

PE1677/A

Scottish Government submission of 2 March 2018

Thank you for your letter of 5 February 2018 seeking the Scottish Government's views in relation to the petition PE1677 "Calling on the Scottish Parliament to urge the Scottish Government to make more money available to mitigate the impact of UK Government welfare cuts through reassessing spending priorities and bringing in more progressive taxation."

In particular you asked for the Scottish Government's response to 3 specific points.

1: To what extent the Scottish Government has considered mitigating welfare cuts as part of its budget consideration?

As announced in the recent 2018-19 Draft Budget Bill, there is an on-going commitment to continue to mitigate alongside the work on delivery of devolved benefits devolved under the Scotland Act 2016. The UK Government's welfare reforms, introduced since 2010, will result in an overall reduction in welfare spend of approximately £4 billion in Scotland by 2020-21. Scottish Ministers are concerned by the impact of these cuts and have made numerous representations to Ministers in the UK Government about the impacts of UK Government welfare reform policy, including calling for the roll out of Universal Credit to be halted.

In 2018/19, the Scottish Government has through the Budget allocated over £100 million on mitigation. We have budgeted £50.1 million to continue the full mitigation of the 'bedroom tax' through Discretionary Housing Payments (DHPs), ensuring more than 70,000 households save an average of £650 per year, and a further £12.1 million for other DHPs. We will also sustain funding for the Scottish Welfare Fund of £38 million. Since it was set up in April 2013 the Fund has provided £148 million worth of grants to 275,690 households in Scotland.

The Social Security Bill currently before the Scottish Parliament provides the power to vary the rates of benefits, including to uprate. The Scottish Government has always been clear that we will maintain spending on disability and employment-injury assistance through annual uprating, so that what people receive is not eroded by inflation. Amendments made to the Bill during Stage 2 of the Parliamentary process have, therefore, put this policy commitment onto a statutory footing.

Scottish Ministers have also announced plans to deliver a Carer's Allowance Supplement by Summer 2018, which will increase support for carers to the same level as UK Jobseeker's Allowance. This will be done through the combination of the Carer's Allowance Supplement and the existing Carer's Allowance payment, which represents an investment of over £30 million per year, benefitting over 70,000 carers. Further amendments to the Bill extend the annual uprating requirement to also include Carers Assistance and so, from the point at which the Scottish Government takes over delivery from DWP and commences payments of Carers Assistance, these payments will be uprated on an annual basis.

The Best Start Grant will be delivered by Summer 2019, paying a one-off grant of £600 for the first child in low income families, reintroducing grants of £300 for further children, and making two further £250 payments at key transition points. Delivered by Autumn 2019, the

Young Carer Grant will be a £300 annual payment for young adults with significant caring responsibilities who don't currently qualify for Carer's Allowance. Recipients will also get free bus travel from 2020/21. We will also be delivering Funeral Expense Assistance by Summer 2019, simplifying and speeding up processes, so it is easier for people to find out if they are eligible. As the Minister for Social Security made clear at the Social Security Committee (21 December 2017); "I am responsible only for what we do here [in Scotland], and we will do the right thing by encouraging people to secure the financial support to which they are entitled".

2: Whether consideration has been given to re-directing expenditure to enable more funding to be made available for mitigation?

As the budget documents which the Scottish Government published in December 2017 set out, over the decade between 2010-11 and 2019-20, Scotland's discretionary budget allocation will be eight per cent – £2.6 billion – lower in real terms. Over the next two years alone, the Block Grant from the UK Government for day-to-day spending in Scotland is projected to fall by over £500 million in real terms. This is the context within which Ministers have and will continue to make decisions on how expenditure is directed towards their spending priorities in a way which they believe achieves the vision they set out for Scotland in the Programme for Government.

3: Whether the Scottish Government has considered increasing the Social Welfare Fund and the support available to help people access their benefits?

Scottish Ministers view the Scottish Welfare Fund as a vital lifeline for people across Scotland, providing £38 million per annum to local authorities. Families and individuals in Scotland who require emergency aid can receive a grant through the Scottish Welfare Fund. Due to UK Government changes to Universal Credit, which took effect from 1 April 2017, 18 to 21 year-olds in receipt of Universal Credit are only eligible for housing support if they have a specific exemption. Working with CoSLA, the Scottish Government has extended the Scottish Welfare Fund on an interim basis to ensure that those young people who are excluded from financial support by the UK Government will still be able to receive assistance with housing costs. Further, the Social Security Bill includes provision to provide Housing Assistance to 18-21 year olds on a permanent basis and requires Ministers to bring forward regulations to achieve this.