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The Information Centre  
An t-Ionad Fiosrachaidh

## Social Justice and Social Security Committee

**13<sup>th</sup> Meeting, 2022 (Session 6), Thursday,  
21<sup>st</sup> April**

### **Child poverty delivery plan 2022-2026**

#### **Introduction**

This session will allow members to discuss stakeholder views on “[Best Start, Bright Futures: tackling child poverty delivery plan 2022 to 2026](#)”, published by the Scottish Government on 24 March. The plan was published along with [ten annexes](#) providing supporting information.

The Committee will hear from two panels: (At time of writing no written submissions had been received). See from p.7 for panel 1 and from p.14 for panel 2.

##### Panel 1:

- One Parent Families Scotland
- Shelter Scotland
- Save the Children
- The Poverty Alliance
- Poverty and Inequality Commission

##### Panel 2:

- IPPR Scotland
- Joseph Rowntree Foundation
- Fraser of Allander Institute

## Background

The Child Poverty Delivery Plan 2022-26 is the second of three plans required under the [Child Poverty \(Scotland\) Act 2017](#) (the Act). That Act set interim and final targets for four measures of child poverty:

**Table 1: Statutory child poverty measures and targets**

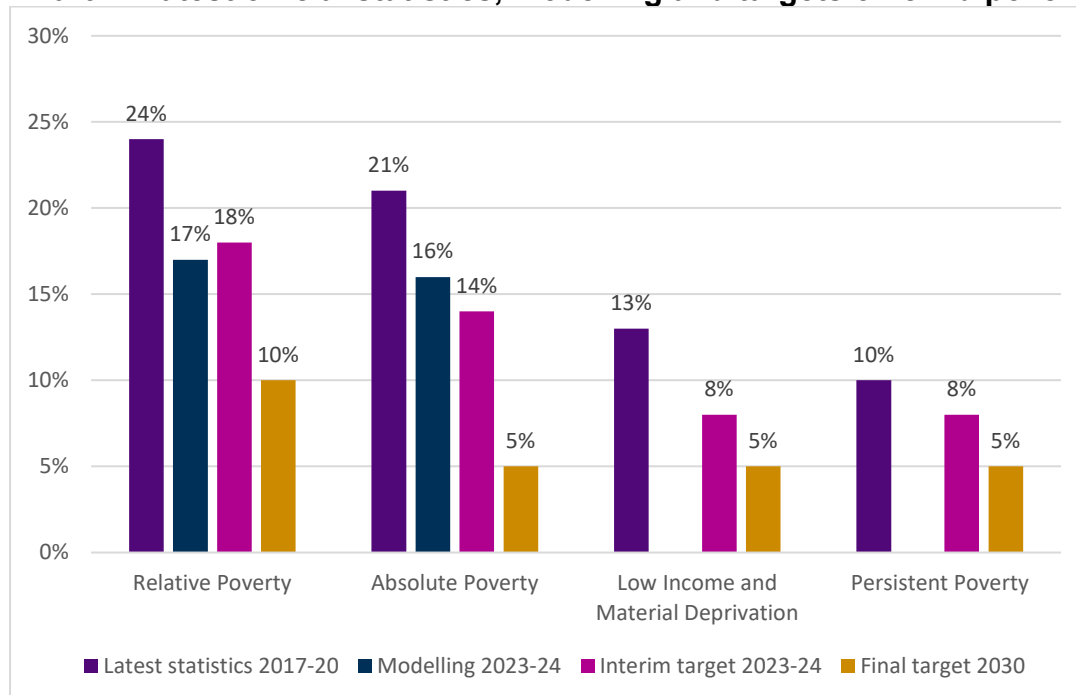
Measure	Definition	2023	2030
<a href="#">Relative</a>	60% below median income after housing costs	18%	10%
<a href="#">Absolute</a>	60% below 2010-11 median income, (AHC)	14%	5%
<a href="#">Low income and material deprivation</a>	70% below median income and unable to afford a list of goods and activities.	8%	5%
<a href="#">Persistent</a>	relative poverty for three of the last four years	8%	5%

The Act requires the Scottish Government to publish an assessment of the contribution the proposed measures are expected to make to meeting the targets. In addition to descriptions of expected impact (annex 5), the impact of a selection of policies (mainly social security) have been modelled (annex 4).

