

# Observing receipt of the Scottish Child Payment in the Family Resources Survey

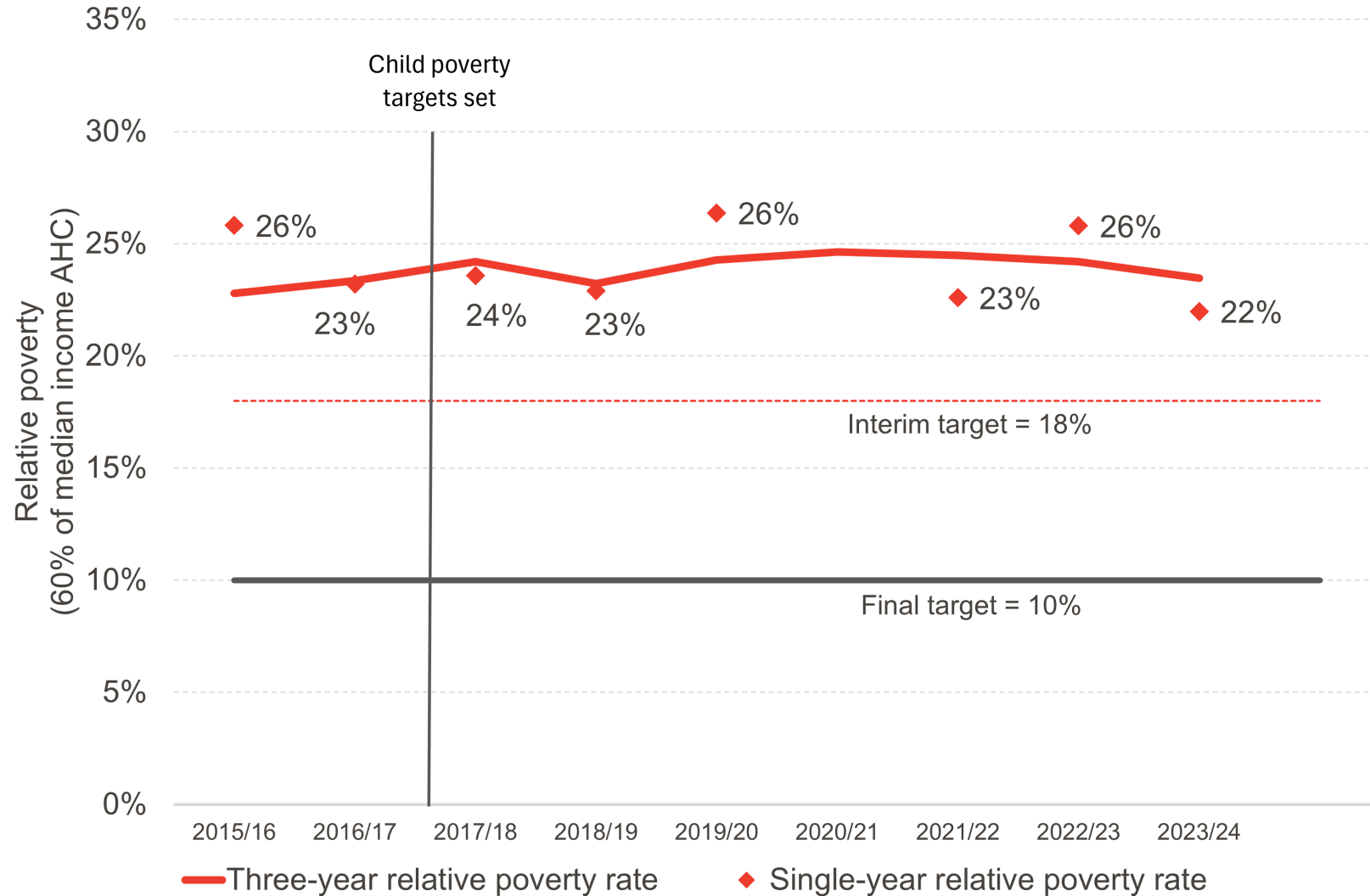
Hannah Randolph  
Chirsty McFadyen  
Emma Congreve  
Fraser of Allander Institute



*abrdn Financial Fairness Trust has supported this project as part of its mission to contribute towards strategic change which improves financial well-being in the UK.*



# Limited progress towards Scotland's child poverty targets



Source: [Scottish Government](#)



# Why can't we see the impact of the Scottish Child Payment?

## Scottish Child Payment:

- Top-up benefit administered by Social Security Scotland
- Available to children in households receiving qualifying benefits (e.g., UC)
- Timeline:
  - Introduced in 2021 (£10 per child, per week for children under 6)
  - Expanded through 2021/2022 until November 2022 - £25/week for each child under 16
- In the FRS, SCP receipt was
  - Underreported in 2021/22
  - Imputed in 2022/23 (but had issues)
  - Imputed with updated methods in 2023/24

## Explanations for lack of downward trend in child poverty (as of early 2025):

- SCP is not well targeted, or is too low
- SCP receipt is mismeasured
- SCP is offsetting a counterfactual rise in child poverty

1. Is the updated methodology for imputing Scottish Child Payment appropriate?
2. Would updating the methodology in 2022/23 have changed our understanding of child poverty trends?



