



OFFICIAL REPORT
AITHISG OIFIGEIL

Social Justice and Social Security Committee

Thursday 5 December 2024

Session 6



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SOCIAL JUSTICE AND SOCIAL SECURITY COMMITTEE

33rd Meeting 2024, Session 6

CONVENER

*Collette Stevenson (East Kilbride) (SNP)

DEPUTY CONVENER

*Bob Doris (Glasgow Maryhill and Springburn) (SNP)

COMMITTEE MEMBERS

*Jeremy Balfour (Lothian) (Con)

*Katy Clark (West Scotland) (Lab)

*Gordon MacDonald (Edinburgh Pentlands) (SNP)

*Marie McNair (Clydebank and Milngavie) (SNP)

*Paul O'Kane (West Scotland) (Lab)

*Liz Smith (Mid Scotland and Fife) (Con)

*attended

THE FOLLOWING ALSO PARTICIPATED:

Shirley-Anne Somerville (Cabinet Secretary for Social Justice)

CLERK TO THE COMMITTEE

Claire Menzies

LOCATION

The Mary Fairfax Somerville Room (CR2)

Scottish Parliament
**Social Justice and Social
Security Committee**

Thursday 5 December 2024

[The Convener opened the meeting at 09:30]

**Decision on Taking Business in
Private**

The Convener (Collette Stevenson): Good morning, and welcome to the 33rd meeting in 2024 of the Social Justice and Social Security Committee. We have not received any apologies.

Our first item of business is a decision on taking business in private. Do we agree to take agenda items 3 and 4 in private?

Members indicated agreement.

**Child Poverty (Scotland) Act 2017
(Post-legislative Scrutiny)**

09:30

The Convener: Our next agenda item is our final evidence session on the post-legislative scrutiny of the Child Poverty (Scotland) Act 2017. Over the past two weeks, the committee has heard from witnesses about the impact of the act on local policy and delivery and from witnesses from national organisations, including those who called for the creation of the statutory targets.

Today, we will hear from the Scottish Government. I welcome Shirley-Anne Somerville, the Cabinet Secretary for Social Justice, and her officials Ann McKenzie, who is head of the tackling child poverty policy unit, and Andrew Fraser, who is the child poverty briefing and strategy team leader. Thank you all for joining us. I believe that you want to make an opening statement, cabinet secretary.

The Cabinet Secretary for Social Justice (Shirley-Anne Somerville): Thank you, and good morning. I am pleased to be here to give evidence as part of the committee's post-legislative scrutiny of the Child Poverty (Scotland) Act 2017. This is a very important part of the committee's and the Parliament's work, and I look forward to reading the committee's recommendations in due course. Ending child poverty is the foremost priority of the Scottish Government, and of the First Minister, and I look forward to setting out some of the impacts that the act has had in driving that mission forward.

I am heartened that, in the evidence that the committee has seen and heard so far, there is wide agreement that the act has had a positive impact. It has had a positive impact on focusing efforts and investment on tackling child poverty; on ensuring that child poverty reduction remains a high priority in all sectors; on fostering collaboration between organisations at local level; and on driving the delivery of policies that serve to support people in poverty across Scotland.

The act has led to a sharpened and intense focus on child poverty in the Scottish Government, and it has helped to shape policy with regard to how we deliver employability support, childcare, transport and a host of other policies that span all ministers and portfolios. Ministers have collaborated increasingly closely over this time, and that has culminated in the recent formation of a Cabinet sub-committee on child poverty, which has elevated our oversight arrangements and further strengthened our approach. The sub-committee builds on the learning from the actions that we have taken, and it will create more

opportunities to co-ordinate policies and maximise our collective impact on child poverty. That is essential, because the scale and nature of the challenges that we face have changed dramatically since 2017 as the result of Covid, the cost of living crisis and other global events.

I have spoken to the committee many times about our transformation of social security provision in Scotland, which is establishing a radically different system that is built on dignity, fairness and respect. The act has been an important impetus for some of that work, and the Scottish child payment is an example of a policy that was designed and delivered with the clear ambition of reducing child poverty and which is now delivering crucial support to families.

Scottish Government modelling from February this year suggests that the Scottish child payment will keep 60,000 children out of relative poverty in 2024-25. In total, it is estimated that Scottish Government policies will keep 100,000 children out of relative poverty in that time, with relative poverty levels 10 percentage points lower than they would otherwise have been.

I was glad to hear in the evidence to the committee how policies that are implemented at local level are bringing critical support to families and how the act has transformed the way that national and local government, third sector organisations and all our partners in this national mission engage with one another to drive forward progress and create a fairer, more equal Scotland. That is the collective approach that was envisioned for the act from the beginning, and I hope that, through the inquiry, the impact of the act has been clear for members to see.

Much has been achieved since the act was introduced, but, collectively, there is still so much more to do to improve the lives of those families who experience poverty, and I am grateful for the time with the committee to discuss that further.

The Convener: Thank you for your opening statement, cabinet secretary. I will go straight to questions. How has the statutory framework affected the Government's policy choices, and what would you have done differently under a non-statutory approach?

