

Social Justice and Social Security Committee

Thursday 28 November 2024



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SOCIAL JUSTICE AND SOCIAL SECURITY COMMITTEE 32nd Meeting 2024, Session 6

CONVENER

*Collette Stevenson (East Kilbride) (SNP)

DEPUTY CONVENER

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

COMMITTEE MEMBERS

- *Jeremy Balfour (Lothian) (Con)
- *Katy Clark (West Scotland) (Lab)
- *Gordon MacDonald (Edinburgh Pentlands) (SNP)
- *Marie McNair (Clydebank and Milngavie) (SNP)
- *Paul O'Kane (West Scotland) (Lab)
- *Liz Smith (Mid Scotland and Fife) (Con)

THE FOLLOWING ALSO PARTICIPATED:

Chris Birt (Joseph Rowntree Foundation)
John Dickie (End Child Poverty Coalition)
Dr Hannah Randolph (Fraser of Allander Institute)
Professor Stephen Sinclair (Poverty and Inequality Commission)

CLERK TO THE COMMITTEE

Claire Menzies

LOCATION

The Mary Fairfax Somerville Room (CR2)

^{*}attended

Scottish Parliament

Social Justice and Social Security Committee

Thursday 28 November 2024

[The Convener opened the meeting at 09:30]

Decision on Taking Business in Private

The Convener (Collette Stevenson): Good morning, and a warm welcome to the 32nd meeting in 2024 of the Social Justice and Social Security Committee. We have not received any apologies.

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

Members indicated agreement.

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

09:30

The Convener: Our next item of business is our second evidence session for our post-legislative scrutiny of the Child Poverty (Scotland) Act 2017. The committee has already done some scrutiny work on child poverty through its inquiries into the impact of the Scotlish child payment and efforts to increase earnings from parental employment. This inquiry adds to that work by considering the impact of having a legislative framework in the act that underpins policies. Last week, we heard from a panel of witnesses who focused on the impact of the act on local policy and delivery.

will Today, the committee hear from representatives of national organisations, including those who called for the creation of statutory targets. I welcome our witnesses: Chris Birt, associate director for Scotland, Wales and Northern Ireland, Joseph Rowntree Foundation; Hannah Randolph, economics fellow, the Fraser of Allander Institute; John Dickie, director, Child Poverty Action Group in Scotland, who is representing the End Child Poverty coalition; and Professor Stephen Sinclair, chair, Poverty and Inequality Commission. Thank you for joining us.

I will mention a few housekeeping points. Please wait until I or a member says your name before speaking and allow our broadcasting colleagues a few seconds to turn your microphone on before you start to speak. I ask everyone to keep questions and answers as concise as possible. Gordon MacDonald has the first question.

Gordon MacDonald (Edinburgh Pentlands) (SNP): I would like to set the scene. With regard to tackling child poverty, I am keen to understand how important the 2017 act was in focusing attention on low-income families.

John Dickie (End Child Poverty Coalition): It was very important. The act has been hugely welcome, and it has made a big difference to the level of focus on tackling child poverty, on the actual impact on children and families and on what we expect to see in terms of overall levels of child poverty in the future. I am here as the director of CPAG but also as a member of the End Child Poverty coalition, which is a coalition of 120 organisations across the United Kingdom. We worked together in Scotland as equality organisations, anti-poverty organisations and children's charities to inform and influence the introduction of the act, and we think that it has made a real difference.

Collectively, we have seen a real increase in the priority that is attached to child poverty across Government. There is a real sense that a much more whole-Government approach has been taken to the issue than was the case pre-2017, so it is seen not only as a public health issue, a children and families issue or a social security issue but as an issue for all the bits of Government.

We have seen a very real increase in the level of leadership—in civil service official-level leadership but also in ministerial, cabinet secretary and political leadership. There have been three First Ministers since the act was introduced, and all have made tackling child poverty a top priority. Tackling child poverty has become the responsibility of cabinet secretaries, but I can remember a time when child poverty sat in the public health minister's very wide portfolio. Therefore, tackling child poverty now has an increased level of leadership attached to it, and the level of capacity in the civil service for the issue has also increased.

As a bit of background, I have been working with CPAG for more than 20 years, in which time I have sought to inform and influence policy on child poverty to bring about progress. I remember the days when it was the responsibility of just one or two civil servants, and it was tucked away in a more junior ministerial portfolio. You would be engaging with just one division of Government, so there has been a sea change.

However, it is not just about process, priority and leadership. Since 2017, when the act came in, we have seen real improvements in the position of low-income families with children. Analysis by the Institute for Fiscal Studies shows that tax and benefit decisions that have been made in Scotland since that time mean that low-income families with children are, on average, £2,000 a year better off than their peers elsewhere in the UK.

We know that, according to all the modelling—whether it has been done by the Government, CPAG, the Institute for Public Policy Research or others—the Scottish child payment is lifting between 40,000 and 60,000 children out of poverty. That is a reduction in levels of child poverty of between 4 to 6 percentage points.

What is perhaps most important is that we know what a difference those policies—particularly the Scottish child payment but also other forms of support—are making to the lives of parents and carers. They are telling us what a difference it makes in terms of their ability to pay for essentials, whether that is nappies, food or energy bills, and in terms of opening up social, educational or employment opportunities. The policies are making a real difference to the lives of individual children and their families.

We know from the analysis that Loughborough University has undertaken for CPAG that the policies that are in place—the Scottish child payment, the school clothing grant, free transport for young people, the provision of universal free school meals in primary schools and so on—are all narrowing the gap between the costs that families face, including the costs of a child, and the incomes that are available to them. That gap is still far too wide, but it is significantly narrower than it is elsewhere in the UK.

Overall, those policies have made a real impact. Technically, it is feasible that that could have happened without the legal framework being in place, but it is hard to imagine that we would have seen such levels of focus, policy intervention and significant investment without the shift that the act brought about, whereby Scottish ministers have had a direct legal responsibility to bring about significant reductions in child poverty.

That is very positive. I say that with the proviso that the reality is that far too many children still live in poverty in Scotland, and members of the End Child Poverty coalition deal with families who face extraordinary hardship day in, day out. The Government's own analysis shows that the current policy package is nowhere near adequate to ensure that we reach the targets that are set out in the act. There is a long way to go, and I hope that, later on, we will have a bit of discussion about why that is the case.

