



BRIEFING FOR MSPS AHEAD OF 11TH JUNE SCOTTISH GOVERNMENT DEBATE: SCOTTISH GOVERNMENT PRIORITIES - ERADICATING CHILD POVERTY

June 2024

Child Poverty Action Group (CPAG) in Scotland works for the one in four children in Scotland growing up in poverty. We collect evidence from families living in poverty and campaign for solutions to bring about a society where children have a fair chance in life free from hardship. We provide training, advice and information on social security to frontline workers to make sure families get the financial support they need.

With 1 in 4 children still locked in poverty, all parties must make action on child poverty a priority in order to meet 2030 targets.

Summary:

- Progress already made on child poverty in Scotland to date is welcome – estimates show that **Scottish child payment alone is lifting between 40,000-60,000 children out of poverty¹** – and it is hugely encouraging that the First Minister has made ‘eradicating child poverty’ his number one policy priority.

¹ Scottish government modelling projects that in 2024-25, 60,000 children will be kept out of poverty by the Scottish child payment (Scottish Government, [Child poverty cumulative impact assessment: update](#), 2024). CPAG’s own analysis suggest the payment lifts around 50,000 children out of poverty, whilst reducing the depth of poverty for many more (CPAG State of the Nations, forthcoming, 2024). IPPR Scotland modelling in April 2023 estimated 40,000 children to be lifted out of poverty by the £25 payment (IPPR Scotland, [Poverty doesn’t have to be inevitable – it needs political will and investment to eradicate](#), 2023).

- **Yet, between 2021 and 2023, 24% of all children (240,000) in Scotland remained locked in poverty²** (with the impact of the full rollout of Scottish child payment likely to be reflected in next year’s statistics). Over half of Scotland’s Westminster parliamentary constituencies have a rate of at least 1 in 4 children in poverty.³ The Child Poverty (Scotland) Act 2017, backed by all of Holyrood’s political parties, requires Scottish Ministers to ensure less than 10% of children are living in poverty by 2030, which means **bold and decisive action is needed now**.
- However, **just as urgent action is needed, progress and investment to tackle child poverty has stalled**. The Tackling Child Poverty Progress Report 2023-2024 presented to parliament on June 4th makes it clear that not all actions set out in the government’s child poverty delivery plan have been adequately funded or delivered.⁴
- We urge MSPs to ensure the Scottish government:
 - Delivers an **immediate above-inflation increase to the Scottish child payment**, and ensure it rises to at least £40 per week by the end of this parliament.
 - Commits to **fully funding commitments made in the 2022-2026 tackling child poverty delivery plan**, *Best Start, Bright Futures*.
 - **Further invests in removing barriers to work** for parents through enhanced childcare provision and employability support.
 - **Reduces costs for parents** including through the rollout of universal free school meals to all primary and secondary pupils.
 - **Makes full use of Scotland’s devolved tax powers** to progressively ensure local and national government has the revenue needed to eradicate child poverty.
 - **Influences change on a UK level**, pushing for a UK-level child poverty strategy, the removal of the poverty-producing two-child limit and a £20 per week increase to child benefit.

Introduction

It is unacceptable that 24% of all children in Scotland remain locked in poverty.⁵ This is the reality for too many families cutting back on essentials, relying on the help of food banks, or missing out on everyday experiences and opportunities like school trips or friends’ birthday parties. To meet the

² [Poverty and Income Inequality in Scotland 2020-23](#), Scottish Government, 2024.

³ [Local Child Poverty Statistics 2024](#), End Child Poverty Coalition, 2024.

⁴ [Best Start, Bright Futures Tackling Child Poverty Progress Report 2023-24](#), Scottish Government, 2024.

