



RESPONSE TO THE SCOTTISH GOVERNMENT'S CALL FOR EVIDENCE: TACKLING CHILD POVERTY DELIVERY PLAN 2026-2031

March 2025

The Child Poverty Action Group (CPAG) in Scotland works for the over one in five 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.

Introduction

Since the introduction of the Child Poverty (Scotland) Act 2017 and over the course of the two previous tackling child poverty delivery plans, there has been positive action and investment to tackle child poverty in Scotland. The latest official child poverty statistics showed relative child poverty to be falling in Scotland despite rising to a record high across the UK as a whole.

Despite progress, the drivers of child poverty - inadequacy of income through employment and social security combined with the costs that families face - mean that 23% of children in Scotland remained locked in poverty between 2021 and 2024.¹ It has also now been confirmed that the interim 2023-24 child poverty targets established in the Child Poverty (Scotland) Act have been missed. While it is clear that **existing actions have proven to be effective, progress is not happening fast enough**. To meet the 2030 targets, the final child poverty delivery plan will need to be even stronger, more focused and more ambitious than its predecessors.

Child Poverty Action Group in Scotland welcomes the opportunity to share evidence with the Scottish Government to inform the development of the next plan, highlighting both where existing action can be proven to have a clear impact and where future investment will make the most difference.

¹ Scottish Government, Poverty and Income Inequality in Scotland 2021-24, 2025, available at: <https://data.gov.scot/poverty/>.

1. Do you think these are the right themes to focus on?

CPAG in Scotland broadly agrees that the strategic themes outlined in the Scottish Government's call for evidence are the right areas to focus on. **However, given its critical role in preventing and reducing child poverty, increasing income through social security should be a standalone theme.**

Social security must continue to have an absolutely crucial role to play in meeting the 2030 targets. The Scottish child payment, according to available evidence, is working to lift between 40,000 and 50,000 children out of poverty.² Scottish Government analysis shows how this additional financial support is spent by families on essential items for children and enables them to participate in social and educational opportunities.³ Early findings coming through the *Family Finances* project (a collaboration between the University of York, the London School of Economics, and the Child Poverty Action Group) show the difference the Scottish child payment has made for families compared to families in other UK nations where this support is not available.⁴ Analysis from the Institute for Fiscal Studies also shows that benefit and tax policy decisions made by the Scottish Government are boosting the incomes of low-income households with children by 'a sizeable £2,000 a year', compared to families in England and Wales.⁵ CPAG's report on the 'Cost of a Child in Scotland in 2024' also shows that the gap between family income and the cost to raise a child to a minimum socially acceptable standard of living is narrower in Scotland than the rest of the UK, in large part due to investment to raise incomes through social security.⁶

The Scottish Government's decision to mitigate the two-child limit will bolster the role Scottish social security plays in reducing child poverty. CPAG in Scotland have strongly welcomed the mitigation, which is a cost-effective method of targeting support to low-income larger families (one of the six priority family groups identified by the Scottish Government) and lift children out of poverty. CPAG modelling shows that mitigation of the policy would lift a further 15,000 children out of poverty in Scotland.⁷ Analysis from IFS suggests that the mitigation could lift

² Modelling from the Scottish Government estimates Scottish child payment to keep 40,000 children out of relative poverty in 2025-26. Scottish Government, Child Poverty Modelling: Update, 2025, available here: <https://www.gov.scot/publications/child-poverty-modelling-update/>. 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, 2024, available here: https://cpag.org.uk/sites/default/files/2024-10/State_of_the_nations.pdf. 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, available here:

<https://www.ippr.org/articles/poverty-doesn-t-have-to-be-inevitable-itneeds-political-will-and-investment-to-eradicate>.

³ Scottish Government, Scottish Child Payment: Interim evaluation, July 2022, available at: <https://www.gov.scot/publications/interim-evaluation-scottish-child-payment/>

⁴ Family Finances, Insights from: House of Lords Roundtable – The Difference Cash Transfers to Children can make, 2025, available at: <https://familyfinances.study/lords-roundtable>

⁵ Institute of Fiscal Studies, Scottish Budget changes to tax and benefit system widen gap with rest of the UK, February 2023, Available at: <https://ifs.org.uk/news/scottish-budget-changes-tax-and-benefit-system-widengap-rest-uk-higher-taxes-and-more>.

⁶ Child Poverty Action Group, The Cost of a Child Reports, 2024, available at: <https://cpag.org.uk/policy-and-research/findings-our-projects/cost-child-reports>.

