

# **Social Security (Scotland) Act (2018)**

**Devolved Social Security Assistance**

**Uprating for Inflation**

**A report in fulfilment of section 77: Duty to consider effects of inflation**

**Laid before the Scottish Parliament by the Scottish Ministers  
under section 77(1)(c)**

**SG/2021/16**

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**Scottish Government**  
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## Foreword



This report lays out the impact of inflation on all Part 2 Chapter 2 assistance currently being delivered, as required under section 77 of the Social Security (Scotland) Act 2018 ('the Act'), and what we intend to do for the next financial year. The report has also been extended to include all forms of assistance that the Scottish Ministers have a responsibility to uprate in 2021-22 and all assistance delivered by Social Security Scotland.

These are unprecedented times. With the outbreak of COVID-19 in early 2020, I had to take the difficult decision to delay the launch of Scottish disability assistance which means I will not be reporting on as many forms of assistance as I had hoped to in this reporting cycle. However, despite the pandemic, the Job Start Payment was launched on 17 August 2020 and the Child Winter Heating Assistance on 27 November 2020. The Scottish Child Payment opened for applications in November 2020 with payments being made in February 2021.

This report sets out the inflation adjusted figures for each form of assistance and the rates that will be paid in 2021-2022. There is a duty set out in section 78 of the Act and our Social Security Charter to uprate by inflation, carer's, disability, employment-injury and funeral expense assistance that are in effect and we will bring forward legislation in early 2021 to deliver that. The report also sets out what we intend to do for the types of assistance where there is no requirement to uprate.

This is the second publication of the report on the impact of inflation on devolved social security assistance. I hope that the information provided explains our policy position on uprating for the financial year 2021-22 and the next few years.

A handwritten signature in black ink, appearing to read 'S Sille'.

**Shirley-Anne Somerville**

Cabinet Secretary for Social Security and Older People

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# 1. Purpose

1.1 This report is published under section 77<sup>1</sup> of the Social Security (Scotland) Act 2018<sup>2</sup> ('the Act') which requires Scottish Ministers to consider the effects of price inflation on all forms of assistance delivered under Part 2 Chapter 2 of the Act and to lay a report in the Scottish Parliament, before the end of each financial year.

1.2 This report sets out the inflation-adjusted level of each relevant figure, explains how the inflation-adjusted levels have been calculated and states what the Scottish Ministers have done, or intend to do, in light of their calculations and their reasons for that decision.

1.3 The forms of assistance under the reporting duty in section 77 include:

1. Carer's assistance (includes Young Carer Grant)
2. Cold-spell heating assistance
3. Winter heating assistance (includes Child Winter Heating Assistance)
4. Disability assistance
5. Early years assistance
6. Employment-injury assistance
7. Funeral expense assistance
8. Housing assistance
9. Short-term assistance

1.4 Of the above forms of assistance, the Best Start Grant, the Child Winter Heating Assistance, Funeral Support Payment and Young Carer Grant have been delivered and are included in this report for consideration. The report is required to consider the change in prices since the previous report was laid before the Scottish Parliament on 7 February 2020.<sup>3</sup>

1.5 This report also explains how the inflation-adjusted level of Carer's Allowance Supplement has been calculated. Although this reporting is not required by the Act, it is being provided to offer a fuller picture of all the assistance that are being delivered. Similarly, consideration will be given to reporting on other forms of assistance which are not covered by the 2018 Act such as Job Start Payment and Best Start Foods.

1.6 The Social Security Administration and Tribunal Membership (Scotland) Act 2020,<sup>4</sup> will extend the reporting requirement under section 77 to include the forms of assistance that are created under section 79 of the Act<sup>5</sup> as top-up payments to reserved benefits. However, this

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<sup>1</sup> Social Security (Scotland) Act 2018 – Section 77 ([link](#))

<sup>2</sup> Social Security (Scotland) Act 2018 ([link](#))

<sup>3</sup> Social Security assistance – effects of inflation: report ([link](#))

<sup>4</sup> The Social Security Administration and Tribunal Membership (Scotland) Act 2020 ([link](#))

<sup>5</sup> Social Security (Scotland) Act 2018 – Section 79 ([link](#))

requirement will not come into force until after the end of the financial year 2020-21, so there is no reporting duty for the Scottish Child Payment at the time of preparation of this report.

