

Collette Stevenson MSP
Convener, Social Justice and Social Security Committee

By email

2 May 2025

Dear Collette,

## **TACKLING CHILD POVERTY**

Thank you for your letter of 8 April 2025 regarding the measures the UK Government is taking to tackle child poverty in Scotland.

Tackling child poverty is at the heart of this Government's mission to break down barriers to opportunity. Poverty scars the lives and life chances of our children. It is shameful that there were 900,000 more children in relative poverty after housing costs in 2023/24 than in 2010/11. In 2023/24, there were 4.5 million children living in relative poverty after housing costs in the UK. In 2023/24, 1.1 million children were living in households where a food bank had been used in the 12 months prior to the interview.

The Child Poverty Taskforce is progressing urgent work to publish the UK Child Poverty Strategy in Spring 2025. We published our framework, '<u>Tackling Child Poverty: Developing Our Strategy</u>', on 23 October 2024 and we are exploring all available levers to drive forward short and long-term actions to reduce child poverty across all nations and regions.

The UK Child Poverty Strategy will tackle overall child poverty as well as going beyond that to focus on children in deepest poverty lacking essentials, and what is needed to give every child the best start in life. It will look at levers across four key themes of increasing incomes, reducing essential costs, increasing financial resilience, and improving local support especially in the early years. This will build on the reform plans already underway in Scotland – driven by both the UK and Scottish Governments.

We are focused on reducing and alleviating the effects of child poverty to improve children's lives and life chances now and tackle the root causes of child poverty in the long term. You also asked some specific questions in your letter, and my response to these is set out below:

The Committee notes that there is a mix of reserved and devolved policy areas that impact on child poverty and therefore asks how the UK Government is working with the Scottish Government to tackle child poverty in Scotland and ensure that reserved and devolved policies are working in the same direction of reducing poverty.

The Child Poverty Strategy will be UK-wide, hinging on a deliberate, shared effort across all nations and regions of the UK and placing children and families at its centre.

The Scottish Government plays a crucial role in this approach, providing direct insights and evidence into the experience of poverty in different communities and highlighting - and in many cases delivering - positive work already underway. In developing the Strategy, we are committed to complementing existing efforts and understanding the distinct delivery landscapes across nations.

Poverty is a complex issue, requiring focus across all levels of government, and involving both reserved and devolved policies. The UK Government is committed to respecting and valuing the devolution settlements.

To develop a broad understanding of the split between devolved and reserved policy areas as they relate to child poverty, UK and Scottish Government officials have prepared a mapping exercise which captures this high-level division of responsibilities, which often interact with each other.

Having met regularly since November 2024, the Four Nations Ministerial Group on Child Poverty provides Scotland with an opportunity to contribute to the development of the UK-wide Strategy and ensure that it complements their existing and developing strategies. Co-chaired by the UK Government's Minister for Employment and the Minister for School Standards, the Group is made up of ministers with responsibility for child poverty from each of the four nations.

The Taskforce co-chair and Work and Pensions Secretary of State Liz Kendall MP also visited Glasgow on 21 November to meet local leaders, voluntary and community sector organisations, and parents – to hear from them and ensure Scottish stakeholder views fed into the UK Child Poverty Strategy.

## Could you please provide confirmation of the publication date for the UK child poverty strategy?

The UK Government has committed to publish the Child Poverty Strategy in Spring. We will bring forward the strategy as soon as we are able.

The UK Government's <u>impact assessment</u> indicates that its welfare reforms will increase child poverty, estimating an additional 50,000 children will be in poverty following the reforms. Could you please confirm what the UK Government is doing to mitigate that?

Poverty is a stain on our society, and we remain absolutely committed to tackling child poverty. The reforms we have announced will ensure everyone who can work, including parents, get the active support they need, including through an extra £1 billion for personalised health, skills, and employment support for sick and disabled people.

We know from previous schemes employment support works. A study of Work Choices focused on 145,000 participants showed that 55,000 of those people were still in employment after 8 years – 41% more than a comparable group – and were 13% less likely to be receiving a looking for work or low-income benefit. Another scheme – the European Social Fund – that provided grants to employment support providers delivering tailored job help across England saw economically inactive participants spend 76 more days in work after 3 years than those who did not participate. We know that good work brings higher incomes, purpose and dignity and can significantly reduce the chances of people falling into poverty.

