



**OFFICIAL REPORT**  
AITHISG OIFIGEIL

# Public Audit Committee

**Thursday 10 November 2022**

**Session 6**



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Pàrlamaid na h-Alba

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**PUBLIC AUDIT COMMITTEE**

**27<sup>th</sup> Meeting 2022, Session 6**

**CONVENER**

\*Richard Leonard (Central Scotland) (Lab)

**DEPUTY CONVENER**

\*Sharon Dowey (South Scotland) (Con)

**COMMITTEE MEMBERS**

\*Colin Beattie (Midlothian North and Musselburgh) (SNP)

Willie Coffey (Kilmarnock and Irvine Valley) (SNP)

\*Craig Hoy (South Scotland) (Con)

\*attended

**THE FOLLOWING ALSO PARTICIPATED:**

Bruce Adamson (Children and Young People’s Commissioner Scotland)

Stephen Boyle (Auditor General for Scotland)

John Dickie (Child Poverty Action Group in Scotland)

Paul Johnston (Scottish Government)

Bill Kidd (Glasgow Anniesland) (SNP) (Committee Substitute)

Hanna McCulloch (Improvement Service)

Ryan McQuigg (Action for Children Scotland)

Bill Scott (Poverty and Inequality Commission)

Matthew Sweeney (Convention of Scottish Local Authorities)

**CLERK TO THE COMMITTEE**

Lynn Russell

**LOCATION**

The Robert Burns Room (CR1)



## Scottish Parliament

### Public Audit Committee

Thursday 10 November 2022

*[The Convener opened the meeting at 09:00]*

### Decisions on Taking Business in Private

**The Convener (Richard Leonard):** Good morning and welcome to the 27th meeting in 2022 of the Public Audit Committee. Under agenda item 1, do committee members agree to take in private item 4?

**Members indicated agreement.**

**The Convener:** Under agenda item 2, do committee members agree to take in private the committee's business next week, on Thursday 17 November?

**Members indicated agreement.**

## “Tackling child poverty”

**The Convener:** The principal purpose of our meeting is a round table to take evidence on the Accounts Commission's and Auditor General's briefing “Tackling child poverty”, which came out in September.

I welcome our witnesses. We very much appreciate your being here and giving up your time. We are looking forward to hearing the evidence that you are going to give us about your understanding of where things are. We are a public audit committee: we will be asking questions about what it is like out there for children who are growing up in Scotland, but we also want to spend a bit of time looking at the data, funding, delivery and outcomes. If you want to come in at any point, just indicate that to me or to the clerks, and we will do our best to bring you in. Do not feel obliged to answer every question that is put, but, if you are particularly keen to come in, we will do our best to bring you in.

One of the outcomes that we are hoping for from today is getting some good-quality information that will feed into the work that the Auditor General has said that he wants to continue doing on child poverty. He has prioritised that. We therefore hope that this morning's session will inform his work as well as that of this committee and, I am sure, that of the Social Justice and Social Security Committee, which is carrying out an investigation into child poverty and the relationship between child poverty and parental employability.

I will start by asking members of the committee and members of the panel to introduce themselves, before we go to the first question.

**Stephen Boyle (Auditor General for Scotland):** Good morning, everybody. I am the Auditor General for Scotland.

**John Dickie (Child Poverty Action Group in Scotland):** I am the director of the Child Poverty Action Group in Scotland.

**Bill Kidd (Glasgow Anniesland) (SNP):** I am the member of the Scottish Parliament for Glasgow Anniesland.

**Paul Johnston (Scottish Government):** I am the director general for communities at the Scottish Government.

**Bill Scott (Poverty and Inequality Commission):** I am the chair of the Poverty and Inequality Commission for Scotland.

**Craig Hoy (South Scotland) (Con):** I am an MSP for South Scotland.

**Hanna McCulloch (Improvement Service):** Good morning. I am the national co-ordinator for

local child poverty action reports in the Improvement Service.

**Ryan McQuigg (Action for Children Scotland):** Good morning. I am the campaigns, advocacy and policy adviser for Action for Children Scotland.

**Colin Beattie (Midlothian North and Musselburgh) (SNP):** I am the MSP for Midlothian North and Musselburgh.

**Matthew Sweeney (Convention of Scottish Local Authorities):** I am a policy manager in the children and young people team at COSLA.

**Sharon Dowey (South Scotland) (Con):** I am an MSP for South Scotland.

**Bruce Adamson (Children and Young People's Commissioner Scotland):** Good morning. I have the best job in the world, because I am the Children and Young People's Commissioner Scotland. My role is to safeguard and promote the rights of children.

**The Convener:** Thank you. We will come to the human rights of children quite early on, Bruce.

I will put my first question to John Dickie of the Child Poverty Action Group. Although we are an audit committee, we are also interested in the human face of what is happening out there. Will you start us off by drawing on your experience to give some examples of the impact of living in poverty and of the experiences that you have drawn on from children and families who live below the poverty line?

**John Dickie:** The impact is extraordinary. Often, we talk about the statistics, and the briefing refers to the measurable impact that poverty has on children's health, education and wellbeing. However, it also has a real impact on children's day-to-day lives: their sense of identity, their wellbeing and their very ability to enjoy their childhoods.

I will mention some of the feedback that we have had. Through our cost of the school day project, we involve children and young people in identifying barriers to involvement in school that are created by poverty and financial barriers. One of those young people said to us that—I am paraphrasing—if all your friends go on school outings and to after-school clubs, that isolates you from them. You are singled out. You are not with them. You are just a spare person. That gives a sense of what it feels like to a child not to have the resources to participate with their peers. Others talk about the experience of being bullied. One young person told us that, because they had been wearing the same shoes since primary 7, they were being picked out, being told, "You must be poor," and being bullied.

Young people talk about feeling like they are letting others down. One young person told us that, because they were not able to take in a cash contribution for some classroom activity, they were letting the class down. They take it on themselves and they feel it.

We know that parents go to extraordinary lengths to protect their children from the impact of poverty, so many children are protected. Parents will go without food themselves to feed their children. They will put on a brave face—a mask—but we also know that, at times, that is untenable, particularly at the moment, with extraordinary increases in prices tipping families over the edge. We used to talk about impossible choices, but the choices are evaporating now for parents. That has an impact on parents' mental wellbeing, and then children feel that stress as well.

Another example is when that happens the other way round, when children try to protect their parents from how poverty impacts on their day-to-day lives. Perhaps they do not mention the school trip for which there is a charge, that there is an after-school club or football match to which they could go or that their friends have asked them to go swimming, for example. They do not ask.

Clearly, huge amounts of long-term damage are being done to education and health, but there is damage to the day-to-day lives of children in Scotland because their families do not have the income that is needed to give them a decent start in life and participate like their better-off peers.

**The Convener:** Thanks. One thing that occurs to me is that children are only five or 10 once and we need to get it right now. There is an urgency to the matter, is there not, John? Unless we get it right now, it will change the course of those young people's lives.

**John Dickie:** Exactly. Every opportunity that we miss and every year that goes past, a generation of children have been affected and impacted unnecessarily by the lack of opportunity and the stress that poverty has caused them and their families. I hope that we will come on to talk about that.

Many of the building blocks are now in place. We understand what is needed. I think that there is a shared understanding, around the table at this meeting, about what is needed to end child poverty in Scotland and meet the child poverty targets, but there is a big issue with the scale and pace that are needed in order to deliver that and ensure that a five-year-old or 10-year-old does not have to miss out at school or end up in a queue at a food bank with their mum the following year. There is an urgency to the matter.

**The Convener:** Does anyone else want to comment on that?

**Ryan McQuigg:** Families have told us that poverty limits their children's opportunities, freedom, choices and, fundamentally, rights. Families have to make the heartbreaking decision—if you can call it a decision—of whether to feed the meter or feed their family. That causes constant stress, but families and children also feel isolated and abandoned—isolated not only from their peers, but from the state, which is meant to help them.

Some of our support workers went to see a family, and one of the children was off school because they had cold feet. We found out that they had chilblains because they did not have any shoes. When the children came home, they had to wear their coats. Other families tell us that, when their kids come home from school, they get straight into bed to keep warm and they eat what little dinner they have in bed. One mother said that she encourages her son to go to his friend's house because she knows that he will get a biscuit and something to drink and that it will be warm.

