

A COMMON SENSE PLAN

A fairer benefits system for Scotland

Scottish Conservative & Unionist Party
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Introduction

When the SNP took control of Scotland's benefits spending just a few years ago, they said they would create a social security system based on dignity, fairness and respect.

The reality, of course, has been just the opposite.

The SNP have built a benefits state that is eroding the dignity of hardworking Scots across the country, by making it easier and more lucrative to stay on benefits than to get into work. They've thrown fairness out of the window, by squeezing Scottish workers with taxes they cannot afford, to fund the lifestyles of those who don't contribute. And they show nothing but disrespect to hardworking taxpayers – telling struggling middle-earners, like nurses, teachers and police officers, that they should be glad to pay ever more in tax, because they have the 'broadest shoulders'.

In short, they've got the balance all wrong.

By the end of the decade, **Scotland's total benefits spending will be almost £10 billion**, outstripping the funding we get for social security from the UK Government by more than £1 billion. This is simply unsustainable.

At the same time, more than three quarters of a million Scots are economically inactive – with roughly one in five saying they want to get back to work. Right now, nothing in this SNP system helps them to do so.

The SNP are spending too much on benefits, taking too much from taxpayers – and disincentivising work.

Working families up and down Scotland are looking across the street and wondering why their neighbours who aren't working are living more comfortably than they are.

At the same time, far too many people in Scotland are stuck in poverty. In fact, despite talking about it almost constantly, the SNP haven't moved the dial on child poverty one inch since they came into power nearly two decades ago.

On every measure, SNP's approach to social security is failing:

- ▶▶ They are failing to tackle poverty.
- ▶▶ They are failing to make work pay.
- ▶▶ They are failing to deliver fairness for taxpayers.
- ▶▶ They are failing to grow our economy.

Scotland desperately needs a new approach to welfare. One that provides a vital safety net for those who need it most, while delivering a fair deal for the workers whose taxes fund the system. **We need an approach that values workers and makes work pay.** One that gives people a hand up, not just a handout.

The Scottish Conservatives have a plan to fix our benefits system. Unlike the SNP, Labour and Reform, we recognise the need to get Scotland's benefits blackhole under control.

We want to make sure that money only goes to the people who need it, and that those who *can* get work are supported to do so. We want to stop grinding taxpayers down with ever higher taxes and start rewarding hard work and aspiration.

The proposals we are setting out today would create a fairer benefits system for everyone in Scotland.



OUR PLAN TO DELIVER A FAIRER BENEFITS SYSTEM



Create a new benefit fraud unit within Social Security Scotland.

Social Security Scotland have reported just 29 cases of fraud in two and half years, meaning that hundreds or possibly thousands of fraud cases are slipping through the cracks. We would establish a stronger counter-fraud unit within Social Security Scotland to improve reporting and recovery of fraudulently claimed benefits.



Introduce new legislative powers to recover fraudulently claimed benefits for taxpayers.

The SNP opted out of UK-wide legislation that would have given authorities more powers to recover fraudulently claimed benefits. The Scottish Conservatives will pass a new law that gives Social Security Scotland and our justice authorities more powers to financially recover fraudulently claimed benefits back for the public purse.



Save taxpayers £1 billion by introducing new assessments for those claiming benefits for mental health reasons.

Scotland's most expensive benefit, the Adult Disability Payment, costs taxpayers nearly £1.3 billion to pay out for mental health claims alone. We would introduce a new, fairer assessment system for those claiming this benefit for a mental health condition that would require a medical diagnosis and evidence that they face unavoidable and necessary extra costs due to their condition. As part of this process, we would ensure that applicants could be referred to mental health or employability services rather than only being put on benefits.



Invest a portion of the savings made into employability schemes.

We expect our reforms to make substantial savings for taxpayers by reducing the number of people in receipt of Adult Disability Payment for mental health claims. Therefore, we would invest some of the savings into a new Help to Work scheme which would support people to find or stay in employment. This would be available to those who were or are in receipt of Adult Disability Payment in Scotland and those who have applied for the benefit.



Reduce administrative costs for Social Security Scotland by merging benefits with the same eligibility requirements.

Some benefits paid out by Social Security Scotland have exactly the same eligibility requirements. We would merge these payments into one larger payment to reduce administrative costs and simplify the process for applicants.



OUR PLAN TO DELIVER A FAIRER BENEFITS SYSTEM



End the SNP's system of light-touch reviews so that people only stay on benefits for as long as they need them.

When certain social security payments were devolved to Holyrood, the SNP introduced a new system of 'light-touch' reviews that has meant people staying on benefits longer than previously forecast, raising costs for taxpayers. We would introduce a new system of reviews where applicants can no longer just tick a box to stay on benefits and instead must prove they match the criteria for the benefit as they originally applied for it. This would include the introduction of face-to-face reviews for certain benefit recipients.



Help disabled people in or looking for employment through improved data collection.

Currently, no employment data is collected for the Adult Disability Payment. In order to better understand how this benefit helps facilitate employment, we would ask ADP applicants about their employment status to see how many currently work and allow the Scottish Government to target support for those who are not in employment but could work.



Improve incentives to work by introducing a two-child limit on the Scottish Child Payment.

There is no limit to the amount of money that can be paid out through the Scottish Child Payment. The Scottish Conservatives would introduce a two-child limit so that the payment would only be paid out for the first two children a couple have – in order to save taxpayers' money and improve incentives to work more.



Use technology to end the expensive translation services used by Social Security Scotland.

Social Security Scotland spends millions of pounds on translation services for people trying to claim benefits in Scotland. We do not believe this represents value for money. Publicly available technology can be used to provide translation for anyone who is claiming benefits and only speaks a foreign language.



