



The Scottish Parliament
Pàrlamaid na h-Alba

Social Justice and Social Security Committee

Shirley-Anne Somerville
MSP,
Cabinet Secretary for Social
Justice,
Scottish Government

Social Justice and Social Security Committee
The Scottish Parliament
Edinburgh
EH99 1SP

Via email only

Email: SJSS.committee@parliament.scot

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Dear Cabinet Secretary,

Inquiry into the effectiveness of the Scottish Child Payment

The Social Justice and Social Security Committee recently undertook a short inquiry into the effectiveness of the Scottish Child Payment (SCP) in reducing child poverty in Scotland. The Committee ran a [targeted call for views](#) between 28 March and 6 May and held two oral evidence sessions on [23](#) and [30](#) May 2024. All stakeholders were very supportive of the SCP and many were enthusiastic about the Payment's positive impact on families' finances.

Many witnesses emphasised the importance of the collection and use of data to ensure there is a robust evidence base. The Committee therefore agreed to write to you to highlight the evidence taken and to raise a number of related issues.

Quantitative data collection and the Family Resources Survey (FRS)

Firstly, there was broad consensus that time lags associated with statistical data mean that the effectiveness of the Payment is yet to be seen ([23 May, Col. 2-3](#)). Stephen Sinclair, Chair of the Poverty and Inequality Commission, commented that “it is unfortunate that the full impact of the Scottish Child Payment is not yet evident in the statistics” ([30 May, Col. 4](#)). He said he hopes the policy’s impact will be evident in data released next year, as these should reflect full roll out of the policy.

Witnesses also commented that more could be done to refine how information is collected.

Professor Ruth Patrick, University of York, specifically commented that surveys such as the Family Resources Survey (FRS) have ‘limitations’ ([23 May, Col. 4](#)) associated with them, and suggested that alternative methods of quantitative monitoring should be found given the undercount of Universal Credit claimants in the FRS:

“...about the quantitative monitoring of the effect of the Scottish Child Payment, we probably need to find alternative ways of doing that, because, as members might be aware, there were some issues with the data in the family resources survey. There is a very large undercount of universal credit claimants in the FRS, which is not explained by people underreporting having universal credit. Obviously, because that is linked to eligibility for the Scottish Child Payment, it affects how we monitor the situation, so I would argue that we should look for alternative ways of monitoring. For example, that could be done through the children in low-income families data, which is currently calibrated with the households below average income data.” ([23 May Col. 3](#))

Jack Evans, Joseph Rowntree Foundation (JRF) said “data gaps are concerning” ([30 May, Col. 2](#)) and that the “quality of the data is worryingly low”. He also stated that the “low level of sampling in the FRS and the households below average income data is unacceptable” ([30 May, Col. 5](#)) and that JRF would write to the relevant authorities to ask them to rectify this.

Dr Juliet Stone, Loughborough University, agreed data beyond the FRS is needed and stressed:

“...there are other data sources, such as the linked administrative data, from which we could probably get a more robust estimate of the number of children living in relative poverty. It would still be an estimate, but it would be robust.” ([23 May, Col. 16](#))

Tom Wernham, Institute for Fiscal Studies, said that plans to link the FRS to administrative data in the future could address the underreporting issue mentioned by Professor Patrick. However, he also commented that he is unsure whether plans are in place for the Department for Work and Pensions to receive data on applications for the

SCP, but said “it seems very important to make sure that that happens”, as this will weight the FRS better ([23 May, Col. 4](#)). He added that data collection could be improved by “bringing in more data sets” and having improved regional information ([23 May, Col. 4](#)).

Ruth Boyle, The Poverty Alliance, said that “all routes lead back to the data question” and said it is “very hard to disaggregate the data that we have by income bands or to look at the impact on deep or persistent poverty.” ([30 May, Col. 6](#))

She added that, while the organisation does expect the SCP to have a “strong impact” on the alleviation of child poverty:

“We do not yet have the data to make a definitive assessment of the impact of the payment at that level, because of the time lags in the data that Jack mentioned, the undersampling of parents who are in receipt of the payment and some uncertainty about how we can use that data to make year-on-year comparisons.” ([30 May, Col. 3-4](#))

Comparatively, Citizens Advice Scotland [report](#) that their data is beginning to reveal the impact SCP is having.

