

# Social Justice and Social Security Committee

## Child Poverty Statistics and next child poverty delivery plan

Written submission by the Joseph Rowntree Foundation, 9 May 2025

### Child poverty statistics for Scotland

#### What do you think are the key reasons the interim targets have been missed?

In many ways it goes without saying, a lack of action on the part of the Scottish Government.

In October 2021 on the publication of Poverty in Scotland 2021<sup>1</sup> we predicted:

*“Without further action the Scottish Government will miss the interim child poverty targets in April 2024. The Scottish Child Payment must be doubled as soon as possible<sup>2</sup>, but without urgent additional efforts, on social security or otherwise, the target will still be missed by around four percentage points.”*

Essentially this has come to pass. While the Scottish Child Payment has been more than doubled (to £26.70 for 2023/24 the year the interim targets were set for) the additional action through social security or otherwise has not been forthcoming.

When Best Start Bright Futures was published, we worked with Save the Children to analyse the plan and concluded that while it provided the right diagnosis, it did not go far enough in presenting solutions.<sup>3</sup> Even within Best Start Bright Futures, the more stretching elements of it (such as parental employability) have since been scaled back. Similarly, the expansion of childcare foreseen by the delivery plan has also had the breaks put on it.

And that delivery plan was also scattered with small scale interventions, around things like the “Pathfinders” to provide better connected services for parents. The Plan was published with less than a decade to meet stretching child poverty reduction targets, there was little time then for pilot schemes – that time is now well passed.

Unfortunately, missing the interim targets was widely predicted and was largely avoidable if the Scottish Government had taken firmer action to meet them. It’s also

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<sup>1</sup> <https://www.jrf.org.uk/poverty-in-scotland-2021>

<sup>2</sup> At the time the Scottish Child Payment was £10 per week, and we assumed doubling was to £20. Obviously the child payment is now above that level.

<sup>3</sup> <https://www.jrf.org.uk/child-poverty/delivering-for-families>

worth underlining that the missed targets do not just come with a political cost, that cost is felt by the children in Scotland who remain in poverty when our Parliament had demanded that they must not be.

Of course, it is fair to say that the UK Government's actions since the Child Poverty (Scotland) Act 2017's passing have not helped – not least actions like the two-child limit – but the targets were not set with regard to the UK Government's actions. Indeed, the two-child limit was a known policy at the time of the Act. This does not, of course, excuse the UK Government that introduced it, or the current Government that maintains it, from its impact. But it also does not excuse the Scottish Government's failure to meet the interim targets.

### **What impact has Scottish Government policy had on the change in child poverty?**

While the Scottish Government's actions may not have been enough to meet the interim targets the latest Poverty and Inequality Statistics do provide some indicators that they are having an impact, not least via the Scottish Child Payment. There is often a somewhat perverse criticism of the Child Payment due to the lack of action in other areas by the Scottish Government. That is not the fault of the Child Payment and we should not dismiss the significant impact that it has. It is encouraging to see that that might be starting to show up in the latest statistics but as we have set out to the Committee in its Inquiry into the Child Payment it is clear from other evidence sources that the Child Payment is having a positive impact<sup>4</sup>.

We are aware that the DWP are also planning on making improvements to the quality of the Family Resources survey by using outturn data from the DWP (and in the future HMRC) to more accurately reflect respondents' incomes. This will hopefully allow us to have a fuller understanding of the positive impact that the payment is having, while also giving us better insight into what other factors may be preventing a larger fall in relative poverty. It may also revise previous years' figures (including on the interim targets), in theory better reflecting people's incomes from benefits could reduce poverty levels (depending on the impact on the median income).

### **Child poverty statistics in England and Wales**

#### **What do you think are the key reasons for the different rates of child poverty across the UK?**

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<sup>4</sup> <https://www.parliament.scot/-/media/files/committees/social-justice-and-social-security-committee/scottish-child-payment/scottish-child-payment-joseph-rowntree-foundation-submission.pdf>

As we've set out on a number of occasions, most recently alongside our UK Poverty report<sup>5</sup>, the main difference between the child poverty rates in Scotland (and Northern Ireland) and England and Wales is comparatively lower housing costs. Although we predict, in that same publication, that the gap between Scotland and England and Wales will widen due to the social security policies of the Scottish Government (to around 10 percentage points by 2029). Clearly this shows that government policy can have a positive effect, but the comparison should be taken with a pinch of salt.

Firstly, while this analysis suggests there would be a ten-percentage point gap between Scotland and the rates in England and Wales – we model that relative child poverty in Scotland in 2029 will be around 22%. Meaning one year before the Scottish Parliament's target of relative poverty being below 10% needs to be met, we will be around 12 percentage points from the target.

Secondly, our modelling implies a relative poverty rate of 32% in England and 34% in Wales. These are horrifying numbers that will hopefully never come to pass but also provide an extremely low bar for the Scottish Government to clear. They can and should aspire to much better than these dreadful projections.

It is also worth keeping in mind that the relative affordability of housing in Scotland, compared to England and Wales, is of absolutely no comfort to people in Scotland at the hard end of the current housing emergency. With 10,000 children in temporary accommodation, record levels of homelessness and thousands of breaches of unsuitable accommodation orders. This destitution has no place in any country, never mind in a country that aspires to eradicate child poverty.