What benefits are devolved to Scotland?

The Scotland Act 2016 formally devolved a whole host of social security benefits to the Scottish Parliament for the first time.ⁱ

The legislation specifically devolved disability benefits, severe disablement benefit, industrial injuries benefits and certain carers benefits. The power to create new benefits was also transferred to Holyrood, alongside the ability to effectively top up housing benefit.ⁱⁱ

In practice, this meant the Scottish Government would be provided with the money to fund their own alternatives to benefits that were delivered by the UK Government prior to the passage of the 2016 Act. Currently, the Scottish Government receive funding to deliver its own alternatives to the Attendance Allowance, Carer’s Allowance, Cold Weather Payment, Disability Living Allowance, Industrial Injuries Disablement Scheme, Personal Independence Payment, Severe Disablement Allowance and the Winter Fuel Payment.ⁱⁱⁱ

In addition, there are also new benefits administered by Social Security Scotland, some replacing UK Government schemes that were not previously administered as social security payments, others entirely new. Best Start Foods replaced the UK Government’s Healthy Start Voucher scheme.^v Best Start Grant replaced the Sure Start Maternity Grant.^{vi}

The Carer’s Allowance Supplement, Child Winter Heating Payment, Scottish Child Payment and Young Carer Grant are new benefits that have been introduced by the Scottish Government and are paid by Social Security Scotland.^{vii}

The eligibility requirements for each of these benefits varies, but there are overlaps. Adult Disability Payment is paid to those aged between 16 and the state pension age who have a long-term disability or condition that affects their everyday life. Income is not considered when deciding eligibility.^{viii}

Pension Age Disability Payment is similar to the Adult Disability Payment but is for those of state pension age.^{ix} Meanwhile, the Child Disability Payment is structured slightly differently and is for under-16s who require financial assistance due to their physical or mental disability.^x Further to this, Child Winter Heating Payment is made to those receiving the enhanced rates of Child Disability Payment or Adult Disability Payment (if they’re under 19 years old).^{xi}

Other winter-specific benefits include the Winter Heating Payment (not to be confused with the Winter Fuel Payment), paid to everyone who receives Universal Credit, Pension Credit, Jobseeker’s Allowance, Employment Support Allowance or Support for Mortgage Interest.^{xii}

The Pension Age Winter Heating Payment replaced the Winter Fuel Payment. Labour took away the Winter Fuel Payment from most pensioners last winter. The SNP could have chosen a different path, given it was a devolved matter, but they **chose to replicate Labour’s cuts in Scotland**. For this winter, the eligibility criteria are different and the benefit is effectively paid to everyone in receipt of the state pension

UK benefits and Scottish equivalents	
UK legacy benefit	Devolved Scottish equivalent
Attendance Allowance	Pension Age Disability Payment
Carer’s Allowance	Carer Support Payment
Cold Weather Payment	Winter Heating Payment
Disability Living Allowance	Scottish Adult Disability Living Allowance + Child Disability Payment
Industrial Injuries Disablement Benefit	Employment Injury Assistance (not yet rolled out)
Personal Independence Payment	Adult Disability Payment
Severe Disablement Allowance	N/A – legacy benefit that is being phased out
Winter Fuel Payment	Pension Age Winter Heating Payment

Source: UK Government^{iv}



or other pension age social security benefits. However, if you have an income of over £35,000, the payment will be taxed back by HMRC.^{xiii}

Carers are able to apply for numerous benefits. The Carer Support Payment is paid to those who care for someone 35 hours a week or more and qualifies for disability benefits. To be eligible, you can't earn more than £196 a week after tax.^{xiv} The Carer's Allowance Supplement is an additional benefit paid to those on the Carer Support Payment.^{xv} The Young Carer Grant is an additional payment made to someone who is caring for an individual for an average of 16 hours a week over three months.^{xvi}

Scotland-specific benefits are also available for those on lower incomes with children. The Scottish Child Payment is given to the main person(s) looking after an under 16 year old, so long as one of the adults caring for the child is on Universal Credit, Jobseeker's Allowance, Pension Credit, Income Support or Employment and Support Allowance.^{xvii} If you are in receipt of any of these benefits, or Housing Benefit, you are also eligible for the Best Start Grant and Best Start Food benefits.^{xviii}

Finally, Employment Injury Assistance has not yet been rolled out, so we don't yet know the exact criteria for this benefit, but it will replace Industrial Injuries Disablement Benefit. Anyone who became ill or disabled because of an accident or disease caused whilst at work is eligible for this payment, so we can assume a similar criteria will apply when the devolved benefit is rolled out in Scotland.^{xix}

One benefit which is not paid by the SNP's social security agency is the Discretionary Housing Payment. While this is not exclusive to Scotland, its eligibility criteria is much wider here. The payment is meant to alleviate the financial impact of changes to UK benefits such as the removal of the Spare Room Subsidy (also known as the bedroom tax) or the benefit cap.^{xx}

In England and Wales this resulted in 146,870 payments under the scheme, in Scotland, 141,985 payments were made – almost exactly the same amount despite Scotland having a

population ten times smaller.^{xxi}

This cost taxpayers in Scotland nearly £90 million in 2024-25.

All other benefits are reserved to the UK Government. Nearly £16 billion was spent on benefits in Scotland in 2024-25 and roughly 62% of this expenditure was on reserved social security payments.^{xxii} That means the Scottish Government has control over the remaining spend and this proportion is set to grow over time as benefits still being administered by the Department for Work and Pensions (DWP) are fully transferred to the Scottish Government.

