



THE COST OF A CHILD IN SCOTLAND IN 2022 – UPDATE

December 2022

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Key points

- In the UK overall, it costs at least £160,000 to bring up a child at an acceptable standard of living.
- Recent inflation and real-terms cuts to UK benefits mean that out-of-work families with children now receive under half what they need as a minimum through universal credit and child benefit.
- In Scotland, families benefit from a range of Scottish government policies to reduce these costs and to improve incomes, as well as from cheaper than average childcare.
- The combined value of these factors can reduce the net cost to low-income families of bringing up a child by over a third.
- In the past year, rising costs have made incomes less adequate relative to families' needs throughout the UK. The shortfall has risen roughly from 30 per cent to 40 per cent below needs in Scotland, and from over 40 per cent to over 50 per cent elsewhere in the UK. Thus extra support in Scotland has mitigated hardship but leaves families who rely on benefits about as badly off as other UK families were before the cost of living crisis.
- The shortfall is greater for the increasing number of families hit by the benefit cap across Scotland, with greatest impact in high rent areas. The number of capped families has risen in 2022 due to the benefit cap freeze, so it is relatively good news that the cap is being raised by inflation in 2023, preventing the problem from becoming much worse. The Scottish government's commitment to 'provide local authorities with additional discretionary housing payment funding to mitigate the UK government benefit cap as fully as possible'¹ is particularly positive in this context.
- Higher costs for families in remoter parts of Scotland offset the benefits of Scottish government payments, and these additional costs have become much more severe with the rising price of petrol and domestic energy.

1. Introduction

Bringing up a child at a minimum acceptable standard of living in the UK adds an estimated £160,000 over 18 years to the budget of a couple, and over £200,000 to the budget of a single adult raising a child on their own.² In 2022, rising family living costs have outstripped benefits and minimum wage earnings, meaning that families have fallen further behind what they need to cover these costs. In the UK outside Scotland, universal credit (UC) combined with child benefit is now providing out-of-work families with less than half of what they need. In Scotland, a number of measures make this situation less acute, and this report updates calculations of their impact.³

These calculations are based on the Minimum Income Standard (MIS), the amount needed for UK households to achieve an acceptable living standard, as specified by members of the public in regular research carried out by Loughborough University for the Joseph Rowntree Foundation.⁴

The cost of a child is based on the additional overall household costs that a child brings to a household at different ages. Some of these are directly due to spending on the child, such as the cost of their clothing or childcare. Some

¹ Scottish government, [A Stronger & More Resilient Scotland: The Programme for Government 2022-23](#), 2022

² D Hirsch and J Stone, *The cost of a child in 2022*, Child Poverty Action Group, 2022

³ Note that a report on the cost of a child in Scotland published at the start of 2022 was based on April 2021 data. The present report updates this to April 2022, as well as commenting on developments later in 2022.

⁴ A Davis, J Stone, C Blackwell, M Padley, C Shepherd and D Hirsch, *A minimum income standard for the UK in 2022*, Joseph Rowntree Foundation, 2022

are due to differences in overall household costs with and without the child, including for example running a second-hand car to get around (which parents say is needed for a family outside London), rather than relying on public transport (which those without children say is sufficient as a minimum).

The MIS research uses UK-wide prices for most of the goods and services that it includes. The main research on what is needed is carried out in urban parts of England, with regular checkbacks in urban areas of Scotland, Wales and Northern Ireland finding only very minor differences in views about what items should be included in a minimum budget. Childcare and housing are two costs that vary significantly across regions, and these are separated out of core budgets. This makes it possible to exclude them from UK-wide figures, and include them when looking at regional variations in spending on these items.

The *Cost of a Child* reports consider how far benefits, including tax credits and UC, go towards enabling families on low incomes to afford the cost of a child. As a starting point, they found that by April 2022, out-of-work families were for the first time receiving less than half what they need to cover minimum family costs, and must therefore live on very much less than what the public considers to be the minimum required to meet material needs and participate in society.

Despite the similarities in the cost of bringing up children throughout the UK, several notable differences affect families' costs and resources in Scotland, and these are explored in this report. They include a number of recent policies by the Scottish government, some still in the process of being rolled out, designed to make life more affordable for families with children. Some of these help all families with children, while others are targeted by income. In addition, a significant factor affecting the cost of children to working families in particular is that childcare costs have risen less in recent years than elsewhere in the UK.

