POLICY NOTE

THE SOCIAL SECURITY (UP-RATING) (MISCELLANEOUS AMENDMENTS) (SCOTLAND) REGULATIONS 2025

SSI 2025/XXX

The above instrument will be made in exercise of the powers conferred by section 28(2), 30(2), 31(2), 32(2), 34(2), 79(1) and 95 of the Social Security (Scotland) Act 2018 ('the 2018 Act'), section 70(8) of the Social Security Contributions and Benefits Act 1992 and section 13 of the Social Security Benefits Act 1988. Some of the amendments made by this instrument can be made under the negative procedure and others require to be made under the affirmative procedure, so the instrument is subject to the affirmative procedure. For the purposes of this note, the instrument will be referred to as the 'the 2025 Regulations'.

Purpose of the instrument

The 2025 Regulations fulfils the statutory duty on the Scottish Ministers under sections 86A and 86B of the 2018 Act to review the rates of social security assistance that they are responsible and where appropriate, to bring forward legislation to increase the rates to an amount in line with inflation.

The 2025 Regulations increase the amount of;

- Scottish Child Payment payable under the Scottish Child Payment Regulations 2020,
- Child Disability Payment payable under the Disability Assistance for Children and Young People (Scotland) Regulations 2020; namely 1) the mobility component and 2) the care component;
- Adult Disability Payment payable under the Disability Assistance for Working Age People (Scotland) Regulations 2021; namely 1) the daily living component, and 2) the mobility component,
- The transitional rate of Adult Disability Payment payable under the Disability Assistance for Working Age People (Transitional Provisions and Miscellaneous Amendment) (Scotland) Regulations 2022,
- Pension Age Disability Payment payable under the Disability Assistance for Older People (Scotland) Regulations 2024,
- Scottish Adult Disability Living Allowance payable under the Disability Assistance (Scottish Adult Disability Living Allowance) Regulations 2025
- Funeral Support Payment payable under the Funeral Expense Assistance (Scotland) Regulations 2019; namely, 1) the standard amount of assistance that is available towards other funeral costs, 2) the amount which is payable towards other funeral costs if the deceased has a pre-paid funeral plan and 3) the amount which is payable towards a fee for removing an active implantable medical device from the deceased,
- Carer Support Payment payable under the Carer's Assistance (Carer Support Payment) (Scotland) Regulations 2023,
- the Young Carer Grant payable under the Carer's Assistance (Young Carer Grants)

(Scotland) Regulations 2019,

- The amount of Best Start Grant 1) Pregnancy and Baby Payment (1st Child Payment), 2) Pregnancy and Baby Payment (Subsequent Child Payment & Extra Payment for multiple pregnancy supplement), 3) Early Learning Payment and 4) School Age Payment payable under the Early Years Assistance (Best Start Grants) (Scotland) Regulations 2018,
- The amount of Best Start Foods payable under the Welfare Foods (Best Start Foods) (Scotland) Regulations 2019,
- The Child Winter Heating Payment payable under the Winter Heating Assistance for Children and Young People (Scotland) Regulations 2020, and
- The Winter Heating Payment payable under the Winter Heating Assistance (Low Income) (Scotland) Regulations 2023.
- The Pension Age Winter Heating Payment under the Winter Heating Assistance (Pension Age) (Scotland) Regulations 2024

Young Carers Grant, Scottish Child Payment, Funeral Support Payment, Best Start Grants, Best Start Foods, Child Winter Heating Payment, Winter Heating Payment and Pension Age Winter Heating Payment will increase on 1 April 2025.

The increases to Pension Age Disability Payment, Scottish Adult Disability Living Allowance, Child Disability Payment and Adult Disability Payment (including the Adult Disability Payment transitional rate) come into force on 7 April 2025. The increases to Carer Support Payment come into force on 6 April 2024.

Although not subject to the up-rating duties, the 2025 Regulations increase the earnings limits for Carer's Allowance and Carer Support Payment while also amending the Carer Support Payment regulations to reflect the new UK Neonatal Care Leave and Pay entitlement being introduced from April 2025.

Policy Objectives

Section 86A of the 2018 Act requires Scottish Ministers to calculate the inflation-adjusted level of each amount of assistance prescribed in regulations under any section in Chapter 2 of Part 2 of that Act or sections 79 and 93 and report to the Scottish Parliament, before the end of each financial year, on what they have done or intend to do as a result of the changes to prices. This year, Best Start Foods and Job Start Payment are also included for completeness in the report.