Qualitative data

Professor Patrick emphasised the collecting of qualitative data ([23 May, Col. 3](#)) and looking at what is happening in the ‘short term’ in terms of expected improvements to household finances ([23 May, Col. 10](#)). Jack Evans also highlighted the value of testimony from families and cited evidence gathered by JRF:

“In the spring last year, we conducted a 4,000-person survey that asked people about the impact of the Scottish Child Payment. We found that two in three people felt more financially secure once they received it.” ([30 May, Col. 3](#))

He added that this is not visible in statistics, but that “that is more a data issue than an issue around the effectiveness of the policy” ([30 May, Col. 3](#)).

Tom Wernham said more can be done with the data that already exists to look at specific outcomes, such as whether families are managing to pay bills or if they feel they are experiencing food insecurity, and that trends could be observed over time ([23 May, Col. 13](#)).

Administrative data

On the theme of linked administrative data, Professor Emma Tominey, University of York, said that, while Scotland has the infrastructure to do it, the link to social security data is missing. She explained the impact of such a link:

“If we had that link, we could, for example, look at the population of Scotland and the same families across time. We would see the impact that the introduction of the Scottish Child Payment has had on households. That is in huge contrast to the FRS, which takes a cross-section approach with a different set of households. Whether it is to understand the proportion of children who are living in poverty or whether it is to dig deep to understand the consequences for the labour supply or for education, the link to administrative data would allow us to explore in depth the effect of the Scottish Child Payment.” ([23 May, Col. 6](#))

On the Scottish Government’s interim report into tackling child poverty, Professor Tominey highlighted that it is vital this is complemented by independent and academic analysis ([23 May, Col. 10](#)), and stressed the need for better data more generally using information already available:

“...the linked administrative data sets exist, and we can analyse that data to understand the full consequence and benefit of the Scottish Child Payment.” ([23 May, Col. 10](#))

She also said statistics can be produced which “are quite easy for the public to engage in and which make it easy to judge the success of the policy” ([23 May, Col. 17](#)).

Comparative analysis

Witnesses also discussed the importance of comparative analysis, particularly with other parts of the UK ([23 May, Col. 9](#)) and across Europe ([23 May, Col. 10](#)).

Professor Danny Dorling, University of Oxford, commented that he had been looking at the Scottish Government’s modelling, and said he found it to be “rigorous, fair and good-quality work”. He noted that:

“If we were open to allowing researchers from other countries to look at some of our records, it would be interesting to see what they would find and say from a view that was dispassionate in a different way.” ([23 May, Col. 11](#))

Modelling

On the modelling for the SCP, Stephen Sinclair said, while modelling is useful, and allows for scenario planning and the consideration of options, it “has to be supplemented with hard data and survey data”. He said local data can be used and mentioned the calls from other witnesses for better use of administrative data ([30 May, Col. 7](#)). He also talked about relevant work that has been undertaken:

“We have some good development work under way in Scotland, which is led by the Improvement Service and Public Health Scotland. Glasgow Community Planning Partnership has worked with the Centre for Civic Innovation to get a

very good, detailed profile at the local level of the distribution of poverty and the different households that are particularly vulnerable to it.”

In terms of improvements that could be made to the presentation of modelling, Tom Wernham stated “easy wins could be had by making fuller use of the data that is already going into the modelling” ([23 May, Col. 13](#)), including the publication of information on income distribution:

“It would be better if the Scottish Government published how incomes are changing across the distribution—this many pounds to the poorest 10 per cent, then to the next 10 per cent, and so on— to get a fuller picture” ([23 May, Col. 13](#))

Information sought by the Committee

Taking into consideration the evidence detailed above, the Committee would like a response from the Scottish Government to the following questions by **25 July 2024**:

- What quantitative and qualitative data does the Scottish Government use to inform policy for the Scottish Child Payment?
- What is the Scottish Government doing to improve how it collects and publishes data relevant to the Scottish Child Payment?
- What does the Scottish Government consider to be the strengths and limitations of using data from the Family Resource Survey to assess the impact of the Scottish Child Payment? What is being done to address the limitations?
- Can the Scottish Government confirm whether the Department of Work and Pensions receive data on applications for the Scottish Child Payment?
- What is the Scottish Government's view of the positives and negatives of increasing the linkages between different sets of administrative data? To what extent could developing this assist in our understanding of the impact of SCP?
- Is the Scottish Government confident that the effect of full implementation of the Scottish Child Payment policy will be evident in next year's statistics?

Yours sincerely,



Collette Stevenson MSP
Convener
Social Justice and Social Security Committee