Section 2 of this report sets out these differences in policies and in costs. Section 3 then sums up the effect of the differences on different households, according to their income and working status. It also shows the cumulative effect on the relationship between income and need for an out-of-work family. It considers this alongside the deteriorating situation for families across the UK, and assesses the extent to which increased support from the Scottish government has cushioned the effects of this deterioration.

Section 4 looks at housing costs, which have variable effects on the cost of bringing up a child across Scotland but are particularly significant where high private rents trigger the benefit cap. This is a problem exacerbated by the benefit cap freeze up to 2022, although it will increase with inflation in 2023. In this context the Scottish government commitment to mitigate the cap 'as fully as possible' is particularly relevant. Section 5 updates the analysis on another aspect of high local costs, the additional cost of living in remote areas. Section 6 draws a brief conclusion.

2. Differences between Scotland and the rest of the UK in family costs and benefits

This section looks in turn at a range of factors specific to Scotland affecting the ability of families to cover the cost of bringing up children. Most of these are related to specific Scottish government policies designed to help families financially. An additional factor is the lower average amount charged for childcare by Scottish providers compared to those in the rest of the UK.

The range of families affected by Scottish measures varies greatly. Some policies give help to all families, some to a wide range of families on low incomes and others mainly to those who are not working. Conversely, lower

childcare costs mainly benefit working families. It is not therefore possible simply to state the value of each factor and add them all up to calculate how much families benefit. Rather, this section reports influences according to different family situations, and Section 3 sums up the cumulative effect according to this classification.

Although some of the measures reported have not yet been fully implemented, the calculations on their effects consider their eventual value to families, by imagining that they were all in place in 2022.

‘Universal’ measures, helping families regardless of income

Two significant measures introduced by the Scottish government help reduce the cost of a child for all Scottish families by offering something free of charge: the extension of free school meals throughout primary education and the introduction of free bus travel to all children.

Up to 2021, *free school meals* were offered to all children in the first three years of primary school in Scotland as in England. To this, the Scottish government added free school meals for P4 and P5 children (aged 7-9) in January 2022. Further plans to extend this to P6 and P7 children (aged 9-11) by August 2022 have been delayed, although remain in the programme for the current Parliament.⁵ This produces significant savings for families, on the assumption that previously they had to pay for either a packed lunch or a cooked lunch at school, and in future they will not. Some low-income families will have already been entitled to free school lunches, but take-up of these is affected by stigma and other barriers, and calculations of the cost of a child have not taken such savings into account. With all pupils entitled, regardless of income, it is more reasonable to assume that the cost of children’s lunches during term time will be saved.

Once fully implemented throughout primary school, the effect of this policy will be to make the cost of bringing up a child **£1,800 cheaper** in Scotland compared to England, based on the total estimated cost of buying school lunches in the last four years of primary school.

Introducing *free bus travel* for all Scots younger than 22 at the end of January 2022 will make a significant difference to the minimum cost of a child. Even though the MIS research concludes that families with children need a car, older children need to be able to travel independently by public transport, including to get to school and for a limited amount of leisure travel. This is budgeted at £9.60 a week, and free bus travel saves a total of **£3,000** in the lifetime cost of a child in Scotland compared to England.

Help for a wide range of families on low incomes

For means-tested help, the Scottish government uses different criteria for different measures. First of all, two contributions to family income are available to anyone qualifying for a range of other benefits, including UC and working tax credit: the Scottish child payment and the Best Start grant. About four in ten children live in such families, which are generally in the lower half of the income distribution, although some have earnings from work.

The *Scottish child payment* was extended to all children under 16 in eligible families in November 2022, and increased to £25 a week per child. This payment makes a significant difference to the ability of parents on low incomes to afford the cost of a child. It contributes a total of nearly **£21,000** over 16 years to help cover this cost.

The *Best Start grant* is paid three times between birth and a child starting school. The first of these payments, worth £642 for the first and £321 for the second child, replaces the Sure Start maternity grant of £500 paid for the first child only elsewhere in the UK. The other two payments, paid at around age 3 and when the child starts

⁵ The rollout to P6 and P7 children contributes £850 to the overall cost of bringing up a child reported here.

school, are each worth £268. Taking an average of the first two children, and subtracting the value of the UK maternity grants, in total this gives an additional **£768** per child to Scottish families for children in their early years.