⁷ CPAG, Priorities for the 2024-2025 Programme for Government: tackling child poverty, 2024, available at: <https://cpag.org.uk/sites/default/files/2024-08/CPAG%20in%20Scotland%20-%20Programme%20for%20Government%202024-25.pdf>. The results presented here are based on UKMOD version B2024.19. UKMOD is tax-benefit microsimulation software, which enables calculation of the cost/impact of social security reform, using representative household survey data (Family Resources Survey). UKMOD is maintained, developed and managed by the Centre for Microsimulation and Policy Analysis (CeMPA) at the University of Essex. The results and their interpretation are the author's sole responsibility.

23,000 children in Scotland out of poverty, reducing relative child poverty by a further 2.3 percentage points.⁸ It is clear that social security investment is the main contributing factor to the divergence we are beginning to see between Scotland and the rest of the UK on child poverty rates. The latest official child poverty statistics saw a 4-percentage point fall in the single year relative child poverty measure in Scotland, despite a rise in child poverty at UK level to record levels.⁹ Analysis by the Joseph Rowntree Foundation using central Office of Budget Responsibility (OBR) projections, show that currently only Scotland will see child poverty rates fall by 2029.¹⁰

However, if the next tackling child poverty delivery plan is to deliver further child poverty reduction and realistically meet the 2030 targets – further investment in Scottish social security (beyond existing commitments) will need to be a key strategic theme. The additional costs associated with having children and the impact of childcare responsibilities on parents' capacity to work will always exist. This is especially true for single parents who can neither rely on an additional income nor share childcare responsibilities. Latest official child poverty statistics show that 75% of children in relative poverty live in working households, and modelling from IPPR has shown that, even with highly optimistic increases in pay and hours worked for parents, the relative child poverty rate in 2030 would still be 6 percentage points above the target.¹¹ Similarly, recent modelling from the Fraser of Allander institute suggests that, with the current set of tax and benefit policies in Scotland (including mitigation of the two-child limit), the 2030/31 relative child poverty rate would still be 20% (10% above the target). FAI conclude that, in meeting the child poverty targets, increases to the Scottish child payment are the 'most effective tool available' to the Scottish Government.¹²

This is not to say that social security is the only policy intervention required to tackle child poverty. Investment in childcare and housing, and action to improve labour market opportunities for parents and carers are all vital in driving down and sustaining low levels of child poverty. However, any action taken to tackle child poverty must be supported by a strong social security system to support parents and families during this time-limited stage of their lives where high costs combine with increased barriers to work. While investment across all these areas is important for children and families, it is important that the delivery plan recognises and articulates the extent to which different policy interventions impact on child poverty.

In the face of the challenge to meet the 2030 targets, the Scottish Government will need to continue to prioritise action that has the most impact. The central role that social security has and will continue to play in the reduction of child poverty in Scotland demonstrates that this should be established as a distinct theme in the coming delivery plan.

Under the key theme of increasing earned incomes, **there should be clear actions to drive improvements in the quality of work for parents and carers.** This should build and expand on existing efforts to promote the availability of fair and flexible work - particularly in sectors that are dominated by women such as social care and childcare.

⁸ IFS, Two-child limit mitigation in Scotland would help larger poor families but policy design could harm work incentives, 2025, available at: https://ifs.org.uk/articles/two-child-limit-mitigation-scotland-would-help-larger-poor-families-policy-design-could#footnote4_RDZ1udm-vEa7Bvd7BkyyqaTsimwoRpkEvZLkd56meM_piGiMRRvxTle.

⁹ Scottish Government, Household below average income (HBAI) statistics, 2025, available at: <https://www.gov.uk/government/collections/households-below-average-income-hbai--2> and Scottish Government, Poverty and Income Inequality in Scotland 2021-2024, 2025, available at: <https://data.gov.scot/poverty/>.

¹⁰ Joseph Rowntree Foundation, Growth alone won't cut child poverty, as gap between UK countries set to widen, 2025, available at: <https://www.jrf.org.uk/news/growth-alone-wont-cut-child-poverty-as-gap-between-uk-countries-set-to-widen>.

¹¹ Institute for Public Policy Research, Achieving the 2030 Child Poverty Target, The Distance Left to Travel, 2025, available at: [https://ippr-
org.files.svdcdn.com/production/Downloads/Achieving_2030_child_poverty_target_March25.pdf?dm=1742569422](https://ippr-
org.files.svdcdn.com/production/Downloads/Achieving_2030_child_poverty_target_March25.pdf?dm=1742569422).

¹² Fraser of Allender, Meeting Scotland's Child Poverty Targets: Modelling and Policy Packages, 2025, available at: <https://fraserofallender.org/publications/meeting-scotlands-child-poverty-targets-modelling-and-policy-packages/>.

This can be achieved through efforts to promote and embed the real Living Wage and Living Hours through procurement and grant making, as well as using devolved tax powers to incentivise businesses to provide fair and flexible work.

