

Executive Summary

In preparing the annual Child Poverty Progress Report, Scottish Ministers must consult the Poverty and Inequality Commission on the progress that is being made towards meeting the child poverty targets. The Commission has worked with members of its Experts by Experience Panel to look in detail at what progress has been made in implementing some of the major commitments in the Scottish Government's second child poverty delivery plan, Best Start, Bright Futures. The Commission has looked most closely at the actions which might be expected to have the biggest impact on the child poverty targets, outside of the Scottish Child Payment. It has focused on the following actions:

- Parental Employability
- Parental Transition Fund
- Affordable Housing Supply Programme
- Early Learning and Childcare
- School Age Childcare
- Pathfinders
- Social Innovation Partnership

What progress has been made in 2022-2023 towards meeting the child poverty targets?

The most recent official statistic measures of child poverty do not show evidence of progress in reducing poverty at the scale that is required to meet the targets.

The increase in the Scottish Child Payment to £25 per week and its roll out to eligible under-16s during 2022-23 undoubtedly represents significant progress in tackling child poverty. It will make a real difference to the lives of children and families across Scotland.

Less progress has been made on some of the other key actions in *Best Start, Bright Futures* and the Commission is concerned that there does not seem to be the necessary clarity or sense of urgency about delivery of these actions. Funding to expand parental employability support was cut mid-year, the pace of action on funded childcare for one and two year olds and on school age childcare is slow, limited progress has been made in putting child poverty at the heart of the Affordable Housing Supply Programme, and there does not seem to be a clear path to scaling up from smaller scale local tests of person-centred approaches and systems change that Scottish Government is funding.

Does it appear to the Commission that such progress is sufficient to meet the child poverty targets?

Based on the available data and modelling, the Commission considers that it is unlikely that the Scottish Government will meet the interim targets in 2023-24. Nevertheless, the Commission does expect there to be a substantial reduction in child poverty due to the Scottish Child Payment and the importance of this to children and families should not be under-estimated.

The Commission's view is that there is a very high likelihood that the Scottish Government will miss the 2030 child poverty targets, unless it substantially increases the pace and scale of delivery. Despite already being five years into the 12 year delivery period, there seems be a lack of urgency in delivering the actions that have been committed to. Some important actions were set out in *Best Start*, *Bright Futures*, including the investment in employability support, and childcare in particular, but rate of progress in delivering these is slow. The funding being allocated to actions to tackle child poverty, excluding the Scottish Child Payment, does not seem to match the ambitions set out in *Best Start*, *Bright Futures*. Further transformative action, beyond the existing commitments will also be needed, but the Commission has not seen any real evidence of substantive thinking about what more action can be taken in order to meet the 2030 targets.

What further progress does the Commission consider is required to meet the child poverty targets?

The Scottish Child Payment is driving most of the progress towards meeting the interim targets, but there will not be any single policy that can deliver the further reduction needed to meet the 2030 targets. The 2030 targets can only be met through delivering a range of actions that work together to transform our economy and deliver fair work, create the conditions to support parents who are able to work, provide adequate social security for those who are not able to work and reduce housing costs. We are now another year closer to 2030 and without urgent action now the Scottish Government will run out of time to meet the targets.

The Scottish Government must focus on delivering with urgency and at scale and commit to the funding required to deliver the action needed. It should revisit the National Strategy for Economic Transformation to ensure that it delivers the transformative change needed to tackle child poverty, and join up work across Scottish Government to maximise the impact of its policies and funding.



Recommendation 1:

The Scottish Government must focus on delivery, and delivering with urgency and at scale.



Recommendation 2:

The Scottish Government must commit to funding the actions required to meet the child poverty targets.



Recommendation 3:

The Scottish Government must be clearer about what it aims to achieve with its actions and how it will know if it is being successful.



Recommendation 4:

The Scottish Government should revisit the National Strategy for Economic Transformation to ensure that addressing poverty is a core strand that runs through every aspect of the strategy.



Recommendation 5:

The Scottish Government must maximise the impact of all its spending by actively pursuing opportunities to join up policies across government.



Recommendation 6:

The Scottish Government must improve the way it embeds previous learning and existing knowledge into its policy processes.



Recommendation 7:

The Scottish Government must continue to improve the transparency of its reporting on funding allocations.



Recommendation 8:

The Scottish Government must continue to improve the quality and utility of its analytical outputs in relation to child poverty.





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