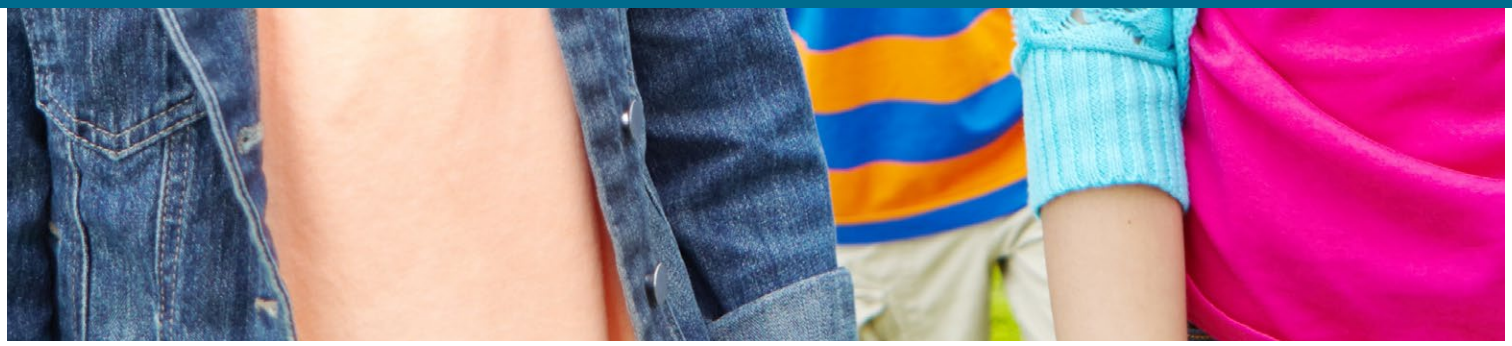
Tackling child poverty: Scottish Child Payment

EMBARGOED UNTIL
00.01 HOURS
THURSDAY 26 NOVEMBER 2026



AUDITOR GENERAL

Prepared by Audit Scotland
November 2026



Contents

Key facts 3

Key messages 4

Recommendations 6

Introduction 7

1. Design and delivery of the Scottish Child Payment 9

2. Assessing impact and progress to date 24

Accessibility

You can find out more and read this report using assistive technology on our website www.audit.scot/accessibility.

Audit team

The core audit team consisted of: Catherine Young, Corrinne Forsyth, Ciarán Morrison and Anna Nash, under the direction of Mark MacPherson.

Key facts

321,885	Children in Scotland benefiting from the Scottish Child Payment as at March 2026
96%	Estimated take-up rate of the Scottish Child Payment in 2025/26
37%	Percentage of children aged 0–15 in Scotland benefiting from the Scottish Child Payment in 2025/26
£1.6bn	Spending on the Scottish Child Payment since its launch in 2021 until March 2026
£458m	Spent on the Scottish Child Payment in 2025/26
£28.20	Weekly Scottish Child Payment for each eligible child in 2026/27

Key messages

1 The Scottish Child Payment (SCP) was introduced in 2021 to help reduce child poverty by providing additional support to low-income families. The Scottish Government considered a range of design options and chose to base eligibility on receipt of certain UK benefits as the most practical and cost-effective way to deliver support quickly. Eligibility is based on receiving these benefits, rather than on whether a family is in poverty. Since 2025, Scottish ministers have had greater flexibility to change SCP eligibility criteria, but have not yet decided whether to make any changes.

2 Take-up of the SCP is very high, with an estimated 96 per cent of eligible children benefiting from the payment in 2025/26. Families are generally positive about the application and payment process. The payment supports more than 320,000 children, making a positive contribution to reducing child poverty. Four per cent of eligible children, around 13,000, are not currently benefiting from the payment because their families have not taken it up. Although the Scottish Government aims to target support towards specific priority family types identified as being at greater risk of child poverty, data limitations mean it is unclear whether those not taking up the payment are from these families.

3 The Scottish Government highlights the SCP as a key part of its wider package of measures to reduce child poverty. However, it is less clear about whether these measures will, over time, improve families' circumstances enough to reduce their need for social security support. The extent to which this happens will

depend on their success, as well as economic and labour market conditions and the wider social security system. The number of children benefiting from the SCP is forecast to remain relatively stable up to 2030/31. Spending is expected to increase to £522 million as the value of the payment is forecast to rise in line with inflation. The Scottish Government has not yet modelled how its wider poverty reduction measures could affect the future role and cost of the SCP.

4 The SCP has helped reduce child poverty, with the Scottish Government estimating that the payment will keep 50,000 children out of poverty in 2026/27. However, there are gaps in how the Scottish Government plans to measure some medium- and long-term outcomes, such as reducing debt, social exclusion and health inequalities. It has also not clearly shown how the payment contributes to meeting children's rights. These gaps make it harder to demonstrate the overall value for money of the Scottish Government's investment in the SCP.

Recommendations

Over the next 12 months, the Scottish Government should:

- demonstrate how it will provide equity of access to the Scottish Child Payment across the six family types it has identified as being at greater risk of experiencing child poverty
- set out how it expects demand for the Scottish Child Payment will change as wider poverty reduction measures take effect, and how this will inform the payment's role beyond 2030/31
- strengthen the evidence base for the Scottish Child Payment's medium-term outcomes and set out how its contribution to children's rights will be assessed and reported
- set out how it will evaluate the long-term impact of the Scottish Child Payment, demonstrating the overall value for money of its investment.

Introduction

Background

1. The Scottish Child Payment (SCP) was introduced as a key part of the Scottish Government's wider strategy to reduce child poverty and contribute to achieving the statutory child poverty targets set out in the Child Poverty (Scotland) Act 2017.

2. The Act established four statutory targets for the Scottish Government to significantly reduce child poverty in Scotland by 2030/31. It also included interim targets for 2023/24 to help measure progress along the way. For example, the Act stated that by 2023/24, Scottish ministers must ensure that less than 18 per cent of children should be living in **relative poverty**. The target for 2030/31 is to reduce this to less than ten per cent of children.



Relative poverty is the proportion of children living in households with income lower than 60 per cent of average (median) households in the United Kingdom.

3. The Act also requires the Scottish Government to publish child poverty delivery plans. These plans set out the range of actions it will take to reduce child poverty, including the expansion of funded childcare, supporting parents into work and increasing household incomes through the SCP. The Scottish Government's third and final child poverty delivery plan was published in March 2026, covering the period 2026 to 2031. This highlights the important contribution the SCP has made, and is expected to continue to make, towards reducing child poverty in Scotland.

4. The SCP, which is delivered by Social Security Scotland, is a weekly payment for eligible low-income families. The Scotland Act 2016 gave the Scottish Parliament the power to create the payment, while the Social Security (Scotland) Act 2018 provided the framework to deliver it. The SCP was introduced in 2021 and as at the end of March 2026 over £1.6 billion had been paid to eligible families. It is one of Five Family Payments the Scottish Government has introduced to help meet the essential costs of raising a child. The other payments are:

- Best Start Grant Pregnancy and Baby Payment (one-off payment per child), costing £8.3 million in 2025/26.
- Best Start Grant Early Learning Payment (one-off payment per child), costing £5.6 million in 2025/26.
- Best Start Grant School Age Payment (one-off payment per child), costing £6.3 million in 2025/26.

- Best Start Foods – a prepaid card that is periodically topped up to help eligible households buy healthy foods, such as milk, fresh fruit, and vegetables, costing £16.6 million in 2025/26.