Action included under the theme of supporting children and young people to reach their full potential **must include reducing cost barriers and integrating income maximisation into services for families and young people.** Building advice into schools and health settings has proved effective at ensuring low-income families are able to access the support they need¹³ and increase family incomes.¹⁴

2. Are there other key strategic themes we should consider?

The next delivery plan must focus relentlessly on the key drivers of child poverty (income from social security, income from employment and the costs families face). Every action must be able to demonstrate how it will support the progress needed to meet the 2030 targets. The plan must also keep a sharp focus on addressing the needs of the six priority family groups most at risk of poverty. There needs to be clarity on how each intervention will specifically meet the needs of different groups embedded across the whole plan.

3. What is working well and what actions should the Scottish Government and partners either continue or do more of?

The Scottish child payment

The Scottish child payment is working well to reduce child poverty. Families themselves are clear on the difference it is making to their lives.¹⁵ As a proven and effective policy intervention, **the Scottish child payment must be at least doubled over the course of the next delivery plan** (alongside wider action on employment, housing and childcare).

Recent modelling from IPPR estimates that doubling the payment would lift 40,000 more children out of poverty, cutting the child poverty rate by an additional 4 percentage points.¹⁶ Further bolstering the value of the payment would reduce the depth of poverty for many more and strengthen the protective buffer for families living just above the poverty line. Analysis from the Fraser of Allander institute has also shown that increasing the rate of Scottish child payment is the single most effective policy intervention the Scottish government can make towards achieving the 2030 child poverty targets.¹⁷

¹³ Glasgow Centre for Population Health, The Healthier, Wealthier Children (HWC) project, 2023, available at <https://www.gcph.co.uk/our-work/67-the-healthier-wealthier-children-hwc-project> and CPAG, Referral pathways to money advice in education settings - briefing, 2024, available at: <https://cpag.org.uk/referral-pathways-money-advice-education-settings-briefing>.

¹⁴ K. Cooper & K. Stewart, Does Money Affect Children's Outcomes? An update, 2017, available at: [casepaper203.pdf](https://cpag.org.uk/referral-pathways-money-advice-education-settings-briefing)

¹⁵ See further, Family Finances, Insights from: House of Lords Roundtable – The Difference Cash Transfers to Children can make, 2025, available at: <https://familyfinances.study/lords-roundtable>, and, Child Poverty Action Group, The Cost of a Child Reports, 2024, available at: <https://cpag.org.uk/policy-and-research/findings-our-projects/cost-child-reports> and CPAG, 'More breathing space to enjoy life' - my experience of the Scottish child payment, 2024, available at: <https://cpag.org.uk/news/more-breathing-space-enjoy-life-my-experience-scottish-child-payment>.

¹⁶ IPPR, Think tank warns: without urgent investment, Scotland will miss child poverty target in 2030, 2025, <https://www.ippr.org/media-office/think-tank-warns-without-urgent-investment-scotland-will-miss-child-poverty-target-in-2030>.

¹⁷ Fraser of Allander Institute, Meeting Scotland's child poverty targets: Modelling and policy packages, 2025, available at: <https://fraserofallander.org/wp-content/uploads/2025/03/2025-03-Child-poverty-modelling-report.pdf>.

New research through CPAG's *Strengthening Social Security* project also shows how the Scottish government can close gaps in entitlement and ensure support reaches more families.¹⁸ Recommendations from the project include action to clear up confusion around eligibility, widen eligibility criteria and expand the ways in which parents and carers may demonstrate responsibility for a child.¹⁹ Acting on the project recommendations can maximize the number of families benefitting from the payment.

Ensure the mitigation of the two-child limit is as effective as possible

CPAG in Scotland strongly welcomes the Scottish Government's proposals to mitigate the two-child limit using top-up powers. This is a **cost-effective way to tackle child poverty and in particular to reach children in the priority family groups** at greater risk of being in poverty (which includes larger families). 25 per cent of all families affected by the two-child limit are single parents with a child under three years old²⁰ and 20 per cent are families with at least one disabled child.²¹

The Scottish Government **should however review who will miss out on the mitigation because they are not in receipt of universal credit (UC) - and therefore cannot receive a 'top up' to UC - but would be if the two-child limit was not in place.** This review should identify if families who are missing out are in poverty and in need of further support.

CPAG in Scotland welcomes the commitment to ringfence the resources identified for mitigation, should the limit be abolished at UK level.²² **In the event of the abolition of the two-child limit by the UK government, these resources should continue to be invested in strengthening the social security support available to low-income families through a general uplift to the value of the Scottish child payment.**

There has been some concern that mitigating the two-child limit will add to the cliff-edges that already exist in the benefits system and which potentially disincentivise some families from working more.²³ Ideally the two-child limit would be scrapped at source negating the need for the Scottish 'top up' payments. In the absence of such action the anti-poverty gains of the additional income outweigh any potential work disincentives.