1.7 Finally, section 78<sup>6</sup> of the Act requires Scottish Ministers to bring forward legislation, before the end of each financial year, to replace the amount in the regulations which is, in their opinion, materially below its inflation- adjusted level. All forms of carer's assistance (including Young Carer Grant), disability assistance, employment-injury assistance, and funeral expense assistance (now referred to as Funeral Support Payment) that are set out in devolved legislation are to be uprated to the inflation-adjusted level set out in section 77. This means that for the financial year 2021-22 there is a requirement to uprate Funeral Support Payment and Young Carer Grant.

1.8 The Scottish Government is committed to embedding the eight Scottish social security principles in Section 1 of the Social Security (Scotland) Act 2018 into the policy making process. The approach to uprating, in particular, is intended to reinforce the principles that –

- social security is an investment in the people of Scotland;
- social security is itself a human right and essential to the realisation of other human rights;
- the Scottish social security system is to contribute to reducing poverty in Scotland and
- opportunities are to be sought to continuously improve the Scottish social security system in ways which— i) put the needs of those who require assistance first, and ii) advance equality and non-discrimination.

## 2. Background

2.1 In 2019, the Scottish Government prepared an analytical report that provided a detailed review of relevant inflation measures to inform the options available to Scottish Ministers for uprating devolved social security assistance. The analytical report explored in depth the methodological features of inflation measures and drew on a range of evidence including recommendations from the UK Statistics Authority and the Office for National Statistics, an independent review led by the director of the Institute of Fiscal Studies<sup>7</sup> and the House of Lords Economic Affairs Committee's report 'Measuring Inflation'.<sup>8</sup>

2.2 The analytical report subsequently informed a policy paper that set out the Scottish Government's approach to uprating social security assistance. Both papers<sup>9</sup> were provided to the Social Security Committee and the Scottish Commission on Social Security on 2 September 2019.

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<sup>6</sup> Social Security (Scotland) Act 2018 – Section 78 ([link](#))

<sup>7</sup> UK Consumer Price Statistics: A Review ([link](#))

<sup>8</sup> House of Lords Economic Affairs Committee: Measuring Inflation Report ([link](#))

<sup>9</sup> Scottish Government (September 2019) – Uprating policy paper and analytical report ([link](#))

2.3 The policy paper recommended that the September Consumer Price Index (CPI) rate be used for uprating devolved social security assistance in the short-term, with the assistance payment rounded to the nearest multiple of five pence. The September 2020 CPI rate published on 21 October 2020 was 0.5%.

2.4 Overall, the Scottish Commission on Social Security was supportive of the Scottish Government's uprating policy of using September CPI rate to uprate social security assistance at least in the short-term. The Scottish Commission on Social Security set out recommendations<sup>10</sup> for the Scottish Government approach to benefit uprating in terms of the significance of Social Security principles and human rights, the shorter-term and the longer-term approach to uprating. The Scottish Government responded<sup>11</sup> to these recommendations and will keep the recommendations under consideration to inform the development of future reports as more forms of assistance are introduced and reported on.

2.5 The Social Security Committee noted the Scottish Government's position on uprating of devolved assistance and had no further views to report beyond the discussion at the Committee on 10 October 2019.<sup>12</sup>

2.6 The following sections provide a detailed discussion of how the inflation-adjusted levels of assistance were calculated, what the inflation-adjusted levels of assistance would be and what the Scottish Ministers intend to do.

### **3. Impact of COVID-19**

3.1 Considering the economic impacts of the COVID-19 pandemic, this report looks at the impact of COVID-19 on CPI inflation.

3.2 The COVID-19 pandemic and the public health measures put in place to contain it, including social distancing, restrictions on activities and national or local lockdowns have all resulted in reduced economic activity as firms and households are unable to produce and spend as they usually would. The collapse in demand since the start of the COVID-19 pandemic has placed downward pressure on inflation.