Gordon MacDonald: I am sure that some of my colleagues will be asking questions along those lines. Thank you for that, John.

Chris Birt, do you have anything to add to that?

Chris Birt (Joseph Rowntree Foundation): One thing that is also important about the act is that, since it was passed, a number of things have happened that are outwith the control of the Scottish Government, such as UK Government policy changes, the pandemic, the cost of living crisis and all of those on-going storms.

Without the act, there was a risk that the Scottish Government and the Scottish Parliament could have decided to react to those temporary shocks and immediate emergencies without giving thought to the provision of a better society with much lower poverty levels in the longer term. The act has been absolutely crucial in ensuring that the Government has been focused not just on the immediate hardship that people face but on fixing the issue in the longer term.

The other thing that is really key about the act is that it was passed unanimously. Every member of the Scottish Parliament signed up for the targets and stood on manifestos that showed that. We are about to go into a budget process where the Government is in a minority. I am sure that

members are all starting to think about the election in 2026 and so on. For every representative in Scotland, the act brings home the change that they have all committed to.

Gordon MacDonald: You have touched upon the subject of statutory targets, but I wonder if you could expand on that. There was a removal of statutory targets in the rest of the UK. What would the impact have been if Scotland had followed suit?

Chris Birt: First and foremost, we would be letting people down. As John Dickie said, whether a target is met means absolutely nothing to a family that is struggling to make ends meet. However, there is a massive risk in the situation. The Scottish Parliament as a whole should see the targets as a litmus test of itself as an institution. As you say, when the 2017 act was passed, we looked at Westminster and saw that it had binned its targets and that child poverty was on the rise it has now reached outrageous levels, although it is worse in some parts of the UK than in Scotland-and the Scottish Parliament stood up and said, "No, we want to see that change. We remain committed, but we are still a long way off our targets". Now is the time for people across the political spectrum to double down and ask how they are going to meet those targets. It was a great failure on the part of the UK Government to bin those targets, and it would be a great failure on the part of the Scottish Parliament not to meet ours.

Professor Stephen Sinclair (Poverty and Inequality Commission): I agree that the 2017 act has given focus and impetus. We can point to substantive actions and significant changes to processes that probably would not have been implemented had the act not been in place. For example, I do not think that the engagement with stakeholders and experts by experience would have been so central otherwise. I was impressed by the level of engagement across the Scottish Government when I met senior civil servants and directorates. They were thinking about how child poverty relates to criminal justice, for example. I do not think that that mentality would have been embedded were it not for the 2017 act.

The act added value in another relatively small but important way. My colleague John McKendrick and I carried out an evaluation of local authorities when the UK Child Poverty Act 2010 was put in place. At that time, there was no statutory reporting duty on Scottish local authorities, so Save the Children asked us to investigate that. We found that local officers who were responsible for child poverty and related issues regretted not having that statutory duty, because they felt that having it would have strengthened their hand, including in negotiations, and strengthened their

prominence within their authorities. That is not to say that any authorities were not giving attention to child poverty, but it being a statutory obligation would have granted access and authority that those officers otherwise did not have. Therefore, we should note the value added by the 2017 act placing duties on health boards as well as local authorities and their community planning partners.

Dr Hannah Randolph (Fraser of Allander Institute): We know that there has been a very difficult fiscal environment, and, as others have said, the act has really focused attention on the issue and made it difficult to withdraw support or vary the level of support provided over time in response to various fiscal pressures. That has increased the level of investment. As Stephen Sinclair said, the availability of data has also made scrutiny much more possible, so that we can see that the level of investment has been maintained.

Gordon MacDonald: I have a side question to ask, and then I will pass on to my colleagues. Scotland has a high proportion of social housing—the highest proportion in any part of the UK—and some measures of poverty are taken before or after housing costs. In tackling child poverty, how important is it that we maintain that level of social housing?

John Dickie: It is very important. Even prior to the 2017 act, Scotland had lower levels of child poverty, and, although progress was made on child poverty between the mid-1990s and 2010 at the UK level, that progress was made faster here in Scotland. That is, in large part, because we continued to invest in social housing and to ensure that housing costs were more affordable than elsewhere in the UK.

Keeping housing costs affordable has been a significant lever in reducing levels of child poverty, but we need to be careful not to be complacent about that, because there are increasing numbers of families living in the private sector that are facing high housing costs—that is, if they can get decent housing in the first place. High housing cost is a significant factor pushing families into poverty. Just looking at the difference between the before-housing-costs measure and the afterhousing-costs measure, we can see that some 50,000 children are pushed into poverty as a result of the housing costs issue. The slight difference between the measures that are used in the Scottish 2017 act and the UK 2010 act, with the former using after-housing costs as the headline measure, is important and welcome. It is telling that the new UK Government is looking at a similar after-housing-costs measure as its key measure for developing strategy on child poverty at the UK

09:45

Chris Birt: What John Dickie said is absolutely right. However, there is a flashing red light on the dashboard in Scotland at the moment. Our data on housing is not great. At the acute end of hardship in housing, all the data—on homelessness, temporary accommodation and so on—is extremely bad. Looking back at poverty rates at the turn of the millennium, we can see that housing costs were not very different across the UK. However, when we stop investing in social housing, it does not take long for poverty rates to change, and that is what we have seen across England. London is an example that is particularly bad, but it is happening across the rest of England and Wales.

Housing is the foundation on which people build their lives. All of the good things that we want people to experience start from where they live. Incomes have not risen significantly recently, so if we allow housing costs to rise, poverty rises. Next week's budget will be big for investment in social housing.

Gordon MacDonald: Stephen or Hannah, would you like to add anything to that?

Professor Sinclair: I will add two points that are worth noting.

First, minority ethnic communities are overrepresented in the private rented sector, so there are particular possibilities in that sector for helping one of the priority family types that are most vulnerable to poverty. Secondly, the issue goes beyond housing, because it is also about social security and local authorities' funding.

The mitigation of the underoccupation penalty should be noted. The penalty should never have been introduced; it is not functional or fit for purpose. It is worth noting that the Scottish Government and local authorities have addressed it as far as they can, because that has been quite impactful.