The moral and economic case for reform is applicable throughout the UK - Scotland's inactivity rate is higher than the rest of the UK, with 300,000 Scots out of work and not looking for work because they are either temporary or long-term sick.

Around 84,000 young Scots – around 15% - are not in work, education or training: the number of college places in Scotland is at its lowest in a decade, the attainment gap continues to widen, and employability services have faced years of cuts.

Incredibly, 1,351 pupils, enough to fill a Scottish high school, left school last year without a single qualification to their name. The number one demand of businesses in Scotland is skills and two of the largest inhibitors to growth in Scotland are skills and ill health.

This requires both governments to step up. The Scottish Government has the levers, means, and record funding to deliver disability benefits, improve NHS waiting times and skills provision, and create supportive employment support for those who are long term inactive.

Alongside delivering on this Government's Get Britain Working White Paper to support people into good jobs and make everyone better off, we are uprating benefits and supporting 700,000 of the poorest families by introducing a Fair Repayment Rate on Universal Credit deductions to help low-income households, leaving some up to £420 a year better off. This is all on top of the ambitious Child Poverty Strategy we are developing.

The UK Government also plans to extend the Warm Home Discount - £150 off energy bills for poor and vulnerable households - to an additional 220,000 households in Scotland, taking the number in Scotland who qualify to over 500,000.

We consulted on removing the high-cost to heat threshold that is currently applied to those on means-tested benefits and, in Scotland, proportionally increasing the size of the scheme so more households on means-tested benefits can receive support through their energy supplier's scheme.

The Government has also delivered the biggest upgrade to workers rights in a generation. Boosting the minimum wage, banning exploitative zero hours contracts, ending fire and rehire and guaranteeing more day one rights for workers.

Boosting the minimum wage could be worth up to £1400 for a full-time worker. Scotland will also benefit more than the UK average from these reforms.

Around 2.4 million people in the UK work irregular patterns like zero or low hours contracts or agency jobs, where insecure hours can mean forking out on expensive childcare or transport to cover last-minute shifts - or losing out altogether if work is changed or cancelled at short notice.

New protections like guaranteed hours and giving reasonable notice or compensation for lost work will help shift workers to keep up to £600 a year of that lost income.

Finally, properly funded public services are essential to reducing poverty. This government ended austerity in Scotland, with the biggest budget settlement for the Scotlish Government in the history of devolution, at £47.7 billion.

The Scottish Government recently published <u>modelling</u> illustrating the impact on child poverty in Scotland of a range of policy measures that could be taken by the UK Government – such as abolishing the 2-child limit and benefit cap among others. The Committee would be interested in the UK Government's view of whether such measures would be an effective way to address child poverty and what the impact on UK child poverty rates would be were they to be adopted across the UK.

This Government has been clear that all our policies are fully costed and fully funded, and we will only make commitments we know we can keep.

The Department for Work and Pensions and the Scotland Office are working constructively with the Scottish Government so they can deliver the policy outcome they are committed to, including assisting with data requests and on legislative changes.

Delivering our manifesto commitment to tackle child poverty is an urgent priority for this Government, and the Ministerial Taskforce is working to publish a Child Poverty Strategy which will deliver lasting change.

Would the UK Government have any comments to make on the <u>briefing</u> produced by Changing Realities, Cuts can't fix child poverty: it's time for a new approach?

Changing Realities is a key partner for the Taskforce, and they have been working closely with us as we develop the strategy. Their support in convening a forum of parents and carers has been particularly vital, ensuring we hear directly from families across the UK and gather insight on their current experiences and what would have the greatest impact on their lives.

Ruth Patrick, lead of the Changing Realities Programme, also attended a Taskforce meeting in February 2025 to discuss the critical role of financial resilience and income maximisation in alleviating the effects of child poverty.

I hope you find this information useful.

THE RT HON IAN MURRAY MP
SECRETARY OF STATE FOR SCOTLAND