

CONSULTATION ON A CHILD POVERTY BILL FOR SCOTLAND

1.0 EXECUTIVE SUMMARY

- 1.1 The Scottish Government issued a consultation on a Child Poverty Bill for Scotland on 8 August and this runs until 30 September. The bill would provide a framework for action and ways to hold the Government to account for our efforts in tackling poverty. It reflects the fact that the UK Government is planning to repeal large parts of the Child Poverty Act 2010 and the Scottish Government's wish to be serious about their ambition to eradicate child poverty. The bill is in line with The Child Poverty Strategy for Scotland refreshed in 2014.
- 1.2 The Council should welcome this opportunity to contribute. The draft response is attached for consideration.

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2.0 INTRODUCTION

2.1 The Scottish Government issued a consultation on a Child Poverty Bill for Scotland on 8 August and this runs until 30 September. The bill would provide a framework for action and ways to hold the Government to account for our efforts in tackling poverty. It reflects the fact that the UK Government is planning to repeal large parts of the Child Poverty Act 2010 and the Scottish Government's wish to be serious about their ambition to eradicate child poverty. The bill is in line with The Child Poverty Strategy for Scotland refreshed in 2014.

3.0 RECOMMENDATIONS

3.1 Council is asked to consider the draft response attached at Appendix 1 and comment on it.

4.0 DETAIL

4.1 The draft response covers the following key points:

- Poverty measures are relative to a figure of 60% of median UK household income for a particular household type and so the ambition to eradicate child poverty is extremely ambitious. This is because if average income levels rise, poverty levels do not necessarily fall;
- It is not clear who should be held accountable for targets;
- Local authorities have a role but would need to be adequately resourced;
- After housing costs measures would be preferable if Scottish Government uses its flexibilities to direct housing benefits/housing costs element of Universal Credit to be paid direct to landlords;
- Plans should be reviewed every 4 years allowing two revisions in the period to 2030.

5.0 CONCLUSIONS

5.1 Council is asked to consider and comment on the draft response attached at Appendix 1.

6.0 IMPLICATIONS

6.1 Policy: We do not currently have a detailed anti-poverty strategy. The proposed bill might impose such a duty of local authorities.

- 6.2 Financial: The consultation does not address how these targets might be funded.
- 6.3 Legal: New legislation would be required to put any agreed changes into effect.
- 6.4 HR: None.
- 6.5 Equalities: Changes will need to be subject to an equalities impact assessment at a national level.
- 6.6 Risk: Dependent on what changes may be agreed.
- 6.7 Customer Service: Limited change expected.

Appendices

- 1 Draft response to consultation questions

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Executive Director Customer Services
8 September 2016

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Consultation on a Child Poverty Bill for Scotland**CONSULTATION QUESTIONS**

1. Do you agree with the Scottish Government including in statute an ambition to eradicate child poverty?

Response

Whilst we very much welcome the Scottish Government's ambition in relation to child poverty, we do not believe that it can be completely eradicated because of the way in which it is defined as a relative income measure. The latest estimates are that 170,000 children (one in six) in Scotland are living in poverty at the current time when looking at before housing costs, and 220,000 (one in five) children are living in poverty when using an after housing costs measure.

We note that inequalities have dropped significantly over last 20 years with absolute poverty numbers falling from 44% to 16% if measured before housing costs (BHC). After housing costs (AHC) has fallen from 48% to 21%. However they are set to increase in the next few years. The UK target was set at 7% BHC and it is questionable whether a 5% AHC target achievable noting that Scotland does not control all the levers and the UK Government is planning to repeal large parts of the Child Poverty Act 2010 including child poverty targets based on income. We note the plans to limit child benefits to two children. This, along with the reduced benefit cap starting on 7 November 2016, will mean that larger families will be worse off and more of these non-working households are likely to fall into poverty definitions, and this will make it harder to eradicate child poverty.

We therefore regretfully conclude that including this ambition in statute is likely to be over ambitious.

2. What are your views on making income targets statutory?

Response

This would create a greater focus on the targets, but it is not clear who would or should be held accountable for their delivery. We don't control many of the levers, so accountability is not straightforward. Without clear accountability, targets may be much less effective.

3. How do you think the role of the Ministerial Advisory Group on Child Poverty can be developed to ensure that they play a key role in developing the legislation?

Response

We agree that an expert group can help to disseminate good practice and develop national approaches and support materials. We would particularly like this group to consider the impact of rurality on child poverty as we believe this area has been under researched to date.

4. How do you think links between the national strategy and local authorities could be improved? Do you think that local authorities themselves should be producing

strategies or reporting on child poverty activity? Is there anyone else that should be measuring or reporting on child poverty?

Response

We agree that Local authorities and Health & Social Care Partnerships have a role to play in delivering a national strategy through driving Community Planning Partnerships. They do not have control of all the drivers. We agree that it would be beneficial for local authorities to produce local strategies similar to the way that Renfrewshire Council has done. However it must be recognised that these local strategies can only be implemented effectively if they are adequately resourced. As this would be a new burden, Scottish Government would need to resource local authorities to deliver this.

Measurement should be done nationally to be consistent, but reports at a local level are necessary as actions needs to be done locally. Ideally statistics should be produced at data zone level.

5. What are your views on the income-based measures of poverty proposed for Scottish child poverty targets? For example, are there any additional income-based measures you think we should also use (and if so, why)? Are there any alternative approaches to measuring income – for example, as used in other countries – that you think could apply in Scotland?

Response

It is helpful to use measures that have been in place for a number of years and where clear trends are apparent. New measures would not have same level of understanding or acceptance. We believe that it would be beneficial to link income related measures to other child related measures such as attainment and health. This would reflect the three strands of the Child Poverty Strategy on Pockets (household income) along with Prospects (life chances for children) and Places (well designed and sustainable).

6. What are your views on the Scottish Government's proposals for the levels of child poverty that the targets will be set at?

Response

We welcome the ambition of these targets to reduce child poverty. We note that the 2030 targets are 10% AHC for relative poverty (net incomes of less than 60% UK median household income) and 5% AHC for absolute poverty (net incomes of less than 60% UK median household income for base year 2010/11). Whilst big improvements were made between 1994/5 and 2004/5, the improvement in the following 10 years have been much more modest. Current economic prospects are not all that encouraging, and progress over the next 14 years may also be modest. We believe that there is a significant risk that these targets might not be achieved.

7. What are your views on the Scottish Government's proposal to set targets on an after housing costs basis? For example, are there any disadvantages to this approach that we have not already considered?

Response

The UK government's approach is to give people more control of how they spend benefits and to make them responsible for their housing costs. If Scottish Government uses Universal Credit flexibilities to change this and enable direct payment to landlords, then after housing costs makes sense. If not, then there would be merit in considering targets based on before housing costs.

8. What are your views on the Scottish Government's proposal to set targets that are expected to be achieved by 2030?

Response

This gives a 14 year period which is sufficiently long to make targets achievable provided such targets are set realistically.

9. What are your views on the proposal that Scottish Ministers will be required by the Bill to produce a Child Poverty Delivery Plan every five years, and to report on this Plan annually?

Response

This would only allow for two new delivery plans. A four year plan would allow for this to be revised more often. We agree that annual reporting is necessary to monitor progress.

10. Do you have any suggestions for how the measurement framework could usefully be improved? For example, are there any influencing factors that are not covered by the measurement framework? Or are there any additional indicators that could be added?

11. Do you have any additional views on a Child Poverty Bill for Scotland?

Response

We do not have any further suggestions on these matters.