AUDITOR GENERAL

News release

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Plan needed to evaluate long term impact of child payment

The Scottish Child Payment (SCP) is helping reduce child poverty, but data gaps will make it harder to assess its impact and longer-term value for money.

Take-up of the SCP is very high, with an estimated 96 per cent of eligible children - over 320,000 – benefiting from it in 2024/25. The Scottish Government aims to target support to those at greatest risk of experiencing poverty. These include lone parents, minority ethnic families, and families with a disabled child or adult. But limitations with the data currently collected means it is not clear if the four per cent of children in families not taking up the SCP are from these most at risk homes - around 13,000 children.

The Scottish Government linked eligibility for the SCP to receipt of Universal Credit, rather than whether a family is in poverty. This allowed the benefit to be introduced quickly. Legislation passed in 2025 gives the government more flexibility to change eligibility criteria, but it has yet to use these powers.

Nearly £460 million was spent on the SCP in 2025/26. That is expected to increase to £522 million in 2030/31, as the payment rises in line with inflation. The government estimates that the SCP will keep 50,000 children out of poverty this year. However, it has not yet modelled how its wider poverty reduction measures could affect the future role and cost of the payment. Gaps also remain in ministers' plans to measure the SCP's impact, including its contribution to reducing debt, social exclusion, and health inequalities.

Stephen Boyle, Auditor General for Scotland, said:

‘The Scottish Government has made a good job of delivering the Scottish Child Payment, which is helping reduce child poverty.

‘The government now needs to set out how it will evaluate the long-term impact of the payment and demonstrate the overall value for money of its investment.

'Ministers also need to show that all those children most at risk of poverty are able to access the benefit and set out plans for the future role of the payment.'

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Notes to Editor:

1. £1.6 billion has been spent on the Scottish Child Payment (SCP) since its launch in 2021 to help reduce child poverty by providing additional support to low-income families.

2. The current weekly payment for each eligible child is £28.20.

3. Thirty-seven per cent of children in Scotland benefit from the payment.

4. The Social Security (Amendment) (Scotland) Act 2025 changes the legal framework for the SCP and gives the Scottish Government more powers to manage and develop the payment under the Social Security (Scotland) Act 2018 if it chooses to do so.

5. Audit Scotland has prepared this report for the Auditor General for Scotland. All Audit Scotland reports published since 2000 are available at www.audit.scot

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