

Scottish Child Payment

Submission by Save the Children, May 2024

Save the Children's work in Scotland focuses on working with partners and stakeholders to reduce child poverty and to mitigate the impacts of poverty on the youngest children, we believe every child should have an equal chance to thrive and meet their potential.

Save the Children believes that the Scottish Child Payment (SCP) has had a significant impact for low-income families in Scotland and will continue to be a vital tool in delivering the Scottish Government's ambitious targets to reduce child poverty.

Along with other organisations and particularly the End Child Poverty Coalition, Save the Children supported the introduction of the SCP; and subsequently advocated for increasing the payment to £40 by the end of this parliament, which is what modelling shows is needed to meet Scotland's legally binding targets.ⁱ

Inadequate social security remains one of the key drivers of child poverty.ⁱⁱ The SCP has been a vital investment supporting tens of thousands of low-income families in Scotland. From conversations with parents and carers, we know that the additional money goes towards essentials, like food and clothing, and that it can enable children to participate in activities at school and with friends.

It is clear to us that the SCP is greatly valued by parents and has been highly effective in mitigating the worst impacts of the rising cost of essentials. It is something that the Scottish Government should continue to invest in, to deliver its 2030 child poverty reduction targets and to ensure that every child can reach their potential.

We welcome the opportunity to respond to the Social Justice and Social Security Committee's inquiry. The remainder of our response focuses on three of the Committee's questions, drawing largely on evidence we have gathered from conversations with parents on a low income over the last two years. Beyond the official SCP statistics and data it is vital that the experiences, views and stories of those affected by poverty are at the heart of decision making.

What is the impact of the Scottish Child Payment on individual households?

From the many conversations we have had with children and families since the roll-out of the SCP, Save the Children's view is that the SCP is having a significantly positive impact on families and therefore must be a continued priority for investment.

Parents have told us that the extra money is much needed and is often spent on essentials like food and energy. Parents have also talked to us about the positive impact the income from SCP has had on their mental health, especially since the payment was increased to £25 per child and rolled out to eligible under 16s. Knowing that extra cash will be available to spend on things their child needs allows parents to worry less and plan their finances better. In turn, parents feel they are more able to give their children the social interactions and play they need to thrive emotionally. This means there are multiple benefits for children’s wellbeing beyond the material.

“The Scottish Child Payment helps loads.” (Parent in Scotland, 2023)

“Scottish Child Payment is amazing. I mean, it helps people that’s nae got a lot... like there’s loads of things it actually opens doors for, and you don’t need to worry because you’ve already been paid so you can pay your bills all that, that’s already paid it’s actual money you can use and you’re not stressing.” (Mother, Aberdeenshire, 2023)

Further, now that families with younger children will automatically access Best Start Grants and Best Start Foods if they have applied for the SCP, the payment has added value as a gateway to other forms of support which is key.

However, our conversations with parents mirror conclusions made elsewhere, including in the Scottish Government’s own data,ⁱⁱⁱ that despite the SCP having a positive impact on families, it is not enough to significantly change their financial situation overall. That is, while the SCP eases some financial strain, families nevertheless continue to struggle to make ends meet.

A recent quote from a parent illustrates this and is indicative of many parents’ experiences:

“The Scottish Child Payment is amazing – it helps me buy food and clothes. Sometimes I put a bit towards my energy bills too. But everything is so expensive, like silly expensive, so I don’t have near enough for everything I need. I work full time [when not on maternity leave] and I can’t keep forking out cash that I don’t have. It’s the thing I think about the most and the stress is really not good for me. And it’s depressing that even working really hard for your family sometimes doesn’t pay off. I’m just getting into debt and it gets me so down.” (Parent in Scotland, 2024)

Families are continually telling us the impact the cost-of-living crisis has had on their finances and their children’s lives. As a result, instead of transforming family finances, the SCP is simply helping families tread water.

“Everything right now is overwhelming.” (Parent in Scotland, 2023)

“Everything has gone up... extra money is managing us through [but] because everything went up, they [social security payments] are not actually getting you any further than what you were previously.” (Parent, Renfrewshire, 2023)

“You can use [the SCP] towards taking the kids out for the day [but] you are not getting its intended use because you are cutting back on so many things.”
(Parent, Renfrewshire, 2023)

Save the Children believes that there is a clear need to increase investment in the SCP to the point where it can significantly improve families’ financial security. The modelling we produced with the Trussell Trust and IPPR Scotland indicates that a payment of £40 per week is required to meet Scotland’s 2030 child poverty reduction targets.^{iv} Increasing investment in the SCP would have the greatest benefit on the priority families who are at highest risk of child poverty and are most likely to be reliant on social security.

