
Supplementary Costing: Carer Support Payment

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ISBN: 978-1-911637-63-9

Published by the Scottish Fiscal Commission, September 2023

Laying Number: SFC/2023/4

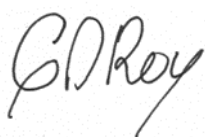
Foreword

The Scottish Fiscal Commission is the independent fiscal institution for Scotland. Our statutory duty is to provide independent and official forecasts of the Scottish economy, devolved taxes and devolved social security spending. Our forecasts represent the collective view of the four Commissioners of the Scottish Fiscal Commission and we take full responsibility for them.

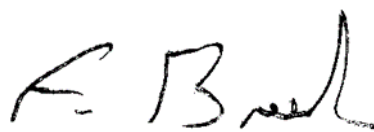
This report presents our revised forecast for the Scottish Government's social security payment for carers, Carer Support Payment, to be introduced as a pilot from the end of 2023 and nationally from October 2024. The regulations for this payment are being laid in the Scottish Parliament today, 4 September 2023.

For legislation relating to social security payments, our objective is to ensure the Scottish Parliament has an independent estimate of the financial effects of the policy changes proposed by the Scottish Government.

We included a costing of this payment in our May 2023 forecast. We have produced an updated forecast to reflect the effects of the change to the assumed start date of the national launch and the implementation of a phased approach of the pilot. Our assessment is that the later date of the national launch for the payment and the extended pilot will reduce the spending on Carer Support Payment in 2023-24 and 2024-25.



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4 September 2023

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Carer Support Payment Policy Costing

Introduction

- 1 The Scottish Government has today, 4 September 2023, laid the Carer's Assistance (Carer Support Payment) (Scotland) Regulations 2023 in the Scottish Parliament. Carer Support Payment (CSP) will replace the devolved Carer's Allowance in Scotland and will continue to provide financial assistance to people who provide regular and substantial unpaid care for people who are in receipt of certain qualifying disability payments.
- 2 In our May 2023 forecast, we published a policy costing for Carer Support Payment (CSP).¹ That forecast was based on our understanding of the plans for launch dates and timings for the introduction of policy changes.
- 3 To assist scrutiny of the current legislation, we are now providing an updated forecast based on the information in the regulations. In our judgements we also factor in Scottish Government's commitments for the implementation of the payment, which we referred to in our May 2023 forecast.²
- 4 This updated forecast includes the effects of the change to the planned date of the national launch from spring 2024 to October 2024. Alongside the change to the start date of the payment, we have also adjusted our forecast to reflect the fact that the CSP pilot will be running for ten months from the end of 2023 to October 2024, rather than the previous assumption of a three-month pilot.
- 5 We now estimate that the total spending on carer's payments will be £477 million in 2024-25, which is £9 million lower than our previous forecast, and £536 million in 2025-26, which is £10 million lower than our previous forecast. From 2026-27, our forecast is unchanged from the version published in May 2023.

Measure description

- 6 Carer Support Payment (CSP) will replace Carer's Allowance in Scotland and will be administered by Social Security Scotland. This is a payment to people who provide regular and substantial unpaid care to people who are in receipt of qualifying disability payments.
- 7 A pilot for the payment will start at the end of 2023 and the payment will be introduced nationally from October 2024, which is later than the previously planned national launch date of spring 2024.
- 8 Further details of the payment and proposed policy changes are described in Annex A of our May 2023 forecast publication.³

¹ Scottish Fiscal Commission (2023) Scotland's Economic and Fiscal Forecasts, May 2023 ([link](#)).

² Scottish Government (2023) The Carer's Assistance (Carer Support Payment) (Scotland) Draft Regulations 2023: policy note ([link](#)), Scottish Government (2023) The Carer's Assistance (Carer Support Payment) (Scotland) Draft Regulations 2023 ([link](#)), Scottish Government (2022) Scottish Carer's Assistance consultation: Scottish Government Response ([link](#)).