We have had families who have had to rely on a camping stove to heat their food. Just recently, we heard about a nine-year-old boy saying to his mum, "Don't get me any Christmas presents—I know we don't have any money. Don't do Christmas dinner. Christmas is just an ordinary day for us." As has been said, that is not childhood. It is right that children are aware of the facts, but they should not have to be stressed about everyday life. We call it a shame that Scotland has that poverty, but we should be sick with anger that it is happening. Those are just some of the stories; I can give you plenty more. That is people's real life—if you can call it that, because as one mother said, "It's just impossible—we literally can't live." That should not happen in the third decade of the 21st century.

**The Convener:** There is a famous John Steinbeck quote that says,

"the line between hunger and anger is a thin line",

which sums up what you are saying.

**Bill Scott:** I think that there is a misunderstanding about the scale of poverty in Scotland. When we refer to it, most of us refer to poverty affecting one in four children, but work by my colleague, the vice-chair of the commission, has shown that, in the first 10 years of life, the majority of Scottish children experience poverty in at least one of those years and often for two or three of those years.

We go on to talk about how adverse childhood experiences impact on children's lives when they become adults. Again, we know that poverty is a huge indicator of whether they will have adverse childhood experiences, because relationship breakdown and homelessness are much more

likely when their parents are living in poverty. The impact on children's lives does not stop when they are no longer children; that stigma is carried into adulthood.

We know that the pandemic had an enormous impact on children's and young people's mental health, and that is being exacerbated by the cost of living crisis. The Joseph Rowntree Foundation carried out a large-scale survey that found that 4 million children in the UK are now living without adequate access to food. In households with children, that number has increased by 50 per cent since April this year. Children are literally going hungry, but, as John Dickie and Ryan McQuigg have said, it is also about the impact on their parents. A member of the experts by experience panel who is a mother and a lone parent says:

"I can't remember the last time I had three proper meals. I take a lot of pain meds and I need to take them with food. At the minute I might get one proper meal in the evening. For breakfast and lunch it's just a slice of toast, maybe a biscuit to take with the meds."

The JRF research shows that 9.7 million adults—nearly one in five households in the UK—went without food on one or more days during October. That is before winter has really hit. That is the impact on families right now, and, as I said, that impact does not stop—it goes on. Children's lives are affected—their life expectancy and mental health are affected. I absolutely agree that we need to be angry about it and be determined to take action on it, because we should not tolerate it.

**The Convener:** Thank you. We will move on to a question from Bill Kidd.

**Bill Kidd:** I have a specific, more technical question for Bruce Adamson. What is the commissioner's opinion on and response to the extent to which the Scottish Government's plan to tackle child poverty supports a rights-based approach in line with the United Nations Convention on the Rights of the Child? How does the Scottish Government's plan resonate with the convention?

09:15

**Bruce Adamson:** We need to start with the fact that poverty is a human rights issue. It was the biggest human rights issue facing children and young people when I started the job, five and a half years ago. That was before the pandemic and the recent exceptional increases in the cost of living. It is hugely concerning, and we are not doing enough. The continuation of child poverty is a political failure and a political choice. We need to take a proper rights-based approach and see it as a state obligation.

Traditionally, we have talked about poverty and child poverty as being linked to an adequate standard of living—a safe, warm home and good, nutritious food. I have started to talk about it more as a right to survival and development, because the failure to properly address child poverty is having a catastrophic effect on children across Scotland, and we are not doing enough to address that. There is a direct link to the right to an education that develops children to their fullest potential, because children are, absolutely, being failed, as they are not able to access education in the same way. We hear stories about children not going to school because they do not have the school uniform and they are being bullied. They are not able to engage in the full school experience, including school trips and so on, and they go to school hungry, so school meals are of key importance.

There is a disproportionate effect on some groups of children and young people: disabled children, children with disabled family members, young carers, care-experienced children, black and minority ethnic children, children of prisoners, and children of single-parent families. We must also recognise the gender-based impact of poverty and the impact on larger families. Therefore, we need to do a lot more to focus attention on supporting children. One child said to us:

“When you’re poor, you give up on your dreams.”

Another said:

“When I think of poverty, I think of inequality ... it’s not fair and it’s not right”.

Another said—and this is crucial—that

“The most unfair thing is that the Government knows that families are going through hard times but decides not to do anything about it.”

Therefore, when we look at Government planning, it is important that we set it in the context of the obligation in the United Nations Convention on the Rights of the Child to use all available resources to the maximum extent possible. Much more focus is needed on public budgeting—human rights budgeting—at all levels, to demonstrate the use of all available resources to the maximum extent possible. That is not yet happening. There is another big human rights gap with regard to the participation of children and young people, particularly those children and young people who are most directly affected by poverty. We could do a lot more to ensure that their voices and experiences help to develop some of the planning and the responses to that.

Although I welcome the Scottish Government’s focus on child poverty and the fact that this and other committees are taking their responsibilities seriously as human rights guarantors, we are failing children. We are not doing enough, and

children and young people are rightly angry and, thus, sadly losing hope, which is hugely concerning. A much greater level of urgency is needed, as is a much stronger focus on the human rights obligations on states, in recognition of the rights that children and young people have to benefit from social security, to have an adequate standard of living, to be involved in decision making, and to have decisions made in their best interests, but particularly in recognition of the obligation on the state to use all available resources to the maximum extent possible and to demonstrate that.

As we move towards fulfilling the commitment to incorporate the United Nations Convention on the Rights of the Child into our domestic law, which I hope will be back before Parliament shortly, one of the real issues that we must focus on at every level will be whether we are able to demonstrate that we are properly taking a rights-based approach to budgeting and ensuring that children’s voices and experiences are part of that and that we are actually delivering on it. At the moment, I do not think that we are.

**Bill Kidd:** Thanks for that, because that gives us a proper background to the whole issue and not just support. Sometimes, we can say that we support something but that is more about putting a signature on a line and that is the end of it.

How much impact might the introduction of the Scottish child payment have had on what you have just described?

**Bruce Adamson:** It is hugely positive—people have described it as a lifeline. We need to start accelerating the provision of direct financial support to families, and we should be looking at increasing the Scottish child payment and ensuring that the payments are getting to families. A lot can be done to make sure that families are getting everything that they are entitled to.

The organisations around the table that have been doing amazing campaigning work on that will say that it is hugely positive and that the payments can be an absolute lifeline, but we are not doing enough and we need to do more. A lot of social security powers are reserved to Westminster, which is why I work very closely with my colleague children’s commissioners in the other devolved jurisdictions to put pressure on the United Kingdom Government, which needs to do a lot more around social security. However, at a Scottish Government level and at a local authority level, we need to make sure that everyone is doing everything that they can. There are some positive steps, but they need to be escalated and increased, because they are not meeting the demand.



**The Convener:** Key message 4 of the Accounts Commission and Audit Scotland briefing states:

“The views of children and families living in poverty are not always meaningfully considered as policies and actions are developed, implemented and evaluated.”

That is pretty much what Bruce Adamson has said, is it not? I do not want to put Paul Johnston on the spot, but it would be useful to get a view from the Scottish Government on that. Do you accept that improvements are required?

**Paul Johnston:** I welcome the discussion, I am grateful for it and I do not intend for a minute to be here as a Government official who seeks to say that we have got this all nailed—it is clear that we do not. I accept all that we have heard, including the harrowing stories. I hope that all of us around the table are determined to do all that we can to address the child poverty issues that we have heard about.

Colleagues around the table recognise that the Government has identified tackling child poverty as a key priority. As we have just heard, the Scottish child payment is hugely significant in that regard, and I hope that we can come on to that in a bit more detail, given that its expansion is happening this month.

On the convener’s particular point, we of course seek to develop policy by taking into account the views of children and young people. Could we do more? Yes, and we are looking at every area of policy that is set out in our new plan—“Best Start, Bright Futures: tackling child poverty delivery plan 2022 to 2026”—to see how we can ensure that the voices, experiences and views of children, young people and parents inform how we go about delivery. We heard their perspectives in developing the plan. We work closely with a number of the organisations that are represented around the table, and we particularly benefit from the experts by experience panel, which Bill Scott has referred to.

That is part of our policy making, and we are determined to ensure that it is all the more part of our policy making as we proceed. Any assistance from the committee or other panel members on that would be very welcome.

**Bill Scott:** I will be very brief. I referred to the experts by experience panel. The commission established the panel so that we could work in partnership with people who directly experience poverty to develop our own policies and recommendations to the Scottish Government. That was at the heart of our recommendations on the new child poverty delivery plan, and we worked with Bruce Adamson’s office to ensure that children’s and young people’s views were taken on board.

