POLICY NOTE

THE CARE LEAVER PAYMENT (SCOTLAND) REGULATIONS 2026

SSI 2026/XXX

The above instrument was made in exercise of the power conferred by section 93A(1) of the Social Security (Scotland) Act 2018 Act ("the 2018 Act") as inserted by section 2(2) of the Social Security (Amendment) (Scotland) Act 2025 ("the 2025 Act"). The instrument is subject to affirmative procedure. As required by section 97(2) of the 2018 Act, the Scottish Ministers have consulted the Scottish Commission on Social Security and a response to the Commission's report on the proposals was laid along with the draft instrument.

Purpose

This instrument will provide for a new scheme called the Care Leaver Payment. The Care Leaver Payment will provide a one-off £2000 payment to young people moving on from care, with the intention of helping to reduce some of the financial barriers they face whilst moving into adulthood and more independent living.

Policy Objectives

The Promise highlights and recognises the links between those with care experience and the increased risk of poor mental health, addiction, homelessness and exploitation. Care experienced people are over one and a half times more likely to experience financial difficulties and have more than double the chance of experiencing homelessness, mainly before age 30. Financial stress and strain for young people moving on from care can quickly escalate to create a multitude of challenges and can lead to financial hardship.

In the Programmes for Government in 2021/22, 2022/23 and 2025/26, the Scottish Government committed to developing a payment to provide young people moving on from care with additional financial security. To fulfil this commitment, the Scottish Government proposed the Care Leaver Payment. This payment has been referred to as the 'Care Experience Grant' in previous Programme for Government commitments.

The Instrument

Section 2 of the 2025 Act came into force on 10 May 2025 and inserted a new section 93A into the 2018 Act, which gives Ministers the power to make regulations to establish one or more schemes to deliver financial assistance to those people who have experience of being in the care system. This instrument will provide for a new scheme for care leavers as they transition out of the care system and into independent living and will be called the Care Leaver Payment. The Care Leaver Payment scheme will:

- Provide a one-off £2000 payment to young people as they transition out of the care system;
- Require the local authority which last looked after the individual to deliver the payment to the eligible cohorts;
- Allow the payment to be delivered without an application process at the point that the young person is leaving care;
- Allow a right to request an entitlement to determination;
- Include a right to review of an entitlement to determination and
- Require the local authority to provide advice and assistance to the young person in connection with the payment, as appropriate, in order to support the young person make best use of the payment as they transition into independent living.

The proposed Care Leaver Payment will form part of a broader package of existing support which includes, but is not limited to, access to Continuing Care and Aftercare support for care leavers, the Care Experience Bursary and Council Tax Exemption for care leavers.

Discovery

Officials undertook an initial Discovery phase led by the Scottish Government Discovery Project Team for 14 weeks in 2023 which concluded on 13 October 2023.

Some of the key findings were:

- Flexibility and choice should be built into the Care Leaver Payment.
- The Care Leaver Payment service design must incorporate the trauma-informed principles of safety, trustworthiness, choice, collaboration, and empowerment.

Consultation

The Scottish Government undertook a public consultation from 3 November 2023 – 26 January 2024: Care Leaver Payment: consultation - gov.scot.

The consultation paper contained a range of questions including the purpose of the payment, the eligibility criteria of the payment, and the support required to apply and manage the payment. The consultation received 70 responses and in addition incorporated six engagement sessions for stakeholders and care experienced young people. A total of 62 individuals participated in these sessions, 9 of whom were young people with care experience. The Scottish Government commissioned an independent analysis of the consultation responses: Care Leaver Payment: consultation analysis - gov.scot.

Key findings from the public consultation included that respondents largely supported the proposal to establish a Care Leaver Payment and its ability to reduce some of the financial barriers that care leavers can face when moving on from care.

Key recurring themes across all the consultation questions were the need for an inclusive and personalised approach to application and payment processes, the importance of providing support to applicants (before and after receipt of the payment) and ensuring that the payment does not affect the eligibility of care leavers for other benefits or financial support.

Further Targeted Engagement

During the passage of the Social Security (Amendment) (Scotland) Bill[1] through Parliament, the Scottish Government committed to a further consultation on the Care Leaver Payment, to ensure that the payment would be created in a way which would provide maximum benefit.

Given the initial public consultation covered a broad range of topics, officials developed a targeted approach to secondary consultation with other government agencies, key stakeholders and the care experienced community.

The remit of the stakeholder working group was for individuals who have professional experience with care leavers to consider and offer solutions on a range of topics relating to safeguarding and financial education. The group comprised representatives of the third sector and social care who work with and support young people as they leave care.

[1] https://www.legislation.gov.uk/asp/2025/2/contents

In addition, Officials undertook four engagement sessions with 35 care-experienced young people through various organisations where the discussion topics and questions mirrored those for the stakeholder working group for consistency and to support the analysis of responses. Responses received were thought provoking and allowed officials to better understand the journey out of the care system and into independent living.

SCoSS Scrutiny

As required by section 97(2) of the 2018 Act, the Scottish Ministers have consulted the Scottish Commission on Social Security (SCoSS). SCoSS is an independent body set up to provide scrutiny of the Scottish social security system, including benefit regulations.

SCoSS produced a report[2] on the draft regulations for the Care Leaver Payment. A response to the Commission's report on the proposals was laid alongside the draft instrument on 21st January 2026.

UN Convention on the Rights of the Child (Incorporation) (Scotland) Act 2024 Compatibility

The Scottish Ministers have made the following statement regarding children's rights. In accordance with Section 23(2) of the United Nations Convention on the Rights of the Child (Incorporation) (Scotland) Act 2024, the Scottish Ministers certify that, in their view, the Care Leaver Payment (Scotland) Regulations 2026 are compatible with the UNCRC requirements as defined by Section 1(2) of the Act.

Impact Assessments

An Equality Impact Assessment, Child Rights and Wellbeing Impact Assessment and an Islands Communities Impact Assessment have been completed and will be published on Gov.scot. A Fairer Scotland Impact Assessment has also been carried out and can be viewed by contacting the Children and Families Directorate, Scottish Government.

[2] https://socialsecuritycommission.scot/current-work/the-care-leaver-payment-scotland-regulations-2026/

Financial Effects

There were 1383 young people who ceased to be looked after aged 16 or over from the latest Children's Social Work Statistics (year 2023/2024). The Scottish Government estimates that there will be similar numbers of young people eligible for the Care Leaver Payment each year. When the payment goes live, it will capture young people who are still in Continuing Care (as they have not yet left their care placement). Therefore, there may be approximately 855 additionally eligible young people over the course of the initial five years following implementation of the payment, based on the Children's Social Work Statistics. By 2031, Officials estimate that those who had entered continuing care ahead of the payment going live will have left continuing care and it will just be new care leavers who will be eligible each year.

Year	Care leavers	Continuing Care	Total	Benefit spend
2026/27	1383	327	1710	£3.420m
2027/28	1383	420	1803	£3.606m
2028/29	1383	77	1460	£2.920m
2029/30	1383	31	1414	£2.828m

**'Benefit spend' refers to the cost of the payment alone.*

Scottish Government
Children and Families Directorate
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