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Post-legislative Scrutiny: Child Poverty (Scotland) Act 2017

Introduction

The Committee is undertaking post-legislative scrutiny of the Child Poverty (Scotland) Act 2017.

[Last week](#), the Committee discussed local implementation of the Act. This week, the Committee will hear from:

- Hannah Randolph, Economist Fellow, Fraser of Allander Institute
- Chris Birt, Associate Director for Scotland, Wales and Northern Ireland, Joseph Rowntree Foundation
- John Dickie, Director, Child Poverty Action Group for End Child Poverty Coalition
- Professor Stephen Sinclair, Chair, Poverty and Inequality Commission

This paper provides background and suggested themes for discussion.

Background

The Committee has previously looked at the impact of the Scottish Child Payment and efforts to increase parents' earnings from employment. This post-legislative scrutiny exercise adds to that work by considering the impact of having a legislative framework underpinning these policies.

Last week the Committee heard from local authorities and the Poverty Alliance. This week the Committee will hear from national organisations, including those who called for the statutory targets to be created. The Committee will hear from the Cabinet Secretary on 5 December.

Child Poverty (Scotland) Act 2017

The Bill as introduced set targets for four measures of poverty to be met by 2030-31.

It required Scottish Ministers to consult on and then prepare three delivery plans, which must be laid in parliament. The first covering financial years 2018-19 to 2020-21, the second covering 2021-22 to 2025-6 and the third covering 2026-27 to 2030-31.

Annual progress reports must be published as soon as practicable after the end of the reporting year. They must describe the measures taken and the effect they have had on the targets.

If any of the targets have not been met, the final report must explain why not.

Local authorities and health boards must report annually on measures taken contributing to meeting the targets.

Amendments to the Bill

Amendments made at Stages 2 and 3 included:

- adding interim targets to be met by 2023-24, if they are not met the interim report must explain why not
- establishing the Poverty and Inequality Commission to advise ministers, monitor progress and promote the reduction of poverty and inequality
- adding more detail specifying the content of the delivery plans, progress reports and local action reports, and
- adding the requirement to make a statement to Parliament on the delivery plan.

In its [Stage one report](#), the then Social Security Committee noted that:

“It sends a message about the importance the Scottish Government and this Parliament attach to addressing child poverty. It serves to focus minds and resources and sets a clear vision of where, as a society, we want to be.”

The report stated:

“The Bill does not specify any of the policy actions that will reduce levels of child poverty or detail what level of resources would be allocated to support the policy actions. The purpose of this Bill is simply to set out targets and the requirement for delivery plans and provide a framework for reporting.”

In the [Stage 3 debate](#), the then Cabinet Secretary described the legislation as:

“our statement of intent, as a Parliament, not just to tackle but to end child poverty. However, as most Members from across the chamber have rightly

acknowledged, statements of intent are all very well, but it is what we do that counts.”

She described the targets as ‘ambitious and challenging’ but achievable:

“The scale of the challenge that we face—the biggest increase in child poverty since the 1960s—is profound.”

[...]

“The question that we will ask ourselves today and every day is this: what can we do today, and what can we do now to make a difference? Although I will always contend—not surprisingly—that our job of meeting the ambitious and challenging targets would undoubtedly be easier with more powers, I acknowledge that, under any constitutional settlement, the job of eradicating child poverty will always be challenging and will never be easy. That does not mean, however, that it is not achievable.”

Progress towards the targets

Data is published every March. In March 2025, data will be published for the interim target year of 2023-24. The table below shows the targets alongside data for 2022-23 with its margin of error.

| Measure | 2022-23 (margin of error) | Interim target 2023-24 | Final target 2030 |
|-------------------------------------|---------------------------|------------------------|-------------------|
| Relative poverty | 26% (15% to 37%) | 18% | 10% |
| Absolute poverty | 23% (12% to 34%) | 14% | 5% |
| Low income and material deprivation | 12% (1% to 22%) | 12% | 5% |
| Persistent poverty | 14% | 8% | 5% |

Definitions and sources:

Relative: equivalised incomes below 60% UK median in the current year.

Absolute: equivalised incomes below 60% UK median in 2010-11 adjusted for inflation.

Low income and material deprivation: equivalised income below 70% UK median and going without certain basic goods and services.

Persistent: relative poverty in at least three of the last four years.

Equivalisation adjusts household income to take account of family size and children’s ages.

Persistent poverty is based on the Understanding Society Survey, the other measures are based on the Family Resources Survey.

Scottish Government [Child Poverty Update, March 2024](#).

Themes for discussion

Theme 1: Impact of statutory approach

In June 2016, the End Child Poverty Coalition in Scotland wrote to the Scottish Government to call for the introduction of a Child Poverty (Scotland) Bill saying:

“We believe that one vital way of tackling poverty in Scotland is ensuring that we have ambitious targets for the eradication of child poverty.”