3.3 Figure 1 shows how the monthly rate of CPI has moved over the last 12 months. Alongside the fall in demand, the drop of CPI rate in the second quarter of 2020 partly reflects the Office for Gas and Electricity Markets (Ofgem) lowering its energy price cap in April and the recent falls in oil prices.<sup>13</sup> In addition, the implementation of social distancing policies and movement restrictions in response to COVID-19 posed measurement challenges and as a result the ONS temporarily had to rely on imputing prices when the usual quotes were

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<sup>10</sup> Scottish Government (October 2019) - Scottish Commission on Social Security: Uprating report 2019 - ([link](#))

<sup>11</sup> Scottish Government (November 2019) – Scottish Government responses to Scottish Commission on Social Security recommendations ([link](#))

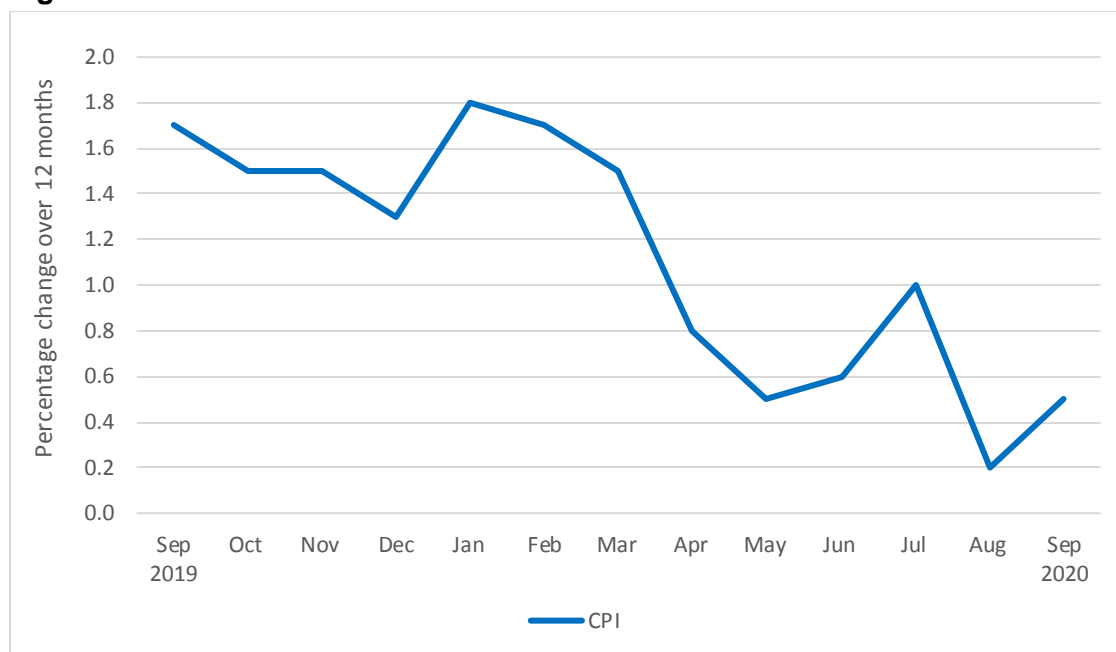
<sup>12</sup> Scottish Parliament (October 2019) – Social Security Committee report ([link](#))

<sup>13</sup> Office for Budget Responsibility (July 2020) – Fiscal Sustainability Report, July 2020 ([obr.uk](#))

missing.<sup>14</sup> The Bank of England recognises that this has temporarily increased the noise in inflation data, and affected the CPI inflation relative to a normal period.<sup>15</sup>

3.4 The increase in inflation between August and September largely reflects the upward contributions from transport, restaurants and hotels.<sup>16</sup> The increase in transport costs is mainly driven by airfare prices (although these continued to fall between August and September, they fell by less than between the same two months a year ago) and the purchase of second-hand cars resulting from more people seeking alternatives to public transport. The upward contribution from restaurants and hotels reflects the end of cheaper restaurant and café meals after the Eat Out to Help Out scheme expired.<sup>17</sup>

**Figure 1: CPI– 12 month rate**



Source: Office for National Statistics – Consumer Price Inflation Table 1 ([link](#))

## 4. Policy position on uprating of Social Security Assistance

4.1 The Scottish Government’s current policy position is to use CPI as the measure of inflation to uprate devolved social security assistance.

4.2 CPI is a National Statistic and has a reliable track record as a measure of inflation serving as ONS’s headline measure of inflation until March 2017. CPI is used for inflation targeting by the Bank of England and also complies with the EU standard Harmonised Index of Consumer Prices.