Shirley-Anne Somerville: It is difficult to think what we could have done had the act not been in place, because it has been in place for so long and is so integral to the way in which we work. As the committee has heard from other witnesses, it has driven a greater focus for delivery and increased investment in that area, at both national and local level. The ability to have that focus on delivery and accountability has assisted collaborative working across the Scottish Government and with local government, third

sector partners, health boards and so on, with a shared understanding of the national mission.

Clearly, a number of policies have come from that. I mentioned the Scottish child payment. We also have our focus on the no one left behind approach, through employability, which has been part of the work of Government right across our different portfolios, to see what could be done—particularly with reference to the six priority family types.

Although it is difficult to know what things would have been like had the act not been in place, its being in place has allowed us to continue that focus and drive, and it has made it easier for people to hold the Government and other agencies to account.

The Convener: How have the changes that were made by the Parliament, such as the inclusion of interim targets, affected the Scottish Government's approach?

Shirley-Anne Somerville: Again, that has assisted with drive and accountability. The interim targets are an important aspect that was driven through as the bill progressed. In essence, as we would hope with all legislation, the stage 2 and stage 3 amendments—how the bill developed—strengthened the bill. Interim targets are an obvious example, but there are others. The focus on the targets, on local and national and on the six priority family types has assisted all levels of government as they look to implement and meet those targets.

Another important aspect has been to base what happens on evidence—looking at the impact of policies and at how we can share best practice. The development of the bill has helped us to develop that type of implementation.

Jeremy Balfour (Lothian) (Con): Good morning, cabinet secretary, and good morning to your team. A lot of the things that you brought forward have had cross-party support, which is very welcome. However, there is a looming deficit with regard to the social security budget, which has been driven by the choices that the Government and the Parliament have made. Obviously, we do not want all that funding to suddenly come to an end. What is the thinking of your department, along with those of other ministers in the Cabinet, on how we will bridge that deficit, which will reach more than £1 billion within a few years?

Shirley-Anne Somerville: I take a very different view of that. We do not have a deficit; the Scottish Government cannot run a budget in deficit, as we must balance our budget every year. We have taken political choices to invest in social security. We have made a £1.1 billion investment in addition to our block grant adjustment, and just

under half a billion pounds of that is for the Scottish child payment. Additional support is also provided by benefits such as the young carer grant that are not available elsewhere in the United Kingdom. We have made those important investments. Clearly, in preparation for every budget, we have to look at the choices that the Government has taken to support low-income families, carers and disabled people, and we must ensure that, overall, we have a balanced budget. I disagree with Jeremy Balfour's use of the word "deficit"; I would call it an investment.

Jeremy Balfour: I am happy to use the word "investment", too. You are right that the budget has to be balanced. If that investment is made, my basic understanding of economics—it is basic—tells me that there are two choices: we have to either raise more income by increasing tax or cut another department's budget. Whether or not we call it an investment, am I correct in my understanding, or is there is a magic wand that I have not worked out?

Shirley-Anne Somerville: I wish that there was a magic wand, Mr Balfour. The choices that we take to mitigate certain aspects of UK Government policy, including the bedroom tax, the benefit cap and, after the announcements that were made yesterday, the two-child benefit cap, amount to £134 million a year. We could have been spending that money elsewhere, either on anti-poverty measures or elsewhere in the budget, such as education or the national health service—we can all pick areas in which we wish that investment could be made.

The easiest way for the Scottish Government to have money that it can use in a different way is for the UK Government to take decisions at UK level that would not require us to mitigate them, and for it to deal with the bedroom tax, the benefit cap and the two-child limit at source. That money could then be freed up and we could get into a debate about how to spend it. I might still disagree with Mr Balfour about what to spend it on, but it would be a discussion that we could get into at that point.

Jeremy Balfour: That is for another day.

Liz Smith (Mid Scotland and Fife) (Con): I have a quick follow-up question. The Scottish Fiscal Commission's projections stated that there would be an uplift of around £580 million between this financial year and next financial year. In the Cabinet Secretary for Finance and Local Government's budget statement, the projection for the spend on social security has gone up to £800 million, which is a huge difference. How will that be funded?

Shirley-Anne Somerville: Forgive me, convener, but I have not come to the meeting prepared with details of the budget. I am happy to

assist in writing, or perhaps I might presume that I will be invited back to the committee to discuss the budget in detail.

We need to look at the level at which the Scottish Government's expenditure on social security goes up each year and then look at how much is covered by a block grant adjustment. Social security spend might go up, and some of that might be covered by in-year block grant adjustments, because there might also be an increase in the Department for Work and Pension's expenditure. It would be easier if we could deal with that in detail, with those different types of expenditure laid out. Those two things are sometimes conflated—I am not saying that Liz Smith is doing that at the moment—and it is important that we look at it in the round.

The Convener: I am content for you to come back and comment on that. You will be invited to the committee to discuss the budget in the new year, and the Scottish Fiscal Commission will also be invited to give evidence.

09:45

Liz Smith: I want to relate my question to child poverty. As you rightly say, cabinet secretary, the Scottish Government has that as a key priority. The Scottish Government's projections, which are obviously built with the child poverty priority in mind, are completely out of step with the Scottish Fiscal Commission's projections. The key question for the Scottish Government to be able to answer is where the money comes from because, if we are to tackle child poverty, we obviously must have the money available to do it. I am interested in the discrepancy between the Scottish Government's figures and what the Scottish Fiscal Commission has projected.