5. Growing fiscal pressures combined with the expected contribution towards the statutory child poverty targets mean it is important to look independently at whether the SCP is delivering the intended impact on families in Scotland.

About this report

6. This audit assesses whether the SCP provides good value for public money, is delivered efficiently and is achieving its objectives. The audit aims to answer the following questions:

- How well is the SCP being delivered?
- How sustainable is the SCP?
- What impact is the SCP having?

7. This work builds on our previous briefing, published in September 2022, Tackling child poverty.

1. Design and delivery of the Scottish Child Payment

The Scottish Government undertook a thorough assessment of the available options when designing the Scottish Child Payment

8. In 2019, the Scottish Government decided on the design of the SCP following a rigorous options appraisal process. It set three objectives, developed policy options and subsequently undertook a detailed assessment of these options based on set criteria.

9. The objectives of the SCP were to:

- achieve a minimum reduction in relative child poverty of three percentage points
- reduce the depth of poverty and provide support to those who need it most
- help to support a sustainable and lasting reduction in poverty for families with children.

10. The Scottish Government set out five different options for how families could be eligible for the payment, modelling what the weekly rate and overall cost would be if a three-percentage point reduction in child poverty was to be achieved (Exhibit 1, page 10).

11. The Scottish Government evaluated these options in terms of how straightforward and transparent they would be for families, their ability to achieve high take-up and their potential effects on recipients' decisions to work or increase their earnings. It also considered who the payment should target, whether eligibility would be determined through an existing means-tested benefit or a new one and whether the payment should be delivered automatically or through an application process.

Exhibit 1.

Options considered by the Scottish Government when deciding the basis of eligibility for the Scottish Child Payment

Policy option – basis of eligibility	Costs of the payment to recipients (weekly and overall), target population and level of complexity
Child Benefit	• £10 per week and costing £420–460 million • Targeted at all children • Easy to understand and highest take up out of all options is likely
Universal Credit	• £10 per week and costing £200–250 million • Targeted at children in low-income families • Easy to understand
Universal Credit targeted groups	• £5 per week and £5 for priority family types • Costing £200–250 million • Targeted at children in low-income families • More complicated for families to navigate
Means test	• £10 per week and costing £200–250 million • Targeted at children in low-income families • Most complicated for families
Council Tax reduction	• £45 per week and costing £290–330 million • Targeted at children in low-income families • Potential impact on work incentives because of higher rate

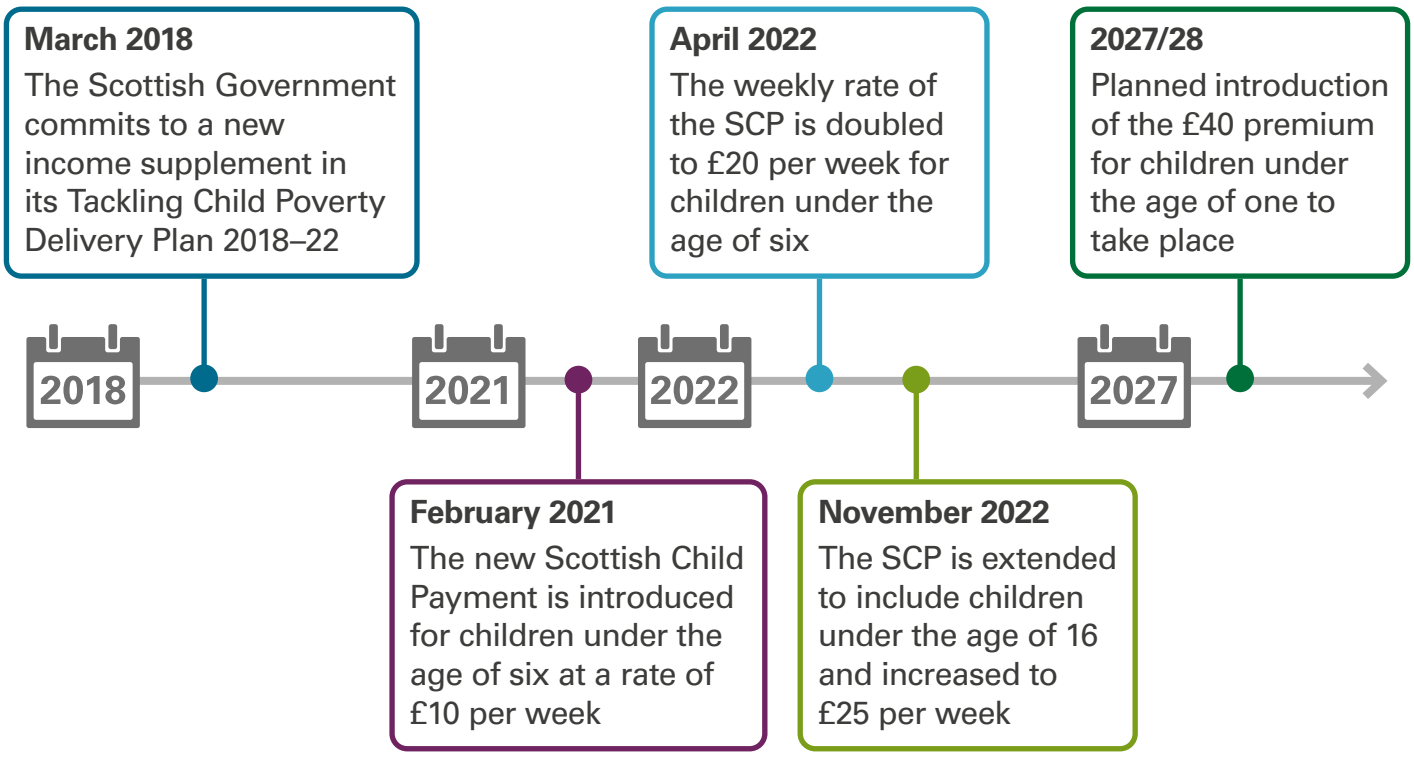
Source: Scottish Government

The Scottish Government decided that Scottish Child Payment eligibility would be based on receipt of Universal Credit to allow the payment to be introduced quickly to support families in most need

12. After further analysis around delivery and timing, the Scottish Government decided to take forward the option linking SCP eligibility to Universal Credit and other qualifying benefits, using existing legislation. It chose this approach because it would support families most in need, make the best use of available resources and could be introduced quickly. The remaining options were not selected because they were viewed as less cost-effective, less targeted, too complex to deliver, or could not be completed within the required timescale (within the lifetime of the 2018–22 Tackling Child Poverty Delivery Plan).

13. The SCP was introduced in February 2021 for eligible families with children under the age of six and was rolled out successfully to under 16s in November 2022 (Exhibit 2). A higher rate is due to be paid to families with children under the age of one in 2027/28.

Exhibit 2.
Timeline of the roll-out of the Scottish Child Payment



Source: Scottish Government

The Scottish Government took children's rights into account when designing the Scottish Child Payment

14. One of the principles of the Scottish social security system is to contribute to reducing poverty in Scotland. The Social Security (Scotland) Act 2018 establishes social security as a human right, setting out that the system must be built on dignity, fairness and respect, and that design and delivery must be person-centred and participatory.

15. The Scottish Government adopted a rights-based approach when designing the SCP, considering relevant articles of the United Nations Convention on the Rights of the Child (UNCRC). It consulted with people with lived experience of poverty, including groups with protected characteristics, care experienced young people and young parents.