It is important to place the risks and benefits in context. The majority of families affected by the two-child limit are already in work (81 per cent of two-parent families affected by the limit have at least one working parent).²⁴ Furthermore, a quarter of families affected by the limit are single parent families with a child under 3 who would

¹⁸ CPAG, *Strengthening Social Security: research into the five family payments*, 2024, available at: <https://cpag.org.uk/what-we-do/project-work/projects-scotland/strengthening-social-security-research-five-family-payments>.

¹⁹ CPAG, *Scottish Child Payments: The Gaps*, 2024, available at: <https://cpag.org.uk/sites/default/files/2024-07/CPAG%20Strengthening%20Social%20Security%20Scotland%20-%20briefing.pdf> and CPAG, *Children's benefits in Scotland: clearing up confusion to maximise take up*, 2025, available at: <https://cpag.org.uk/sites/default/files/2025-02/CPAG%20maximising%20benefit%20take%20up%20briefing.pdf>.

²⁰ Data obtained by Freedom of Information requests by the End Child Poverty coalition, <https://endchildpoverty.org.uk/2childlimit/>, 2024. Nine out of ten lone parents are women. J Dixon, F Ruby and E Clery, *Single parents in 2023*, Gingerbread, 2023. <https://www.gingerbread.org.uk/wp-content/uploads/2023/03/Single-Parents-in-2023-Single-Parents-Day-report.pdf>.

²¹ See further, CPAG, *Things will only get worse: Why the two-child limit must go*, 2024, available at: https://cpag.org.uk/sites/default/files/2024-07/Things_will_only_get_worse.pdf. Data obtained by Freedom of Information requests by the End Child Poverty coalition, see: <https://endchildpoverty.org.uk/2childlimit>.

²² Scottish Government, *FM: Removing the two-child limit will help thousands*, 2025, available at: <https://www.gov.scot/news/fm-removing-two-child-limit-will-help-thousands/>.

²³ IFS, *Two-child limit mitigation in Scotland would help larger poor families but policy design could harm work incentives*, 2025, available at: <https://ifs.org.uk/articles/two-child-limit-mitigation-scotland-would-help-larger-poor-families-policy-design-could>.

²⁴ End Child Poverty, *New Research: Majority of families impacted by the two-child limit are working*, 2024, available at: <https://endchildpoverty.org.uk/new-research-majority-of-families-impacted-by-the-two-child-limit-are-working/>.

not be required to look for work as part of their UC requirements.²⁵ The Scottish child payment is available to families in receipt of any amount of universal credit, yet there is not a disproportionately high number of families with a low (£0-£100) entitlement to UC in Scotland.²⁶ This suggests families are not deliberately holding back from working more hours to retain entitlement to universal credit and therefore receive Scottish child payment. Scottish government analysis has also concluded that the Scottish child payment is 'not currently negatively affecting labour market outcomes at scale in the economy'²⁷ despite the cliff edge already created by the payment as a top up to universal credit.

Parents with three or more children receive no increase in income from employment to reflect family size, and the caring responsibilities of parents (especially single parents which make up half of families affected by the limit) often mean they can't increase their hours. Research on the two-child limit and benefit cap from the Benefit Changes and Larger Families study found no evidence to suggest that limiting social security support is effective at incentivising parents to work more hours.²⁸ International evidence also finds social security investment for children has only very limited effect on labour market incentives, with any impacts far outweighed by the positive outcomes for children reduction.²⁹

Consider the use of top-up powers to mitigate the 'young person penalty' in Universal Credit

Another priority family group are families with young mothers (under 25 years old). Across the UK, parents under 25 years old in receipt of universal credit receive less than older claimants in the same circumstances. This is an issue of inequality for young people and for women, and one which is not based in any objective assessment of living costs, as parents under 25 face the same costs as other parents. As the Scottish Government develops its method of mitigating the two-child limit, it should **consider a similar approach to mitigate the 'young person penalty' to support young parents in receipt of universal credit.**

Provide more funding for the provision of affordable housing for families

The lower percentage of child poverty in Scotland compared to the UK is in part due to cheaper housing and a larger social housing sector.³⁰ IPPR analysis has shown that 10,000 to 20,000 children residing in social housing are shielded from poverty by avoiding private rentals.³¹

²⁵End Child Poverty, Shocking new data shows that single parents and families with disabled children are impacted by 2-child limit, 2024, available at: <https://endchildpoverty.org.uk/2childlimit/>.