Chart 1 below shows statistics for 2017-20, modelling and targets for 2023-24 and targets for 2030. Last year's statistics collection was affected by COVID-19 so the latest official statistics are for 2017-20.

The modelling suggests that the interim target on relative poverty will be met. However, across all measures there is a long way to go to meet the final targets in 2030.

**Chart 1: Latest official statistics, modelling and targets on child poverty.**



Source: Scottish Government: [Child Poverty update](#), [Delivery Plan annex 4](#), [Persistent poverty](#)

Certain types of family are more likely to be in poverty. These are listed in Table 2 below.

**Table 2: Priority Families**

Family Type	% children in relative poverty (2017-20)
Mothers aged under 25	55%
Minority ethnic families	38%
Lone parents	38%
Youngest child under one	34%
3+ children	32%
Disabled family member	29%

Source: [Best Start Bright Futures, fig 1.](#)

## The second Delivery Plan – key actions

The Act requires Delivery Plans to set out what, if any, action Ministers will take on a [list of types of policies](#). For example; childcare, employability, housing, education and health.

The second Delivery Plan (2022-26) continues the focus from the first plan on the six priority families and on the three drivers of: employment, cost of living and social security/benefits in kind. It sets out 'Scotland's offer to families', based around three areas:

- Providing the opportunities and integrated support parents need to enter, sustain and progress in work
- Maximising the support available for families to live dignified lives and meet their basic needs
- Supporting the next generation to thrive.

The table below is a summary of the summary provided on p.10 of the Delivery Plan. The table lists the policies mentioned under each of the three parts of the plan, and what they are intended to achieve. It notes where specific funding and timelines are identified in that summary. Many of the policies mentioned benefit a wider group than children in poverty. Many are continuations or 'refreshes' of existing approaches. Additional policies are mentioned elsewhere in the Delivery Plan.

Table 3: Summary of policies

Policy	funding	period	notes
<b>Working Differently</b>			
Pathfinders	£5m	22-23	Local partners providing holistic support
Social Innovation Partnerships	£9.75m	22-23	'deep, adaptable person centred support' with up to 300 people
<b>Part A: Work</b>			
<b><i>"Support up to 12,000 parents into work"</i></b>			
Employability	Up to £81m	22-23	Providing keyworker, childcare, transport, skills and training. Up to 600 funded opportunities in third and public sector ( <a href="#">see p.35</a> )
Challenge Fund	£2m		Test out new approaches to supporting parents into work
Parental Transition Fund	Up to £15m	Per year	tackle financial barriers in entering the labour market
NHS Demonstrator Project			200 placements for long term unemployed
<b><i>"Tackle household costs and support parents to engage with employment support"</i></b>			
Extend funded childcare			Strategy due this summer.
Community bus fund	£1m		
Connecting Scotland	£200m	To 2026	Bring 300,000 people online, focusing on the priority families
<b><i>"New sustainable fair work opportunities, tackling structural inequalities"</i></b>			
Fair Work			Action plan refresh Summer 2022, Ethnicity Pay Gap Strategy, <a href="#">Community Wealth Building</a> Action Plans and Bill
Address structural inequalities	Up to £0.8m	2022-23	disabled workers, minority ethnic workers, women and over 50's
Support women back into jobs after a break from paid work	Up to £1m	2022-23	
<b><i>"Financial, practical and emotional support, tackling the impact of poverty as well as preventing it"</i></b>			
Whole Family well-being fund	£500m	Over 5 years	Preventative, holistic, support
Communities Mental Health and Well-being Fund	£36m	Over two years	

Place based Investment Programme	£325m	Over the Parliament	
Multi-year funding for voluntary sector			
<b>“Put money directly into pockets, lift children out of poverty and combat cost of living crisis”</b>			
Scottish Child Payment £25	£225m	2022-23	
Uprating			Eight benefits uprated by 6% in 2022-23
Best Start Foods		By 2023-24	Remove income threshold
Carer’s Assistance			£10 p/wk carers of more than one disabled person
Mitigate the benefit cap			Via Discretionary Housing Payments
Access to advice services	£10m	Over the parliament	
<b>“To keep housing costs low, provide support with energy bills and tackle homelessness”</b>			
Affordable Housing Supply Programme	£3.6bn	Over the parliament	110,000 more affordable homes by 2032
Private rented sector reforms	£2.75m	2022-23	Improve quality and affordability
Fuel Insecurity Fund	£10m	2022-23	Households at risk of disconnection or rationing
Rapid Rehousing Transition Plans		2022-24	Scale up ‘housing first for families’
<b>Part C: Next Generation</b>			
<b>Right support at the right time, and improve health and wellbeing</b>			
Renew play parks	£60m	Over the Parliament	
Refresh ‘GIRFEC’ materials			Policy approach to preventing and mitigating childhood adversity
The Promise Partnership Fund	£4m	Per year until 2025	Support families ‘on the edge of care’
<b>Poverty related attainment gap, support health and well-being</b>			
Scottish Attainment Challenge	£1bn	Over the Parliament	
Every child access to a digital device by 2026	£15.2m	2022-23	