⁵ [Poverty and Income Inequality in Scotland 2020-23](#), Scottish Government, 2024.

statutory 2030 child poverty targets, backed unanimously by the Scottish Parliament, sustained action is needed at every level of government. Priorities must include:

1. Increasing income through Scottish social security

1.1. Deliver an immediate above-inflation increase to the Scottish child payment, ensuring it rises to at least £40 per week before the end of this parliament

All available analysis forecast that **Scottish child payment has a hugely significant impact – lifting between 40,000 and 60,000 children in Scotland out of poverty**. It improves families' ability to afford essentials such as food, as well as increasing social participation and opportunities. Nanda, a participant from the Changing Realities project (a collaboration between parents and carers, academics at the University of York and Child Poverty Action Group), writes of the Scottish child payment:

*"I work part-time and receive universal credit but it's not enough money for my two young children. I try to manage the money we have and to make it stretch but it's really hard so the Scottish child payment helps me monthly to make things a bit easier...we can spend quality time together and do some cheap activities like the play centre. Even if we don't have much money, I want them to be happy and have fun."*⁶

The current inquiry into effectiveness of the Scottish child payment by the Social Justice and Social Security Committee has heard from third sector organisations and academic experts that, **not only is Scottish child payment enormously effective at protecting children in Scotland from poverty, but is also a very well targeted and cost-effective method of doing so.**⁷

The full rollout of Scottish child payment is yet to be captured in official child poverty statistics. Data for 2023/24, which will be released in March 2025, should reflect this more fully. **In the meantime, it is vital that the progress made by Scottish child payment is built upon with an immediate above-inflation increase to the payment and a commitment to ensuring it reaches at least £40 per week by the end of this Parliament.**

The new Social Security (Scotland) (Amendment) Bill will also provide the legislative footing to plug gaps in eligibility for Scottish child payment that result from its current status as a 'top up' benefit to reach even more families who may currently be missing out.⁸

⁶ [Changing Realities](#), Nanda, 2024.

⁷ Evidence provided by Professor Danny Dorling, University of Oxford, Tom Wernham, IFS, Dr Juliet Stone, Loughborough University, Professor Ruth Patrick and Professor Emma Tominey, University of York, [Meeting 23rd May 2024](#), Social Justice and Social Security Committee, 23rd May 2024.

⁸ There are opportunities to make the payment, currently available to all families in receipt of a qualifying benefit such as universal credit, available to even more families who need it and are currently missing out. The Social Security (Scotland) (Amendment) Bill proposes changing Scottish child payment to a standalone benefit, rather than a top-up of a reserved

1.2 Amend legislation to ensure that other cash payments through Social Security Scotland continue to retain their real terms value

Other Social Security Scotland cash payments to low-income families - Best Start grants paid at key points in a child's life, and Best Start food payments - provide vital additional financial support. **There must be sufficient investment made in these payments and commitment made to ensure they continue to retain their real-terms value in the future.**

1.3 Direct funding to ensure advice services have capacity to help all who need them

Evidence from our advice line consistently highlights that many people cannot access their maximum social security entitlement without expert help and advice. There is currently a lack of capacity within advice services⁹ and there must be sufficient investment **to fund the expansion of income maximisation and advice services, including the training of new advisors.**

1.4 Strengthen cash support in a crisis

To improve crisis support, action also needs to be taken to ensure the effectiveness of the Scottish welfare fund. Charities, including food banks, have long raised concerns that too many people face barriers accessing support from the fund.¹⁰ **To ensure the fund fulfils its purpose, there needs to be increased and sustained investment in its value and administration (as well as enacting the recommendations made in the 2023 Scottish welfare fund action plan).**¹¹

2. Remove barriers to work

2.1 Invest in further expansion of high quality, accessible and flexible early learning and childcare

Lack of appropriate childcare, and the childcare costs families face, continue to lock children in poverty, despite significant improvements in funded childcare in Scotland in recent years. A survey of parents in Scotland published in April 2024 by Joseph Rowntree Foundation found that **65% parents would work more if there was more free childcare provision, and over 50% agreed this would enable them to look for more secure work.**¹²

CPAG, Close the Gap and One Parent Families Scotland have presented a joint vision of childcare in Scotland which would provide up to 50 hours of accessible, flexible, high-quality, child centred childcare that is available to all who need it from the time their child is six months old – free at the

benefit. This creates an opportunity to expand eligibility to low-income families who are not getting a reserved benefit, such as universal credit.