Shirley-Anne Somerville: I will be happy to provide that in writing, convener, when we discuss the budget. I hope that I can easily reassure Liz Smith that we work closely with the Scottish Fiscal Commission on those issues. I would be happy to discuss that when we are here to discuss the budget.

The Convener: We have the Scottish Fiscal Commission before us on 19 December and will get the opportunity to look at its forecasting.

Katy Clark (West Scotland) (Lab): Good morning, cabinet secretary. In what ways has the act helped to ensure effective work to tackle child poverty across all policy areas within the Scottish Government? Have any particular policy areas been more challenging to include in the cross-government approach?

Shirley-Anne Somerville: I mentioned in my opening remarks the Cabinet sub-committee that

we now have. The First Minister chaired the first meeting of that a few months ago, which laid important groundwork for how he wants to deal with the matter. Even before we had the Cabinet sub-committee, we worked and had meetings across portfolios at ministerial level on the matter. We also have the programme board that looks at the work that is going on under the “Best Start, Bright Futures” plan.

Those are important governance areas that allow everyone to come together—whether officials or ministers and officials—to consider the issue. That ensures that every cabinet secretary has their mind focused on the fact that tackling child poverty is not just my job as the Cabinet Secretary for Social Justice but is, for example, the Cabinet Secretary for Transport’s job or is a priority within the education portfolio—it is right across Government. That allows us to have cross-cutting discussions about a change in policy in one portfolio perhaps having an impact on another portfolio. That is exceptionally important.

The other area where it is more challenging, because we need to ensure that we are working in different ways, is cross-government work. How does national Government work with local government? How do local and national Government work with health boards and third sector organisations? The challenge is for us all, at different levels of government, to work together. That requires local authorities to have a great deal of discretion about what they wish to do and should do in their own local areas. The question is how we assist one another in that process.

You have seen some of that work developing with the First Minister’s drive to have whole family support, or with the extension of the fairer futures partnerships, for example, which was announced in the programme for government. We are continuing to bring in all those aspects, which are different ways of making sure that tackling child poverty is a priority across not only the Scottish Government but all levels of government.

Katy Clark: Can you point to any particular policy areas that have been challenging?

Shirley-Anne Somerville: Again, it is about ensuring that all levels of government work together. There are devolved areas on which the Scottish Government has a focus, but perhaps the delivery is at a local authority level, such as education, and there are a myriad of different ways in which employability schemes work, for example. We need to ensure that the national mission and the national policy also fit with what needs to work at a local level. We might—indeed, we should—have different variations of that across different councils.

Those are perhaps some of the more challenging areas, but we are seeing a great deal of progress. The work that is being done by the pathfinder initiatives in Glasgow and Dundee, for example, and the work that has been going on in Clackmannanshire show that those linkages are working effectively. We are developing that further with the fairer futures partnerships, and we hope to see that build with even more councils coming in. That is real development that we want to continue.

Working out how we can best support one another is challenging and there is a lot to learn, but that is exactly why we had the pathfinders and are now moving forward with the partnerships.

The Convener: Bob Doris joins us online. Over to you, Bob.

Bob Doris (Glasgow Maryhill and Springburn) (SNP): Good morning, cabinet secretary. I want to talk about action at a local level, because we are scrutinising how the Child Poverty (Scotland) Act 2017 has driven change at a local level. We have heard some positive evidence in the past few weeks that it has done that, but what is the Scottish Government’s position? To what extent do you think that the act has driven that change, and how is any change monitored?

Shirley-Anne Somerville: I touched on that a little in my answers to Katy Clark. I know that the committee has heard evidence about how the local reporting duty has strengthened the focus on child poverty across local areas. That has led to new, innovative action. It is clear that local authorities have always done a great deal that assists in tackling child poverty, but we are seeing a renewed focus on that.

It is exceptionally important that local authorities have a great deal of flexibility in what they do. It is about how we can assist, for example through the non-statutory guidance, which was recently refreshed, and through working with national partners to support local authorities.

I touched on the exceptionally important work that is going on in Clackmannanshire, Dundee and Glasgow. I hasten to add that that is by no means the only good practice or good work that is happening out there. We are keen to assist councils to take that learning forward. The work of the Improvement Service is key to being able to share that good practice. The Poverty Alliance is also giving on-going support to the Scottish Government to assist with that type of work.

We see the local child poverty action reports developing over time, in that local authorities are now taking an increasingly strategic and preventative approach to what is going on, which is to be welcomed. Again, I stress that we are

keen to ensure that the reports are what the councils think should be being delivered and are set out in a way that is right for them. The focus on the reporting duties and what is in the local plans, which are supported by the act, will make a difference to policy changes at a local level, just as it inevitably has done at a national level.

Bob Doris: That is helpful. I will ask a couple of mop-up questions, because you strayed into some further lines of questioning that I was going to pursue.

There was a suggestion last week that the local child poverty action reports are very important, but that more detailed guidance would be helpful. You spoke about refreshed guidance. Was that in relation to the local child poverty action reports? We normally hear about having fewer reporting requirements, so it is quite refreshing to hear organisations and authorities say that the reporting requirements help to drive change, but there could be more detailed guidance on that.