²⁶ Calculations from: Households on Universal Credit - November 2024, Statxplorer, DWP, available at: <https://statxplorer.dwp.gov.uk/webapi/metadata/dashboards/uch/index.html>

²⁷ Scottish Government, Scottish child payment and the labour market, 2024, available at: <https://www.gov.scot/publications/scottish-child-payment-labour-market/>.

²⁸ Benefit Changes and Larger Families, Needs and Entitlements, welfare reform and larger families, 2023, available at: <https://largerfamilies.study/publications/needs-and-entitlements>.

²⁹ See e.g. National Bureau of Economic Research, The Effects of Child Tax Benefits on Poverty and Labor Supply: Evidence from the Canada Child Benefit and Universal Child Care Benefit, 2021, available at: <https://www.nber.org/papers/w28556>.

³⁰ JRF, Poverty in Scotland, 2024, available at: <https://www.jrf.org.uk/sites/default/files/pdfs/poverty-in-scotland-2024-92e321cb4996aac4ea315650e8ba3282.pdf>.

³¹ IPPR, Social housing need of the hour amid homelessness crisis, 2024, available at: <https://www.ippr.org/articles/social-housing-need-of-the-hour-amid-homelessness-crisis>.

However, lack of access to affordable housing is still pushing families into poverty.³² In 2024, there were over 10,000 children in temporary accommodation in Scotland.³³ In the next tackling child poverty delivery plan, **there must be a sustained focus on providing more affordable housing for families, particularly larger properties** to ensure all children live in safe, secure and affordable homes.

Work toward a system of childcare that ensures every parent can access up to 50 hours of childcare per week (with interim steps to make childcare more accessible for families)

The Scottish Government should look to create a more ambitious childcare system in Scotland, that plays the fullest possible role in reducing and preventing child poverty. Childcare must meet the developmental needs of children as well as the needs of parents and be delivered through a well-paid, well-trained and valued work force. There is more to be done, for example, to focus on the supply side funding of childcare whilst allowing parents to choose the most suitable childcare for their circumstances.

CPAG, alongside other organisations, have developed a **vision for childcare in Scotland that provides all parents with the choice of up to 50 hours of accessible and flexible childcare per week, free at the point of use.**³⁴ This would be available to all who need it from the time their child is six months old. The new child poverty delivery plan should include actions that build toward realising this vision.

Evidence through CPAG's [Early Warning System](#) shows that the initial cost of childcare is a barrier to taking up work, particularly for parents who rely on support to pay childcare costs through universal credit. Their childcare costs must be paid to the provider before they can be reimbursed through universal credit. **Subsidising providers to provide free childcare for the first few months could overcome the issue of having to pay for childcare before it can be reimbursed by universal credit.**

Funding periods of free childcare in certain circumstances could also help retain a childcare place during periods where families do not meet the eligibility for support with costs through universal credit. For example, when there are gaps in universal credit due to the way that it is calculated or because there is no entitlement due to immigration status. Subsidising periods of childcare would support parents to take up and stay in work, address gaps in support from universal credit and potentially support parents to increase their income through earnings over time.

³² Scottish Government, Poverty and Income Inequality in Scotland 2021-24, 2025, available at: <https://data.gov.scot/poverty/>. And, Child Poverty and the Housing Emergency, Shelter and Aberlour, 2024, available at: https://assets.ctfassets.net/6sqgfrl11sfj/74FtnMuermIDZr7sazddxL/aa16097ab8f9be074b7f9f540d4fe5fc/Shelter_Scotland_and_Aberlour_Report_updated_formatted_version.pdf

³³ Scottish Government, Homelessness in Scotland: 2023-24, 2024, available at: <https://www.gov.scot/publications/homelessness-in-scotland-2023-24/>.

³⁴ Read more about the vision for childcare in Scotland developed by CPAG, Close the Gap, One Parent Families Scotland, Parenting across Scotland, Save the Children and others: CPAG, A vision for childcare that helps end poverty in Scotland, 2022, available at: <https://cpag.org.uk/news/vision-childcare-helps-end-poverty-scotland>.

Increase tailored employability support for parents looking to get into work, and for parents in low-paid and insecure work

Fairly paid and flexible work is a key factor in protecting families and children from living in poverty.³⁵ *Your Work, Your Way* (YWYW)³⁶ was an employability project run by Child Poverty Action Group in England between 2021 and 2023 supporting potential second earners in families, mostly mothers, who faced high barriers to employment. Key components of this work included: personalised employment support to develop skills and facilitate training and employment opportunities, welfare rights advice to maximise benefits and household income, and a personal budget of £2,000 for any costs associated with looking for work or setting up self-employment. Findings from YWYW show that the provision of holistic, financial and practical support is critical to help parents take up quality work, improve skills and manage the challenges of balancing work and family life.