The Scottish Government were supposed to take over responsibility for all benefits by 2020, with SNP minister Shirley-Anne Somerville saying 'we will take full responsibility' for all devolved benefits from 1 April 2020.^{xxiii}

However, the SNP have still not taken full responsibility for devolved benefits. Indeed, they have had to ask for delays to taking over the administration of such benefits. In February 2023, then UK Work and Pensions Secretary Mel Stride wrote to the Scottish Government agreeing to their requests for an extension to the DWP administering certain benefits.^{xxiv}

This included an extension for the administration of the Industrial Injuries Disablement Benefit, which, as referenced earlier, has still not been rolled out in Scotland. For a party that claimed it could set up an entire independent state within 18 months, the fact the SNP haven't even been able to assume control of a benefit nearly ten years after it was devolved is a clear demonstration of their complete incompetence.^{xxv}



The climbing cost of Scotland's benefits

Around one in every seven pounds spent by this SNP Government goes towards benefits.^{xxvi}

This makes it the third largest area of spend, after health and local government.

Due to the gradual nature of benefits being devolved to the Scottish Parliament, it is difficult to discern from Scottish Budgets alone the true extent of the rising benefits bill in Scotland.

Since the establishment of Social Security Scotland in 2018-19, devolved social security spend has more than doubled from £2.6 billion to £6 billion.^{xxvii} This is an enormous increase, but doesn't quite give us the full picture because the number of devolved social security benefits has increased during this period. A fairer comparison would be to look back at what the forecast spend was versus the actual spend. This exercise reveals a worrying trend for social security costs in Scotland. Back in

February 2020, the Scottish Fiscal Commission (SFC) initially forecast that the Scottish Government would be spending £3.9 billion on its social security payments by 2023-24.^{xxix} However, the actual spend turned out to be £5.3 billion in that year.^{xxx}

Looking forward, the direction of travel is also clear. In January this year, the Scottish Fiscal Commission forecast that the benefits bill racked up by the SNP will increase by more than 50% in just six years, going from £6.1 billion in 2024-25 to £9.2 billion in 2030-31.^{xxxi}

These increases are simply unsustainable. Indeed, the Scottish Government's own projections suggest that on current trends there is set to be a shortfall of £2.6 billion in day-to-day spending by 2029-30.^{xxxii} This gap could be closed if the projected rise in social security spending was restrained.

Scottish Government spending on each benefit

Benefit	2025-26	2030-31 forecast	5-year change
Adult Disability Payment	£3,393m	£5,308m	+£1,915m
Best Start Foods	£17m	£21m	+£4m
Best Start Grant	£19m	£22m	+£3m
Carer Support	£499m	£670m	+£171m
Child Disability Payment	£583m	£712m	+£129m
Child Winter Heating Payment	£12m	£15m	+£3m
Discretionary Housing Payment	£95m	£135m	+£40m
Employment Injury Assistance	£82m	£75m	-£7m
Funeral Support Payment	£13m	£15m	+£2m
Pension Age Disability Payment	£853m	£1,091m	+£238m
Pension Age Winter Heating Payment	£187m	£226m	+£39m
Scottish Adult Disability Living Allowance*	£401m	£271m	-£130m
Scottish Child Payment	£458m	£522m	+£64m
Severe Disablement Allowance*	£5m	£2m	-£3m
Winter Heating Payment	£29m	£34m	+£5m
Total	£6,759m	£9,226m	+£2,467m

*legacy benefits that are being phased out

Source: *Scotland's Economic and Fiscal Forecasts January 2026*^{xxviii}



There is one benefit that is overwhelmingly responsible for the forecasted rise in social security spend in Scotland. As shown in the table on page 9, **Adult Disability Payment is by far the biggest contributor to the projected rise in benefits spend over the next few years.** In the next five years, it will be responsible for over 75% of the rise in social security spend.

The Scottish Fiscal Commission suggests that part of the reason for this is due to the light-touch system of reviews introduced by the SNP Government. The SFC say they ‘assume that fewer people have their awards ended at review because of the light-touch review policy Social Security Scotland implemented when ADP launched’.^{xxxiii}

The data backs up the point the SFC are making. In 2024-25, just 3% of Adult Disability Payment reviews result in the payment being decreased or ended.^{xxxiv} For Personal Independence Payment in England and Wales, this figure exceeded 11% over the same time period.^{xxxv}

The Scottish Government boasted that light-touch reviews would be ‘easy and stress-free’.^{xxxvi} For a Planned Award Review, applicants just need to tick a box to confirm their ‘needs are the same’.^{xxxvii}

It is no wonder that such a small number of reviews result in decreasing awards if that is all applicants have to do for these types of reviews.

As mentioned in the previous section, the Scottish Government receives specific funding from the UK Government to spend on benefits that were specifically devolved to Holyrood, including the Adult Disability Payment. This amount differs depending on the legacy UK benefit.

In the case of Adult Disability Payment, the legacy benefit is the Personal Independence Payment. The Scottish Government then receives funding from the UK Government, known as a ‘Block Grant Adjustment’, based on how much spending in Scotland was in the year the benefit was devolved. Each year, this amount is adjusted based on the growth in spending at a UK level, adjusted for relative population growth.

This is meant to keep funding in line with what it would have been had the benefit not been devolved to the Scottish Parliament. However, the Scottish Government does not *have* to spend this amount, as that is a decision for them.

The difference between what ministers spend and the funding they receive is known as the ‘net position’.

Net position of devolved social security payments in Scotland

Legacy benefit	Net position (£m)
Attendance Allowance	-32
Carer’s Allowance	-6
Cold Weather Payment	-22
Disability Living Allowance	+21
Industrial Injuries Disablement Scheme	+1
Personal Independence Payment	-123
Severe Disablement Allowance	0
Winter Fuel Payment	-4
Total	-165

Source: *Scotland’s Economic and Fiscal Forecasts January 2026*^{xxxviii}



Therefore, the devolution of these social security payments is set to cost taxpayers £165 million this year alone. To put that into context, this is more than we spend on employability schemes.^{xxxix} But even this does not tell us the full picture.