³ Scottish Fiscal Commission (2023) Scotland's Economic and Fiscal Forecasts, May 2023 ([link](#)).

The cost base

- 9 The cost base is the number of people that will be affected by the proposed changes to be introduced through CSP policy. In our policy costing in May 2023, we calculated the number of people receiving carer's payments in Scotland and how this will change with the introduction of the CSP from 2024-25.
- 10 We calculate the baseline caseload using historical data on the proportion of people receiving a specific rate and component of the qualifying disability payments that have an eligible carer in receipt of Carer's Allowance (CA).⁴
- 11 Our baseline caseload is the number of people receiving CA payments in the absence of CSP. This means the baseline caseload is not affected by the change to the date of introduction of the CSP.
- 12 The change to the date of the national launch and the extension of the pilot do affect our forecast of additional CSP caseload. Some of the policy changes that affect eligibility will be implemented at the national launch, so the effect of those policy changes on the additional caseload will now occur after October 2024.
- 13 The change to the date of the national launch will also affect the process of case transfer from Department for Work and Pensions (DWP) to Social Security Scotland. This will affect the policy changes planned to be introduced after the case transfer, including the introduction of CAPP.⁵
- 14 Figure 1 shows our forecast of number of people who will receive CSP and CAPP as an addition to the baseline caseload from CA.

⁴ Scottish Fiscal Commission (2021) How we forecast social security: disability and carer's payments ([link](#)).

⁵ Carer's Additional Person Payment (CAPP) will provide additional support for carers who receive CSP and are caring for more than one person who receives a qualifying disability payment.

Figure 1: Number of people forecast to receive Carer Support Payment and Carer’s Additional Person Payment.

Thousands	2024-25	2025-26	2026-27	2027-28	2028-29
Baseline CA caseload [1]	100	104	109	114	118
Additional CSP caseload, of which:	2	7	12	12	12
Reduction of restrictions for carers in full-time education	2	2	2	2	2
Higher earnings limit		1	4	5	5
Additional applications	1	4	6	6	6
CAPP caseload [2]		17	18	19	20
Total CSP caseload	102	111	120	126	130

Source: Scottish Fiscal Commission

Figures may not sum because of rounding.

[1] Everyone who receives Carer’s Allowance (CA) in Scotland also receives Carer’s Allowance Supplement (CAS). We assume that all the additional caseload from Carer Support Payment (CSP) will be matched by an equal increase in CAS caseload.

[2] To receive Carer’s Additional Person Payment (CAPP) the applicant must already be receiving CSP so the CAPP caseload is already included in the additional CSP total.

The costing

- 15 Our estimate of how spending on carer’s payments will change when Carer Support Payment (CSP) is introduced uses our forecasts for baseline Carer’s Allowance (CA) and Carer’s Allowance Supplement (CAS) spending and caseload and incorporates estimates of the effect of the introduction of CSP policy changes.

Figure 2: Overall policy costing for Carer Support Payment.

£ million	2024-25	2025-26	2026-27	2027-28	2028-29
Baseline spending, of which:	471	494	515	542	571
CSP Baseline (CA)	415	436	454	478	503
CAS Baseline	56	58	61	64	68
Total additional CSP, of which:	6	42	70	73	77
Additional CSP from policy changes	6	32	54	56	59
Additional CAS	1	4	7	7	7
CAPP		7	9	10	10
Total carer’s payments spending	477	536	585	615	647

Source: Scottish Fiscal Commission

Figures may not sum because of rounding.

- 16 Figure 3 shows the breakdown of the policy costing for CSP from each of the policy changes we have considered. This includes the effects of these policy changes on CAS, as well as the introduction of CAPP. Our policy costing approaches are consistent with our May 2023 forecast.⁶

⁶ Scottish Fiscal Commission (2023) Scotland’s Economic and Fiscal Forecasts, May 2023 ([link](#)).