The next tackling child poverty delivery plan should set out clear proposals for a **tailored approach to support parents into work – with a particular focus on supporting priority groups.**

There is also more that Scottish Government can do to support parents on low-incomes to access and remain in further education. This could include allowing students on short courses to be exempt from council tax³⁷ and increasing the special support loan with inflation. Because student loans are taken into account for UC, many low-income student parents don't receive any UC while they are studying. This also means they miss out on Scottish child payment, Best Start grants and Best Start foods. Changing the rules to allow low-income parent students to receive these payments, even if they do not receive UC, will provide much needed support and make higher education more accessible.

Further action to drive improvements in fair and flexible work

Supporting parents and carers into work is vital to tackling child poverty. However, official poverty statistics also show that 75% of children in poverty live in working families³⁸ - therefore it is important to both support parents into work but also to address the nature and quality of work itself. The next delivery plan must set out how further improvements in fair and flexible work will be delivered, including through using public procurement and devolved tax powers to incentivise fair work practices and payment of the real Living Wage, with a focus on closing gender and disability employment gaps.

Deliver free school meals to all primary school pupils and provide a timeline for secondary school pupils before 2030

Free school meals provide much-needed support to low-income families. The next tackling child poverty delivery plan must deliver on the commitment to fully roll out free school meals to all Primary 6 and Primary 7 children, not just children in receipt of Scottish child payment. While the pilot to expand eligibility to some secondary

³⁵ In 2019-2022 children in households where no one is in paid work were over three times more likely to be in poverty than children in a household where at least one person was in paid work - 62% compared to 19%. (Table 23a: Scottish Government, Poverty and Income Inequality in Scotland 2020-23, 2024, available at: <https://data.gov.scot/poverty/>). .

³⁶ Your Work Your Way (YWYW) was an innovative employment support project designed and delivered by Child Poverty Action Group from 2021 to 2023. The scheme supported 70 second earners from low-income households in receipt of universal credit or tax credits, and operated in the four pilot areas of Bury, Coventry, Luton and Taunton Deane. (See: Child Poverty Action Group, Your Work Your Way, <https://cpag.org.uk/policy-and-research/findings-our-projects/your-work-your-way>).

³⁷ Evidence through CPAG's advice line has shown how this can be a barrier; students on short courses are not exempt from council tax because a course must last at least 24 weeks of the year to allow exemption (with an exception for some students under 20). Students in this situation often can't usually get council tax reduction either because they're a full-time student (as only some full-time students – for example, lone parents or disabled students are eligible for council tax reduction).

³⁸ Scottish Government, Poverty and Income Inequality in Scotland 2021-24, 2025, available at: <https://data.gov.scot/poverty/>.

school pupils in receipt of Scottish child payment is welcome, the 2026-2031 plan must, at least, expand this to all secondary school pupils receiving SCP to maximise impact for struggling families. Recent modelling from Resolution Foundation shows the impact that expanding eligibility to FSM can make on overall child poverty levels. As FSM are worth around £500 per year per child, extending eligibility to all children in the UK on universal credit would reduce child poverty by 100,000.³⁹ In this final delivery plan before the target deadline, free school meals are an important lever available to Scottish Government to support struggling families and bring more children above the relative poverty line.

Build on work to remove cost barriers to education through support for the cost of a school day

Child poverty has a significant and damaging impact on children's school lives and attainment. Through CPAG's work with schools and education authorities to promote practical measures to support children living in poverty and to help them attend and learn in school, we hear evidence from young people themselves that costs for things like uniform, food, resources, clubs, fun events and trips create barriers to attendance and to learning, participation and wellbeing.⁴⁰

Uniform is among the costs that young people tell CPAG matters most to them. The national minimum school clothing grant provides important support. However, the grant level provided, eligibility criteria and application process varies by local authority, meaning that support received depends on where a family lives. **Action should be taken to increase the value of the payment and extend eligibility, such as making this available to all families in receipt of universal credit (or an equivalent benefit).**

Use devolved tax powers to ensure adequate resources are available to deliver the plan

Devolved tax powers can be used to progressively raise vital resources to meet government priorities, such as tackling child poverty. The increase in the top band rate and new advanced band in April 2024, as called for by CPAG and many other organisations, has been welcome.⁴¹ As is the commitment to 'explore what wealth taxation could look like for Scotland.'⁴² However, the use of devolved tax powers must go further, and tax policies which benefit better off households at the expense of low-income families with children, such as the previous council tax freeze, should not be repeated.