This was largely prompted by the repeal of the UK statutory child poverty targets.

The submissions from witnesses argue that the Act has ensured a greater focus on child poverty and point to the Scottish Child Payment in particular as being less likely to have been implemented without the Act.

The Poverty and Inequality Commission set out five ways in which the Act has made a difference.

- Ensuring a sustained focus on reducing child poverty
- Driving increased investment and action at scale
- Increasing focus on evidence and analysis
- Driving the development of a cross-government approach
- Providing a focus for stakeholder engagement.

These themes are reflected in the submissions from all the witnesses today. However, they also highlight weaknesses in most of these areas. For example:

- The Joseph Rowntree Foundation acknowledge that the targets are in some ways simply an expression of the Government’s priorities, noting that the targets did not force the introduction of the Scottish Child Payment.
- Most of the submissions state that the current level of investment is not of a scale to reach the targets. The Joseph Rowntree Foundation point out that poverty levels are much the same as when the Act was passed, and that the difference between Scottish and English child poverty rates can largely be explained by lower housing costs.
- The Poverty and Inequality Commission state that “there is still a significant amount to be done in maximising the contribution of policy areas across Scottish Government.”

The Child Poverty Action Group (CPAG) compare the statutory approach in Scotland to the non-statutory approach in England, saying:

“It is worth noting how the removal of statutory targets at UK level has been followed by a period where UK government policy is actively increasing rather than reducing child poverty.”

More recently, the new UK Government has established a taskforce to develop a child poverty reduction strategy which is due to be published in the spring. In October, they [published their approach](#) to developing the strategy which will include engagement with devolved institutions and those with lived experience of poverty.

The impact at a local level is discussed further under Theme 4. Overall, witnesses last week stressed how the Act had led to improved collaboration.

In addition, Martin Booth (Glasgow City Council) said that a national target “helped to focus minds that we’re all trying to achieve the same thing” although he also noted that: “our motivation at the moment is not so much about meeting those national targets, it’s about reducing the depth of poverty and about trying to stop families falling into poverty.” ([Social Justice and Social Security Committee, 21 November 2024, 9.48 am](#)).

Peter Kelly (The Poverty Alliance) described how greater engagement with local people in the development of plans “has undoubtedly been driven by the Child Poverty Act.” (9.42 am).

Members may wish to discuss:

- 1. What do you think would be different if the Scottish Government had taken a non-statutory approach to reducing child poverty?**

Theme 2: Choice of measures

The Act sets out four measures of poverty, all ‘after housing costs’:

- **Relative poverty:** household equivalised net income below 60% of the UK median. (Equivalisation adjusts income levels to account for larger families requiring greater resources to maintain the same standard of living).
- **Absolute poverty:** household equivalised net income below 60% of the UK median in 2010-11, adjusted for inflation.
- **Persistent poverty:** in relative poverty for three years.
- **Combined low income and material deprivation:** household income below 70% of the median and experiences material deprivation. ‘Material deprivation’ is calculated from questions in the Family Resources Survey about whether people can afford to buy certain items and participate in leisure or social activities.

These statistics are published in the Households Below Average Income data which is based on the Family Resources Survey. The [Policy Memorandum to the Bill](#) stated that:

“These four measures are well known and understood amongst stakeholders, and retaining them provides a degree of continuity. These measures were

chosen following extensive UK-wide consultation and were designed to complement each other, with each capturing different aspects of poverty.”

Income-based targets

The submission from the Joseph Rowntree Foundation notes that: “targets in general are not without controversy” and both they and Fraser of Allander Institute acknowledge the risk that income targets could skew policy choices. However the Joseph Rowntree Foundation argue that the targets provide ‘clear and simple baseline’ for measuring child poverty.

Similarly, the Poverty and Inequality Commission state that:

“There will always be debates about whether targets are measuring the right things, and it is important to be aware of the risks that creating statutory targets could lead to attempts to achieve the targets by focusing on those closest to the poverty line, who can be most easily lifted out of poverty, while losing sight of what is needed to support those in deepest poverty. This could increase inequality, particularly for those who experience multiple, intersecting, inequalities. The Commission does not consider that to have happened, but highlights it as a risk that must continue to be monitored by the Scottish Government, and those who have a responsibility for scrutiny, such as the Commission and the Parliament.”

Data issues - Family Resources Survey

The submissions from the Fraser of Allander Institute, the Joseph Rowntree Foundation and Child Poverty Action Group all refer to issues with the Family Resources Survey, which is used to measure the targets.

As the Committee discussed when it was looking at the [impact of Scottish Child Payment in May](#), issues with the Family Resources Survey include the time lag before statistics are published, the volatility in year to year results and a large margin of error.