<sup>14</sup> Office for National Statistics (May 2020) - Coronavirus and the effects on UK prices ([link](#))

<sup>15</sup> Bank of England (June 2020) - Exchange of letters between the Governor and the Chancellor regarding CPI Inflation – ([link](#))

<sup>16</sup> Office for National Statistics (October 2020) - Consumer price inflation tables 12, 26 and 45 ([link](#))

<sup>17</sup> Office for National Statistics (October 2020) - Consumer price inflation, UK: September 2020 ([link](#))

4.3 CPI and CPIH are broadly similar measures, the only difference being that CPIH includes owner occupier housing costs. CPIH only regained its National Statistic status in 2017. As a result it has not yet established a reliable track record as a National Statistic and official forecasts are not available making policy planning and informed decision making more challenging.

4.4 RPI is recognised by experts as a poor measure of inflation and has been proven to be a more erratic measure than CPI. The UK Statistics Authority (UKSA) has put forward proposals to address the methodological shortcomings of the RPI by introducing CPIH data sources and methods into its production. At the Spring Budget the HM Treasury and UKSA launched a joint consultation seeking views on (i) whether UKSA's proposals should be implemented at a date other than 2030, and, if so, when between 2025 and 2030 and (ii) how to make UKSA's proposed methodological changes to the RPI in a way that follows best statistical practice. The UK Government's response to the consultation confirmed that the methodological changes to RPI as proposed by UKSA will not take place before the maturity of the final gilt linked to RPI in 2030.<sup>18</sup>

4.5 Finally, to complete the safe and secure transfer of existing clients from carer and disability benefits to devolved assistance, agency agreements with the Department for Work and Pensions (DWP) are required. While there is an agency agreement in place for DWP to administer the awards of existing clients, the Scottish Ministers are committed to annually uprate the assistance at the same rate as applied by the DWP which is the September CPI rate.

4.6 As a result, the CPI rate is considered the most appropriate inflation measure for uprating assistance. However, the Scottish Government is committed to keeping policy on uprating under review and will consider alternative approaches if there is a material change to inflation measures.

4.7 Examples of a material change would include:

- The development of robust household and region specific measures by ONS. Currently these measures are being developed but it could take considerable time before they became National Statistics.
- CPIH establishing a reliable record as National Statistic and official forecasts becoming available.
- Methodological improvements to RPI that would align its methodology and data with that of CPIH which the UK government confirmed will take place after 2030.

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<sup>18</sup> HM Treasury and UK Statistics Authority (November 2020) – A Response to the Consultation on the Reform to Retail Prices Index (RPI) Methodology ([link](#))



## 5. Social Security Payments in 2020-21

5.1 The social security payments which Social Security Scotland were responsible for during the financial year 2020-21 were:

5.2 Carer's Allowance Supplement: Carer's Allowance Supplement is a payment which provides extra support to people in receipt of Carer's Allowance in Scotland. It is paid every six months and was initially set at a level which would raise Carer's Allowance to the equivalent of the rate of Jobseeker's Allowance (JSA) for those 25 and over. Since 2018-19 the Scottish Government has uprated Carer's Allowance Supplement annually, in accordance with section 81 of the Act. This involves the supplement being calculated using an inflation-adjusted rate of Jobseeker's Allowance, and taking into account any change to the weekly rate of Jobseeker's Allowance paid by the DWP. As a result of uprating, Carer's Allowance and Carer's Allowance Supplement combined now exceed the equivalent weekly rate of Jobseeker's Allowance. In addition, through provisions in the Coronavirus (Scotland) (No.2) Act, in June 2020 an extra payment of Coronavirus Carer's Allowance Supplement was made to Carer's Allowance recipients, on top of the normal Carer's Allowance Supplement.

5.3 Young Carer Grant: The Young Carer Grant is the first of its kind in the UK and provides eligible young carers aged 16, 17 and 18 with a payment of £305.10, which can be applied for annually. There is a statutory requirement to uprate the grant annually and the Scottish Government has been uprating the grant since 2020-21.

5.4 Funeral Support Payment: Funeral Support Payment is a one-off payment to help meet the costs of a funeral and replaced Funeral Expenses Payment delivered by DWP in September 2019. Eligibility has been widened by 40% and in April 2020 the higher flat rate payment was increased from £700 to £1000. On average £1,593 is provided towards the costs of a funeral. There is a statutory requirement to uprate Funeral Support Payment annually and the Scottish Government has been uprating the payment since 2020-21.

