



OFFICIAL REPORT
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DRAFT

Social Justice and Social Security Committee

Thursday 29 May 2025

Session 6



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SOCIAL JUSTICE AND SOCIAL SECURITY COMMITTEE
17th Meeting 2025, Session 6

CONVENER

*Collette Stevenson (East Kilbride) (SNP)

DEPUTY CONVENER

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

COMMITTEE MEMBERS

*Jeremy Balfour (Lothian) (Con)
Mark Griffin (Central 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:

Julie Humphreys (Scottish Government)
Shirley-Anne Somerville (Cabinet Secretary for Social Justice)

CLERK TO THE COMMITTEE

Diane Barr

LOCATION

The Mary Fairfax Somerville Room (CR2)

Scottish Parliament

Social Justice and Social Security Committee

Thursday 29 May 2025

[The Convener opened the meeting at 09:00]

Decision on Taking Business in Private

The Convener (Collette Stevenson): Good morning, and welcome to the 17th meeting in 2025 of the Social Justice and Social Security Committee. We have apologies from Marie McNair.

Under our first item of business, do we agree to take agenda item 5 in private?

Members indicated agreement.

Eradicating Child Poverty

09:00

The Convener: Our next item of business is an evidence session on the measures that the Scottish Government is taking to eradicate child poverty. I welcome from the Scottish Government Shirley-Anne Somerville, the Cabinet Secretary for Social Justice; Julie Humphreys, director for tackling child poverty and social justice; and Ann McKenzie, unit head of the tackling child poverty policy unit. I invite the cabinet secretary to make brief opening remarks.

The Cabinet Secretary for Social Justice (Shirley-Anne Somerville): I am grateful for the committee's continued focus on child poverty and for the opportunity to give evidence. As stakeholders have related to the committee, Scottish Government action is having a real impact on families across Scotland who are living on low incomes. During this session of Parliament, we have delivered considerable action to drive progress on our national mission, in spite of the challenging fiscal environment that we have faced. That has included expanding funded childcare, more than doubling the value of our Scottish child payment and supporting thousands of parents with devolved employability services.

Our action is making a real difference to families. On average, households with children that are among the poorest 10 per cent of households are estimated to be £2,600 a year better off in 2025-26 as a result of Scottish Government policies. We have also committed to going further. Our programme for government outlined our delivery plan for the next year, which includes investment in breakfast clubs, affordable homes and developing systems to mitigate the impact of the two-child limit in universal credit.

As members know, statistics covering the year of the interim targets were published in March. It is deeply disappointing that the interim targets were not met, but the statistics show that, despite strong headwinds—including the Covid pandemic, the cost of living crisis and the impact of continuing United Kingdom Government austerity—we have delivered progress. There is, of course, much more to do.

The proportion of children who are living in relative poverty reduced in the latest year on record. The rate was lower in 2023-24 than it has been since 2014-15, while the proportion in absolute poverty has also fallen—the annual figure is the lowest in 30 years. Rates of both relative and absolute child poverty were also 9 percentage points lower than the UK average in 2023-24—the rates were 22 per cent and 17 per cent in

Scotland, compared with 31 per cent and 26 per cent in the UK.

Although the Joseph Rowntree Foundation predicts that child poverty rates will rise in other parts of the UK by 2029, it highlights that policies such as our Scottish child payment and our commitment to mitigate the two-child limit

“are behind Scotland bucking the trend”.

The Scottish Government will publish its annual progress report on child poverty by the end of June, including a full update on the implementation of actions across the past year and further analysis in respect of the interim targets.

We are clear that decisions taken by the UK Government are holding us back. It is welcome that the UK Government has now made tackling child poverty a priority, for the first time in many years, but its actions to date do not reflect that prioritisation. According to analysis by the End Child Poverty coalition, the decision not to abolish the two-child cap has meant that about 35,000 children are believed to have been pushed into poverty since the UK Government took office last year, and the Department for Work and Pensions estimates that changes to disability benefits announced in the spring statement will drive an additional 250,000 people across the UK, including 50,000 children, into poverty by 2029-30. Through cuts and inaction, the UK Government continues to threaten the progress that has been made here in Scotland, and I have urged UK ministers to deliver the change that is needed through its forthcoming, but concerningly delayed, child poverty strategy.

Irrespective of what the UK Government chooses to do, we remain unequivocally supportive of our commitment to meet the 2030 targets. The next tackling child poverty delivery plan is due to be published in March 2026, shortly before the Scottish election. The circumstances will be materially different from those under which the Scottish Government's two previous plans were published, but I hope that it will present a new opportunity to build consensus across the Parliament and, more broadly, across Scotland.

Development of the next delivery plan has already begun. An external reference group has been established to guide our approach, while our call for evidence was issued in February. I have also written to all parliamentary committees to seek their views, and I look forward to receiving their considered advice.

One further upcoming issue to highlight is that, as was set out in the annual progress report for 2022-23, the Scottish Government is aware that a technical amendment will be needed ahead of June 2031 to enable the final reporting

requirements under the Child Poverty (Scotland) Act 2017 to be met in full. That is due to the lag in survey data on which targets are based, which will not be available until March 2032. I must be clear that that is a minor technical fix and that the amendments that are needed will not require changes to the targets. If we are returned to form the next Scottish Government after the 2026 Scottish Parliament elections, we intend to introduce primary legislation to address the technical issue regarding the timing of reporting.

The actions that we have taken have made a difference to families, and we are committed to building on those firm foundations. We want to engage meaningfully and widely with stakeholders and partners to build consensus around key areas of action for the next plan, and I look forward to engaging with members as we work to meet the 2030 targets, which were unanimously agreed by the Parliament.

The Convener: Thank you for your helpful remarks. I invite members to ask their questions.

Bob Doris (Glasgow Maryhill and Springburn) (SNP): Convener, I will have to leave the session early, so I apologise to the committee and the cabinet secretary for that. Thank you for allowing me to ask the opening questions.

Cabinet secretary, there were a lot of positives in your statement, but I sense a lot of frustration, too, because you wish that the Scottish Government could go further. I will come to that in a second. On the evidence base for what is working in Scotland, I note that in 2023, the estimated child poverty rates after housing costs were 22 per cent in Scotland and 32 per cent in England, so something is working in Scotland. Have you disaggregated whether that is due to the Scottish child payment, the best start grant, childcare provision or a variety of other measures? If the committee wanted to scrutinise the different policy levers that are having a positive impact, how could the Scottish Government provide that information?

Shirley-Anne Somerville: It is important that we look at the evidence to demonstrate impact, which is why the modelling that was published in March estimates that Scottish Government policies will keep 70,000 children out of relative poverty in 2025-26, with poverty rates that are 7 percentage points lower than they otherwise would have been. In particular, you mentioned the Scottish child payment. It is estimated that it alone will keep 40,000 children out of relative poverty this year. It is important that we consider the difference that that can make to families.

