

30 March 2022

Ben Macpherson MSP
Minister for Social Security and Local Government

By email, 30 March 2022

Dear Mr Macpherson,

Thank you for your letter of 17 March 2022 informing the Commission of the Scottish Government's intention to withdraw the Social Security (Uprating) (Miscellaneous Amendment) (Scotland) Regulations 2022 and to replace them with revised regulations that provide for certain devolved forms of social security assistance to be uprated by 6% instead of 3.1%, in response to the further significant increase in the cost of living since the previous version was drafted and referred to us for scrutiny.

We note that the revised regulations were laid on the day of your letter. We understand and accept the need for an expedited process, without time for us to scrutinise the revised regulations in advance, given the imperative for arrangements to be in place from April. We further note that, under these circumstances, and in view of the fact that the regulations are almost identical in other respects, you are not requiring us to submit another report, but that you would welcome a revised report from us, should we wish to submit one. Having considered these developments, SCoSS does not see the need to go down that road. However, while we have no additional recommendations to make we hope it is helpful, firstly, to provide a brief response and, secondly, to draw your attention to recommendations in our most recent and previous reports on uprating which are pertinent¹.

The CPI figure for February 2022 shows an inflation rate of 6.2%², with the ONS predicting this could rise above 8% in the April to June 2022 period³. To increase assistance by 3.1% therefore falls short of maintaining value and contribution towards reducing poverty⁴. There is also emerging commentary that this will impact disproportionately on poorer households⁵. We therefore welcome the decision to increase the 3.1% level of uprating and to uprate Best Start Grant payments, which were not previously included in the January uprating.

We note the maintenance of the previously proposed uplift for Scottish Child Payment from £10 to £20 per week which continues to represent an increase in value considerably in excess of inflation. We also note that Adult Disability Payment and Child Disability Payment will retain the previously proposed uprating level of 3.1%, in line with the equivalent benefits (Disability Living

¹ [Scottish Commission on Social Security: publications - gov.scot \(www.gov.scot\)](https://www.gov.scot/publications/social-security-commission-on-social-security/)

² [Consumer price inflation, UK - Office for National Statistics](https://www.ons.gov.uk/economicindicators/inflationandprices/consumerpriceinflation)

³ [UK inflation hits 30-year high of 6.2% as Sunak readies response | Reuters](https://www.reuters.com/business/economy/uk-inflation-hits-30-year-high-of-6-2-as-sunak-readies-response-2022-03-16/)

⁴ See principle e of the [Social Security \(Scotland\) Act 2018](https://www.gov.scot/publications/social-security-act-2018/)

⁵ <https://www.resolutionfoundation.org/comment/inflation-will-hit-low-and-middle-income-families-hardest/>

Allowance and Personal Independence Payment) which are still administered by the DWP under agency agreements, which require a consistent approach. As we noted in our 2019 report on policy for uprating⁶, to do anything other than retain parity could risk safe, secure transfer.⁷

In our January 2022 uprating scrutiny report we noted our considerable concerns about the ever increasing cost of living. In view of inflation forecasts, this remains a live concern. In January we made the following recommendation:

Recommendation 1: In view of the rapid and substantial rise in inflation since September 2021, and the possibility that by April 2022 a 3.1% increase could fall well short of CPI, we invite the Scottish Government to set out its thoughts on the need for mitigating action and its strategic approach to adjustments in light of inflation volatility.

In response, the Scottish Government took the view that uprating assistance annually in April according to the previous September's CPI inflation rate continued to be the correct approach. When in 2019 we reported on the Scottish Government's overall policy for uprating statements we agreed that September CPI was the best approach, at least in the short-term. However, we also drew attention to the usefulness of saying more on contingency plans for dealing with inflation volatility:

Recommendation 4: The Scottish Government is invited to present plans to mitigate the adverse effects of volatile inflation on people receiving devolved benefits, should this occur.

The Scottish Government responded that it would "consider how this can best be achieved if inflation becomes volatile in the future"⁸. In view of the current situation and forecasts, it may therefore be worth considering if scope exists for a systematic transparent approach to aid prior preparation and planning for such eventualities.

Through our initial report on strategic policy approach to uprating and annual reports, SCoSS is building up a body of knowledge of this area and its development. We remain, as always, delighted to contribute our knowledge and expertise, to Ministers, Parliamentary Committee and officials, in whatever ways would be helpful to building a devolved social security system based on dignity, fairness and respect.

Kind regards,



Dr Sally Witcher OBE
Chair, Scottish Commission on Social Security

Cc Cabinet Secretary for Social Justice, Housing and Local Government
Convener, Social Justice and Social Security Committee
Ian Davidson, Deputy Director for Social Security Policy

⁶ [Scottish Commission on Social Security: uprating report 2019 - gov.scot \(www.gov.scot\)](http://www.gov.scot)

⁷ In other circumstances it may be worth considering how 78(1) of the Social Security (Scotland) Act 2018 may apply.

⁸ [Uprating 2019: SG response to report - gov.scot \(www.gov.scot\)](http://www.gov.scot)