

# Developing A Local Child Poverty Action Report: Guidance

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# Quick Reference Guide: Developing a Local Child Poverty Action Report

Developing a Local Child Poverty Action Report requires a series of 5 steps which are discussed briefly below. Further information on the background to the act, details on legal requirements and advice on how to assess child poverty is provided in the rest of the document.

## **Step 1 - Identify your local partners**

Plans are required to be presented to the Scottish Government by local authorities and NHS Health boards, but we know that solving poverty requires collaborative working across a range of partnerships. In many cases it will make sense for the Community Planning Partnership process to provide a helpful vehicle to coordinate reports.

## **Step 2 – Identify and assess child poverty in the local area**

Every Child, Every Chance – the national Tackling Child Poverty Delivery Plan - clearly sets out the drivers of child poverty and priority groups who were at higher risk of child poverty. Further information is provided in Chapter 3. Local partners may wish to use this analysis to help them think about child poverty in their area or they may wish to re-examine their own evidence to assess child poverty. In all cases the three key drivers - income from employment, income from social security and costs of living - are critical components, but the barriers and opportunities available to parents will differ by local area. They will also differ by protected characteristics and this may also have a local dimension. It is critical for local partners to understand child poverty in their area in order to be able to tailor support to help. It is also important that local partners focus on action that will contribute towards the targets by influencing one or more drivers. Local partners may wish to record action that improves the lives of people experiencing poverty now, or action that in the long run may prevent poverty but we recommend that these actions are captured in a separate template. For clarity direct action involving children under 12 will not impact on targets unless it reduces the call on parental income. Improving this understanding will be a continuous process and Scottish Government has put some activities in place to help; a national coordinator based in the Improvement Service, assistance on local data from Scottish Government and academic help from the new Scottish Poverty and Inequality Research Unit.

## **Step 3 – Identify and assess existing action and existing plans that seeks to reduce or mitigate child poverty in the local area**

Most local partners will already be running programmes and services that reduce child poverty or improve outcomes for children living in poverty. This step gives an opportunity for local partners to think about their ongoing work to identify whether the work tackles the drivers of poverty, or mitigate the consequences of poverty (i.e.

reduces poverty now, prevents poverty in the future, or reduces the negative consequences of poverty – such as poorer health outcomes – on children who are already experiencing / have already experienced it) and to record and collate it. It also gives an opportunity to think about different plans and reporting requirements. A table showing Scottish Government requirements is provided to help (page 14). As a minimum partners may wish to record how the Local Outcome Improvement Plan relates to the Child Poverty targets.

This exercise might help identify efficiencies in planning and reporting, efficiencies in services as well as thinking about how existing services could be shaped to have a greater impact on poverty. A template has been provided which you could use to assist with recording action although you could also design your own (see page 24). Although improving current circumstances for children in poverty is important the main aim of the plan is to reduce poverty and hence it is important to clearly identify action that will reduce poverty as well as mitigate its consequences, and to record these two aspects separately. Local partners are specifically required to identify existing or new action that will help parents maximise their income.

#### **Step 4 – Identify new action to reduce child poverty or expansions or modifications to existing action to increase impact**

We know that existing action across Scotland is not enough to meet the targets, so the fourth step is about identifying new action that will be taken forward by the partners and being clear about who it is likely to help and how. Again, the template may be helpful here. Local partners are specifically required by the Act to identify existing or new action that will help parents maximise their income.

#### **Step 5 – Identify and share ‘What is Working’ and ‘Lessons Learned’**

It has been said many times that solving poverty is complex. It will require all of us to make a difference. The more we can share learning and best practice the more we will all be able to achieve. The last step is therefore to establish ways over time to check that there is a positive impact on child poverty at the local level. At a national level we have a 3 stage assessment process; targets, driver, policy. It is difficult to measure the targets at a local level. However, it may be possible to establish indicators to check how the local partners are doing against key driver indicators. The national child poverty measurement framework provides some assistance in thinking about this. You may also wish to set up evaluation of new policies or services to allow you to know which ones are making a difference and to be able to share both the process and impact evaluation with others. Scottish Government will hold an annual summit to bring together local partners to discuss activities, challenges and opportunities.