Because another aspect of the increased cost to the taxpayer is the additional benefits that are available in Scotland but not elsewhere in the UK. The Scottish Fiscal Commission says these will cost **taxpayers an additional £629 million in 2025-26.**^{xl}

When coupled with other social security spending by the Scottish Government, this means the total shortfall caused in the Scottish Government's budget by their increased benefits spend is nearly £1 billion.^{xli} This is money that could have been used to reduce the tax burden on hard-working Scots.

None of the devolved benefits are currently included in the UK Government's benefit cap, meaning the amount of money that can be claimed from Social Security Scotland for benefits is unlimited. This can lead to a situation where one person with three children can claim at least £14,671 in devolved Scottish benefits alone.^{xlii}

If you add this total to the benefits this individual would be entitled to that are paid out by the UK's Department for Work and Pensions, this means someone claiming this amount of devolved Scottish benefits could earn around £42,000 a year.^{xliii}

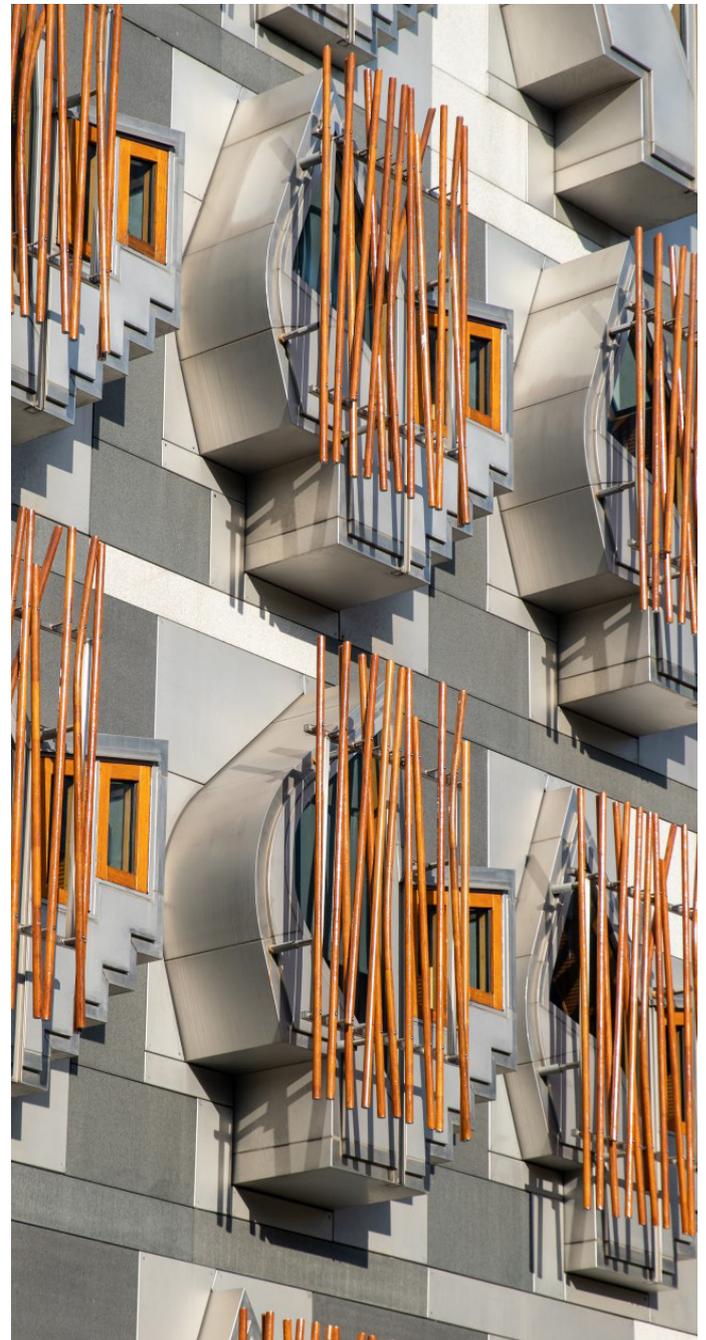
In Scotland, someone would have to be earning around £56,000 a year to match that level of income from benefits after tax.^{xliv} According to the ONS, only 15% of employees in Scotland earn this amount of money. That is a fundamentally unfair situation and is not one that should be encouraged by our social security system.

Another factor that has not received enough attention is how devolved benefits add a further disincentive to work or work longer hours in Scotland. For example, if a couple is on Universal Credit and has three children, they

will earn roughly £15,118.92 through Universal Credit.^{xlv} Universal Credit is withdrawn at a rate of 55p for every £1 earned, meaning in this instance the individual would have to earn £27,488.95 before Universal Credit is withdrawn.

If that household currently earns £25,000 in employment income, they would still be entitled to Universal Credit. In turn, that entitles them to the devolved benefits of Scottish Child Payment and the Winter Heating Payment at least. For a three-child household, these are worth £4,295.15 a year.

If someone in this household is offered a promotion with a £2,500 pay rise, they would be earning a substantially higher salary but be





financially worse off as their Universal Credit derived benefits would be withdrawn.

Our concerns are not hypothetical. A Scottish Government evaluation of the benefit found that **12% of recipients stopped working or started working fewer hours due to receiving the Scottish Child Payment**. This report also documents the case of someone turning down a pay rise because they would have lost £300 a month worth of benefits.^{xlvi}

It is clear that in Scotland there is an additional incentive for people to remain on Universal Credit, and subsequently the Scottish Child Payment, which inevitably adds to the overall benefits bill being racked up by the SNP Government.