At the moment, we are carrying out a series of cost of living visits to local projects to speak directly to people who experience poverty as a consequence of the cost of living crisis. One of the most concerning things that we hear on those visits is the number of families in which the parents are in work and get all the benefits that they are entitled to but are still not able to pay their fuel and food bills. That is a huge concern, because it means that poverty is spreading up and out to those who we have, up until now, considered as households who are getting by—they are no longer getting by and are now experiencing poverty. That will be a huge concern for the Scottish Government and everybody in Scottish society.

**The Convener:** One of the themes in the briefing is a return to the Christie commission’s recommendations and the importance of preventative strategies. As I mentioned, it is a joint report by Audit Scotland and the Accounts Commission so, for the next series of questions, we will bring in the folk with local authority experience as well as those with central Government experience.

**Colin Beattie:** Usefully, the Auditor General has summarised on page 5 of his briefing the different areas of responsibility belonging to the UK Government, the Scottish Government and local government. It is clear that the vast majority of levers remain in the hands of the UK Government, which of course does not mean that the Scottish Government and local government are absolved from the actions that they take. How can the Scottish Government and local authorities make a shift towards more preventative action at the same time as helping children who are living in poverty?

**Matthew Sweeney:** That is a really important question. COSLA is certainly signed up to all the Christie commission’s recommendations. We have already touched on the importance of involving communities in how we design and implement services but the point about prevention is key.

The briefing notes one of the really good examples of prevention that is going on in the expansion of early learning and childcare, which was a really big joint project between local authorities and the Scottish Government. It managed to do both things, in that, at the same time, savings have been delivered for families now and an investment has been made in children at that important early stage—before they are five years old—which we hope will have an impact on the poverty-related attainment gap as they grow.

The challenge with prevention, which Colin Beattie hinted at in his question, is that we have been going through two crises. We came through Covid and so much of what we did was about how we move into a crisis response. Local authorities

had a big role when they were delivering free school meals during the holidays and delivering bridging payments while the Scottish child payment came online. The capacity that that takes up makes it challenging to do the more preventative and long-term work at the same time. However, we are trying to do both at the same time.

If you look across the drivers that are set out in the tackling child poverty delivery plan, you will see that, with some of them, local authorities are focused on the short-term mitigation response, but there is also work under way on employability, what we can do to support families and tackling the poverty-related attainment gap. It is challenging and will become more challenging in the financial context that is ahead, but local authorities and the Scottish Government—I will let Paul Johnston speak to that—are trying to get that balance.

**Colin Beattie:** Perhaps Hanna McCulloch might be keen to come in at that point.

**Hanna McCulloch:** As Matthew Sweeney has said, over the past three years, local authorities have had to have a crisis-focused response to the pandemic and the cost of living crisis. They have done that effectively and in a dignified way. They have tried to take a cash-first approach where possible. That continues.

When you look across the local child poverty action reports, which are the annual reports that local authorities and the planning partners produce, you can see that there is a willingness and desire to engage—and the beginnings of engaging—more strategic preventative policy levers. We see reports that touch on housing, economic development, employability and childcare.

Those levers are being engaged and they are part of the discussion, but there is still a long way to go. From looking at the reports, you can see that, although those areas are mentioned, we need to drive down deeper and sharpen the focus on the particular impact that those policy areas can have on families with children and, in particular, priority families. It is good to have affordable housing, but is it in the right places for families to be able to get their children to school? Is it suitable for large families?

We need to be more targeted. We also need not just to list that we have housing, childcare and planning. It is about the vision for the way that those things work together to create communities where there are quality jobs that parents can take up because they have affordable childcare and good transport links—a holistic outlook. We are beginning to see that.

09:30

Those who lead on that at local level cite practical barriers that prevent it from happening, which include capacity; getting people round the table; people having different funding constraints, budgets and reporting requirements; people working towards different outcomes; and legal barriers to data sharing. None of those things is insurmountable, but they need high-level, strategic and joined-up thinking at local and national levels. We are starting to see that: for example, we have the tackling child poverty programme board and, at local level, reports tend to be developed and signed off by community planning partnerships rather than by councils alone. However, absolutely, it is not enough and it is not happening fast enough.

**Colin Beattie:** Paul Johnston, you are an obvious person to bring in now, but can you comment on my original statement, which was about the fact that most of the levers sit with Westminster? How do we link in with Westminster's child poverty policies? I have not seen them, but I presume that they exist. How can the Scottish Government link in with those to create an effective response? That also goes back to the question of how better preventative action can be taken in dealing with the current situation of children in poverty.

**Paul Johnston:** As a matter of fact, it is only the Scottish Parliament that has a legal target with regard to where we must get to on child poverty by 2030. Those targets do not exist at UK Government level. I probably should not say much more about what Scottish ministers would want to argue that the UK Government should do. Clearly, some of that would go into the political space. However, our new delivery plan—"Best Start, Bright Futures: tackling child poverty delivery plan 2022 to 2026"—sets out our need to work closely across Scotland with all partners, and that must include the UK Government. Over recent months, I have seen, first hand, very close working between the Scottish Government, the Department for Work and Pensions, local government and third sector organisations on some of our pathfinder work.

The delivery plan sets out the pathfinder work that we are undertaking in Dundee and Glasgow. In those areas, as Hanna McCulloch has set out effectively, we are simply trying to get all the partners around the table and ensure that we are as joined up as we can be, get rid of any barriers that prevent our working cohesively together, and place the focus on children and families and what they need. We are taking quite an intensive person-centred approach that is about partners—it does not matter which partner; let us just agree who will provide support in a particular community,

agree how we can best engage with families, identify the issues that led to their being in poverty and agree how we can support them to get out of poverty. That is possibly the best example that I have seen of our working with the UK Government and local government. In very practical terms, the DWP can offer its work coaches and, in some cases, they are playing a really effective role in supporting families to access work.

I am happy to say more on that, but I have not yet answered your point about prevention, so may I move on to that?

**Colin Beattie:** Yes, please.

**Paul Johnston:** Probably the two greatest examples of prevention that I would cite from recent Scottish Government-led activity are in early learning and childcare, which Matthew Sweeney noted, and the Scottish attainment challenge. The Auditor General for Scotland recognises both of those as examples of very significant investment—hundreds of millions of pounds-worth of investment in preventative activity for children and young people. However, as has been said, I also recognise how much is being done just to deal with the current pressures and issues that families face. Hence, you might say that the payments, which are about getting money into people's pockets, are responding to an issue rather than preventing an issue. Therefore, in the delivery plan, we seek to wrestle with that tension. We must get money into people's hands now, but we also want to invest as much as we can in preventative activity. We want to go further on prevention.

**The Convener:** Before Colin Beattie comes back in, a few people have indicated that they want to come in on this question—I think that it has stirred things up, Colin.

**Bruce Adamson:** Preventative spend is absolutely essential in human rights-based budgeting. It is important to recognise that human rights obligations sit at lots of different levels. Right now, in Geneva, the UN Human Rights Council is undertaking the universal periodic review of the UK, looking at its progress on human rights. As part of that process, a number of countries will be challenging the UK Government and the Scottish Government to do more to address the cost of living and specifically child poverty. When we look at the human rights obligation, which is to use all available resources and every lever to the maximum extent possible, it is really important to look at the responsibilities that sit at every level.

In human rights-based budgeting terms, the prevention element is key. Setting aside the individual rights that children have and the impact that we know addressing poverty has at a community level, it makes huge economic sense.

The failure to properly support families has massive economic costs in terms of children not fulfilling education objectives and then not going on to fulfilling, economically productive careers. It has a huge impact on the national health service, the physical and mental health of children and parental mental health, and it has knock-on consequences in relation to the law. There is a connection between poverty and children coming into conflict with the law; we know that children who experience poverty are disproportionately criminalised.

The failure to take a rights-based approach and to put in preventative spend—to put in those safe, supportive relationships around families—has massive economic consequences, so it is really important that we put in the preventative spend.

I have been having discussions recently with early years practitioners, youth workers and health visitors, and they are all telling me the same thing: they are not getting the support that they need after two years-plus of the pandemic. They are just really burnt out and experiencing things that they have not seen before, in terms of infant malnutrition and mental health challenges in the community.

