

## **Scottish Government Debate: UK Government Welfare Reforms – 23 April 2025**

### **SAMH briefing**

#### **Introduction**

We strongly oppose many of the UK Government's proposals in the [Green Paper](#) which we believe risks pushing more people living with mental health problems into poverty. The proposals also put funding of Scotland's social security system at risk, potentially undermining the rights and lives of people who rely on social security to live dignified independent lives.<sup>1</sup>

Our briefing focuses on the proposals' implications for the Scottish social security system and people living with mental health problems supported by the Scottish system. Specifically: the impact of the reforms on the social security budget in Scotland; the implications for passporting benefits; access to the Universal Credit (UC) Health Element; and future reform of Adult Disability Payment (ADP).

Suggested questions to the Scottish Government are included at the end of each section.

#### **Social security budget in Scotland**

Personal Independence Payment (PIP) is devolved in Scotland and has been replaced by ADP. A block grant adjustment (BGA) is added to the Scottish Budget to account for this and is determined by spend on PIP in England and Wales.<sup>2</sup> The reforms to PIP are explicitly designed to reduce uptake of the benefit which could significantly reduce the future PIP caseload, and in turn reduce spending. Alarming, an FOI of DWP has found that 87% of the 1,238,000 standard rate PIP claimants - as of January 2025 - would not meet the new eligibility requirements.<sup>3,4</sup>

This will reduce the amount available to the Scottish Government to spend on social security, unless it is found from elsewhere, irrespective of demand for ADP and differing demographics in Scotland. The BGA for PIP is forecast to reduce from £4,650 million at the UK Government's autumn budget in 2024 to £4,270 million by 2029-30 – a cash reduction of £380 million.<sup>5</sup>

The resulting funding pressures may necessitate the Scottish Government to:

- reduce the eligibility of ADP in line with reforms to PIP – removing support which thousands of disabled Scots and people living with mental health problems depend on for their quality of life - a position we would strongly oppose – or;

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<sup>1</sup> SAMH (2025) [SAMH response to UK government welfare proposals](#)

<sup>2</sup> Scottish Fiscal Commission (2025) [Block Grant Adjustments](#)

<sup>3</sup> Benefits and Work (2025) [Almost nine out of ten standard rate PIP awards fail new test](#)

<sup>4</sup> What Do They Know (2025) [Response FOI2025 24990.pdf](#)

<sup>5</sup> Scottish Government (2025) [Block grant adjustments from the UK Spring Forecast 2025: letter to finance and social security committees](#)

- fill the funding gap from elsewhere in the Scottish budget.

For context, 433,050 people were in receipt of ADP as of 31 January 2025, with mental and behavioural conditions the most common category of primary disabling conditions, accounting for 39% of the caseload.<sup>6</sup> As such, these UK Government reforms are set to hit people with mental health problems the hardest.

- *What consideration has the Scottish Government given to the plans to restrict PIP eligibility in terms of its impact on devolved benefits and associated funding?*
- *What conversations have the Scottish and UK Governments had regarding the plans to restrict PIP eligibility in terms of its impact on devolved benefits and block grant funding?*
- *Will the Scottish Government commit to not replicating the proposed reforms to PIP in relation to ADP?*

### **Implications for passported benefits in Scotland**

We are concerned that narrower eligibility for PIP in the rest of the UK will mean that the UK Government could in time consider that PIP and ADP are no longer equivalent. The previous UK Government indicated that, if the criteria for ADP and PIP were to further diverge, it would be for the UK Government to decide how eligibility to reserved benefits for disabled people living in Scotland would be assessed.<sup>7</sup>

If this were to be the case, it could mean that disabled people living in Scotland in receipt of ADP could be required to apply or be assessed for “passport benefits” administered by the UK social security system, such as the disability premium, severe disability premium and enhanced disability premium. We know from the people that we support that, as well as providing an unnecessary additional administrative barrier, assessments for social security can be distressing and negatively impact their mental health.<sup>8,9</sup> It is therefore essential that automatic entitlement to passported benefits is retained.

- *What assurances has the Scottish Government received from the UK Government regarding passported benefits in the context of these reforms?*

### **Universal Credit Health Element**

Access to the UC health element will be further complicated in Scotland as the proposals are implemented. The UK Government plans to scrap the Work Capability Assessment and use the single PIP assessment to assess entitlement for the UC health element, with assessment based on the impact of disability on daily living, not on capacity to work.

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<sup>6</sup> Social Security Scotland (2025) [Adult Disability Payment Official Statistics](#)

<sup>7</sup> Scottish Parliament (2022) [Meeting of the Parliament: SJSS/10/03/2022](#)

<sup>8</sup> SAMH (2016) [Personal Independence Payment – what’s the problem?](#)

<sup>9</sup> SAMH (2019) [It Was a Confusion - Universal Credit and Mental Health: Recommendations for Change](#)

This change will have significant impact in Scotland as ADP does not use the PIP medical assessment. The Green Paper does not make clear how Scottish UC claimants will be assessed for the health element.

- *What discussions has the Scottish Government had with the UK Government around access to the UC health element for Scottish UC claimants?*

## **Reform of the Adult Disability Payment**

While we strongly oppose the UK Government's proposals to reform PIP, we do believe ADP in Scotland requires significant structural reform to better meet the needs of people living with mental health problems.

ADP currently replicates the basic legal framework of PIP. Eligibility is based on a points-based system against functional activities and descriptors, with the descriptors required to be met 50% of the time (the "50% rule") for the claimant to be awarded points.

In terms of reforms, we believe:

- the descriptors for ADP (which replicate the PIP descriptors and primarily focus on physical functionality) do not adequately allow the impact of someone's mental health on their daily activity and mobility to be assessed
- the 50% rule does not adequately account for fluctuating conditions
- a more holistic alternative to the points-based system of eligibility should be introduced, co-produced by disabled people. If a points-based system is retained, the descriptors need to be re-written to better allow the impact of mental health to be assessed. This should be done in partnership with people with lived experience and stakeholders across the disability and mental health sector.

We look forward to the final recommendations from the ongoing Independent Review of Adult Disability Payment,<sup>10</sup> and hope these provide a positive basis to begin more fundamental reform of ADP.

- *Does the Scottish Government agree that structural reform to ADP is required to better accommodate the needs of people with mental health problems?*

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<sup>10</sup> Scottish Government [Adult Disability Payment: Independent Review - gov.scot](https://www.gov.scot/adult-disability-payment-independent-review/)