Is the process for applying for the Scottish Child Payment straightforward for families to navigate, and if not, what are the barriers you are aware of?

Parents have told us that the service they receive from Social Security Scotland (SSS) when applying for the SCP is generally better than the service they receive from the Department for Work and Pensions (DWP). They feel it is a more dignified process and an easier system to navigate. However, they have told us about different types of barriers that remain.

One parent with a young baby told us that if her mum did not phone and deal with the application for her, she would have been unable to do it. Another parent pointed out that, although applying for the SCP is generally easier than applying for Universal Credit (UC), being on UC is a condition for receiving SCP and thus the barriers that prevent parents applying for UC also apply to SCP. Save the Children has previously responded positively to a consultation about making SCP a stand-alone benefit.

As mentioned above, the SCP brings added benefit to families by acting as a gateway to receiving Best Start Foods and Best Start Grants. This has a positive effect in enabling low-income families to maximise their social security entitlements.

Is the Scottish Child Payment effective as a targeted intervention to reduce child poverty or could the money be better spent in other ways?

For children in Scotland, poverty is the biggest threat to a child’s wellbeing and life chances, and it is also the biggest threat to the realisation of their rights under the

UNCRC. Fundamentally, tackling poverty is about increasing household income. Increasing social security is the quickest and most efficient way to increase household income and therefore lower child poverty rates. While there remains a lot of work to do to bring the employment market closer to low income parents – especially mothers – and improve flexibility in the jobs market, for many families employment, or increasing employment is not a viable option. This might be because of a disability or complex childcare requirements. Therefore an adequate social security safety net is necessary. By putting money directly in the hands of families, the SCP is a vital mechanism in preventing child poverty in Scotland which should continue to be invested in.

When assessing its ‘effectiveness’ in reducing child poverty, it is important to remember that the latest statistics for 2022-23 do not reflect the full impact of the increase in the SCP to £25 in November 2022. It is also relevant to note that child poverty levels in Scotland have remained broadly stable at a time of rising costs and at a time when child poverty is rising in the UK as a whole.^v This suggests that the SCP, as part of a package of measures, could be protecting low-income in Scotland from being pulled into poverty or further into deep poverty.

However, it is clear from the data, from our modelling and from the conversations we have had with families, that further investment is required to achieve the policy intention of reducing child poverty. Save the Children, along with a coalition of other organisations, believes that the Scottish Government must increase the SCP to £40 over the lifetime of this parliament in order to meet its statutory child poverty reduction targets.^{vi}

In addition, Save the Children is concerned about the particular impacts of high cost of living on the priority family types who are at the highest risk of child poverty.^{vii} The Scottish Government should also consider providing a supplement to the SCP for families in the deepest and most persistent poverty and who are most reliant on social security, such as families with a baby, to ensure that the payment is not only lifting families out of poverty who are closest to the poverty line, but those who are furthest away.

ⁱ Trussel Trust & Save the Children (2023) [Tackling Child Poverty and Destitution: Next steps for the Scottish Child Payment and the Scottish Welfare Fund](#)

ⁱⁱ Scottish Government (2022) Best Start, Bright Futures: Tackling Child Poverty Delivery Plan 2022-2026

ⁱⁱⁱ Scottish Government (2024) [Poverty and Income Inequality in Scotland 2020-23](#)

^{iv} Trussel Trust & Save the Children (2023) [Tackling Child Poverty and Destitution: Next steps for the Scottish Child Payment and the Scottish Welfare Fund](#)

^v Resolution Foundation (2024) [New HBAI data shows rises in food insecurity and child poverty during cost-of-living crisis](#)

^{vi} Enc Child Poverty Coalition (2023) [Shifting the Dial on Child Poverty: ECP Budget Briefing 2024 - 2025](#)

^{vii} Scottish Government (2023) [Poverty rates amongst priority family types - Tackling child poverty priority families overview](#)