It is really important that we properly fund and support those who are able to get around families and have those trusted relationships—those community practitioners, particularly in the early years, youth workers, and health visitors—because they are all under massive strain. We also need to ensure that we can provide more support in education and school-based settings, through mental health counsellors and others.

Getting money directly to families is absolutely essential and more needs to be done there, but we also need to look at the support services around families and see that support as real preventative spend. The failure to address poverty and put in support around families has a catastrophic economic impact, and it is a political choice to not address poverty in the way that it needs to be addressed.

**John Dickie:** The point about prevention is one of the most important messages coming out of the briefing. What is really important is that in order to reach those 2030 targets and go further and actually end child poverty in Scotland, we need a greater transformation in the economy and the labour market, so that parents can access decently paid jobs and have the childcare infrastructure around them that allows them to do that. We also need the kind of economy where jobs provide secure, decent, stable sources of income. That is recognised in the child poverty delivery plan, which has references to the economic transformation strategy.

However, a lot of work still needs to be done in relation to what that means in practice. How, between now and 2030, are we seriously going to change the economy and labour market so that parents will have access to those decent jobs and there is the investment in childcare to enable parents to take up and increase their hours in work where they are able to? That is an area that we need to look into more.

The other key point is that we have a slight concern that you could infer from the report that investment in social security is not preventative when, actually, it is preventative. The reality is that, even in a perfect labour market, where jobs are available and pay decent wages, some parents, at some points in time, will not be able to earn enough to provide for their children, whether that is to do with ill health, disability or the balance of childcare and working responsibilities. We need a well-funded, adequate, rights-based social security system in place.

The investment that is being made in the Scottish child payment is a huge contribution to creating that social security infrastructure that will provide for families. Sometimes, I think that maybe we are responsible for creating it, because we talked about it and lobbied for it as a way of lifting children out of poverty. It does that, but it also protects and provides support to a lot of children in families who are at great risk of poverty. We need that long-term social security. The payment cannot do all of the lifting and, at the moment, it has to do too much of the heavy lifting—because of the problems in the labour market, which mean that parents are not able to access decent jobs—but it is an important part of the preventative infrastructure.

**The Convener:** On your first point, there is a lot of talk in this debate about employability, but the families of two out of three children who were living in poverty before the cost of living crisis had at least one parent in work, so that economic fundamental also needs to be addressed.

**Stephen Boyle:** The paper that the Accounts Commission and I produced builds on a number of our recent publications on shifting the balance of spending towards preventative spend in order to achieve better longer-term outcomes. As Bruce Adamson rightly characterised, spending at the moment is about interventions to treat the symptoms, rather than the longer-term planning that produces more sustainable, better outcomes for children, young people and their families.

As we said in the briefing, the issue is complex and we are not understating the many factors that will influence better outcomes. Nonetheless, one of the briefing's key messages is that there has to be a step change to break the cycle. Otherwise, it will be difficult for the Government to realise its

ambitions to meet the targets by the end of this decade, particularly, as we note, because of the fiscal challenges that we currently face on the back of the pandemic, the current cost of living and all the external factors that are influencing that.

In the opinion pieces that I and the Accounts Commission produced reflecting on 10 years since Christie, we began to explore some of the accountability and incentive mechanisms that are in place. I very much welcome Paul Johnston's reference to partnerships. No single organisation can tackle the issue, but, in our analysis, when we looked at the real drivers on which the success of leaders across public bodies in Scotland will be evaluated, we saw that, too often, they were focused on individual organisations. That needs to change in order to achieve some of the longer-term impacts that we speak about in the briefing. The risk, of course, is that if we do not take some of those really radical steps that we need to take now, 10 years from now our successors will be having a similar conversation about how we break the cycle of child poverty in Scotland.

**The Convener:** Colin Beattie has more questions on this area.

**Colin Beattie:** My questions are an extension of what we have been talking about. The Scottish Government and local government have key roles and it is important that they work well together. Do they work well together? Do they work well with their third sector partners? Is there evidence of a shift away from the silos that used to exist—are they being broken down? Are we seeing joined-up thinking and joined-up working? Bill Scott might like to comment.

**Bill Scott:** During the pandemic, we saw very good examples of Scottish Government, local government, the third sector and local community groups, which are not usually recognised as contributing to wellbeing and the health of communities, all working together to protect some of the most vulnerable people in our society and ensure that they got food and were not socially isolated. Unfortunately, although we were told that we were going to build back better, some of those barriers, which were broken down during the pandemic, have been re-erected.

We need to return to that way of working. I am glad to hear that that is happening in the pathfinder areas, but it needs to happen much more widely, because, to return to what we have been talking about, up until now, we have not attempted the systemic transformational change to our economy that is needed to ensure that people do not fall into poverty—to ensure that we prevent that from happening in the first place—and so that, if they experience ill health or disability or have caring responsibilities, there is an adequate safety

net to protect them. Neither of those things is in place at the moment, and that is what we need to achieve.

09:45

We need to look at the barriers that prevent people from working together to achieve that transformational change, because we should not allow those barriers to stand in our way. We also need to take the rights-based approach to budgeting that Bruce Adamson talked about, which ensures that every pound spent contributes to transforming our economy and reducing poverty and is well spent. We need to know what is working and what is not working—in other words, the impact of the hundreds of millions of pounds that have been invested. If that money is being spent on something that is not doing what it set out to achieve, we need to stop that and channel that money towards what we have identified does work. We need better data for that, because local government sometimes operates in the dark. We must monitor and evaluate, which the third sector is used to doing, because we do not get any money unless we do it. The Government needs to get much better at doing it.

**Colin Beattie:** Ryan McQuigg, what is your view?

**Ryan McQuigg:** I will go back to the joined-up approach. There has been a lot of talk about the triple lock for pensioners. Families should have that triple lock, from the UK Government, the Scottish Government and local government. However, at the minute, instead of being in lockstep on a journey to get people out of poverty, efforts are being split in different directions. We have the United Nations climate change conference of the parties—COP—because of the climate emergency, and we have been calling for a UK strategy—we would probably call it COG, a conference of all Governments and local authorities—to bring everyone together to look at the root problems that mean that we are not getting families out of poverty. In that way, we could lay the matter on the table for other people to give their expert views on, just as happens with COP. That would apply a bit of pressure, and we would then have the analysis, so it would be up to the Scottish Government to say, “Okay, the Scottish Government has targets—the UK Government got rid of the targets without getting rid of poverty—but how can we ensure that we are all on the same journey?”

As I said, the Scottish Government has taken big steps with the introduction of the Scottish child payment, but giant leaps must be taken by the whole of the three Governments to ensure that we meet our targets. Action for Children thinks that we need a UK round-table approach that includes

experts and people with lived experience, which would provide that focus. Just as COP has placed a focus on climate change, we need COG—or whatever you want to call it—to create that forum and put the spotlight on poverty.

**Colin Beattie:** Paul Johnston, that does not make it sound as though there is as seamless an operation between the different agencies as you indicated. Do you want to comment on that?

**Paul Johnston:** I am reflecting on Ryan McQuigg’s suggestion, which is a really good one. I would welcome others’ views on that. Yes, absolutely, we need that joined-up, political leadership wherever possible to ensure that everything that can be done is done, by all the different levels of government, the third sector and business.

I will respond to your particular challenge. I see the joined-up working, and I see us working together on the governance that Hanna McCulloch referred to. We have a programme board to ensure that we deliver on the plan that was set out earlier this year, and it includes representatives from local government and third sector organisations to ensure that we work together on the actions. I have referred to some of that joined-up work on the ground. However, I am challenged by what Bill Scott says about whether, after Covid, some of the barriers that were torn down are being re-erected. A year ago, the Government published the “Covid Recovery Strategy: For a fairer future”, which set out an ambition to ensure that we do not see those barriers in place again, and we have oversight arrangements so that, where we hear about barriers, we will act to ensure that they are removed.

I would hesitate to speak for the Deputy First Minister, who chairs that particular board, but I can say that he has been very clear that, where we see evidence of barriers that are getting in the way of join-up to help people in poverty, we want to know about those and to do whatever we can. If action is needed at the Scottish Government level, we will take that action, because we must preserve some of the good stuff that we saw in how public services worked through Covid.

**Colin Beattie:** It sounds like Paul Johnston is offering himself as the go-to person if people come across any silos or barriers.

**Matthew Sweeney:** I think that there has been an improvement in how the Scottish Government and local government work together. Paul Johnston mentioned some of the structures that have been put in place for that. We feel that there has been more of an opportunity to influence the plan compared with the previous plan, and that is reflected in how it is much more of a plan for Scotland and how we work together more broadly.