### **What do you expect to see in the UK's Child Poverty strategy?**

We expect to see the UK Government keep up its end of the bargain in terms of lifting the burden of poverty from children in Scotland. That falls into two categories – one, areas where reserved powers put the responsibility for action at their feet and two, areas where they can and should collaborate more effectively with the Scottish Government.

On the former, the UK's Child Poverty Strategy will lack any credibility without action to improve the adequacy of the social security system. The two-child limit must be top of their list to remove. But they should go further in ensuring that our social

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<sup>5</sup> <https://www.jrf.org.uk/work/economic-and-employment-growth-alone-will-not-be-enough-to-reduce-poverty-levels>

security system provides, at the bare minimum, enough to secure life's essentials<sup>6</sup>. The strategy should also consider improvements to maternity and paternity pay<sup>7</sup>.

In terms of the things where the UK Government could cooperate more effectively, and vice versa, with the Scottish Government is on employment support. Job Centre Plus is still a huge provider of employability advice in Scotland and there are significant benefits to those services being more responsive to local need and better coordinated with devolved employability services. The latter have mixed results in getting people into sustained work so this should not simply be about the UK Government copying the Scottish Government's approach they should mutually work together to understand local needs much more and commission their services appropriately. They have much to learn from third sector employability providers in this regard. The recent Programme for Government suggests that significant changes may be coming for devolved employability programmes and how this will interact with reserved services needs to be explored fully.

### **Next child poverty delivery plan**

#### **When preparing the next delivery plan, what lessons can be drawn from the first two plans and what new considerations (if any) need to be addressed?**

The first lesson is simple, the next delivery plan needs to have actions in that that aspire to meet the child poverty reduction targets. Neither of the previous plans did.

As we said in our report with Save the Children, Best Start Bright Futures was a good diagnosis of the issues but lacked a strong enough prescription. The next plan cannot repeat this mistake, or the child poverty reduction targets will be missed.

The Plan also needs to be more focussed on the big levers that will impact on child poverty levels. It is more difficult for the Scottish Government and its partners to deliver on such a broad plethora of actions as was in Best Start Bright Futures. We are about to publish (in June) a guide for parties in the upcoming elections as to how to build a manifesto that could meet the child poverty targets.

It shows that a mix of different policies focussed on social security interventions and supporting parents either into work or increasing their hours and pay can meet the targets. But that these changes are required at scale and at a scale we are yet to see from the Scottish Government.

For supporting parents into work the next delivery plan will need to provide a suite of interventions to support parents focussed on access and quality of work.

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<sup>6</sup> <https://www.jrf.org.uk/social-security/guarantee-our-essentials-reforming-universal-credit-to-ensure-we-can-all-afford-the>

<sup>7</sup> <https://www.jrf.org.uk/work/improving-statutory-paternity-leave-would-benefit-families-and-the-economy>

- **Access** – will need to focus on services that support parents to work. The most obvious being early learning and childcare. As we've set out, parents are looking for an expanded offer<sup>8</sup> and it can help people to secure work (as well as increasing household's disposable income). The next plan needs to think about social care in the same way in how it can help facilitate disabled people who can work to do so. Access also relies on high quality employability support that is centred around the individual and is able to support people around issues of mental ill-health. This is required at a much bigger scale than currently provided.
- **Quality** – as we argued in Poverty in Scotland 2023<sup>9</sup> the Scottish Government need to operationalise fair work and fund independent organisations to provide fair work support to businesses. Much more is also needed to be done on workplace discrimination as labour outcomes for minority ethnic people in Scotland remain very poor<sup>10</sup>.

Achieving the child poverty targets will also inevitably require additional spending on social security by the next Scottish Government. The logic for this is three-fold. Firstly, the well-documented general inadequacy of the social security system. Secondly, the targets demand very low levels of child poverty - some people will not be in work, either temporarily or permanently, and some people will not be able to work the hours necessary to achieve a decent income. Without improvements to the social security system, those unable to work (for whatever reason) will be left further behind, creating extreme hardship for that group. Lastly, even with very large changes in labour market conditions, poverty rates would still be above the target levels – social security has to play its part.

Obviously the child payment is a route for this support but it is not the only way to reduce poverty levels. The next plan could, for example, consider target payments for particular groups (for example an additional payment to disabled people in receipt of Adult or Child Disability Payments).

The extent of the social security intervention required will be dependent on the ambition levels of other policy interventions. Without significant investment to support more parents to work the social security investment required to meet the targets will be larger.

No party going into the next election committed to meeting the targets should be under any illusion that meeting them will not require significant additional investment, not just on social security. This is why, for example, we are part-funding work looking at a contribution-based system to childcare provision in Scotland, to help finance an

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<sup>8</sup> <https://www.jrf.org.uk/child-poverty/poverty-proofing-the-future-of-early-years-childcare>

<sup>9</sup> <https://www.jrf.org.uk/poverty-in-scotland-2023>

<sup>10</sup> <https://www.jrf.org.uk/race-and-ethnicity/glasgow-communities-of-colour-failed-by-employability-services-and-workplace>

expanded system. We must have these kinds of debates if we are realistically going to meet these targets. Another is reform of the council tax – it continues to be regressive and could do so much more to redress housing wealth inequalities in Scotland while reducing the burden on households with lower incomes.

These might be challenging political debates, but they are exactly the sort of debates that we need if we are going to meet these child poverty targets. Doing so would create some of the lowest child poverty rates in the world, a much bigger prize than worrying about short-term political concerns.