

Supplementary briefing Scottish Child Payment

Meeting of the Social Justice Social Security Committee 30th May 2024

Purpose

This briefing is to provide supplementary information to support the enquiries of the Social Justice Social Security Committee concerning the impact and future of Scottish Child Payment. Since the enquiry commenced, we have been able to review additional network data and to further consider the matters addressed on the 30th May.

Introduction

- Cash first support is vital to provide parents with the dignity of choice over how to provide for their children. The cost of providing it must be balanced against the cost of not providing it. Evidence is emerging that in Scotland child poverty rates and growth and patterns of food insecurity are diverging from the rest of the UK because of the bold policy choice to implement SCP.
- Since insufficient household income is the immediate fundamental driver of child poverty, a cash first approach to improving access to income should be considered foundational and therefore crucial to the success of a wider approach.

Our data is beginning to reveal an impact

- Excluding lone parents, all household types with dependent children represented 13% of those receiving food insecurity advice in the financial year (FY) 2023-24. Compare this to single person households, who represented 46% of food insecurity advice clients during that year.
- The **proportion of households with children receiving food insecurity advice decreased by 10% over February to March in the FY 2023-2024. Over the same period in 2021-22 it increased by 29%.** The Scottish Child Payment is one factor that has impacted on households with children in this time frame that may be involved in this pattern.
- During the months February-March 2021, of those clients receiving food insecurity advice recorded as having a caring responsibility for a child without a disability, the numbers grew by 11%, during the three months from January-March 2024 the numbers grew by 5% of clients, a welcome slow down.
- Of all households with children receiving food insecurity advice, **couples with one child represent a very small proportion, less than 1% in FY 2023-24.**
- Larger families represented 3% of food insecurity clients across the three years. These families represent a numerically small proportion of our food insecurity clients, and are more likely to be impacted by the two-child limit and benefit cap, as well as inflation, a longer-term data set will be required to identify any meaningful changes.

Our priorities for eligibility for a new Childhood Assistance Payment

- The new payment must maintain its administrative simplicity but be sufficiently needs targeted as to capture those not currently able to access reserved means tested benefits. This includes; those in receipt of Maternity Allowance, some students, and those with no recourse to public funds (NRTPF).
- The management of "cliff edges" by considering earnings tapering, work allowances and age tapering from age sixteen to nineteen.

Providing a greater range of evidence to establish responsibility for a child

- Difficulty establishing responsibility for a child is the key administrative challenge faced by claimants not connected to the reserved system.
- During 2023-24 34% of CAS Scottish Child Payment clients indicated that they are lone parents, compared to 30% who indicated that they part of a couple.
- The ability to draw on a wider range of evidence would benefit lone parents, those who have experienced domestic abuse, those with limited digital access, literacy difficulties, no recourse to public funds, and relationship breakdowns.
- Drawing on a wider range of evidence could support the identification of non-resident parents with significant caring responsibilities. We consider that exploration of how to equitably support these parents is required.

Providing a “holistic no wrong door approach” based on Social Security Scotland’s Local Delivery Teams

- The Institute for Fiscal Studies (IFS) concluded Sure Start likely reduced the need for support for many children initially recorded as having a special need, offsetting the cost of the programme by around 8%. Sure Start was particularly effective for children from low-income backgrounds, resulting in higher life-time earnings. The effect was largest where budget was directed to providing outreach.
- The collated evidence of a wide-ranging evaluation of the programme conducted over four years from 2012-2016 demonstrated that Sure Start reach areas showed a bigger fall in child poverty levels than their corresponding local authorities and in England from 2006- 2011. In the most deprived areas, child poverty levels fell by five percentage points.
- The Sure Start programme was managed by a partnership of health, education, social services and the voluntary sector. Social Security Scotland’s Local Area Delivery teams provide an infrastructure that has the potential to be built upon at a key point of contact with parents to ensure that those who need it can be supported to access and be connected to a range of services via one roof.
- This would require that the service be offered to all of those making enquiries about Scottish Child Payment, drop in and pop-up services, referral pathways and warm handover and referral arrangements with key partners.
- The links could include, for example, holistic debt advice through a Citizen’s Advice Bureau to childcare providers to health, employability and parenting services.
- The Local Area Delivery existing home visit capacity has the potential to be developed into a service able to provide the outreach provision.
- While the policy is designed to reach those most likely to benefit from it, those with low incomes, it will also benefit those making enquiries as to eligibility but who do not meet the criteria, and those transitioning away from Scottish Child Payment as earnings increase.

Summary

- In the context of reserved social security choices, labour, energy, and housing market failures mandates, bold, holistic, root cause driven solutions are needed. SCP is one of these solutions; it is a foundational policy upon which a holistic approach to tackling child poverty can be built.