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Issued by email to: SJSS.committee@Parliament.Scot

ADDITIONAL INFORMATION FOLLOWING EVIDENCE SESSION OF 29 MAY 2025

19 June 2025

Dear Convener.

Thank you for the opportunity to update the Committee on Scottish Government action to eradicate child poverty.

I enclose with this letter two annexes which provide the additional information requested by the Committee following this session.

Annex A reflects the Scottish Government's priorities for the UK Government's Child Poverty Strategy shared with the co-chairs of the Four Nations Ministerial Group on Child Poverty. These priorities were tabled at the Child Poverty Taskforce Ministers at their January meeting. My correspondence in December reinforced that this is not an exhaustive list and I continue to urge the UK Government to make full use of the powers available to improve the lives of families.

Further to this correspondence, I have also written to the UK Government on several occasions urging them not to proceed with any reforms which reduce levels of financial support available to sick and disabled people. We know that these cuts risk pushing children and families deeper into hardship, significantly impacting wider efforts to tackle and reduce child poverty across the UK.

Annex B contains written answers to the remaining requests.

Yours sincerely,

SHIRLEY-ANNE SOMERVILLE

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ANNEX A - SCOTTISH GOVERNMENT PRIORITIES FOR THE UK GOVERNMENT CHILD POVERTY STRATEGY

The below priorities are as set out in correspondence of 20 November 2024 and 22 December 2024 to co-chairs of the Four Nations Ministerial Group on Child Poverty

As set out in Best Start, Bright Futures, our Tackling Child Poverty Delivery Plan, we know that wide ranging action is needed alongside a sharp focus on the three drivers of poverty reduction – increasing earned incomes, reducing the cost of living, and maximising incomes from social security and benefits in kind. We also know that how we work with partners is critical to the success of interventions and to the delivery of flexible, person-centred, whole family support, which ensures that families receive the right support at the right time. The UK Government's strategy should reflect this broad focus and commit to action at the pace and scale required to reduce the child poverty rates seen across many parts of the UK.

Strengthening support through social security

Support through social security must be a key component in a successful strategy, helping to reduce the hardship and financial insecurity seen across the country. We urge the UK Government to abolish the two-child limit and Benefit Cap and follow this government's lead in matching the Scottish Child Payment – a move which is estimated could lift 563,000 children out of poverty this year across the Four Nations, increasing to 1.19 million by the time the two-child limit is set to roll out in full.

While these changes would deliver real progress, much wider action on social security is needed. As such, we urge you to deliver on the stated commitment to review Universal Credit, and to act on the findings – including by delivering progress toward an Essentials Guarantee, which would address the fundamental inadequacy of support through social security, abolishing the bedroom tax and 'young parent penalty', and by taking action to improve the take-up of the Childcare Element of Universal Credit. Beyond this, it is also important that the UK Government continue to respect and prioritise the devolution of social security benefits to deliver on our shared ambitions.

As highlighted during the meeting, the decisions taken by the UK Government over the past 14 years have put considerable pressure on households and, in turn, on the Scottish Government's limited resources. Since 2010, we have prioritised investment of around £1.2 billion to mitigate the impacts of policies, including the bedroom tax and benefit cap, on low-income households. This includes almost £134 million this financial year through Discretionary Housing Payments and our Scottish Welfare Fund. Reversing these harmful welfare cuts would allow the Scottish Government to redirect this investment to services such as health, education, transport, or to deliver further ambitious anti-poverty measures.

Ensuring access to warm and affordable homes

We know that access to warm, safe and affordable housing is critical to providing the stable foundations for family life, and is an inescapable cost faced by families. We recognise the UK government's autumn budget is a step in the right direction, however continued investment in future years is needed to ensure delivery of the affordable homes that families need. Action is also needed to protect those in the private rented sector, and the UK Government should commit to unfreezing Local Housing Allowance rates and to ensuring that they permanently meet at least the 30th percentile of local rents.