Bill Scott spoke about going back to somewhere where we were before. During the pandemic, there was the understanding that we were in an emergency situation, so there was more relaxation in ways in which funding was allocated and, in respect of the approaches that came from strict guidance and statutory responsibilities, there was an understanding that it was just about trying to get done what we could to support people. We are now at the stage at which we are returning to where we were before.

I am conscious that local authorities have the duty to create local child poverty action reports, for example, and they have a duty under the Community Empowerment (Scotland) Act 2015 to do a local outcomes improvement report, which is about tackling inequalities. They do an integrated children's services report, which is about a range of children's services—we know that child poverty is central to that. They also have work in education on how to tackle the attainment gap. The reporting structures often encourage silo working instead of breaking it down.

We need to ask how we can use the programme board to lever in all departments at the national level, so that that feeds into what local government is doing across different services to bring them into one space.

**The Convener:** That leads us on nicely to a question from Sharon Dowe.

**Sharon Dowe:** I want to look at data and outcomes and at ensuring that the actions that are being taken are achieving the outcomes that we desire. I refer to what Bill Scott said. It is about ensuring that every pound that we spend is well spent and that we are focusing money in the right areas. How can the Scottish Government and councils improve national and local data? How can we ensure that they fully capture and measure the impact of actions on outcomes?

Does Hanna McCulloch want to come in on that?

**Hanna McCulloch:** I will give it a go.

It goes without saying that data is a very complicated issue. We have to drill down into what we are talking about when we talk about data. There are three layers of data. There is data that relates to understanding where child poverty is, the scale of the problem and what kind of families are experiencing it. Obviously, that kind of information is helpful, because it will help us to direct resources, understand the scale of the problem, and design and fund the interventions that we need.

At the local level, the data on child poverty is problematic. There is a lag of up to 18 months in getting data on relative poverty. Four measures

are used in the legislation, and the data that supports our understanding of progress is not available at the local level. It is available for one or two areas, but not for the others.

It is fine to have a child poverty rate for a local authority area, but what is needed to make useful interventions is something more granular that shows where the poverty is within an area. Work is being done by the Scottish Government, Public Health Scotland and the Improvement Service to try to make that picture clearer. I am happy to share information about that.

Exceptional work is being done at the local level to build that picture. For instance, Glasgow City Council has used its housing benefit and council tax reduction data to get a granular picture of poverty, which will change over time. We would like to support other areas to take a similar approach, but local conditions are different. That approach could not be superimposed on an island or rural authority, for instance, because that would make families identifiable. It is about taking a nuanced approach to data and continuing to invest so that we understand the problem.

The second layer is data that allows us to identify and reach individual families. For example, information from education might tell us that a particular family needs help, so we would say, "Let's approach and target them with the support that they need." Again, that is happening, but the general data protection regulation and data sharing are massive issues not just in how DWP and His Majesty's Revenue and Customs data can be used but in how data from Social Security Scotland can be used locally. There is definitely work to be done to overcome those barriers.

The final aspect is the impact that you have mentioned and which, I think, is particularly important but difficult to address. It is unfair to expect local authorities to be able to show that their actions are having an impact on the headline relative poverty rate in their areas, given that so much—not just Brexit and the Ukraine situation but UK and Scottish Government policy—is outwith their control. However, it is absolutely legitimate to expect them to understand how to properly evaluate the things that are within their control—their employability process, the childcare and benefits that they deliver and so on—and to disaggregate that information so that we can understand the impact on individual families and communities and can use common sense to say, "If we're doing this or that and it's having an impact on those families, we are contributing to tackling child poverty."

It is a very complex and nuanced picture, and it is easy to oversimplify it, but a lot of work has to be done.

**Paul Johnston:** I agree with everything that Hanna McCulloch has said. What I had in mind was the importance of good local data and, in that respect, I would not underestimate the significance of the work that the Scottish Government, Public Health Scotland and the Improvement Service are doing to try to ensure that local areas can take a more informed approach to what is going on and to tackling such issues.

I also agree with Hanna McCulloch, in that, from my experience, the pathfinders get down to a granular level of data on the numbers of families in one particular small area. By sharing information, we can identify the best way of providing support, but there are GDPR and information-sharing issues that we have to work through to ensure that we are doing all that we can for families while staying within the law.

With regard to what is happening at a national level, I point the committee to the much greater level of supporting data that we published with the 2022 plan. Towards the end of the plan, there are 10 annexes that are full of data and evidence. I would therefore say that this is an area in which the Scottish Government is committed to being hugely open and transparent and that all the data is there for others to drill into and scrutinise.

There is a lag, and data collection issues have arisen as a result of Covid, so we need to do all that we can to publish data. Indeed, we will be doing so on an on-going basis, but we want to do whatever we can to address the lag, too. Not only do we have to do work at a national level, but it is vital that we get that rich local picture to ensure that it can be used for action.

**Bill Scott:** I agree with everything that has been said. We need better data collection; indeed, we need to expand some of the data that we already collect to ensure that some of the smaller groups—particularly black and minority ethnic households, which are not well represented in the data that is currently collected—are covered. We need boosted samples to ensure that we have a better picture of their lives.

The fact is that, in relation to the priority groups identified in the child poverty delivery plan, the risk of poverty is so much higher for households with a disabled child or disabled adult, for black and minority ethnic households, for lone-parent households and for larger families or ones with a very young child. We know the groups that are most likely to be living in poverty. If local authorities are working to improve their lives, they will lift a proportion of those groups out of poverty, and if they manage to do that, they will improve the child poverty figures.

Again, much better targeted use of local resources to ensure that priority families, in

particular, are being assisted will help. It is not exclusively about them, because, as I say, poverty affects the majority of children at one point or another in their lives, but, if we target more of the resources on priority families, we will see improvement.

**The Convener:** I think that John Dickie wants to come in on that point.

10:00

**John Dickie:** I want to pick up on Bill Scott's point about the importance of collecting data on who is being reached by the services that are being delivered. When we talk about employability or childcare services, or when a plan says that there is an employability or childcare service or whatever, that does not necessarily tell us whether those services are reaching the families who are at most risk of poverty. It is really important to ensure that services collect data on who they are reaching and that those people match with the priority groups.

I have been campaigning on this issue for too long, and there have been real improvements on data. We now have far more information about who is living in poverty, which children are affected and where they are, although there are gaps and there is always more that can be done. However, we should not use that as a cover for not acting. There is a big link between the use of data and the recommendations on involving children and families in shaping policy. We might not have all the detailed data, but we know who is most at risk of poverty. At every level, we can speak to those families and ask them what the barriers are to their accessing services, what is holding them back and what is preventing them from improving their earnings in the workplace and accessing the support that they need. We can then act on that.

**The Convener:** I want to pick up that point with Hanna McCulloch and Matthew Sweeney. Paragraph 44 of the briefing is pretty clear in its critique of the patchy return by local authority area. The briefing says:

“people with experience of living in poverty were rarely involved in developing plans”,

which is the point that John Dickie has just made. The briefing continues:

“only four out of 27 reports available had an introduction signed by the chief executive. The level of sign-off of reports was seen as an indicator of the level of commitment to tackling child poverty”.

It goes on to say that

“most reports used data well in describing their local area”,

but that

“not many reports considered monitoring and evaluation carefully”.

Do you have any reflections on that? Do you accept it as fair criticism?

**Matthew Sweeney:** I am happy to go first, and Hanna McCulloch will have a lot to add.

Bits of it are probably fair. Those comments refer to the review of the first year of the plans, which was back in 2019, and there have now been three years of plans. It was always going to be an iterative process in which there was learning and growing understanding.

To go back further, local government did a lot of work involving people with lived experience before that came on the agenda nationally. For example, there was the work of Renfrewshire's tackling poverty commission and the similar work that happened in Fife and Dundee. There were pockets of good practice where that approach was on the agenda first, before some of the duties to create reports came along.

As always, however, there is more that we can do. We need to think about how we engage people in a meaningful way; we should not just invite them along to meetings. We need to consider how we link that work into some of the broader work through our duties of community planning and specific roles in locality planning for the areas that are experiencing the poorest outcomes. We need to consider how we make sure that we take a strategic and joined-up approach, and we need to think about whether that is always captured in these plans or is in one of the other plans that I spoke about earlier.

