

Response to the Social Justice and Social Security Committee's Post Legislative Scrutiny of the Child Poverty (Scotland) Act 2017

September 2024

The Poverty Alliance is Scotland's anti-poverty network. Together with our members, we influence policy and practice, support communities to challenge poverty, provide evidence through research and build public support for the solutions to tackle poverty. Our members include grassroots community groups, academics, large national NGOs, voluntary organisations, statutory organisations, trade unions, and faith groups.

Q1. The Act introduced a statutory framework for reducing child poverty. What difference has that framework made to the way the Scottish Government has approached reducing child poverty?

For example, do you think that the Scottish Government would have pursued different policies if they had not had a requirement enforced by legislation to reduce child poverty?

With the eradication of child poverty the key policy objective of the current Scottish Government, sitting at the centre of the 2024/25 Programme for Government, it is without doubt that the Child Poverty (Scotland) Act has put greater strategic focus on child poverty within this Government's - and the previous two First Minister's - priorities and commitments.

Indeed, the Institute of Fiscal Studies highlight that, amongst the poorest 30% of households in Scotland, tax and benefit decisions made by the Scottish Government are set to boost the incomes of those with children by around £2,000 per year on average. This represents a significant and welcome approach to reducing child poverty.¹

The Act has also sharpened the focus on the underlying causes and drivers of child poverty, which is inextricably linked to the financial wellbeing of those that look after them. That means that, along with increased protection through social security, there remains a critical role for our vital public services and the labour market in our approach to tackling child poverty in Scotland. The necessity of holistic family support in making sustainable progress on reducing child poverty is recognised in both the Government's Tackling Child Poverty Delivery Plan, 'Best Start, Bright Futures', and the latest Programme for Government. In particular, the identification

¹ Institute of Fiscal Studies (2023) *Scottish Budget changes to tax and benefit system widen gap with rest of the UK, with higher taxes and more redistribution to poorer families*. Available at: [Scottish Budget changes to tax and benefit system widen gap with rest of the UK, with higher taxes and more redistribution to poorer families | Institute for Fiscal Studies \(ifs.org.uk\)](#)

of priority families has been an innovative and welcome approach. While we agree with the Poverty and Inequality Commission that there is scope for a more consistent approach to the priority families across the Scottish Government,² the development of the priority families is a clear demonstration of the Act's impact on wider poverty policy action.

It is clear then that having legislative underpinning for anti-poverty action gives policy commitments a stronger footing than has been previously experienced. For example, the Fairer Scotland Action Plan – which proposed five ambitions and 50 actions to reduce poverty and inequality by 2023 – lacked statutory underpinning. As a result, it did not appear to focus the minds of Ministers and civil servants in the same way that the 2017 Act has and has thus disappeared from view. In contrast, the passing of this Act has promoted a cross-government approach. A Programme Board of representatives from Scottish Government and external partners includes representation from all key government departments, highlighting the importance to which coordinate action is considered.

There are clear examples of national level policy decisions that have been taken to achieve the aims of the Act, the most notable being the Scottish Child Payment. This is having a demonstrably positive impact at an individual household and family level, with Social Security Scotland processes having made applying for this support both less stigmatising and rooted in human rights. We know that the payment has assisted in easing the pressure on household budgets, helping to keep families afloat. In the Child Poverty Action Group's submission to the Social Justice and Social Security Committee's inquiry into the effectiveness of the Scottish Child Payment, they further highlighted an example of a parent who had been able to utilise the payment to spend valuable time with their children:

“The Scottish Child Payment helps me monthly to make things a bit easier. It is helpful for my children as it's a small way for me to meet their needs. I find it helps me on some weekends - we can spend quality time together and do some cheap activities like the play centre. Even if we don't have much money, I want them to be happy and have fun.”

