Cabinet Secretary for Social Justice Shirley-Anne Somerville MSP



F/T: 0300 244 4000 E: scottish.ministers@gov.scot

Collette Stevenson MSP
Convener, Social Justice & Social Security
Committee
Scottish Parliament
Edinburgh
EH99 1SP

By email: SJSS.committee@parliament.scot

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Dear Convener,

This afternoon I laid the 2024-25 Annual Progress Report on Tackling Child Poverty before the Scottish Parliament. This report captures progress in implementing *Best Start, Bright Futures* across 2024-25, which reflects the penultimate reporting year of the Tackling Child Poverty Delivery Plan for 2022-26. Despite challenging economic conditions across this period, we have continued to prioritise action to tackle child poverty, investing in key measures and directing resources in a way which impacts and protects the most vulnerable in our society. I am grateful to the Committee for their continued support and challenge over the last year.

The report, which can be found on the <u>Scottish Government website</u>, shows that of the 113 actions reported on in 2024-25, 68 are complete or delivering at scale – an increase of eight from the same time last year. It also outlines our investment of more than £1.4 billion in support benefitting children in low income families, including our lifeline five family payments.

Over the past year our policies have continued to make a real difference to people's lives. We awarded more than £455 million through our 'game-changing' Scottish Child Payment, which we increased to £26.70 in value, with more than 326,000 children benefitting as of 31 March 2025. We also took action on school meal debt, with £2.8 million of funding used to support Local Authorities to clear all debts which were identified during this process. Through our focus on delivering long-term transformational change we also continued investment in our Fairer Futures Partnerships, expanding into five new areas and complementing our broader commitment to embed a Whole Family Support approach in alignment with our partners.

The annual progress report is accompanied by a series of publications including a focus report on <u>gender and child poverty</u>, our annual update to the <u>Child Poverty Measurement Framework</u>, and <u>analysis of Scottish child poverty data</u> to better understand what has driven changes relative child poverty since 2017.

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We have also published the outputs of our international review of approaches to tackling child poverty to inform our next steps. This research was focused on European countries that have poverty rates close to the targets set within the Child Poverty (Scotland) Act 2017, or that have significantly reduced their child poverty rates in recent years. The outputs include four case studies focused on Croatia, Denmark, Finland, and Slovenia, and a <a href="summary report of key findings relevant to Scotland and the UK. Additionally, outputs also include economic modelling which seeks to better understand how economic and demographic factors influence child poverty rates in these countries.

The report confirms that there is no single reason that the interim targets have not been met, with progress delivered in the face of strong headwinds – including the impact of more than a decade of UK Government austerity. However, we know that our action is making a difference to families with levels of relative poverty falling in 2023-24 to the lowest levels seen in almost a decade, while levels of absolute poverty also fell to the lowest level in 30 years. Scottish Government modelling also estimates that the lowest income families will be an estimated £2,600 better off in 2025-26 as a result of Scottish Government policies.

Eradicating child poverty is this Government's top priority and, as we look ahead to the coming year, we remain committed to driving progress towards the 2030 child poverty targets. This includes through the further expansion of our Free School Meals provision to around 25,000 more children and young people and enabling the delivery of more than 8,000 homes through investment in our Affordable Housing Supply Programme. As announced this morning, we will also continue to work at pace to effectively mitigate the two-child limit in Universal Credit in Scotland. Subject to Parliamentary approval of the necessary legislation, the new two-child limit mitigation payments will open for applications on 2 March 2026, with payments beginning as soon as possible thereafter.

We are committed to working in partnership, both across the Scottish Parliament and with the public and third sector, business and the UK Government, to drive the change needed. Collaboration is a key element of our approach to the development of the next Tackling Child Poverty Delivery Plan for 2026-31. In shaping this we are undertaking wide-ranging engagement and consultation with our stakeholders and partners to establish consensus on the change needed and the practical steps which can be taken to make change possible.

I would like to thank you for your letter of 12 June setting out the Committee's views on what the Scottish Government should prioritise within this plan. I am grateful for your expertise and engagement, and we will ensure that your input is carefully considered as we shape our approach.

I look forward to continuing to work with the Committee as we strive to eradicate child poverty together.

Yours sincerely,

SHIRLEY-ANNE SOMERVILLE

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