Gordon MacDonald: Hannah, do you have anything to add?

Dr Randolph: No.

The Convener: I invite Paul O'Kane to come in.

Paul O'Kane (West Scotland) (Lab): Good morning. My questions develop the theme of the measures. Will you give a general comment on the advantages and disadvantages of the poverty measures that were used as targets in the 2017 act? Perhaps you can also reflect on the influence of the choice of those measures on policy. What impact do the targets have on the policies that are chosen to be explored? I appreciate that those are broad questions, but I hope that they allow you to bring up various points.

Chris Birt: John Dickie touched on part of the answer to that when he said that it was important to have an after-housing-costs measure, because that addresses the reality of people's lives. In our written response, we said that we are as guilty as anyone of focusing on the relative poverty measure. The broader package is important, because it gets into issues such as material deprivation and persistence of poverty, which are always important to keep in mind.

It is sad that one of the things that we have to think about at the moment is the depth of poverty. Of course, there are people who are just below the poverty line—let us face it, the relative poverty line is a slightly arbitrary measure, but it is an important one that is used around the world. However, there are people who are miles away from that level at the moment, who are in deep hardship.

There has been some chat—we refer to this in our written response—about how we should not focus only on income, because poverty is not only about income; it is also about experiences. That is absolutely true. However, income is a very useful proxy. Families who are experiencing poverty experience low incomes—that is a big part of their struggle. Yes, they need better services, and we can talk about that, but I think that the measures that we have are the right ones and that the balance between them is good. The idea that we are spending so much time focusing on incomes that we have lost our focus on other things is, frankly, for the dogs. Do we think that people are going about with too much money because we are not focusing on other anti-poverty measures? No.

Paul O'Kane: I want to build on what Chris Birt has said. The Poverty and Inequality Commission's submission refers to the focus on those people who are on the cusp of the poverty line and on how there is perhaps too much focus on incomes. Professor Sinclair, would you like to touch on that? How can we take a broader approach and focus on the issue of deep poverty as well?

Professor Sinclair: In our testimony, we said that, when you have income-based targets, there is always a risk that there will be a focus on those who are closest to the poverty line, but that we have not yet seen any evidence of a distortion in activity.

It is important that the Scottish Government has developed two successive child poverty delivery plans that identify the three key drivers of poverty. For example, attention is given not only to increasing income but to reducing household costs. There is a lot of attention, particularly through the work of the Child Poverty Action Group and its expert advice, on reducing the cost

of the school day. Attention has also been given to transport.

Yes, there is always a risk of distortion, but we do not see any signs of that or any anxiety about that yet. We are not anywhere near the false allegation that the policy is based on "poverty plus a pound". That allegation was not even accurate when it was used as a criticism of the UK Government. That is a handy slogan that was used to dismiss the very substantive progress that was made at that time.

We certainly do not see any evidence of such distortion yet. However, one of the jobs of the commission is to offer advice. If we did see any movement in that direction, we would be quite vocal in drawing attention to it.

Paul O'Kane: John Dickie or Hannah Randolph, would either of you like to comment on the broader point?

John Dickie: I echo much of what Chris Birt and Stephen Sinclair have said. Another advantage is that the headline measure of 60 per cent of median income—that is, the relative poverty measure—is consistent with international measures of child poverty, which I think is important. As I said earlier, the fact that the new UK Government has referenced that as its guiding measure in the initial stages of developing its strategy demonstrates that point. The measure has widespread backing among social policy academics, poverty analysts and anti-poverty organisations.

Over the past 25 years, there have been several large-scale consultations that have looked into the best measures of poverty, including those led by the UK Government—the Department for Work and Pensions—as well as those that were held prior to the introduction of the Child Poverty (Scotland) Bill, and they have all settled on this kind of package of measures.

As Chris highlighted, the measures are not only about income. There is also a material deprivation measure that looks at a combination of low income and what it is that families and children are materially missing out on.

To answer the question about whether the choice of measures is having an impact on policy decisions, it is, but it is doing so in a very positive way. The measures recognise that, fundamentally, poverty is about lack of income. That is not the only aspect but, fundamentally, that is what it is about. The measures have successfully driven policy interventions in relation to social security and supporting parents to access paid employment that are about increasing incomes.

What the measures do not pick up on is some of the wider costs. They pick up on housing costs, but they do not pick up on childcare costs, energy costs and costs that had a particular impact during the cost of living crisis on low-income families. There is no question but that we need to have wider ways of measuring what is happening to children and families, not least by talking to children and families about what they are experiencing.

However, these are the right measures to have as the headline measures. For example, taking the headline figure that I used earlier, the Scottish child payment is lifting 40,000 to 60,000 children out of poverty, but that is only part of what it is doing. It is reducing the depth of poverty for all those families who are further below the poverty line—it is bringing them closer to the poverty line and giving them more of the resources that they need to access opportunities to stabilise their family lives and to move above the poverty line if other policy interventions are put in place. The Scottish child payment also provides a buffer for families whose children are currently above the poverty line threshold. It is doing a lot more than just lifting children above a line.

Regarding other evidence, I was thinking about whether the package of measures is skewing policy away from interventions and investments that do not simply lift children above the poverty line. No, it is not. The mitigation of the benefit cap in Scotland is a good example of that. The benefit cap does not in itself push many children into poverty, because it affects those families who are in deeper poverty—it deepens their poverty even further. However, it is still the right thing to do to mitigate that cap and to invest in supporting local housing authorities through discretionary payments to, in effect, remove the cap in Scotland.

That is a policy that has been put in place, invested in and supported. It does not lift that many children above the poverty line, but it is still really important, and it is happening as part of a wider package of measures.

Dr Randolph: Beyond the material deprivation measure, there is not a huge emphasis in the measures on costs or affordability outside of the relative poverty measure that is after housing costs. That means that you might run the risk of focusing solely on income and, potentially, on housing affordability.

However, it seems that that has mostly been avoided and that there has been a pretty good focus on making sure that things are affordable, even if that is not necessarily captured in all the measures, particularly at a local level. It seems that there has been an emphasis on trying to ensure that there is affordability as well as income for families.

Paul O'Kane: Chris, do you want to come back in on that point?