In relation to fuel costs, we believe that a social tariff mechanism is the best way to ensure that energy consumers are protected against high costs and can afford all of their energy needs. Following a Scottish Government ministerial roundtable, we have secured the agreement of energy suppliers to participate in a working group aimed at co-designing a social tariff. There is considerable work to be done to work through the detail, but the group represents a real and necessary step forward. We are committed to sharing the outputs with UK Ministers as soon as possible and look forward to constructive discussion on delivering this crucial policy.

Wider support, including through employment and making best use of data

Supporting parents to enter and progress in employment is a key element of Scotland's approach to reducing child poverty, helping not only to tackle poverty but also to grow our economy. While devolved employability services have provided support to thousands of parents since their establishment in 2018, the powers devolved to Scotland are limited. We would welcome adjustments that could enhance the impact of devolved employment support interventions for parents, including by exempting payments made to support with childcare costs not covered by Universal Credit and implementing changes to the Scotland Act (2016) to increase the scope of support Scottish Ministers are able to put in place.

There is opportunity to consider how to make better use of data held on incomes to support action both locally and nationally. We would encourage a commitment to sharing data from HMRC and DWP to allow for effective tracking of short-and longer-term impact of policies across UK Government and devolved governments, to inform better policy making. Alongside this, working with partners to support the sharing and reuse of administrative data could support take-up of means tested benefits and the targeting of other support to help ensure those who are entitled receive the support they need.

There is no one policy or action that will be sufficient to end child poverty and the UK Government must make full use of all the levers available. This includes committing to learn from the 'Transforming Child Maintenance Project', being taken forward by Fife Gingerbread, IPPR Scotland, and One Parent Families Scotland, and focusing on enhancing parental leave – both in terms of the length and rates for maternity and paternity pay – helping to tackle poverty for families with the youngest children.

I would also suggest looking at the work of the independent Minimum Income Guarantee Expert Group in Scotland, which is considering feasible steps to delivering this transformational approach to tackling poverty and inequality. You can find the group's interim report on the Scottish Government website, and I look forward to sharing the final report when it is published early in the new year.

ANNEX B - FOLLOW-UP INFORMATION REQUESTED

 Links and directions to Scottish Government reports on the cumulative impact assessments of free school meals, the school clothing grant, the best start grant and best start foods, as well as feedback from Social Security Scotland client surveys.

The above policies have been included together with other policies in the cumulative impact assessments published by the Scottish Government and have not been modelled individually. Policies are modelled cumulatively because they interact at the household level. Since many households benefit from more than one policy, the cumulative impact can be larger or smaller than the sum of the individual policy impacts. In addition, some policies are too small to model individually due to the use of a representative survey sample in the modelling. Separate impact estimates have however been produced for Scottish Child Payment and for mitigation of the two-child limit.

The <u>first cumulative impact assessment</u> was published in 2022. This was subsequently updated twice, in <u>February 2024</u> and in <u>March 2025</u>. The full list of policies included in this modelling can be found in section 5.1 of the most recent publication.

There is further published information available which helps to demonstrate the impact of these policies.

Free school meals are a crucial element of the Scottish Government's ambition to eradicate child poverty, and the provision is currently available to over 230,000 pupils across Scotland. All primary school pupils in primaries 1 to 5, all children in special schools, and eligible pupils in Primary 6 through to S6 can already benefit from free meals in Scotland, saving families taking those meals approximately £450 per child, per year. Those figures are taken from the Scottish Government's latest School Healthy Living Survey 2024, published in September 2024. The next phase of the FSM rollout will significantly build upon this, with an additional 25,000 pupils being able to benefit from this vital provision.