The Scottish Government has identified a number of constraints associated with the current design of the Scottish Child Payment but has not yet set out how it intends to address them

16. The Scottish Government chose to create the SCP as a top-up to existing UK benefits, using existing legislation, to enable the payment to be introduced quickly. This was viewed to be critical, given the urgency of tackling child poverty. While implementing the SCP through primary legislation may have given the Scottish Government greater flexibility to target eligibility and adjust support as family income increased, it would have delayed introduction of the payment by several years.

17. The Scottish Government is aware that there are risks around eligibility for UK-level qualifying benefits affecting eligibility for the SCP.

Eligibility for the SCP is not dependent on applicants meeting the definition of being in relative poverty, meaning there are families in poverty who do not qualify

18. In 2024, the Scottish Parliament Information Centre (SPICe) estimated that around 70 per cent of all children in poverty were living in households receiving the SCP. This means a significant number of children in poverty are not benefiting from it. This could be made up of children in:

- eligible families receiving Universal Credit and other qualifying UK-level benefits but not taking up the SCP
- families eligible for, but not taking up Universal Credit and other UK-level qualifying benefits and so not eligible for the SCP
- families not eligible for Universal Credit and other UK-level qualifying benefits.

19. Those ineligible for Universal Credit and other qualifying UK benefits, who as a result do not qualify for the SCP include:

- families in temporary housing receiving Housing Benefit rather than Universal Credit
- mothers on Maternity Allowance
- students whose student income prevents them from accessing Universal Credit
- families with no recourse to public funds, for example those whose immigration status prevents them from accessing social security benefits
- families with combined capital and savings of over £16,000.

20. Analysis by the Scottish Government for its 2026 Tackling Child Poverty Delivery Plan estimates that if everyone in Scotland who was entitled to UK and Scottish government benefits claimed them, up to 30,000 more children could be kept out of poverty. This is equivalent to a reduction in relative child poverty of three percentage points.

21. SPICe's 2024 modelling estimated that around three out of five children benefiting from the SCP did not live in families that meet the statistical definition of being in relative poverty. However, almost all children benefiting from the SCP live in families with below average income.

The current design of the SCP means a small increase in earnings can result in losing entitlement to the payment

22. Small changes in earnings or working hours can end a family's eligibility for Universal Credit and the SCP. This creates a threshold where families can regularly shift in and out of Universal Credit and the SCP. Some families may also end up worse off from earning more through work but losing eligibility for the SCP. Research by the Scottish Government in 2024 and the Institute for Fiscal Studies in 2025 found limited evidence that the SCP is reducing labour supply or has created significant disincentives to work.

The 2025 amendment to the Social Security (Scotland) Act allows for changes to the SCP within Scotland's social security system

23. 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. As well as changing how the benefit is structured in law, changing the legislative base of the SCP creates opportunities for the Scottish Government around future policy development as eligibility and payment rules would be set in Scottish regulations, not tied to UK benefits. For example, the Poverty and

Inequality Commission has suggested that the Scottish Government could use these new powers to:

- expand eligibility to include children aged 16–19 in full-time education
- introduce a taper to prevent a sudden loss of support as income rises.

24. In the March 2026 Tackling Child Poverty Delivery Plan, the Scottish Government stated its commitment to reviewing the legislative basis of the SCP. Any ministerial decision on whether and how to use these powers could shape the future direction of the SCP and its contribution to achieving policy objectives. Ministers have not yet decided whether to make any changes.

Families are generally very positive about the application process for the Scottish Child Payment

25. The SCP uses some Department for Work and Pensions (DWP) data to reduce duplication and simplify the application process for families. The application process for the SCP is set out in Exhibit 3 (page 15).

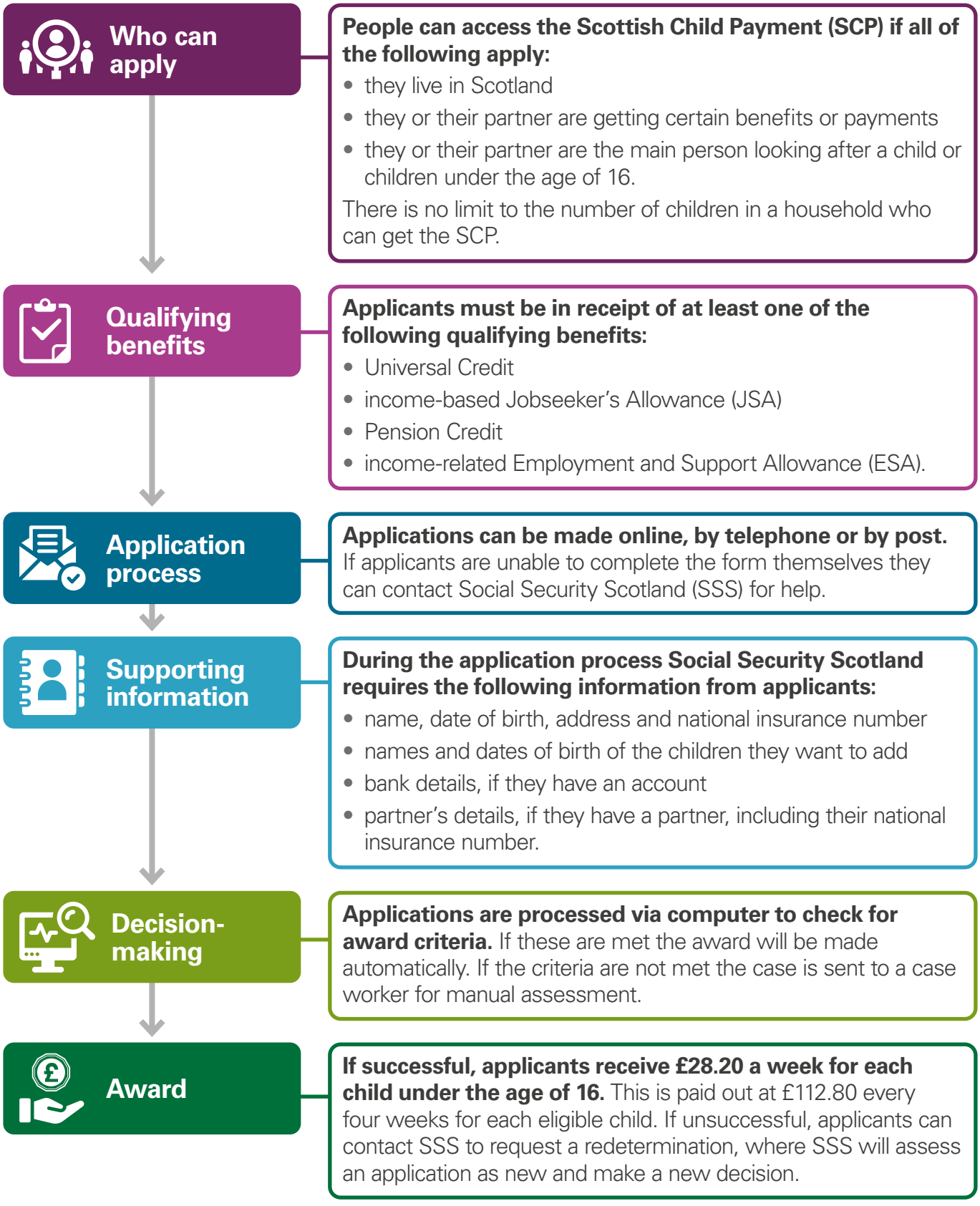
26. Social Security Scotland uses a range of methods to collect feedback from families receiving the SCP, including:

- a client satisfaction survey. Everyone who has received an application decision is invited to take part in the survey, whether successful or not, and results are reported every six months
- surveys of Social Security Scotland staff and of other organisations who support clients. These give both staff and stakeholders the opportunity to feedback on any issues they have observed clients facing in the application process
- applicants providing feedback directly to Social Security Scotland by telephone, webchat, website or by post.