Section 86B of the 2018 Act requires Scottish Ministers to bring forward legislation before the end of each financial year to replace the amounts of all benefits delivered under the 2018 Act with amounts which are at least as high as the inflation-adjusted level of each amount.

It has been determined that there has been an increase in the general level of prices in the past financial year. Accordingly, the 2025 Regulations are brought forward in reliance on section 31 of the 2018 Act to increase the relevant sums for Adult Disability Payment (including the

Adult Disability Payment transitional rate), Pension Age Disability Payment, Scottish Adult Disability Living Allowance and Child Disability Payment by 1.7% with the payment rounded to the nearest multiple of 5 pence.

Carer Support Payment, Young Carers Grant, Funeral Support Payment, Best Start Grant, Child Winter Heating Payment, Winter Heating Payment and Pension Age Winter Heating Payment are also increased by 1.7%, through the Regulations brought forward in reliance on section 28, 30, 32 and 34 of the 2018 Act. Best Start Foods rates are also increased by 1.7% brought forward in reliance on section 13 of the Social Security Act 1988. Job Start Payment is a benefit provided pursuant to a non-statutory scheme and is accordingly not up-rated through the 2025 Regulations.

The 2025 Regulations provide for a 1.7% increase to the following payments: Carer Support Payment (from £81.90 to **£83.30**); Scottish Child Payment (from £26.70 to **£27.15**); Young Carer Grant Payment (from £383.75 to **£390.25)**; Funeral Support Payment of the standard amount available towards other funeral costs (from £1,257.75 to **£1,279.15)**, funeral costs where the deceased has left in place a pre-paid funeral plan (from £153.50 to **£156.10**), the fee for removing an active implantable medical device from the deceased (from £25.35 to **£25.80)**; Child Winter Heating Payment (from £251.50 to **£255.80**); Winter Heating Payment (from £58.75 to **£59.75);** Pension Age Winter Heating Payment (higher rate from £300.00 to **£305.10** and the lower rate from £200.00 to **£203.40**) Best Start Grant Pregnancy and Baby Payment (1st Child Payment) (from £754.65 to **£767.50**), Best Start Grant Pregnancy and Baby Payment (Subsequent Child Payment & Extra Payment for Twins/Triplets) (from £377.35 to **£383.75**), Best Start Grant Early Learning Payment (from £314.45 to **£319.80**) and Best Start Grant School Age Payment (from £314.45 to **£319.80**); Best Start Foods (basic rate from £5.30 to **£5.40** and the higher rate is then defined as double the basic rate from £10.60 to **£10.80**); Child Disability Payment mobility component (higher rate from £75.75 to **£77.05** and lower rate from £28.70 to **£29.20**) and care components (highest rate from £108.55 to **£110.40**, middle rate from £72.65 to **£73.90** and lowest rate from £28.70 to **£29.20**); Adult Disability Payment Daily Living Component (standard rate from £72.65 to **£73.90**, enhanced rate from £108.55 to **£110.40**) and Mobility Component (standard rate from £28.70 to **£29.20** and enhanced rate from £75.75 to **£77.05)**; transitional rate of Adult Disability Payment (from £28.70 to **£29.20)**; Pension Age Disability Payment (higher rate from £108.55 to **£110.40** and lower rate from £72.65 to **£73.90**) and Scottish Adult Disability Living Allowance mobility component (higher rate from £75.75 to **£77.05** and lower rate from £28.70 to **£29.20**) and care components (highest rate from £108.55 to **£110.40**, middle rate from £72.65 to **£73.90** and lowest rate from £28.70 to **£29.20**).

These regulations will also make amendments to the Social Security (Invalid Care Allowance) Regulations 1976 and the Carer's Assistance (Carer Support Payment) (Scotland) Regulations 2023. These amendments increase the earnings limits used to determine entitlement to Carer's Allowance and Carer Support Payment respectively from £151 to **£196**. The Regulations also include an amendment to reflect a new UK entitlement being introduced from April 2025 – Neonatal Care Leave and Pay. This will allow neonatal care

pay to be treated as earnings for the purposes of entitlement to Carer Support Payment, in the same way as maternity, paternity or adoption pay.

The Regulations will also make a supplementary provision of amendment to the Disability Assistance (Scottish Adult Disability Living Allowance) Regulations 2025 to add an unintentionally omitted word. This is intended to give full effect to the policy intention of the Disability Assistance (Scottish Adult Disability Living Allowance) Regulations 2025 as regards the higher rate of the mobility component.

