

**Consultation on the effectiveness of the
Scottish Child Payment in reducing child poverty**

May 2024

About us

The Poverty Alliance is Scotland's anti-poverty network. Together with our members, we influence policy and practice, support communities to challenge poverty, provide evidence through research and build public support for the solutions to tackle poverty. Our members include grassroots community groups, academics, large national NGOs, voluntary organisations, statutory organisations, trade unions, and faith groups.

Introduction

The Poverty Alliance welcomes the opportunity presented by this Social Justice and Social Security Committee's consultation to explore the effectiveness of the Scottish Child Payment in reducing child poverty.

A caring social security system that provides an adequate income is a vital lifeline that should be there for all of us when we need it. Current UK systems fail on this metric, and instead pull people into poverty. People living on low incomes consistently tell us that stigma around social security has worsened with austerity, the UK Government's 'welfare reform', and the cost of living crisis.

There has, however, been a significant level of positive activity in Scotland to build a stronger and more just social security safety net. Social Security Scotland embeds the principles of human rights, dignity and respect, and the principle of adequacy has been progressed through the creation of new benefits like the Scottish Child Payment (SCP). SCP has already had a demonstrably positive impact at individual household and family level, yet levels of child poverty at a national level remain unjustifiably high.

SCP is a bold policy that can, and must, be made bolder still. Coupled with urgent action on all areas in 'Best Start, Bright Futures' - which include reform to our public transport and childcare system - we believe that increasing the value of SCP is an immediate step that the Scottish Government can take to make progress on our legally-binding child poverty targets and ensure that every child and family in Scotland has the opportunity to live a decent, dignified life.

1. What is the impact of the Scottish Child Payment on individual households? If you have any anonymised case studies, please include these in your answer.

The Poverty Alliance is currently conducting a longitudinal study on experiences of in-work poverty in Scotland, in partnership with the Fraser of Allander Institute and the Institute for Inspiring Children's Futures.¹ In this study, we have gathered the experiences of 16 families

¹ Further information available at: <https://www.servingthefuture.scot/>

working in the hospitality sector during the cost of living crisis. A key aspect of this research relates to their experiences of the interaction between employment and social security.

Of the 16 families, five were in receipt of Universal Credit and the Scottish Child Payment (SCP). Within the study, there were a few parents who were potentially missing out on SCP; they had not applied for Universal Credit as they were unsure if they were eligible. Concerns were shared by some parents about the effects of fluctuating hours - which is very common in the hospitality sector - on Universal Credit and therefore on SCP entitlement.²

A key message from parents who receive SCP is that it has made a positive impact on their lives. However, wider support through the UK social security system and pay in the hospitality sector remains inadequate.

The two anonymised case studies below provide an overview of individual families financial and wider circumstances, and their perceptions of SCP.

Carla

Carla has two children under the age of five and works in the hospitality sector alongside studying. She has recently separated from her partner. Her hours at work have been reduced and she is now receiving Universal Credit and SCP. She has long-term debt and is not able to save. During the research, Carla had to rely on family for food and to pay bills.

She shared that when she first received the SCP, it was her aspiration that this money could be transferred into the children's saving accounts to support their futures. However, she said that rising living costs mean that, instead of saving the payment, she uses it for food shopping and treats for her children. A quote by Carla suggests that she felt unease using the Scottish Child Payment for everyday essentials rather than being able to invest this money in savings: "They [her children] don't know that I get it [SCP] for them, so I don't feel as guilty".

Joanne

Joanne is a single parent with one child under the age of five. She works part-time. She does not receive child maintenance. In the first interview, she was living in temporary accommodation and had been waiting for a house for more than three years. She was recently offered a flat that had mould and damp issues. She does not have savings and describes 'living month to month'.

Joanne was very positive about the impacts of the SCP. She said:

"It's not coming out of anything I've earned or none of my money and [...] it has been a great thing. And I think a lot of other families probably feel the same with that, because it – I've got a lot of friends and – aye. I've got a friend who's got four kids and I think it's been a big – like, a big help for, for her.

She also highlighted the positive impacts of the increase of the payment:

"Because at first – it never used to be that. It used to be something less...And then they changed it to the hundred pound a month and – yeah. Because I notice it now. Like, I notice I get that payment, whereas before I didn't notice."

