



Bob Doris MSP
Deputy Convener
Social Justice and Social Security Committee

By email

17 December 2025

Dear Bob,

TACKLING CHILD POVERTY

Thank you for your recent invitation to the Secretary of State for Scotland to provide evidence to the Scottish Parliament's Social Justice and Social Security Committee. Unfortunately, both the Secretary of State and I are unavailable to give oral evidence, but would like to take this opportunity to provide written evidence on the impact and scope of the UK Government's recently published UK-wide Child Poverty Strategy.

Poverty scars the lives and life chances of our children. Child poverty has increased by 900,000 since 2010/11, with over four million children now growing up in relative low-income after housing costs (AHC). Tackling child poverty is at the heart of this government's mission to break down barriers to opportunity and give every child the best start in life.

Shortly after the election, the Prime Minister announced the creation of a new Ministerial Child Poverty Taskforce to oversee the development of an ambitious UK-wide Child Poverty Strategy. This work brought together different tiers of government, delivery partners and experts to explore how the Government could use all its available levers to drive down child poverty. Throughout, we placed the voices and experiences of children and their families at the heart of this work.

Published 5 December, the Child Poverty Strategy sets out the steps the UK Government is committed to taking to reduce child poverty in the short term, as well as putting in place the building blocks we need to create long-term change.

The strategy looks at how the government can boost families' incomes through employment and the social security system, drive down the cost of essentials so parents can meet their children's fundamental needs, and strengthen local support to ensure families can access vital services when they need them. This is a UK-wide strategy and these measures will benefit children and their families across Scotland.

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The Government is investing in the future of our children and introducing a fundamental change by removing the two child limit on Universal Credit and therefore reinstating support for all children. This comes alongside a package of measures that will improve outcomes for low income families by raising the minimum wage, creating more secure jobs by strengthening rights at work, lowering fuel bills and delivering the first ever sustained, above-inflation increase to the Standard Allowance in Universal Credit.

The publication of this strategy is only the beginning. We are committed to working in partnership with the Scottish Government and Parliament, and wider stakeholders in Scotland, as we begin implementation, monitoring and evaluation of its impact.

You also asked some specific questions in your letter, and my response to these are set out below.

In what ways and to what extent will this strategy reduce child poverty in Scotland?

This strategy is the first step on our road to ending child poverty and delivers on the commitment to reduce child poverty this parliament. The strategy will lift 550,000 children across the UK out of relative low income in the final year of the parliament.

Tackling child poverty requires concerted action across reserved, devolved and local levers. While many policy levers are devolved, the UK Government holds key reserved levers and this strategy commits to making progress on these and complementing ongoing work from the Scottish Government.

Through the strategy, this Government is taking decisive steps to support Scottish families and improve children's life chances. This includes action across three pillars:

1. boosting families' incomes through higher wages, fairer work, and a stronger social security safety net;
2. driving down the cost of essentials including energy bill support and fairer access to affordable infant formula; and
3. strengthening local services by investing in communities and neighbourhoods.

No child should be penalised for the circumstances of their birth. As part of pillar one, *Boosting Families' Income*, we are removing the two-child limit in Universal Credit (UC) Child Element. This will support low-income families across Great Britain, with 95,000 children in Scotland benefitting from this change across 27,000 households. We are also introducing the first sustained above inflation increase to the basic rate of Universal Credit, estimated to be worth annually in cash terms £725 for a single parent aged 25 or over or £1135 for a couple with children by 2029/30 and directly benefitting 540,000 households in Scotland.

The increase to the National Living Wage to £12.71 per hour will impact 220,000 of the lowest earners in Scotland and the introduction of the Fair Repayment Rate will boost incomes for over a million of the poorest households in the UK by £420 and help them manage their debts more sustainably.

This government will also introduce reforms to the Child Maintenance Service, which will help lift 20,000 children in Great Britain out of relative low income, and we are raising the Universal Credit childcare cap to improve work incentives by strengthening childcare support and reviewing the future of the childcare system.

The work undertaken through pillar two, *Reducing the costs of essentials*, will see Scottish families saving money on the cost of energy through Ofgem's consumer protections including additional protections for vulnerable consumers. These include tougher rules on involuntary prepayment meter installations; ensuring those on prepayment meters do not pay more for their energy than those on direct debit; and the Consumer Vulnerability Strategy, which sets out the outcomes the regulator wants to achieve for consumers in vulnerable situations.