5.5 Best Start Grant: The Scottish Government has replaced the DWP's Sure Start Maternity Grant with the Best Start Grant in Scotland. Split into 3 payments, the Best Start Grant provides support during key transition points in a child's early years. The Pregnancy and Baby Payment provides £600 for a first child and £300 for second and subsequent children. The Early Learning Payment provides £250 per child to support child development and School Age Payment provides £250 per child to help with the costs of preparing for school. The UK Government makes no equivalent provision to either the Early Learning or School Age Payments. There is no statutory requirement to uprate Best Start Grant.

5.6 Best Start Foods: Best Start Foods is a new Scottish payment available to low income pregnant women and families who have children aged up to three years old. It is paid as a credit onto a payment card that can be used to buy healthy foods such as milk, fruit and vegetables. It replaced the UK wide Healthy Start vouchers in Scotland and was increased from £3.10 to £4.25 per week for each eligible person in the family or £8.50 per week for a

child under 1 year old. Best Start Foods is not delivered under the Act and so there is no statutory requirement to uprate or to provide the inflation-adjusted figures in the report.

5.7 Job Start Payment: Job Start Payment was launched on 17 August 2020 and provides a one-off payment to eligible young people to help them with costs they may incur when starting a job. It is available to young people who reside in Scotland aged 16 to 24 and to 25 for care leavers. The payment is £250. A higher award of £400 is made to those who have responsibility for a child. Job Start Payment is not delivered under the Act and so there is no statutory requirement to uprate or to provide the inflation-adjusted figures on Job Start Payment in the report.

5.8 Child Winter Heating Assistance: This entirely new form of assistance provides a payment of £200 to disabled children and young people in receipt of the highest rate of the care component of Disability Living Allowance, to support households with the additional costs associated with winter fuel bills. Social Security Scotland began paying Child Winter Heating Assistance from 27 November 2020. There is no statutory requirement to uprate Child Winter Heating Assistance.

## **6. Devolved Assistance that continues to be delivered by DWP**

6.1 Scottish Ministers have had executive competence for Carer's Allowance (CA) since September 2018 and for Attendance Allowance (AA), Disability Living Allowance (DLA), Personal Independence Payment (PIP), Severe Disablement Allowance (SDA) and the Industrial Injuries Scheme (which comprises the Industrial Injuries Disablement Benefits (IIDB) and the Industrial Death Benefit (IDB)) since 1 April 2020.

6.2 Executive competence means that the Scottish Ministers have policy and funding responsibility for these forms of assistance. This competence is exercised under agency agreements, where the DWP deliver the payments on the Scottish Ministers behalf. While there are agency agreements in place for DWP to administer existing claims, the Scottish Ministers are committed to annually uprate the assistance at the same rate as applied by the DWP. This is the September CPI rate with the payment rounded to the nearest multiple of 5p, with the exception of IIDB where the 100% degree of disablement entitlement is rounded to the nearest 10p and the lower rates rounded to the nearest 1p while the IDB is uprated through the triple lock guarantee.

6.3 Social Security Scotland will progressively take over administering these benefits from the DWP but until Scottish Government regulations are in place, so that uprating can be achieved through the 2018 Act, the Scottish Ministers will be responsible for uprating these forms of assistance, where required, through powers under UK legislation.

6.4 The Scottish Ministers will be responsible for bringing forward legislation to uprate AA, CA, DLA, PIP, SDA, IIDB and IDB in April 2021.

## 7. Inflation-adjusted figures

7.1 Under section 77 of the Act there is a requirement to calculate the inflation-adjusted figures for all devolved assistance in Part 2, Chapter 2 which are in effect; the Young Carer Grant, Funeral Support Payment, Best Start Grant and Child Winter Heating Assistance. The inflation-adjusted figures are provided in Table 1. The 2020-21 levels for these benefits have been updated with the September 2020 CPI (0.5%).

**Table 1 - Assistance covered by Section 77 of the Act**

<b>Benefit</b>	<b>2020-21 levels</b>	<b>Inflation-adjusted levels</b>
Best Start Grant Pregnancy and Baby Payment (1st Child Payment)	£600.00	£603.00
Best Start Grant Pregnancy and Baby Payment (Subsequent Child Payment & Extra Payment for Twins/Triplets)	£300.00	£301.50
Best Start Grant Early Learning Payment and School Age Payment	£250.00	£251.25
Child Winter Heating Assistance	£200.00	£201.00
Funeral Support Payment (£1,000 rate)	£1,000.00	£1,005.00
Funeral Support Payment (£122.05 rate)	£122.05	£122.65
Funeral Support Payment (£20.35 rate)	£20.35	£20.45
Young Carer Grant	£305.10	£306.65