Youth Work Strategy			
<b><i>Prevent young people becoming the parents of children in poverty</i></b>			
School Leavers' Toolkit		Practical information on budgeting and finances	
Young Person's Guarantee	Up to £45m	2022-23	Education, skills, employability for those at risk of not participating in the labour market
Student support to match the living wage		Over the next 3 years.	

## Resources and Targeting

A requirement of the Act is to set out an assessment of the financial resources required to fund the proposed measures in the Delivery Plan.

Annex 1 to the Delivery Plan includes an [estimate of total resources allocated](#) in 2022-23 (p.13 of annex 1). This totals nearly £10 billion but is noted as an 'upper estimate' of spending of relevance to the policies mentioned in the Delivery Plan. Of these, some are specifically focused on child poverty whereas many have a much broader impact. There is £470m noted as targeted specifically and only at low income families with children. This is almost entirely made up of social security and the employability offer for parents.

- Social security targeted on children and young people, (including EMA and school clothing grant): £351m
- Parental employment offer: £82m

Of the funds listed as being targeted at low income families with children along with other groups, the major spending is on:

- Free school meals £170m
- Scottish Attainment Challenge £200m.

Other large-scale funding items listed will likely benefit low income families with children but isn't specifically targeted at them. For example, early learning and childcare funding of £1 billion. (There is no separate entry for the more targeted provision for two-year olds).

The table also includes far more general funding – such as student support (c£3bn), PIP/ADP (c.£2bn) and the affordable housing programme (£0.8bn).

# Suggested themes for discussion

The remainder of this paper sets out five themes for discussion with Panel 1 (below) and four themes for Panel 2 (from p.13).

## Panel 1: Anti-poverty groups

The following five themes are suggested for discussion with panel 1.

- Theme 1: Consultation and overview of the plan
- Theme 2: Employability and fair work
- Theme 3: Meeting the targets
- Theme 4: Housing and homelessness
- Theme 5: Levels of investment

## Theme 1: Consultation and overview

The Act requires the Scottish Government to consult on its Delivery Plan, and to have regard to advice from the Poverty and Inequality Commission. Annex 1 to the plan states that:

“The Plan is the result of targeted consultation with children and young people, parents, families, and stakeholders representing their interests”  
([Annex 1, p.8](#))

It lists 53 organisations consulted, and additional consultation with children, 25 community and voluntary organisations and 68 people with direct and recent experience of living on a low income. Of today’s witnesses, the following were consulted:

- Poverty and Inequality Commission
- Save the Children
- Poverty Alliance
- One Parent Families Scotland
- Joseph Rowntree Foundation

The Act also requires consultation with the Scottish Parliament. The Scottish Government wrote to the Committee asking for views which the Committee set out in a [letter of 21 November 2021](#). Points made included that the Delivery Plan should:

- Reflect the reality of working families experiencing poverty

- Include a focus on social security take-up, automation and contribution of disability benefits to poverty reduction
- Give greater prominence to tackling homelessness
- Include a targeted, intersectional approach to addressing employment of women, disabled people and people from ethnic minority communities
- Provide clarity on the funding differences between the first and second Delivery Plans

The Commission [published its advice in January](#) and the Scottish Government responded to it in [Annex 1 of the delivery plan](#). The Commission's advice included:

- Deliver action at a greater pace and scale and with significantly higher levels of investment
- A stronger focus on evidence, implementation and joining up policies
- Further action on social security, employment and housing

The plan includes a very wide range of policy actions – some targeted specifically on child poverty, others broader. There is also a lot of reference to other strategies.