As the submission from CPAG states:

“the child poverty rates for Scotland in the latest period can vary within a typical uncertainty range of plus or minus six percentage points, or plus or minus 70,000 children. This means that the proportion of children in relative poverty is likely to be somewhere between 18% and 30%.”.

Similarly, the submission from FAI refers to:

“several data limitations in the Family Resources Survey [...] These could make a big difference if measurement error makes it appear that we are further from the interim/final targets than we actually are.”

The statistics are available a year after the end of the financial year to which they relate. The data for 2023-24 will be published in March 2025. The latest published single year statistics relate to [2022-23](#).

The Office for National Statistics recommend combining data across three years, which means the statistics are more useful for considering longer term broad trends.

However, the statutory targets relate to poverty in a single year (2023-24 and 2030-31), and the identification of 'priority groups' has created a demand for detailed analysis of sub-groups in the statistics which the sample sizes don't always allow.

External factors

The income-based statistics used are influenced by a very wide range of factors – many of which are outwith the Scottish Government's control. Submissions to the Committee reflect on external factors that makes progress more difficult – citing COVID-19 and the cost-of-living crisis as well as the limits of the devolution settlement.

This issue was recognised at the time. The [Policy Memorandum to the Bill](#) stated:

“The Scottish Government recognise that many of the necessary levers for change are not devolved under the current constitutional settlement. Nevertheless, the Scottish Government will set a bold direction of travel, by setting targets that are stretching and ambitious, but realistic, to ensure that all parties can sign up to playing a part in achieving them.”

Witness submissions reflect this point with the Joseph Rowntree Foundation saying:

“The targets were set with the knowledge that some of the key policy leavers to address poverty were outwith Scottish Government competencies. This is not a failing of the Act or an excuse for slow progress on the targets. Rather it must be a motivation for far deeper collaboration between governments.”

Members may wish to discuss:

- 2. What are the advantages and disadvantages of the poverty measures used as targets in the Act?**
- 3. How has the choice of these measures influenced the policies chosen to tackle child poverty?**

Theme 3: National planning, reporting and scrutiny framework

At a national level, the Act requires three Scottish Government child poverty delivery plans over the period 2018 to 2030 together with annual progress reports.

Delivery plans in the Act

The Bill was amended to include a considerable amount of additional detail. For example, following amendment stages of the Bill, the delivery plan is required to cover:

- an assessment of the financial resources required to fund the proposed measures
- financial support for children – including social security and employability
- households including those with protected characteristics
- supporting local authorities to consider automated benefit payments
- provision of advice and information on social security, income maximisation and financial support
- education, including closing the attainment gap
- availability and affordability of housing
- availability and affordability of childcare
- facilitation of parents' employment
- physical and mental health
- arrangements for setting the amount of the revenue support grant to local authorities to ensure resources are directed at meeting the targets
- whether there will be any legislation to 'top-up' reserved social security benefits.

These amendments reflected members' concern to ensure effective reporting and a broad approach to tackling poverty. For example, Adam Tomkins said in the Stage 3 debate:

“The targets in section 1 are narrowly and carefully focused on income alone, but I think that we all know that we cannot successfully tackle child poverty by thinking only about income: we must also think about education, the employment prospects of families, parents and guardians, and the range of other issues.” ([Official Report, 17 November 2017](#))

Other amendments sought to ensure a focus on equalities. For example, the submission from the Coalition for Racial Equality and Rights (CRER) describes how they had worked with Jackie Baillie MSP to amend the Bill to require delivery plans, progress reports and local child poverty action reports to include consideration of equalities groups. CRER state that:

“the aim of these amendments was to ensure that any child poverty framework would involve an anti-racist approach.”

However, CRER consider that:

“the lack of adherence to equality requirements and lack of focus on race equality meant the Act has not been as effective as we’d hoped.”

Delivery plans and progress reports in practice

Witness submissions discuss how the planning and reporting requirements create accountability. For example, the Joseph Rowntree Foundation point out that it ensures ‘a minimum level of Parliamentary debate.’ They describe the delivery plans as ‘a sound approach’ but one that has been ‘undermined by four general flaws. In summary these are:

1. Good analysis of the issues but weak on solutions
2. Lack of follow-through. Some policies were never implemented – such as the Transition Fund or the large-scale increase in employability support.
3. Inability to effectively measure impact. (This lack of evaluation is also discussed by the Fraser of Allander Institute who say: “We have not seen evaluations for many of the measures in the child poverty plans”).
4. The plans are at points ‘too scattergun’ – tending to contain ‘a huge number of actions, often each of very small scale’.