Clearly, it is more challenging to demonstrate the impact of some smaller policies on child poverty rates, but we can look at the impact that

they can have on, for example, how much money a family can save. We have estimates for how much families can save because of free school meals and other policies that, in total, we would call the social contract, or our cost of living guarantee, as well as through the provision of funding for early learning and childcare. As well as looking at the evidence on how many children can be kept out of poverty, we look at the money that families can save through particular policies. We would be happy to provide more of that information in writing, should it be useful to the committee.

Bob Doris: I think that it would be. I appreciate that it is more challenging to measure the impact of the so-called less well-kent policies or the smaller, more targeted policies, but more information would be welcome.

I can suggest lots of different ways in which we could spend more money, cabinet secretary, and I am sure that you would say, "Where is that money coming from, Mr Doris?" It is important that we know what works, what is targeted and what can make a real difference. Any more information that you can provide on that would be helpful.

I have another question on that point. Do we do qualitative surveys with parents about what works? For example, the school clothing grant, free school meals and the best start grant might not turn the dial on child poverty, but they might change the lived experience of families. We heard some evidence of that when we did our child poverty inquiry; a lot of people who were not lifted out of poverty still had direct positive life experiences because of targeted interventions by the Scottish Government.

Shirley-Anne Somerville: In building on the answers to your questions, I will point to some aspects that might assist the committee. First, the cumulative impact assessments that the Government develops will include a wider range of policies. The policy package that is modelled in the cumulative impact assessments includes free school meals and the school clothing grant—you mentioned that—as well as the best start grant and best start foods.

Social Security Scotland also does other work. It gets feedback directly from clients through client surveys, and we can provide the committee with the links and directions to those reports. Some of the most recent evidence on the five family payments demonstrated the exact type of thing that you mentioned.

An important part of the work goes on outwith Government. The Poverty and Inequality Commission has lived experience panels that speak to the direct experience of the impacts that can be made.

It is important that we do wide-scale modelling and cumulative impact assessments, but it is also exceptionally important that we look at the impact that the policies have on families, because that allows us to have direct knowledge of the impact that the work can have on different family make-ups and those from different parts of the country, for example.

The work of the PIC helps us, as does the work of other organisations. I recently sat with a panel of parents at a meeting in Dundee—I think that it was organised by Save the Children—which was remarkably informative because of what Save the Children spoke about and because I heard directly from the families.

Bob Doris: That was helpful. The committee will continue to scrutinise the Scottish Government and push it to go further and faster on child poverty, despite the fact that, relative to the rest of the UK, we are doing very well. That begs the question of which factors are within the Scottish Government's control to turn the dial on child poverty and which are not. To what extent are trends in child poverty under the Scottish Government's direct control? In what way could the shared space in social security blow targets off course?

Shirley-Anne Somerville: We have a challenge, in that some of the levers are not under the Scottish Government's direct control. However, before I turn to those, I will reflect on the wider economic context, which has an impact on everyone and means that our policies have to work a bit harder. I mentioned some of that briefly in my opening remarks.

If we look at Brexit alone, modelling by the National Institute for Economic and Social Research estimated a 2.5 per cent hit to gross domestic product because of Brexit in 2023, which increases to 5.7 per cent by 2035. For Scotland, that equates to a cut in public revenues across national, devolved and local governments of about £2.3 billion in 2023. That is one example. I could give many more on the impact that Brexit is having across society; I am sure that the member is already well aware of that.

We also have the on-going cost of living crisis. Inflation has disproportionately hit some of the most vulnerable people in our society. One of the major challenges that you referred to—you were right to do so—is that levers that could be used to assist in tackling child poverty are not being used.

The most concerning decision—it is not the only one—is the one that I mentioned in my opening remarks about cuts to disability benefits, which the UK Government's own impact assessments estimate will put 50,000 children into poverty, and we still have no movement on eradicating the two-

child cap. Those two policies alone—one that the UK Government is still refusing to get rid of and one that it is determined to bring in—will undoubtedly impact on the number of children in poverty, and the Scottish Government is determined to mitigate that impact.

09:15

Bob Doris: The committee is trying to have a positive relationship with the UK Government in relation to influencing its child poverty strategy. We will see how that goes. Does the Scottish Government have any on-going dialogue on that?

Shirley-Anne Somerville: We have had dialogue, but to say that would be to suggest a two-way conversation. We have had a number of meetings, but it would be fair to say that they have been exceptionally disappointing. We have not had as many meetings as we would like, and not as many meetings that allowed for a genuine conversation and exchange of views, and that has been deeply disappointing.

Given the UK Government's prioritisation of child poverty, I hoped that we would have a different type of relationship. We had the reassurances between the First Minister and the Prime Minister that we would be working in different ways, but it would be fair to say that the UK Government's child poverty task force has not been an example of a new and flourishing relationship on those issues. I remain disappointed by the level and depth of contact that Scottish ministers have had. Nonetheless, at official level, we are ensuring that the task force is furnished with all the available information on Scottish Government policies.

I stress the importance of the UK Government's task force working with all devolved Administrations because of the impacts of one policy against another. For example, it is important that devolved and reserved employability schemes work well together and that we have a shared understanding of the types of policies that we might bring in, the types of policies that the UK Government might wish to change and the impact that that will have on Scotland.

I am deeply concerned about the delay, because the longer such things go on, the more children remain in poverty. I am also concerned that we do not have reassurance about the direction of travel of the task force report. I dearly hope that I am proved wrong and that a robust report comes out, but it is difficult to see that at this point, given the level of interaction that there has been, particularly at ministerial level.

Bob Doris: This will be my final question, because I know that colleagues want to come in. One of the biggest challenges for the Scottish

Government has been turning the dial on children and families who are living in persistent poverty. A new delivery plan is being prepared. Will persistent poverty be a focus for the Scottish Government?

Shirley-Anne Somerville: The number of children who remain in persistent poverty is a concern. We are conscious that the statistics that we have do not yet capture the full roll-out and impact of measures such as the Scottish child payment and the expansion of funded early learning and childcare. We expect the levels to fall in future years.

The fact that persistent poverty data is refreshed annually, with rates and past years reviewed as new families enter the survey, makes it a volatile measure. However, as I am sure the committee expects, we are continuing to consider what steps can be taken to tackle deep and persistent poverty among families.

I point to the whole family holistic support work that is being done across Government to ensure that the services that are available are there for people when they need them, where they need them and to ensure that services work in a way that supports the whole family. Rather than looking at every single challenge or impact on a family, we are looking at how we assist a family in a much more holistic manner. I hope that those important policies, which involve systemic change, will assist in driving down persistent poverty statistics.

Bob Doris: Thank you.

Paul O'Kane (West Scotland) (Lab): Good morning. Cabinet secretary, when your party came to power, relative child poverty was at 23 per cent after housing costs were taken into account. Last year, as we have heard, the figure was 22 per cent, so there has been a 1 percentage point fall in 18 years. The Government's child poverty summary says:

"in recent years, both relative and absolute child poverty have shown little consistent change".

Do you accept that that is perhaps just a polite way of saying that you have not moved the dial in 18 years?