Below, we provide further detail of our change in assumption on the pilot, changes to eligibility for carers in full-time education, and those caring for people in receipt of Short-term Assistance (STA).

- 17 In our May 2023 forecast, we did not include costing for the pilot as we assumed it would only involve a small number of clients over a short period and not have a material effect on our forecast. The Scottish Government has changed the approach to the pilot which will now be extended to run from the end of 2023 to the national launch in October 2024. We do not have firm details on the implementation of the pilot but assume there will be a phased approach extending to more areas over the duration of the pilot.
- 18 We include the costing for the extended pilot at £0.2 million. This is based on our estimate of the additional successful applications in specific council areas for the duration of the pilot. We have also included an overall increase of 5 per cent in inflows of applications as a result of introduction of CSP in these pilot areas.
- 19 The extension of eligibility to carers aged 20 or over in full-time education at all levels and carers aged 16 to 19 in full-time advanced education will be introduced from the start of the pilot. From national launch the eligibility to carers aged 16 to 19 in full-time non-advanced education will be extended in exceptional circumstances as set out in the regulations. We have included the effects of these changes in our costing. We have not costed this change separately for the pilot as we assume the numbers will be low.
- 20 We assume the policy changes to payments where cared for people are receiving Short-term Assistance (STA) will be implemented after the case transfer. We have included the costing for this change with other changes grouped to assess their impact together.

Figure 3: Breakdown of the additional Carer Support Payment costing.

£ million	2024-25	2025-26	2026-27	2027-28	2028-29
Total additional CSP, of which:	6	42	70	73	77
Pilot	0				
Reduction of restrictions for carers in full-time education	4	7	7	7	7
Higher earnings limit		5	21	22	23
Other eligibility changes [1]		4	5	5	5
Additional applications	2	19	28	29	31
CAPP		7	9	10	10

Source: Scottish Fiscal Commission

Figures may not sum because of rounding.

[1] Other eligibility changes include extension of period of support after the death of a cared for person or if the cared for person is admitted to a hospital or care home from 8 to 12 weeks; allowing carers to add together hours spent caring for more than one person; and adding Short-term Assistance (STA) to CSP qualifying payments.

Changes since May 2023

- 21 We produced a policy costing for Carer Support Payment (CSP) in our May 2023 forecast.⁷ Since then, the Scottish Government changed the date of the national launch of the payment to October 2024 from the previous date of spring 2024.
- 22 In addition, the pilot, which starts at the end of 2023, has now been extended to October 2024. We do not have firm details on the implementation of the pilot, and hence have drawn on evidence from other replacement payments in Scotland to be introduced through a pilot. Specifically, Adult Disability Payment.⁸
- 23 These changes result in the updated forecast to be lower than our May 2023 forecast by £9 million in 2024-25 and by £10 million in 2025-26. Figure 4 shows the changes in the overall costing of CSP since our May 2023 forecast.
- 24 The change to the date of the introduction of the CSP nationally and the implementation of a phased approach for the pilot leads to lower expenditure forecast for 2024-25 and 2025-26. We forecast the CSP caseload to increase relative to Carer's Allowance (CA) caseload following the introduction of CSP. However, because of the later date for national launch it will take longer for those additional people to come into the caseload. This leads to lower spending on Carer's Allowance Supplement (CAS).

Figure 4: Summary change to Carers Support Payment since May 2023 forecast.

£ million	2024-25	2025-26	2026-27	2027-28	2028-29
May 2023 forecast	486	546	585	615	647
September 2023 supplementary forecast	477	536	585	615	647
Difference	-9	-10	0	0	0

Source: Scottish Fiscal Commission
 Figures may not sum because of rounding.

- 25 Figure 5 shows the change in costing for additional CSP since our May 2023 forecast in more detail.