Chris Birt: To back up what Hannah Randolph said, let us look at, for example, the material deprivation measure for households where somebody is disabled. Using relative poverty measures, you would include the non-meanstested elements of disability assistance payments, but if you take those out, material deprivation is three times higher in those households than in households without somebody who is disabled. That gives a useful insight into the experiences of low income in different types of households.

Paul O'Kane: Can I expand on a point, convener?

The Convener: Briefly.

Paul O'Kane: Colleagues will come on to ask about data and aspects such as modelling. John Dickie referenced the Scottish child payment and the efforts to understand facets such as the depth of its impact. More broadly, academic work has been commissioned on that, which the committee will be interested in.

I think that there was a submission that said that targets are not without controversy and, obviously, there is a political dimension to trying to reach targets. Do you think that there is a temptation not to get into the real detail? There was the issue in relation to the 100,000 figure for keeping children out of poverty as opposed to lifting them out of poverty. There is perhaps a temptation to lean on that without understanding the depth of what lies underneath it.

Do you think that we need to do more to understand the impact that the Government's policies are having? Do you recognise the role that the committee can play in helping to understand some of that?

John Dickie: Yes, we can do more to understand not only the headline numbers of children who are lifted out of poverty but what difference that is making to the lives of children and families in Scotland. If we compare families in with similar low-income elsewhere in the UK, there is an unfortunate natural experiment going on here, where we are providing real, additional financial support to families in Scotland. It is important to be able to understand more about what that means for individual families and children, which is why we are working with the University of York and the London School of Economics and Political Science on research to understand that further.

I said that a range of 40,000 to 60,000 children are being lifted out of poverty because there are slightly different models, but the bottom line is that, whichever of those you use, a significant number

of children are not in poverty who otherwise would have been. There are significant additional levels of support going into family homes. Families, parents and carers are telling us what a difference that is making to their lives.

Overall, my feeling is that we are looking at the broader impact of policies and the difference that they can make, and we are not being distracted by headline numbers, important as those are.

Paul O'Kane: Does anyone else want to come in?

Professor Sinclair: Modelling is very important. The Poverty and Inequality Commission is likely to undertake some modelling work on particular levers that might have an impact. However, as you know, the modelling has to be supplemented by a range of data sources, including qualitative engagement with service users and families. That informed the scrutiny report that we presented this year.

Intelligence and feedback from community organisations and service providers can give us a much more rounded picture. We know from testimony that the Scottish child payment is making a difference to the wellbeing of families; it is reducing stress. Unfortunately, they are having to spend it on essentials, because there is still a chronic, on-going cost of living crisis and a legacy of austerity policies. That is not going to show up in modelling, but it is still valid data that can give us a much broader and richer picture.

10:00

Chris Birt: On the figure of 100,000, do not get me wrong-that is a good line for a brief for First Minister's question time or for a press release. That is fine; that is politics. I have no problem with that whatsoever. However, that is why the targets are really important-because they enable us to say, "So what? You are still 14 to 15 per cent away from the targets that you have been set." Governments should celebrate the things that they have done and tell people about that—that is fine: it is part of the democratic process—but it is important that that is not confused with the message of "Mission accomplished". Ministers can tell people what they have done-that is completely legitimate—but they then have to get back to work to keep driving those numbers down. That is crucial.

We do modelling, but although it is a useful tool, it is only a tool. Hannah Randolph and her colleagues have done lots of work on this. For example, we talk about helping people to get back into employment, and we can look at how that is working. We have looked at how the childcare market helps families with costs but also with getting back into the workplace. We look at social

care and how we support disabled people. We look at the different priority families, including, say, minority ethnic families, where the poverty rate has been rising—it is enormous. We do not have enough data on what is working, including for particular groups. Frankly, for me, that is a much more concerning lack of insight than a lack of insight on how we measure national numbers, for example.

Paul O'Kane: Other colleagues have questions on data, so I will hand back to the convener.

Jeremy Balfour (Lothian) (Con): Good morning. I might be taking us down a rabbit hole that nobody wants to go down, but I was interested in John Dickie's remarks about other groups. I have had some correspondence from families who do not have children and from single males in particular. I fully understand the targeting of measures at children—we all support that—but is there an implication that others feel that they have been left behind? Is there any evidence that single males between 18 and 30 in particular are not getting the support that they require?

Chris Birt: Yes, and the same applies to single females. Single adults, full stop, face that situation. Some of it is blatantly obvious: if you are a single household, you face more of a cost yourself. Therefore, if housing costs go up, that will have a more acute effect on single households. That includes council tax and so on. If we consider the depth of poverty, we find that the people who are furthest from the poverty line are often single adults. Part of the problem is that we have one of the worst systems of social security support in the developed world for people who lose their job—you just fall down a hole. We have seen an increase in the use of food banks and so on as a result.

The Scottish Government has policy responses that support people other than families with children. For example, you do not have to have children to access the Scottish welfare fund, which helps people in moments of crisis. However, lo and behold, single adults also become parents at times. Having a deep level of poverty and insecurity among any group of people in our society causes problems. Obviously, it causes problems for those people, but it also has knock-on impacts on services. As I said, single adults often become parents, too.

I am interested in Stephen Sinclair's view on this. I would not necessarily say that the focus on children has made things worse for other people. However, for example, the Scottish Government and now the UK Government, too, talk about wanting to end the need for food banks, but although a lot of people who use food banks have children, not all of them do. Therefore, if you want to end the need for food banks, you must also

focus on groups of people who do not have children.

Professor Sinclair: I agree with Chris Birt. There is no evidence that policy is actively neglecting single working-age people, but we have seen sustained neglect of that group through decades of UK Government policy, including through the failure to increase social security rates in line with essential needs.

I am hopeful as a result of the interest that has been shown across the parties in the minimum income guarantee expert group. Such a policy might address that particular group in society, because it would be a minimum income guarantee for everyone, not just for people with children. I do not think that people of working age have been casualties of the 2017 act; the issue is a symptom of systematic underprovision for a group of people. The studies of destitution that were carried out by my fellow commissioner Suzanne Fitzpatrick and her colleagues identify that group as being particularly vulnerable.

Bob Doris (Glasgow Maryhill and Springburn) (SNP): Professor Sinclair's comments mean that I will have to ask about United Kingdom levers of power—in particular, universal credit—to tackle the issue for that group of people, about which Mr Balfour rightly raises concerns.