² Robertson, L., McFadyen, C., McHardy, F., Fox, C., Watts, R., Congreve, E., Davidson, J., Hirvonen, A., Schwittay, H., Shields, S., Catalano, A., and Timbrell, H. (2023) *Workers' Experiences of Low-Paid Work: A Snapshot of the Hospitality Industry*. Available at: [Longitudinal Report Final.pdf \(squarespace.com\)](#)

2. What is the impact of the Scottish Child Payment at societal level?

As is highlighted in our answers to questions 1 and 3 of this consultation, the SCP is having a demonstrably positive impact at an individual household and family level, with Social Security Scotland processes having made applying for this support both less stigmatising and rooted in human rights. We know that the payment has assisted in easing the pressure on household budgets, helping to keep families afloat.

At a societal level, the Scottish Government's 2022/23 progress report on child poverty spotlights modelling which suggests that 90,000 fewer children in Scotland are expected to live in relative and absolute poverty in 2023/24 as a result of government policies, including the SCP. This would mean that 19% of children are projected to live in relative poverty, and around 16% of children projected to live in absolute poverty, in 2023/24.³ Similarly, modelling by IPPR Scotland expects that 40,000 children have been lifted out of poverty through the increase of the payment to £25 in November 2022.⁴ The SCP is undoubtedly a bold policy that is currently having, and has further potential to make, a positive impact at societal level.

However, the latest poverty statistics published by the Scottish Government paint a troubling and somewhat confusing picture of progress against their legally binding child poverty targets. This data continues to show that almost one in four (24%) of children live in relative poverty. Rates of relative poverty, absolute poverty, and low income and material deprivation for children has risen slightly between 2021/22 and 2022/23 to 26%, 23% and 12% respectively.⁵ In the context of these statistics, the Fraser of Allander Institute state that "progress [on child poverty] can be best described as flat".⁶ There is a significant gap between the Scottish Government's modelling for 2023/24 and the reality of the child poverty landscape captured in the latest poverty statistics. It appears that the impact of the SCP is not yet being seen in national level data despite positive modelling and individual feedback. While this data does not capture the full impact of the SCP, we would have expected a more significant visible impact within this data release.

The SCP is a bold policy, and it needs to be bolder still. IPPR Scotland's modelling shows that an increase to the SCP to at least £40 per week would lift a further 20,000 children out of poverty, over and above the 40,000 children expected to be lifted out by existing payments. This would surpass the interim targets, making good progress towards the 2030 goal.⁷ Further increases in value is particularly important in the context of the ongoing cost of living crisis, with parents who engaged in research by Save the Children highlighting that the payment does not go far enough. One parent stated, "*you can use it [the SCP] towards taking the kids out for the day [but] you are not getting its intended use because you are cutting back on so many things*".⁸ This reflects also the experiences of hospitality workers

³ Scottish Government (2023) *Tackling Child Poverty Delivery Plan: Progress Report 2022-23*. Available at: [Tackling Child Poverty Delivery Plan: progress report 2022-2023 \(www.gov.scot\)](https://www.gov.scot/resources/consultation-papers/collections/documents/tackling-child-poverty-delivery-plan-progress-report-2022-23.pdf)

⁴ Institute for Public Policy Research (2023). *Poverty doesn't have to be inevitable – it needs political will and investment to eradicate*. Available at: <https://www.ippr.org/blog/poverty-doesn-t-have-to-be-inevitable-it-needs-political-will-and-investment-to-eradicate>

⁵ Scottish Government (2024) Child poverty summary. Available at: [Child poverty summary \(data.gov.scot\)](https://data.gov.scot/datasets/child-poverty-summary)

⁶ The Fraser of Allander Institute (2024) *New child poverty statistics for Scotland: are we on track for the interim targets?* Available at: [Child poverty statistics update scotland 2022/23 | FAI \(fraserofallander.org\)](https://www.fraserofallander.org/news/new-child-poverty-statistics-for-scotland-are-we-on-track-for-the-interim-targets/)

⁷ Institute for Public Policy Research (2023) *Poverty doesn't have to be inevitable – it needs political will and investment to eradicate*. Available at: <https://www.ippr.org/blog/poverty-doesn-t-have-to-be-inevitable-it-needs-political-will-and-investment-to-eradicate>

⁸ Save the Children (2023) *Scottish Government Budget Briefing* available at https://www.savethechildren.org.uk/content/dam/gb/reports/scotland/save_the_children_budget_briefing_dec_2023.pdf

detailed in our answer to question 1 who continue to navigate rising costs, as well as inadequate social security support and pay.

Coupled with urgent action on all areas in 'Best Start, Bright Futures', increasing the value of SCP is an immediate step that the Scottish Government can take to make progress on its targets.