You also mentioned the pathfinder initiatives. Glasgow, for example, is using the funds that it is receiving for a no-wrong-door initiative. How do we share best practice? If something works in Glasgow, it might not necessarily work in Dundee, but there could be a kernel of an idea that could be picked up and developed elsewhere in the country. Will you say a bit more about the guidance for that reporting, and a bit more about how we identify what works and adapt it to elsewhere in the country?

Shirley-Anne Somerville: A balance needs to be struck in what is happening in local areas. The ability to have flexibility in reporting is important, because councils need to be responsive to local circumstances. We will need to be conscious of the fact that more detailed guidance might run counter to that.

I am caught by the fact that, when we are before a committee or in the chamber, we are often encouraged not to dictate or drive a certain direction or way of reporting in great detail that becomes burdensome to local authorities, so there is a balance to be struck.

In saying that, I have mentioned that we refreshed the guidance in 2022. I am content to keep that under review, should the committee recommend that we look at it again with our local authority partners—I would seek their views on it. The guidance should be a tool for improvement, rather than something that gets in the way of what is happening.

There is a lot of discretion in the reports, which is important, because local authorities have to do a great many other strategic reports, such as those on children's services plans and so on. It is

important to have flexibility in how those plans all link together.

A great deal of work can be done through the Improvement Service and the peer support network to look at what works and information sharing. The national partners group is another important mechanism that supports local authorities and allows discussion on what is happening in local reports. That is another important area in which national and local government can have a connection, but I stress the importance of the work of the Improvement Service as part of that, because it is really important to know what works.

As we look to move forward with the fairer futures partnerships, we are also mindful of how we share that work without duplicating the system for sharing good practice that is already in place. How do we encourage more local authorities to join the work that is being done by the fairer futures partnerships, or to continue it in another guise, for example? That learning is exceptionally important.

Marie McNair (Clydebank and Milngavie) (SNP): I will stay on the same theme. What feedback do local authorities receive on their local child poverty action reports? Is it automatic, or do they get it only if they ask for it?

Shirley-Anne Somerville: Each report is reviewed by the members of the national partners group that I have mentioned, and feedback is offered to local areas to support the improvement of future plans. The national partners group also offers local areas a feedback meeting following the review of their report, with written feedback available on request. There is a feedback mechanism in there, but whether the offer is taken up and what local authorities might want to do with what is in the feedback are matters for them. They can certainly have those discussions. I hope that that gives some reassurance not only about what is in a plan but about continuous improvement and how future plans can be developed.

Marie McNair: To what extent is data sharing required for local authorities to tackle child poverty? What lessons have been learned about its effectiveness?

10:00

Shirley-Anne Somerville: Great advantage can come from data sharing—government at all levels holds an exceptional amount of data—but, clearly, it needs to be done in a legal and robust fashion. That is exceptionally important.

A lot of good work already goes on, between the UK Government and local authorities, and between the Scottish Government, including our

public agencies, and local authorities, but we need to look at how we can go further. We can all ask ourselves how data can best be used to assist people. I remember the conversations that I had for many years with Pauline McNeill, when she was on a previous version of this committee. She was a very strong advocate of data-sharing automation and using data to make life easier for people to get what they are entitled to.

There has been continuous improvement in that area, but more work can still be done. Again, I stress that data sharing needs to be done at robustly and within a firm legal setting. I appreciate that, often, it is exceptionally frustrating and that, sometimes, it takes too long to happen. However, the legal basis has to be absolutely core at any level of government—whether the UK Government, the Scottish Government or local authorities with third sector partners—as we take data sharing forward.

Marie McNair: Good data sharing is key. We heard evidence from some councils to suggest that more could be done, through better data, to increase the take-up of the Scottish child payment. Are you aware of the potential to improve take-up?

Shirley-Anne Somerville: We are already doing a lot of work to improve the take-up of the Scottish child payment. Take-up is already exceptionally high, although we are keen never to rest on our laurels—if we know that families out there should receive it but do not, we need to work together to tackle that. Work to drive take-up goes on within Social Security Scotland, but we are keen to work with other partners, too.

Always, as we work through that, we need to work out what data people want, what they are going to do with it and the legal basis for sharing information. We are already working with local authorities to see what can be done between the agency and councils to share information on the Scottish child payment. However, we cannot just give councils that information; for that to have a legal basis, we have to work out why councils want the information and what they are going to do with it.

That might seem obvious and something that could happen quickly. I would like it to be quicker—as would the agency and councils. However, we need to go through due process. I assure the committee that we are all very keen to see what can be done to use the data as effectively and efficiently as possible. Despite my fear of boring the committee by talking about it again, I will say that the legal basis for data sharing is absolutely integral to what we do.

Marie McNair: The qualifying benefits for the Scottish child payment are reserved. Does that

suggest that the use of DWP data is really the problem?

Shirley-Anne Somerville: The DWP would give different information to local authorities. It would give more detailed information, depending on what they wanted and how they would use it. Much more information is held by the DWP and His Majesty's Revenue and Customs. They, too, must work on a legal basis. That leads us to the legal gateway that needs to be created under the Digital Economy Act 2017.

We have used that legislation and have worked with local authorities in the past—for example, to get further information on two-year-olds who are eligible for free early learning and childcare. That took a great deal of time to set up, which is no criticism of the previous UK Government but a simple fact about how that had to be done through regulations. It can be a long and protracted process, which is exceptionally frustrating for everybody involved.