Note: rounding to the nearest multiple of 5p is applied

7.2 Table 2 presents inflation-adjusted figures for the other forms of devolved assistance that are not covered by section 77. Attendance Allowance, Carer's Allowance, Disability Living Allowance, Industrial Injuries Disablement Benefit, Personal Independence Payment and Severe Attendance Allowance are to be updated through powers under UK legislation as a requirement of the Agency Agreement and Carer's Allowance Supplement is to be updated through section 81 of the Act. Best Start Foods and Job Start Payment are not delivered under the Act but are included for completeness. The inflation-adjusted levels have been calculated using September 2020 CPI (0.5%).

**Table 2 - Assistance not covered by Section 77 of the Act**

<b>Benefit (weekly rate unless otherwise shown)</b>	<b>2020-21 levels</b>	<b>Inflation-adjusted levels</b>
<b>Attendance Allowance</b>		
Higher rate	£89.15	£89.60
Lower Rate	£59.70	£60.00
<b>Best Start Foods</b>		

During pregnancy and between the ages of 1 and 3	£4.25	£4.25
From birth until 1 year old 2 x £4.25 payments	£8.50	£8.50
<b>Carer's Allowance</b>	£67.25	£67.60
<b>Carer's Allowance Supplement</b>	£8.85	£8.90
<b>Disability Living Allowance</b>		
Care Component Highest Rate	£89.15	£89.60
Care Component Middle Rate	£59.70	£60.00
Care Component Lowest Rate	£23.60	£23.70
Mobility Component Higher Rate	£62.25	£62.55
Mobility Component Lower Rate	£23.60	£23.70
<b>Industrial Injuries Disablement Benefit</b>		
1.0	£182.00	£182.90
0.9	£163.80	£164.61
0.8	£145.60	£146.32
0.7	£127.40	£128.03
0.6	£109.20	£109.74
0.5	£91.00	£91.45
0.4	£72.80	£73.16
0.3	£54.60	£54.87
0.2	£36.40	£36.58
<b>Job Start Payment</b>		
Job Start Payment standard rate	£250.00	£251.25
higher rate	£400.00	£402.00
<b>Personal Independence Payment</b>		
Daily Living Component Enhanced Rate	£89.15	£89.60
Daily Living Component Standard Rate	£59.70	£60.00
Mobility Component Enhanced Rate	£62.25	£62.55
Mobility Component Standard Rate	£23.60	£23.70
<b>Severe Disablement Allowance</b>		
Basic Rate	£80.85	£81.25
Age related addition Higher Rate	£12.10	£12.15
Middle Rate	£6.70	£6.75
Lower Rate	£6.70	£6.75

Note: rounding to the nearest multiple of 5p is applied except IIDB where the 100% degree of disablement entitlement is rounded to the nearest 10p and the lower rates rounded to the nearest 1p

7.3 Industrial Death Benefit is part of the Industrial Injuries Scheme and is paid to the widow, widowers or dependents of someone who has died as a result of an industrial injury or disease. It is paid at the same rate as the Old State Pension and is uprated through the triple lock guarantee which ensures that pensions increase by the greatest of average earnings, prices as measured by CPI or 2.5%. As 2.5% is the highest rate this year the higher rate widow's pension of £134.25 will increase to **£137.60**, the lower rate widow's pension of £40.28 to **£41.28**. The widower's pension of £134.25 will increase to **£137.60**. This is a closed benefit and was abolished for all new claims in 2012 and is payable only if the person died before 1988.

## 8. Uprating Policy for 2021-22

8.1 During the Scottish Budget on 28 January 2021 it was announced that Best Start Grant, Child Winter Heating Assistance, Funeral Support Payment, Job Start Payment and Young Carer Grant will receive an uplift to the payment rates of 1%, which is 0.5% higher than the inflation-adjusted level of assistance. This is in recognition of the exceptional circumstances arising through COVID-19 and the impact it has had on low income households. Carer's Allowance Supplement will be increased by 0.5% as section 81 of the Act does not allow the payment to be increased higher than the rate of inflation.

The new rates of assistance are presented in Table 3.