We will also be extending the Warm Home Discount to an additional 2.7 million households GB-wide. The Warm Homes Discount applies GB-wide (in Scotland SG is responsible for determining eligibility criteria in the 'Broader Group'; we understand that at least 230,000 additional households will be eligible for WHD this year). These measures will take up to £300 off the bills of the poorest households in Scotland.

Infant formula will be made more affordable, with changes that could save new parents up to £500 in a baby's first year, reducing financial stress and supporting healthy development.

Pillar three commits to the introduction of a number of programmes to *Strengthen Local Support for Families*. This includes the announcement of the Pride in Place Programme, including £292m for Scotland, a £1 billion package (including Barnett, £842 million in England) for a new Crisis and Resilience Fund as well as continued investment in family and youth services through the multi-Sport Grassroots Facilities Programme, run through the Scottish Football Association. Pride in Place is being run by the Scotland Office and is targeting the communities where the need is greatest.

How did you ensure that the Scottish context was taken into account in the strategy?

We recognise that effectively tackling child poverty requires collaboration and partnership across sectors and parts of government. We are particularly proud that this strategy has been built in partnership with civil society and community organisations across the UK who have tirelessly worked to keep children healthy, fed and happy in the face of extreme adversity. We are grateful to, and humbled by, the children and families who have discussed their experiences with the Child Poverty Taskforce throughout this process.

The Child Poverty Taskforce comprised Ministers and officials from across UK Government, with advice from external experts. It is the role of the Scotland Office to be Scotland's voice within the UK Government, and I was actively involved throughout the Strategy's development. Over the last 15 months the Taskforce has worked in a way that has put children and families at the heart of policy work by engaging with our own UK-wide Parents and Carers forum, the Children's Commissioners' Offices across the UK and Changing Realities.

The Taskforce also worked closely with major civil society organisations in each nation, such as Unicef in Scotland, who convened roundtables to support the Child Poverty Unit with engaging key stakeholders with an interest in child poverty on their priorities for the strategy.

To ensure the strategy complemented ongoing anti-poverty efforts from Devolved Governments, we established the Four Nations Ministerial Group on Child Poverty which was attended by relevant Ministers from the Scottish Government.

In May 2025, the Taskforce also held a dedicated session with Scottish Government Ministers to discuss the developing child poverty strategy and to agree priority areas where they and the UK Government could commit to further collaboration, beyond publication.

The Taskforce co-chair and Work and Pensions Secretary of State Liz Kendall MP also visited Glasgow on 21 November 2024 to meet local leaders, voluntary and community sector organisations, and parents – to hear from them and ensure Scottish stakeholder views fed into the UK Child Poverty Strategy.

Ahead of publication, the Prime Minister and I hosted a roundtable with members of Changing Realities to thank those who provided invaluable insight and advice in the drafting of the Strategy and the development of associated policies.

I also had the privilege to meet with a number of Scottish stakeholders at a Child Poverty Strategy launch event at Queen Elizabeth House, where I had the opportunity to hear more about how it will impact Scottish families and how we can work together to deliver its aims.

What discussions did UK ministers and officials have with their Scottish counterparts when developing this strategy?

Child poverty is a significant challenge and reducing it over the next ten years will require ongoing commitment and collaboration across all four nations to galvanise action, recognising that while the UK Government has a fundamental role to play in tackling child poverty, it cannot do it by itself. The UK Government is committed to respecting and valuing the devolution settlement, and working through it will be central to achieving our child poverty goals.

The Scottish Government played a crucial role in this collaborative approach, providing direct insights and evidence into the experience of poverty in different communities and highlighting - and in many cases delivering - positive work already underway.

Having met regularly since November 2024, the Four Nations Ministerial Group on Child Poverty provided Scottish Government Ministers with an opportunity to contribute to the development of the UK-wide strategy and ensure that it complements their existing and developing strategies. Co-chaired by the UK Government's Minister for Employment and Minister for School Standards, the Group was made up of ministers with responsibility for child poverty from each of the four nations.

In addition to ministerial engagement, officials from all four nations remained actively involved throughout, contributing to both policy development and the development of the evidence base and design of monitoring and evaluation plans.

Prior to the publication of the strategy, I spoke with the Cabinet Secretary for Social Justice, Shirley-Anne Somerville MSP, to personally thank her for the Scottish Government's contribution to the Strategy and inform her of the planned launch.

Will the devolved governments be involved in the monitoring and evaluation of the strategy? / How will you ensure that the Scottish context is taken into account in the monitoring and evaluation of the strategy?