I do not think that it is the fault of the Government. It is a necessity of the system that we have, at both the UK level and the Scottish level. Again, it would be up to local authorities to decide what information they want and to determine who—whether the UK or the Scottish Government—has it and how they would wish to use it. They would then have to go through the legal processes for that.

Marie McNair: I have one final question.

Yesterday's budget announcement that we will scrap the two-child policy in Scotland has been widely welcomed across the country. It is clear that we will require access to DWP data. There is a worry that DWP might not give that the priority that it needs, particularly when time is of the essence. Do you share that concern?

Shirley-Anne Somerville: I am not at the point of having a concern. I think that we need to take the UK Government at its word when it says that it also wishes to take action to tackle child poverty. Clearly, the quickest and cleanest way for that to be done would be for the UK Government to scrap the two-child cap. However, if it does not do that, I am keen for us to work together to see what would be the quickest way that we could have that data in place.

I would not point to it being a concern at this point, because those discussions are at very early stages. We have had a good working relationship on the devolution of social security, under previous UK Governments and the current one, and I hope that those relationships will allow the Governments to work together.

I appreciate that a great deal of work goes on at the DWP, and that the devolution of benefits is but

one part of that. The DWP will have other priorities in relation to work that is being done on its system. That is a matter of fact. It is an exceptionally large and complex system.

We will therefore have to have a discussion about how that is prioritised. However, given that there is a UK Government child poverty task force, I hope that those discussions will be fruitful. I will of course keep Parliament updated.

I note that one of the reasons why the work in the next financial year—for which we have just set the budget—is exceptionally important is that it will build the system to allow us to deliver that mitigation. The work that will take place in the next financial year is vital, and the quicker that we can get that work done, the quicker we can deliver that.

Marie McNair: Absolutely.

The Convener: I invite Bob Doris to ask a supplementary question, and I remind him to be as concise as possible.

Bob Doris: I will try my best, convener. My first question is really brief.

Martin Booth from Glasgow City Council said that he thought that up to 25 per cent of children in Glasgow who should be getting the Scottish child payment are not. Does the cabinet secretary recognise that figure?

Shirley-Anne Somerville: The estimate for take-up of the Scottish child payment in Glasgow that the Scottish Government works on is 89 per cent for 2023-24. That is produced through rigorous analytical processes within the Government. However, clearly, I have noted what Glasgow City Council has said. Officials will reach out and work with the council to see why we have that discrepancy, because it is important that we get to the bottom of that.

Even if it is the higher 89 per cent Scottish Government figure, that still leaves too many families who do not have access to a payment that they are entitled to. In relation to Scottish child payment take-up, it is important that we think about whether there may be particular families who are not accessing the support that they are entitled to.

Last week, I think, Paul O’Kane asked me a question about ethnic minority families. That is an important example of the fact that, even with high take-up rates, we need to work on particular priority family groups, whether that is in relation to the Scottish child payment or other things. I hope that that reassures Mr Doris that we believe that the take-up is higher but that, regardless of that, we are keen to work with the council to understand where the figure came from and how we can improve it.

Bob Doris: I would like to have a line of sight on the discussions with Glasgow City Council. As an MSP for a Glasgow constituency that has significant poverty, I am keen to be kept up to date on those discussions. I also note that Mr Booth spoke about data sharing issues with the DWP and Social Security Scotland as one of the barriers.

In Glasgow, the local authority tries very hard to put automation in place. For example, council tax and housing benefit are used to automate, by and large, the awarding of the school clothing grant. However, because there are different qualifying criteria for free school meals and the education maintenance allowance, those cannot really be automated. Has the Scottish Government thought about standardising or aligning the qualifying criteria to allow for maximising and automating the uptake of some of these really important initiatives?

Shirley-Anne Somerville: We keep criteria under review. In the past year, there has been a change to the criteria for the best start foods benefit. From memory, as a result of that change, an additional 20,000 pregnant women and young children were brought into eligibility for that payment. Part of the reason for that change was to enable us to look at our five family payments—the Scottish child payment, best start foods and the best start grants—in a more joined-up way, which allows for further automation. We already automate the best start grants payments, for example, so people who receive the Scottish child payment do not need to apply for those grants separately.

That is the type of work that we are already undertaking in Social Security Scotland. Any changes to eligibility mean that either we have to increase eligibility, which is a decision that we need to make as part of the budget process, or—I am sure that Mr Doris would not want us to do this—we need to restrict eligibility so that the eligibility for everything is the same. On that basis, those decisions have to be made as part of the budget process.

We can have automation or the sharing of data so that, even if eligibility is different for different payments, we can use data to support the ease of a person’s journey from one qualifying benefit to another. Therefore, there are different ways of looking at this, and in the reasonably short life so far of Social Security Scotland, we have increased automation and data sharing in order to assist with both of those.

The Convener: Paul O’Kane is joining us online.