The Poverty and Inequality Commission consider that:

“There is still a tendency to include some existing Scottish Government actions which are only loosely linked to tackling child poverty, but efforts have been made in Best Start, Bright Futures to set out how key actions are expected to impact on child poverty.”

Poverty and Inequality Commission

The Bill was also amended to create the Poverty and Inequality Commission as a statutory body. The previous plan [argued for by the then Cabinet Secretary, Angela Constance, at Stage 1](#), was for a non-statutory commission. There was considerable discussion throughout the passage of the Bill of the importance of putting the Commission on a statutory basis.

The Poverty and Inequality Commission point out in their submission that the timescales for their scrutiny work are challenging, as it has around six weeks to provide its views. Both the Fraser of Allander Institute and the Joseph Rowntree Foundation consider that the Commission’s scrutiny is limited by resources, with the Joseph Rowntree Foundation referring to:

“their wide and complex remit, ad hoc requests for advice, the relatively low staffing and the small research budget”

Members may wish to discuss:

4. **At a national level, to what extent has the planning, reporting and scrutiny framework resulted in effective action to tackle child poverty?**
5. **Did the provisions added at stages 2 and 3 have the impacts that were hoped for?**

Theme 4: Local planning and reporting framework

As discussed, the Act requires Local Authorities and Health Boards to produce joint local child poverty action reports each year, setting out local action towards meeting the targets.

Focus and collaboration

Last week, local authorities described how the Act creates a focus on child poverty. The Committee heard how the Act's strength has been the way it has led to improved collaboration, particularly between local authorities and health boards. Evan Beswick, Argyll and Bute Health and Social Care Partnership described how:

“The greater strength of this Act [...] has been collaboration locally, [...] and the use of this Act as a focus to bring together partners across health and social care and also the third sector.” (Social Justice and Social Security Committee, 21 November 2024, 9.30 am)

He considered that collaboration and sharing knowledge locally has been more important than the reporting function.

Resource for planning and reporting

Overall, witnesses took a positive view of the reporting requirements, although it was stressed that proper planning and reporting require resources, that reporting has a disproportionate impact in smaller local authorities and that it is important to get the balance right between reporting and delivering.

Innovation and ‘tried and tested’ approaches

Peter Kelly (Poverty Alliance) described the need to balance innovation with scaling up tried and tested approaches that are known to work.

A lot of the innovation mentioned was based on new or more extensive collaboration. Peter Kelly explained that the Act had facilitated new approaches through, for example, the pathfinder projects, and work supported by new funding – such as the Whole Family Wellbeing Fund.

Evan Beswick (Argyll and Bute HSCP) described how “process innovations” such as co-production with children had led to changes in services (Social Justice and Social Security Committee, 21 November 2024, 9.41am).

In terms of tried and tested approaches, Peter Kelly described income maximisation as the ‘bread and butter’ of anti-poverty work at local level which needed to be scaled up further (9.36am).

Improved data to target families

Witnesses discussed difficulties with obtaining the data on child poverty that could be used to pinpoint the individual families to target with support. Witnesses suggested that a data sharing agreement with Social Security Scotland and all local authorities would be beneficial. Continuing the social security theme, Martin Booth (Glasgow City Council) recommended further automation and streamlining. In particular, he suggested that education related benefits – such as free school meals, school clothing grant and education maintenance allowance should have the same eligibility criteria.

Monitoring and Evaluating Impact

A separate issue is the extent to which data is collected on the impact of specific local anti-poverty policies. Peter Kelly (Poverty Alliance) told members that the local reports contain evidence of impact. Sally Buchanan (Falkirk Council) gave specific examples describing how collaboration between the council and the health board led to more effective working around employability and income maximisation. She gave the example of joint work in Falkirk on the Parental Employment Support Fund. Over the last six months they have supported 78 people to get welfare benefit checks, 19 people supported with debt, 21 people to get six month paid NHS work placements and 4 people being offered jobs through a separate ‘work academy’.

Members may wish to discuss:

- 6. To what extent do local child poverty action reports give a clear picture of the work happening at a local level to tackle child poverty? How could that be given greater visibility?**
- 7. To what extent is there effective evaluation and monitoring activity at a local level on the measures taken to address child poverty? How can this be improved?**

Theme 5: Amendments

The Act has a natural ‘shelf-life’ of 2030 – when the final targets are due to be met. The Poverty and Inequality Commission comment that:

“while it looks unlikely that the interim targets will be met, that does not mean that they have not had value.”

The Joseph Rowntree Commission comment:

“it is not the framework of the Act that leaves us where we are today – with child poverty too high and some distance from the targets, but the decisions

taken by the Scottish Government have not been bold enough to meet the targets' ambitions."

Members may wish to discuss:

- 8. Does the Act need to be amended? If so, how?**

**Camilla Kidner
SPICe
22 November 2024**