

Bob Doris MSP
Convener
Social Security Committee
The Scottish Parliament
Edinburgh
EH99 1SP

12 March 2020

Sent via email

Dear Convener,

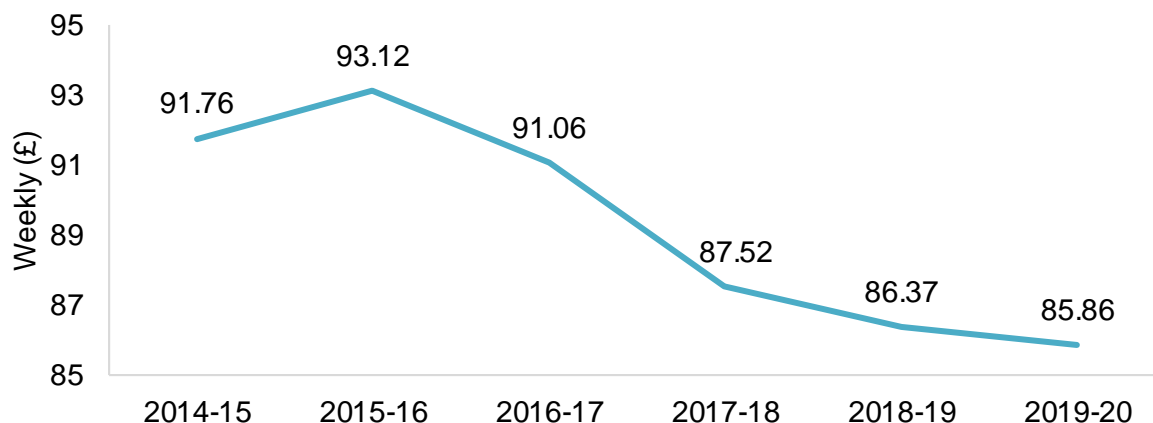
I am writing to follow up the Commission's recent appearance at the Social Security Committee. My letter follows the discussion on Disability Living Allowance (DLA) for children and the decreasing average award that we have observed in the published data from Department for Work and Pensions.

Recipients of DLA receive a combination of mobility and care components at different payment levels. Our modelling uses the 'average award', that is the average amount that DLA recipients receive each week. We use published information from DWP to determine what the average award has been historically and then we make assumptions about how the average award will change in the future.

The average award for DLA increases over time as the payment amounts are increased annually for inflation, also known as uprating. However, we are interested in the trend in the average award if we strip out the effects of inflation. We refer to this as the 'real average award'. This gives us a better representation of changes in the awards paid to DLA recipients, for example if there is an increase or decrease in the number of people receiving the higher mobility component we can see that more clearly if we are comparing on a like-for-like basis, removing the effect of inflation.

As we mentioned at the Social Security Committee meeting on 27 February 2020, the real average award for DLA for children has been decreasing. Figure 1 presents the historic trend in the real average award.

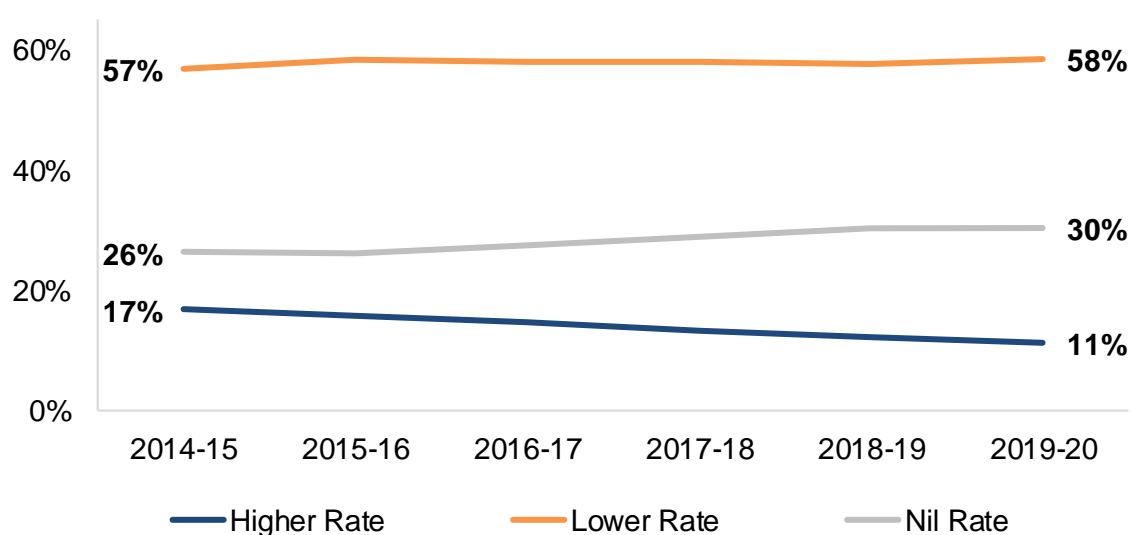
Figure 1 – Weekly real average award for DLA for Children recipients in Scotland