I want to ask more about the quality of the information that we have. When we were talking about keeping 100,000 children out of poverty or lifting 40,000 to 60,000 children out of poverty, I was conscious that, in previous evidence sessions, the committee has heard about the significant improvement that the Scottish child payment of £26.70 a week has made for young people who were in deep and entrenched poverty who have not reached that arbitrary line. It is not enough, but it has made a dramatic improvement to their lives that has not been captured in the data.

My colleague Liz Smith wants to ask a lot more about data. However—before we move on from the quality of data—are we masking some of the challenges when we talk about 40,000 to 60,000 children being lifted out of poverty, and are we also selling some successes short when we do not say more about those who remain in poverty but who have also been helped a heck of a lot by that payment, Professor Sinclair?

Professor Sinclair: Yes, there are limitations to the family resources survey, and those are problems that are shared by quite a lot of UK Government sources and, to be fair, some non-public sector resources. Survey results are becoming more challenging over time. I will hand over to Chris Birt, because he has particular

suggestions with regard to measures that are used elsewhere in the UK that have addressed that issue.

We have not captured everything at the national level, but that is partially compensated for by the fact that some local authorities and community planning partners are getting very rich and detailed data, although not necessarily on all the groups that you identify. For example, Glasgow City Council, in partnership with the Centre for Civic Innovation, has really good local-level data that allows it to identify, for example, the number of single parents in particular localities and to target its activities towards those groups of people. Other local authorities are doing similar work. Therefore, efforts have been made to find workarounds, but there are still gaps in the basic survey data. That is why we are not yet seeing, in the data, the full impact of the Scottish child payment and the national targets.

Bob Doris: Mr Birt, do you want to come in briefly? I am conscious that we have explored data a bit and that Ms Smith is definitely going to ask more questions on it.

Chris Birt: As Stephen Sinclair said, one of the issues with regard to the Scottish child payment is that we all hope—it is part of why it was introduced—that the payment will give families a bit of breathing space so that, after the bills are paid, the money can be used for other things. For example, we hear all the time about children being excluded from extracurricular activities or from doing things that their peers do. We need to tell that story because, as you say, those numbers of 40,000, 50,000, 60,000 or 100,000 do not necessarily feel very meaningful, in the way that personal stories do.

Bob Doris: I appreciate your brevity.

When the Parliament passed the 2017 act, clear planning, reporting and scrutiny frameworks were established. For example, there are three delivery plans that go up to 2030, there is annual reporting to Parliament and this committee has an on-going role in relation to the act, as does Professor Sinclair. Dr Randolph, can you see a connection between that scrutiny framework and actions being taken? Are effective actions being taken because of the scrutiny framework? If so, it would be good to get an example of that.

Dr Randolph: The example that comes to mind is that, because of some of the scrutiny that took place, the Scottish Government developed its own modelling capabilities. That is where we get numbers such as 100,000 and 40,000 to 60,000. That has been really valuable in providing an idea of what some of the policies are achieving. When we talk about data, I can say more about modelling versus other types of measurement, but

that is one example of where scrutiny has been really helpful. Having the framework of three separate four-year delivery plans has been useful, because it creates a cycle of scrutiny then a process of looking at what we will do in the next four years.

Bob Doris: [Inaudible.]—Dr Randolph, that the modelling work exists in part because of the strategic scrutiny framework that the 2017 act put in place.

John Dickie, can you provide examples of the scrutiny framework leading to effective action to tackle child poverty? On the flipside of that, are there areas where additional scrutiny could result in greater actions? I suppose that it cuts both ways.

John Dickie: The use of devolved social security powers to introduce the Scottish child payment is one example of directly using social security powers to tackle child poverty. That was the key thing in the initial delivery plan, which was informed by advice and by analysis that was done by the Poverty and Inequality Commission. The commission helped to inform the plan alongside others, including us, who were seeking use of those powers to directly tackle child poverty.

Therefore, having the framework in place, with a requirement to produce a plan and to say how targets will be met, focused minds in Government and pointed to use of all the levers, including social security powers, which had not been a done deal. Up to that point, there had been quite a lot of resistance to that, and it was felt that there was enough on the plate with regard to using the new social security powers and delivering the benefits that were being transferred. Initially, there was not a huge appetite for taking on or developing new benefits, so the fact that that happened was driven by the need to be accountable and the need to produce a plan, knowing that people were going to be held accountable and that expert independent scrutiny and evidence were feeding into the process. Therefore, the scrutiny framework worked.

The fact that we are here today talking about that and the various bits of work that the committee has undertaken to look at progress are helpful in keeping child poverty on the agenda and ensuring that there is a level of accountability for progress on tackling child poverty.

However, the reality is that we are a long way from meeting the targets. We talked earlier about the fact that the Government's own cumulative analysis of the policy package shows that progress flatlines well before reaching the 10 per cent headline target that is needed by 2030. Therefore, there has been a failure on the part of the Parliament to hold Government to account,

because progress has stalled and we have not seen any substantive new policy investment or policy interventions since 2022-23. The last budget was clearly a missed opportunity to take substantive new action on child poverty, so I look to the Parliament to live up to its role in holding the Government to account for ensuring consistent year-in, year-out progress towards meeting the targets that the entire Parliament very much welcomed and supported when it passed the 2017 act.

Bob Doris: It is right that you should challenge the Government and the Parliament: I have to ask about that, because you have mentioned it. We should move on to other things and not talk only about the Scottish child payment, but it was introduced at £10 a week about three years ago for children under six. It is now sitting at £26.70, which is an increase of about 250 per cent. You are rightly challenging that and asking for it to be higher. However, as we will talk about in relation to my next question, which is about investing in other areas, more can be done than just putting cash in families' pockets; other investments can be made to tackle child poverty. Therefore, Mr Dickie, should we go further with the Scottish child payment or invest in other areas?

John Dickie: It cannot be an either/or: it has to be both. There is no credible route to meeting the 2030 targets that does not involve further investment. I refer to above-inflation increases to the Scottish child payment and substantive increases to the overall value of the social security package of support that is available to families.

