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Social Justice and Social Security Committee
The Scottish Parliament
Edinburgh
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By email to: sjss.committee@parliament.scot

29 April 2022

Dear Elena,

Thank you for your letter of 1 April 2022 following the appearance of Chloe Smith MP, Minister for Disabled People, Health and Work, and her officials, before the Committee on 10 March 2022. I was glad to hear Ms Smith re-affirm her commitment to our close collaboration at both ministerial and official levels, and the importance of this joint working to allow us to deliver the best outcomes for the people of Scotland.

You outlined a number of areas the Committee requested further information from the Scottish Government.

Passporting options following policy divergence

DWP officials explained to the Committee that it is the responsibility of that Department to identify people in Scotland entitled to reserved benefits. You asked me to comment on the extent to which DWP's decisions about awarding premiums affects Scottish Government policy on Adult Disability Payment (ADP).

As you know, introducing ADP is implementing very significant changes to the delivery of disability benefits, ensuring a person-centred approach and transforming the experiences of people applying, when compared with Personal Independence Payment (PIP). In developing ADP we have of course been mindful of the need to ensure that people do not face new or additional burdens in accessing reserved benefits. We have worked closely with DWP to ensure that award of ADP is recognised for such 'passporting' purposes.

I note Ms Smith's response to Ms Duncan-Glancy on whether DWP sought to impose conditions on the rules relating to ADP. As Ms Smith noted in her evidence, these are devolved matters; it would not therefore be appropriate for DWP to seek to do so. However, decisions about recognising ADP for the purposes of 'passporting' entitlement are for DWP, and the Committee will wish to be aware that the Scottish Government has consistently been advised by DWP that such recognition would be based on eligibility and entitlement rules being aligned to PIP. I look forward to further discussion on this issue as we complete introducing ADP and undertaking case transfer.

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Spill-over effect

The Fiscal Framework agreed between the Scottish Government and UK Government established a position whereby if policy decisions taken by one government lead to increased costs for the other government, such costs may be recouped, in line with the 'no detriment' principle from the Smith Commission. These are referred to as spillover costs.

We have agreed a spillover methodology for the devolved disability and carer benefits with DWP. This was set out in a letter from the previous Cabinet Secretary for Social Security and Older People to the Secretary of State for Work and Pensions on 22 March 2021. When such a spillover is identified and agreed, HM Treasury will amend the Block Grant Adjustment accordingly at the following Autumn Budget. Were such a situation to arise, while such a spillover was being identified and calculated, people receiving the benefits concerned should not be affected and the Scottish Government would work together with the DWP to ensure benefits are received as normal.

It is the Scottish Government's position that the spillover provisions of the Fiscal Framework should be considered as part of the upcoming Fiscal Framework Review with a view to clarifying and simplifying their operation.

Working across different social security systems

The Committee rightly notes the scale and complexity of the social security devolution programme and the importance of close collaboration between the Scottish and UK Governments. I know the Committee will have been reassured by Ms Smith's comments on this matter and I can confirm again the commitment of the Scottish Government to joint working to ensure safe and secure transfer to our new Scottish benefits.

The Agency Agreements agreed with DWP ensure continued administering of devolved benefits by DWP as we move the awards of around 700,000 people – more than 1 in 10 people in Scotland – to these new benefits. These Agreements are a cost-effective mechanism to ensure clients continue to receive the right payments at the right time whilst work is undertaken to develop and deliver new systems in a safe and stable way.

Benefit systems in Scotland and the UK will undoubtedly change over time, as evidenced by the DWP Green Paper on Disability Benefits and the upcoming Independent Review of Adult Disability Payment. Both governments recognise that it will be important to continue to work closely together on policy development to ensure that people in Scotland continue to receive the benefits they are entitled to.

Positive working relationships at all levels have been essential to delivery of devolved and reserved benefits to better meet the needs of people in Scotland. In addition to the introduction of twelve Scottish benefits, seven of which are brand new, we have adapted the way Universal Credit is paid to Scottish clients, allowing for more frequent payments and making direct payment of rent to landlords available to anyone in Scotland who wants them.

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Scottish Child Payment (SCP) data sharing

Finally, the Committee asked about data sharing arrangements for the extension of SCP for 6-15 year olds. As the Committee is aware, a range of approaches were considered, with the strong preference of the Scottish Government having been to extend existing interfaces in place to support delivery of the SCP for under 6s.

DWP's position was that we should instead align with their new strategic solution. This approach carries a higher degree of risk to our delivery timeline since that strategic solution is still in the design phase. We have an agreed joint plan in place to monitor and track that risk, including regular meetings between senior Scottish Government and UK Government officials to formally assess progress and provide a platform for escalation to Ministers should that be necessary.

I hope that the Committee finds this letter useful.

Best regards,



BEN MACPHERSON

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