Paul O’Kane (West Scotland) (Lab): Thank you. With your indulgence, convener, I will start

with a brief supplementary question to Marie McNair's last line of questioning. The cabinet secretary touched on her policy announcement on the two-child limit. I am sure that the committee will have a chance to discuss the matter at greater length, particularly when we scrutinise the budget. However, the cabinet secretary mentioned the speed with which she wants to act, the interaction with DWP, the need for data, and the child poverty task force, which is working at a UK level. She and I have discussed the two-child limit in the context of that work, so it would be helpful for me to understand when the decision was taken to make that announcement. I understand that it was put into the budget document a week and a day ago and that the Scottish Fiscal Commission did not have time to cost or analyse the decision. Given the speed with which the cabinet secretary appears to want to act, it would be helpful to understand when the decision was taken.

Shirley-Anne Somerville: The timing in relation to the Scottish Fiscal Commission has been laid out by the Fiscal Commission itself, and I note its remarks on the matter.

Clearly, the two-child benefit cap has been on the Scottish Government's mind for some time, and our policy position has been exceptionally clear for many years that we believe that it should be taken away at source. We had hoped that that would happen with the change in the UK Government, but it did not. Therefore, in the run-up to the budget this year, the Scottish Government had discussions about how that could be done. Mr O'Kane will be aware of when we told the Scottish Fiscal Commission about that.

10:15

Paul O'Kane: For clarity, was the Government's decision taken one week and one day ago?

Shirley-Anne Somerville: The Scottish Fiscal Commission has laid out when it was told about the decision. I would be happy to give you further information and talk more about that when I appear before the committee to discuss the budget.

Paul O'Kane: So, you are not able to say when you took the decision?

Shirley-Anne Somerville: The decision was taken following discussions in Government and was part of the budget that was announced yesterday.

Paul O'Kane: I am sure that the committee will look forward to having further discussion about that.

I will move on to my substantive questions, which are about statistics and data in relation to the Child Poverty (Scotland) Act 2017, which

colleagues will also want to cover. In the cabinet secretary's opening statement and her responses to other questions, she referred to the Scottish child payment. She will know that I have been talking for some time about the need for data on the impact and effect of it, and I think that everyone shares that view. She spoke about the Government's modelling. Is she content that the modelling will help us to understand the impact of the benefit?

We know that various models have been used that have suggested that 100,000 children have been lifted out of poverty, but I think that that is more about the number of children who have been kept out of poverty. Modelling is based on a projection of a number of different issues and different things that are done by the Scottish Government or other Governments, such as the uprating of benefits at a UK level. Does the cabinet secretary believe that we need to do more work to fully understand the impact that the Scottish child payment is having? Obviously, the child payment is supported across the Parliament.

Shirley-Anne Somerville: There is a distinction to be made between modelling the impact and modelling what we estimate can be achieved by any policy. I believe that robust analysis has been undertaken.

It is estimated that the Scottish child payment alone will keep 60,000 children out of relative poverty in 2024-25, although we will have to wait until we have the 2024-25 statistics to be able to see what the actual poverty rates are. Modelling has been done of the impact that we believe that our policies will have, based on our analysis, but there will be a time lag before the data on child poverty becomes available. Certainly, I am satisfied that the figures that are produced through modelling estimates are based on a range of assumptions, and that the process that allows the Government to model the impact of our policies is robust and transparent. It is important that we carry out modelling work to look at the impact of policies that we will undertake and to evaluate what difference they will make.

The full impact of the Scottish child payment on poverty levels that we already have data on is not yet clear, because that detail is still working its way through the data set. The benefit is making a difference on the ground, but the data that will allow us to determine the poverty levels in 2024-25 has not yet been published. At this point, our modelling enables us to estimate how many children will be kept out of poverty as a result of a range of measures, the Scottish child payment being just one of them.

Paul O'Kane: The committee has also spoken about how we estimate poverty levels and how we

consider a range of actions, as you have touched on.

We know that there are some challenges in relation to the family resources survey, and I think that that is true in several nations in the UK. We have seen interactions with the DWP in other parts of the UK to try to get more detailed data, and we have seen that at the local level—that happened in Glasgow, so that people could look at ward-level data.

It would be good to understand your engagement with the DWP to drill down into some of the data on a more local level.

Shirley-Anne Somerville: [*Interruption.*] I will certainly try to explain, if Mr O’Kane will bear with me and my sore throat again.

Paul O’Kane: I think that has been the story all week—I have been jinxing the cabinet secretary, every time that we have debated.

Shirley-Anne Somerville: It is helpful sometimes if Mr O’Kane keeps talking.

Paul O’Kane: That is not something that I have trouble with, cabinet secretary. [*Laughter.*]

Shirley-Anne Somerville: It is a challenge for all of us to make sure that we have the correct data in front of us so that we can see the impact of our policies. I know that the committee has taken evidence and considered the importance of data in previous inquiries.

We are working actively with the DWP on that issue. The Scottish Government has been paying for a 100 per cent boost to the family resources survey’s Scottish sample since 2002, to try to improve that work. Sample sizes for many large population surveys are being affected by falling response rates—that is happening not just for the FRS but more widely, and we are looking at what can be done to mitigate that.

Analysts in the Scottish Government have also been working with the DWP since the Scottish child payment was included in the FRS questionnaire, to ensure that receipt of the Scottish child payment is accurately reflected in the data for eligible households in 2023-24.

So, work is on-going to improve the quality of the FRS data, and not only by the Scottish Government. As Mr O’Kane suggests, we are all keen to make sure that that data is as robust as possible. I hope that I can give him some reassurance that there is active and on-going consideration of the issue.