Source: Scottish Fiscal Commission based on data from Department for Work and Pensions Stat-Xplore ([link](#))
 The real average award has been calculated using the 2019-20 payment rates.

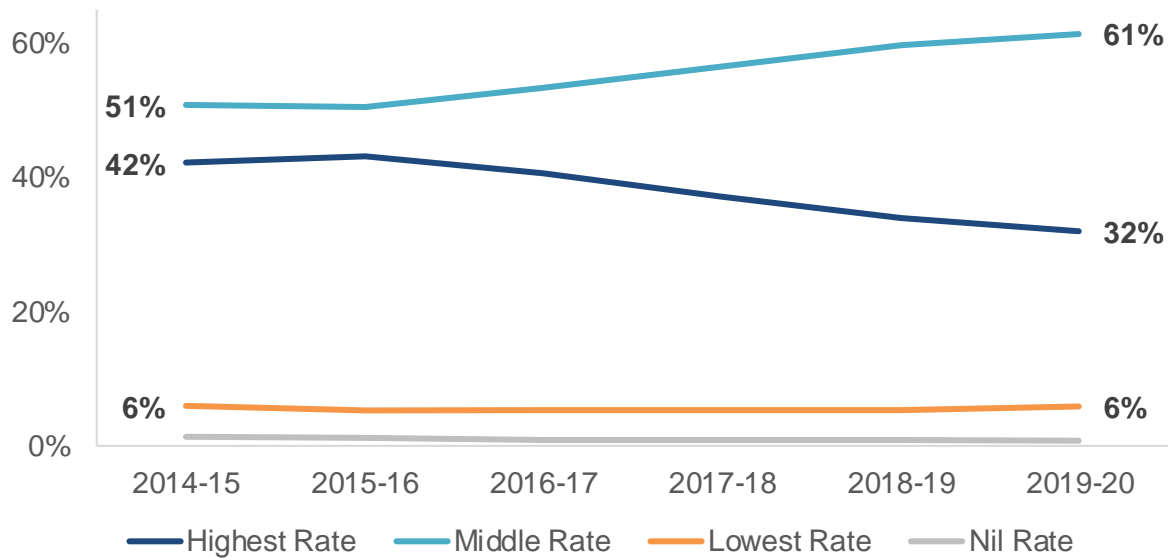
The overall number of children in Scotland receiving DLA has been increasing over this time period, however the proportion receiving the different rates of mobility and care components has also changed. The proportion of children receiving the highest mobility award has been decreasing whereas the proportion of children receiving no mobility award has increased (Figure 2). The proportion of children receiving the highest care award has also decreased (Figure 3). All these changes reduce the real average award as there has been a trend towards lower and middle payment rates, rather than higher payment rates.

Figure 2 – Proportion of DLA for children recipients in Scotland receiving the mobility component



Source: Scottish Fiscal Commission based on data from Department for Work and Pensions Stat-Xplore ([link](#))

Figure 3 – Proportion of DLA for children recipients in Scotland receiving the care component



Source: Scottish Fiscal Commission based on data from Department for Work and Pensions Stat-Xplore ([link](#))

We use these historic trends to inform our forecasts of spending on DLA for children and also the Scottish Government's new Child Disability Payment. The average award is one of our main assumptions and each time we produce a forecast we look to revise it based on the latest information from DWP. Once Child Disability Payment launches, we will be seeking similar information from Social Security Scotland.

Yours sincerely

Dame Susan Rice