



Poverty and Inequality Commission briefing for Social Justice and Social Security Committee on *Best Start, Bright Futures: tackling child poverty delivery plan 2022-26*

1. Poverty and Inequality Commission role in advising on the Child Poverty Delivery Plan

The Child Poverty (Scotland) Act 2017 sets out a specific role for the Poverty and Inequality Commission in relation to the Child Poverty Delivery Plans. In preparing a Delivery Plan, Scottish Ministers are required to:

- consult the Commission on the measures they propose to include in the Delivery Plan
- have regard to any recommendations made by the Commission
- set out in the Delivery Plan the changes, if any, they have made in the Delivery Plan as a result of any recommendations

The Commission provided its advice to Scottish Government on what was needed in the next Delivery Plan in December 2021. The full advice can be found here: [Advice on the Scottish Government's Child Poverty Delivery Plan 2022-2026 - Poverty & Inequality Commission \(povertyinequality.scot\)](https://www.povertyinequality.scot.gov.uk/advice-on-the-scottish-governments-child-poverty-delivery-plan-2022-2026)

In order to inform its advice the Commission held a number of expert discussions involving representatives from third sector and community organisations, think tanks, academics, experts by experience, and Scottish Government and local government officials. It then worked with its Experts by Experience Panel to develop its advice. The Panel and the Commission worked jointly to bring together their expertise and knowledge to develop the recommendations in the advice.

2. Recommendations from the Commission

The Commission made a number of recommendations to the Scottish Government about what needed to be included in the Delivery Plan. In particular it recommended that the Scottish Government must:

- use all the levers available to it and deliver action at a much greater pace and scale, and with significantly higher levels of investment
- ensure that actions are more clearly linked to targets and that it is clear, before funding is committed, what the impact of an action is expected to be on child poverty targets
- ensure that addressing child poverty is at the core of the design and delivery of policies across government. This requires stronger leadership and accountability.

The Commission then made some specific recommendations relating to social security, work and earnings and housing. In particular we would highlight recommendations that the Scottish Government:

- was likely to need to increase the Scottish Child Payment beyond £20 per week in order to meet the interim child poverty targets
- should invest in childcare and transport infrastructure in order to reduce costs for families and enable parents to work
- should invest in employability and skills, and work with employers to address the barriers to work faced by some parents, particularly disabled parents
- must make impact on child poverty a measure of the success of its housing policies

3. Commission comments on Best Start, Bright Futures

The Commission is reviewing the Child Poverty Delivery Plan in detail when it meets on 14 April and Bill Scott will be able to more fully reflect the Commission's views when he gives evidence to the Committee. At this stage we can make some general comments on the Delivery Plan.

Increased scale and investment

The Commission said that the Scottish Government should use all the levers available to it and deliver at greater scale and with significantly higher levels of investment. This Delivery Plan shows a much greater recognition than previously of the scale of action that is required to meet the interim targets. In particular we are seeing significantly higher levels of investment in parental employability and a further increase to the Scottish Child Payment. We also see recognition of the range of levers that will be required, including continued action in areas such as childcare and fair work.

Improved use of data to support decision-making

The Commission welcomes the cumulative impact assessment that has been carried out by Scottish Government, which is useful in indicating how much we can expect to see child poverty change as a result of the combined impact of a range of policies included in the delivery plan. As with all modelling, the Scottish Government cumulative impact assessment is subject to substantial uncertainty but it suggests that Scottish Government thinks the interim relative poverty target will be met with the package of measures set out in the Delivery Plan, although the absolute poverty target may not be.

Putting child poverty at the core of design and delivery of policies

The Commission recommended that the Scottish Government should ensure that addressing child poverty is at the core of the design and delivery of policies across government and that there should be more joining up across policy areas. We see some signs of this, for example, in the work on the Whole Family Wellbeing Funding, the commitment to make child poverty a central pillar of the new Lifetime Skills Offer, and the commitment to test solutions that contribute to the net zero and child poverty

targets through the Just Transition Fund. This builds on existing commitments in areas such as early learning and childcare, fair work and community wealth building.

Investment in new actions

In terms of specific new actions, we particularly welcome the increased investment in a holistic approach to delivering employability support, and to creating supported employment opportunities. The introduction of a Parental Transition Fund, to tackle the financial barriers parents face in entering the labour market, could help address some of the barriers we have identified, and we welcome the establishment of a lived experience panel to inform the development of the employability activity.

On social security, the further increase to the Scottish Child Payment, the commitment to mitigate the benefit cap as fully as possible, and the commitment to work towards automation of devolved benefits where possible, could have an important impact. We also welcome the commitment to ensure that larger family homes are delivered where they are required.

4. Where further action is likely to be needed

Linking actions to targets and better use of evidence

The cumulative impact assessment and the work that Scottish Government has done to try to estimate the impact that its increased employability funding could have on the child poverty targets, are really welcome. Nevertheless, many of the policies in the Delivery Plan still do not include estimates of the number or type of households in poverty who are expected to benefit, which will make it difficult to assess their impact. We recognise that with many of these policies it is much more difficult to make these estimates, but we will be encouraging the Scottish Government to do further work on this. It is only by understanding what impact policies and funding are expected to have that the Scottish Government can assess whether they are having the expected impact and whether they should be continued, expanded or stopped.

We would also note that the cumulative impact assessment work will be of most use if this exercise is more than a one off analysis published alongside the Plan. As changes of consequence to the modelling occur (e.g. inflation changes, reserved policy decisions, data becoming available that permits the inclusion of policies that are currently not within the model's scope), the work should be periodically reviewed and published openly and transparently.

Delivering at pace

While there are many good actions in the Delivery Plan, it will be vital that they are delivered quickly in order to support families and have an impact on the targets. There were some actions in the last Delivery Plan, such as the Parental Employability Fund, that never had the opportunity to deliver their potential because of the slow pace of implementation. Clearly Covid-19 had a significant impact on implementation of policies and actions over the last two years, and it is possible that we would have seen much greater impact if the pandemic had not happened. That makes it even more important that actions are implemented at pace now and that

Scottish Government focuses strongly on implementation. The significantly increased investment in employability means that development and scaling up of holistic support must happen immediately. The new local Pathfinders could offer wider learning on how to take a joined-up, person-centred approach, but that will only happen if they are operating quickly.

Putting child poverty at the core of design and delivery of policies

We see some welcome efforts to ensure that addressing child poverty is at the core of the design and delivery of policies across government, but there is still more to be done. We had recommended, for example, that impact on child poverty should be made a measure of the success of housing policies, and while the Delivery Plan contains the commitment to ensure that larger family homes are delivered where they are required, and proposed action on the private rented sector, this could go further to make addressing child poverty more integral to the Affordable Housing Programme and housing policy more broadly. We would like to see Scottish Government doing more to use the levers it has to create and encourage more good jobs in Scotland.

Further action to meet the 2030/31 targets

We have focused here mainly on the actions required to meet the interim targets. If the assumptions in the Scottish Government's modelling broadly hold true, Scotland will be in a position of only just reaching the interim 23/24 target for relative child poverty, and failing to reach it in the case of absolute child poverty. There will be more substantial reductions required, particularly in the case of absolute poverty, in order to reach the final 30/31 targets. This would be at the same time as the SG assessment suggests the effect of the policy packages contained in the Delivery Plan will have begun to slow down in terms of the degree to which they reduce child poverty. This projected tapering off of impact is something that needs to be planned for now, not in 2026 when the next Delivery Plan is due.