We are committed to continued collaboration with the Scottish Government to tackle child poverty across the UK, particularly through the implementation phase that will now follow.

As set out in our Monitoring and Evaluation Framework, published alongside the Strategy, we will continue to work closely with the Scottish government to complement existing monitoring and evaluation activity, and consider how best to feed in their own findings to track progress at both the local and national level, particularly where powers are devolved.

We will continue to convene four nations officials working groups to support the development and delivery of monitoring and evaluation plans, as well as learning and continuing to build a shared evidence base across contexts. The Monitoring and Evaluation Framework also set out our intention to establish a new independent expert group to support and challenge this work, which will comprise of UK wide representatives.

What can the Scottish and UK Governments learn from each other in their approaches to tackling child poverty?

Each nation has its own distinct devolution settlement, which sets out powers to tackle child poverty. The Scottish Government has their individual responsibilities for poverty reduction and we are committed to making sure the UK-wide strategy complements their efforts.

One of the objectives of the Four Nations Ministerial Group on Child Poverty was to provide and review evidence and data on existing initiatives from across the UK aimed at tackling child poverty. Ministers from across the UK were encouraged to share their knowledge and expertise to highlight approaches which have been particularly successful or ineffective. We plan to continue this approach throughout the implementation phase of the strategy.

What Barnett consequentialia for the Scottish Government will be generated by this strategy?

The UK Government is committed to ensuring the Scottish Government has the resources and certainty it needs to deliver high-quality public services in Scotland, including the NHS, schools and measures to tackle child poverty. It is for them to determine how to deliver devolved policies, but the decisions we have made to invest in reducing child poverty will increase the funding available to devolved governments.

The Spending Review 2025 provided the Scottish Government with its largest spending review settlement in real terms since devolution in 1998.

As a result of decisions at Budget 2025, the Scottish Government will receive an additional £510 million RDELex and £310 million CDEL: £820m extra in total. We want to see this used to improve public services.

The Scottish Government's settlement is growing in real terms between 2024-25 and 2028-29, and they continue to receive over 20% more per person than equivalent UK Government spending in the rest of the UK. This means that for every £1 spent by the UK Government in devolved policy areas, the Scottish Government is able to spend at least £1.20.

Barnett consequentials for 2029-30 onwards will be confirmed when UK Government department budgets are agreed at the next Spending Review.

The Fraser of Allander Institute has estimated that abolishing the two-child limit will result in £34m additional spending on Scottish benefits - through mitigating the benefit cap and increased eligibility for Scottish benefits such as the Scottish Child Payment. To what extent is there a role for the UK Government to mitigate these additional costs on the Scottish Government?

What consideration has the UK Government given to the additional costs for the Scottish Government resulting from the removal of the two-child cap?

The Scottish Government is funded to deliver high-quality public services in Scotland in their devolved responsibilities, including the NHS, schools and measures to tackle child poverty. Devolution means that it makes its own decisions on these issues.

The Scottish Government has received a record devolution settlement of £50bn for this year, with a further £820m at the recent Budget. This means they continue to receive at least 20% more per person than equivalent UK Government spending in the rest of the UK. We have been clear that this additional funding should be used to improve public services for the people of Scotland.

Has the UK Government evaluated the impact of any Scottish specific child poverty measures, such as the Scottish Child Payment?

The UK Government does not evaluate the impact of Scottish Government policies, as that is within their remit – however we have been working with the Scottish Government to learn from their evidence and approach in the development of the UK wide Child Poverty Strategy.

Can you please provide an update on the progress made on reforming the child maintenance system?

We know that any family can experience life events that lead to the breakdown of parental relationships and that children should not miss out as a result. We want to ensure that their parents receive the support they are entitled to.

When Parliamentary time allows, we plan to make changes in legislation to remove 'direct pay' and consolidate CMS into one streamlined service that monitors and

transfers all payments. For those already in 'collect and pay', this will reduce fees for receiving parents and paying parents who pay their child maintenance.

These changes will increase the number of effective maintenance arrangements between parents, getting money flowing, lifting thousands of children out of poverty, and tackling non-compliance in our systems in a way we cannot under the current systems.

We are also reviewing the Child Maintenance calculation to consider how it better encourages compliance and sustainable arrangements to ensure children are getting the right level of support.

In addition, we are improving communications to increase awareness of child maintenance and remove common misconceptions.

I hope the Committee finds these responses helpful,

*yours sincerely,
Kirsty McNeill*

**KIRSTY MCNEILL MP
PARLIAMENTARY UNDER-SECRETARY OF STATE**