The first annual report to be submitted to the Scottish Government should ideally set out a completed template from Step 4 (or a similar report of activity) which stipulates the nature of the activity, the intended child poverty driver that the activity will impact

(income from employment, income from social security, cost of living), the intended target group, the range of organisations involved in delivering the activity and the role played by each organisation in both planning and delivery of the activity.

The report **must** provide evidence that it has considered the different barriers that parents with different protected characteristics may face, as well as specifically including action to help parents to maximise income.

# Child Poverty (Scotland) Act: Key Provisions

## Why introduce a Child Poverty Act?

To ensure Scotland is the best place in the world to grow up, and lives up to the Fairer Scotland vision, eradicating child poverty is fundamental. Child poverty can undermine the health, wellbeing and educational attainment of the children who experience it. And it also has a wider cost for society. A 2013 study found that child poverty in the UK was costing at least £29 billion a year.<sup>1</sup>

The Child Poverty (Scotland) Act sets out four ambitious headline targets for 2030 that establish Scotland as the only part of the UK with statutory income targets on child poverty.

## Provisions of Child Poverty (Scotland) Act 2017

To set out a clear agenda for tackling, reporting on and measuring child poverty, the Act:

- Sets out four statutory income targets, to be met in the financial year beginning 1 April 2030.
- Sets out four interim income targets, to be met in the financial year beginning 1 April 2023.
- Places a duty on Scottish Ministers to publish child poverty delivery plans in 2018, 2022, and 2026, and to report on those plans annually.
- Places a duty on local authorities and health boards to report annually on activity they are taking, and will take, to reduce child poverty.
- Sets out that a statutory Poverty and Inequality Commission will be established from 1 July 2019, with functions related to the child poverty reduction targets.

## Statutory Income Targets

The Act sets out four statutory, income-based targets (all after housing costs), to be achieved by 2030:

- Less than 10% of children are in relative poverty
- Less than 5% of children are in absolute poverty
- Less than 5% of children are in combined low income and material deprivation
- Less than 5% of children are in persistent poverty

These four measures are well known and understood by the key partners engaged in work to tackle poverty in Scotland, and retaining them provides a degree of continuity with measures previously set out in the UK-wide Child Poverty Act 2010, prior to being repealed when the legislation was reformed in 2016 to become the Life

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<sup>1</sup> <http://www.cpag.org.uk/content/child-poverty-costs-uk-29-billion-year>

Chances Act 2010. All four measures were chosen following extensive UK-wide consultation and were designed to complement each other, with each capturing different aspects of poverty. More detail on the data and definitions used for each of the measures is provided at Annex B.

## Interim Targets

The Act also sets out interim targets, to be met in the financial year beginning on 1 April 2023 – which is the halfway point between the position at the time the Child Poverty (Scotland) Act was passed and the 2030 target date for the meeting of the targets - as below:

- Less than 18% of children are in relative poverty
- Less than 14% of children are in absolute poverty
- Less than 8% of children are in combined low income and material deprivation
- Less than 8% of children are in persistent poverty