At a societal level, modelling by IPPR Scotland expects that 40,000 children have been lifted out of poverty through the increase of the Scottish Child Payment to £25 in November 2022.³ Directly targeted at reducing child poverty, this payment is undoubtedly a bold policy that is currently having a positive impact at societal level. It is also likely that the Act was a key driver of increases in the level of the Scottish Child Payment, and it is unclear whether the Scottish Government would have gone as far, or as fast, without the existence of the requirements stipulated in the Act. The above is undoubtedly as an example of how legislative underpinning through the Act has shaped spending priorities for the Scottish Government, with substantive investment made in evidence-based policies that will support progress toward meeting the

² Poverty and Inequality Commission (2024) *Child Poverty Delivery Plan progress 2023-24*. Available at: https://povertyinequality.scot/wp-content/uploads/2024/06/Child_Poverty_Delivery_Plan_progress_2023-2024_Scrutiny_by_the_Poverty_and_Inequality_Commission.pdf

³ Institute for Public Policy Research (2023) *Poverty doesn't have to be inevitable – it needs political will and investment to eradicate*. Available at: <https://www.ippr.org/blog/poverty-doesn-t-have-to-be-inevitable-it-needs-political-will-and-investment-to-eradicate>

targets. However, with the above being said, the Poverty and Inequality Commission have made clear in their latest scrutiny report on the child poverty delivery plan's progress that:

“Meeting the 2030 targets will require transformational change in relation to all the drivers of poverty. While some good work is taking place, this is not at the scale necessary to deliver the transformation required [...] Without immediate and significant action, the Scottish Government will not meet the 2030 targets.”⁴

While the recent Programme for Government reiterated the Scottish Government's commitment to tackling child poverty, we do not believe the necessary scale and pace of action is being taken to change this trajectory. The vision set out in the Act, and the Scottish Government's rhetoric, must be met with political leadership that addresses financial challenges and policy implementation gaps. For example, while we support the policy ambitions and priorities outlined in 'Best Start, Bright Futures' with regards to childcare and employability, the implementation gap means that these policy commitments are not yet enabling families to escape the grip of poverty. We continue to call on the Scottish Government to match the ambitions of the Act with bold action.

Q2. What difference has the statutory framework made to the way local authorities and health boards have approached reducing child poverty?

In general, the statutory framework has made a positive difference to the way that local authorities in particular have approached reducing child poverty. To point to a specific example, there has been real innovation in the incorporation of, and value afforded to, lived experience and community involvement in service design, particularly in Aberdeenshire, Dundee, Edinburgh and Dumfries and Galloway.

However, there remains an unevenness of practice across Scotland in the implementation of the Act. A tangible example of this is through differing levels of reporting. The Act requires that local authorities and health boards jointly prepare an annual Local Child Poverty Action Report (LCPAR) which details progress towards – and required further steps for - the area to contribute towards Scotland's national targets.

The Poverty Alliance's involvement in the analysis of these reports through the National Partners Group has enabled us to gain insight into good local collaboration and practice, including action surrounding income maximisation, pathfinder approaches and cash-first models of support. Further to this, Improvement Scotland's analysis of year 5 (2022/23) of the LCPARs suggests that many areas are taking an increasingly preventative and strategic approach to reporting on action to tackle child poverty. Many LCPARs note that child poverty has become a strategic priority for councils, community planning partnerships, health boards and children's services partnerships and health and care partnerships - embedded across local strategies beyond their Local Child Poverty Action Reports.

⁴ Poverty and Inequality Commission (2024) *Child Poverty Delivery Plan progress 2023-24*. Available at: https://povertyinequality.scot/wp-content/uploads/2024/06/Child_Poverty_Delivery_Plan_progress_2023-2024_Scrutiny_by_the_Poverty_and_Inequality_Commission.pdf

The year 5 reports suggest that some progress is being made in relation to key aspects of preventing child poverty, including:

- Supporting parental and carer incomes through creation of high-quality, well-paid jobs and education opportunities, made accessible through appropriate childcare, transport and housing; and
- Ensuring services are easily accessible, holistic, and non-stigmatising - and that they can be accessed by families at the earliest opportunity, averting the need for crisis support.

With that being said, there has been varying levels of engagement on contributing the development of these reports from health boards and local authorities, with a minority failing to deliver timely and up-to-date reports. Two of Scotland's thirty-two local authority areas are still to published LCPARs for financial year 2022/23. While guidance and support are available to local government from organisations including the Poverty Alliance via the National Partners Group, at present, it is unclear whether there are any negative implications for those local authorities and health boards who do not produce this important information. In the absence of negative consequences or enforcement, it becomes unclear the extent to which the statutory framework has impacted approaches to reducing child poverty, particularly in local areas least committed to this agenda.

We are aware that local authorities are facing increasing budget restrictions, which in turn is impacting their ability to deliver services. Any strategy is only as good as the budget which sits behind it. This means that constraints on local budgets will significantly restrict the approaches that local authorities can take to reducing child poverty. With that lack of resource and capacity, local authorities fall back on tried and tested measures such as short-term income maximisation, rather than innovation that takes account of local need through local interventions.

