



**The Health and
Social Care
Alliance
Scotland
(the ALLIANCE)**



**Social Security (Amendment)
(Scotland) Bill Financial
Memorandum Call for Views**

10 January 2024

Introduction

The Health and Social Care Alliance Scotland (the ALLIANCE) welcomes the opportunity to respond to the Finance and Public Administration Committee's call for views on the financial memorandum for the Social Security (Amendment) (Scotland) Bill. We submitted a response to the Scottish Government's pre-legislative consultation on the Bill¹, and consider that many of the proposals align closely with our recommendations.

The Scottish Government have made significant additional commitments to social security expenditure in Scotland, as part of a more human rights based approach. This investment, including in highly impactful measures like the Scottish Child Payment, has been widely welcomed. Although it is important that funding for the social security system remains sustainable, further investment such as the proposed care experience assistance is essential to tackling poverty and building a fair and equitable society for all.

Question 1: Did you take part in any consultation exercise preceding the Bill and, if so, did you comment on the financial assumptions made?

The ALLIANCE responded to the original pre-legislative consultation, but we did not comment directly on the financial assumptions made. We did however indicate that we anticipated that some of the proposed approaches might have financial implications.

In particular, we stated our expectation that putting the Scottish Child Payment (SCP) on a statutory footing in its own right rather than continuing to provide it as a "top up" payment would likely result in an increase in administrative staffing costs. These may arise both from the need to assess eligibility for the payment by itself rather than through existing social security payments, and from any broadening of eligibility criteria. We did not consider this to be a disadvantage to the proposal, emphasising that the focus should be on outcomes.



Question 2: If applicable, do you believe your comments on the financial assumptions have been accurately reflected in the FM?

The financial memorandum directly addresses the expected implementation costs with respect to childhood assistance. The Scottish Government note that there is no direct cost associated with the power to make regulations, that relevant costings will be provided when any new regulations are drafted, yet they do not anticipate that there will be any significant financial implications.

This is stated to be because they do not anticipate significant changes in how the SCP is delivered under any new regulations. We would be interested to see more detail from the Scottish Government about their intended future delivery approach. For example, we can imagine that if SCP eligibility was still to be determined via eligibility for other social security payments, that would eliminate the need to assess SCP eligibility in its own right, and thus to employ staff specifically to carry out that function.

We would however be slightly concerned by this approach if it was entirely tied to reserved payments administered by the UK Government's Department for Work and Pensions (DWP), for the reasons we set out in our original consultation response. A continued link between SCP and reserved payments would risk SCP eligibility being lost against the Scottish Government's policy intention, and potentially defeat the point of putting the payment on its own regulatory footing.

Whilst eligibility could instead be associated with a basket of payments including those administered by Social Security Scotland, we are not entirely convinced that would fully protect SCP recipients from any changes in UK Government policies. This may also introduce additional complexity to the system, which could complicate application processes and consume more staff resource. Overall whilst we do not consider that additional costs are likely to be substantial, we remain of the view that there is likely to be at least some additional staffing cost arising from these provisions.



Question 3: Did you have sufficient time to contribute to the consultation exercise?

Yes. The ALLIANCE submitted a comprehensive response to the consultation. We were also invited to a follow-up meeting with Scottish Government officials to discuss a query arising from one of our answers.

Question 5: Do you consider that the estimated costs and savings set out in the FM are reasonable and accurate?

As set out in our response to an earlier question, we consider that there may be a slight underestimate of the costs relating to future administration of SCP under new regulations. Costings for the proposed care experience assistance are clearly explained, based on the number of expected recipients, and appear to be reasonable and accurate.

The provisions relating to compensation recovery account for a substantial proportion of the recurring financial implications of the bill. We note that the possible upper staffing costs of compensation recovery exceed approximately 90% of the sums estimated to be recovered. Whilst this is the uppermost estimate and we do not have any reason to consider that the range is inaccurate, it is clearly important that care is taken to ensure the costs of recovery do not exceed the sums recovered.

The remaining costs and savings relate primarily to the costs of updating guidance, materials and training to account for new systems and processes. These appear to be reasonable and accurate, particularly given that the Scottish Government will now have significant prior experience in implementing changes to the social security system in Scotland.

About the ALLIANCE

The Health and Social Care Alliance Scotland (the ALLIANCE) is the national third sector intermediary for health and social care, bringing together a diverse range of people and organisations who share our vision,



which is a Scotland where everyone has a strong voice and enjoys their right to live well with dignity and respect.

We are a strategic partner of the Scottish Government and have close working relationships with many NHS Boards, academic institutions and key organisations spanning health, social care, housing and digital technology.

Our purpose is to improve the wellbeing of people and communities across Scotland. We bring together the expertise of people with lived experience, the third sector, and organisations across health and social care to inform policy, practice and service delivery. Together our voice is stronger and we use it to make meaningful change at the local and national level.

The ALLIANCE has a strong and diverse membership of over 3,500 organisations and individuals. Our broad range of programmes and activities deliver support, research and policy development, digital innovation and knowledge sharing. We manage funding and spotlight innovative projects; working with our members and partners to ensure lived experience and third sector expertise is listened to and acted upon by informing national policy and campaigns, and putting people at the centre of designing support and services.

We aim to:

- Ensure disabled people, people with long term conditions and unpaid carers voices, expertise and rights drive policy and sit at the heart of design, delivery and improvement of support and services.
- Support transformational change that works with individual and community assets, helping people to live well, supporting human rights, self management, co-production and independent living.
- Champion and support the third sector as a vital strategic and delivery partner, and foster cross-sector understanding and partnership.



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¹ The ALLIANCE, 'ALLIANCE response to the social security enhanced administration consultation' (October 2022), available at: <https://www.alliance-scotland.org.uk/blog/news/alliance-response-to-the-social-security-enhanced-administration-consultation/>