Shirley-Anne Somerville: It is a sign of the fact that Scottish Government policies are having to work a lot harder to make an impact, given the social and economic context of continued austerity, particularly in relation to the welfare policies of successive UK Governments. Those findings are in line with the Scottish Government's expectations, because a lot of the impacts of key policies such as the Scottish child payment took effect only from 2023-24. On that basis, we would not expect to see substantive reductions in long-

term trends at this stage, but we anticipate that those will be more evident in future years.

The published statistics show that, although we have not met our interim child poverty targets, the proportion of children living in relative poverty reduced last year, with the rate being lower in 2023-24 than it has been since 2014-15. That demonstrates that one of Scotland's Governments is working exceptionally hard against strong headwinds to eradicate child poverty, but our policies are having to work harder, given the context that we are in.

Paul O'Kane: The Government has six priority groups for the action that it is taking to reduce poverty. Are you concerned that, among all those groups bar one, child poverty is going up? In particular, it has gone up by 4 percentage points among ethnic minority households in the past decade, it has gone up by 5 percentage points among lone parent households and it has gone up by 8 percentage points among households with a baby under one. The Scottish Government has extensive powers to support lone parents and women into work, so do you recognise that there has been a failure in that regard?

Shirley-Anne Somerville: Aspects relating to the six priority families are very important. I will point to two areas of concern. I am particularly concerned about families with disabled children, given the impact of the changes that the UK Government plans to make—

Paul O'Kane: If you could cover the point about lone parents, that would be really helpful.

Shirley-Anne Somerville: I will.

I am concerned about parents of disabled children and larger families, and those issues also have an impact on a number of ethnic minority families. I am trying to make a point about intersectionality—often, a family could fit into more than one priority family group. Although it is important that we look at policies that will have an impact on each priority family group, I am conscious that a number of families fit into different priority groups at the same time.

When looking at what can help a lone parent, we need to consider the impact that we can make through childcare policies, the support that we can provide if they are disabled and the impact that we can make through employability support. Schemes are being undertaken to assist parents with employability. That is an important part of the work that can be done, particularly with lone parents.

I stress that there are six priority groups, so our work on providing whole-family holistic support is exceptionally important. I am mindful of the lone parents whom I met on a recent visit. They required not just parental employability support but

assistance for both themselves and their children on a number of different matters. It is important that we look at it that way if we are taking a more holistic approach to dealing with the challenges that an individual is facing. You made a point about employability support for lone parents in particular. That is exactly why further support is coming forward this year for parental employability support.

Paul O'Kane: Given what you have said about the Scottish Government's investment in whole-family wellbeing and employability services, do you expect the poverty rate for lone parent families to decrease over the period in trying to meet those targets?

Shirley-Anne Somerville: We are determined to drive down the poverty rates for the priority groups—and to drive down all the statistics that are set out in our child poverty delivery plans. We will ensure that we do everything that we can to support the six priority family groups. However, there is a challenge, which I have to come back to: if policies elsewhere are pushing some of those priority groups into poverty, it makes the situation more challenging. I recognise the importance of parental employability schemes in addressing that, but that is exactly why they are there—to provide wraparound support for lone parents in that area.

Paul O'Kane: I know that colleagues will talk about data and that we have already spoken about the child payment—I think that we are all agreed on its importance and on some of the anecdotal evidence that has been raised—but I have a final question under this theme on the modelling that the Government is using.

A year ago, many of your colleagues—and, I think, you, as the cabinet secretary—were speaking about 100,000 children being lifted out of poverty. That was shown not to be the case. I think that the UK Statistics Authority wrote to the Government in that regard. The figure was then corrected to 60,000 children being kept out of poverty, and we are now at a figure of 40,000 children being kept out of poverty. Will you clarify whether the 40,000 figure is the accurate one in the Government's view? How certain are you of the modelling that you are now using to establish that figure? Everyone around the table wants to make sure that we are dealing with accuracy, because it is such an important policy.

Shirley-Anne Somerville: With all those points, I would stress that it is modelling—that is, modelling that uses the best information that we have at the time. The Government has been clear that this is about keeping children out of poverty, so it is modelling on how to keep children out of poverty. The 40,000 figure is for the Scottish child payment, and the 70,000 figure is to do with the estimates for overall Scottish Government policies.

That relates back to a question that Mr Doris raised earlier about estimating the differences that different policies will make.

The updated modelling reflects a number of new inputs, which are based on Office for Budget Responsibility forecasts and UK and Scottish Government policy announcements that were available prior to the Chancellor of the Exchequer's spring statement. In addition, the latest modelling, which was published in March, incorporated the family resources survey data for 2022-23 and refined methodology in relation to free school meals. Those all led to revisions in the estimates. When new information comes in, either from the OBR or through changes at fiscal events at the UK level, or when new data arrives through the family resources survey data—I understand that the committee has spoken about the importance of that in the past—and that new information or data is put into the modelling, the modelling will change. However, the modelling itself is robust.

The Convener: Before I bring in Liz Smith, I will invite Gordon MacDonald in for a brief supplementary.

09:30

Gordon MacDonald (Edinburgh Pentlands) (SNP): I want to make a point of clarification. We have talked about the stats and how they are slightly different. However, no one policy stands alone. I am keen to understand what influence the Scottish Government has over the two-child limit, the benefit cap, the £20 cut to universal credit, food inflation, energy inflation, chronic low wages or insecure work. Can you tell me what policies the Scottish Government can introduce to tackle those areas of social security, the cost of living and employment?

Shirley-Anne Somerville: There are a number of areas there that the UK Government has responsibility for. However, if it chooses not to act on those, the Scottish Government can mitigate. We are already mitigating the effect of the bedroom tax and the benefit cap, and we will move to mitigate the effect of the two-child cap as well. Some of the other areas are reserved or are to do with the economic context, which the Scottish Government does not have any control over.

We try to carry on with work that can assist the UK Government—for example, a great deal of work has been undertaken by Dr Allan in relation to the social tariff. All that work has been fed to the UK Government and we hope that the UK Government will take it on. Even when we do not have direct control over something, we are doing the best we can to do the research and to do the

work to assist the UK Government. I hope that it takes that work up, including, for example, in relation to the social tariff.

Liz Smith (Mid Scotland and Fife) (Con): Good morning. I have a technical question. The Scottish Government's publication from March this year referred to two improvements in modelling—that was in part 5.1, if my memory serves me correctly. First, the Scottish Government has improved the modelling based on analysis of potential mitigation of the two-child cap. The second improvement is to the modelling of free school meals. The report says that the reason for the change to that modelling was that the Scottish Government changed from assuming full take-up to assuming a partial take-up measurement—that is, because free school meals are not being taken up to the full complement, the new modelling is better. That is my understanding of the Scottish Government's modelling comment in that report.

Can I ask about the free school meals situation? There are still an awful lot of families who are not taking up their entitlement. Things have improved a little bit, but they are not that great. Does the modelling show whether those who are not taking up the free school meal entitlement are those from higher income backgrounds?

Shirley-Anne Somerville: I am afraid that I do not have that level of information in front of me. I would be happy to provide that in writing.

