

## Child Poverty Action Group in Scotland. Briefing Note for MSPs



### Child Poverty (Scotland) Bill – Stage One Debate.

CPAG in Scotland welcomes the publication of the Social Security Committee report on the Child Poverty (Scotland) Bill.

We strongly support the Scottish Government's ambition to eradicate child poverty by 2030 and the delivery and accountability framework that this Bill creates to support that ambition. We also believe many of the Committee's recommendations would strengthen the Bill.

More than one in four (260,000) of Scotland's children are officially recognised as living in poverty, compared to 22% (220,000) in 2014/15.<sup>1</sup> 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 2020/21.<sup>2</sup>

A 2013 study found that the high levels of child poverty in the UK are currently costing the country at least £29 billion a year. This includes the cost of policy interventions, long term losses to the economy, lower educational attainment and poorer mental and physical health.<sup>3</sup>

### Key Measures to Strengthen the Bill – a summary

There are a number of measures which could strengthen the Child Poverty (Scotland) Bill:

- **Interim Targets** – As the Committee recommends, placing interim targets on a statutory footing will aid focus and create greater immediacy.
- **Specifying key delivery plan content** - CPAG believes that the content of the proposed delivery plans must be linked directly to achievement of the proposed targets and that legislation should list policy areas that must be covered in the plans. We believe the Scottish Government should bring forward an amendment to include the five areas suggested by the Committee and proposed by CPAG and other members of End Child Poverty:
  - The full use of Scottish social security powers
  - The provision of information, advice and assistance to parents and carers in relation to welfare rights and income maximisation
  - The provision of suitable and affordable housing

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<sup>1</sup> 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>

<sup>2</sup> 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> Research from the Resolution Foundation also projects increases in child poverty of up to 1.2 million across the UK by 2020/21 compared to 2016/17 available at <http://www.resolutionfoundation.org/wp-content/uploads/2015/10/Child-poverty-briefing.pdf> (page 11)

<sup>3</sup> Estimate of the Cost of Child Poverty in 2013, Donald Hirsch, Centre for Research and Social Policy, Loughborough University, [www.cpag.org.uk/sites/default/files/Cost%20of%20child%20poverty%20research%20update%20\(2013\).pdf](http://www.cpag.org.uk/sites/default/files/Cost%20of%20child%20poverty%20research%20update%20(2013).pdf)

- The availability of childcare
  - The facilitation of employment for parents and carers.
- **Introducing a strategic forward looking local duty** – CPAG believe that the Bill should be amended to ensure tackling child poverty is embedded in the processes that local authorities and their community planning partners use to set outcomes and allocate resources – i.e. Local Outcome Improvement Plans. At the very least Section 10 of the Bill could be amended to ensure local child poverty action reports describe strategic measures to be taken in the following year.
  - **Enhanced Budgetary Links** – CPAG supports the recommendation that Scottish Ministers’ budget plans make direct links with the proposed child poverty delivery plans.
  - **Independent Scrutiny** – Along with other members of the End Child Poverty coalition CPAG believes there is a need for an independent body to provide independent scrutiny and oversight. The Scottish Government should seriously consider the Committee’s recommendation that there should be a commission, on a statutory footing, which has a duty to scrutinise delivery and progress.
  - **Substantive measures to address child poverty** - Given the scale of the challenge of eradicating child poverty in Scotland, the Bill should include specific and substantive measures which will contribute to lifting children out of poverty. These should include:
    - an initial commitment to use new social security powers to top-up child benefit by £5 a week per child (thereby reducing child poverty by up to 14% and lifting around 30,000 children out of poverty).<sup>4</sup>
    - A right to an income maximisation and welfare rights check for families with children and/or a duty on local authorities and other public bodies to ensure access to benefits advice for the families they serve.

### **Section 1 – Child Poverty Targets**

Achieving the four targets described in the Bill will make a huge difference to the health, wellbeing and future prospects of tens of thousands of children across Scotland.

- **We strongly support the use of income-based targets within the Bill and are pleased the Committee consider these targets to be appropriate.**

While we welcome policies that will improve outcomes for children experiencing poverty – such as reducing the attainment gap and health inequalities - we believe that focusing on income-based targets in this legislation is the correct approach. Only by increasing the incomes of families at risk of poverty can lasting progress be made towards improving child wellbeing. Poverty measures should not be confused with risk factors, consequences or correlates of child poverty (e.g. parental employment or educational attainment).

### **PLACING NEW INTERIM TARGETS ON THE FACE OF THE BILL**

Given the length of time between now and the 2030 targets, it is vital to ensure the government is on track towards these goals. Interim targets will assist with the measurement of progress and provide focus for delivery plans.

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<sup>4</sup> <http://www.cpag.org.uk/sites/default/files/CB%20top%20up%20briefing.pdf>

- **CPAG agrees with the Committee’s view that placing interim targets on a statutory footing will “aid focus and create greater immediacy.”**

### **Sections 2, 3, 4, 5 - Definitions of Poverty**

Each of the four measures of poverty as proposed in the Bill bring a unique value to our understanding of poverty and it is important that these are retained.

**Relative Poverty:** Tracking the incomes of those at the bottom end of the distribution in relation to the incomes of those at the median is a vital measure of how the poorest are faring in relation to those in the middle. This measure is also useful in that it shows how the benefits of economic progress or the pain of recession are distributed throughout society.