Overall, as expanded on in our answer to question 1, the Act has put greater strategic focus on - and sharpened the focus on the underlying causes and drivers of - child poverty at a national government level. The requirements that the Act sets out for local reporting makes clear that this sharpened strategic focus is also being seen at local levels.

Q3. What difference has having the targets, delivery plans and reporting requirements built into the Act made at a national level?

As outlined in our response to question 1, the framework of statutory targets, delivery plans and reporting requirements have helped ensure a greater prioritisation of child poverty in policy-making. The publication of progress reports, outlining progress against the actions outlined in 'Best Start, Bright Futures', has also provided improved opportunities for scrutiny and accountability.

Q4. The Act set up several scrutiny measures. How effective have these been?

Scrutiny measures include:

- **Annual reporting by the Scottish Government**
- **Annual reporting by local authorities and health boards**
- **The creation of the Poverty and Inequality Commission, which has responsibility for monitoring the Scottish Government's progress**

During the consultation period for the Child Poverty (Scotland) Act, we lobbied strongly for independent, expert scrutiny of the Scottish Government's progress. We stated that:

“There is a need for an independent body to take over some of the roles previously fulfilled by the Child Poverty and Social Mobility Commission at a UK level. Previously, the commission was responsible for producing an annual report on the progress made on income targets.

This commission would be responsible for scrutinising delivery plans and progress reports, monitoring progress, producing draft reports, and advising Ministers.”⁵

The Poverty and Inequality Commission fulfils this role effectively, providing timely reporting that allows for the Scottish Government to be held to account. Additionally, its broad remit beyond child poverty spotlights the necessity of holistic and intersectional approaches to anti-poverty action. Children are not in poverty in isolation; their poverty is linked directly to family and women's poverty. The Poverty and Inequality Commission help to keep this in focus. It has also been welcome that the Poverty and Inequality Commission has provided another route for lived experience to be embedded in policy-making through the Experts by Experience Panel. Finally, the Commission has made strong, evidence-based recommendations as to the use of Scottish Government powers, most recently through the publication of a report on taxation.

The Scottish Government's latest progress report makes clear that not all actions set out in its delivery plan have been adequately funded or delivered. However, there has been limited parliamentary scrutiny and pressure applied to the need to rectify this situation. This poses questions on the effectiveness of annual reporting in generating both the action we want to see from the Scottish Government on the report's findings, and the debate in Parliament about lack of progress.

As we have expanded on above, annual reporting by local authorities and health boards has significantly increased the focus of local partners attention on child poverty. However, despite the requirements of the legislation, not all local authorities and health boards have published local child poverty actions groups timeously, and the quality of reports varies. There is a need for further support to be put in place to ensure compliance with statutory duties, including additional resourcing to be provided to local authorities to increase their capacity to fulfil this statutory duty.

Q5. If you were involved in scrutiny of the Bill in 2016/17, has it had the impact you expected?

⁵ The Poverty Alliance (2017) *Social Security Committee: Child Poverty (Scotland) Bill*. Unpublished.

As an anti-poverty organisation, the Poverty Alliance were involved in informing and shaping the Bill along with partners in the End Child Poverty (ECP) coalition in 2016/17.

Detailed in our answer to question 1, we believe that the Act has focused Scottish Government action on child poverty. With the current Scottish Government's core mission to eradicate child poverty, it is clear that children are at the centre of action on poverty in Scotland. We agree with organisations across the sector that the Act's explicit requirement that child poverty delivery plans must address social security, employment, housing, and childcare have led to a welcome sharpening of focus on the underlying drivers of child poverty.

With the above in mind, in our 2017 consultation response on the then proposed Bill, we said:

“The Poverty Alliance welcomes the decision of the Scottish Government to bring forward a Child Poverty Bill. We believe that this is a necessary and important step forward in the fight against child poverty in Scotland. There are currently 260,000 children living in poverty in Scotland, and 70 per cent of them are living in a household where someone works. We were very disappointed by the decision of the UK Government to repeal large sections of the Child Poverty Act 2010 and are pleased that the Scottish Government has now brought forward its own proposals for tackling and measuring poverty.”⁶

Whilst we continue to be supportive of the Act, and the recognition that it brings to the injustice of poverty, seven years on the latest poverty statistics released by the Scottish Government are strikingly similar. An estimated 24% of children - that is 240,000 children each year - were living in relative poverty after housing costs between 2020-23. Of these children, 70% were living in working households.⁷

In that regard, the Act has not so far had the full impact that we had hoped for. The above is a useful reminder that an Act alone cannot reduce child poverty. Neither will a single policy. Rather, the ambitions of bold commitments and legislation will only be met through a range of actions that work together, are resourced, and transformative in scale. As such, there must be scaled up and accelerated investment in all ‘Best Start, Bright Futures’ commitments to close the policy implementation gap that is currently rendering it extremely challenging to meet the 2030 child poverty targets.