27. The feedback from these methods suggest that the SCP application process is generally viewed as clear, user-friendly and well-designed, particularly online.

28. The Scottish Government commissioned research to understand the experiences of families receiving the Five Family Payments, including the SCP. This was an online survey with over 3,900 parents and carers, around 3,400 of whom had received the SCP, combined with follow-up interviews and interviews with stakeholders who work with low-income families eligible for Five Family Payments. This work was conducted in late 2024 and early 2025. Participants reported they appreciated being able to apply online, the form was easy to complete, and the language used was easy to understand.

Exhibit 3.
Applying for the Scottish Child Payment



Source: Social Security Scotland, Scottish Government

29. Social Security Scotland provided examples to Audit Scotland of where it has acted on feedback to make improvements:

- Online applicants reported that they were unsure whether their application had been successfully submitted. To address this, a confirmation acknowledgement was added to the online application process to confirm receipt.
- Award letters for families with multiple children receiving the SCP and other Five Family Payments now clearly show the amount for each child and highlight any decisions that are still outstanding.

Take-up data for the Scottish Child Payment, broken down by priority family types, is not consistently available

30. Take-up rates for the SCP are very high, estimated at around 96 per cent in 2025/26. At present, no breakdown is available of take-up rates for eligible children in the six **priority family types** identified by the Scottish Government as being at the greatest risk of experiencing child poverty.

31. As noted in paragraph 25, the SCP application process relies on some DWP data. While Social Security Scotland also collects information directly from applicants about their households and children, this combined information does not contain all the characteristics of the six priority family types. For example, ethnicity, disability status or household composition is not consistently available across datasets. This limits how well SCP data can show whether the payment is reaching each priority family type.

32. This means the Scottish Government cannot tell whether some priority family types are more or less likely to apply for and receive the payment. As a result, it does not have a clear picture of which priority family types are being successfully reached or whether some family types make up a larger proportion of those who are eligible but not claiming. It does not know how many of the four per cent of eligible children (around 13,000) not benefiting from the payment are in families that applied for it but experienced barriers during the application process. It is also unknown how many are unaware of the payment and have not applied.



The six **priority family types** identified by the Scottish Government as being at greatest risk of experiencing poverty are:

- lone parent families
- minority ethnic families
- families with a disabled child or adult
- families with a mother aged under 25
- families with a child under one year old
- larger families (three or more children).

The Scottish Government and Social Security Scotland have identified some barriers to claiming the Scottish Child Payment and are working to address these

33. The Social Security (Scotland) Act 2018 places a general duty on Scottish ministers to promote take-up. The Scottish Government's first Benefit Take-up Strategy in 2019 set out barriers to claiming

social security. These same barriers are reflected in the recently published 2026–31 strategy and include:

- **social barriers** – (perceived) stigma, feeling that support is not needed, people in vulnerable situations, pride, lack of trust in institutions
- **costly or complex access** – complexity of the application, lack of time or money, limited administration abilities or experience, difficulty travelling to the welfare or employment office
- **lack of information** – lack of awareness or misunderstandings about the benefit, eligibility or application procedures.

34. Social Security Scotland has a legal duty to promote benefit take-up and ensure inclusive communication, including meeting responsibilities of the Equality Act 2010. It provides information in multiple languages and accessible formats, alongside interpretation and translation. These help to make sure all applicants understand their rights, and the choices and services available to them throughout their application to the SCP.

35. Social Security Scotland's 2025/26 Client Satisfaction Survey found that while 88 per cent of Five Family Payments recipients rated their overall experience with the application process as very good or good, 22 per cent experienced some form of barrier getting help, such as challenges communicating with Social Security Scotland or not receiving sufficient information or updates. Common issues included long telephone waiting times, difficulties accessing live chat support, and confusion around joint applications.

36. The Scottish Government's Seldom-Heard Groups Action Plan 2025–26 is designed to improve access to Scottish social security benefits for people who are often underrepresented or face significant barriers when engaging with public services. Actions include enhanced staff training, more person-centred services, better data and evaluation, stronger partnership working, and improved access to tailored support through community-based services and multiple application channels to help reduce stigma and barriers to engagement.

Median Scottish Child Payment application processing time increased from 11 to 22 working days between 2024/25 and 2025/26

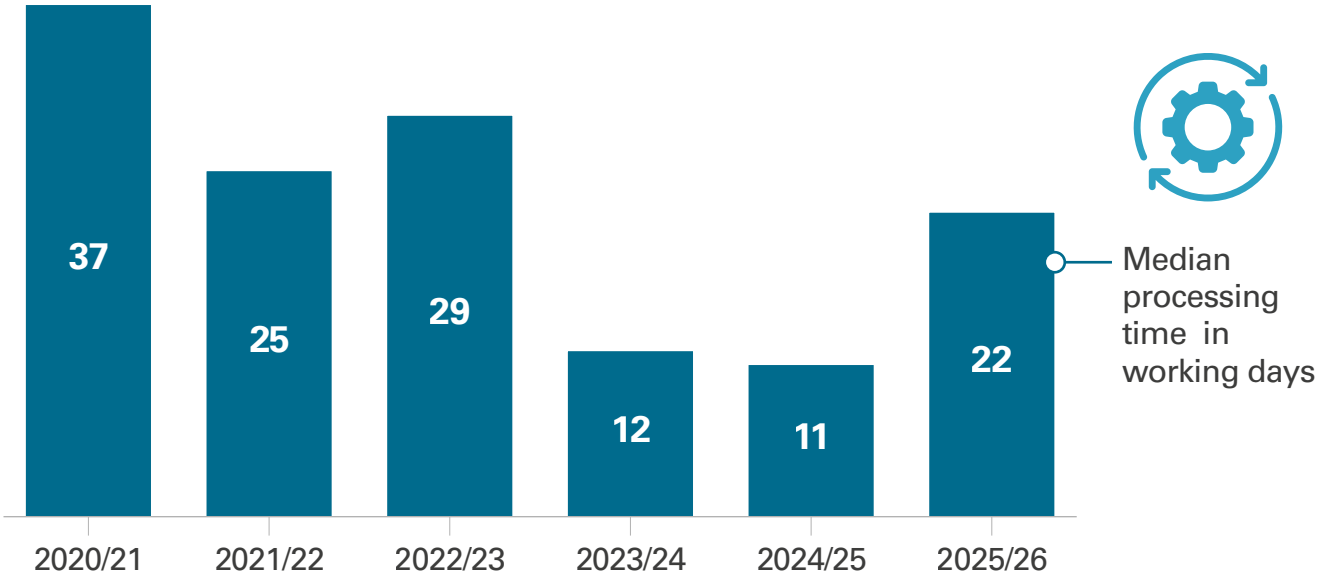
37. Social Security Scotland's annual **median processing time** for SCP applications was initially 37 working days when it was first introduced. This fell to 11 working days in 2024/25 before increasing to 22 working days in 2025/26. The overall trend in processing time since the payment was introduced is set out in Exhibit 4 (page 18). Social Security Scotland has identified that a higher-than-expected volume of applications across a number of other benefits has contributed to the increase in processing times. It is moving staff between benefits in response to this.



Social Security Scotland reports **median processing times**. The median is the middle value in a set of results, where half are higher and half are lower. Unlike the mean, the median is less affected by a small number of unusually short or long processing times, making it a more reliable measure of typical processing time.

