next payment in August, bringing support in line with Scottish child payment.**

The benefit cap and the two child limit.

There is clear evidence that the UK government benefit cap and the two-child limit are causing real hardship and pushing families further into poverty⁴. The Scottish government's commitment to work with local authorities to better mitigate the cap⁵ will be welcomed by the 4000 families affected in Scotland, many in the deepest poverty. Evidence submitted to CPAG's Early Warning System highlights that the use of discretionary housing payments (DHPs) to mitigate the benefit cap at present is inconsistent.⁶ Claimants complain of long processing times (in one case of six months) and of increased anxiety of having to make repeat applications, not knowing whether a DHP will be granted or not. **These issues must be addressed in order to successfully mitigate the benefit cap. The Scottish government must publish Scottish specific DHP guidance for Scottish local authorities as a priority.**

In order to maximise the impact of the Scottish child payment the Scottish Government now needs to also consider how the two-child limit could be mitigated in Scotland. This could lift between 15,000 – 20,000 children out of poverty

¹ <https://cpag.org.uk/policy-and-campaigns/report/cost-child-scotland-2022>

² <https://www.gov.scot/news/tackling-child-poverty-delivery-plan-2022-26/>

³ <https://www.mygov.scot/scottish-child-bridging-payments>

⁴ <https://largerfamilies.study/about>

⁵ The benefit cap reduces the amount of housing support available to some claimants, almost all of whom are families with children. For more information on the impact of the benefit cap see <https://cpag.org.uk/topic/benefit-cap>

⁶ <https://cpag.org.uk/policy-and-campaigns/consultation-response/response-scottish-government-consultation-housing-2040>

Disability and carers benefits

The development of disability and carers benefits is an opportunity to further enhance support for families at particular risk of poverty and shape the nature of the Scottish social security system. This is a unique opportunity to create a system that enhances the right to social security. Specifically we urge the Scottish parliament to:

- ensure social security primary legislation, regulation and guidance is developed in such a way that rights to social security are protected and enhanced
- ensure that the planned Scottish government review of adult disability looks at all aspects of disability assistance; looks at the effectiveness of the legislative approach that has been taken; and is evidence based, using data gathered from the system in Scotland, claimants and partner organisations.

Take-up

Take-up of Scottish social security will be critical. Take up of Scottish child payment in particular must be maximised. Changes need to be put in place to ensure all families get the support they need and are entitled to. Take up can be increased by ensuring data on eligible families is shared between Social Security Scotland and local authorities, aligning eligibility criteria across the range of low income benefits and understanding and dismantling the barriers that some families face when accessing support. We welcome the commitment in 'Best Start, Bright Futures: tackling child poverty delivery plan 2022 to 2026' to explore data sharing to tackle child poverty. **Practical solutions to both the legal and technical barriers to data sharing must now be found to ensure families can get the supports they need.**

We welcome the Scottish government's commitment to aligning eligibility for Best Start foods with Scottish child payment and Best Start grants with a view to automation.⁷ We note and welcome the increase to the income threshold for free school meals. However, entitlement to free school meals and school clothing grants is dependent on receipt of universal credit and having earnings below a specified threshold. If the eligibility criteria across all of these benefits was aligned it would increase the possibility of an application for one of these benefits being treated as an application for all of them and to automate entitlement to the other payments. This would improve take up, increase families' incomes and decrease the complexity of the benefit system.

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⁷ <https://www.gov.scot/news/tackling-child-poverty-delivery-plan-2022-26/>