

# **Scottish Parliament Social Justice and Social Security Committee**

## **Post Legislative Scrutiny of the Child Poverty (Scotland) Act 2017**

### **Written submission by End Child Poverty coalition in Scotland, September 2024**

The End Child Poverty coalition welcomes the opportunity to share our views on the post legislative review of the Child Poverty (Scotland) Act 2017. This response is on behalf of members of the coalition including Child Poverty Action Group (CPAG), Save the Children, Poverty Alliance, One Parent Families Scotland (OPFS), Aberlour, Coalition for Racial Equality and Rights (CRER), Trussell, Families Outside, Includem, Barnardo's, Close the Gap, the Independent Food Aid Network (IFAN) and Children 1st.

#### **1. The legislative framework introduced by the Act has been instrumental in making progress on child poverty**

In June 2016, leading members<sup>i</sup> of the End Child Poverty Coalition in Scotland wrote to the Cabinet Secretary for Communities, Social Security and Equalities to call for the introduction of a Child Poverty (Scotland) Bill. The coalition wrote that:

*“As a grouping of third sector organisations united in our vision of a Scotland free from child poverty...We believe that one vital way of tackling poverty in Scotland is ensuring that we have ambitious targets for the eradication of child poverty.”*

In the years since the introduction of the Child Poverty (Scotland) Act 2017, we have seen how this legislative framework has been instrumental in ensuring Scottish government policy levers and budget processes are having a substantive and positive impact on child poverty.

The Act has sharpened the focus of Scottish child poverty strategy on the underlying drivers of child poverty (inadequate income from employment and social security, and the costs families face) – ensuring greater focus on the causes rather than consequences of child poverty. A child poverty lens has been applied to policy across Scottish government to a far greater, albeit still variable, extent than previously. For example, there has been a greater focus on parents and carers within employability programmes, and the role that transport policy can play in reducing costs and opening up opportunities has had increasing recognition. Child poverty-focussed local public service reform ‘pathfinder’ programmes have also been established, exploring how person-centred, place-based approaches can contribute to reducing child poverty.<sup>ii</sup>

The legal requirement to meet child poverty targets has informed budget decisions to a significant degree – with substantive investment made in evidence based policies that will support progress toward meeting the targets. The most significant, but not the only, example has been the investment made in the Scottish child payment to improve the adequacy of social security support for families.

Finally, the principle of participation included in the act to ‘consult with those with experience of living in poverty’ is an important acknowledgement that these voices must shape the delivery plans. However more must be done to ensure this is carried out on a deeper level.

In terms of overall impact, since the Act was passed:

- Tax and benefit decisions made by the Scottish government boost the incomes of low-income households with children by “a sizeable £2000 a year”, compared to families in England and Wales, according to the Institute for Fiscal Studies<sup>iii</sup>,
- the Scottish child payment, according to all available forecasts, is lifting between 40 000 and 60 000 children out of poverty<sup>iv</sup>
- the additional financial support provided in Scotland is being spent on children both on essential items and on enabling them to participate in social and educational opportunities,<sup>v</sup>
- The gap between the minimum cost of raising a child in Scotland and the income available to low-income families is now substantially smaller than in the rest of the UK.<sup>vi</sup>

The Act has been instrumental in ensuring Scottish government policy levers and budget processes are having a substantive and positive impact on child poverty. It is hard to imagine these policies would have been pursued and budget decisions made if the Act had not been in place.

## **2. The introduction of statutory after housing cost targets, including interim targets, have been essential to sharpen focus and keep tackling child poverty a political priority**

During the initial consultation on the Child Poverty (Scotland) Bill in 2016, the End Child Poverty Coalition called for the use of after housing cost income-based targets to be included in the Act, stating that: “a focus on income based targets in this legislation is the correct approach - only by reducing income poverty and maximising the financial resources available to families in Scotland can real and lasting progress be made.”

The impact of this since the introduction of the Act can be seen in:

- an increase in the priority attached to tackling child poverty in Scotland,

- an increase in the extent to which tackling child poverty is seen as a whole government priority,
- an increase in the level of political and civil service leadership and civil service capacity to support delivery.

### **3. Identifying family types most at risk of poverty has been welcome, but more must be done to ensure policy interventions are reaching them**

There has been a significant increase in the amount of Scottish government research and analysis undertaken and published on child poverty,<sup>vii</sup> improving our understanding of how poverty impacts on different types of families and in different places. However, there is still need for further detailed analysis to understand how different policy interventions impact on families at particular risk of poverty – including one parent families, Black and minority ethnic families, families with a disabled person, families with a baby and young parents.