Benefits targeted at families with little or no paid work

Some entitlements are only made available to families who have no earnings, or very low levels of earnings. This is true for free school meals for anyone not in an age group where there is a universal entitlement, as described above. In this case, families qualify only when parents either receive out-of-work benefits, or get in-work benefits and have very low earnings (a maximum of just £7,920 a year for those receiving UC, representing one person working 16 hours a week on the minimum wage). This is also true of Best Start foods entitlements for the under 3s. Neither of these benefits is unique to Scotland.⁶

An additional benefit in this category introduced by the Scottish government is its guarantee that local authorities will pay a minimum *school clothing grant* of at least £120 a year to primary and £150 to secondary school pupils to help them buy school uniforms each year. For these families, the net cost of buying clothing is reduced by a total of **£1,740** over the course of a child's schooling.⁷

Lower childcare costs for working families

The cost of childcare has accounted for a growing proportion of the cost of a child over the past decade, as childcare fees have grown much faster than general inflation. For full-time working parents, the gross cost of childcare can now be greater than all other children's costs combined.

In Scotland, average childcare costs are lower than elsewhere in the UK, according to the annual survey carried out by Coram Family and Childcare.⁸ This is largely due to the costs charged by providers having risen sharply in England since 2016, but being relatively stable in Scotland over the same period, with a slight fall in the latest year. As a result, whereas nursery costs in Scotland were very similar to those in England in 2016, today they are nearly 20 per cent higher in England.⁹

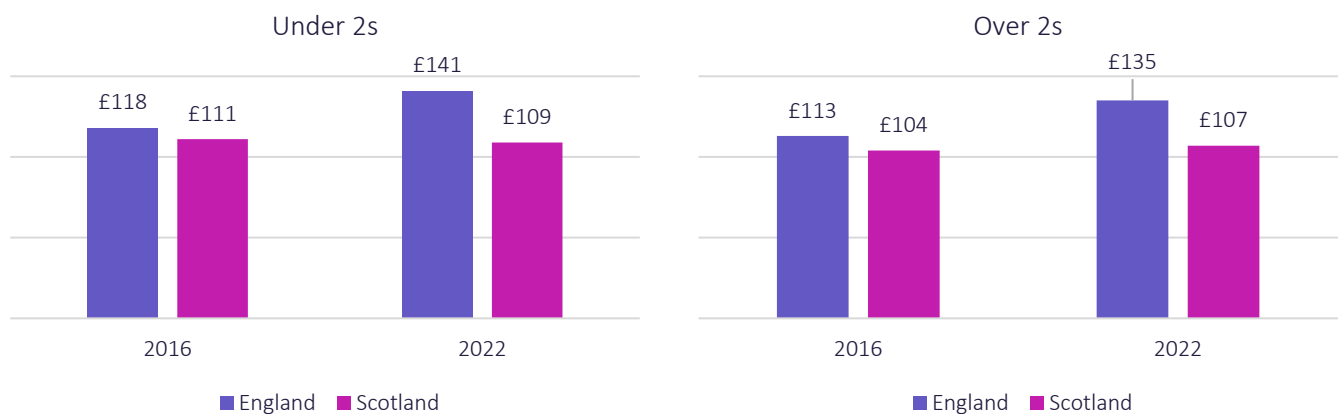
⁶ Although note that the Best Start foods payment in Scotland is paid at a higher rate than healthy start vouchers, paying £9 for a child under 1, and £4.50 for a child under 3 and when a woman is pregnant. The payments are available to a wider range of families and the Scottish government has committed to removing all income thresholds in 2023/24, so all families getting UC or a legacy benefit will be eligible.

⁷ Based on completing six years of secondary school.

⁸ L Coleman, S Shorto and D Ben-Galim, *Childcare Survey, 2022*, Coram Family and Childcare, 2022

⁹ Note that this refers to differences in charges by providers. In addition, Scotland gives wider access to the 30 hours a week childcare subsidy than England, which restricts it to those working and earning at least the minimum wage for 16 hours a week. However, the cost of a child calculations assume that this subsidy is available to families in both Scotland and England, other than when looking specifically at non-working families for whom any childcare costs are not included.

Figure 1: Change in the cost of 25 hours of nursery care



For a working family paying for full-time childcare, this makes a very large difference over the course of a child's upbringing. In Scotland, the total cost of a child is **£10,200** lower than in England as a result of this difference. However, it must be borne in mind that most lone parents, as well as many low-paid couple parents, will be entitled to UC even when working full time, which includes help with childcare. The maximum entitlement is 85 per cent of childcare costs incurred, which means that a Scottish family with childcare costs that are £10,200 lower than they would be in England might save only **£1,527** in the net cost to themselves, if they were claiming UC. However, it will sometimes be more than this because the rise in childcare costs has not been matched by a rise in the limit on childcare fees eligible for 85 per cent support (this is frozen at £175 a week for one child, £300 for two or more). In cases where families are at risk of hitting this cap, the more modest recent increases in childcare costs in Scotland are particularly beneficial.