3. Is the process for applying for the Scottish Child Payment straightforward for families to navigate, and if not, what are the barriers you are aware of?

In 2023 and 2024, the Poverty Alliance worked with the Scottish Government's Benefit Take Up team to deliver a Citizen's Panel – comprised of 16 individuals living on low incomes and with experience of social security in Scotland - on the impacts of poverty related stigma on benefit take-up. Whilst much of the panel's discussions centred on social security processes which the UK Government have responsibility over, participants also reflected on their experiences with Social Security Scotland, particularly around the SCP.

Panel feedback evidenced that stigma around social security is felt keenly and creates powerful barriers to accessing entitlements. It was widely believed that parts of the benefit system have been designed to be difficult to put people off applying. Uncertainty around eligibility and entitlement played into fears around talking about social security with friends, family, and the wider community. Most Panellists agreed that stigma had gotten worse with austerity, the UK Government's 'welfare reform', and the cost-of-living crisis.

However, Panellists agreed that, although not perfect, dealing with Social Security Scotland was a far less stigmatising experience than the Department for Work and Pensions:

"Social Security Scotland was very helpful and the process very easy even though our language is not English – I got child benefits for all children it was very easy to apply for it and it was possible."

Whilst a lack of clear information about entitlements and processes around social security add to stigma, a notable exception to this was the SCP, which panel members had seen widely promoted and which some had been actively encouraged to apply for:

"I noticed something different about the way the SCP was advertised, it was interesting hearing about how the approach from Government has been more modern to remove stigma. The reason I applied for it so quickly was because almost all the local charity organisations - and I was getting emails as well for the government - saying apply for it now – that was really refreshing."

The processes for applying for SCP has therefore been straightforward for people. However, it is important to acknowledge that stigma around social security generally may still present barriers to uptake.

With potential changes to the SCP within the Social Security (Amendment) (Scotland) Bill, including the opportunity to make this a standalone benefit, it must be ensured that application processes are kept as simple and accessible as possible. The process for applying for the amended SCP should be designed in partnership with people with experience of applying for social security to ensure that processes are fit for purpose and work for those who need to access the payment.

4. Is the Scottish Child Payment effective as a targeted intervention to reduce child poverty or could the money be better spent in other ways?

Increases in the SCP have been the main driver of progress against Scotland's interim child poverty targets,⁹ offering a vital lifeline as families continue to struggle to make ends meet. Based on available data, the Poverty and Inequality Commission expect there to be a substantial reduction in child poverty through the SCP.¹⁰ This highlights the payments significance as a targeted intervention to reduce child poverty and, as such, the importance of this to children and families should not be underestimated.

As such, we consider the SCP effective as a targeted intervention to reduce child poverty. This is evidenced in our engagement with people living on low incomes who highlight the benefit of the payment to their household budgets and the ability to purchase essentials. At the very least, there is a need for resource allocated to the payment to be maintained. However, as we highlighted in question 2 of this consultation, it is imperative that the Scottish Government go further with the SCP and the Poverty Alliance will continue to call for increasing the payment to at least £40 a week as an immediate step the Scottish Government can take to make further progress on its targets.

The Poverty and Inequality Commission also expect that, without urgent and concentrated action, there is a very high likelihood that the Scottish Government will miss the 2030 child poverty targets.¹¹ In its inquiry into the role of parental employment in tackling child poverty, the Committee itself stated that the Scottish Government “must supercharge its efforts to prioritise policies that tackle child poverty” as “decisive action is needed” to realise the ambitions of ‘Best Start, Bright Futures and meet legally binding targets. The Poverty Alliance support this sentiment.

No single policy - including the SCP - will deliver the further reduction needed to meet the government's final 2030 targets. Rather, these targets can only be met through a range of actions that work together and are transformative in scale. So, whilst we believe that the resource allocation to the payment is necessary, this must be coupled with a scaled up and accelerated investment in all ‘Best Start, Bright Futures’ commitments to close the policy implementation gap that is currently making the 2030 child poverty targets unachievable.

Child poverty does not happen in isolation and is inextricably linked to the financial wellbeing of those that look after them. In this way, child poverty is closely tied to women's experiences of financial insecurity. That means that, along with increased protection through social security interventions like the SCP, there remains a critical role for the labour market and our vital public services in our approach to tackling child poverty in Scotland.