Addressing child poverty requires a gendered lens to identify and tackle the critical connections between women's poverty and child poverty. Women are more likely to be primary caregivers, affected by low wages, precarious work and low social security benefits. Further gender-sensitive policies within the child poverty framework are required to tackle both women's and children's poverty effectively – for example; actions to address the gender pay gap, more investment in support for women returning to work and targeted training and education programmes.<sup>viii</sup>

Minority ethnic families have consistently had one of the highest rates of poverty, whether it is relative poverty, absolute poverty or material deprivation. The Coalition for Racial Equality and Rights (CRER) - a member of the End Child Poverty coalition - believe that if further disaggregated data were available, it would show a larger number of BME children in poverty than the current minority ethnic poverty rate of 43%. Not having disaggregated data can impact how Scottish Government measures the effectiveness of anti-poverty measures. For example, data on the drivers of disproportionate poverty among some priority groups is scarce, e.g. access to and affordability of childcare for minority ethnic families. It is clear that much more needs to be done to ensure minority ethnic families, and other priority groups who are disproportionately at risk of being in poverty, are benefiting from the key policy interventions.

Coalition members also believe there is a need for further recognition and action to support other family types at greater risk of poverty not included in the priority groups, including those affected by imprisonment.

#### **4. Delivery plans and reporting requirements have sharpened efforts to reduce child poverty at a local and national level**

Requirements for regular reporting have helped ensure a level of regular political, stakeholder and media scrutiny of child poverty progress that would not otherwise exist. The focus of the delivery plans (informed by the Act's provisions) have helped ensure the focus of policy has been on the structural drivers of child poverty and on preventing poverty, not just on alleviating its impact. The publication of a cumulative impact assessment<sup>ix</sup> alongside the child poverty delivery plan (and subsequent updates) has been particularly helpful in understanding the extent to which actions described in the delivery plan will actually impact on overall levels of child poverty. It would be further useful if this assessment were to give results for each priority group.

The statutory framework has made a positive difference to the way local authorities and health boards have approached reducing child poverty. The duty on local authorities and health boards to produce annual plans highlighting action taken and planned action to tackle child poverty has helped focus 'minds and resources'. The reporting requirement, associated guidance and support provided through the Improvement Service and the national partners<sup>x</sup> group to local child poverty leads, have all helped to develop a shared understanding of the role local partners can and must play to contribute to tackling child poverty. However more is needed, including improved data and additional guidance, on how poverty and policy interventions are impacting on priority groups. It is important that local authorities and their partners consider the specific drivers of poverty for priority families and that services and support are delivered in ways that target the needs of specific group within their communities. This is currently limited by the lack of data, at both a national and local level.

Local authorities and their community planning partners are operating in a context of severely constrained resources. This has resulted in a lack of capacity for planning and reporting, as well as limiting the delivery of interventions known to be successful at maximising the resources available to families in poverty, such as referral pathways to advice from health and education settings. At the very least, the resources provided to local authorities to support compliance with the duties in the Act should be reviewed.

The Poverty and Inequality Commission has provided a welcome source of independent scrutiny and advice to government. For example, its advice ahead of the first delivery plan in 2018<sup>xi</sup> in relation to the use of newly devolved social security powers to tackle child poverty was particularly effective in informing the Scottish government's decision to introduce an income supplement – the subsequent Scottish child payment. More recently the commission has highlighted the need for greater focus on the priority families to inform policy, and its 2023 working group and report

provided helpful analysis and recommendations on the role devolved tax should play in tackling poverty.<sup>xii</sup>

ECP members would also like to see a greater role for families experiencing poverty in scrutinising the delivery of child poverty plans and reflecting on what impact it is having in communities across Scotland.

## **5. Despite progress, further action is now needed to shift the dial on child poverty**

The Act has helped encourage real progress, but the Scottish government has yet to match the ambitions encapsulated in the legislation with a policy package fit for the task of meeting its requirements. Since 2022/23 there has not been any new policy intervention or investment at a scale that is likely to further shift the dial on child poverty. Progress (both underway and forecast) rests on policies and investments put in place prior to the start of the financial year 2023/24. The Scottish government's Tackling Child Poverty Progress Report 2023-2024 makes it clear that not all actions set out in its delivery plan have been adequately funded or delivered,<sup>xiii</sup> including those on childcare, employability support and housing. Members of the End Child Poverty Coalition in Scotland, highlighted that the 2024/25 Budget was a vital opportunity to further invest in the social security, childcare, housing and employability support needed<sup>xiv</sup> - However, that opportunity was missed.<sup>xv</sup>

As we reflect on the past seven years since the introduction of the Act, it is clear that the Scottish Parliament has yet to adequately hold government to account on the gap between statutory obligations and actual policy, investment and action.