3. The overall benefit of Scottish measures, in the context of the cost of living crisis

The benefits of the lower costs and help with income listed in the previous section will help different Scottish families in different ways. Table 1 summarises this by giving three examples of family situations. In practice of course, families will move between these situations in the course of a child's upbringing, but these figures nevertheless help illustrate the total impact of Scottish factors on the ability of families to make ends meet.

They show that families with little or no work receive additional benefits in Scotland equivalent to up to 40 per cent of the cost of raising a child for couples, and a quarter for lone parents. While this still falls a long way short of making up fully for the inadequacy of benefits (see Table 2 and Figure 2 below), it demonstrates the substantial difference that Scottish policies are making for families. These effects are also substantial for working families receiving UC, with a smaller but still significant benefit for other working families.

Table 1: Total benefit to family, for each child from birth to age 18, of lower costs or higher benefits in Scotland compared to the rest of the UK (includes the effect of scheduled but not fully-implemented policies)

| | Family with little or no work: qualifies for means-tested benefits, but no childcare costs | Family working full time, paying for childcare and receiving UC | Family working full time, paying for childcare and not eligible for UC |
|---|--|---|--|
| Free school meals P4-P7*(including P6 and P7 not yet implemented) | £1,799 | £1,799 | £1,799 |
| Free bus travel | £3,020 | £3,020 | £3,020 |
| Scottish child payment (full rollout in November 2022) | £20,857 | £20,857 | |
| Best Start grants** | £768 | £768 | |
| School clothing grant | £1,740 | | |
| Lower cost of childcare | | £1,527 | £10,178 |
| Total benefit to family | £28,1849 | £27,970 | £14,997 |
| <i>Comparison with total cost of a child, UK***</i> | | | |
| Couple parents | £69,621 | £75,869 | £157,562 |
| Lone parent | £113,102 | £127,042 | £208,735 |
| <i>Scottish benefit as % of total cost</i> | | | |
| Couple parents | 40% | 37% | 10% |
| Lone parent | 25% | 22% | 7% |

*Assumed gain includes those previously entitled to means-tested support, by making it easier to take up when stigma removed.

**Average for first two children, net of UK's Sure Start maternity grants.

***Assumes no childcare where little or no work; 85 per cent of childcare covered where working full time and receiving UC.

To put this into the context of a seriously inadequate benefits system, Table 2 considers how much difference this makes to a family with two young children, one pre-school and one primary school age, in terms of the value of out-of-work benefits compared to need. In this case, the comparison is not with the additional cost of each child, but rather with costs for the entire family. These have now fallen to under half of minimum family requirements outside Scotland. Table 2 shows that in Scotland, these families will fall about 40 per cent below the minimum (once the full roll out of universal free school meals in primary schools is factored in).

Table 2: Out-of-work benefits as a % of minimum costs for a family with children aged 4 and 8, UK and Scotland