#### **On theme 1, consultation and overview**

- 1. If you were involved in the consultation – do you think the published plan reflects your input?**
- 2. The Scottish Government must have regard to the advice from the Poverty and Inequality Commission. To what extent does the Commission think their advice was acted on?**
- 3. How would witnesses compare the first and second delivery plans? Does the second plan show progression in the way of thinking about tackling child poverty?**
- 4. How much of what's in the Delivery Plan is new?**
- 5. Overall - will the plan work? Is it a coherent package of measures focused on reducing child poverty?**
- 6. Which policies in the Delivery Plan do you think will make most/least difference to child poverty?**

## **Theme 2: Employability and Fair Work**

There is a big emphasis in the plan on fair work as a route out of poverty. Improving income from employment was highlighted by this Committee and the Poverty and Inequality Commission. The Commission advised the Scottish Government that:



“The Scottish Government should invest in employability and skills, and work with employers to address the barriers to work faced by some parents, particularly disabled parents”

Income from work is one of the three ‘key drivers’ of child poverty which both the first and second Delivery Plans address.

The previous Delivery Plan included [‘Fair Start Scotland’](#) and the [Parental Employability Support Fund](#). Part A of the new plan focuses on employability with the “stretch” aim of supporting up to 12,000 parents into work and up to 3,000 in-work parents increasing their earnings. This involves:

“Developing a new offer to parents providing access to holistic support through a dedicated employability keyworker with local employability partnerships providing access to upskilling and supported opportunities.”

To support parents into work there are commitments on infrastructure, including –

- Already announced extension to funded childcare (including for one and two years olds, school age childcare and holiday childcare)
- Expanding Connecting Scotland to bring 300,000 people online by 2026
- Transport – including supporting local authorities to improve availability of public transport.

The Delivery Plan recognises that, in order to move parents out of poverty, jobs must be well paid and of good quality. Employment law and setting the statutory minimum wage are reserved. It therefore focuses on using public sector jobs, public sector procurement and working with the private sector to encourage them to become fair wage employers. A ‘refreshed’ Fair Work Action Plan is due this summer.

Annex 5 describes the overall approach:

“The employability offer to parents is designed to bring together a range of services and support, including employability, childcare, health, transport and family wellbeing. There are two main objectives: one is to reduce out of work poverty by supporting unemployed and inactive parents/carers into work. The other is to reduce in-work poverty, by supporting parents who are in work to increase their wages and/or hours. The parental offer aims to provide a menu of support for every parent, which would be applied based on the need and circumstances of the individual parent/family” ([annex 5, p.4](#))

## On theme 2, employability and fair work

1. Does the Delivery Plan do enough to support employment for the priority groups?
2. Childcare is a well-recognised barrier to work and the Scottish Government has put significant investment into increasing funded hours. To what extent is the 1,140 funded hours being delivered in a way that maximises its impact on child poverty?
3. Does the Delivery Plan get the balance right between focusing on the employability skills of parents and ensuring that suitable, flexible work opportunities are available?
4. There is already a complex employability landscape – how well do you think these plans will fit in with that?

## Theme 3: Meeting the targets

Scottish Government modelling suggests that the interim target on relative poverty will be met – with child poverty expected to be 17% in 2023-24 instead of 27% if certain policies – particularly around devolved social security - hadn't existed.

Most of the policies included in the modelling are social security or local authority payments, such as free school meals. The Scottish Child Payment (SCP) alone is expected to reduce child poverty by five percentage points.

The 2030 targets are more challenging. The foreword to the Delivery Plan states:

“The 2030 targets require us to work differently – placing an ever greater focus on families and the places they live. Through phased approaches to change, working in a small number of localities, we can identify the barriers to progress and the keys to removing these for families and partners”

The executive summary concludes:

“the actions set out in this plan will lay the foundation for the transformation in our economy and public services that will be required to meet the 2030 targets”

If the focus was only on meeting the targets, it would make sense to focus on those families just below the poverty line and raise their incomes. The Delivery Plan takes a broader view and includes measures that mitigate the impact of poverty and work on a longer time-frame. For example, policies tackling the education attainment gap are included but will probably not impact on the 2030 targets.