⁹ [A proposal with disastrous consequences for advice](#), Citizens Advice Scotland, 2024.

¹⁰ [The Scottish Welfare Fund: Strengthening the Safety Net](#), D Hilber, M Macleod, 2019.

¹¹ [Scottish Welfare Fund: action plan](#), Scottish Government, 2023.

¹² [Prioritise low-income families to “poverty-proof” Scottish childcare ambitions](#), Joseph Rowntree Foundation, 2024.

point of use.¹³ We urge the Scottish government to fund and build on commitments made in the Best Start, Bright Futures: Tackling Child Poverty Delivery Plan of a funded offer of early learning and childcare for children aged one and two and a system of school age childcare.¹⁴

The Scottish government must make the full funding of the childcare commitment in Best Start, Bright Futures a priority, as well as ensuring this goes further so that every parent can access the childcare they need, when they need it.

2.2 Work to remove structural inequalities in the labour market

New official poverty statistics show that **70% of children in poverty live in working families**.¹⁵ Evidence shows that child poverty and structural inequalities of race, gender and disability are linked. For example, the latest gender pay gap statistics for Scotland show that 73% of part-time workers are women and that women who work part-time earn 26.3% less on average than men.¹⁶

The Scottish government's tackling child poverty delivery plan is committed to reducing the gender, ethnicity and disability pay and employment gaps, but action must go further. **In the most recent Scottish budget, the total budget for "employability" was cut by 23%. This needs to be reversed and resources focussed on tackling employment barriers and inequalities faced by families due to disability, race and gender.**

3.3 Make sure work pays

With more than two-thirds of children in poverty in Scotland living in working families, more can also be done to further improve the quality of paid work. The Scottish Government must explore how it can use its public procurement and public body wage setting powers to **drive improvements such as addressing low pay and incentivising payment of the living wage.**

3. Reduce costs for low-income families

3.1 Roll out free school meals to all primary school pupils and create a timetable for the introduction of universal free school meals in secondary schools

Over 5,000 primary and secondary school children from across 83 schools in Scotland responded to CPAG's Cost of a School Day Voice Network's Big Question to identify the school costs that matter most to them. 97% of young people who responded say that food is very or quite important in feeling ready to learn at school and that hunger has a serious impact on learning and concentration - making them tired, unwell and feeling embarrassed and left out.¹⁷ One young person said:

¹³ [A vision for childcare that helps end poverty in Scotland](#), CPAG, Close the Gap and One Parent Families Scotland, 2022.

¹⁴ [Best Start, Bright Futures: Tackling Child Poverty Delivery Plan 2022-2026](#)

¹⁵ [Poverty and Income Inequality in Scotland 2020-23](#), Scottish Government, 2024.

¹⁶ [Working paper gender pay gap statistics](#), Close the Gap, 2023.

¹⁷ The Cost of the School Day Big Question (forthcoming), CPAG, 2024.

“Everyone [should] get free meals so no one feels embarrassed to say they can’t afford it...”

Funding commitments made in the most recent Scottish Budget¹⁸ to extend entitlement to free school meals for children in primary 6 and 7 in receipt of the Scottish child payment are welcome. However, it is disappointing that the commitment that all primary school pupils would be entitled to a free school lunch by August 2022 has still not been delivered.¹⁹ For children who are currently struggling and missing out, there is no time to wait. The Scottish government must deliver the **roll out of free school meals to all primary school pupils and develop a timetable for the introduction of universal free school meals in secondary schools**. An immediate first step could be the extension of free school meals to all families in receipt of universal credit, or an equivalent means-tested benefit.

3.2 Ensure local authorities and schools have sufficient resources to reduce other costs of a school day for low-income families such as uniform, devices and school trips

Responding to CPAG’s Cost of a School Day Big Question young people said that - as well as food - uniform, travel, resources, devices and trips are the school costs that matter most to them when they are unaffordable.