Between 2020 and 2023, an estimated 70% of children in relative poverty lived in a household where someone is in paid work.¹² With a 23% reduction (from £133.608m to

⁹ Poverty and Inequality Commission (2023) *Child Poverty Delivery Plan progress 2022-2023*. Available at: [Exec Summary Child Poverty Delivery Plan progress 2022-2023 Scrutiny Poverty and Inequality Commission.pdf \(povertyinequality.scot\)](https://www.povertyinequality.scot/Exec_Summary_Child_Poverty_Delivery_Plan_progress_2022-2023_Scrutiny_Poverty_and_Inequality_Commission.pdf)

¹⁰ Poverty and Inequality Commission (2023) *Child Poverty Delivery Plan progress 2022-2023*. Available at: [Exec Summary Child Poverty Delivery Plan progress 2022-2023 Scrutiny Poverty and Inequality Commission.pdf \(povertyinequality.scot\)](https://www.povertyinequality.scot/Exec_Summary_Child_Poverty_Delivery_Plan_progress_2022-2023_Scrutiny_Poverty_and_Inequality_Commission.pdf)

¹¹ Poverty and Inequality Commission (2023) *Child Poverty Delivery Plan progress 2022-2023*. Available at: [Exec Summary Child Poverty Delivery Plan progress 2022-2023 Scrutiny Poverty and Inequality Commission.pdf \(povertyinequality.scot\)](https://www.povertyinequality.scot/Exec_Summary_Child_Poverty_Delivery_Plan_progress_2022-2023_Scrutiny_Poverty_and_Inequality_Commission.pdf)

¹² Scottish Government (2024) *Poverty and Income Inequality in Scotland 2010-23*. Available at: <https://data.gov.scot/poverty/index.html#Children>

£102.879m) in employability spend in their 2024/25 budget,¹³ urgent action from the Scottish Government is required to improve access to fair work with decent wages for all parents, especially those from the priority family groups. There is also a key role for employers in enabling parents into paid work, including through the delivery of high-quality flexible and part-time work, the payment of the real Living Wage, and the promotion of working hours that enable families to escape poverty through commitment to Living Hours.

Reform to services – like childcare and public transport – should also be prioritised in their role as ‘enablers’ of employment, and upskilling and reskilling support. Childcare’s prohibitive cost continues to pose barriers to parents entering good quality employment and progressing in the labour market. There is therefore a need to increase funded hours to 50 hours per week, starting with those on low incomes. The current 1140 hours offer still only amounts to the duration of the school day and continues to fall short of full-time working hours. This limits the ability of primary caregivers, typically women, to work full-time.¹⁴ Part-time work is correlated with low-paid employment¹⁵ and the lack of full-time funded childcare options thus traps mothers in in-work poverty.¹⁶ Research by the Scottish Government has found that most parents utilising their funded entitlement combine this with paid and/or informal provision, and this mix of providers is vital in enabling parents to secure the days and hours of childcare they require. This is evidenced in our research with the Scottish Women’s Budget Group where a participant stated:

“Even if the Government help me, you have to top up and I’m only doing twenty hours, for three kids, so I just cannot afford it for after school club.”¹⁶

Accessible, affordable and sustainable public transport is another key to easing the financial pressures on low-income households by unlocking employment, educational and training opportunities. But too often, people living in poverty are locked out of accessing public transport due to rising cost and poor transport links, resulting in many being unable to access vital services. Reform to our public transport systems is therefore an integral part of both tackling poverty as a whole and making progress towards the commitments of Best Start, Bright Futures.

It is disappointing then that the recommendations and actions presented in the Scottish Government’s newly published Fair Fares review, which should have committed to reform that made transport systems an effective lever in reducing child poverty, fall short of unlocking the true potential of public transport for those on low incomes. There is little commitment to the immediate, large-scale reform that is needed to make these systems work for all people.

6. Any other comments?

¹³ Scottish Government (2024) *Scottish Budget: 2024 to 2025*. Available at: [Annex A.7 – Wellbeing Economy, Fair Work & Energy - Scottish Budget: 2024 to 2025 - gov.scot \(www.gov.scot\)](https://www.gov.scot/resources/consultation-papers/budget-2024-2025/Annex-A.7-Wellbeing-Economy-Fair-Work-&Energy-Scottish-Budget-2024-to-2025-gov.scot)

¹⁴ Close the Gap (2021) *Briefing for Scottish Government Debate – Early Learning and Childcare*. Available at: <https://www.closesthegap.org.uk/content/resources/Close-the-Gap-briefing-for-Scottish-Government-Debate---Early-Learning-and-Childcare.pdf>

¹⁵ Jones, Gareth (2019) ‘Women benefit from living wage expansion’, *Third Force News*. Available at <https://tfn.scot/news/women-benefit-from-living-wage-expansion>