## On theme 3, meeting the targets

1. **Achieving the targets is influenced by the wider economic context. How has the changing context affected what it means to be in poverty now compared to 2017 when the Act was passed?**
2. **Does the plan have the right balance between those policies that will move the maximum number of families out of poverty and policies needed to tackle the deeper causes and mitigate the impact of child poverty?**
3. **Social security is providing the main progress towards the interim targets. Do we need to take a different approach to meeting the 2030 targets?**
4. **What kind of policies need to start now in order to meet the 2030 targets? Does the Delivery Plan include these?**

## Theme 4: Warm affordable homes

One of the themes in the Plan is “warm, affordable homes.” ([pp.67-70 of the Plan](#)) Subthemes are affordability, fuel poverty and homelessness.

On “access to an affordable home” actions include:

- In the Affordable Housing Supply Programme – ensure larger homes are delivered where they are required, updating ‘Housing for Varying Needs design guide, future development of a new Scottish Accessible Homes Standard.
- Introduce rent controls and new private rented sector regulator
- £20m over five years on Gypsy/Traveller accommodation.

On fuel poverty, the plan references the [Fuel Poverty Strategy](#) and targets. Policies include:

- [Home Energy Scotland](#) loans and grants scheme and advice service.
- Continuing the [fuel insecurity fund](#) in 2022-23
- £1.8bn in this Parliament to ‘kick start the heat transition and support those least able to pay’, and develop a successor scheme to [‘Warmer Homes Scotland’](#)
- Up to £55m in 2022-23 for heating and energy efficiency to eligible households.
- Ensure the move the net zero doesn’t disproportionately impact those least able to pay

On preventing homelessness, policies referenced include:

- Ending Homelessness Together
- Rapid Rehousing Transition Plans and scaling up Housing First
- Ensuring housing support is part of a package of family support, with a central focus on the best interests of children

The Committee has looked at [fuel poverty](#) (November 2021) and [homelessness \(November 2021\)](#), and has written to the relevant Cabinet Secretaries on these topics.

The Committee heard there has been a 75% increase in the number of children in temporary accommodation since 2014. The [Committee wrote to the Cabinet Secretary](#) saying:

“more must be done to reduce the number of children in temporary accommodation. The Committee asks the Scottish Government to comment on evidence heard that a whole system approach, informed by lived experience, must be taken to tackle homelessness.”

The Cabinet Secretary replied on 21<sup>st</sup> January discussing a wide range of issues in relation to addressing and preventing homelessness. On children in temporary accommodation she noted that guidance for local authorities already existed and that:

“it is unacceptable that for children to be in temporary accommodation for lengthy periods.”

She also referred to the forthcoming statutory duty on preventing homelessness and the inclusion of people with lived experience in the Homelessness Prevention and Strategy Group.

On fuel poverty, the Committee [wrote to the Cabinet Secretary for Net Zero](#) on 14<sup>th</sup> December with its views on the Fuel Poverty Strategy. This included reflecting stakeholder concerns about the replacement for the Warm Homes Discount and a desire for more clearly addressing the impact of COVID-19 and energy market ‘turbulence’. Points made by the Cabinet Secretary in reply included that:

“Ensuring that this transition is fair and that no one is left behind remains a critical commitment.”

On the Warm Homes Discount the Scottish Government was awaiting a response from the UK Government about whether they would consent to a single Scottish scheme (combining [ECO](#) and [Warm Homes Discount](#)). (A PQ answered on 25 March 2022 stated that the issue was not resolved: “Despite having asked how the current WHD scheme will be extended in Scotland on three occasions, we have still not received a response from the UK Government.”) ([PQ S6W-07234 by Beatrice Wishart. Answered by Michael Matheson 25 March](#)).

[Low Income Winter Heating Assistance](#) is due to replace the [Cold Weather Payment](#) from winter 22-23. This will provide £50 a year to those on low income benefits.

### On theme 4, warm affordable homes

1. Do the policies included under ‘warm affordable homes’ have enough of a focus on tackling child poverty? (p.67 – 70 of the Plan)
2. Does the affordable housing supply programme need to be altered in any way to ensure it has maximum impact on child poverty?
3. Are there other housing and homelessness measures that could address child poverty that are missing from the Plan?
4. Does the Plan do enough to address energy costs? If not, what more could be done?