School clothing

The national minimum school clothing grant has been a positive step in Scotland. While there was an inflationary increase to the minimum school clothing grant in the latest Scottish budget, there remains no change to eligibility which has left struggling families with incomes just above the income threshold unsupported. **To ensure families aren’t missing out, there must be a commitment to work with local authorities to ensure that income thresholds used for school clothing grants increase at a minimum in line with inflation, as a step towards extending eligibility to all families in receipt of universal credit (or an equivalent benefit).**

Devices, trips and activities

As families continue to face rising costs, **we urge all MSPs to work to ensure that schools and local authorities have sufficient resources to:**

- **provide every child with a device and connectivity**
- **ensure families do not face costs for curriculum related trips and activities**
- **ensure all pupils are able to attend ‘rite of passage’ trips, such as P7 residential and introduce minimum entitlement for all secondary pupils to attend at least one ‘optional’ trip during their time at school.**

¹⁸ [Scottish Budget: 2024 to 2025](#), Scottish Government, 2023.

¹⁹ [SNP manifesto 2021](#), SNP, 2021.

4. Raise revenue needed to tackle child poverty

4.1 Make full use of Scotland's devolved tax powers

It has already been shown that Scotland's devolved tax powers are working to help boost incomes for poorer households. Institute for Fiscal Studies analysis concludes that, as a result of recent Scottish tax and benefit policies, "amongst the poorest 30% of households, those with children will see their incomes boosted by around a sizeable £2,000 a year" compared to those in England and Wales.²⁰ However, **more must be done to reform tax in Scotland to raise the revenue needed** to, for example, invest in childcare and remove barriers to employment.²¹

5. Work with Westminster to influence change on a UK level

5.1 Create a UK child poverty strategy including statutory targets

The next UK Government must create a **comprehensive child poverty strategy covering** a broad range of policy areas, key targets, timelines and regular reporting.

5.2 Remove the two-child limit and benefit cap

It is vital that we see the end of poverty-producing policies at UK level such as the two-child limit and benefit cap. **Over 80,000 children in Scotland are affected by the two-child limit.**²² Removing the limit would be the single most cost-effective policy in lifting children out of poverty across the UK. Similarly, removal of the benefit cap would reduce the depth of poverty for 300,000 children across the UK. In Scotland, 99% of households affected by the benefit cap are families, which disproportionately affects lone-parent families and families with young children.²³ We welcomed the Scottish Government's mitigation of the cap which is estimated to be helping over 4,000 families, including 14,000 children.²⁴

5.3 Increase child benefit by £20 per week for every child

Increasing child benefit by £20 a week would pull 600,000 children out of poverty across the UK, at a cost of £12 billion.²⁵ As well as pulling children out of poverty, this increase would also support the income security of low-and middle-income families who sit just above the threshold for means-tested benefits but still struggle financially.

²⁰ [Scottish Budget changes to tax and benefit system widen gap with rest of the UK](#), IFS, 2023.

²¹ [The case for fair tax reform in Scotland](#), IPPR Scotland et al, 2023.

²² CPAG, [Six years in: the two-child limit](#), 2023.

²³ [Best Start, Bright Futures Tackling Child Poverty Progress Report 2023-24](#), Scottish Government, 2024 and [The benefit cap: an unhappy anniversary](#), CPAG, 2023.

²⁴ [Helping families with their living costs](#): Scottish Government press release, February 2023.

²⁵ [Tackling child poverty: an urgent priority](#), CPAG, 2024.

Conclusion

It is clear that **policy decisions made in Scotland have been working to reduce child poverty**. Our Cost of a Child in Scotland report shows the investment in the Scottish child payment and other low-income benefits, free school meals, free bus travel, funded childcare and reducing the costs of the school day are all having a welcome impact on protecting low-income families from living in poverty and relieving the depth of poverty for many more.²⁶ When the next official child poverty statistics become available in March next year, we also expect to see the full impact of the rollout of the Scottish child payment.

But there is no place for complacency. 24% of all children in Scotland currently remain locked in poverty and, as the 2030 targets move closer, more urgently needs to be done to protect and build on the progress that has been made. Child poverty is not inevitable. It is the duty of all MSPs to ensure Scotland has right policies, sustained investment and political will to end child poverty for good.

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²⁶ [The Cost of a Child in Scotland in 2023](#), CPAG, 2024.