Looking at the longer-term trend of benefits spend beyond the next five years and into the 2030s, the necessity of getting on top of the social security budget becomes even clearer.

The Scottish Fiscal Commission's long-term fiscal sustainability report suggests that social security spending is set to rise by 131% in real terms over the next fifty years.^{xlvii} This implies that spending will reach more than £20 billion in today's money.

The imperative to address the rising cost of the benefits bill is therefore clear both in the short term and the long term, but the Scottish Government has no plan to deal with it. Audit Scotland recently released a report making the very same point.

They found that, 'The Scottish Government has not yet set out a detailed strategy for how it will manage the forecast gap between social security funding and spending within its overall budget'.^{xlviii}

The reason the SNP are not saying how they would close this gap is because they know this money will have to be taken from other budgets if the benefits bill can't be funded by the UK Government's block grant.

To put the size of the current benefits black hole into perspective, it could pay for nearly a third of



all council tax bills in Scotland.^{xlix} The black hole is expected to grow even further, so that it will exceed the entire rural budget by the end of the decade.^l

All other political parties in Scotland want to increase spending on benefits. So while Labour and the SNP pretend that there is no cost to the rising benefits bill in Scotland, the Scottish Conservatives are different. We know we cannot spend beyond our means and must rein in costs for taxpayers.

We believe that cutting Scotland's benefits spending is not just necessary, it's also the *right* thing to do. Because it's the only way to give taxpayers the fair deal they deserve.

The proposals in this paper outline a set of fair, proportionate measures to get Scotland's benefits spending under control, while ensuring we continue to support those need it most.



How would we reduce the cost of the benefits bill?

Disability benefits account for nearly 80% of all social security spend in Scotland.^{li} The Scottish Conservatives do not believe that the amount of money people can receive from disability benefits is too high. The current level strikes the right balance. However, the eligibility criteria is not robust enough and this is leading to the high levels of spending forecast by the Scottish Fiscal Commission.

In 2025-26, at least 631,015 people are receiving one of the main disability benefits in Scotland.^{lii} That is more than one in nine people in the entire country.^{liii} The most claimed disability benefit is Adult Disability Payment.

When prospective applicants are asked to fill out the ADP form, one of the questions they are presented with looks like this:

The first three examples listed on the application form are mental health conditions. This is perhaps unsurprising because nearly 40% of all ADP recipients get the benefit due to 'mental and behavioural disorders'.^{liv}

Through a freedom of information response, the Scottish Conservatives have learnt that over 60,000 people are claiming Adult Disability Payment because they have anxiety. Over 10,500 receive the payment due to having ADHD. There are even cases of people receiving this benefit due to 'social phobias' and OCD.^{lvi}

Mental health disorders should be treated seriously, and treatment should be available on the NHS for those who need it. But Adult Disability Payment is intended for working age people who face additional costs as a result of their disability.

It is quite obvious that those who are physically disabled face increased costs due to their condition as they will need physical assistance to carry out everyday tasks. But for mental health conditions, this will only be true in more severe cases. For example, veterans suffering from PTSD or those suffering from a cognitive impairment that renders them unable to carry out basic activities without assistance. These people must still be supported and we do not want that to change.

If someone is applying for taxpayer funded assistance worth thousands of pounds every year, they should be able to clearly demonstrate what costs they are asking the public to pay for. To achieve this, the Scottish Conservatives

The first conditions suggested on the ADP application form are 'anxiety' and 'depression'.

Examples of some conditions you might want to add:

- anxiety
- depression
- learning difficulties
- chronic obstructive pulmonary disease (COPD)
- arthritis
- fibromyalgia
- schizophrenia
- stroke
- multiple sclerosis (MS)
- autistic spectrum disorder
- back pain
- bipolar disorder
- post-traumatic stress disorder (PTSD)
- cancer
- something else.

In this section we ask about any conditions you have. This could include anything that affects your:

- physical ability
- mental health
- sight
- hearing
- speech
- learning ability.

If you know the name of your condition or conditions you can enter them below. You'll be able to tell us about how your conditions affect you later in your application.

If you don't know the name of your condition or are waiting for a diagnosis, you can tell us about your symptoms and any test results you are waiting for on the next page.

Name of condition(s)	How long have you had this condition for?

Source: Scottish Government website^{liv}



would introduce a **new assessment process for anyone wishing to claim Adult Disability Payment due to a mental health disorder.**

Currently, applicants are not even required to have a diagnosis for their condition. Our new assessment process would make a formal diagnosis from a medical professional a requirement if someone is seeking to claim Adult Disability Payment for their mental health condition.

We would initiate a consultation before making these proposed changes to the Adult Disability Payment to ensure that relevant stakeholder feedback could be taken on board. It is anticipated that legislation may be required to implement our new assessment system for mental health claims and this would form part of our wider package of changes designed to make Social Security Scotland fairer for claimants and taxpayers alike.

But a diagnosis alone is not enough. Even if someone has been diagnosed with anxiety or ADHD, that does not mean they require taxpayer funded benefits. Health conditions should have a demonstrable impact on your personal finances or your ability to live your life and do a job without this financial assistance.

Therefore, our new assessment would also include a section that requires applicants to provide evidence of the type of the unavoidable costs they have to face due to their mental health condition. A third-party reference would be necessary to verify whether these costs are an unavoidable cost associated with the condition. This could include, but is not limited to, the cost of seeing a counsellor or therapist to help manage the applicant's mental health condition.

Our changed assessment system will also offer additional help for those on Adult Disability Payment or applying for it. As part of the process, Social Security Scotland will be able to refer applicants or recipients to mental health or employability services.