## Theme 5: Levels of investment

Annex 1 to the Delivery Plan includes an [estimate of total resources allocated](#) in 2022-23 (p.13 of annex 1). This totals nearly £10 billion, but is described as:

“best estimates of the financial resources allocated in support of actions committed within the Tackling Child Poverty Delivery Plan 2022- 26. Figures set out should be treated in each case as the upper level of investment.”

Those which have particular relevance to child poverty include:

- Early learning and childcare (1,140) £1,006.0m
- Flexible workforce development fund £20.0m
- Parental employment offer £81.9m
- Scottish Child Payment £225.0m
- Scottish Attainment Challenge £200.0m

The spending review is due in May. Tackling child poverty is a priority in that spending review, but as the [consultation on the Spending Review Framework](#) pointed out we need to: “ensure that we use limited resources as efficiently and effectively as possible to make progress towards our priorities and the national outcomes.”

### On theme 5, levels of investment

1. Which policies in the Delivery Plan are likely to have the greatest impact on child poverty for the level of resource required?
2. Are there policies in the Delivery Plan which are expensive and have little impact on child poverty?
3. If budgets are tight – where would you prioritise spending to have the maximum impact on child poverty?

## Panel 2: Suggested themes for discussion

In panel 2, the Committee will hear from:

- IPPR Scotland
- Joseph Rowntree Foundation
- Fraser of Allander Institute

The following four themes are suggested:

- Theme 1: Child Poverty Trends and Economic Context
- Theme 2: Evidence base and modelling impact
- Theme 3: Coherence and targeting
- Theme 4: The 2030 Targets

### Theme 1: Child Poverty Trends and Economic Context

The latest official statistics on child poverty cover the period 2017-20. Last year's data collection was affected by COVID-19 which means the statistics are not robust enough to be considered official statistics.

Last month [updated economic forecasts from the Office for Budget Responsibility](#) described the economic context and outlook, noting that:

“In the first quarter of this century, the UK economy has been subjected to an extraordinary array of shocks. The financial crisis, Brexit and the pandemic are all expected to have long-term consequences for potential output”

Living standards are expected to fall:

“With inflation outpacing growth in nominal earnings and net taxes due to rise in April, real living standards are set to fall by 2.2 per cent in 2022-23 – their largest financial year fall on record – and not recover their pre-pandemic level until 2024-25.”

Unemployment is low but there is also a reduction in labour market participation due largely to:

“a higher inactivity rate among those of working age (largely the result of more early retirements and greater prevalence of long-term sickness).”

On theme 1, economic context, members may wish to discuss:

1. Although we do not have official statistics for 2020-21 – what indications are there about current trends in child poverty?
2. How does the rising cost of living impact on the poverty measures included in the Child Poverty (Scotland) Act 2017?
3. Does the Delivery Plan do enough to drive down living costs?
4. There is a focus on employability in the Delivery Plan. What do forecasts about the labour market suggest about prospects for parents entering employment or seeking to increase their income from work?

## Theme 2: Evidence base and modelling the impact of policies

Among the annexes published alongside the Delivery Plan were:

- [cumulative modelling of the impact of a selection of policies \(annex 4\)](#)
- [evidence review of what works \(annex 6\)](#)
- [updated measurement framework \(annex 3\)](#)

### Cumulative impact of policies

The cumulative impact assessment modelled the impact of a selection of policies on relative and absolute child poverty. Policies included in the assessment for 2023-24:

- **Local authority payments**; free school meals, school clothing grant, Council Tax Reduction and Discretionary Housing Payments (bedroom tax and benefit cap mitigation)
- **Social Security**; Carer's Allowance Supplement, Best Start Grant, Best Start Food and Scottish Child Payment

The modelling suggests that these policies will result in

- relative child poverty being 17% in 2023-24, compared to 27% if they hadn't existed. (annex 4, para 4.1).
- absolute child poverty being 16% in 2023-24, compared to 26% if they hadn't existed (annex 4, para 4.2)

Added in for 2025-26 are the:

- employability offer to parents

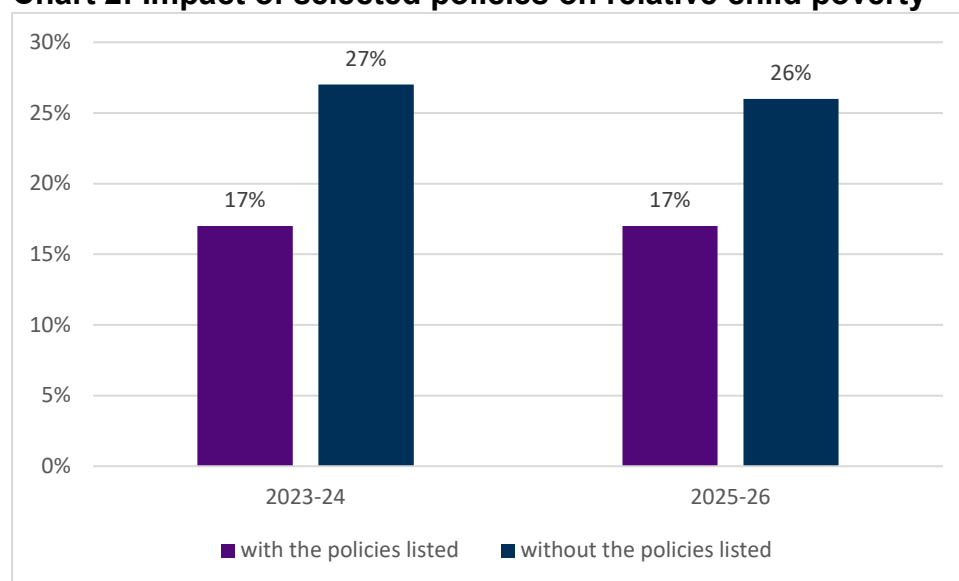
- [social innovation partnership](#) (“a range of projects will support over 3,000 parents through their Flourishing Lives programme”)

Adding these to the model and projecting forward to 2025-26 suggests:

- relative child poverty will be 17% in 2025-26, compared to 26% if none of the policies listed above had existed.
- absolute child poverty will be 16% in 2025-26, compared to 25% if none of the policies listed above had existed.

The chart below summarises the modelled impact of the above list of policies on relative child poverty compared to if the policies hadn’t existed.

**Chart 2: Impact of selected policies on relative child poverty**



Source: Annex 4, Child Poverty Delivery Plan.

Modelling also suggests that the Scottish Child Payment alone reduces relative child poverty by five percentage points in 2023-24. Therefore this payment is making up a substantial part of the expected impact of the whole delivery plan.

The report in Annex 4 emphasises the uncertainty around these estimates, the impact of the wider economic environment and the importance of also considering the cost of living. For example;

“reductions in measured levels of relative poverty should be treated with caution – not only because they rely on macroeconomic forecasts and are sensitive to changes in the income distribution, both of which are uncertain, but also because they do not necessarily reflect improvements in living standards.

[...]



the lived experience of households in poverty may not materially improve if they exit poverty through a marginal increase in income which happens to nudge them over the poverty line, or indeed through changes in elsewhere in the income distribution which shift the poverty line.” (annex 4, p.9)

## Evidence base

[Annex 6 sets out the evidence base](#), based on a rapid review of research evidence. It sets out a wide range of different types of evidence, much of which is reflected in the Delivery Plan policies – for example, a focus on affordable, flexible childcare and taking a local ‘joined up’ approach to employability. It also notes where there are gaps in the evidence base. For example:

- “The review did not find any evidence of tested policies or interventions of what works to help young mothers out of poverty.”
- “While there is a wide range of evidence on the issues and barriers faced by minority ethnic families, there is very limited evidence on what works to support them in their journey out of poverty.”
- “While there is some evidence on the barriers larger families face, few policies have been designed specifically for this group and evaluations of overarching child poverty policies have not tended to draw out learning on what works for large families specifically.”
- “There is no single obvious lever for tackling child poverty among disabled families, [...] However, stability combined with flexibility in work, care, support and income packages appears to be key.”

**On theme 2, evidence base and modelling impact, members may wish to discuss:**

- 1. Do witnesses agree that the interim target on relative poverty is likely to be achieved?**
- 2. The Scottish Government has modelled a specific list of policies, (based on those policies which can reasonably be modelled through micro-simulation). To what extent do you think that underplays the impact of Delivery Plan as a whole?**
- 3. Of those that haven’t been modelled – which are likely to have the biggest impact on child poverty? If we can’t model them, how do we get robust evidence of their impact?**
- 4. What are witnesses views on the strength of the evidence base set out in annex 6? To what extent is the prioritisation of policies within the Delivery Plan based on robust evidence of what works?**

## Theme 3: Coherence and targeting

Not all the policies which are included in the Delivery Plan are targeted specifically on children in low income families. There is a very large range of policies listed – from improving student support to affordable housing to expansion of universal funded early learning and childcare.