¹⁶ Close the Gap (2021) *Close the Gap briefing for Scottish Government Debate: Early Learning and Childcare – 1140 Hours and Beyond*. Available at <https://www.closesthegap.org.uk/content/resources/Close-the-Gap-briefing-for-Scottish-Government-Debate---Early-Learning-and-Childcare.pdf>

In the Poverty Alliance's response¹⁷ to the Committee's consultation on the Social Security (Amendment) (Scotland) Bill, we signalled our support for changing the legislative underpinning of the SCP. Redefining SCP as a stand-alone 'childhood assistance' payment rather than a 'top-up' benefit would allow greater flexibility in the design and delivery of SCP, helping to free more households from the grip of poverty.

By simplifying the overall social security system and easing the burden of evidence needed to access support, SCP as a standalone payment would have the potential to bolster the positive impact it is already having for families across Scotland. This also provides critical opportunities for the Scottish Government to expand eligibility of SCP to more households. This would include those currently unable to apply for current qualifying benefits and spotlight the reality that some groups are still experiencing significant rates of poverty compared to others.

For example, those with no recourse to public funds (NRPF) can experience extreme poverty as a result of being cut off from the support options designed to help people at the point of crisis. At present, those with NRPF responsible for a child under three who is a British Citizen and with incomes under £726/month can access the Best Start Foods scheme. We support Citizens Advice Scotland's recommendation that the feasibility of utilising an equivalent mechanism in any new regulations in respect of Scottish Child Payment to extend a vital lifeline to those subject to NRPF should be explored.¹⁸

Poverty rates for people aged 16-24 have spiked dramatically from 27% in 2021 to 39% in 2023,¹⁹ with 55% of children in households where the mother was aged 25 or under were in poverty.²⁰ Young people are paid a lower rate of Universal Credit and are more likely to be paid lower wages despite having the same living costs. We would therefore echo the calls of One Parent Families Scotland and Engender for the Scottish Government to provide a 'top-up' through the SCP to all households with parents under 25 in receipt of Universal Credit.²¹

As identified in the interim report of the Minimum Income Guarantee (MIG) Expert Group,²² changing the legislative basis for SCP would be central in forming a basis for initial work to roll out a MIG, something which the Scottish Government have given clear commitment to doing. For reference, a MIG is an idea centred on setting a minimum income level below which people would not be allowed to fall. Made up of several complementary parts, it would be delivered through reform to our public services, changes to the world of work, and improvements to social security. As we have highlighted in our answer to question 4 of this consultation, this is the approach needed to meet child poverty targets.

¹⁷ The Poverty Alliance (2024) *Response to Social Security and Social Justice Committee: Social Security (Amendment)(Scotland) Bill*. Available at: [Consultation response: Social Security Amendment Bill - The Poverty Alliance](#)

¹⁸ Citizens Advice Scotland (2023) *Submission on the Social Security Amendment Bill*. Available at: [submissions to the social justice social security committee sjss social security scotland act amendment bill.pdf \(cas.org.uk\)](#)

¹⁹ Scottish Government (2024) *Poverty and Income Inequality in Scotland 2010-23*. Available at: [Poverty and Income Inequality in Scotland 2020-23 \(data.gov.scot\)](#)

²⁰ Scottish Government (2023) *Tackling Child Poverty Delivery Plan: progress report 2022-2023*. Available at: [Tackling Child Poverty Delivery Plan: progress report 2022-2023 \(www.gov.scot\)](#)

²¹ One Parent Families Scotland and Engender (2023) *Targeting support at young families through the Scottish Child Payment*. Available at: [Briefing-Targeting-support-at-young-parent-families-through-Scottish-Child-Payment.pdf \(opfs.org.uk\)](#)

²² Scottish Government (2023) *Minimum Income Guarantee Expert Group: interim report*. Available at: <https://www.gov.scot/publications/minimum-income-guarantee-expert-group-interim-report/>

In the context of legislative change on SCP, our recommendations to the Scottish Government remain:

- Ensure that the amended SCP application system is simple, clearly communicated and designed to tackle both poverty-related stigma and maximise uptake;
- Utilise the amendment to the legislative underpinnings of SCP to progress the implementation of the Minimum Income Guarantee (MIG);
- Utilise this new legislative underpinning to expand eligibility to people who are ineligible for the current qualifying benefits, for example people with no recourse to public funds, students, and those in temporary or supported accommodation; and
- Explore ways to taper the level of award to support people into work without creating an income 'cliff-edge'.

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