

Getting to Know Devolved Social Security: Scottish Child Payment

What is it?	A top-up of reserved means-tested benefits, worth [up to] £520 per year for each child.
What do the DWP call it?	Not applicable – this is a new top-up only offered in Scotland.
When will it be paid?	Monthly, in arrears, so long as the reserved benefit is in payment
Who gets it?	Households with children who are already claiming one or more of: <ul style="list-style-type: none"> • Universal Credit (UC) • Tax Credits (TC) • Jobseekers Allowance (JSA) • Employment and Support Allowance (ESA) • Income Support (IS) • Pension Credit (PC)
What is it worth?	<ul style="list-style-type: none"> • £10 per week per child • It will not be subject to the two-child cap
How it be delivered?	By Social Security Scotland, upon application. For an application to be successful, a live claim for a qualifying reserved benefit will need to be in payment.
When does it start?	<ul style="list-style-type: none"> • From December 2020, in respect of children under 6. <ul style="list-style-type: none"> ○ <i>Applications open in autumn 2020.</i> • From the end of 2022, in respect of children under 16.
Where does a constituent apply?	At mygov.scot or direct with Social Security Scotland
What does the application involve?	<p>Based on the similarities with the Best Start Grant, it is understood the application will be a simple form, with roughly 10 questions. This form will ask for the details of the applicant and their child(ren) along with details of the reserved benefit they claim. SSS will then verify that there is a live claim for the reserved benefit but may still ask for further information/evidence.</p> <p>If the applicant isn't already receiving UC or another benefit, they will need to make a separate application for UC at the same time as applying for SCP.</p>
What else comes with it?	<p>If the child is under 6, parents can also claim the three elements of the Best Start Grant (pregnancy/birth £600; nursery £250, school £250)</p> <p>School clothing grants and free school meals have similar entitlement rules, but these vary by Council.</p>

Why does it exist?	To cut child poverty by up to 30,000 by 2023-24
How much will it cost?	<ul style="list-style-type: none"> • £21m in 2020-21 (part year payment of the under 6s payment) • Up to £70m in 2021-22 (the under 6s payments) • Up to £180 from 2023-24 (full rollout) <p>The Scottish Fiscal Commission estimates actual spend will be lower, due to take-up assumptions. Administration will cost £31m to 2024-25.</p> <p>It will be funded wholly by the Scottish Government; there is no equivalent UK budget line or payment.</p>
Where is the Government's policy information on this?	<p>Position Paper, June 2019: http://bit.ly/311tZg2</p> <p>Updated Position Paper, October 2019: http://bit.ly/2t5Rzf6</p> <p>Updated Position Paper, January 2020: http://bit.ly/36wtNgk</p>

What is the Scottish Government's planning to change?

This is a new devolved top-up of means-tested benefits, it is itself a change. It is worth noting that though it is a top-up, it will be administered by Social Security Scotland; it will not be a component or element of Universal Credit/Tax Credits, etc, or paid as part of the reserved benefit.

The Scottish Government has said it is focused on delivering the money to people who need it as a priority, before adding features to the benefit. It will be uprated by CPI each year.

Following scrutiny from the third sector and the Commission on Social Security (SCOSS) the Scottish Government has left open the possibility of moving to fortnightly payments. The Government has agreed to review the payment after full roll-out (to all children under 16 in 2022).

What would we do?

Scottish Labour has proposed topping up child benefit by £5pw since 2017. As a near universal benefit, it would top-up the payment for nearly 1 million children in Scotland. The commitment was recently reiterated as part of our 2019 General Election manifesto and campaign materials.

Modelling supporting the policy originally said our top-up would reduce child poverty by 30,000 a year, however, updated modelling no longer supports this claim. Scottish Government modelling claims a £10pw payment would be required to lift 30,000 children out of poverty; this would cost £410m-£440m per annum (we estimated £250m for £5pw).

Our proposed top-up would have been paid by HMRC in the same way that child benefit is paid currently. Since the SCP was announced, Give Me 5 has ceased its campaigning activity and the SG frequently refers to the CPAG response to the SCP as a "gamechanger".

Acronym and jargon buster

SCP: Scottish Child Payment
SSS: Social Security Scotland
DWP: Department for Work and Pensions
UC: Universal Credit
CPI: The Consumer Prices Index. Usually the September rate is used to uprate benefits the following April, i.e. benefits will increase in April 2020 by the September 2019 rate of 1.7%.
Reserved benefit: broadly, pensions and means-tested benefits (for those in or out-of-work) remain the responsibility of the UK Government/DWP. See http://bit.ly/3aTDvX6 for the fuller list.
Means-tested benefit: a benefit payable to someone/a household which has an income and/or capital below a certain amount. In contrast disability benefits are “non-contributory benefits” paid regardless of income, so long as you meet the disability test.
Component/ element: universal credit and tax credits are made up of certain “chunks” of money. For example, if you are disabled, or have children as part your claim, a chunk would be added to the overall benefit (i.e. a disability element or child element). The SCP will not have additional amounts that might be included in a universal credit/tax credits claim.
Social Security Scotland: this is the new social security agency set up by Scottish Ministers. It is headquartered in Dundee with another office in Glasgow.
Two-child cap: this cap applies to means-tested benefits. All children born after the second-born in a claim (i.e. the 3 rd , 4 th ...), will not have UK reserved benefit paid for them.
Take-up assumptions: Even the state pension is not fully claimed by everyone entitled. The take up rate is (c) the difference between those who are (a) eligible on paper and (b) those who apply [a - b = c]. The Scottish Fiscal Commission expects 1 in 4 household to fail to claim the SCP.

Further reading

Briefing: [Making the most of the Scottish Child Payment](#), IPPR & JRF, October 2019

Scrutiny report: [The Scottish Child Payment Regulations 2020: scrutiny report on draft regulations](#), Scottish Commission on Social Security, January 2020

News clipping: [SNP Government blasted over loophole in £10 a week child benefits policy](#), Daily Record, 22 JAN 2020

Jargon buster: [Turn2us Jargon Buster](#), Turn2us