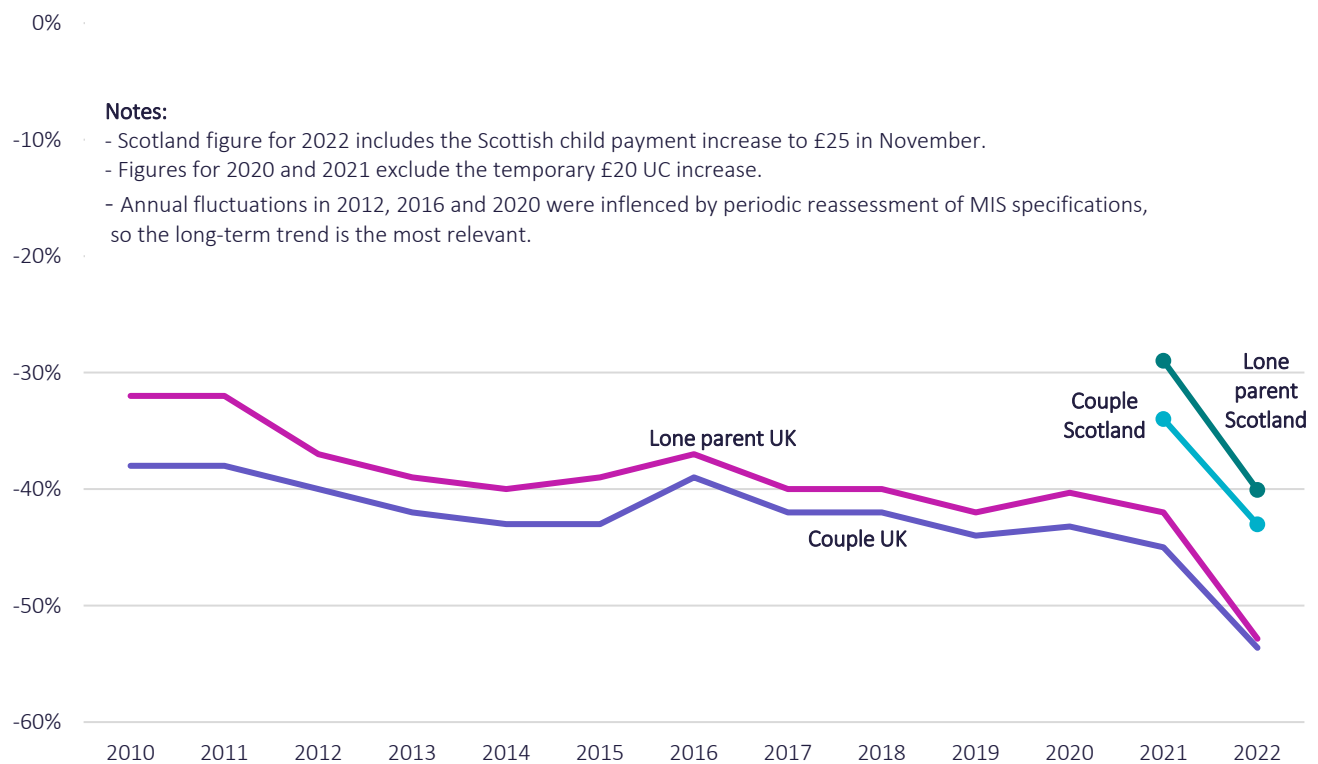
| | Out-of-work family with children aged 4 and 8 | |
|---|---|-------------|
| | Couple parents | Lone parent |
| Weekly costs, net of rent, council tax and childcare | £593 | £492 |
| Benefits available, UK* | £275 | £232 |
| Shortfall £, UK | £318 | £260 |
| Shortfall %, UK | 54% | 53% |
| Value of additional benefits in Scotland (when all announced policies are in place) | £63 | £63 |
| Total value of benefits in Scotland | £338 | £295 |
| Shortfall £, Scotland | £255 | £197 |
| Shortfall %, Scotland | 43% | 40% |

*UC plus child benefit, minus typical contribution to council tax for an out-of-work family. In Scotland, this contribution may be lower. Where it leads to a zero council tax contribution, this will further reduce the shortfall in the overall budget shown in this table by approximately one percentage point.

Figure 2 shows the extent to which a long-term decline in the adequacy of family benefits has been mitigated by Scottish policies. In 2021, these policies more or less made up for the increase in the benefit shortfall over the previous decade. This was a substantial achievement, not yet ensuring that costs were fully covered by Scottish benefits, but greatly reducing the shortfall. However, the graph also shows how in the last year, in both Scotland and in other parts of the UK, sharp real-terms falls in benefits have caused about as much damage in this respect as over the entire previous decade. The primary cause of this was the 3.1 per cent uprating of benefits in April 2022, at a time when CPI inflation was 9 per cent, but some additional increases in minimum family costs also played a part.

In Scotland, despite the further increase in the Scottish child payment, there have also been sharp real-terms losses. This has taken Scottish families to approximately the same situation as other UK families a year ago. In short, Scottish policies have prevented family incomes from sinking to below half what is needed as in the rest of the UK, but are still at least 40 per cent short, as in the UK generally in 2021, following a decade of cuts.

Figure 2: How far families on out-of-work benefits fall short of MIS, 2010-2022, % shortfall, family with two children aged 4 and 8



4. Housing costs

Social rents are 12 per cent lower in council housing and 7 per cent lower in housing association properties in Scotland compared to England. Market rents are about 23 per cent lower on average in Scotland than in England.¹⁰ However, there are large variations in the rents paid in different localities within Scotland.