The total cost of **Adult Disability Payments made for mental health conditions is due to**



hit £1,293,919,120 this year.^{lvii} By bringing in tougher new rules for those who are applying for Adult Disability Payment with a mental health condition, we estimate that this bill will be substantially reduced.

Although it is difficult to get a precise estimate of how much the cost will be reduced, there is publicly available data which gives an indication of the likely savings that will be generated. The Centre for Mental Health estimates that in England, around £1.1 billion a year is spent on counselling, therapy and other therapeutic services per year to manage a mental health condition.^{lviii}

Adjusting this level of spend for Scotland's lower population generates a figure of £106 million. Uprating this for inflation this year raises this figure to £122 million. Using a counsellor or a therapist is not the only additional cost that could be incurred by someone with a mental health disorder, but it is the only one specifically referenced on the Adult Disability Payment application form.

If we add in an extra £100 million account for other individual costs incurred by those with a mental health condition and to add in a margin for error for the estimated spend on counsellors and therapists, this takes the total individual costs for those on mental health benefits to around £222 million per year.



Therefore, we anticipate that **mental health benefits spending could be reduced by over £1 billion a year** and still have margin for covering the additional costs incurred by those with a mental health condition in Scotland.

Our new assessment system would apply to all new Adult Disability Payment applicants. Existing applicants would continue to receive the payment as normal until their first Planned Award Review after the changes were implemented, at which point they would have to fill out an application form as if they were re-applying for the payment.

These changes would not apply to Pension Age Disability Payment. Social Security Scotland statistics show that there are substantially fewer recipients of this benefit who receive it for a mental health related condition. Only 11% of Pension Age Disability Payment recipients received the benefit for a 'mental and behavioural disorder' – much lower than the Adult Disability Payment.^{lix} Our proposed changes would also not apply to Child Disability Payment.

We want to make sure that our changed assessment system results in positive outcomes for those currently on Adult Disability Payment and those who have applied for it. Therefore, **we would use the anticipated savings from our reforms to create new employability schemes.**

In 2010, the UK Government established an initiative that allowed Disability Employment Advisers (DEA) or Jobcentre Plus (JCP) Work Coaches to refer individuals to the Work Choice programme. They had to consider many factors when deciding whether someone could embark on such a programme, including a potential client's distance from the labour market and their motivation.^{lx}

Module one of the Work Choice programme saw individuals receive help with personal and job skills, work advice, assistance with contacting employers and guidance about other support available to them. Participation in Work Choice ended if the individuals did not find employment or moved into employment not supported by a Work Choice provider.^{lxi} Otherwise, they would

progress to module two.

The next stage of the programme entailed regularly-reviewed development plans with the client and employer so that they had the necessary support in place to carry out their job. The maximum period of time this module would last was two years.^{lxii}

After that, employers ensured that clients were engaged in activity that would allow them to fulfil their full potential at work for at least four hours a month. There was no limit on how long this module could last.

The impact of participants' involvement in this programme was positive for their employment prospects. One year after referral, those in the early cohorts who ended up participating in the programme were 11.8 percentage points more likely to be in payrolled employment than those who did not participate in the programme.^{lxiii}

Using the savings made by a reduction in





spending on the Adult Disability Payment, we would invest a portion of this money into a new employability scheme entitled Help to Work. It would be modelled on the aforementioned Work Choice programme with modules that provide guidance and support to eligible individuals looking for work and offer continued support once participants enter employment.

The programme would be available to all Adult Disability Payment recipients and applicants. Funding for this programme would go towards employment partners and work coaches offering tailored support for participants so that they can get the support they need to enter and/or stay in the job market.

There are more general changes we would make to the application process when applying for Social Security Scotland benefits too. For the first time, we would also introduce a question to applicants for all working age benefits on whether they are currently in employment.

This would have no impact on their eligibility but would provide the Scottish Government with useful data about the extent to which any given benefit facilitates people working. For benefits that are subject to reviews, like Adult Disability Payment, this question would also be asked as part of that review process.

Social Security Scotland admit themselves that they currently do not hold any form of employment or income data about Adult Disability Payment applicants.^{lxiv} They explain this is because the benefit is not dependent on income. This is true, but the SNP Social Justice Secretary recently told the Scottish Parliament: 'ADP helps people into employment'.^{lxv}

How can the minister assert this when Social Security Scotland would not be able to evidence this claim? If this data were to be collected, it would give ministers more information that would allow them to better target interventions for disabled people who can work to get them into employment – and ensure support is there for those who already have a job.

Another element of Social Security Scotland that must change if we want to control costs

for taxpayers is the aforementioned light-touch review system. For Adult Disability Payment, there are two types of reviews, known as Planned Award Reviews and Change of Circumstance Reviews.

Change of Circumstance reviews, also known as unscheduled reviews, occur when a client in receipt of benefits has a change in their situation that may require a reassessment of the level of payment they receive. For Adult Disability Payment and Child Disability Payment, these reviews can lead to an increase in payment level, a decrease (including withdrawal) and no change.

These reviews usually result in payments increasing. In total, of the 53,300 Change of Circumstance reviews for ADP that have occurred since the benefits' rollout, 21,320 reviews resulted in an increased level of payment being awarded. By contrast, only 2,270 reviews resulted in decreased or withdrawn payments – nearly ten times less.^{lxvi} The rest of the reviews resulted in no change. The picture is similar for the Child Disability Payment. Since November 2021, 5,095 reviews resulted in increased payments, but just 425 resulted in decreased or ended payments.^{lxvii}

The vast majority of unscheduled reviews are instigated by the client, rather than by Social Security Scotland. In 2023-24, just 669 of these reviews were instigated by the agency, compared to 16,644 that were client instigated.^{lxviii} This suggests that unless the recipient of the benefit notifies Social Security Scotland of a change in their circumstances, then the agency are very unlikely to do anything about your benefits.