Liz Smith: My reason for asking is that I am sure that, when we get the Scottish Fiscal Commission's report this afternoon, it will show that we are in very difficult fiscal circumstances again. If there are choices to be made about which policies are working, and if it is the case that free school meal take-up is not as strong as it could be—that there are people not wanting to take free school meals—perhaps that is an area in which the Government could be more targeting? Do you agree with that?

Shirley-Anne Somerville: With all these areas, there is a policy consideration about whether to have universal or targeted support. That has been discussed in the past, particularly in relation to school meals. I go back to the point about why universalism is an important policy for certain aspects such as free school meals. That speaks to the stigma when children and their families speak about not being the “free school meals kid” and not being seen to be separate or different from other children. Although it is exceptionally important to take into account the cost of a policy and the fact that it might benefit people who could otherwise afford it, it is also important to bear in mind the evidence and lived experience of children who talk about how important it is that everyone is treated the same and for there not to be a stigma. That is another important consideration.

You are absolutely right that it is one of those areas where people have differing views, but the universalism of free school meals is based on attempting to help with the stigma that children often feel.

Liz Smith: I am making the point because I am quite sure that the Scottish Government, including you, will be under huge financial pressure to make difficult choices when it comes to social security. If universalism proves not to get the uptake that you would like, I would have thought that it might be an area for a slightly more targeted approach.

Two weeks ago, I was at a meeting with NFUS Scotland in Perthshire, and it was reported that, in two of the local authorities in my area, the amount of food that is being sent back at the end of a school day is pretty grim. That suggests either that the school meals are not of sufficient quality that the youngsters want to take them or that families are still sending them to school with their own lunch.

I understand what you say about the stigma, although I think that the situation is very much better nowadays, with modern technology and so on solving the problem that pupils used to have when they had to take along a ticket, which was far worse. That problem is diminished because of new technology. When it comes to the choices that are made for universal policies, the evidence about whether that universal policy is hitting in all the right places is important.

In the evidence that we have taken, we have people asking for an increase of at least double in the child payment, the extension of free school meals, an increase in the value of the school clothing grant, an increase in funding of affordable housing and an expanding of free childcare—the list goes on. It would be nice to do all those things, but we cannot. I am sure that the Scottish Fiscal Commission will come out with that this afternoon. Is the Government doing any analysis of the effectiveness of universal policy?

Shirley-Anne Somerville: As I said, I would be happy to provide further information in writing about the nuanced policy and its modelling of certain aspects. The NFUS was discussing food wastage, which is concerning for a number of reasons, including cost and the environment.

There is a clear need for us to look at how many children are taking the offer up and to bear in mind that we can have a universal policy, but if that policy is not being taken up, it does not cost any money unless the food is then being wasted. There is an aspect there about who is taking it up, how we pay for it at the Scottish Government and local authority level, and how those estimates are achieved.

Liz Smith: The corollary is that, if there is a large cohort of youngsters whose parents are a bit better off and who do not particularly want the free school meals in the way that we might expect, they are not part of the Scottish Government's child poverty target. We want the uptake to be in the right place and to benefit those who are most in need. In my opinion, the Scottish Government would be well advised to look at that, because it is important to the very difficult choices that you, as cabinet secretary, will have to make.

Shirley-Anne Somerville: Indeed, and there is a challenge to ensure that the meals are nutritious but appealing so that children want to take them up. There is also a difference between the take-up at primary versus secondary school and so on.

It is important to look at who takes the free school meal offer up and, if they do not, why not. I am happy to provide further information, because you raise an important point about the usefulness of a policy and its impact on child poverty.

Liz Smith: Are you discussing that with local authorities? One of the people who was presenting to the NFUS in the Perth and Kinross area said that one of the procurement problems was that meals were being brought in from Dundee and costed more as a result. Many people, particularly those in farming communities, felt that some of the food in Perth and Kinross would have been better and cost less. Perth and Kinross Council allegedly did not have particularly good engagement with the NFUS on that. As I said, it is important to make the right choices about what is and is not working, and to ensure that the local authorities have bought into that.

Shirley-Anne Somerville: Yes. A number of the aspects about procurement and meals in that example are for the local authority to decide on. We clearly have national standards when it comes to the nutritional value of food, but it is very much up to local authorities to deliver those. Members will be aware that the next expansion for free school meals is for those who receive the Scottish child payment in primary 6 and 7. That is an important area of work, and that more targeted approach is the next step, but we have that commitment to universalism, particularly in primary schools. You raise an important point about the take-up of that offer, which is another area that the Government needs to be concerned about.

Liz Smith: Thank you for that. We have had the debate before about how far we can extend universalism on many things, because of the financial implications, but the Government looking at the real evidence of where the targets are most effective would be very beneficial.

The Convener: That moves us on nicely to the next area. Notwithstanding free school meals,

where have you learned lessons in preparation for the next delivery plan? What has worked well or perhaps not so well in relation to the approach that you will take, such as identifying priority families and, in relation to the policies included, increasing the Scottish child payment?

Shirley-Anne Somerville: I will briefly touch on a number of areas. The focus for the delivery plans is based on robust evidence of what works, but there is also a recognition that no action in isolation will deliver the level of change that is required.

We have looked at the previous plans and into the future, and the focus for the next plan will remain on the three drivers of child poverty, which are income from employment, cost of living and income from social security and benefits in kind. Previous plans have been based on those three stools, and the same will be the case for the third delivery plan. My understanding from the evidence that the committee has received, and from the conversations that we have had with them directly, is that organisations such as the JRF, the Child Poverty Action Group and so on broadly agree that those are the three drivers that should be focused on.

The other area that we are very conscious of is the need to look at short, medium and longer-term aspects to try to break the cycle of poverty. We have talked about the six priority family groups, which will remain an important part of the work that we are doing.

I am keen that we take a gendered analysis to the work on the next delivery plan, recognising the importance of tackling poverty as it impacts on women and therefore on the family. That is an important piece of work, and a number of organisations, including the National Advisory Council for Women and Girls, Scottish Women's Aid and others, have been keen that we undertake that type of gendered work. I again give the reassurance that we will do so.

09:45

I will point to some of the areas where it is important to look at systemic change, which I have mentioned before, such as whole-family support and the expansion of fairer futures partnerships, where we are learning lessons from initial partnerships. A number of lessons have been learned from our policies, but there are also areas where we can say with confidence that the Scottish child payment is making an impact. The policy is making a difference and will be an important part of the work that we will continue to do.

The mitigation of the two-child cap will come up in the next financial year and will run into the next

delivery plan. I make it clear that, should the UK Government change its mind and decide to scrap the two-child cap, the First Minister has already made his commitment that the money that is in the Scottish Government's budget for the mitigation of the policy would be used on other measures to tackle child poverty.

The Convener: That is helpful to know.

Jeremy Balfour (Lothian) (Con): Good morning. We have already spoken quite a lot about gathering evidence and being robust, so I will move on to childcare expansion. The second delivery plan included a range of pilots to test and learn from approaches that have been taken. How much information have you gathered from those pilots? How will that contribute to the development of next year's plan?