# Issues with observing SCP receipt in the FRS

- For the 2022/23 FRS, SCP was imputed. Details on how the imputation was carried out are not available in the FRS documentation.
- The FRS reports the total weekly amount of SCP received by a benefit unit. You can divide this by the appropriate per-child amount (£20 or £25 depending on when the household was surveyed) to see how many children were assumed to be eligible.
- Examination of the published survey data show:
  - Children over 16 assumed to be receiving SCP, or children aged 6-15 receiving SCP prior to extension in November 2022
  - Households receiving less than their entitlement (generally excluding children under 1)
  - Amount per child seems to be raised from £20 to £25 in October rather than November 2022.
- Implied number of children/benefit units in receipt and implied annual cost are both significantly lower than in Social Security Scotland statistics\*.



# New process of SCP imputation (for 2023/24)

- › Identify households with children aged 0-5 that receive qualifying benefits
- › Randomly choose an eligible household to receive SCP and assume that all children under 16 in the household receive the payment
- › Continue to choose households until the target take-up rate for under-6s is met
- › Identify households with children aged 6-15 that receive qualifying benefits
- › Count all the households with children aged 6-15 already imputed to be receiving SCP and calculate the take-up rate for children aged 6-15
- › Add eligible households with children aged 6-15 at random until the target take-up rate for children aged 6-15 is met





## What we did for 2022/23

- › There were some changes to SCP during 2022/23 that affect how we approach the imputation:
  - Children aged 6-15 only became eligible for SCP from November 2022, so we only award them SCP if their household was interviewed after that;
  - Households with children aged 6-15 received four bridging payments from April-December 2022 if they received free school meals. We assume all eligible children in these households receive the maximum payment (£650 total).
- › We match take-up of SCP by age group in 2022/23: 95% for ages 0-5 and 77% for ages 6-15.
- › We remove previously imputed SCP income from household income in HBAI, add new SCP income, and recalculate net household income measures and poverty rates.
- › We replicate the imputation process 1000 times and average resulting poverty rates over replications to reduce the impact of random variation in which

**Table 2:** *Published and re-estimated relative poverty rates and rates of material deprivation*

Housing costs	% of median income	Published rate (%)	Updated rate (%)	Change in rate (to nearest 1/10 pp)
Before housing costs (BHC)	50%	14	13	-1.0
	60%	24	23	-1.2
	70%	34	33	-1.3
	Material deprivation	10	9	-0.7
After housing costs (AHC)	50%	17	17	0.2
	60%	26	26	0.0
	70%	36	33	-2.8
	Material deprivation	12	11	-0.8

**Source:** *FAI calculations from FRS and HBAI 2022-23***Notes:** *The definition of material deprivation is household income below 70% of median UK household income plus material deprivation based on a set of questions about 21 goods and services.*

**Table 3:** *Published and re-estimated absolute poverty rates*

Housing costs	% of median income	Published child poverty rate (%)	Updated child poverty rate (%)	Change in child poverty rate (to nearest 1/10 pp)
Before housing costs (BHC)	50%	10	10	-0.5
	60%	19	19	0.3
	70%	28	27	-0.5
After housing costs (AHC)	50%	15	14	-1.0
	60%	23	22	-0.7
	70%	30	29	-0.1





# Impact of updated imputation methodology on estimated cost and caseload

**Table 1:** *Number of recipients and cost of SCP*

	2022/23 Social Security Scotland SCP statistics (2023)	2022/23 FRS with updated imputation*
Number of children in receipt (0-15) (thousands)	104 (Jun '22) 106 (Sep '22) 184 (Dec '22) 303 (Mar '22)	152
Number of benefit units/clients (thousands)	96 (Jun '22) 100 (Sep '22) 146 (Dec '22) 177 (Mar '22)	103
Total amount paid by Scottish Government/received by households (£m)	190	182

**Source:** [Social Security Scotland](#) and FAI calculations from FRS 2022-23

**Notes:** None of the figures for the updated imputation include children or benefit units receiving bridging payments unless they are also imputed to receive SCP. The total cost also excludes the cost of bridging payments, which were administered through local councils and are not included in Social Security Scotland statistics.



# Takeaways



## Imputation method

- The updated imputation methodology is appropriate and more accurate in capturing SCP recipients – although it would not have changed measured child poverty significantly in 2022/23.



## Impact of SCP

- Ruled out mismeasurement as reason why there's been no visible drop in child poverty – likely because counterfactual poverty would have risen (cost of living, etc).



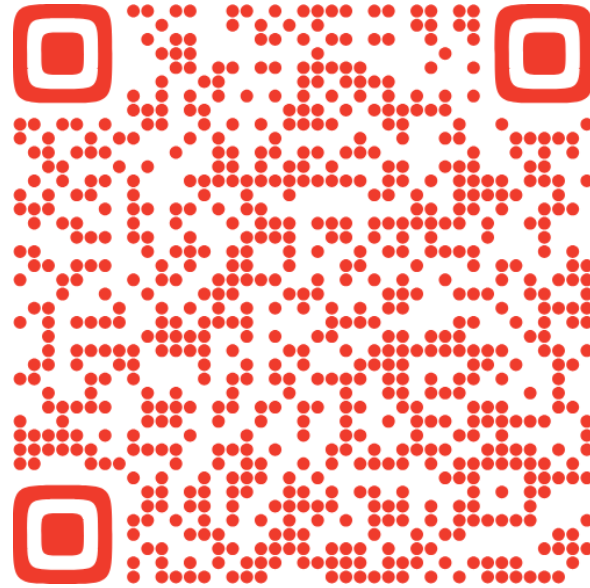
## Data improvements

We welcome plans to link administrative data with FRS responses to improve the accuracy of benefits reporting – hopefully for devolved benefits as well!



# Questions?

Read the report here:





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