The Scottish Conservatives will change that. **Social Security Scotland should be more proactive in ensuring that a change in circumstance has not occurred.** We would ensure that they proactively engage with other relevant public bodies so that Social Security Scotland have better information to instigate an unscheduled review themselves, so that people in receipt of benefits receive **the right level of support and do not remain on benefits longer than they need to.**



However, it is Planned Award Reviews that do not make enough of an effort to ascertain whether a client is still receiving the right level of payment, or indeed if they still require financial support at all. As mentioned earlier in this paper, clients in receipt of Adult Disability Payment just

have to tick a box in order to confirm that the circumstances in which they came to receive the benefit has not changed.

This is not an exaggeration. Below is an extract from the ADP Planned Award Review form:

Recipients of Adult Disability Payment are only required to tick a box to prove they still need benefits

Declaration

Please tick one of the following boxes:

My needs are the same

If nothing has changed:

- Your payments should stay the same
- we may still need to ask you for information

Source: *Scottish Government*

If you wish to tell Social Security Scotland that your condition is the same, ticking that box is all you need to do. **The Scottish Conservatives would end this approach.**

Instead of a tick box exercise to confirm your needs are the same, we would require applicants to fill out a form that asks them about the state of their condition and how it is currently impacting their daily life. This will allow a proper assessment of an applicant’s needs to take place and that will then be reflected in the level of payment they receive.

There will be some cases where this is not necessary, such as those who already receive the maximum payout and suffer from degenerative conditions, so this review system will not apply to everyone. The length of time between review periods would vary dependent on the condition of the applicant but we would seek to strike a balance between ensuring the administrative cost is manageable while not

leaving people on benefits for longer than they need to be.

For some conditions, we believe it would be necessary to establish a face-to-face review process, so that Social Security Scotland can see for themselves whether someone still requires support from Adult Disability Payment, so this will also be an option as part of our new review system.

Currently, reviews have resulted in just 3,275 people coming off Adult Disability Payment despite more than 236,000 reviews occurring since the rollout of the benefit.^{lxix} As a result of our reforms, if even just 10% of reviews resulted in a person’s benefit award ending, that would save taxpayers up to £120 million a year.

We can also save money for taxpayers by streamlining administrative costs. There are some benefits paid out by Social Security Scotland that have similar eligibility requirements. For example, the Child Winter



Heating Payment is paid out to those receiving the highest rate of the care component of Child Disability Payment or the daily living component of Adult Disability Payment, if they're under 19.^{lxx}

To address this, we would uplift these qualifying benefits in line with the value of the Child Winter Heating Payment so that the latter payment is no longer necessary. This would increase the higher rate of Child Disability Payment to £115.31 a week and the same would happen for under-19s in receipt of the enhanced daily living component of Adult Disability Payment.

We are using payment levels for this financial year to give an indication of how much these merged benefits will pay out, but of course payment levels will change in future years. However, there are several payments Social Security Scotland make every year for which they have no control over the demand for.

As an example, if you are in receipt of Universal Credit in Scotland, you are also entitled to receive the Scottish Child Payment if you have children under 16. However, Universal Credit and its eligibility requirements are controlled by the UK Government. So if they were to expand the number of recipients of this benefit, this would have a significant added cost to the Scottish Government for which they would receive no extra funding.

When coupled with the extra disincentive to work longer hours that is created by the Scottish Child Payment, this poses a potential significant fiscal risk for future Scottish budgets. The previous Conservative Government took action to address some of these concerns at UK level in 2017 by introducing the two-child limit for Universal Credit.

This has saved taxpayers across the UK billions of pounds since the cap's introduction, but the SNP announced their intention to scrap this cap by introducing a new benefit in December 2024, while Labour followed suit in their latest budget.^{lxxi}

The Scottish Conservatives oppose this move, as we believe that as a country we should live within our means and ensure that taxpayer

money is going towards public services, rather than more benefits. However, in Scotland there are even more benefits being paid out, therefore further measures are required to control the benefits bill.

We would introduce a **two-child limit to the Scottish Child Payment**, to rein in costs and increase incentives to work. On current trends, the payment is set to cost Scottish taxpayers more than half a billion pounds by the end of the decade and because this benefit is unique to Scotland, the Scottish Government receives no funding from the UK Government to deliver it, meaning the money has to come from other public services.

The Scottish Fiscal Commission estimated that 50,000 children would have received the Two Child Limit payment the SNP were planning to introduce from March, before the UK Government scrapped the two child cap.^{lxxii} Therefore, we estimate that introducing a cap on the Scottish Child Payment will save around £73 million in 2026-27.

When claiming benefits from the state, it is also important that the applicants are making an effort to integrate into our society. Through freedom of information requests, we discovered that more than £3 million had been spent by Social Security Scotland on translation services in the past four years.^{lxxiii}

We do not believe this is a good use of taxpayers' money. The Scottish Conservatives believe that if those who are seeking to claim benefits have not learnt English, then publicly available technology should be used to provide translations for them, rather than using taxpayer money for expensive bespoke services. **We would end the use of expensive taxpayer-funded translation services within Social Security Scotland.**



Tackling benefits fraud

The SNP are not taking benefits fraud seriously. We recently uncovered that Social Security Scotland reported just 29 cases of fraud to the Crown Office in two and a half years.^{lxxiv}

To put that into context, the Department for Work and Pensions estimated that 2.2% of benefits were fraudulently claimed in 2024-25.^{lxxv} In the last two and half years, Social Security Scotland made nearly two million relevant benefit payments to people in our country in that time. This means that just 0.002% of benefits were fraudulently claimed according to the agency, an absurdly low proportion that does not stand up to scrutiny.