Shirley-Anne Somerville: We are committed to a full evaluation of the expansion to 1,140 hours of funded childcare, which will be published later this year. The interim evaluation report was published in August 2024 and showed promising signs that the expansion is delivering improvements to quality, affordability and flexibility. Clearly, other work is going on in the school-age childcare programme, including the extra time programme, which is funded in partnership with the Scottish Football Association, bright start breakfast clubs and so on. That work is complemented by the insights from the early adopter communities.

It is important that we look at the work that is being undertaken in the large-scale expansions that are part of the 1,140 hours of provision, as well as the evidence on the extra time programme and other on-going work. The evaluation will allow us to be able to design further expansion based on what works, what families are looking for, and whether those types of programmes are delivering what families need and want, with the clear knowledge that not all families need the same type of childcare that is provided in the same way. From my visits to the early adopter communities, I am cognisant that some of the programmes are very different from others, but they work in that community or school. That learning is being gathered and the evaluation is being undertaken to ensure that we are developing the right programmes in the right places. It goes back to Liz Smith's earlier point about ensuring that we are delivering what parents need in a cost-effective way, rather than taking a blanket approach and providing services that parents do not require, or doing that in a way that is not correct.

Jeremy Balfour: In a previous report, the committee looked at childcare in rural and urban settings. One of the big issues, particularly for women, is the provision at the start of the day and at weekends. If someone works as a carer or nurse and starts at 7 or 7.30 in the morning, there

is no provision. For someone who works shift work at weekends, there is very little nursery provision. My question goes beyond your remit and into other areas, but, in general, what is the Scottish Government doing to provide targeted childcare support? We have heard that one of the big issues is that many people cannot go back into employment because the hours that they work do not fit with childcare provision.

Shirley-Anne Somerville: Flexibility is exceptionally important, and I am happy to provide the committee with further details on the work that has been undertaken in that regard. I recognise exactly what you are saying, particularly if we take into account the time to travel to work—the issue is not just the times when childcare is available but how long it takes people to get to their place of work. That is not just an issue in rural areas, but there is an additional challenge in those areas. That is why it is important that the schemes involving early adopter communities can work in different ways in different areas.

Flexibility is key, and we must ensure that what is provided can assist people at different times so that they are able to take on shift work and work at weekends. When we think about childcare, we can often, initially, have in our minds a very traditional view of a childcare setting, such as a nursery, but childcare can be and is being provided in a number of different ways.

Flexibility will have to be built into the system. That is coming through some of the work on out-of-school childcare provision, which I appreciate is different from early learning and childcare provision. I am happy to provide further information about the work that is being done on flexibility to help Mr Balfour with that query.

Jeremy Balfour: Thank you. I would welcome that.

Regarding gathering evidence, we are now coming to the end of the second delivery plan, and you are working on the third delivery plan. I go back to Liz Smith's point about things changing. How school meals are paid for has changed in the past 10 years. What was working 10 years ago might not work now and, to some extent, you have to look into a crystal ball and think about where things will go in the next three to five years. How are you gathering evidence, and how robust is that evidence?

Shirley-Anne Somerville: That question ties into a number of questions that members have asked about evidence gathering. I appreciate Liz Smith's point that times have changed since I was at school, when I was in a separate meal queue and we all had our wee tickets. That was one of the worst examples of stigmatising young people, but we are not in that place now, with digital

payment cards and so on. Given the way in which children interact and speak, we still have to take account of stigma about free school meals, but we can tackle some of those issues as technology improves. That is an important area, and I give that as an example of how we need to move forward.

We challenge ourselves in two ways, which I mentioned earlier. First, we do evaluation work over time to look at policies in the round. Secondly, and importantly, we speak directly to families about how the provision of services works for them. Too often, services—regardless of whether they are delivered by a public agency, the UK Government, the Scottish Government or a local authority—still require people to jump through too many hoops. There might be too many difficulties, or there might be stigma about asking for help. We combine qualitative work with quantitative work, and our evaluation strategies need to look at how things change over time. Technology helps in some areas, and it can challenge us to deliver services in a more cost-effective way than we would otherwise have delivered them.

We are also looking to make improvements in data sharing. We want local authorities, the Scottish Government and the DWP to be able to share data in a way that assists the delivery of a much more cost-effective and seamless service for people. The Scottish Government is keen to do—and is doing—a lot of work on data sharing across Government to see how it can impact on the cost-effectiveness of different policies and the delivery of better services.

Jeremy Balfour: On data sharing, one of the biggest frustrations that not just MSPs but everyone has, is that we cannot get beyond looking at it, for some reason. It would be interesting to get a bit more information on that.

My final question is on two areas. First, when we look at evidence on tackling child poverty, is there any evidence on giving money to families that shows how much that is benefiting the children and how much it is benefiting other members of that family? I appreciate that there is a very close link, but is there any way of identifying how much of the money that is going to a family is actually benefiting the children?

Secondly, going back to the previous comment, how much are you looking at what should be universal and what should be more targeted? Is this an opportunity for the Scottish Government to go through each of the different tools and benefits that we are using and say that we are moving to plan 3 and we might want take a more targeted than universal approach?

Shirley-Anne Somerville: On data sharing, I recently asked officials through Social Security Scotland to convene a roundtable on data sharing, because I was concerned that we were discussing why it is so difficult, rather than how we get it work. There are legal complexities—it is arguably too legally complex—but that is a UK issue. In our circumstances, how do we get it to work? We have turned the conversation around. That roundtable has taken place, and that is one part of the work that is being done on data sharing, because, as my officials know, I am quite interested in it.

On the question about what benefits children and what benefits parents, we cannot really disengage what impacts on a child from what impacts on a parent. That is why I mentioned the early discussion of a gendered analysis of the next delivery plan. When women are in poverty, children are in poverty. That is why it is so important that we reflect not just on how we assist women but, when we are looking at families, that women are an important part of the work. We cannot disentangle the two, nor do I think that the Government should get to the point where it second-guesses or judges a family for the decisions that parents or carers take.

On the final point, about universalism and targeting, we have been clear that we have no intention of taking anything away from people. I totally appreciate that we can have a debate about a targeted approach versus universalism as services develop or are introduced, but in the areas where we have taken a universal approach, it is important that that is what the Government has promised and what we have delivered. It is part of the package that, if we ask people to pay a little bit more tax through progressive taxation, there should be an understanding that there are services that are available to all that would not be available elsewhere in the UK as we move forward with progressive taxation. It is a balance, and part of the Government's social contract is that some of those areas are universal.

I appreciate that people will have different views on certain aspects of that. Some people want us to go further with universalism and some people would suggest a more targeted approach for areas where we take a universal approach. Most stakeholders usually suggest adding more people to a service rather than taking a more targeted approach. It speaks to the challenging nature of the fiscal environment that we are in that the Government is asked to do more—public discourse on this is not about what can be taken away from people. The Scottish Government's position is that, if a service or a provision is available at this time, we should not take it away from people.

10:00

Gordon MacDonald: In relation to Jeremy Balfour's point about targeted support rather than universal support, has the Government done any analysis of what the administrative costs would be of having targeted benefits as opposed to universal ones?