10:15

However, that needs to go alongside investment in childcare in order to continue to remove the barriers that parents, especially women, face when they try to get into work or increase their hours and their earnings in work. It needs to go alongside investment in housing to ensure that decent housing is available and that its costs do not push parents into poverty. It needs to go alongside radical action to improve employability support and the Government using the levers that it has at its disposal to change the nature of the labour market, so that jobs are genuinely accessible to the families who are at particular risk—lone parents and families who are affected by disability.

Those things all need to happen, and that will require substantial additional investment. All the parties need to demonstrate how they will secure and harness the resources that are needed to achieve the targets that you have signed up to.

Bob Doris: Of course, Mr Dickie, in a Parliament of minorities, there is a balance to be

struck in respect of how we split the direct cash in families' pockets to tackle child poverty and all those other measures that you outlined. That budget process will go forward.

Mr Birt, do you want to comment briefly?

Chris Birt: The issue in relation to putting money in families' pockets is that we keep cutting holes in their pockets while we do it. We have to avoid that.

On your point about data, I get slightly frustrated when I look at particular local areas—I will not say which, because I am not a grass. The sort of data that Stephen Sinclair is talking about being benefit data, available—housing council-tax reduction data, data that is held by Social Security Scotland or other data—is all there. I sometimes sit in meetings and see people admiring all the insight that we have. People say that communities know who is struggling in them. Yes, they do, so we should get on with addressing that. That is my slight concern. I was slightly concerned when I watched some of last week's discussion, as well. We know that the data exists, so can we stop sitting about admiring it?

Hannah Randolph and John Dickie have done a heroic job in trying to pull examples together. The Scottish child payment is often rolled out as the example because it is a really good one, but it is also one of the few. It is really hard to measure marginal progress, but very easy to measure massive progress. If we were making massive progress, we would not have so many such problems.

Bob Doris: That is helpful. I apologise in advance, but I will steal that mention of "cutting holes in ... pockets" relentlessly, particularly during the budget process.

Professor Sinclair, I will address my final question to you. I previously asked about how the scrutiny process could deliver effective action to tackle poverty. Any additional comments on that would be welcome, but we are scrutinising the 2017 act. At stages 2 and 3 of that bill, significant amendments were made to it to make it about more than just cash in people's pockets, and to address the wider view of child poverty that Mr Dickie has eloquently put on the record. For example, there were amendments on supporting local authorities to consider automated benefit payments, on the availability and affordability of childcare and on educational attainment. A variety of measures were put in the act so that we were not being simplistic about how we tackle child poverty and could make it an enduring success. Have those amendments at stages 2 and 3 helped the Scottish Government and the Parliament in their endeavour to tackle child poverty in a more rounded way?

Professor Sinclair: Some of the amendments have been reflected in the guidance that is given to local authorities and their health board partners on the development of their local child poverty action reports, for example. There is a good balance between recommendations and prescription, because circumstances vary. Without those pointers, some local authorities and health boards might have been not quite so adept at focusing on some of the issues.

On how scrutiny intelligence data has informed policy, our having identified six priority households as the centre of our child poverty activity comes from data and analysis. Another impact is that local authorities are aware that there is variation in the uptake and delivery of the Scottish welfare payment, for example, and their responses to that are data driven.

We even have some much more progressive moving-beyond-data actions. For example, certain local authorities use non-payment of council tax as a signal that a household is in distress. Non-payment is obviously important, but it is usually not voluntary and is a manifestation of a deeper problem so, rather than focusing on enforcement, those local authorities are using that as a signal to engage with the household.

There are all sorts of ways in which information, data and feedback can be used to inform policy. A number of local authorities have undertaken a systematic self-assessment process to address some of the issues that Chris Birt identified. The Improvement Service has guided local authorities to reflect on how they engage with their communities, on where the pockets of particular disadvantage are, and on how they can better address that using the range of powers that they have and including the police, the fire service and education services. That is another example of how the act, feedback and scrutiny have added value. I do not think that that would happen if councils and their health board partners did not have to produce annual reports and try to show progress and learning.

Marie McNair (Clydebank and Milngavie) (SNP): Good morning.

To what extent do local child poverty action reports give a true picture of the work to tackle child poverty that is happening on the ground at the local level? How can that be given greater visibility? Would you draw attention to any local action reports in particular?

Chris Birt: It was interesting to listen to the evidence session last week. Some of the folk from the councils said that having to report every year is labour intensive. That was reflected in the written submissions, too. I get that, because child poverty will not be fixed within a year or with a

single policy, so I have some sympathy for the idea that allowing local government to report a bit less often might be good. However, that would have to be to ensure a higher quality of return in the plans. Some of them still do high-level analysis without really getting into the matter.

A lot of the examples that we hear of are about income maximisation: income maximisation is crucial. The fact that we do not do more of it and support advice services is a problem. I have seen a couple of examples in which almost two thirds of the investment of the child payment going into local areas is being done just by income maximisation. It is a really good example of how local government is working with third sector organisations to get families the benefits for which they are already eligible. There are lots of examples of that across the country but, to be frank, that is the basics. We should be doing that anyway, so I would like to see more stuff happening beyond that.

Marie McNair: Having the data is key to that, as well

John Dickie, do you have any comments on that?

John Dickie: Yes. We have definitely seen an increased focus on child poverty at the local level. Within the local child poverty action reports, we have seen increasing reference to tackling child poverty being embedded in other local strategies, such as local outcome improvement plans and children's services planning. Those things have been linked and embedded in wider strategic planning and reporting in a positive way.

There is real evidence that tackling child poverty is more of a strategic priority, although it does vary. There are areas on which there is not so much happening at the local level and there is still a way to go. As Chris Birt highlighted, income maximisation is one measure on which there has been a focus, but it is not so clear what has been done locally on housing, childcare and economic development policy and how they contribute to reducing child poverty.

We do not see as much evidence or reporting on how some of the other key levers, on which big amounts of money are spent at the local level, are impacting on child poverty at the local level. Therefore, there is scope for more detailed guidance to be provided to local authorities and health boards to support the production of the local child poverty action reports.

There is also an issue with accountability. Not all local authorities and health boards have produced and published their local child poverty action reports in a timely way. It is difficult to unpick how much that reflects the reality of what is

going on on the ground and how much of it is a failure to report.