The treatment of housing costs in calculating the cost of a child is complex, as it depends on the assumptions made about housing sectors with and without children. The main MIS budgets assume that the minimum housing cost of a family with children is renting social housing, but for households without children, the possibility of accessing such housing is too small for this to be used as a baseline, so MIS assumes private renting for such households. As a consequence, the housing ‘cost’ of a first child can actually be negative, as it compares the rent on a private flat for those without children to the social rent on a small house for those with a child, which can be lower. Additional children in social renting bring some additional cost as larger accommodation is needed, but these costs are small.

¹⁰ Author calculations from Chartered Institute of Housing, *UK Housing Review 2022*, compendium. Figures are for 2019.

In reality, a growing proportion of the population are relying on private renting, even with children, and it is in these cases where having children can be very expensive because of the need to pay a higher rent on a larger property. In Scotland, around four times as many children lived in private rented housing in 2017 than in 1999 – about one child in six. This is still lower than in the UK overall, where it is one in four.¹¹

For low-income households in the private rental sector, the cost incurred depends not only on the rent charged but also on the extent to which this is taken into account in UC entitlements. Many families have entitlements restricted by the local housing allowance (LHA), because rent above the permitted local level is not counted.

Even families with private rents that are within the allowance are increasingly having entitlements curtailed by the benefit cap, especially if they live in areas with expensive housing, since the fixed level of the cap takes account neither of local rent variations nor of the general increase in rents over time. This means that in an area with a higher LHA, entitlements before the cap, including a large housing element, can be much higher than the level permitted by the cap. When the benefit cap was introduced, it mainly affected only larger families in the most expensive areas, but today, even a couple with two children in a medium-rent area can fall foul of the cap. In this context it will be vital that the Scottish government and local authorities reach a clear and comprehensive agreement to deliver the commitment of using additional discretionary housing payment (DHP) funding ‘to mitigate the UK government benefit cap as fully as possible’.

Scotland has a particularly wide range of rent levels in different areas, reflected in differences in LHA rates, which are based on the 30th percentile of market rents. The most expensive housing market area, Lothian, has some of the highest LHA rates in the UK outside London, with only a handful of areas in the home counties being higher. In nearby North Lanarkshire, permitted rents are only half as high.

Figures 3 and 4 show where the benefit cap bites for a couple with two children in different parts of Scotland. They show this both for two- and three-bedroom homes, since a family of four will only receive support for three bedrooms in cases where the children are of different sex and at least one is aged over 10.

¹¹ Office for National Statistics, [UK private rented sector: 2018](#), 2019

Figure 3: Benefit cap impact on weekly income of a couple with two children in private rented sector, by Scottish housing area, two bedrooms