### **About the End Child Poverty Coalition**

[The End Child Poverty Coalition](#) is made up of 120 organisations including child welfare groups, social justice groups, faith groups, trade unions and others. Together with a group of Youth Ambassadors, members campaign for a UK free of child poverty.

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<sup>i</sup> These were: Child Poverty Action Group, Poverty Alliance, Children 1<sup>st</sup>, Barnardo's, Save the Children and One Parent Families Scotland.

<sup>ii</sup> See, 'Tackling child poverty - place-based, system change initiatives: learnings', Scottish Government, June 2024. Available at: <https://www.gov.scot/publications/learnings-place-based-system-change-initiatives-tackle-child-poverty/pages/3/>

<sup>iii</sup> 'Scottish Budget changes to tax and benefit system widen gap with rest of the UK', IFS, February 2023. Available at: <https://ifs.org.uk/news/scottish-budget-changes-tax-and-benefit-system-widen-gap-rest-uk-higher-taxes-and-more>.

<sup>iv</sup> Scottish government modelling projects that in 2024-25, 60,000 children will be kept out of poverty by the Scottish child payment (Scottish Government, [Child poverty cumulative impact assessment: update](#), 2024). CPAG's own analysis suggest the payment lifts around 50,000 children out of poverty, whilst reducing the depth of poverty for many more (CPAG State of the Nations, forthcoming, 2024).

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IPPR Scotland modelling in April 2023 estimated 40,000 children to be lifted out of poverty by the £25 payment (IPPR Scotland, [Poverty doesn't have to be inevitable – it needs political will and investment to eradicate](https://www.ippr.org/articles/poverty-doesn-t-have-to-be-inevitable-it-needs-political-will-and-investment-to-eradicate), 2023. Available at: <https://www.ippr.org/articles/poverty-doesn-t-have-to-be-inevitable-it-needs-political-will-and-investment-to-eradicate>).

<sup>v</sup> See 'Scottish Child Payment: interim evaluation', Scottish Government, July 2022. Available at: <https://www.gov.scot/publications/interim-evaluation-scottish-child-payment/> and Changing Realities, <https://changingrealities.org/>.

<sup>vi</sup> The Cost of a Child in Scotland in 2023, Child Poverty Action Group, February 2024. Available at: <https://cpag.org.uk/news/cost-child-scotland-2023>

<sup>vii</sup> See 'Child poverty analysis', Scottish Government, available at: <https://www.gov.scot/collections/child-poverty-statistics/> (Accessed September 2024).

<sup>viii</sup> For more information, see; <https://www.engender.org.uk/content/publications/Engender-Submission-to-the-SJSS-Committee-Inquiry-into-child-poverty-and-parental-employment.pdf>.

<sup>ix</sup> 'Child poverty cumulative impact assessment: update', Scottish Government, February 2024. Available at: <https://www.gov.scot/publications/child-poverty-cumulative-impact-assessment-update/pages/4/>

<sup>x</sup> See 'National Partners Group', Improvement Service, Available at: <https://www.improvementservice.org.uk/products-and-services/inequality-economy-and-climate-change/local-child-poverty-action-reports/national-partners>

<sup>xi</sup> 'Advice on the Scottish Government's Child Poverty Delivery Plan 2018', Poverty and Inequality Commission, February 2018. Available at: <https://povertyinequality.scot/publication/advice-scottish-governments-child-poverty-delivery-plan-2018/>

<sup>xii</sup> 'How better tax policy can reduce poverty and inequality', Poverty and Inequality Commission, October 2023. Available at: <https://povertyinequality.scot/publication/how-better-tax-policy-can-reduce-poverty-and-inequality/>

<sup>xiii</sup> 'Best Start, Bright Futures: Tackling Child Poverty Progress Report 2023-24', Scottish Government, June 2024. Available at: <https://www.gov.scot/binaries/content/documents/govscot/publications/progress-report/2024/06/best-start-bright-futures-tackling-child-poverty-progress-report-2023-24/documents/best-start-bright-futures-tackling-child-poverty-progress-report-2023-24/best-start-bright-futures-tackling-child-poverty-progress-report-2023-24/govscot%3Adocument/best-start-bright-futures-tackling-child-poverty-progress-report-2023-24.pdf>

<sup>xiv</sup> 'End Child Poverty budget briefing 2024-25', End Child Poverty Coalition, November 2023. Available at: <https://cpag.org.uk/news/end-child-poverty-budget-briefing-2024-25>.

<sup>xv</sup> 'Scorecard for the Scottish Budget 2024-25', End Child Poverty Coalition, February 2024. Available at: <https://cpag.org.uk/sites/default/files/2024-02/ecp-scorecard-scottish-budget-2024.pdf>