However, the focus needs to be on ensuring that all local authorities and health boards jointly produce the plans. In some areas, there is evidence that that is happening. There are annual reports, but planning for tackling child poverty is now done on a three-year cycle, which shows that local authorities are taking it further, and it is not only a box-ticking annual reporting duty for them. It is becoming embedded in their longer-term planning.

Marie McNair: What can be done to ensure that the action plan is truly multi-agency, and that there are multi-agency actions in it to allow people to work together a bit better?

John Dickie: Work is already being done by the Improvement Service, which is supported by various national partners, to support local authorities and health boards. It is about identifying where things are working, where there is good practice and where there is wider involvement at the local level in producing and delivering on child poverty policy. More needs to be done to identify what is working and to share that across Scotland, and perhaps more needs to be done on the guidance in order to focus it on the need to collaborate with organisations beyond local authorities and health boards. As I said, there is evidence that that is happening in some areas.

Chris Birt: We have had health and social care integration legislation since 2004, but I am not sure that anyone would argue that health and social care are fully integrated, to date.

We have to turn the prism on its head. Too often, the focus is on services, but they serve our local communities, so we need to know what communities need and to start from there, rather than starting from what the service does and thinks at a particular time. During times of austerity, it is difficult, particularly for local governments, to be able to build the relationships that they need. Starting with what people in communities need and want would be much more positive.

In the First Minister's speech yesterday, he talked about policy development being done from the ground up. We do not do that at the moment, but we need to start.

Professor Sinclair: There is progress and improvement. We are up to the sixth iteration of the local child poverty action reports. Some of the initial reports were only a list of activities, but we are now getting much more strategic thinking, as John said. People are thinking longer term and about all the local levers that are available.

The aspiration is to develop what we always said we wanted, which is a national learning culture in which every local authority is doing what it can to get to the best local practice, the best data and the best engagement with those who have lived experience.

The big challenging issue is sharing of budgets, staff and resources among organisations. Some of that is in the power of the Scottish Government. It can liberate community planning partnerships and not have silos in relation to funding allocation and reporting duties. There is still a bit that could be done to allow for more experimentation.

Marie McNair: I agree with you.

Liz Smith (Mid Scotland and Fife) (Con): Mr Birt, the most recent Joseph Rowntree Foundation report, which was very interesting, was about some of the aspects of child poverty. It was very supportive of the policy that we have in Scotland, as everybody has been this morning, but you raised some interesting issues about "weaknesses" in the data, as you described it. You commented that, if the Scottish Government makes a huge commitment of £400 million-plus to a policy such as this, we must be able to drill down into the details of that policy.

What extra data would you like in order for us to be able to measure more effectively what the outcomes are when we implement a policy?

Chris Birt: My lead analyst, Carla, will be listening to what I say very carefully, so I will attempt to get all the technicalities correct.

The poverty and inequality statistics are built on the family resources survey. In the latest set of data from that, there is a concerning lack of ability to pick up families who are in receipt of the Scottish child payment. We have outturn data from Social Security Scotland, so we know how many households get it. Although the impact of measures such as the £20 uplift to universal credit during Covid or the two-child limit show up in those statistics quite clearly, it is a real concern for us that the child payment, particularly considering its scale, does not show up in the same way.

10:30

The sample size for the survey in Scotland has struggled to recover from the understandable dip during the Covid pandemic. However, as we have discussed with Scottish Government officials, other parts of the UK, particularly Northern Ireland, have been quite successful in getting sample sizes back up. They have changed the way that they have done the survey. We are keen for both the Scottish Government and the DWP to sit down together and say—

Liz Smith: Are you pointing to a quantitative lack in the data, or is there something qualitative that we need to do?

Chris Birt: There is loads of qualitative data on the Scottish child payment, because a lot of households get it. You could probably walk down Leith Walk and bump into a lot of people who are in receipt of it and would be able to tell you a good story. We have spoken to people who are in receipt of it; I think that the Poverty and Inequality Commission has, and John Dickie certainly has. It is not that hard to get qualitative data, and we should not dismiss that. That is key, because of the scale.

The issue is the quantitative data. That is important, because it is how the Parliament chose to measure progress on the targets. As I said, if we had done a lot more, it might be a bit easier, but it is really important. The targets are set on single-year figures, and we would tend to use multiyear figures because of the changes in sample size. It is really important, because, as Stephen Sinclair highlighted, we have the priority groups, which are smaller cohorts of the population, and we need to understand better how a policy such as the child payment is impacting on those families.

It is not the most exciting thing in the world, but it is important that officials from the Scottish Government and the DWP sit down together and try to get a solution. They tell us that maybe next year will be better, because there will have been a full year of the Scottish child payment. I hope so. If it is better, I will shut up and never speak about it again.

Liz Smith: Do you think that co-operation between the DWP and Social Security Scotland is improving?

Chris Birt: It is improving, anecdotally and qualitatively. At official level, it has always been okay, but the way that the UK Government dealt with those statistics is quite different from the way that the devolved Administrations dealt with them. The UK Government does not even use the word "poverty" in its statistics; it uses phrases such as "households below average income", whereas the Scottish Government, the Welsh Government and the Northern Ireland Executive publish those statistics transparently, which is good.

Where there is a will, there is a way. I do not think that it is beyond our ken to measure those things a bit more effectively. I am sure that anybody sitting round this table would be more than happy to work with officials to do that.

Liz Smith: That is encouraging to hear. If we are to be successful in targeting those who are most in need and to have effective measurement of which policies work better than others, it is

absolutely critical that we have the right data in place. Exactly that point was flagged up in last week's evidence session with local authority representatives. You are right that local authorities are finding it much easier to work with the 2017 act, because it forces them to think about exactly what they are measuring and how effective they are at doing that.

However, there is a bigger picture in relation to the estimates that have come from the Scottish Fiscal Commission, which we all know about, and are only too real. If we are going to use social security to provide the best possible benefits to everyone in Scotland, we have to target those who are most in need and ensure that we have the right data to allow us to do that. That brings in difficult arguments about which payments can and cannot be universal. However, the committee is interested in how effective the policy making is, which is why I was interested in the comments that you made in your report about that data.

Hannah Randolph, you made an interesting comment about modelling. Will you expand a bit on that?