If we use the DWP estimate, it is more likely that nearly 40,000 fraudulent payments were claimed in the last two and a half years for Adult Disability Payment, Scottish Child Payment and Funeral Support Payment, equating to nearly £121 million.^{lxxvi}

But the situation is even worse than that. There was not a single case of benefit fraud for every other benefit paid out by Social Security Scotland. That is despite 960,000 people receiving at least one type of benefit from Social Security Scotland in 2024-25 alone.^{lxxvii}

If we go back since the start of social security payments being devolved to the Scottish Government, we estimate that **over £458 million worth of benefits has been fraudulently claimed.**^{lxxviii} Fraud is not the only reason that benefits are wrongly paid out, it can happen due to error too.

But what progress have Social Security Scotland made in recovering this money? Social Security Scotland's official estimate is that £14 million worth of overpayments were made in 2024-25, a substantial increase from the £5 million the year before.^{lxxix}

Despite this, £5 million worth of these overpayments were written off, just £4 million has been sent to 'the Recoveries and Recharge Team' within Social Security Scotland for

recovery and only £1 million has actually been collected.^{lxxx}

This is astonishing negligence. More has to be done to recover benefits that have been wrongly paid out, whether in error or due to fraud. Currently, Social Security Scotland appears to have one team dedicated to these activities, known as the Fraud and Error Resolution Unit.

It is not clear what size this unit is but the (lack of) value placed in its work is clear. Not a single member of Social Security Scotland's executive team has any mention of tackling fraud within their title.^{lxxxi}

Every Scottish Government agency should be focused on delivering value for money for taxpayers. How can Social Security Scotland possibly claim to do this given the lack of focus within the organisation on recovery of wrongly paid out benefits?

The Scottish Conservatives would change this. We would **create a new dedicated fraud unit within Social Security Scotland.** The existing



£458 MILLION

Estimated to have been fraudulently claimed since benefits were devolved



Fraud and Error Resolution Unit would be split up, so that erroneously paid benefits are dealt with by a separate team. The new fraud unit would have more resources focused towards it.

Staff within the unit would be incentivised to ensure they are finding cases of fraud by being offered bonuses if they find evidence of fraud that is used in a case which successfully convicts a benefit fraudster. We would also create a hotline to allow members of the public to anonymously report individuals they suspect are fraudulently claiming benefits.

Separating the work of recovering fraudulently and erroneously paid benefits will also increase capacity with the error recovery team to reclaim more money for taxpayers. A Deputy Director within Social Security Scotland will be in charge of these two teams and ensure it is focused on the task of delivering value for public money.

However, we cannot rely on Social Security Scotland alone to tackle fraudsters. They need the law on their side too. Unfortunately, the actions of the SNP have clipped their wings

and made their life more difficult. The Public Authorities (Fraud, Error and Recovery) Act 2025 passed by the UK Parliament increased the state's powers to recover fraudulent and erroneous benefit payments that may be made by various agencies across the UK.

Despite the lack of progress Social Security Scotland have made with recovering this money to date, the nationalist minister responsible for benefits in Scotland confirmed in October that Labour had agreed to a Scottish Government request to opt out Social Security Scotland from these provisions.^{lxxxii}

This move came despite reports confirming that there was £36 million in outstanding debt owed to Social Security Scotland just weeks before.^{lxxxiii} This is not the behaviour of a government serious about tackling fraud and waste, so the Scottish Conservatives would take action to rectify that.

We would introduce new legislation to put into law provisions for the recovery of fraudulent or erroneously paid benefits – legislation that the SNP explicitly withdrew from. But we would also go further. For the first time in Scots law, we would introduce a specific criminal offence for those who fraudulently claim benefits in Scotland. This would apply to all benefits, not just those administered by Social Security Scotland.

The money generated from these recovery efforts would go straight back into the public purse, ensuring that taxpayers' cash goes to our public services and those in genuine need. By making these efforts to tackle fraud and error, **we would be creating a benefits system that strikes the right balance between fairness for benefit recipients and value for money for taxpayers.**





Conclusion

Our plan for social security would make **Scotland's benefits system fairer for taxpayers, while supporting those who need it.**

As Conservatives, we believe in community.

We know that people in Scotland don't mind paying their fair share to care for those in need, knowing that the same support will be there for us in turn, if we ever need it.

But we also recognise that people can't pay more than they can afford.

And right now, the SNP have got the balance all wrong.

They're punishing work while the social security bill grows ever larger.

It's unsustainable and it's unfair.

The Scottish Conservatives will always remain committed to providing a safety net for the most vulnerable in our society – but we also fundamentally believe that the best way to a fulfilling life is through individual responsibility.

We want to give people back control of their own lives – and their own money.

That means shifting the balance so that we stop punishing workers with ever higher taxes, while

keeping others stuck on handouts from the government.

We want to help those people who can work, find work through new employability schemes.

We would ensure that experiencing mental health issues doesn't automatically mean a lifetime dependency on benefits, by introducing new assessments for people claiming benefits for mental health reasons and referring applicants to mental health or employability services.

We would respect the taxpayer, by cracking down on benefit fraud and making sure people can only stay on benefits for as long as they genuinely need them.

And we want to deliver for working families, by introducing a two child limit for the Scottish Child Payment, to stop disincentivising work and make sure working parents aren't put at a disadvantage compared to their neighbours on benefits.

Ultimately, our proposals would mean making work pay again, by saving public money and providing hardworking taxpayers across the country with a meaningful income tax cut.

This is how we would fix Scotland's benefits system.





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