Paul O’Kane: That is helpful, and it is something that the committee will be keen to follow up on.

Finally, I want to ask about local data. Mr Doris touched on this point, in relation to the work in Glasgow that has been effective in identifying gaps in data, particularly on uptake of different social security payments. What more support can be given to local areas to improve their data sets, and what work might be done, potentially through the Convention of Scottish Local Authorities, to support local authorities in that?

Shirley-Anne Somerville: The data source for the statistics on the statutory targets cannot be disaggregated at a local level, but other work can be undertaken.

The Scottish Government has been working with the national partners group to look at the range of data that is available. The Scottish household survey provides breakdowns by local authority. Data from the DWP, HMRC and the children in low-income families survey are also valuable resources. Work is being undertaken through the child poverty practice accelerator fund, to look at what data could be used and how it could be used more effectively. That Scottish Government fund also assists various local authorities to look at different data sets and models, to see how they can be brought together. It goes back to the point that was raised earlier about the need for good practice to be shared across local authorities.

Paul O’Kane: That is another thing that the committee may be keen to return to.

The Convener: I invite Liz Smith to ask a supplementary question.

Liz Smith: In the previous two sessions, the committee received pretty convincing evidence of how successful the Scottish child payment has been. Witnesses provided sufficient qualitative and quantitative evidence as to why that is the case, notwithstanding some of the issues on uptake that Mr Doris raised, with a few people missing out.

Cabinet secretary, I am interested in what criteria you are using to establish that a policy has been successful when you come to measure its effectiveness and the modelling that you have undertaken. This morning, you indicated in your opening remarks that you feel that there are lessons to be learned from how successful the Scottish child payment has been. What are those lessons, and what criteria are you using to try to establish which other aspects—whether they are to do with housing, closing the attainment gap in schools or free school meals—can be used to measure the effectiveness of policy making?

Shirley-Anne Somerville: Clearly, there can be more than one outcome that we wish a policy to achieve. To give an example of some of the work in the child poverty plans, we are keen to look at how many children can be lifted out of poverty by

a particular measure, and that is where the modelling comes in. That is not an exact science, because you can model what the impact of a policy is, but when you get to the data sets about poverty levels, you can see that a myriad of other things have also impacted on a given family.

Therefore, it is hard to track direct correlations when measuring policies, but we can use the analysis that we have, by modelling and then looking at the data, to see how many children could be lifted out of poverty through a particular measure.

The other wee caveat that I give—if Liz Smith will forgive me—is that some of that process takes longer than other parts. The Scottish child payment has an immediate impact because it immediately goes into someone's pocket, whereas the impact of spending on employability or early learning and childcare, for example, undoubtedly assists in tackling child poverty but does not have an immediate impact that you can trace.

On that basis, we look at the evidence that has been built up, not just here but internationally, about the best ways to tackle child poverty. That is why we recently reviewed the measures in the “Best Start, Bright Futures” plan to sense check whether they were still the right measures to drive child poverty down. I hope that those points explain that—

Liz Smith: It is a very complex area—I fully understand that. You are quite right about the time differences. Some policies take much longer.

Some witnesses have flagged up that there are still gaps in the data that is required to successfully undertake that work. Do you agree with that? Are there gaps in the data that you would like the Scottish Government to fill so that you are able to measure more effectively what is and is not successful? If there are gaps, could you indicate to the committee what they are?

Shirley-Anne Somerville: Some of the challenges around data gaps are around the six priority groups, because some of the numbers involved are so low. When looking at a particular policy area, it is sometimes difficult to trace the numbers through in order to measure the impact on, for example, poverty levels when ethnic minority families use employability services and then go into employment. There are many steps to take to measure what is quite a small subset of the population. That is among the challenges that we have.

The other aspect is intersectionality. The National Advisory Council on Women and Girls is very keen that the Government continues to do more on that and it is right to challenge us on that. Again, that comes down to the challenges. People do not live in the simple silos into which the

Government might wish to put them so that we could have clear data sets. Life is not like that. We all know that and it is an additional layer of challenge that we need to put on ourselves. That work is in progress. The national advisory council is right that we still need to do more on intersectionality.

10:30

Liz Smith: Again, that is helpful. When it comes to working out how effective we are at targeting those who are most in need and where the Scottish Government's resources should be placed, it is essential that we be able to drill down into just how effective the modelling and the policy making are, so that we assess the results in terms of that success and, therefore, the Scottish Government's resources can be better targeted at the areas where we feel that we can make the greatest difference. Do you accept that?

Shirley-Anne Somerville: We are back on to a genuinely useful discussion about universality versus targeting. There are myriad layers to that. I presume that the convener will not allow me to get into that today, but it is exceptionally important, because the targeting of resources is important. For some aspects of universality, there is also a principle that needs to be taken into account.

That is perhaps for a wider debate, but the impact of policies on different people is key, regardless of where we stand on targeting versus universal services. That is where the importance of the modelling and the analysis comes into play. It is important, obviously, that there is not just the Scottish Government's work on the matter: there is also work by the Joseph Rowntree Foundation and many other bodies. We challenge ourselves within Government to ensure that any information that is gathered about the impact of policies is addressed. If people believe that something should be done differently, that policy discussion needs to be aired.

