POLICY NOTE

THE SCOTTISH CHILD PAYMENT (REGULATIONS) 2020

SSI 2020/XXX

The above instrument is to be made in exercise of the powers conferred by sections 79 and 95 of the Social Security (Scotland) Act 2018 ("the 2018 Act") The instrument is subject to affirmative procedure. As required by section 97(2) of that Act, the Scottish Ministers have consulted the Scottish Commission on Social Security and a response to the Commission's report on the proposals is laid along with the draft instrument.

Summary Box

This instrument sets out the rules and eligibility criteria for the Scottish Child Payment (SCP) for children under 6. The SCP is a new form of assistance that provides a top up payment to households who are in receipt of qualifying reserved benefits.

Policy Objectives

Section 79 of the 2018 Act makes provision to enable top up of reserved benefits for individuals who:

- are entitled to a reserved benefit, and
- appear to the Scottish Ministers to require financial assistance (in addition to any amount the individual receives by way of reserved benefit) for the purpose, or one of the purposes, for which the benefit is being provided.

The Scottish Child Payment (SCP) is one of the Scottish Government's flagship policies to tackle child poverty and is a new form of assistance to support low income families with the costs of caring for a child. The SCP is being introduced first for families with children under 6 in recognition of the fact that of all children in poverty, almost 60% live in a family where a child is under six years old, and the early years are key to improving a child's outcomes.

The value of the SCP is £10 per week, to be paid by Social Security Scotland on a four weekly basis. The Payment will be available to all children in eligible households in receipt of qualifying benefits including Universal Credit, Child Tax Credits, Working Tax Credits, Income Support, Income-based Jobseeker's Allowance (JSA), Income-based Employment and Support Allowance (ESA) and Pension Credit.

The applicant must demonstrate responsibility for a child and this can be evidenced through receipt of the following child responsibility benefits where the child is named on the award: Child Benefit, Child Tax Credit, Universal Credit (Child Element) and Pension Credit (Child Addition). Kinship carers can evidence child responsibility through a kinship care agreement or a legal order. There is no cap on the number of children that can be claimed for by a family.

Consultation

The Scottish Commission on Social Security

As required by section 97(2) of the 2018 Act, the Scottish Ministers have consulted the Scottish Commission on Social Security (SCoSS). SCoSS published a report and recommendations on the draft Regulations on 21 January 2020[1] and a supplementary report on 25 February 2020[2]. The Scottish Government's response will accompany these regulations. SCoSS held their own consultation event to seek

[1] Scottish Commission on Social Security - The Scottish Child Payment Regulations 2020: scrutiny report on draft regulations

[2] The Scottish Commission on Social Security - The Scottish Child Payment Regulations 2020: supplementary scrutiny report on draft regulations

views on the draft Regulations. The Social Security Committee took evidence on 30 January 2020 from SCoSS [3]relating to these recommendations[4].

As a result of the scrutiny process by SCoSS a number of changes were made to the draft Regulations including:

- Introducing a 12 week linking period, during which time the client would not have to reapply for the SCP if they came off the qualifying benefit or child responsibility benefit and were subsequently re-awarded this assistance.
- Inclusion of a determination without application provision where clients will not have to make an application for second and subsequent children.
- Inclusion of a determination without application provision in the instances where a client has successfully appealed a decision by the UK Government that they are not entitled to a child responsibility benefit.
- Removal of the exclusion to claim for children in residential care.

Stakeholder engagement

Given the pace at which the SCP is being introduced, consultation on the policy development and the draft Regulations has taken place through face to face engagement with stakeholders and user research activities rather than a formal, written public consultation process. Stakeholders involved have included: people with lived experienced of poverty, anti-poverty charities, voluntary organisations, advice service, academics and local authorities. The SCP has been welcomed by stakeholders as a key anti-poverty measure to support families in need, with an emphasis on the speed of delivery. As such, in June 2019, the Scottish Government announced that introduction of the under 6 payment was to be brought forward. Applications will now open in November 2020, with first payments to be made from the end of February 2021.

In February 2019 we hosted a series of workshops to seek views on the development of the policy and test potential options. The benefits and limitations to targeting different groups was discussed, with some participants favouring a carefully targeted approach for low-income families, while other participants were more supportive of a universal approach. Lone parent families (particularly mothers) and families with a disabled adult or child were mentioned as potential target groups. However, others argued that targeting support so narrowly might be problematic as there is a risk of excluding people who do not fit into such tight criteria and who may be at risk of poverty. A paper setting out the rationale for our chosen policy and delivery approach was published in June 2019[5], alongside an analytical report [6].

Since then, we have engaged with stakeholders in relation the development of the Regulations. Stakeholders emphasised that the SCP should be a predictable, flexible and high take-up payment. To enable this we have combined the application forms with Best Start Grants and Best Start Foods to support income maximisation and benefit uptake. In addition families are not required to make an application for second and subsequent children. Whilst some stakeholders were supportive of a run on payment of the SCP when the qualifying benefit stops, we are unable to implement this due to the legal route that we have chosen to deliver the SCP benefit, which was the quickest route to deliver the support to families in need.

The views of people with lived experience of applying for and receiving benefits, including those groups representing those with protected characteristics, have also been captured through a range of user research activities across Scotland. Over 300 users have been engaged in this activity. Their views have enabled and enhanced the development of the service design for the SCP including the application forms and communications to clients.

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[3] Social Security Committee - Official report of meeting on 30 January
[4] https://www.gov.scot/publications/the-scottish-child-payment-regulations-2020-scrutiny-report-on-draft-regulations/
[5] https://www.gov.scot/publications/scottish-government-position-paper-scottish-child-payment/
[6] https://www.gov.scot/publications/analysis-options-income-supplement/

Impact Assessments

The following Impact Assessments have been completed and are attached:

- A Child Rights and Wellbeing Impact Assessment
- An Equalities Impact Assessment
- A Business and Regulatory Impact Assessment
- An Islands Screening Assessment
- A Fairer Scotland Duty Impact Assessment

It is anticipated from the analysis in these impact assessments that the commencement of SCP will have a positive impact on a range of equalities groups, particularly where they intersect with the groups most at risk of poverty identified in the Tackling Child Poverty Delivery Plan, island communities and in relation to the realisation of children's right and improving their wellbeing.

There are no significant equalities or rights impacts that require further consideration in relation to the commencement of these regulations.

Financial effects

A Business and Regulatory Impact Assessment (BRIA) has been completed. The impact of this policy on business is limited and no quantifiable financial effects have been identified.

Scottish Government
Social Security Directorate
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