Similarly, I have a query about the approach of just looking at the sign-off and whose signature is on the front of the plan. To me, the much more important issue is the process that is gone through to develop the plan. The duty is jointly on local authorities and health boards and, as we have mentioned, we need all the other public sector partners to be involved, too. Therefore, I am less worried about who has signed off the plan and more worried about whether bodies, as they develop the plan, are using the community planning structures to work together and are working across services within local government and health, as well as with the police and so on.

There is always more to do. If we did the same review now, I would hope that it would find that we have made progress since then. However, there is definitely more for us to work on in relation to some of those points.

**The Convener:** It is useful to have that on the record.

Hanna, the briefing mentions the Renfrewshire tackling poverty commission, of which you were a member, if I have been informed correctly.

**Hanna McCulloch:** I was, yes.

**The Convener:** Matthew Sweeney has just alluded to that, too. You said earlier that there is a limit to the extent to which some of these big questions can be tackled at local government level. First, do you want to comment on the part of the briefing that I read out? Secondly, will you give us some of your reflections from being involved in that commission?

**Hanna McCulloch:** Those questions cover a lot of aspects. There is definitely improvement in relation to how meaningfully lived experience is incorporated and taken into account. In the latest round of reports, there is more acknowledgment of the importance of that. There is no uniform way in which lived experience is being taken into account—local authorities are learning from one another—but that is being done more meaningfully.

Many areas are wrestling with the idea of whether it is about creating a stand-alone group of parents to consult on such issues. That is positive and important, and some areas have done that. However, as Matthew Sweeney said, there is also a need to embed that, through community planning and mainstreaming, across all the policy areas that you would expect to be represented in such reports. Therefore, there has been progress, but there is more to be made.

What was the second question?

**The Convener:** What are your experiences from being involved in the Renfrewshire tackling poverty commission? Does that experience provide an insight into what can be achieved at a local level?

**Hanna McCulloch:** Absolutely. The legal duty to produce a local child poverty action report is important, because that raises the profile of child poverty locally and brings it to the attention of senior groups and leaders. That is why the local commissions and approaches that developed organically were powerful and led to serious changes. Those changes came from leadership and commitment at senior level across organisations. The legislative duty has helped to develop that, and I hope that there will be improvements as that duty is embedded.

**The Convener:** I will move us on to the funding for the anti-child poverty strategy. I invite Craig Hoy to ask a couple of questions.

**Craig Hoy:** I will bring in the Auditor General first and then branch out from there.

Auditor General, your briefing says that, overall, "£3.3 billion was spent on tackling child poverty between 2018/19 and 2021/22".

By my very basic—and often flawed—maths, that works out at about £3,400 per child who is living in



or experiencing poverty. Will you give us some insight into how that money is being tracked? Is the measurement to which Bill Scott referred in the evaluation sufficient, bearing in mind that your briefing says that

“child poverty has not reduced”

and that there is “no evidence”—admittedly, that was at the mid-point when the assessment was made—to suggest that the actions in the delivery plan have reduced child poverty? How is the money tracked and how effectively is it being spent?

**Stephen Boyle:** I am happy to start on that. I will try to cover as much of it as I can. You are right that we note in our briefing that

“The Scottish Government estimates that £3.3 billion was spent ... between 2018/19 and 2021/22”.

However, we reached the conclusion that it is not always clear what impact that funding has had on reducing child poverty. We have covered some of that already this morning, and we touched on it in the committee’s briefing session a few weeks ago. The reason is partly to do with data quality.

I reiterate Hanna McCulloch’s point about the lag in relation to when data is produced, and I repeat Bill Scott’s earlier point, with which I absolutely agree, that when we track spending, it is fundamentally important that there is good-quality data to enable us to assess the impact on outcomes, because, if the spending is not having the desired impact, we can then stop doing it and move on to something that will have more influence.

We mention in the briefing that the £3.3 billion does not include universal spending. The fact that there are many levers for tackling child poverty has already been covered. Some of those lie with Westminster, some lie with the Scottish Government and some lie with councils. We have tried to analyse that further. We mention the £1.6 billion that has been spent on the Scottish child payment and the best start grant, the £1.5 billion that has been directed to low-income households and the further moneys that have been attributed to dealing with the Covid-19 pandemic.

As we say in our briefing—this reiterates Mr Hoy’s point—that represents a huge amount of public spending. It is of fundamental interest to the Public Audit Committee that there is a lot of money at play here that can have the desired impact of reducing child poverty in Scotland, but what matters is that there is effective data, that there is effective monitoring and evaluation of that data and that, if that spending is not having the desired impact, there is change.

At the risk of repeating myself, I emphasise that, if that spending is not having the desired impact,

there needs to be a change of approach so that the spending can have the necessary impact as we move towards the 2030s and the delivery of the child poverty reduction targets.

I have a final point to make about how we are making that evaluation, which I think you hinted at in your question. We do not draw strong conclusions about the range of indicators that are used, but we wonder whether consistent use is made of the four indicators that exist to assess child poverty. We also wonder how accessible and meaningful the way in which those indicators are described makes them for people who experience child poverty in Scotland, and we query whether that is helpful for policy makers and scrutineers such as members of the committee.

I am happy to elaborate further on any of that if you wish.

**Craig Hoy:** No—that was helpful.

In relation to the Scottish Government’s perspective, I note that, when Joe Griffin appeared before us, we discussed the pupil attainment gap and the £1 billion that has been spent on tackling that, but we were left with the impression that he was not sure whether the money had been effective or whether it was spent in a way that would close that gap. Should we have similar concerns in relation to child poverty? It is clear that there is a will to tackle child poverty, but are we likely to repeat the same mistakes by spending the money in a way that is not proving to be as effective as it could be?

**Paul Johnston:** That is a hugely important area and one where I am very keen that we work closely with the Auditor General and the Accounts Commission to ensure that we are doing all that we can.

The detailed evidence that we have already published sets out in quite a level of granularity the impact that we expect the Scottish child payment and the other social security interventions to have, so it is not the case that we are committing all that money without an underpinning evidence base. We set out in the document—I do not have the page number to hand—the percentage reduction in child poverty that we anticipate that the increased level of the Scottish child payment will bring about.

We must continually evaluate whether our projections are realised, given the changing context, which includes all the cost of living and inflationary pressures. We are about to embark on a substantial further exercise that will involve us saying, “There was the evidence that underpinned the plan and these are the measures that are intended to enable us to reach the targets,” but we must keep that up to date, based on what is actually happening on the ground.

**Craig Hoy:** I would like to open up the discussion to other stakeholders. There is an issue around the ring fencing of funds for local government, which limits local authorities' ability to target child poverty in their areas with a laser-like focus, but there is also an issue in relation to the way in which funds are allocated to third sector organisations.

Ryan, will you say a bit about the way in which funds come to you? In a fast-moving situation such as the Covid pandemic or the cost of living crisis, the funds that you apply for are often for specific projects, which limits your ability to spend those funds on other projects. Would more flexibility in how you can spend the funds that you get from Government and other organisations allow you to target your work in a more innovative way?

10:15

**Ryan McQuigg:** If you do not mind, I will go back to your first question on budgets, allocations and so on. This follows on from what Bruce Adamson said about rights-based budgeting, but we have suggested that the Scottish Government publish a children's budget that sets out how the Scottish Government's allocations are benefiting children. Not only will that ensure that families are able to track how much is being spent, but—and this is key—we will be able to evaluate what the spend has actually done.

On flexibility and ring fencing, it is true that at first, when Covid happened, it was all about getting the cash out there. To illustrate the added benefit of the third sector, I point out that, during the first lockdown, Action for Children Scotland got cash to deliver groceries and fuel cards to families, but it was not just that by itself that had an impact. We had eyes on the ground, too, so we could see if someone was having mental health issues and was struggling. That shows the extra layer that the third sector can provide and how flexible we can be in using money. It can be used for shopping, but we also know that, when it comes to mental health issues, it can be just a matter of taking a person out for a coffee so that they are not away from their child but are not stuck inside 24/7.

That is what the pandemic encapsulated with regard to inequalities. We were all in our houses 24/7, but those experiencing poverty were usually in an overcrowded house; it was usually damp; they did not have devices or even an internet connection; they did not have garden spaces to go out into; and they had to use the local shop, where the prices were high, because they could not get transport to go anywhere else. We had the flexibility to use the money to address those things.