Liz Smith: Absolutely. The JRF has done fantastic work on the matter. The common theme that came through the evidence from all the witnesses in the previous two panels is that we need an evidence base. It is no good the Scottish Government—or any Government; not just the Scottish Government—deciding on a priority unless there is a good-quality evidence base for what works most effectively to, in this case, bring children out of poverty and ensure that the resources, which are extremely scarce at the moment, are targeted at those who are most in need. I think that you accept that, cabinet secretary.

Shirley-Anne Somerville: Yes. That is exactly why the review and sense check of the “Best Start,

Bright Futures” policy programme was undertaken. It was not just that we did the work for the delivery plan—obviously, we are now starting to undertake the work for the next delivery plan—then left it. We did that review to check in with the best evidence available in order to be able to analyse the programme.

Another important aspect is evaluation and monitoring of policies that are already in place. That is why it is important not just to publish the plan but to sense check it, whether through monitoring, evaluation or review.

The Convener: I invite Jeremy Balfour to ask a question.

Jeremy Balfour: *[Interruption.]* I will let you take a moment, cabinet secretary.

Unfortunately, although my question is short, it is very important. What should happen if we miss the targets?

Shirley-Anne Somerville: *[Interruption.]* I really wish that I had brought cough sweets to the committee.

We absolutely do not intend to miss the targets. It is important that the Government has a continued focus on that. We have talked about that throughout the evidence session. We are fully committed to the interim and final targets. I hope that Mr Balfour sees that in the budget that was published yesterday. That is exactly why the decisions were taken on the two-child cap and the investment in breakfast clubs, for example.

Clearly, the delivery of targets is not for Government alone—there are layers to it. The fact that events can make this more or less challenging for the Scottish Government is something that I am very conscious of, but we are very keen to restate further that we are keen to meet the targets, and we believe that we will.

Jeremy Balfour: I appreciate that, and I welcome the cabinet secretary’s optimism, but there is quite a lot of data out there from the third sector that says that we might not meet them. I am not trying to be Mr Scrooge or pessimistic, but if, for whatever reason, we did not do so, what would be the outcome?

Shirley-Anne Somerville: The act does not include any specific enforcement provisions if one of the targets is not met—that is how it was passed. That said, I know that stakeholders are keen to press us to pick up the pace with delivering on the poverty targets. I believe that the budget that we set out yesterday does that. I am sure that we will have further discussions about that in the new year, but we are keen to restate our absolute determination to meet those targets.

Jeremy Balfour: Thank you.

The Convener: I am conscious that you are struggling, cabinet secretary, so you will be delighted to know that this will be the very last question, then we can let you go.

Gordon MacDonald (Edinburgh Pentlands) (SNP): Good morning, cabinet secretary. You might also be delighted to know that it is quite a long question. *[Laughter.]*

The 2017 act does not exist or operate in isolation. Since 2017, we have had Covid, war in Ukraine and the cost of living crisis, which has pushed up rents and mortgages and has resulted in high inflation, including food inflation, and high energy costs. Not only that, but we have had five Prime Ministers in seven years, with different priorities. I am therefore keen to understand how you develop effective approaches to tackling child poverty when you are not in control of all those different factors.

Shirley-Anne Somerville: It would be fair to say that all that presents an additional layer of challenge. We knew that, when the act was passed, we did not have control over certain aspects—for example, over 85 per cent of the social security system—and none of us could have foreseen at that time the other events that Mr MacDonald has highlighted and which have buffeted us all, throughout the UK, and presented additional challenges.

I believe that the work that has been undertaken by the Government has demonstrably made a difference. It is not just the Scottish Government that has said that: stakeholders, too, have pointed to the fact that child poverty is lower in Scotland, because of the work that has been undertaken by the Scottish Government. However, it still remains far too high, and we need to focus our minds on that.

The new UK Government faces a major test in this area. It has set up a task force to look at it, which is welcome, but a task force also needs to come up with conclusions and recommendations and then move on to implementation. If, for example, the UK Government would take heed of the work that has been done by the End Child Poverty coalition, which has looked at the ask of that Government on legally binding goals for child poverty and for it to take action on, for example, the two-child cap and fundamental reform, we would get two Governments working in the same space.

There is a real opportunity for that to happen. My understanding is that the UK task force will report early in the new year. I have had a number of meetings with UK Government ministers to talk about what is happening, and what we wish to happen, in Scotland. I await the report with great

interest—and, more important, those who are living in poverty will be awaiting it, too.

Gordon MacDonald: You say that the task force will be reporting earlier than 2026. Will that happen before you have to publish your final draft delivery plan in March 2026?

Shirley-Anne Somerville: The task force will report next year—that is, in 2025—at which stage we will already be undertaking work on our approach to the next child poverty delivery plan. Therefore, things will overlap. It will give us a better idea of what we need to do up here and, indeed, how much support and change are happening elsewhere, which remains to be seen.

Gordon MacDonald: Thanks very much.

The Convener: Cabinet secretary, I appreciate that you were getting hoarse and struggling there, so I thank you—and your officials—very much for joining us. We will report on our findings in the new year.

That concludes our public business for today, so we will move into private session to consider the remaining items on the agenda.

10:41

Meeting continued in private until 11:03.

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