Important actions in the current delivery plan, including on employability and childcare, have not been fully delivered due to resource constraints. The new delivery plan must set out how action will be resourced. Fairer taxation is an important lever to fully deliver the action needed to meet the child poverty targets. The Scottish Government should consider recommendations made by the new [Tax Justice Scotland Coalition](#) to ensure the full suite of devolved and local taxes are being used to harness the resources needed to end child poverty as fairly and progressively as possible. This includes raising additional revenue through progressive changes to existing taxes, by asking those with greater resources to pay more, developing a plan to shift the focus of tax from income to under-taxed wealth and using new and reformed local taxes to incentivise businesses towards positive social

³⁹ FSMs are counted as income in HBAI poverty statistics and are worth around £500 a year per child. See further, Resolution Foundation, Turning the Tide, what it will take to reduce child poverty in the UK, 2025, available at:

<https://www.resolutionfoundation.org/app/uploads/2025/02/Turning.the.tide.pdf>

⁴⁰ CPAG, Cost of the School Day Big Question report, 2024, available at: <https://cpag.org.uk/sites/default/files/2024-06/The%20Cost%20of%20the%20School%20Day%20Big%20Question%20report.pdf>.

⁴¹ Oxfam Scotland, Fair tax changes in Scotland could boost spending on key national priorities by hundreds of millions per year, 2023, available at: <https://cpag.org.uk/sites/default/files/2024-08/CPAG%20in%20Scotland%20-%20Programme%20for%20Government%202024-25.pdf>.

⁴² Scottish Government, Scotland's Tax Strategy: Building on our Tax Principles, 2024, available at: <https://www.gov.scot/publications/scotlands-tax-strategy-building-tax-principles/pages/6/>

outcomes such as paying the real Living Wage and offering flexible working for disabled people and people with caring responsibilities.

Continue to demonstrate impact through the publication of cumulative impact assessments

The publication of a cumulative impact assessment alongside the previous child poverty delivery plan (and subsequent updates) has been particularly helpful in understanding the extent to which actions described in the delivery plan will actually impact on overall levels of child poverty.⁴³ The impact assessment published alongside the coming plan should again look specifically at how proposed policy actions will cumulatively make progress towards meeting the targets. It would be further useful if this assessment were to give results for each priority group.

4. Are there policies, actions or approaches that the Scottish Government and/or partners should either stop or do differently?

In developing the next tackling child poverty delivery plan for 2026-2031, the Scottish Government should implement a robust test across every potential policy intervention to ensure they are proven to reduce and/or help maintain low levels of child poverty, with a clear focus on meeting the 2030 targets. This test should be used to prioritise and balance actions based on their potential to make the most significant progress towards these targets.

Investment in the Scottish child payment, funded hours of childcare, and expansion of free school meals have all been evidenced to have an impact. For example, CPAG's 'Cost of a Child in Scotland in 2024' report shows how these policies, particularly the Scottish child payment, are narrowing the gap between income and the cost to raise a child to a minimum socially acceptable standard of living.⁴⁴ Similarly, the latest official child poverty statistics show that relative child poverty in Scotland in 2023-24 was nine percentage points lower than in the rest of the UK – demonstrating the powerful impact that this investment has had. Building on this progress in the next tackling child poverty delivery plan will be essential.

5. How can Scottish Government and partners work differently to ensure seamless integrated support for families? What prevents this?

One way of ensuring seamless and integrated support in a way that specifically contributes to reducing child poverty is through ensuring parents can access advice to maximise their income. Organisations such as Citizens Advice Scotland have expressed concern that the prevalence of short-term funding contracts in times of high demand takes away from the quality of service for clients.⁴⁵ Evidence shows that effective independent advice services not only benefit individuals, but save public spending, as demand on healthcare, housing advice and the

⁴³ Child poverty cumulative impact assessment: update', Scottish Government, February 2024, available at: <https://www.gov.scot/publications/child-poverty-cumulative-impact-assessmentupdate/pages/4/>

⁴⁴ Child Poverty Action Group, The Cost of a Child Reports, 2024, available at: <https://cpag.org.uk/policy-and-research/findings-our-projects/cost-child-reports#:~:text=In%202024%2C%20the%20cost%20of,290%2C000%20for%20a%20one%20parent.>

⁴⁵ Citizens Advice Scotland, The third sector is crying out for a new funding model, 2024, available at: <https://www.cas.org.uk/news-and-events/scotlands-third-sector-crying-out-new-funding-model>.

justice system are reduced.⁴⁶ **Increased longer-term sustained funding is needed to build the capacity of advice services.**

It is also vital that parents and carers can easily access income maximisation advice and support. Schools and their partners often help families access school based financial entitlements like free school meals, the school clothing grant and Educational Maintenance Allowance and can also offer referral pathways to advice on wider benefits.⁴⁷ But such approaches are not currently available everywhere. Evidence suggests that embedding these income maximisation services within education settings benefits children and young people and leads to increased incomes for families, a key factor in improving children's educational outcomes.⁴⁸

The same applies for health services; between 2010 and 2023, the Healthier Wealthier Children project in Greater Glasgow and Clyde made over 45,000 referrals to money advice services, which led to families receiving an average annual income boost of between £1,000 and £3,000.⁴⁹ This involved midwives, health visitors, family nurses and specialist children's services routinely asking about money and debt worries and referring to money advice services as part of day-to-day care. Effective approaches need to be placed on a secure financial footing. **The next delivery plan should embed income maximisation services into school and health settings to ensure low-income families are able to access the support they need.**

6. What more can we do to understand the challenges being faced by the families at greatest risk of poverty, including the six priority families identified to ensure their specific and interconnected needs are met?

