

The Poverty & Inequality Commission Analytical Manager, Keith Dryburgh has provided a short briefing on the evidence on the impact of the Scottish Child Payment, including Scottish Government modelling.

Scottish Child Payment

The Scottish Child Payment has proven an effective tool in reducing child poverty and must continue to play a key role. The Commission's view is that, if the 2030 targets are to be met, the Scottish Child Payment will need to be increased further.

Modelling the Impact of the Scottish Child Payment

- The Scottish Government has published an annual cumulative impact assessment of child poverty strategy policies since 2022.
- The 2026 report found that the Scottish Child Payment, in isolation, is **estimated to keep 50,000 children out of relative poverty in 2026-27, with the relative child poverty rate five percentage points lower than it would be without the policy in place.** This is relative to a counterfactual scenario in which this policy did not exist. This has increased slightly compared with the previous estimate of four percentage points due to changes in eligibility and take up.
- Over recent years there have been several attempts by organisations such as the Joseph Rowntree Foundation, the Scottish Parliament Information Centre, and the Fraser of Allander Institute to model and quantify the impact of the SCP on child poverty. Whilst this modelling has been based on different assumptions and was conducted at different points in time they have all concluded that the SCP has a substantial impact on reducing child poverty.
- A number of organisations have sought to model the impacts of future increases in SCP. This includes:
 - WPI Economics, undertaking modelling for the Poverty and Inequality Commission, found that increasing SCP to £40 per week in 2025/26, and then uprating in line with inflation, would cost £230m per year and would result in a reduction in relative child poverty of 20,000 (in addition to the estimated 50,000 children already kept out of poverty by SCP).
 - The Fraser of Allander Institute undertook modelling of options to meet the Child Poverty targets in 2025 and concluded that increases to SCP are the most effective tool available to the Scottish Government. They found that increasing SCP to £150 for everyone, or to £115 for all children plus a per-household premium of £50 for some priority households, would be the size of investment needed to meet the 2030/31 targets. The changes to Scottish Child Payment have some variation in cost, but fall between £210 and £240 million per percentage point reduction in child poverty on average when implemented in combination with other policies.
 - JRF Scotland modelling found that introducing a SCP supplement for households with a baby, where someone is disabled and/or a single parent, would lift 10,000 children out of poverty, 20,000 out of deep poverty and 20,000 out of very deep poverty. This would cost an additional £310 million per year.

Research on the Scottish Child Payment

The Family Finances Study is a collaborative project with academics and policy partners at the University of Manchester, University of Glasgow, University of York, the London School of Economics, and the Child Poverty Action Group. They are investigating the impact of the Scottish Child Payment on financial and emotional wellbeing and employment using a comparative, mixed-methods approach.

- The *Investing in Children: Early findings on the difference the Scottish Child Payment makes to child well-being* report, published in December 2025, used a difference-in-difference method, comparing outcomes for Scottish households before and after the SCP to English households.
- **The research found that both material deprivation and food insecurity would have been between 8 and 9 percentage points higher in Scotland without the policy, which corresponds to over 70,000 fewer children living in material deprivation and food insecurity as a result of the SCP's introduction.** The qualitative data in the study showed that parents were able to increase spending on items necessary to children's healthy development such as nutritious food, clothing and utilities.

The Fraser of Allander Institute conducted a preliminary evaluation on the impact of Scottish Child Payment on food bank use. It found Scottish Child Payment had a statistically significant impact on food bank use for some (but not all) household types with children. Specifically, it found decreased food bank usage for single-adult households with children aged 0-4, and households with children aged 5-16 without younger children. Effects were largest in late 2022 and early 2023 after Scottish Child Payment rose to £25 per week.

Evaluation of the Scottish Child Payment

The Scottish Government undertook an evaluation of the Five Family Payments (of which SCP is the main benefit), with the findings largely based on commissioned, mixed methods research that was undertaken by ScotGen.

The evaluation report published in 2025 found that the Scottish Child Payment is being used for child-related spend; supports families to meet day-to-day costs and essentials; means that families were less worried about money and are less likely to need to borrow money or use food banks for essentials; and that recipients agreed that their mental health and wellbeing had improved as a result of receiving Scottish Child Payment.

Changes to poverty figures in Scotland since SCP was introduced

There is evidence of a reduction in child poverty since the implementation of the Scottish Child Payment. Relative child poverty after housing costs for 2022-25 was estimated to be 21% compared to 25% in 2020-23, a reduction of 40,000 children. In the same period the proportion of children in severe poverty after housing costs reduced from 16% to 13%.

It is difficult to disentangle the impact of the Scottish Child Payment on the reduction in child poverty figures in Scotland, as it is one part of the Child Poverty Strategy and

exists in a wider economic context. However, the Scottish Government's cumulative impact assessments of child poverty strategy policies have found that half of the modelled reduction in child poverty would be from Scottish Child Payments.

Comparisons with UK poverty figures

Scotland's relative child poverty rate over the period 2022–23 to 2024–25 was 21%, compared with 28% in the UK as a whole and 38% in Greater London. Analysis by the Institute for Fiscal Studies found that this in part reflects lower housing costs, but also that Scotland's devolved tax and benefit policy has also played an increasingly important role in recent years.

JRF analysis in its 2025 Poverty in the UK publication shows that under central Office of Budget Responsibility (OBR) projections, without any further policy changes, only Scotland out of the UK nations will see child poverty rates fall by 2029. The analysis estimated that the gap between child poverty rates in Scotland compared to England and Wales will have grown, with Scotland moving from being 7ppts to 10ppts below the rest of the UK. Further, it found that almost 1 in 3 children would still be in poverty in England, but in Scotland there would be closer to 1 in 5 children in poverty in large part due to Scotland-specific policies.

The Scottish Child Payment in the poverty figures

The child poverty targets for Scotland – relative poverty, absolute poverty, material poverty and persistent poverty – are based data from two surveys. The first three measures are taken from responses to the *Family Resources Survey* and persistent poverty is taken from the longitudinal *Understanding Society* survey.

Both surveys have relatively small sample sizes, which can result in relatively large confidence intervals in the poverty figures. This introduces some uncertainty in the measures, particularly the single year estimates.

However, the linking of UK benefits data to the reported household income from the Family Resources Survey, first published in March 2026, have improved the accuracy of the poverty figures. Using three year trend data, rather than single year estimates, also smooths out some of the fluctuations in the measures.

Scottish benefits data – including the Scottish Child Payment – are currently captured in poverty measures via survey responses and using data imputation where it can be reasonably assumed that a household is in receipt of SCP. The DWP are planning to use linked Scottish benefits data in the next two years to further improve poverty data for Scotland.