Shirley-Anne Somerville: It is important to consider that. The results would vary by example, but universalism taking away administrative costs is often cited in relation to free prescriptions. If you want to have a service, you have to look at the cost of delivery, and it is often the case that keeping a service as simple as possible is the most cost-effective way to deliver it. It will vary, but it is important that we consider that in relation to universalism.

Liz Smith: That was very opportune, because I have just been looking at the conclusions in the Scottish Fiscal Commission's report, which I mentioned earlier. As expected, the spend on the expansion of social security is quite significant. Given what the Scottish Fiscal Commission has reported, the extremely difficult fiscal circumstances and the fact that the Scottish Government does not have the money available to do everything that it would like to to deliver its social contract with the people of Scotland—as it is described—is it realistic to expect that the social contract can be universal, considering the number of payments that the Government would like to make?

Shirley-Anne Somerville: It is important that we consider the financial sustainability of social security in the short, medium and long term, because it is not that far away in terms of fiscal planning.

I go back to the point that those increases in spend are, in effect, due largely to decisions that have been taken proactively by the Scottish Government—for example, on the Scottish child payment, which, from memory, costs just under £0.5 billion.

The biggest change that the Fiscal Commission's forecasts show is due to forecast decreases in the Scottish Government block grant because of changes that are being made by the UK Government. Those changes will have a substantial impact.

I was going to say that I am hopeful about this, but I am not. Clearly, I do hope that there is a change of heart, and that, when the UK Government looks at the evidence from its own impact assessments, it will reflect on that and change its position, which would markedly change the forecasting that the Fiscal Commission has developed. Any changes that the UK Government makes to the winter fuel payment in the future will

also assist. However, we do not know when any changes will be made and we do not know what those changes will be. Again, those cannot be included in the Fiscal Commission's forecasts, which have to go on what the UK Government policy is at this point.

I accept that there is a challenge. The Government will need to make a decision every year about how it balances its budget. However, I go back to the point that any change to the level of spend in social security means, in essence, that people are asking us to reduce eligibility or to reduce the adequacy of benefits. Those are the only two ways in which benefit expenditure will come down, and the Government does not want to take those forward. I appreciate that that means that we will have to take difficult decisions elsewhere in the budget, but I am exceptionally uncomfortable about saying that the way to tackle the challenges is to take money away from disabled people, carers and low-income families.

Liz Smith: I completely understand some of that, cabinet secretary. We can debate the politics in the chamber and in other areas of the Parliament although, factually, we have to accept the current circumstances. Based on the statistics that the SFC has published today, let us be honest that there is a big black hole in the amount of money that the Scottish Government is predicted to take in set against its projected spend. Will the Scottish Government pursue progressively higher tax rates to get extra revenue in, or is it open to looking at greater targeting for the policies that we have just been talking about, so that we are not spending quite so much in some areas? Is that the economic crux of the matter? Yesterday, at the Economy and Fair Work Committee, David Phillips spoke about behavioural changes because of changes to the tax policy.

Shirley-Anne Somerville: The Government has laid out reassurances that we will not be making further changes to tax rates during this parliamentary session in order to provide clarity and reassurance to people. I caution against the phrase "black hole". There is a gap between what it is forecast that the Scottish Government will receive and what the Scottish Government will pay out in social security.

Liz Smith: Is that not a black hole?

Shirley-Anne Somerville: No, it is a gap that will be filled by the Scottish Government's budget in its totality. We recognise that the money will need to be found. I point to the fact that what we have chosen to invest in social security, which I make no apologies for, over and above the funding that we receive from the UK Government is projected to be less than 3.5 per cent of the total Scottish Government resource budget by 2029-30. I do not underestimate the challenge, but it will be

looked at to ensure that the budgets are balanced, as they need to be.

There is a gap between what we will receive from the UK Government and what we will spend, but we will fill the gap by using the money that we have in the Scottish Government's budget. Does it make it more challenging in some areas? Yes. Will people suggest that we should take money away from different pots and different policies? Yes. The Government has made it clear that we will not address the challenge by taking away services or support from people who already receive them.

Liz Smith: If we put that into the context of the next child poverty plan and the strategy behind that, are you saying that, in order to address some of the shortfalls, the Government's intention is to try to ensure that the additional money is raised through progressive taxation, rather than by targeting the most effective policies and removing some of the policies that are not delivering in the way that we would like them to?

Shirley-Anne Somerville: If some policies are not delivering, that would be shown in the evaluation and we would look to ensure that those services or policies are redesigned so that they do deliver. We have mentioned early learning and childcare. We would look at whether that delivers and whether the model that we are proposing is the best way to deliver the policy, as well as what we are learning from the early adopter sites. There is a policy evaluation process to see whether we are getting what we expect from them and whether they are being delivered in a cost-effective manner.

I know that Liz Smith knows that it is not a black or white issue of taking away services or raising taxes. We need to look at our public service reform, which falls under the work that Ivan McKee is doing to deliver services in a better way. I go back to data sharing and to whole-family support. The way in which some services that are available to families have been delivered over time has made it exceptionally challenging for those families to get the support that they need, so can that be done in different ways to provide a better, more cost-effective service? We as a Government are looking at other ways to ensure that the policies and services that we are delivering, and the services that other people are delivering, either on our behalf or through their own powers, are effective and cost effective at the same time. I include that important third challenge that the Government is undertaking under Ivan McKee.

Liz Smith: I accept that. It is very difficult when you cannot take things away easily. I absolutely understand that. However, there are examples of policy areas, two of which we have discussed this morning, where the policy of universalism is not as

effective, in terms of the delivery and the cost basis, as we might wish.

The Convener: Cabinet secretary, you have touched on investment, but what about the scale of action? What work is the Scottish Government doing on the potential scale and pace of action? What social security measures are you taking to focus on child poverty, and how will you meet those targets for 2030? Could you expand on that?

Shirley-Anne Somerville: A great deal of work has been undertaken to ensure that the benefits that are available to people are being taken up. The benefit take-up strategy is an important part of social security and is one of the key areas that we need to look at in terms of the impact that the policy can have. I hope that the UK Government task force will also look at that area because, at the moment, only the Scottish Government is looking at benefit take-up encouragement in the round, although I appreciate that this UK Government has done some more work than previous UK Governments on certain benefits.

We are also looking at more work that we can do to assist families, particularly larger families, through the impact of the scrapping of the two-child cap. That is the next significant piece of work that is being undertaken. I think that the Fiscal Commission estimates that it will be paid to 42,000 children in Scotland. That is an important area. The Scottish Government's modelling estimates that scrapping the two-child limit will result in 20,000 fewer children living in poverty in 2026-27. We know that the depth of poverty will be reduced for thousands more. That is the next area in which the Government will take action to assist in the social security field.

Paul O'Kane: On the Scottish Government's policy on the two-child limit and the background work that has been done on that, we have had a lot of conversation this morning about the need to take decisions over a period of time. The two-child limit was brought in in 2017, and the Government's policy was that it was not going to mitigate the impact of the limit because it said that it could not. It then introduced the policy that we are discussing this morning, and the cabinet secretary gave figures on the modelling on the impact that that will have on Scotland.