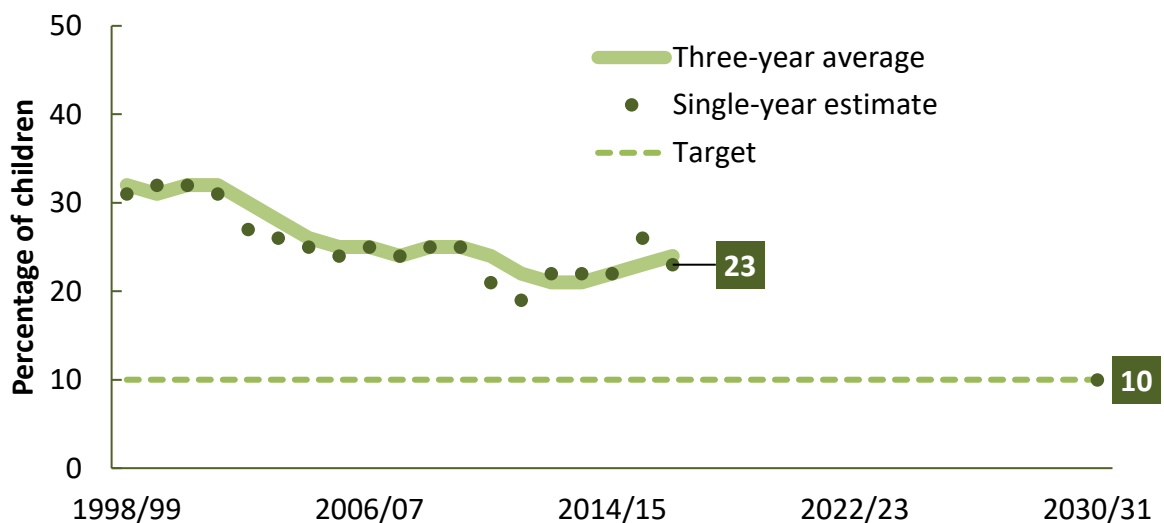
## Trends and projections for the four target measures

The latest figures for the 4 target measures show:

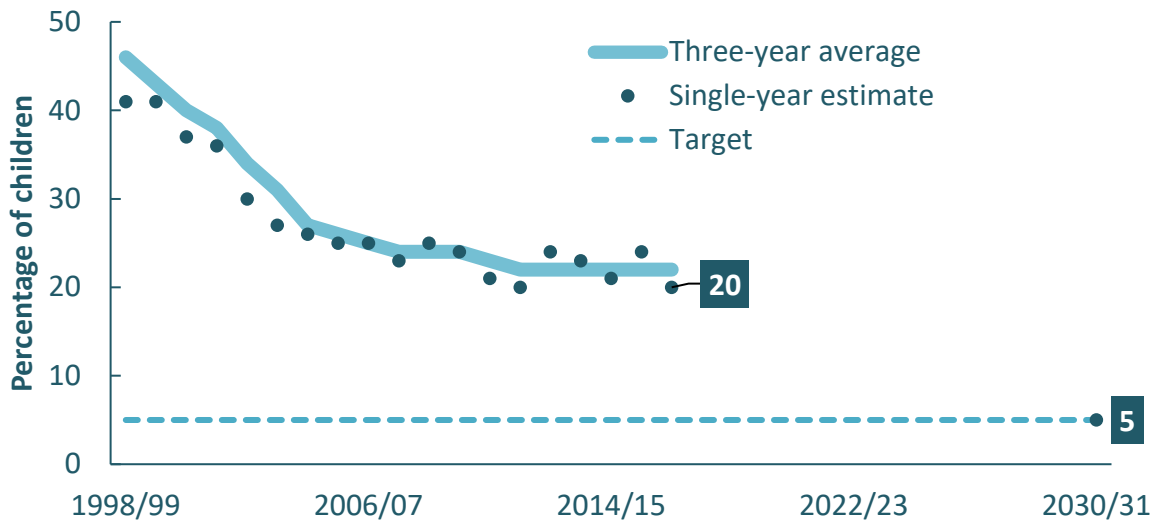
- In 2016/17 an estimated 23% of children were in relative poverty
- In 2016/17 an estimated 20% of children were in absolute poverty
- In 2016/17 an estimated 11% of children were in combined low income and material deprivation
- In (2012 to) 2016 an estimated 10% of children were in persistent poverty

Charts 1-4 show how the four measures have changed in recent years. The 2030 targets are represented by the dashed lines. Data for combined low income and material deprivation is not available prior to 2004/05, and the persistent poverty figures are only available for (2010 to) 2014 and (2012 to) 2016.