Exhibit 4.

Median processing time of the Scottish Child Payment in working days since it was introduced



Source: Social Security Scotland

38. Social Security Scotland is monitoring processing times of low-income benefits, including the SCP, on a weekly basis to better understand the issues and support the reduction of application processing times going forward.

More than a quarter of Scottish Child Payment applications are unsuccessful. Social Security Scotland understands the main reasons for this but cannot reliably quantify how many applications are affected by each reason

39. In 2025/26, 26 per cent of applications, over 9,000, were unsuccessful, slightly lower than 2023/24 and 2024/25 when the figure was 28 per cent. Reasons for unsuccessful applications include the applicant:

- not receiving a qualifying benefit
- not having enough evidence to support their application such as proof that they are responsible for the child
- not being resident in Scotland
- making a duplicate application.

40. Social Security Scotland writes to each applicant to explain why their application is unsuccessful. However, its systems cannot reliably collate these reasons. In 2025/26, the median processing time for unsuccessful applications was 29 working days, an increase of ten working days compared to 2024/25. Identifying the most common reasons for applications being unsuccessful could help Social Security Scotland to target improvements that reduce unnecessary administration, increase efficiency, and free up resources.

Changes to the payment amount reflect ministerial decisions aimed at increasing financial support for low-income families

41. The Scottish Government provides ministers with advice on the affordability of policies during the budget process. It uses modelling and Scottish Fiscal Commission (SFC) forecasts to support decision-making.

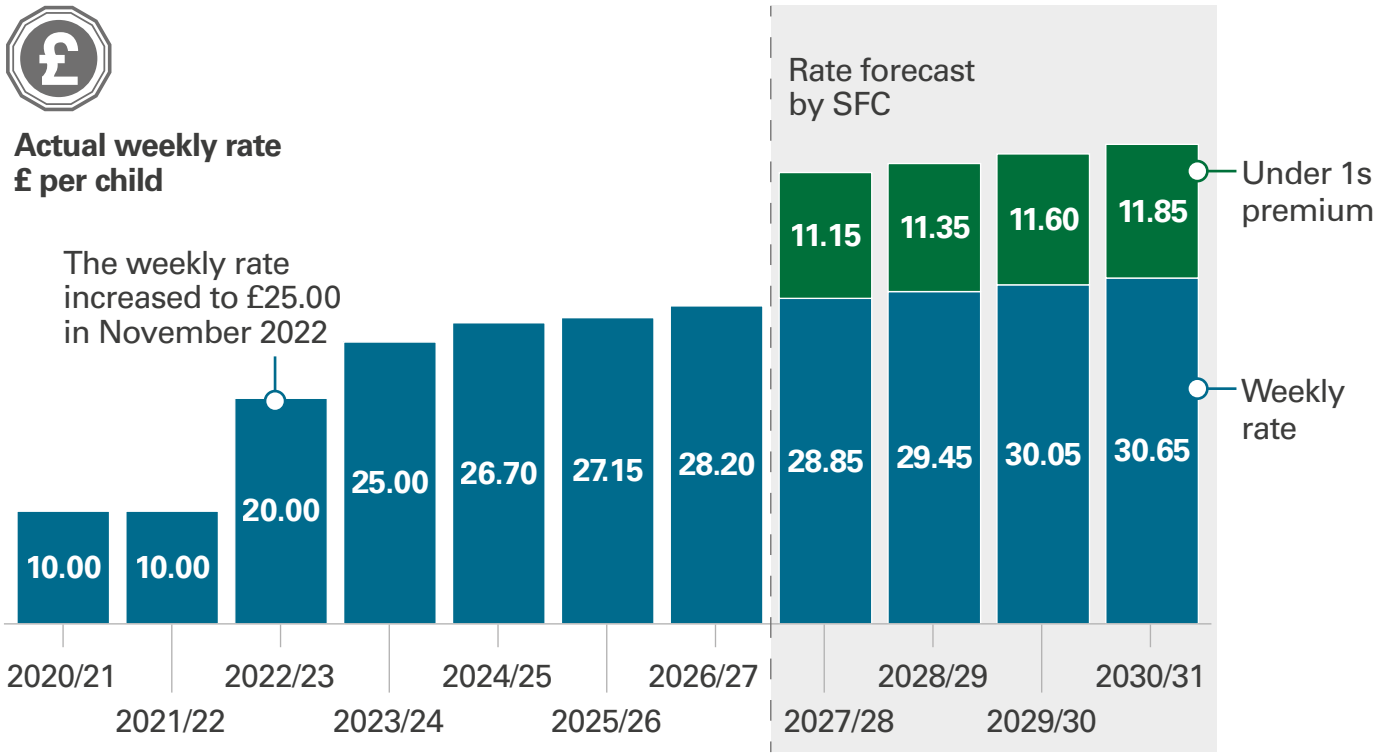
42. The Scottish Government has increased the weekly rate of the SCP annually since it was introduced, as set out in Exhibit 5 (page 20). In 2022, ministers made the decision to increase the weekly rate of the SCP above inflation across two phases, from £10 to £20 in April 2022, and further to £25 in November 2022. These above inflation increases were made to address rising living costs and offset Universal Credit cuts.

43. Inflation-based increases to all social security benefits are required under the Social Security (Scotland) Act 2018. As of April 2026, the weekly rate of the SCP is £28.20 per child and is forecast to reach £30.65 per child by 2030/31. These increases have been designed to maintain the value of the payment and to help recipients keep up with rising costs. At the time of reporting, the Scottish Government has indicated there are no plans to increase the weekly rate of the SCP beyond the scheduled annual inflation-based increase other than the premium noted below.

44. A new premium for families with children under the age of one was announced in January 2026 and will be introduced in 2027/28. Families will receive £40 per week for each child under one. This represents an additional £11.15 per week for eligible families on top of the forecast weekly rate in 2027/28. SFC has estimated that the premium will cost around £7 million per year from 2028/29.

Exhibit 5.

The weekly rate of the Scottish Child Payment has increased annually and by 2030/31 is forecast to reach £30.65 for children over the age of one



Note: The 2020/21 rate only applied for the final weeks of 2020/21.

Source: Social Security Scotland and the Scottish Fiscal Commission

The Scottish Fiscal Commission forecasts that annual Scottish Child Payment expenditure will reach £522 million by 2030/31