I have asked a number of times when the policy decision was made by the Government. I asked at committee when we originally discussed the proposal, and I know that the finance secretary was asked at the Finance and Public Administration Committee when that decision was made. I have had to ask parliamentary questions, and I have made freedom of information requests, but I cannot get an answer to exactly when the decision was made. It is important in the context of

understanding what work on the issue was being done prior to that decision. Will the cabinet secretary put on the record when she took the decision and, if she is not willing to do that, will she say why she is not willing to do that?

Shirley-Anne Somerville: I am conscious of the number of FOIs and parliamentary questions that you have had answered on this, Mr O'Kane. I think that it has been dealt with. To summarise, the Scottish Government's position is that we took action when we gave up on the Labour UK Government taking that action, and we delivered it through the budget.

10:15

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

Shirley-Anne Somerville: We have answered that in all the FOIs and parliamentary questions.

Paul O'Kane: With respect, you have not, because you have not given me the date on which you took the decision. I am interested in what work was done prior to that, given that the Government spent a long time saying that it could not take action. If you can give me a date, that would be really helpful.

Shirley-Anne Somerville: We said that it was the responsibility of the UK Government to take action. When there was a change in UK Government and that action was not taken, we felt that we had no alternative but to step forward where the UK Government had consistently failed to do so on that issue. For the sake of brevity—I do not have all the FOIs and PQs in front of me, so I will not read them out—I refer you to all the PQs and FOIs that you have submitted, which I believe have answered your question.

The Convener: On the good work that is going on at a local level, I know about that from my constituency, East Kilbride. On affordable childcare, I visited a nursery that is a registered charity, which has employed a family support officer—so if the nursery has concerns about families affording childcare and whatnot, or breakfast clubs and after-school care, it will subsidise it somewhat. I know that the costs change per local authority; some local authorities subsidise more than others, but that was a really good example of working closely with families. Also, the support officer was advising families about benefits that they could apply for, such as the Scottish child payment, which many folk did not realise was available to them. That has helped hugely with childcare.

That is an example and I am sure that there are many more. How could such things be identified

and scaled up to create a consistent approach across all local authorities?

Shirley-Anne Somerville: You have mentioned an important area, convener, in relation to the work that can be undertaken, whether it is in a school or other settings in which there are already relationships between parents, carers and the service. Our requirement is to ensure that the services that we have are available where and when people need them.

I point to the work—which I mentioned briefly before—on the fairer futures partnerships. I went on an excellent visit to North Ayrshire recently, where we had the same type of discussion in a school setting about what can be provided by a trusted person with whom the parents already have a relationship. They can seek support on income maximisation or benefits, or wider support—in that school, they could have discussions about employability too, and the parent was then supported in several ways. That was all done in a trusted setting with trusted relationships that allowed some of the parents I met to move on to employment or to education and training on the route to employment. Those are the types of area that you touched on, convener, and they are part of the fairer futures partnerships work that is being expanded. That work and support are an important way to provide an alternative route out of poverty through employment, in a supportive fashion and without sanction.

The Convener: Thank you for that.

Gordon MacDonald: We have already touched on the UK child poverty strategy. The UK Government has indicated that it wants to build on positive work by the Scottish Government that is already under way to tackle child poverty, although the strategy has been delayed. What would you like to see in that strategy that would be helpful in the fight against child poverty?

Shirley-Anne Somerville: There are a number of areas in which the UK Government can and should take further action. We have mentioned a number of those, particularly in relation to social security. It would make a big difference to families if the UK Government scrapped not only the two-child cap but the bedroom tax, the benefit cap and the five-week wait for universal credit. Scrapping the benefit cap, the two-child cap and the bedroom tax, which we are already mitigating, from the next financial year would also make an enormous difference to the amount of money available to the Scottish Government to do further work on child poverty measures. Those are the areas where the UK Government can and should do more.

There are a number of other areas that the UK Government is keen to work on. I have already

mentioned the social tariff in the energy sector. There is a great deal of work that only the UK Government can undertake on energy costs. Families are often hardest hit by energy costs and the inadequacies of benefits, which are both issues that are reserved to the UK Government.

I point to the other aspects that I have mentioned, including the topics in the recent green paper and other areas that the UK Government is proceeding with but has not even consulted on, such as changes to disability benefits. I hope that the UK Government will tackle some of those areas.

We have set out a number of clear asks of the task force, and I would be happy to provide further information to the committee in writing about the specifics. We have also gone through employability and changes to child tax credits that would help with childcare. We have provided a lot of detail on the type of work that could be undertaken in a number of reserved policy areas that would positively impact on child poverty. If done correctly, those measures could work very effectively alongside the work that has already been undertaken by the Scottish Government. There is still an opportunity for both Governments to work together on that.

We are unsighted on where that task force report is going, and I accept that UK Government ministers need that private space to do their own policy formation; that is entirely understandable and is usual practice for Governments. However, particularly as we move closer to publication, we will have to have a better understanding of the implications of some of the UK Government's changes. We do not want to get into some of the examples that we have seen during the past year or so, where changes are made and we then play catch-up on the implications for Scottish Government budgets or services.

Gordon MacDonald: It would be helpful if you could provide us with further information when you get the opportunity.

I have a question about the child poverty strategy and targets. The latest figures say that 4.5 million children across the UK are in relative poverty. The figure across the whole of the UK has increased by 100,000 over the past year and by 750,000 since 2010. In 2016, the UK Government scrapped the legally binding targets on child poverty levels. What is your view on whether they should be reintroduced into the strategy?

Shirley-Anne Somerville: I hope that they are reintroduced into the strategy. As well as calling on the UK Government to make changes in reserved areas, we are endeavouring to assist UK Government colleagues with our learning and with our experience of our policies. The Welsh

Government is doing likewise in the areas in which it has undertaken work, so we can learn from each other. That is an important part of the strategy.

As well as making those calls, we are trying to assist with learning. Part of that involves our sharing information on our experience of the importance of targets and the challenges in reaching them. I do not know whether officials want to say a little more about the work that we are doing on that.

Julie Humphreys (Scottish Government): We have touched on the importance of evaluation, whether quantitative or qualitative. Officials have been sharing that evaluation freely with our colleagues in the UK Government, the Welsh Government, the Northern Ireland Executive and the Irish Government. There is a huge amount of information out there on what makes a difference.

It is also important to think about the connectivity between areas of devolved and reserved competence and the impact on individual families. The Government has just introduced new guidance to help colleagues to better understand the impacts of policy and how to deliver for the six priority family types—about 89 per cent of children living in poverty in Scotland are accounted for in those six family types. We have shared that information freely with UK Government colleagues to help their understanding and to build their evidence base, and it is incredibly important that officials continue to do that.

Evaluation is built into our work on the fairer futures partnerships, early adopters and a huge number of other policies. The cumulative impact of the interaction of those policies will make the massive difference that is required for individual families.

Gordon MacDonald: Thank you.