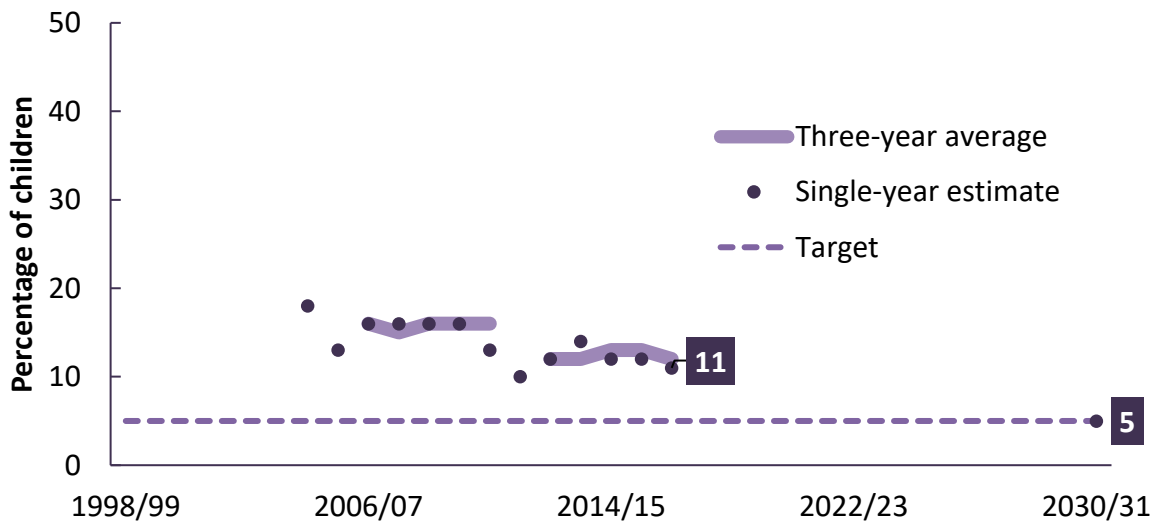
### Chart 1 – Relative child poverty



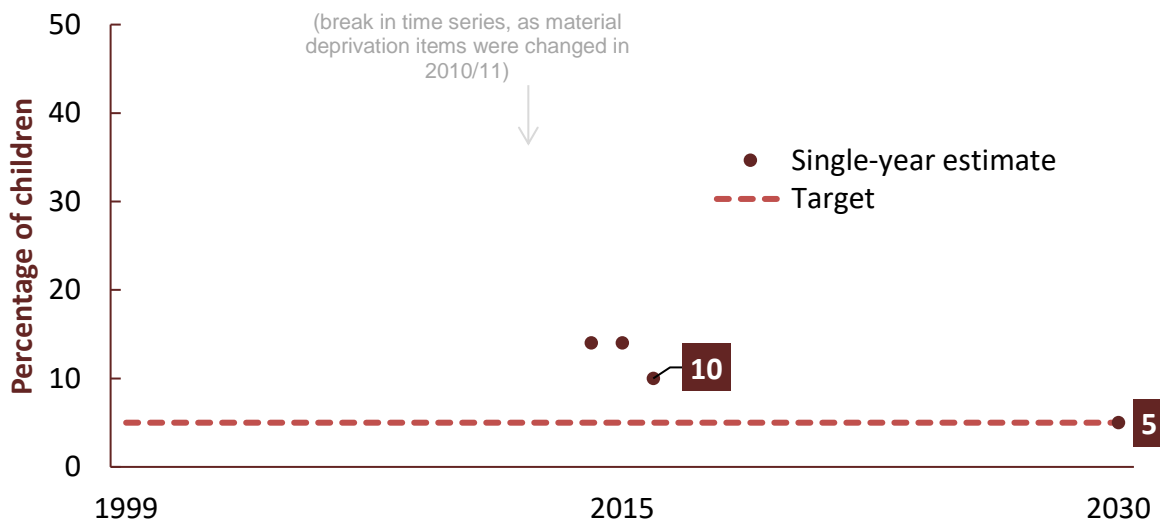
**Chart 2 – Absolute child poverty**



**Chart 3 – Combined low income and material deprivation**



**Chart 4 – Persistent child poverty**



As part of the development of the evidence base to support the delivery plan, we commissioned a set of projections of child poverty that take into account the already announced tax and benefit changes announced by the UK and Scottish Governments. This gives us a truer reflection of the scale of the challenge between now and 2030.

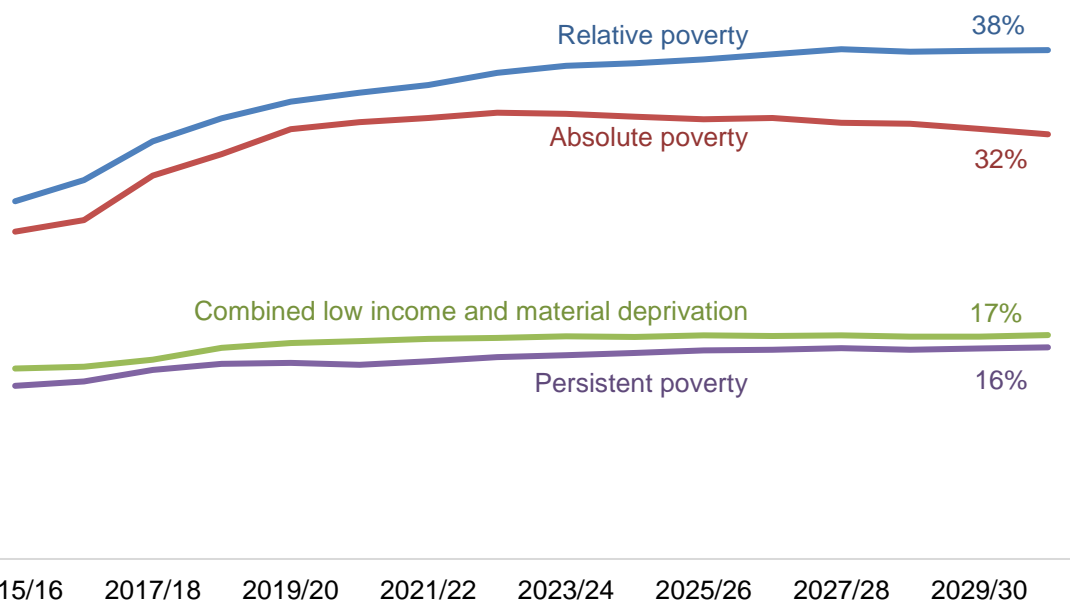
These projections were independently produced by Howard Reed at Landman Economics and Graham Stark at Virtual Worlds Research<sup>2</sup>. These projections are before we take into account the impact of most of the policies laid out in this delivery plan. They effectively give us a baseline projection of how many people we can expect to be in poverty if we take no action.

Chart 5 shows the projected trend of child poverty for each target. By 2030/31, it is estimated that 38% of children will be in relative poverty, 32% of children will be in absolute poverty, 17% of children will be in combined low income and material deprivation and 16% of children will be in persistent poverty.

The key reason for these projected rises is the announced UK Government cuts, primarily the benefit freeze and the two child limit on tax credits. The impact of these cuts is most acute between now and 2020.

We recognise that, in the context of these projections, the child poverty reduction targets the Act sets out are ambitious. However, Scottish Ministers are clear that the backdrop of conditions which threaten to make many families worse off strengthens the case for concerted action at national and local level to tackle child poverty.