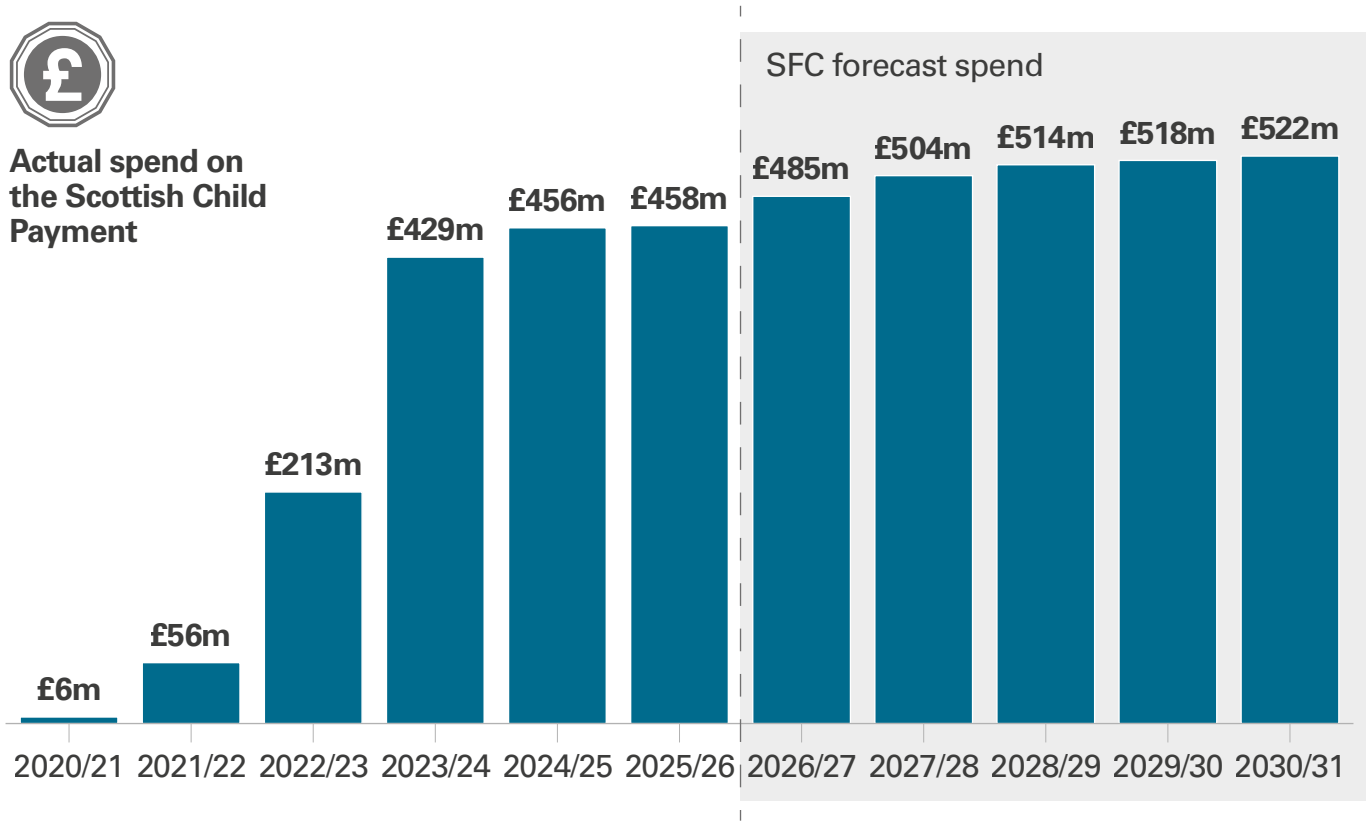
45. As of 2025/26, a total of £1.6 billion has been paid out to SCP recipients.[1] The SFC has forecast that the total amount paid to recipients of the SCP will be £485 million in 2026/27. This will increase annually to reflect the inflationary uplift of the weekly payment and is forecast to reach £522 million by 2030/31 (Exhibit 6, page 21).

46. Despite being a demand-led benefit, spending on the SCP is more predictable than some other benefits because the number of children benefiting from it is relatively stable over time. This means the SFC can produce more reliable forecasts of costs which make it easier for the Scottish Government to plan and budget for the SCP. In 2025/26, the SFC forecast spending on the SCP to be £471 million. The actual cost of the SCP in that year was £458 million.

[1] Benefit expenditure figures used in this report are from the Scottish Government's provisional outturn statements.

Exhibit 6.

Spending on the Scottish Child Payment has increased significantly and is forecast to increase to £522 million by 2030/31



Source: Social Security Scotland and the Scottish Fiscal Commission

47. The SFC forecasts that the number of children eligible for the SCP will remain broadly stable over the next five years, based on estimates of the number of families eligible, take-up rates and birth rates.

48. The Scottish Government has stated that a mix of policies, rather than the SCP alone, will have the greatest impact on reducing child poverty. In its cumulative impact assessment (CIA) the Scottish Government estimates the combined effect of its policies on reducing child poverty to 2030/31. While the CIA considers how the Scottish Government's policies will affect income, employment and levels of child poverty, it does not consider how they will change the number of families eligible for the SCP. As a result, it is unclear what impact the Scottish Government expects its wider poverty reduction policies, eg increasing income from employment, to have on the longer-term cost and role of the SCP. This will also depend on wider labour market and economic conditions as well as the wider social security system.

49. While the payment keeps families out of poverty, it is also important to consider its future role in the context of ongoing pressures on public spending. This includes understanding how it fits alongside other demands on the Scottish budget.

Social Security Scotland does not separately identify the cost of delivering the Scottish Child Payment

50. Social Security Scotland's total operating costs in 2025/26 were £310.9 million.[2] Our 2025 Adult Disability Payment report found that Social Security Scotland does not record operational costs separately for individual benefits. Instead, it records costs by category, such as staffing. As a result, Social Security Scotland does not know how much it spends on administering the SCP. It has recently started work to explore options to improve how it reports operating costs across its benefits.

Funding for the Scottish Child Payment comes directly from Scottish Government budget choices

51. The SCP is a benefit that is specific to Scotland. There is no comparable benefits policy in the rest of the UK. The SCP is funded entirely by the Scottish Government through its own tax and spending decisions, with no direct UK Government funding. The Scottish Government must meet the ongoing cost of the SCP from within its finite budget, alongside competing spending priorities.

The Scotland Act 2016 has enabled the Scottish Government to adopt two types of social security benefits:

- Benefits that are specific to Scotland, such as the Scottish Child Payment and the Best Start Grant. The Scottish Government does not receive any direct funding from the UK Government for this type of benefit.
- Benefits where there is a UK equivalent, such as the Adult Disability Payment where the Personal Independence Payment (PIP) is the UK equivalent. These benefits have a block grant adjustment meaning the Scottish Government receives funding each year from the UK Government.

[2] Social Security Scotand Annual Report and Accounts 2025–2026.

Work is still required by Social Security Scotland to estimate fraud and all error in Scottish Child Payment expenditure

52. Incorrect benefit payments are caused by either fraud or error. Fraud involves intentional dishonesty, such as giving false information or knowingly failing to report a relevant change. Error is unintentional. Social Security Scotland recognises two types of error:

- official error, where the mistake is made by Social Security Scotland, through human or system error
- claimant error, where a person makes a genuine mistake (eg, forgetting to report a change).

53. As previously reported in other audit reports, Social Security Scotland can currently only estimate the total value of official error across all people receiving specific benefits. Although progress has been made, significant work is still required for it to measure the fraud and error that exists within the full range of benefits, including the SCP.

54. Social Security Scotland last estimated the level of official error existing within its SCP benefit caseload in an exercise covering the period May to October 2024 and published in June 2025. This statistical exercise, based on a sample of 1,400 cases, estimated official error overpayments in 1.1 per cent of SCP cases with an estimated monetary value of £2.4 million.

55. New legislation enacted in January 2025 enables Social Security Scotland to contact clients to estimate levels of client error and potential fraud. Supporting regulations are currently being developed and work is under way to build the necessary processes and technology. Following this, Social Security Scotland is planning a pilot client contact review for estimating levels of fraud and error in the SCP.

56. Social Security Scotland undertakes separate detection, correction, and analysis work on the benefits it delivers. In 2025/26, Social Security Scotland identified £4.3 million of overpayments for the SCP due to client or official error.

2. Assessing impact and progress to date

The Scottish Government has developed an outcomes-focused framework for the Scottish Child Payment, but the consistency, availability and quality of the data make it difficult to assess its full impact

57. In 2022, the Scottish Government published a framework for measuring the impact of the SCP over time, setting out the immediate, short- and medium-term outcomes and the long-term impact (Exhibit 7, page 25).