As highlighted in the latest Poverty and Inequality Commission scrutiny report, Scotland's child poverty targets do not belong to the Scottish Government alone. These targets were passed by all parties in the Scottish Parliament in 2017, and every party has a moral obligation and responsibility to do what they can to meet the 2030 child poverty targets. There is a need for greater focus on this collective responsibility and accountability to maximise the potential of the Act.

Additionally, the number of actions within makes it difficult to assess what the most important actions are to the Scottish Government. The RAG rating must be given more transparency to ensure that bigger actions which would make a tangible difference are not delayed in favour of

⁶ The Poverty Alliance (2017) *Social Security Committee: Child Poverty (Scotland) Bill*. Unpublished.

⁷ Scottish Government (2024) *Poverty and Income Inequality in Scotland 2020-23*. Available at: <https://data.gov.scot/poverty/index.html#Children>

pushing smaller action over the line. This also raises questions about the weighting of actions within the Plan.

Q6. What does the implementation of the Act tell us about the effectiveness or otherwise of statutory targets as a way of driving policy?

We are clear that statutory targets are generally a positive and necessary thing. They help to focus action and investment, and are a means to hold the Government to account by spotlighting to the work that they are doing - or not doing - in a particular policy area. This was evident in the recent dropping of Scotland's annual and interim climate targets.

Increased Parliamentary time, and media coverage, has been afforded to child poverty because of these targets. However, we are also clear that statutory targets should not stand in the way of making structural change. The end goal for this Scottish Government is not – and should not be - to simply meet statutory targets on child poverty. Rather its goal is to fully eradicate child poverty.

Just as the Act itself cannot reduce child poverty, neither can the setting of statutory targets. Rather, our stretching child poverty targets must be accompanied by bold, well-sourced actions. While the actions set out in 'Best Start, Bright Futures' provides a platform for this ambition, that policy platform is being undermined by budget cuts and a lack of action, particularly in the critical areas of employability and childcare. Missing the child poverty targets, coupled with the dropping of climate targets, raises concerns for the impact around trust in politics and the ability of our governments to enact change. With trust in politics already at an all-time low,⁸ this could have further implications for engagement in politics. A recent report by IPPR Scotland found that nine in every ten people in the top third of the income distribution voted in the two most recent general elections compared to only seven in the bottom third.⁹

The Act enshrines in law child poverty targets which must be met, regardless of external factors and without any qualifications. However, there is also a question around the efficacy of the Scottish Government setting targets that are not fully within their control. This is in contrast to targets relating to NHS Waiting Times, whereby the Scottish Government have full powers. It is clear and well understood that addressing child poverty in Scotland requires action from more than just Scottish Government, local authorities, and health boards. Crucially it requires action from the UK Government and from employers in the private sector, as well as from across civil society. If the Scottish Parliament's ambitions around child poverty, as expressed in this Act, are to be fulfilled, then the Scottish Government must find ways of effectively working with these vital actors to ensure that coordinated action is taken.

As outlined in the Scottish Government's child poverty delivery plan, a key driver of child poverty is inadequate income from social security. UK Government decisions related to social security, such as the two-child limit, create challenges for the Scottish Government in meeting the child

⁸ BBC News (2024) 'Voter confidence at record low, says report'. Available at: <https://www.bbc.co.uk/news/articles/cv223kzq6r9o>

⁹ IPPR Scotland (2023) *Who Decides? Influence and Inequality in British Democracy*. Available at: <https://ippr-org.files.svdcdn.com/production/Downloads/who-decides-nov-23.pdf>

poverty targets. Whilst devolution means that the Scottish Government have some decision-making power over social security – which has resulted in policy changes such as the mitigation of the bedroom tax and the introduction of the Scottish Child Payment – the majority of power sits with the UK Government in Westminster.