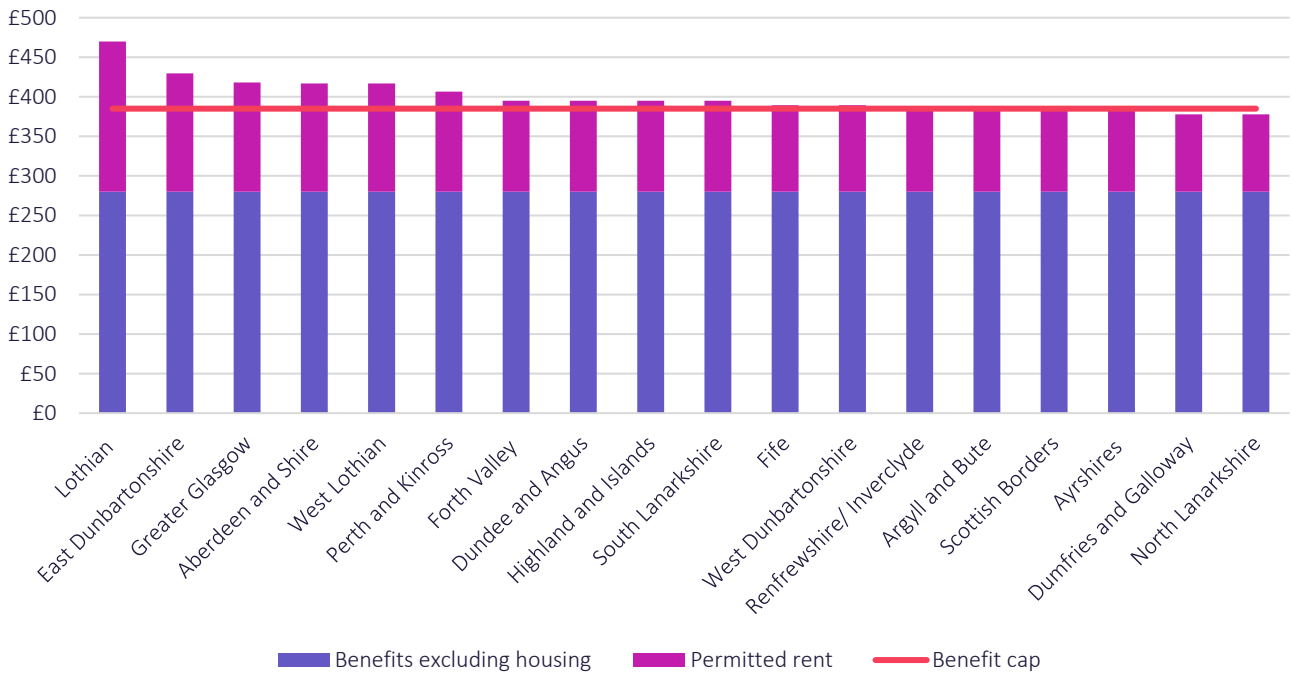


Figure 4: Benefit cap impact on weekly income of a couple with two children in private rented sector, by Scottish housing area, three bedrooms



Figure 3 shows that a family of four living in a two-bedroom rented property now has income curtailed in most of Scotland's local housing market areas, losing between £4 and £84 a week from the benefit cap. Figure 4 shows that for those with older children who require three bedrooms the benefit cap now curtails income substantially in all areas, by between £9 and £150 a week.

These figures show the benefit cap cutting deeper into benefits than the previous year: the uprating of general benefits by a total of around £8 a week for a couple with two children while the benefit cap and LHA levels are frozen means that the reductions set out in Figures 3 and 4 have also grown by about £8 a week.

Up to now, the freezing of both the benefit cap and LHA has had very serious consequences for families renting privately. The LHA freeze means that rent inflation is not increasing the benefits exposed to the cap, but reducing the degree to which these benefits cover actual rent, and hence increasing the required contribution towards rent from general benefits. At the same time, the freeze on the benefit cap itself means that the increasing numbers whose benefits are capped have not seen any increase in benefits to cover general inflation. In the case of April 2023, a continued freeze would have caused them to miss out on the 10.1 per cent benefit uprating, causing benefits covering general costs to lose about 10 per cent of their value. That is why it was so important that, in the 2022 Autumn Statement, an inflation-based uprating to the benefit cap was announced, for the first time since its introduction a decade previously. This does *not* reverse the increasing damage that the cap has done this decade, including the cut in its level in 2016 and the erosion of its real value from 2016 to 2022. However, the uprating at least prevents the situation from becoming even worse.

For many households subject to the cap at its present level, it is effectively almost impossible to survive in the private rented sector without either suffering acute material hardship, going into debt or accessing DHPs. Effective use of DHPs is a key priority for the Scottish government, which spends five times as much on them per capita than is spent in England,¹² aiming systematically to use this measure to compensate for rent shortfalls caused by the bedroom tax or benefit cap. However, DHPs remain under-accessed, possibly due to a lack of awareness.¹³ An underlying problem is that DHPs provide an ad hoc solution to a systemic problem. That is to say, private tenants are being widely and systematically denied sufficient support to cover their rent, but are required to go to councils to apply for payments to compensate for the hardship that this causes. The Scottish government plans to reach agreement with, and produce guidance for, local authorities ensuring they use DHPs to mitigate the effect of the benefit cap as fully as possible. The Scottish government already requires local authorities to ensure DHPs are used to fully mitigate the bedroom tax.

5. Cost variations in remote areas of Scotland

While costs in urban areas of the UK are broadly similar, in remote areas of Scotland, items such as food, domestic fuel and travel bring much greater costs. These have been documented in two reports adapting MIS to reflect life and costs in remote rural Scotland, which show that a minimum acceptable standard of living can cost substantially more in those areas.¹⁴ Some of these costs are related to adults' costs, such as travel to work. These would be incurred with or without children, but are nevertheless crucial in determining whether a family can make ends meet. Other expenses more directly associated with the additional cost of having children, including

¹² K Handscomb, *Sticking plasters An assessment of discretionary welfare support*, Resolution Foundation, 2022, p13

¹³ See Scottish government, [Discretionary Housing Payments in Scotland: 1 April 2020 to 31 March 2021](#), 2021

¹⁴ D Hirsch and others, *A Minimum Income Standard for Remote Rural Scotland*, Highlands and Islands Enterprise, 2013; A Davis and others, *The cost of remoteness - reflecting higher living costs in remote rural Scotland when measuring fuel poverty*, Scottish government, 2021

food, clothing and household goods, are also subject to higher prices in remote areas. In both cases, general rises in the price of essentials such as food and petrol have exacerbated the problem.