Short-, medium- and long-term measures in the SCP framework are influenced by other policies and wider factors

58. The short- and medium-term outcomes and long-term impact measures set out for the SCP are influenced by both the SCP and other wider policies and external factors. For example, child poverty rates, money-related stress, health and wellbeing, and children's outcomes are affected by the labour market, inflation, housing costs, other benefits, and wider government policies. This means the SCP contributes to achieving these outcomes, but it is not the only reason they will or will not be achieved. For this reason, evidencing the contribution the SCP has made to short- and medium-term outcomes and long-term impact measures is complex.

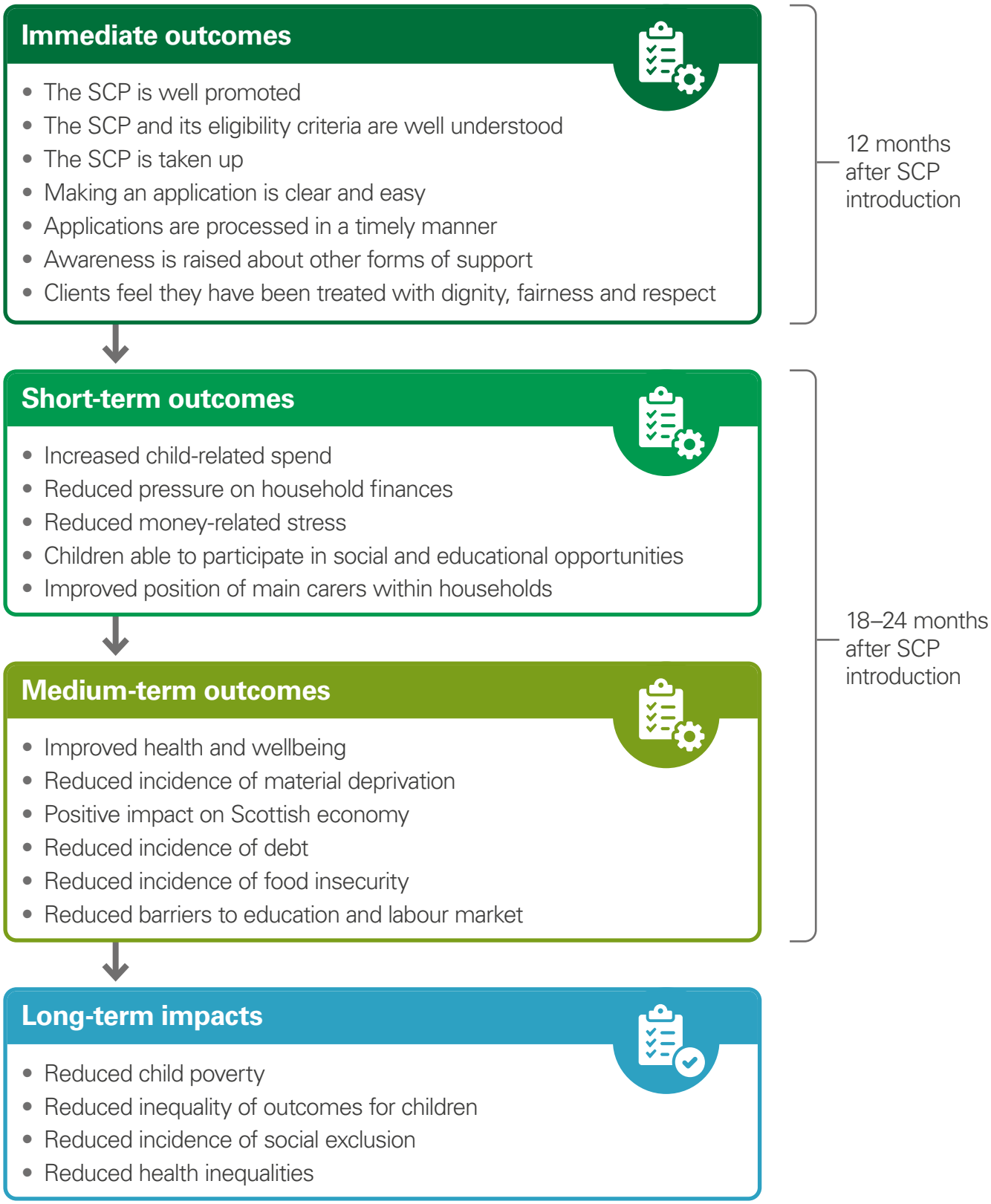
There are gaps in the evidence the Scottish Government uses to demonstrate the impact of the SCP

59. The Scottish Government has published two evaluations of the SCP, an interim evaluation in 2022 and a further evaluation in 2025, covering all Five Family Payments. These evaluations focused primarily on the extent to which immediate outcomes were achieved in the first few months after the SCP was introduced, and the short- and medium-term outcomes, 18–24 months afterwards.

60. The findings of the evaluations are mainly based on what people said about how the payment has helped them. Understanding SCP recipients' experiences is important, especially for outcomes such as 'Reduced money-related stress'. However, for other outcomes, there is limited objective evidence of how these are being met. As a result, it is difficult to fully measure and demonstrate the overall impact of the SCP.

Exhibit 7.

The Scottish Government set 22 immediate, short- and medium-term outcomes and long-term impact measures for the SCP



Source: Scottish Government

61. For most of the medium-term outcomes, the Scottish Government has only limited objective evidence showing how much the SCP is contributing to these. For example, the Scottish Government's 2025 evaluation states that to fully assess the outcome 'Positive impact on the Scottish economy', an economic assessment is required. However, there are no plans to undertake such an assessment.

62. Similarly for the outcome 'Reduced incidence of debt', results from the research commissioned as part of the evaluation suggest that fewer recipients have needed to borrow money to pay for household essentials. Further data is required to objectively measure changes to household debt because of the payment.

63. The Scottish Government has not specified how it will measure three of the four long-term impact indicators: 'Reduced inequality of outcomes for children', 'Reduced incidence of social exclusion' and 'Reduced health inequalities'. While it notes that suitable data is not currently available, it has not set out a plan for how it will collect or develop the data needed to show whether the SCP is making a difference in these areas.

64. These gaps in the evidence base make it difficult to assess whether the SCP is successful in achieving its full range of intended outcomes. While some long-term impacts will take time to emerge, the existing evidence base is limited for some medium-term outcomes and arrangements for assessing several long-term impacts are not yet clear.

There is a range of evidence that demonstrates the Scottish Child Payment is helping the people who receive it

65. The survey results and qualitative interviews from the evaluation of the Five Family Payments, including the SCP, provide evidence that the payment is making a meaningful difference to people's lives across a range of outcomes. The evaluation draws on a specifically commissioned online survey, including around 3,400 recipients of the SCP, as well as results from Social Security Scotland's ongoing client survey that includes the responses of over 3,900 recipients of the Five Family Payments. Interviews were conducted with 33 people receiving the SCP.

66. The SCP's immediate outcomes have been met, with recipients mostly reporting a clear and quick application process and take-up rates being high. There is evidence from the survey of the SCP meeting its short-term outcomes. For example, the payment has helped reduce money-related stress and pressure on household finances. Families may prioritise the payment differently, with some reporting it has helped them to pay for essentials while others have been able to spend the payment on activities and opportunities for their children.

67. In relation to the medium-term outcomes, parents have said the payment has helped them pay off debt and to afford nutritious food. There is also some evidence that the payment has helped parents to reduce barriers to the labour market. Recipients used the SCP to meet costs associated with employment and education, such as travelling to interviews or attending college.