The School Clothing Grant provides vital support to families to help them with the cost of clothing, footwear and equipment for school. Eligible families can receive at least £120 in primary school and £150 in secondary school to help meet these costs, and local government financial returns indicate that almost 170,000 school clothing grants were paid to eligible families across primary, secondary and special schools in Scotland in the 2023-24 financial year. The published Equality Impact Assessment and Child Rights and Wellbeing Assessment give more information about the impacts of the School Clothing Grant.

The <u>interim evaluation of Best Start Grant</u>, published on 15 Dec 2020, reported that the payments eased financial strain on families on a low income, prevented some families from going into debt, and led to positive outcomes for child and parent alike. The <u>evaluation of Best Start Foods</u>, published on 29 July 2022, found the payments allowed families to purchase a wider range of healthy food, often of a better quality than they would have otherwise bought. The <u>interim evaluation</u> of

<u>Scottish Child Payment</u>, published on 29 July 2022, found that this payment has led to more money being spent on children, including for essentials like food and family day trips, and has also helped people avoid debts, with some feeling they would be forced to use foodbanks without the benefit. We are planning to publish an evaluation of the five family payments (Best Start Foods, Best Start Grants, and Scottish Child Payment) later in 2025.

Social Security Scotland's Client Surveys offer clients the chance to tell them about their views and experiences of the service they received. In the 2023-24 Client Survey, 81% of respondents said their overall experience was either 'Good' or 'Very Good'; and in a recent Client Survey for Five Family Payments, 89% of respondents agreed they were treated fairly through the application process.

2. Information on work being done to ensure there is flexibility in early learning and childcare provision, including for parents who do not work standard business hours.

On Early Learning and Childcare (where eligible children have a statutory entitlement to 1140 hours of funded early learning and childcare), improving the flexibility and accessibility of high quality funded ELC has been a priority throughout the 1140 expansion. As part of our <u>outcomes-based evaluation</u> <u>strategy</u> for the 1140 expansion, a third national Parent and Carer Survey took place earlier this year, to gather updated views about families' experiences of funded ELC. The last survey carried out in <u>2022</u> found that 88% of parents and carers with a 3 to 5 year old taking part in the survey were satisfied with the flexibility they had been offered to use their funded hours in a way that meets their family's needs. The findings from the 2025 survey will be published later this year and will provide important further insight into current use and experiences of funded ELC.

Local authorities hold the statutory responsibility for funded ELC provision in their area. They have a statutory duty to consult with parents and carers of children under school age about how they should make early learning and childcare available every two years, and to prepare and publish plans in relation to the provision of early learning and childcare.

In relation to school age childcare, we are testing what impacts a new school age childcare offer can have for parents and carers in terms of expanding access to more affordable and accessible provision, providing them with greater flexibility.

As the Committee is aware, we are investing up to £16 million over two years within 23 communities across six local authority areas, in our childcare Early Adopter Community (EAC) projects. Using a people-centred, place-based approach, EAC projects are delivering a range of targeted work that enables them to understand and respond to the needs of specific communities. This level of flexibility has resulted in a breadth of delivery across the projects, which includes testing childcare models that operate at the weekend to support families with children with Additional Support Needs. By learning from the work of the EACs and their engagement with families, we will better understand user needs, what it takes to provide childcare for those families who need it most, and what system changes

must be made at the national and local level to support sustainable delivery at the community level.

In addition, our Access to Childcare Fund projects are testing what it takes to deliver a school age childcare offer for families most in need, which includes consideration of the need for more flexible childcare designed to support families, particularly those who may require childcare to support shiftwork or less typical working patterns.

We are also investing in a range of wider early delivery projects including providing up to 5,000 free breakfast, after school and holiday club places through our SFA 'Extra Time' programme and introducing up to 9,000 new breakfast club places through our Bright Start Breakfasts Fund.

It is important to note that under current legislation, there are limited circumstances in which regulated childcare can be provided overnight. However, this would require a variation to a childcare provider's registration with the Care Inspectorate. It is possible for childminding and day care of children services to operate at the weekend, should there be local demand for such a service.