Out of the list of policies included in the modelling discussed above the Scottish Government estimates that in 2023-24 only 30% of expenditure will be on households with children in relative poverty ([See table 4.4, annex 4](#))

It also points out that not all policies are pulling in the same direction. In particular it states that;

“the policy package reduces work incentives for some parents in poverty”  
(p.18)

This is because when people increase their earnings they often lose income from benefits. For example, if someone earns an additional £10 but loses £5 in tax and benefits, they effectively ‘lose’ 50% of those additional earnings. This is known as a Marginal Effective Tax Rate (METR). The Delivery Plan results in parents facing higher METRs. By providing additional income through benefits, there is more income to lose when those benefits stop as earnings increase.

Scottish Government analysis suggests that in 2023-24, the median METR for employed parents in poverty would be 83% compared to 70% if policies such as Scottish Child Payment and free school meals didn’t exist.<sup>1</sup>

This could be important given the emphasis on employability and work in the Delivery Plan. The policy ambition is to move up to 10,000 parents into sustained work (with a ‘stretch aim’ of 12,000) and support up to 3,000 to increase their earnings. The annex 4 notes that this is ambitious:

“these estimates are highly optimistic and outcomes may well be achieved later and/ or at lower rates.” ([Annex 5, p.4](#))

**On theme 3, coherence and targeting, members may wish to discuss:**

- 1. Is the Delivery Plan a coherent package of policies?**
- 2. The cumulative modelling notes that the ‘policy package’ includes measures that might reduce work incentives. (Such as the ‘cliff edge’ in Scottish Child Payment). How important is this given the emphasis in the Delivery Plan on employability and work?**

<sup>1</sup> Based on impact on net income and benefits if parents increase their earnings by 10%. For further discussion see; [Annex 4 section 4.5 ‘work incentives’](#)

3. Are there other policies in the Delivery Plan which could be pulling in opposite directions?
4. Does the Delivery Plan get the balance right between universal and targeted policies?

## Theme 4: The 2030 Targets

The analysis accompanying the Delivery Plan emphasises the uncertainty of modelling impacts as far ahead as 2030. Outcomes for 2030 have not been modelled, however the report states:

“it is clear from this report that meeting the (2030) targets will require an unprecedented reduction in child poverty. According to our projections, relative child poverty will need to fall by additional 8 percentage points between 2025/25 and 2023/31, while absolute child poverty will need to fall by an additional 12 percentage points. Such a reduction is unlikely to occur without considerable changes to the drivers of poverty.” ([Annex 4, p.19](#))

In a paper from March 2021, the JRF looked at the prospects for reaching the targets. On the 2030 targets it stated:

“Without broader action now to promote good jobs and keep housing affordable, we will leave ourselves a big social security bill and leave too many people adrift in the meantime” ([JRF, Laying the foundations for a Scotland without poverty](#))

Also in a [paper in March IPPR-Scotland](#) considered the idea of Universal Basic Services – including proposals for 2030 around childcare, transport and the national care service.

In a blog published ahead of the Delivery Plan, the Fraser of Allander Institute discussed the prospects for 2030:

“Work published by FAI, MMU and the Poverty Alliance earlier this year found that structural policies such as childcare, social security and employability programmes could make substantial inroads in meeting the 2030/31 targets, with potential for some significant economic benefits as a result. However, the cost implications of these kinds of policies are large.

To get to the 2030/31 targets, waiting until the next delivery plan in 2026 to do all the heavy lifting may be too late for the required development and implementation (the Scottish Child Payment was first announced under the guises of an income supplement 4 years ago).”

On theme 4, the 2030 targets, members may wish to discuss:

- 1. What are witnesses policy priorities for working towards the 2030 targets?**
- 2. Does meeting the 2030 targets require a radically different approach to that taken to meet the 2023-24 targets? (For example, does the idea of Universal Basic Services support tackling child poverty or dilute the focus and available resources?)**
- 3. A third delivery plan is due in 2026. However, is the scale of activity and investment set out in this Delivery Plan sufficient to set us on the path towards the 2030 targets?**

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SPICe Research,  
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