68. Additional quantitative research has also been drawn upon to evidence some of the medium-term outcomes, providing evidence beyond recipients' reported experiences. Food bank use has fallen in Scotland compared to England and this is largely attributed by the Trussell Trust and the Fraser of Allander Institute to the impact of the SCP alongside the other Five Family Payments. In addition, analysis by the London School of Economics and the Universities of York and Glasgow found that the SCP had contributed to a significant reduction in material deprivation in Scotland compared to England. This suggests the payment is helping families to afford essentials and to meet material needs.

There is evidence that the Scottish Child Payment is helping to meet children's rights, but the Scottish Government has not clearly linked this evidence to individual rights to demonstrate progress

69. The Scottish Government has not set out specifically how the rights of children have been met through the SCP since its introduction. There is scope for the Scottish Government to use the evidence provided in the two evaluations to demonstrate progress. To make this clearer, the Scottish Government could map the progress it has made against the SCP outcomes to the relevant children's rights.

Scottish Government analysis indicates that the Scottish Child Payment is offsetting rises in child poverty that would have occurred if it had not been introduced

70. The original aim of the SCP was to achieve a minimum reduction in the **relative child poverty** rate of three percentage points, equivalent to 30,000 children, when fully rolled out. Each percentage point is roughly equivalent to 10,000 children. Currently, Scottish Government modelling estimates that the SCP will keep 50,000 children out of poverty in 2026/27. This suggests that the child poverty rate could be approximately five percentage points higher in 2026/27 without the SCP. Exhibit 8 (page 28) shows the child poverty rate for Scotland over time.



Relative child poverty statistics are calculated using the Family Resources Survey (FRS). This is an annual survey used to collect data on household income in the UK. Previously, income was self-reported and some participants under-reported their income from social security benefits. In 2026, the Department for Work and Pensions (DWP) published data that links the information it holds about the social security benefits that people receive to their responses in the FRS. This means benefits income is now taken from administrative data rather than self-reported measures, providing more accurate information. The DWP has backdated this data linkage to 2021/22.

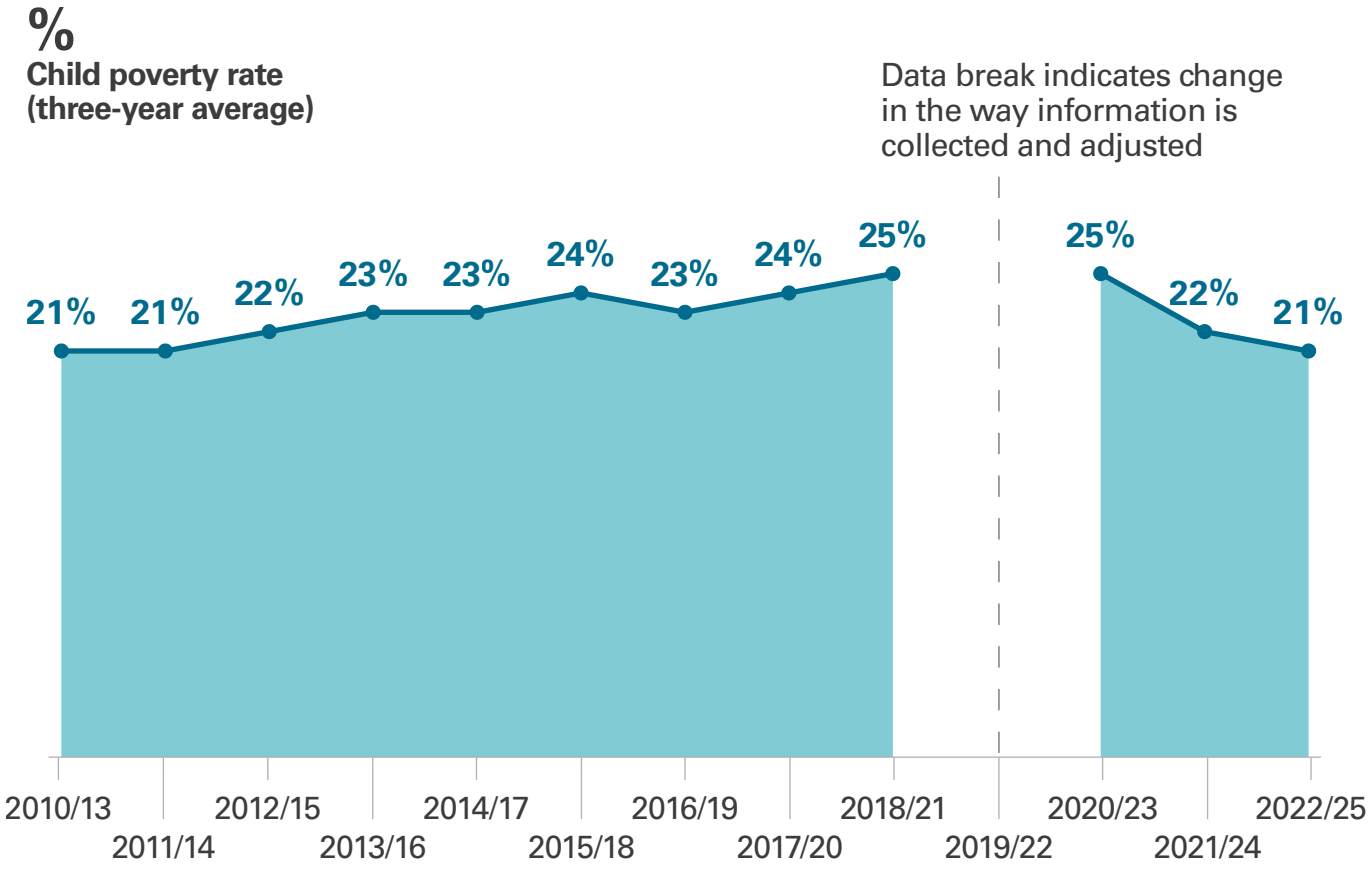
The relative child poverty rate is calculated using the Family Resources Survey

71. The Scottish Government's data on child poverty has recently changed to reflect the way income information is collected and adjusted. This was changed to improve accuracy, but as a result there is a break in the data series. This means the new data from 2019 onwards should not be compared to the old data. The relative child poverty rate varies depending on which version is used. For example, the old dataset showed the relative child poverty rate for 2021–24 to have been 23 per cent whereas the new dataset for the same period shows it to have been 22 per cent.

72. Relative poverty rates are reported as either single-year or three-year averages. Three-year averages are more reliable. However, the Scottish Government reports both measures because reporting the one-year rate is required in legislation. The three-year averages are set out in Exhibit 8.

Exhibit 8.

Relative child poverty statistics (three-year average) from 2010 to 2025



Source: Scottish Government

Evidence indicates that the Scottish Child Payment is contributing towards its outcomes, but further work is needed to strengthen the evidence base

73. Overall, there is evidence that the SCP has met its immediate outcomes and is contributing towards its short- and medium-term outcomes. Modelling by the Scottish Government suggests the payment is making an important contribution to the long-term impact measure of reducing child poverty in Scotland. Strengthening arrangements for measuring and evidencing outcomes will be important for the Scottish Government to demonstrate the overall value and impact of its investment in the SCP.

Tackling child poverty: Scottish Child Payment

AUDIT SCOTLAND

Audit Scotland, 4th Floor, 102 West Port, Edinburgh EH3 9DN
Phone: 0131 625 1500
www.audit.scot

ISBN 978 1 918486 30 8 AGS/2026/9