Dr Randolph: We have modelling, which is usually based on the family resources survey. To an extent, the modelling is as good as the underlying data. That is a really good way of trying to figure out what the impact of a policy might be and to get some idea afterwards of what the impact of a policy has been.

However, there are other ways of measuring impact that will tell you more. For example, most of the modelling that is done is static modelling, so it does not have adjustments for behaviour changes. For instance, in the context of the Scottish child payment, we simulate who we think should be receiving the payment and we add up their income. That can show us how many people the payment has moved out of poverty, but it does not adjust to show, for example, whether some people work a bit less because they are receiving it.

Ideally, we would also have some evidence from actual measurement, where we follow people over time who are receiving the payment and compare them with people who are not receiving it, and isolate the change that comes from a particular policy change. That is very difficult to do, and it requires investment in data and a commitment to carrying out that investment. It also requires a lot of planning, because we have to know ahead of time that we want to do that. Although it is difficult, I would like to see more of that planning from the Scottish Government to evaluate the policies that it has put in place, so that it has evidence to make informed decisions about where the money is best spent.

Liz Smith: Is more of that static analysis ongoing now than it was before?

Dr Randolph: Yes. That capacity has increased and different groups do that modelling: we do it; I think that CPAG does it; JRF does it; and the Scottish Government is doing it. It is a good indication. Particularly for specific policies whose impact we are trying to evidence, ideally, we would have another form of measurement alongside that, as well as the qualitative evidence that others have brought up. As Chris Birt said, we have a good amount of qualitative evidence, particularly for the Scottish child payment.

Liz Smith: That is helpful. Professor Sinclair or Mr Dickie, do you have any comments on improving data?

Professor Sinclair: Just as a qualification, there are certain things that we know that we do not need to measure. We should not decide not to engage in particular actions just because we do not have data. We know that hungry children do not flourish, so we do not really need marginal data on that.

We also have to be aware that it is very plausible that certain policies will have an effect. The phrase that comes up in the Scottish Government's child poverty delivery plans is the idea of a line of sight. There is good and robust evidence from comparative and historical data that, if we do certain things, even if we cannot quantify the impact, there is reason to believe that they are beneficial. The data will help us target specific areas, but it should not inhibit us from knowing what is right and what we need to do.

John Dickie: I will reinforce what Chris Birt said about the importance of getting assurance that the data collection methodology, in relation to the family resources survey, which lies behind the income statistics, is adequately picking up the actual income that families in Scotland receive.

As I said earlier, the End Child Poverty coalition works UK-wide. We have been engaging with the DWP on how to improve the quality of national, regional and local data across the UK, because the issue does not affect only Scotland. Colleagues who work in the north-east of England are seeing bizarre things playing out from the data, once they look at it at a regional level.

Every year, the End Child Poverty coalition publishes local child poverty stats, which give the best estimate of after-housing-costs child poverty at local authority and constituency level. We have talked about the issues around not just data collection but methodology. I am not an expert on that, but the methodology uses national data collection to drill down and give best estimates at regional and local level. It has become apparent that there is scope for improvements to ensure

that we get the best possible estimates of child poverty, not just at a national Scotland level, but at a local level.

Liz Smith: Our witnesses last week said pretty much the same thing on that.

The Convener: Thank you. That is the end—

Bob Doris: Could I ask a question?

The Convener: Sorry—it is not the end of our question session. Bob Doris has a question.

Can you be brief and concise with your question, please?

Bob Doris: I will break the habit of a lifetime to do that.

My question goes back to the Scottish child payment and is about something that came up during our work on getting people back into employment and on family and parental employment support. There is a cliff edge with the Scottish child payment because, once someone loses their entitlement to universal credit—which is a tapered in-work benefit—they lose all their Scottish child payment. Liz Smith spoke about data. Is there any data about the impact of that loss? The committee has looked at that before and I think that we will have to return to it. Mr Dickie or Mr Birt, do you have any brief reflections on that?

John Dickie: The Scottish Government has produced some analysis on that. There is no evidence at population level that the issue is having an overall influence on income from employment or on the unemployment rates for low-income families.

The cliff edge is clearly an issue for individuals. We have a project looking at gaps and at the issues on the margins of entitlement to the Scottish child payment to find out who is missing out, what is undermining the benefit and what could be done to make it an even more secure and stable source of income for families. We are looking at the issue.

The Social Security (Amendment) (Scotland) Bill, which is going through Parliament, will create the power to put the Scottish child payment on a different legislative footing, which will give opportunities to deal with some of the issues by using run-ons or tapers. There are ways to get round that problem but, as far as I am aware, there is no evidence that it is having an impact on earned income and there is nothing that outweighs the advantages and benefits of an increased income through social security.

Bob Doris: That is precisely why I was asking. Do you have anything to add, Mr Birt?

Chris Birt: I agree with John Dickie that we should keep an eye on the issue, but I will strike a

note of caution. We often treat social security spending differently to other public spending and often talk about social security spending as being distinct from public spending, which is wrong. Social security is a public service and we should treat it as such. It is a vital service that we all need, particularly when we are struggling the most.

There are multiple barriers to people getting a decent income from work. For example, our excellent "Poverty in Scotland 2023" report, which was a deep dive into in-work poverty, looked at persistent low pay, which means being paid consistently below the real living wage in four of the past five years. Three quarters of those affected were women, because women face barriers caused by the costs of transport and childcare and the overbearing impact of care. Cliff edges in the social security system might add to the difficulties, but we should fix all those other things before we start sweating about the impact of a relatively modest payment into people's pockets, which we keep cutting holes in the bottom of.

Bob Doris: That is helpful. I note that I am not sweating it; I am thinking about whether, rather than tapering within universal credit for the Scottish child payment, there could be a roll-on, as Mr Dickie suggested. If there is no underlying issue, I am delighted to hear that, but I wanted to check on behalf of my constituents that there is no unintended consequence, which is the right question for the committee to ask.

The Convener: I thank everyone for joining us today. Next week, we will hear from the Scottish Government.

That concludes our public business. We will move into private session to consider the remaining items on our agenda.

10:43

Meeting continued in private until 10:57.

This is the final edition of the <i>Official R</i>	Report of this meeting. It is part of the and has been sent for legal dep	e Scottish Parliament <i>Official Report</i> archive posit.			
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