It is vital that the quantitative data collection methods and analysis used to measure child poverty rates are robust enough to pick up the impact of policy interventions on the six priority family groups. However, as there are lags in what quantitative data can reveal, **it is also important to use robust qualitative evidence bases and listen to the voices of those with lived experience.** This can provide real-time evidence for policy makers into the effectiveness of spending decisions. Specific barriers faced by priority families need to be identified and inform service design and delivery.

The *Family Finances* project (a collaboration between the University of York, the London School of Economics, and the Child Poverty Action Group) is investigating the impact of the Scottish child payment on financial and emotional wellbeing and employment using a comparative, mixed-methods approach. Qualitative evidence drawing on the experience of families are an important resource in assessing effectiveness of policy interventions to be included in the next delivery plan. Similarly, participants from the *Changing Realities* project, a collaboration between parents and carers living on a low income, the University of York and Child Poverty Action Group, have shared their *priorities for Scottish Government*, including *the impact of the Scottish child payment*.

⁴⁶ Advice UK, Advice UK Budget Response, 2024, available at: <https://www.adviceuk.org.uk/2024/10/31/adviceuk-budget-response/>.

⁴⁷ Public Health Scotland, Referral pathways to money advice in education settings - briefing, 2024, available at: <https://cpag.org.uk/referral-pathways-money-advice-education-settings-briefing>.

⁴⁸ K. Cooper & K. Stewart, Does Money Affect Children's Outcomes? An update, 2017, available at: <https://sticerd.lse.ac.uk/dps/case/cp/casepaper203.pdf>.

⁴⁹ Glasgow Centre for Population Health, The Healthier, Wealthier Children (HWC) project, 2023, available at: <https://www.gcph.co.uk/our-work/67-the-healthier-wealthier-children-hwc-project>.

7. What targeted action could be taken to tackle inequalities faced by marginalised groups, to help raise their incomes and improve their outcomes? This could include specialist support for one or more groups.

To tackle inequalities faced by marginalised groups, it is crucial to remove barriers to support and ensure that services are inclusive, accessible, and do not stigmatise individuals. This can be achieved by directing funding to services that are specifically tailored to meet the diverse needs of these groups, and by ensuring that lived experience informs service design more widely.

The actions included within the delivery plan should be assessed not only for their overall impact on child poverty but for their effectiveness of reaching children in priority groups. For example, the commitment to mitigate the two-child limit is an effective policy to reach families more at risk (larger families) as well as single parent households and households with a disabled child who are disproportionately affected by the policy.

The child maintenance system is also an important source of income for many families living in poverty and many are currently not receiving the payments that they should. However, within Scotland there is no single bespoke service that provides tailored, local-level support to families for child maintenance. The evaluation of a local 'test and learn' approach in Fife, delivered by Fife Gingerbread, has demonstrated the need for local level support for child maintenance to be scaled up across Scotland as a way to increase incomes especially for single parent families and make progress towards the child poverty targets.⁵⁰

The Scottish Government should also request UK Government remove Scottish child payment from the list of public funds so that it may be paid to people with NRPF and if unsuccessful, consider an alternative route to delivering an equivalent amount of support.

Conclusion

Right now, there are strong policy interventions that are making a difference to families. Efforts to tackle child poverty are moving in the right direction in Scotland. While there is still much more progress to made, levers available to the Scottish government, particularly through the use of devolved social security powers, mean that this progress is possible. This next tackling child poverty delivery plan is critical, as it is the final opportunity to make meaningful progress before the statutory 2030 targets deadline. CPAG in Scotland remains committed to working with the Scottish Government to ensure the next delivery plan maintains focus on the most impactful actions, builds on evidenced policy successes and directly tackles the drivers of child poverty.

Contact

If you would like to discuss the contents of this response please contact: Maria Marshall, Policy Officer
Email: mmarshall@cpagscotland.org.uk

⁵⁰ OPFS, Transforming Child Maintenance, A fairer system for children and families, 2024, available at: https://opfs.org.uk/wp-content/uploads/2024/09/TCM_FGB_evaluation_report.pdf.