In accordance with the Social Security (Scotland) 2018 Act, a draft of these Regulations is laid before the Scottish Parliament for approval by resolution.

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 Act), the Scottish Ministers certify that, in their view, the Social Security (Up-rating) (Miscellaneous Amendments)(Scotland) Regulations 2025 is compatible with the UNCRC requirements as defined by section 1(2) of the Act.

EU Alignment Consideration

This instrument is not relevant to the Scottish Government's policy to maintain alignment with the EU.

Consultation

Section 97(2) of the 2018 Act requires Scottish Ministers to inform the Scottish Commission on Social Security of proposals in the form of draft regulations to meet the scrutiny and consultation process. That section also requires that the Scottish Ministers notify the Scottish Parliament that they have done so. Section 97(9) requires Scottish Ministers to lay a response to the Commission's report on the proposals for the Regulations before the Scottish Parliament. Scottish Ministers can here confirm that a response from the Commission has been received and that these requirements have been carried out. The response from Scottish Ministers to the Commission's report will be laid in the Scottish Parliament along with this policy note.

Impact Assessments

The full range of impact assessments were considered and completed where necessary for the Social Security (Scotland) Act 2018 and have been published for Funeral Expense Assistance[1], Young Carer Grant[2], Carer Support Payment[3], Child Disability Payment[4], Adult

[1] https://www.legislation.gov.uk/ssi/2019/292/resources
[2] https://www.legislation.gov.uk/ssi/2019/324/resources
[3] https://www.legislation.gov.uk/ssi/2023/302/resources
[4] https://www.legislation.gov.uk/ssi/2021/174/resources

Disability Payment[5], Pension Age Disability Payment[6], Scottish Adult Disability Living Allowance[7], Scottish Child Payment[8], Best Start Grant[9], Best Start Foods[10], Child Winter Heating Payment[11], Winter Heating Payment[12] and Pension Age Winter Heating Payment[13]. Impact assessments for any new Scottish assistance will be undertaken at the point where policy is being developed and regulations are being drafted.

A Child Rights and Wellbeing Impact Assessment was carried out for the 2025 Regulations in accordance with the Act. It was concluded that the 2025 Regulations have the potential to positively impact article 23 (best interests of the child), article 24 (provision of adequate nutritious foods), article 26 (social security) and article 27 (an adequate standard of living).

As the increase to all social security payments delivered under the 2018 Act ensures that the assistance people are eligible for in 2025-26 at least keeps pace with inflation, then it is considered that there is no additional significant impact on the private, voluntary or public sector.

It is not considered necessary to carry out additional impact assessments as these Regulations do not seek to substantively change the policy intent of each set of specific benefit regulations.

Financial Effects

A Financial Memorandum[14] was completed prior to introduction of the Social Security (Scotland) Bill.

The Financial Memorandum states that funding for existing benefits will be transferred from the UK Government under the terms of the Fiscal Framework agreement. The Financial Memorandum also considers the costs of up-rating and recognises that the methodology of up-rating of benefits for inflation is a source of financial risk. This is because any future policy differentials between Scotland and the UK for the method of up-rating could result in additional pressures on the Scottish Budget.

The Scottish Fiscal Commission used the September CPI rate of 1.7% when producing their forecasts of benefits expenditure which are set out in their Economic and Fiscal Forecasts December 2024[15].

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[5] https://www.legislation.gov.uk/ssi/2022/54/resources
[6] https://www.legislation.gov.uk/ssi/2024/166/resources
[7] https://www.legislation.gov.uk/sdsi/2025/9780111061145/resources
[8] https://www.legislation.gov.uk/ssi/2020/351/resources
[9] https://www.legislation.gov.uk/ssi/2018/370/resources
[10] https://www.legislation.gov.uk/ssi/2019/193/resources
[11] https://www.legislation.gov.uk/ssi/2020/352/resources
[12] https://www.legislation.gov.uk/ssi/2023/16/resources
[13] https://www.legislation.gov.uk/ssi/2024/351/resources/made
[14] https://www.parliament.scot/-/media/files/legislation/bills/previous-bills/social-security-scotland-bill/introduced/financial-memorandum-social-security-scotland-bill.pdf
[15] https://fiscalcommission.scot/wp-content/uploads/2024/12/Scotlands-Economic-And-Fiscal-Forecasts-December-2024.pdf

The Cabinet Secretary for Social Justice confirms that no BRIA is necessary as the instrument has no financial effects on the Scottish Government, local government or on business.

Scottish Government
Social Security Directorate
January 2025