

Child Poverty in Scotland:

how policy and legislation is developing

The National Third Sector GIRFEC Project

This paper is designed to inform third sector organisations of the current and proposed changes in policy and legislation in relation to child poverty in Scotland. It focusses on the Child Poverty (Scotland) Bill, the establishment of a Poverty and Inequality Commission and the introduction of a socio-economic duty

Introduction

The number of children and young people living in poverty in Scotland has continued to increase in recent years. More than one in four (260,000) of Scotland's children are officially recognised as living in poverty compared to 22% (220,000) in 2014/15¹. This is significantly higher than in many other European countries. The recent increase in child poverty is in-keeping with independent modelling by the Institute for Fiscal Studies (IFS) which forecasts an increase of more than 50% in the proportion of children living in poverty in the UK by 2020/21². This would reverse most of the fall in child poverty observed in the UK in the late 1990's.

This paper looks at the policy and legislative response in Scotland, with a particular focus on the Child Poverty Bill, the establishment of a Poverty and Inequality Commission and the introduction of the socio-economic duty. All three of these have implications for the way in which the third sector works with public bodies to deliver services and support people living in poverty. The paper also considers what the challenges and opportunities are in relation to this.

Changing Child Poverty legislation at a Scottish and UK level

Targets to eradicate child poverty in the UK were originally contained in the UK Child Poverty Act 2010. These were income based targets which were to be met by 2020-21 and focussed on relative low income, absolute poverty measure, combined low income and material deprivation and persistent poverty. The Conservative government at Westminster were of the view that tackling child poverty should be about addressing what it considers to be the underlying causes of poverty

¹ Latest 2015/16 Poverty and Income Inequality in Scotland figures, Table A1: Relative Poverty in Scottish Households 1994/5 to 2014/15, <http://www.gov.scot/Resource/0051/00515392.pdf>

² Living Standards, Poverty and Inequality in the UK: 2015-16 to 2020-21. Table B2: Relative Poverty: 2007/08 to 2020/21. <http://www.ifs.org.uk/uploads/publications/comms/R114.pdf>

(e.g. youth unemployment and poor school attainment), rather than focusing specifically on income inequality. The targets were withdrawn, the Child Poverty Act 2010 was retitled the Life Chances Act 2010 and a statutory Child Poverty Commission was renamed the Social Mobility Commission.

The Scottish Government disagreed with the UK Government approach and in 2017 introduced the Child Poverty (Scotland) Bill³. The Bill re-establishes income based targets more or less mirroring what was in the 2010 Act. The targets to be met by 2030 are that:

- Less than 10 per cent of children live in households that are in relative poverty
- Less than five per cent of children live in households that are in absolute poverty
- Less than five per cent of children live in households that are in combined low income and material deprivation
- Less than five per cent of children live in households that are in persistent poverty⁴.

The Bill also contains a series of reporting requirements on Ministers and other public bodies to set out what action is being taken to meet the targets. These are:

- Scottish Ministers must prepare periodic delivery plans.
- Scottish Ministers must prepare a progress report each year.
- Local authorities and health boards must produce a local child poverty action plan each year.

Campaigners have widely welcomed the establishment of targets and the fact that there will be a comprehensive reporting framework in place.

Local Child Poverty Action Plans

One of the criticisms of action on poverty in recent years is that whilst high level policy and targets are necessary there has been a lack of attention to linking these to delivery at the local level. Therefore the Child Poverty Bill will require local authorities and health boards to jointly publish a local child poverty action report describing any measures that have been taken in the area to contribute to meeting the child poverty targets over the previous year. The report will also have to set out any measures the local authority and health board are going to take to contribute to meeting the targets. Finally the report must describe income maximisation measures taken in the area of the local authority to provide pregnant women and families with children information, advice and assistance about eligibility for financial support, and assistance to apply for financial support.

The Poverty and Inequality Commission

In July 2016 the Scottish Government announced the establishment of a [Poverty and Inequality Commission](#). The stated role of the Commission is to offer independent advice to Ministers, provide scrutiny to help bring about real reductions in poverty and inequality in Scotland, and be involved in the development of the first delivery plan required under the Child Poverty (Scotland) Bill⁵.

³At the time of writing the Bill has been amended at stage 2 of the parliamentary process. It is likely to be amended further at Stage 3. This paper is based on the Bill as it stands at Stage 2.

⁴ Definitions of these can be found here <http://www.gov.scot/Publications/2017/03/2213/4>

⁵ <http://www.gov.scot/Resource/0052/00522016.pdf>

The Scottish Government has appointed Douglas Hamilton – former Head of Save the Children in Scotland – as the Chair. The Scottish Parliament’s Social Security Committee amended the Child Poverty Bill to put the role of the Commission in legislation, a move which, it has been argued, ensures the Commission is fully independent. The Scottish Government do not agree with this position and discussions are ongoing between the Government, stakeholders and opposition parties to find a way forward.