While the latest research does not provide sufficient detail to make a full calculation of these additional costs associated with remoteness, the following table gives an illustration of such cost discrepancies for a family with two children. The calculations are based on research in 2020 and 2021, working with communities in remote Scotland to establish minimum budgets appropriate for these areas, with results index-uprated to 2022 values.

Table 3: Minimum weekly budgets, remote Scotland compared to urban UK, selected items, 2022 (estimated)

| Couple with children aged 3 and 7 | | | |
|-----------------------------------|----------------|------------------------------|------------------|
| | Urban UK | Remote Scotland, mainland | Scottish Islands |
| Food | £122.91 | £127.99 | £138.51 |
| Clothing | £44.99 | £49.64 | £50.58 |
| Household goods | £31.50 | £32.73 | £34.68 |
| Personal goods and services | £49.98 | £48.35 | £50.79 |
| Transport | £137.07 | £210.80 | £175.23 |
| Social and cultural participation | £112.16 | £122.30 | £132.36 |
| Total | £498.63 | £591.80 | £582.15 |
| Addition for these items | | £93.18 | £83.53 |

Table 3 shows that budgets for key items can produce an £80-£90 higher weekly bill for a family in remote Scotland. This compares to the £63 by which such a family is better off as a result of the additional help to families outlined in this report (see Table 2 above). Thus, the effect of remoteness can more than outweigh the effect of extra Scottish government help.

In practice, for families with high domestic fuel bills as a result of living in a remote area, the situation will be a lot worse than this. Domestic fuel is not included in Table 3 because it can vary so much from case to case in remote areas of Scotland, particularly according to fuel source, housing construction and climate. However, in an earlier study of additional costs, family energy bills in these areas were estimated to be at least 50 per cent more than in urban areas of the UK.¹⁵

The sharp rise in energy prices over the past year has made this premium particularly problematic. For example, for an average household subject to the energy price cap, the weekly 'remote Scotland premium' for fuel would have risen from at least £12 in October 2021 to at least £24 in October 2022. This assumes that energy bills have remained 50 per cent above average in remote areas, and that this premium is applied to the increased level of the energy price cap.

¹⁵ D Hirsch and others, *A Minimum Income Standard for Remote Rural Scotland*, Highlands and Islands Enterprises, 2013

6. Conclusion

Scottish policies are making a major contribution to helping families cover the cost of bringing up children – adding up to over a third of the additional cost of a child over 18 years. Unfortunately, this must be set against the rapidly deteriorating level of family incomes relative to costs. For out-of-work families in the rest of the UK, incomes are down below half of what they need to be as a minimum for a decent life. In Scotland they fall around 40 per cent below this level – which is ‘only’ as bad as things were in the rest of the UK a year ago. Thus, Scottish policies are immensely important in reducing the level of financial strain and hardship on families at a particularly difficult time, but they are fighting a rear-guard action.

An essential priority in these circumstances needs to be to ensure that families do receive help that they are entitled to, and have access to extra hardship support when they need it. The development of the Scottish government’s more systematic approach to DHPs will be essential in this regard, as will the management and funding of the Scottish welfare fund. But the most thorough way to improve family incomes is not through ad hoc funds but systematic entitlements, and it is particularly important to ensure that these are fully taken up.

Yet many of the factors causing families to risk deep poverty in the coming months and years are well beyond the Scottish government’s control. These include the fall in real wages, the effects of real-terms benefit cuts including the loss of the £1,000 increase to UC in 2021, the bite of the two-child limit and benefit cap and the limited help families are getting to help with rocketing fuel bills, due to cost of living payments being flat rate rather than proportional to the size of families. Against all these headwinds, Scottish families are going backwards despite additional help from the Scottish government. Those with the lowest incomes remain a very long way from being able to bring up their children at a decent level and free from the fear of hardship.

About CPAG in Scotland

Child Poverty Action Group (CPAG) in Scotland works for the one in four children in Scotland growing up in poverty. It doesn’t have to be like this. We use our understanding of what causes poverty and the impact it has on children’s lives to campaign for policies that will prevent and solve poverty – for good. We provide training, advice and information to make sure hard-up families get the financial support they need.

About the authors

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