Paul O’Kane: It is encouraging that the cabinet secretary continues to seek engagement on the UK child poverty strategy, which is important. I note her comments about the delay to the strategy’s publication, but she will recognise that Governments often have to take more time in order to understand the work that they are doing. For example, publication of the Scottish Government’s medium-term financial strategy has been delayed again. The Finance and Public Administration Committee has had a number of things to say about that, and its delay has an impact on what we are discussing this morning.

The scope of the UK task force is very important. The cabinet secretary knows my view on the two-child limit: the UK Government should act on that. However, as with any task force, any proposed measures have to be paid for, and I think that that is part of the reason why more time is needed. The Scottish Government, which

includes the cabinet secretary, has opposed all the UK Government’s budgetary and taxation decisions—all the revenue-raising measures in the budget have been opposed. I am keen to understand her view on how we should pay for some of the interventions if she is not in favour of the tax-raising measures in the UK budget.

Shirley-Anne Somerville: There has been a change to the work that Ms Robison is taking forward because it would be premature to deliver a review of Scottish finances before the UK Government’s spending review on 11 June. All that Mr O’Kane has done is highlight once again how utterly dependent we are on—

Paul O’Kane: With respect, the cabinet secretary would acknowledge that the Scottish Government has not produced a medium-term financial strategy for quite some time.

Shirley-Anne Somerville: Indeed, and part of the challenge is that annual budget setting by the UK Government makes it exceptionally difficult to produce medium-term financial strategies, given that we are reliant on the UK Government for the vast majority of our funding. Regardless of the challenges that that presents, the Cabinet Secretary for Finance and Local Government will endeavour to produce that strategy.

There are challenges within the Government, and decisions need to be taken on how we can deliver services. However, the Scottish Government fundamentally objects to UK Government spending decisions that balance the books on the backs of the most vulnerable in our society, such as disabled people and pensioners, and through the continuation of the two-child cap, for example. All Governments have decisions to make, but I would not choose to take money away from disabled people and pensioners or to continue to take it away from large families.

Paul O’Kane: The cabinet secretary has made that point to me many times, and that is her view. However, she does not support any of the revenue-raising measures that the UK Government has taken, including the changes to national insurance, the changes to inheritance tax and the levy on energy companies, so I am keen to understand whether she has any suggestions about how the UK Government should raise revenue.

Shirley-Anne Somerville: It has been widely recognised that the increase in national insurance is a tax on jobs. At an economic and a political level, how the UK Government expects to deliver growth while delivering a tax on jobs remains a puzzle to me.

Paul O’Kane: Growth is increasing.

Shirley-Anne Somerville: The UK Government controls a lot more levers that can change and affect taxation and services. It could have made a number of changes to taxation and services. I simply say once again that I would not have chosen to balance the books on the backs of disabled people.

The Convener: I am conscious of the time. That concludes our questions. I thank the cabinet secretary and her officials for coming along.

I will suspend the meeting briefly to allow for a change of Scottish Government officials.

10:31

Meeting suspended.

10:35

On resuming—

Subordinate Legislation

Social Security (Miscellaneous Amendment) (Scotland) Regulations 2025 [Draft]

The Convener: The next item of business is consideration of a Scottish statutory instrument that is subject to the affirmative procedure, which means that the Parliament must approve it before it comes into force. I welcome back the Cabinet Secretary for Social Justice. She is joined by two Scottish Government officials: Ruth Steele, unit head for social security futures; and Kirsten Simonnet-Lefevre, solicitor in the legal department. Thank you for joining us. Following this evidence session, the committee will be invited to consider a motion to approve the instrument. I remind everyone that Scottish Government officials can speak under the current item but not in the debate that follows.

I invite the cabinet secretary to make a short opening statement.

Shirley-Anne Somerville: Thank you, convener. I appreciate the opportunity to give evidence on the Social Security (Miscellaneous Amendment) (Scotland) Regulations 2025, which bring forward a number of minor but necessary updates to legislation.

The amendments make three separate sets of changes to the legislation. The first set of provisions are required to remove references to tax credits from certain devolved benefit legislation. That follows the UK Government's decision to close tax credits from 5 April this year and ensures that the policy intent of the legislation matches the reality in relation to which qualifying reserved benefits are available to determine eligibility for devolved benefits.

Tax credits formed a route for establishing eligibility and responsibility for a child in relation to best start foods, best start grants and the Scottish child payment. They also formed a route for eligibility to the funeral support payment, the winter heating payment and the pension-age winter heating payment. Tax credits closed for new applications in April 2019, and the DWP and HM Revenue and Customs undertook a planned transition to universal credit, known as the "move to UC", to move eligible tax credit recipients on to universal credit before tax credits closed in April.

The amendments have been reviewed by the Scottish Commission on Social Security, which asked about the Scottish Government's role in the promotion of universal credit. Scottish Government

officials worked closely with Social Security Scotland to deliver a synchronised letter campaign that identified those who are in receipt of devolved social security payments with tax credits as a qualifying benefit. Social Security Scotland wrote letters and made phone calls to those clients, informing them of the upcoming changes and the effect that those could have on eligibility for their devolved benefits. There is no evidence that the move to UC has affected the numbers or eligibility of those applying for the named benefits, with applications and awards remaining relatively stable for each Scottish Government benefit.

A further amendment is required to the Social Security Information-sharing (Scotland) Regulations 2021 to replace an outdated reference to discretionary housing payments being made under the Discretionary Financial Assistance Regulations 2001.

The final set of amendments is required to ensure that appeals are dealt with consistently across all benefits. Those amendments update the Scottish Child Payment Regulations 2020 and the Carer's Allowance Supplement and Young Carer Grants (Residence Requirements and Procedural Provisions) (EU Exit) (Scotland) Regulations 2020. The changes relate to appeals for the Scottish child payment and carers allowance supplement, where individuals are seeking to receive that support from outside the UK. Those amendments align with the Social Security (Scotland) Act 2018, as amended by the Social Security (Amendment) (Scotland) Act 2025.

I extend my thanks to SCOSS for its formal scrutiny of the draft amendments. I welcome the opportunity to assist the committee in the consideration of the regulations today.

The Convener: Thank you, cabinet secretary. I had several questions, although you have basically answered one of them. I point out that you are welcome to invite your officials to answer anything, if you wish to do so.

Can you outline the advantages and disadvantages of using reserved benefits as the main qualifying condition for devolved benefits?

Shirley-Anne Somerville: Targeting support to those who are in receipt of certain benefits is an alternative to means testing. In essence, qualifying benefits assist in a means-testing manner, but that approach also helps to check other criteria, such as those on residency and identity, which then reduces the evidence requirements on the agency. Clearly, if we were not doing that and had our own means testing, more information would be required from the clients and there would be a more onerous administrative system. Those are the benefits of having the attachment to reserved benefits as a qualifying condition.

The Convener: As members have no more questions, we will move to agenda item 4, which is formal consideration of motion S6M-17467.

Motion moved,

That the Social Justice and Social Security Committee recommends that the Social Security (Miscellaneous Amendment) (Scotland) Regulations 2025 [draft] be approved.—[*Shirley-Anne Somerville*]

Motion agreed to.

The Convener: That concludes our public business for today and we now move into private.

10:42

Meeting continued in private until 10:55.

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