When I worked for Oxfam and we were given money, we asked a group of women and men, "Would you prefer the cash or the shopping?" The women said, "Give us the cash, because we can barter with it", while the men said, "Just give us the shopping." If you give us more flexibility, we can make more of each pound. It is about the families themselves saying, "This is what we need", and not the Government telling them what they need.

There are things that we can learn from that kind of flexibility. After all, you get funding for a set goal, but if you do not have such a goal, you have to wait for another funding round. The money should follow the person or the family. It should not be the other way round. It all seems quite transactional; we are saying to a child, "We've done this for you, but we can't go on to the next thing, because it's part of another funding stream and we have to wait to make another application to it." How does that make a young person or family feel? It certainly does not make them feel included.

There is, therefore, a lot to be learned from what happened during the pandemic. I know that you have to be accountable for these things, but we in the third sector are very accountable. We have all the stories and outcomes, and we feel that there is a cost benefit analysis that could be done, too.

**Craig Hoy:** It strikes me that some of those barriers are going back up again. I see that Bruce Adamson wants to comment.

**Bruce Adamson:** I strongly agree with everything that has been said. The United Nations Committee on the Rights of the Child has done some significant work on this and on public budgeting for the realisation of children's rights. It did a big global study in 2015-16, as a result of which it issued general comment 19. General comments are the authoritative statements and guidance that the committee issues to Governments, and general comment 19 provides a really powerful framework for the sort of rights-based budgeting that we should be looking at more.

The principles of public budgeting for children's rights that the UN committee set out cover a lot of the issues that we have been talking about, including effectiveness, efficiency, equity, transparency and sustainability. Those are all really important points given that we consistently hear that project-based funding is complicated and does not meet the sustainability test in ensuring that the support is there. I therefore strongly recommend the UN committee's advice as set out in general comment 19.

My frustrations at the delay in incorporating the UNCRC have been well documented and are well known. It is 18 months since the Parliament

unanimously agreed to incorporate and over a year since the Supreme Court judgment. We hope that the issue will be back for reconsideration soon, but one of the key aspects of that legal framework is accountability with regard to article 4, which is the obligation to use all available resources, and it is really important—and, indeed, part of my role—that the tools for human rights-based budgeting are provided.

We recently published a toolkit for children's rights impact assessments for local authorities. Those rights-based tools and the human rights framework are key to how budget setting is done. That speaks to some of the issues around ring fencing, but also to the importance of ensuring that we assess efficiency and effectiveness, that there is proper participation of children, young people and families, and that there is sustainability. Another key aspect of budget setting is the incorporation of the lived experience of children and young people, which can be done in lots of powerful ways.

When the former UN special rapporteur on extreme poverty and human rights Phil Alston did his assessment of the UK and came to Scotland, we took him to a primary school in Glasgow. He sat on the floor with the paints out and had fantastic discussions with very young children about their experiences of poverty in their community, and we took four of the 10-year-old children to Geneva when the special rapporteur delivered his report to the Human Rights Council.

In his presentation, he spoke about their powerful voices and their understanding of quite complex aspects of budget setting, including their recognition that there is not an infinite amount of money and that decisions have to be made. He said that their really powerful voices are essential in framing budgets. They talked about a lot of the stuff that Ryan McQuigg mentioned with regard to sustainable projects that are based on those trusted relationships and all the work that we see from early years workers, youth workers and others—that powerful third sector contribution, which is essential.

However, there is huge concern about the sustainability of the funding. I am hearing very strongly from third sector professionals, particularly in early years settings and youth work, that the situation is dire, that the funding is not there, that people are leaving the professions and that we need to move to a different model that ensures that that support exists and is sustainable.

**Matthew Sweeney:** I return to the conversation that we had earlier about targeting and how we can design services based on those views and involving children and young people. In some of our submissions to other committees for their pre-budget scrutiny, COSLA has said that two thirds of

our spending is directed in some way by national priorities. That makes it hard to find the opportunity to make more radical differences and change some of those things.

There is so much in what Bruce Adamson said that we agree with and that we would like to move towards. I do not mean to be defensive, but some of the challenges that we face are to do with the processes. There is a problem across the public sector because we have been on one-year budgets for a long time. In that situation, how can we do longer-term planning? Local authorities' options to offer third sector partners longer-term funding are restricted if they have year-to-year budgets, and that has a knock-on effect.

There is a similar issue with the timescales for knowing about the allocation of the central grant for local government, which can be so much of our budget, and the legal deadline of March for setting budgets. The budget bill can be passed in January so, from the point when we know that information, we have two months to get through the important work of setting the budgets in a collaborative way. It is a challenging ask to do that within that short timeframe, particularly given that local government has had 10 years of making difficult decisions. That is likely to be the challenge as we go forward.

**Craig Hoy:** How would you seek to resolve the tensions that ring fencing creates for local authorities? Would it be through less directed spending?

**Matthew Sweeney:** Yes—absolutely. We are keen to work with the Government on that, and it is part of an on-going discussion. It will be important to move away from that and to see what we can do to move towards spending that is more outcomes focused.

**Paul Johnston:** We want to move towards an increasingly outcomes-focused relationship with local government. There is already a big focus on shared outcomes through the national performance framework, but we want to have that outcomes focus with less ring fencing so that we can be confident that the outcomes have been delivered and we do not have to have all the ring-fenced pots.

We are in active dialogue with local government colleagues around the so-described new deal with local government, which the Scottish Government has referred to, together with a fiscal framework. Those issues are very much to the fore in that work.

**Craig Hoy:** Mr Johnston, may I hear your reflections on the current financial position and the impact that it might have on delivery of the actions in the second delivery plan to tackle child poverty, particularly in areas such as employability, where there has been a real-terms cut in provision?

**Paul Johnston:** The financial situation is exceedingly grave. Committee members will be well aware of the Deputy First Minister's statement in the emergency budget review a few days ago, and you will be aware of the measures that were taken to get money into people's hands effectively. Those include the expansion of the Scottish child payment, the doubling of the final bridging payment in December and the extra money for funding to tackle fuel insecurity.

That raft of measures was designed to respond to the cost of living crisis and they were given great priority but, at the same time, very difficult decisions have had to be taken to save money, partly in the light of the understandable additional pay pressures that we face, which amount to some £700 million in this financial year. That means that some of our ambitions around additional spend on employability cannot be taken forward. We are working on that very closely with partners and the child poverty programme board. There is still significant investment in employability, and we need to max that out to the benefit of the priority families.

**The Convener:** We are coming towards the end of our session. On that last point, Mr Johnston, you said earlier that the data is in place to inform the second phase of the plan, but it is worth reflecting that the key messages in the briefing are quite critical of the Scottish Government. Key message 1 says:

"The Scottish Government has not yet demonstrated a clear shift to preventing child poverty."

Key message 2 says:

"It is not possible to assess the success of the Scottish Government's first four-year plan to reduce child poverty, launched in 2018."

The briefing goes on to cite Bill Scott saying that there is not a link between spending decisions, outcomes and targets being met. That is one reason why we as the Public Audit Committee are keen to keep an eye on the issue and keep scrutinising it, and why the Auditor General and the Accounts Commission want to keep it under their watchful eye and produce further briefings.

Auditor General, do you want to say a word about that before I come to my final question?

**Stephen Boyle:** You are right—we confirmed when we briefed the committee that we intend to do further work on the progress that Scotland is making to reduce child poverty. It is clear that that will not be solved by any one organisation; the Scottish Government, local government partners, the third sector and others all have clear roles to play. Many organisations are relevant to delivering child poverty reduction in Scotland, but the central component of that is the Government's second child poverty reduction plan, which will be key.

It is our intention to track the progress and implementation of the recommendations that we make in the briefing paper, and to carry out further work on progress towards the targets and the impact on public spending of the very significant sums that are still—rightly—being made to reduce child poverty in Scotland. We anticipate that we will report publicly to the committee over the next 18 months or so.

**The Convener:** We started the meeting talking about the human face of child poverty in Scotland and what is happening, and I want to go around the table to ask for your reflections on what we have discussed.

I also want to ask about a point that is made in the briefing by the Institute for Fiscal Studies, which estimates that

"by October 2022, the inflation rate faced by the least affluent ten per cent of households could be as much as 75 per cent higher than that faced by the most affluent ten per cent."

The challenges that we have discussed will be accelerated and made even tougher, as is shown by that factual assessment of the discriminatory nature of the cost of living crisis and who is being penalised the most.