**Absolute Poverty:** This measure allows for meaningful conclusions to be drawn about whether low income households are becoming better or worse off in real terms over time.

**Low income and material deprivation:** Measuring material deprivation is also vital. The proportion of children who are unable to afford regular school trips or to have friends over for dinner, is the kind of measure that allows actual living standards to be compared. It also ensures that the impact of the costs of living as well as household income is captured.

**Persistent poverty:** This measure is very important given that evidence suggests that the longer the duration of poverty, the greater the potential impact on the child.

- **We welcome the ambition of the Committee in seeking to strengthen the persistent poverty target given the damaging impact of longer periods in poverty.**

### **Section 7 – Delivery Plan**

The Bill states that delivery plans must set out the measures that Scottish Ministers will take to meet the child poverty targets.

#### **SPECIFYING KEY DELIVERY PLAN AREAS ON THE FACE OF THE BILL**

It is essential that the content of these plans is linked directly to achievement of the proposed child poverty targets. In order to ensure that this is the case, delivery plans should describe how the Scottish Government will use all of the major financial and policy tools at its disposal to progress towards these targets.

- **CPAG in Scotland welcomes the Committee’s recommendation that the Scottish Government brings forward an amendment at Stage 2 to include the five areas recommended by the Committee and proposed by CPAG and other members of the End Child Poverty coalition:**
  - The full use of Scottish social security powers
  - The provision of information, advice and assistance to parents and carers in relation to welfare rights and income maximisation
  - The provision of suitable and affordable housing
  - The availability of childcare
  - The facilitation of employment for parents and carers.

- **CPAG in Scotland welcomes the Committee’s view that robust and comprehensive parliamentary scrutiny of delivery plans is essential.**

#### Section 8 – Progress Report

Annual Progress Reports to Parliament as set out in the Bill are welcome and it is important that these are joined up with the Scottish Government’s child poverty measurement framework. CPAG is pleased that the Cabinet Secretary has given a commitment to review this framework.<sup>5</sup>

- **The Committee’s recommendation to make specific reference to the measurement framework within delivery plans is welcome. CPAG believe that it may be useful for the revised framework to reflect the proposed areas within the delivery plans.**
- **Including the same ‘building blocks’ within both the delivery plans and the measurement framework would provide a common thread between local and national action as well as clearly linking underlying measures and policies with the headline income targets.**

#### Section 10 - Local Child Poverty Action Report.

##### **PLACING A STRATEGIC FORWARD LOOKING DUTY ON LOCAL AUTHORITIES AND HEALTH BOARDS**

A concerted national and local approach is vital. The legislation should ensure a clear duty on local authorities and health boards to take a strategic approach to reducing child poverty in their area – as well as reporting annually on the steps they have taken to achieve this.

- **CPAG supports the establishment of a reference group to provide guidance to local authorities and health boards to provide guidance about their responsibilities under the Bill. Sharing of best practice and data around child poverty will be a useful function for the reference group.**
- **CPAG believes that the Bill should go further and be amended to ensure tackling child poverty is embedded in the processes that local authorities and their community planning partners use to set outcomes and allocate resources i.e. Local Outcome Improvement Plans. This could be through Community Planning Partnerships (CPPs) and the powers within the Community Empowerment (Scotland) Act 2015, amending legislation to ensure that CPPs act with a view to reducing child poverty when carrying out their functions or to embed the need to eradicate child poverty when setting local outcomes.**
- **At the very least, Section 10 of the Bill could be amended to ensure local child poverty action reports describe strategic measures to be taken in the following year, as well as reporting on action taken in the preceding year.**

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<sup>5</sup> <http://www.parliament.scot/parliamentarybusiness/report.aspx?r=10913>

## BUDGETARY LINKS

**CPAG welcomes the Committee's recommendation that Scottish Ministers make direct links between their Budget plans and the child poverty delivery plans and progress reports.**

We further welcome the acknowledgement that policy actions will have resource implications if they are to be effective. **Delivery plans should set out clearly the resources required to deliver key actions and these should be reflected in the Scottish Government's budget bill.**

## INDEPENDENT SCRUTINY

- **Along with other members of the End Child Poverty coalition, CPAG believes there is a need for an independent body to provide scrutiny and oversight. The Scottish Government should seriously consider the Committee's recommendation that there should be a commission, on a statutory footing, which has a duty to scrutinise delivery and progress.**

Under the Child Poverty Act 2010, a similar function was carried out at a UK level by the Child Poverty and Social Mobility Commission. This Bill provides an opportunity to establish the role and functions of such a commission, as well as the key characteristics that it should have in law. Basic characteristics might include, for example, that the commission has members with expertise in measuring and understanding poverty; expertise in engaging with those people experiencing or at risk of poverty and an in-depth understanding of the causes and effects of child poverty.

The Commission could carry out scrutiny and provide reports to Parliament on the development of delivery plans and views on the published progress reports, as well as independent views to feed into the Final Report in 2030.

**Child Poverty Action Group works on behalf of the one in four children in Scotland growing up in poverty. It doesn't have to be like this. We use our understanding of what causes poverty and the impact it has on children's lives to campaign for policies that will prevent and solve poverty – for good.**

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