**Table 3 – 2021-22 assistance rates for Best Start Grant, Child Winter Heating Assistance, Funeral Support Payment, Job Start Payment, Young Carer Grant, and Carer's Allowance Supplement**

<b>Benefit</b>	<b>Assistance Rates 2021-22</b>
Best Start Grant Pregnancy and Baby Payment (1st Child Payment)	£606.00
Best Start Grant Pregnancy and Baby Payment (Subsequent Child Payment & Extra Payment for Twins/Triplets)	£303.00
Best Start Grant Early Learning Payment and School Age Payment	£252.50
Child Winter Heating Assistance	£202.00
Funeral Support Payment (£1,000 rate)	£1,010.00
Funeral Support Payment (£122.05 rate)	£123.25
Funeral Support Payment (£20.35 rate)	£20.55
Job Start Payment standard rate	£252.50
Job Start Payment higher rate	£404.00
Young Carer Grant	£308.15
Carers Allowance Supplement (bi-annual rate)	£231.40

Note: rounding to the nearest multiple of 5p is applied

8.2 Scottish Ministers will bring forward legislation to uprate the assistance that they have executive competence for namely AA, CA, DLA, PIP, SDA, IIDB and IDB by April 2021. The uprate will be the same rate as applied by the DWP which is the September CPI rate with the payment rounded to the nearest multiple of 5p with the exception of IIDB where the 100% degree of disablement entitlement is rounded to the nearest 10p and the lower rates rounded to the nearest 1p while the IDB is uprated through the triple lock guarantee. A summary of the devolved Social Security assistance rates to be delivered in Scotland in 2021-2022 is available in **Annex A**.

8.3 The UK Government also updates the reserved social security benefit and pension rates each year. The rates for 2021-22 can be found at: [Benefit and pension rates 2021 to 2022 - GOV.UK \(www.gov.uk\)](https://www.gov.uk/benefit-and-pension-rates-2021-to-2022)

## **9. Carer's Allowance Supplement Statement**

9.1 As Carer's Allowance has the lowest rate of all working age benefits, the Carer's Allowance Supplement was designed to increase Carer's Allowance to the level of Jobseeker's Allowance. The supplement is an interim measure until the Scottish Government is delivering Scottish Carer's Assistance in full under the powers in the 2018 Act.

9.2 Section 81 of the Act provides a formula for determining the rate of Carer's Allowance Supplement by calculating the difference between the weekly rate of Carer's Allowance and Jobseeker's Allowance. To ensure the support provided through the Supplement is protected as prices change, Section 81 provides for the amount of Jobseeker's Allowance used in this calculation to be uprated for inflation, while taking into account any changes in the rate of Jobseeker's Allowance since the introduction of the Supplement. This means that since the introduction of Carer's Allowance Supplement in 2018, the Jobseeker's Allowance rate used for its calculation was uprated with inflation despite Jobseeker's Allowance remaining frozen at 2015-16 prices under the UK Government benefit freeze policy until April 2020.

9.3 As no legislation is required to uprate Carer's Allowance Supplement, Scottish Ministers are to publish a statement before the start of each new tax year, explaining how inflation has been calculated for this purpose. It is appropriate to include this statement within this report.

9.4 For 2021-22, Scottish Ministers will use the rate of Jobseeker's Allowance calculated for 2020-21 (£76.10), uprated by September 2020 CPI of 0.5%, in the calculation of Carer's Allowance Supplement – giving a rate of £76.50.

9.5 The effect of this will be to uprate the Supplement, increasing the weekly rate from £8.85 to £8.90, so that the bi-annual payment will increase from £230.10 to £231.40.

## **10. Conclusion**

10.1 This is the second publication of the report on the impact of inflation on devolved social security assistance. The report has explained the Scottish Government's approach to uprating social security assistance for the financial year 2021-22.

## Devolved Social Security Assistance Rates 2021-2022

Weekly rates unless otherwise shown.