I will go around the table, beginning with Bruce Adamson. Do you have any reflections on what that means out there, and do you want to raise any final points on this morning's session?

10:30

**Bruce Adamson:** As I said, when I started in this role five and a half years ago, poverty was the biggest human rights issue, and what I am seeing and hearing from children and young people now is really terrifying. The situation is getting worse, and we have to change our response to it.

Children talk about the fact that their childhood is being stolen. It is a right to survival and development issue—it is that serious in Scotland right now, and we have to change our approach to it.

A few years ago, on the 30th anniversary of the UN Convention on the Rights of the Child, we asked children across Scotland to come up with seven-word stories, which was a lovely way of being creative and encouraging people to be brief, which I am not very good at. They came up with things like,

"My rights are my armour to me",

which is about the idea that rights help to protect, and that it is our obligation to make sure that children are protected by rights. They also said:

"Rights are help, before you even ask",

which is really important. It is about the idea that the obligation is on all of us because we have the power to put in place the supports. Protection from poverty is not something that you should be asking for—it is not an act of charity; it is an obligation on the state and all of us who exercise power to address that.

The last seven-word story that I will share is,

“Freedom from poverty helps all children flourish”.

That is what we are really talking about—making sure that we use all of the power that we have to the maximum extent possible, using those resources, to create an environment that allows children to flourish. The failure to do that is absolutely catastrophic, and the situation is getting worse.

You are all aware of the stories that we hear every day, but it is absolutely terrifying at the moment. We are talking about malnourishment in young babies because parents and carers are watering down formula, mothers not being able to breastfeed properly, and all of the examples of children losing their childhood because they are not able to engage properly. That is a political decision and a political failure, and we need radical action.

**Matthew Sweeney:** It has been a very important session, and the testimony from colleagues is absolutely harrowing. That is why the question of what we can do more of continues to be such a priority for local government.

I made the, perhaps sideways, point about looking at the inflation costs, which, as well as being really difficult for households—which we understand—are a real challenge for public services. In local government, we are seeing the in-year pressures of energy costs and food costs when delivering services to children.

We are also seeing the pressures of pay costs—they absolutely need to be met, but they will lead to some challenging decisions that have to be made both in year and going forward, because we will have the problem for a while. It will mean that challenging decisions have to be made about services, many of which support the children we are talking about today. How we manage that will be really difficult and really important.

**Ryan McQuigg:** You talk about inflation pressures, and we are in the Public Audit Committee talking about budgets, but the best experts on budgeting are families that are living in poverty. They budget for everything down to the last penny, so anything above inflation really cuts them.

We have not mentioned that poverty is expensive, ironically. There is a poverty premium. The most recent studies by the University of

Bristol show that the cost for Scottish families is about £242 million, and for the UK, it is £2.8 billion. That is because families that live in poverty have pre-payment meters, cannot get access to low credit, cannot buy food in bulk and cannot buy one-off quality items—they have to buy multiple items of lower quality that actually cost more money.

I am angry and the parents are angry. One of the mums whom I asked what we should say to the politicians here said, “Why don’t politicians live in our shoes for a while and see what we have to put up with? I bet you things would change then”. I will leave you with that.

**Hanna McCulloch:** I will mention a few points that have not come up.

When we talk about the cost of living, it is important to remember the distinction between urban and rural families. Quite often, the measures that we use to understand poverty hide the cost of living, because they are more income based. When we are making policy and delivering services, we need to make sure that we do not lose sight of people who live in very rural areas and have higher heating, transport and childcare costs.

More generally, for those who are working locally to address child poverty, by necessity, we are likely to see a focus on crisis and getting money into people’s pockets and food into people’s mouths. That is an unavoidable and absolutely essential role for local and national government.

I suppose that the question is how we keep the focus on long-term prevention when the human suffering is so great now. We have to keep challenging ourselves to do that.

People have already talked about breaking down the distinction between what is mitigation and what is prevention. We need to use every interaction that we have with families, whether or not they are in a crisis situation, to help to tackle poverty in the longer term. It is not a question of just giving someone a payment or a food voucher; it is about ensuring that there is support, advice and help to find employment, childcare or mental health support as part of the offer, and continuing to be holistic in our crisis response.

**Bill Scott:** I very much agree with everything that has been said. I regularly work with a lot of those people, and I know the dedication that there is to try to affect things. Like Bruce Adamson, I am extremely worried about what will happen over this winter.

What the Scottish Government has done in managing to protect the Scottish child payment funding—the increase to £25—is extremely

important. The doubling of the bridging payment and the fuel insecurity fund are also extremely important. That will save lives. That is how desperate things are for families at the moment. They do not have enough to live on. They cannot heat their homes, and they cannot feed themselves.

The Trussell Trust and the other food banks are moving to providing people with food that they do not need to heat because they know that families have stopped using their cookers, as they cannot afford to run them. The National Institute of Economic and Social Research has estimated that there are now 1.5 million households in the UK—that is, more than 3 million people—that simply cannot afford their fuel and food costs on a weekly basis. That is not intermittently. Every single week, they do not have enough money for those two basic essentials. That means that families are not living in destitution intermittently; they are living in it constantly. That has a huge impact on their health and their mental health.

I appreciate the extremely difficult choices that the Scottish Government has had to make. However, the Poverty and Inequality Commission is worried about not only the cut to employability spending, which was aimed at achieving structural change, but also the cut to mental health funding. Mental ill health costs the Scottish economy £8.8 billion a year. That is the scale of the impact on people's lives and our economy.

There are difficult choices. I understand the fiscal difficulties that the Scottish Government is in, but there are consequences of every choice that is made. We need to begin poverty proofing every single thing that we do instead of thinking about poverty as something separate that happens to a few people. We need to place it at the heart of all the financial planning that the Scottish Government undertakes.

**Paul Johnston:** Is it not the case that, in response to all that we have heard, we should be held to account for the progress that we make? I reiterate that I welcome the scrutiny and challenge from the Accounts Commission, the Auditor General for Scotland and the committee.

Last week, in a meeting hosted by One Parent Families Scotland, I sat down with a group of mothers who are experiencing poverty. Their stories resonate with many of the stories that we have heard today. However, I will finish with two hopeful points that I took from those discussions.

The first point was the fact that, with unemployment at historically low levels, some of those whom I spoke to have been successful in securing work. The challenge is in that work being increasingly flexible so that it fits with childcare responsibilities, and in the transport and childcare

offer fitting around it. We are making some progress there, but there is more to be done.

The second area of hope related to the Scottish child payment. Parents now recognise that, with effect from next week, there will be a payment of £25 per child if they are eligible for that—and many are. A very practical thing that we can all do is ensure that the availability of that payment is made as widely known as possible. We are supporting all parents who are eligible to get it, along with the other payments that are available, as Bill Scott mentioned.

**John Dickie:** As Bruce Adamson said, unacceptable levels of child poverty existed before Covid and the cost of living crisis, and tolerating that level of poverty in our country left our children brutally exposed to those crises. At a recent JRF event, one parent said that, for them, it is not a cost of living crisis but a cost of surviving crisis—they are not living; they are surviving.

We know that, on average, families with children spend 30 per cent more on energy than other households do, and we know from modelling by the Resolution Foundation that it is children who are more likely to be getting pushed into poverty. Even with the energy price guarantee, a family of four needs to find an additional £1,400 this winter in order to stay warm and fed, and that money is not there.

When we respond to a crisis, we need to do so in a rights-based and cash-first way, because that is what works. The feedback through Covid shows that ensuring that families have cash in their pockets gives them the agency to make choices and judgment calls about whether the money should go towards energy bills, food or a new pair of shoes for a child. That is the response. That approach and those principles need to be applied in a crisis, but they should also underpin the long-term action that is needed to deliver on the tackling child poverty ambitions that we all share in this room.

**The Convener:** I will give the final word to Stephen Boyle.

**Stephen Boyle:** I am grateful to the committee for organising the session. I have found the testimony of colleagues hugely insightful. I restate that Audit Scotland, the Accounts Commission and I have a long-term interest in the progress that Scotland is making in tackling child poverty, and we will continue our programme of work to see the impact of better outcomes for Scotland's children.

**The Convener:** On behalf of the committee, I thank all the witnesses for their time and rich contributions in talking about poverty. The session has brought out some very strong messages for us, not just as the Public Audit Committee but as a Scottish Parliament, about the urgency of what

must be tackled and the transformative changes that are needed.

10:42

*Meeting continued in private until 10:53.*





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