⁷ Scottish Fiscal Commission (2023) Scotland's Economic and Fiscal Forecasts, May 2023 ([link](#)).

⁸ Scottish Government (2022) Adult Disability Payment pilot opens for new applications ([link](#)).

Figure 5: Change in additional Carer Support Payment and Carer’s Allowance Supplement forecasts since May 2023 forecast.

£ million	2024-25	2025-26	2026-27	2027-28	2028-29
May 2023 forecast	15	52	70	73	76
Change to start date assumption – reduction of restriction on full-time education	-2	0	0	0	0
Change to start date assumption – slower increase in additional applications	-7	-1	0	0	0
Change to start date assumption – higher earnings limits		-5	0	0	0
Change to start date assumption – CAPP		-2	0	0	0
Change to start date assumption – 'Other' eligibility changes [1]	0	-1	0	0	0
Pilot	0				
September 2023 supplementary forecast	6	42	70	73	77
Difference	-9	-10	0	0	0

Source: Scottish Fiscal Commission

Figures may not sum because of rounding.

[1] Other eligibility changes include extension of period of support after the death of a cared for person or if the cared for person is admitted to a hospital or care home from 8 to 12 weeks; allowing carers to add together hours spent caring for more than one person; and adding Short-term Assistance (STA) to CSP qualifying payments.

Uncertainty in the costing

- 26 Modelling new payments is challenging, especially when it involves a process of transition between different systems such as the case transfer process from the Department for Work and Pensions (DWP) to Social Security Scotland. The main source of uncertainty comes from the absence of historical data on some of the aspects being introduced under CSP, how the policy changes will be implemented, and the potential behavioural responses to the changes introduced. We have drawn on the evidence of the higher number of approved applications from other replacement payments in Scotland such as Child Disability Payment and Adult Disability Payment, though these are not fully comparable to CSP. We have also consulted with officials from the Scottish Government and Social Security Scotland involved with introducing the new payment to inform these judgements.
- 27 Once CSP has launched and we start to receive data from its operation, we will review our forecasts as information becomes available.
- 28 We have outlined different aspects of uncertainty for the CSP costing in more detail in our previous policy costing published in May 2023.⁹

⁹ Scottish Fiscal Commission (2023) Scotland’s Economic and Fiscal Forecasts, May 2023 ([link](#)).

Additional Information

Abbreviations

ADP	Adult Disability Payment
CA	Carer's Allowance
CAPP	Carer's Additional Person Payment
CAS	Carer's Allowance Supplement
CDP	Child Disability Payment
CSP	Carer Support Payment
DWP	Department for Work and Pensions
SFC	Scottish Fiscal Commission
STA	Short-term Assistance

A full glossary of terms is available on our website:

<https://www.fiscalcommission.scot/explainers/glossary/>

Professional Standards

The Commission is committed to fulfilling our role as an Independent Fiscal Institution, in line with the principles set out by the Organisation for Economic Cooperation and Development (OECD).¹⁰

The Commission also seeks to adhere to the highest possible standards for analysis. While we do not produce official statistics, we voluntarily comply as far as possible with the UK Statistics Authority's Code of Practice for Statistics. Further details and our statement of voluntary compliance can be found on our website.¹¹

Correspondence and enquiries

We welcome comments from users about the content and format of our publications. If you have any feedback or general enquiries about this publication or the commission, please contact info@fiscalcommission.scot. Press enquiries should be sent to press@fiscalcommission.scot.

All figures in this publication have also been made available in spreadsheet form on our website. For technical enquiries about the analysis and data presented in this report please contact the responsible analyst:

Social security

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¹⁰ OECD (2014) Recommendation on Principles for Independent Fiscal Institutions ([link](#)).

¹¹ Scottish Fiscal Commission (2018) Compliance with the Code of Practice for Statistics and Error Policy ([link](#)).

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ISBN: 978-1-911637-63-9

Published by the Scottish Fiscal Commission, September 2023