<b>Benefit</b>	<b>Rates 2020-21</b>	<b>Rates 2021-22</b>
<b>Attendance Allowance</b>		
Higher Rate	£89.15	£89.60
Lower Rate	£59.70	£60.00
<b>Carer's Allowance</b>		
Carer's Allowance	£67.25	£67.60
Carer's Allowance Supplement	£8.85	£8.90
Carer's Allowance Earnings Threshold	£128.00	£128.00
Earnings limit: Child dependency increase payable with Carer's Allowance (for first child)	£245.00	£245.00
Earnings limit: Child dependency increase payable with Carer's Allowance (for each subsequent child)	£33.00	£33.00
Child Dependency Increases payable with CA	£11.35	£11.35
<b>Disability Living Allowance</b>		
Care Component Highest Rate	£89.15	£89.60
Care Component Middle Rate	£59.70	£60.00
Care Component Lowest Rate	£23.60	£23.70
Mobility Component Higher Rate	£62.25	£62.55
Mobility Component Lower Rate	£23.60	£23,70
<b>Industrial Injuries Disablement Benefit</b>		
Standard Rate 1.0	£182.00	£182.90
0.9	£163.80	£164.61
0.8	£145.60	£146.32
0.7	£127.40	£128.03
0.6	£109.20	£109.74
0.5	£91.00	£91.45
0.4	£72.80	£73.16
0.3	£54.60	£54.87
0.2	£36.40	£36.58
<b>Industrial Injuries Unemployability Supplement permitted earnings level (annual amount)</b>	£7,280.00	£7,436.00
<b>Maximum life gratuity (lump sum)</b>	£12,080.00	£12,140.00
<b>Unemployability Supplement</b>	£112.55	£113.10
<b>Increase for early incapacity</b>		
Higher rate	£23.30	£23.40
Middle rate	£14.90	£15.00

Lower rate	£7.45	£7.50
<b>Maximum reduced earning allowance</b>	£72.80	£73.16
<b>Maximum retirement allowance</b>	£18.20	£18.29
<b>Constant Attendance Allowance</b>		
Exceptional rate	£145.60	£146.40
Intermediate rate	£109.20	£109.80
Normal maximum rate	£72.80	£73.20
Part-time rate	£36.40	£36.60
<b>Exceptionally severe disablement allowance</b>	£72.80	£73.20
<b>Industrial Death Benefit</b>		
Widow's Higher Rate	£134.25	£137.60
Lower Rate	£40.28	£41.28
Widower's Rate	£134.25	£137.60
<b>Personal Independence Payment</b>		
Daily Living Component Enhanced Rate	£89.15	£89.60
Daily Living Component Standard Rate	£59.70	£60.00
Mobility Component Enhanced Rate	£62.25	£62.55
Mobility Component Standard Rate	£23.60	£23.70
<b>Severe Disablement Allowance</b>		
Basic Rate	£80.85	£81.25
Age related addition Higher Rate	£12.10	£12.15
Middle Rate	£6.70	£6.75
Lower Rate	£6.70	£6.75
Earnings limit: Child dependency increase payable with SDA (for first child)	£245.00	£245.00
Earnings limit: Child dependency increase payable with SDA (for each subsequent child)	£33.00	£33.00
Child Dependency Increases payable with SDA	£11.35	£11.35
Earnings limit: Adult Dependency Increase payable with SDA dependant is living with claimant	£74.35	£74.70
Earnings limit: Adult Dependency Increase payable with SDA dependant still qualifies for the tapered earnings rule	£45.09	£45.09
Earnings limit: Adult Dependency Increase payable with SDA dependant is not living with claimant	£39.75	£39.95
Adult Dependency Increase payable with SDA	£39.75	£39.95



Grants or one-off payments

<b>Benefit</b>	<b>Rates 2020-21</b>	<b>Rates 2021-22</b>
<b>Best Start Grant (BSG)</b>		
BSG Pregnancy and Baby Payment (1st Child Payment)	£600.00	£606.00
BSG Pregnancy and Baby Payment (Subsequent Child Payment & Extra Payment for Twins/Triplets)	£300.00	£303.00
BSG Early Learning Payment and School Age Payment	£250.00	£252.50
<b>Child Winter Heating Assistance</b>		
Child Winter Heating Assistance (annually)	£200.00	£202.00
<b>Funeral Support Payment</b>		
standard rate for other expenses element	£1,000.00	£1,010.00
other expenses element where there is a funeral plan	£122.05	£123.25
removal of implanted medical devices	£20.35	£20.55
<b>Job Start Payment</b>		
Job Start Payment (one-off) standard rate	£250.00	£252.50
higher rate	£400.00	£404.00
<b>Young Carer Grant</b>		
Young Carer Grant (annually)	£305.10	£308.15

Weekly rates (up to the age of 3)

<b>Best Start Foods</b>	<b>Rates 2020-21</b>	<b>Rates 2021-22</b>
During pregnancy and between the ages of 1 and 3	£4.25	£4.25
From birth until 1 year old	£8.50	£8.50



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