Socio Economic Duty

The Scottish Government is currently [consulting on the introduction of a socio-economic duty for Scotland](#). They describe the duty as

“(asking) particular public authorities to do more to tackle the inequalities of outcome caused by socio-economic disadvantage. In particular, the duty aims to make sure that strategic decisions about the most important issues are carefully thought through so that they are as effective as they can be in tackling socio-economic disadvantage and reducing inequalities of outcome. These strategic decisions would include, for example, an economic development strategy; or an annual budget setting out key investment choices”⁶.

The proposal for a socio-economic duty in Scotland has been widely welcomed. Originally contained in the Equality Act 2010 the duty was intended to apply across the UK but the Conservative Government decided not to do this.

Implications of developments for the third sector

It is difficult to be certain how the developments set out above will impact on third sector organisations and the sector more generally but there are some assumptions that can be made.

The Child Poverty (Scotland) Bill

The targets in the Child Poverty (Scotland) Bill are ambitious and will require a concerted effort from the public, third and private sector if they are to be achieved. In terms of the Bill the key issue will be the requirement that local authorities and Health Boards produce a Child Poverty Action Plan which will be both retrospective, setting out what action has been taken, and forward looking, requiring these public bodies to indicate what action they will take in the following year.

It is then likely that third sector organisations will have to consider how their work contributes to meeting the child poverty targets at a local level as it is likely that public bodies will want to include relevant work in their reports to the Scottish Government. Organisations will also have to consider how they can help local authorities and Health Boards deliver what they plan to do in future. It is likely that local action will be linked to the Scottish Government delivery plans which will have areas (albeit very broad) which are identified as priorities.

It is not yet clear how local reporting and forward planning will align with other planning such as Children’s Services Plans, Local Outcome Improvement Plans and community planning more generally.

⁶ <http://www.gov.scot/Resource/0052/00522478.pdf>

The Poverty and Inequality Commission

As it currently stands the intention of the Scottish Government is that the Commission will spend its first 2 year advising on the development of delivery plans to be developed under the Child Poverty Bill. After this it will take a broader view of poverty and inequality and the actions needed to eradicate poverty and reduce inequalities. Third sector organisations should be able to influence how the Commission works and also input their views and expertise. The Chair has two appointed deputies Kaliani Lyle who was previously Chief Executive of Citizen's Advice Scotland and Naomi Eisenstadt who was the Independent Advisor on Poverty and Inequality to the Scottish Government. It is likely that there will be consultation with third sector organisations.

The Socio Economic Duty

It is likely that the introduction of a socio economic duty will have a similar impact as the child poverty action plan's, in that public bodies covered by the duty will require certain information from third sector organisations as they consider a strategic approach to tackling socio-economic disadvantage and reducing inequalities of outcome. At the same time it will be important for third sector organisations to consider their role in this respect and to be aware of how they can influence the decision making process.

In combination with child poverty action plans the duty will make it imperative that organisations look at their services through the lens of poverty and inequality and what they can do working in partnership with the public sector. Again there needs to be more clarity on how the duty sits with other planning processes and the third sector role in that.

Conclusion

The benefit freeze, reductions in tax credits and increases in the cost of living have all contributed to an increase in the number of children living in poverty in Scotland with projections that those levels are likely to rise. The Scottish Government has responded by introducing a Child Poverty Bill, establishing a Poverty and Inequality Commission and are consulting on introducing a socio-economic duty. Political opponents have criticised the fact that all of these measures focus on process without actually spending significant amounts of money in tackling poverty although attempts are being made to include measures such as topping up child benefit in the Bill. Nevertheless the processes being put in place by the Bill are necessary elements of the overall strategy to tackle poverty. It is important to have targets to meet, it is important to have independent scrutiny of progress and it is important that public bodies carefully consider how what they do impacts on poverty and inequality.

The third sector also has a crucial role. Organisations need to think about how they will respond to the changing external environment. There are of course many good examples of third sector organisations working to alleviate the impact of poverty and the changes described in this paper should help them to be more focussed about their work as well as providing more opportunities to work in partnership with the public sector to do so.

It will also be important that public bodies – including the Scottish Government – are clear about how the new duties and processes fit with current planning processes and how the third sector can contribute to this.

Further Information

- More information on the Child Poverty Bill can be found here:
http://www.parliament.scot/ResearchBriefingsAndFactsheets/S5/SB_17-10_Child_Poverty_Scotland_Bill.pdf
- Oxfam Scotland have produced a report on what a Poverty and Inequality Commission should look like, see here:
<http://policy-practice.oxfam.org.uk/publications/building-a-more-equal-scotland-designing-scotlands-poverty-and-inequality-commi-620264>
- More information on the socio-economic duty can be found here:
<https://consult.scotland.gov.uk/social-justice/the-socio-economic-duty/>
- Useful organisations in this area are:
 - <http://www.povertyalliance.org/>
 - <http://www.cpag.org.uk/scotland>
- Examples of local work to tackle poverty:
 - http://www.renfrewshire.gov.uk/media/3522/Report-of-Renfrewshire-Tackling-Poverty-Commission/pdf/Report_of_Renfrewshire_Tackling_Poverty_Commission.pdf
 - <http://fairer.fife.scot/fairer-fife-commission/>