### Chart 5 – Projected child poverty rates



Source: Reed and Stark 2018<sup>3</sup>

<sup>2</sup> <http://www.gov.scot/Publications/2018/03/2911>

<sup>3</sup> These projections use the latest available data published for all four measures as of the Scottish Draft Budget in December 2017 as their starting point. They do not take into account new data published on the 22<sup>nd</sup> March 2018.



## Child Poverty Delivery Plans

The Act introduces provisions requiring Scottish Ministers to prepare delivery plans relating to the child poverty targets within the Act. The first Delivery Plan required to be prepared by 1 April 2018 and thereafter, Plans must be prepared by 1 April 2022 and 1 April 2026, with a final report in 2031 after the final target year. Scottish Ministers will also be required to prepare reports on an annual basis which set out progress made during that year towards meeting the child poverty targets and implementing their Delivery Plan.

This guidance should be read in conjunction with Every Child, Every Chance, The Tackling Child Poverty Delivery Plan 2018-22, published on 29 March at [www.gov.scot/everychild](http://www.gov.scot/everychild).

## Local Action Reports

The Act also introduces a new requirement for local authorities and each relevant Health Board to jointly prepare a Local Child Poverty Action Report, as soon as practicable after the end of each reporting year. The Act does not specify a cut-off point for submission of reports; however, it does require that the Scottish Government's annual progress reports be submitted within 3 months of the end of the reporting year which is the subject of the report. To align with these timescales, local partners may therefore wish to aim for publication of their reports by 30 June of each year.

## Definitions

Section 10(1) of the Act requires that:

A local authority and each relevant Health Board must, as soon as reasonably practicable after the end of each reporting year, jointly prepare and publish a report (a "local child poverty action report").

**"Each relevant Health Board"** is defined at Section 10(3) as follows:

"relevant Health Board", in relation to a local authority, means a Health Board constituted under section 2(1)(a) of the National Health Service (Scotland) Act 1978 whose area-

- a) is the same as the area of the local authority, or
- b) includes all or part of the area of the local authority

**"Reporting year"** is defined as "a financial year falling within the period of a plan prepared under section 7(1)" of the Act. This aligns the timescale for production of the local action reports with those set out in the Act at Section 7(1) for the Scottish Government's Delivery Plans, which cover financial years, beginning on 1 April and concluding on 31 March of each applicable year.

The legislation states that the report must “describe any measures taken in the area of the local authority during the reporting year...for the purpose of contributing to the meeting of the child poverty targets.” The Act also requires local authorities and NHS Boards to set out, in their local child poverty action reports, information on measures that they plan to take to contribute to the meeting of the Child Poverty reduction targets set out in the Act, with the aim of ensuring the reports provide a strategic forward look as well as an account of progress to date.

The Policy Memorandum makes clear that there is an expectation that local authorities and NHS Boards will work together to produce the reports, and that the Community Planning Partnership process could provide a helpful vehicle for co-ordinating this work. Further detail on linkages between the duty to produce local action reports and existing local reporting duties is set out in Chapter 2.

This guidance refers to the Local Action Reports provision, and has been co-produced with a cross-sectoral Reference Group – membership at Annex A. The guidance is intended to support local authorities and NHS Boards with the production of annual reports setting out activity they have undertaken, and will take in the period going forward, to meet the targets to reduce child poverty by 2030, as set out in the Child Poverty (Scotland) Act 2017. In accordance with the Act’s requirements, the first of these annual reports should be published as soon as practicable after the end of the reporting year ending 31 March 2019. As set out on page 9, to align with national progress reporting timescales, local partners should aim to publish their first report before 30 June 2019. After the first set of reports have been submitted, feedback from local partners will be sought on what further information or support would be useful and whether it would be helpful for the guidance to be updated.

The reports must be jointly produced, and published, by local authorities and NHS Boards. **The first report will cover the period from 1 April 2018-31 March 2019; therefore, the reports should describe activity undertaken during this period.** Local authorities and NHS Boards will wish to consider the most appropriate format to use when publishing the reports e.g. as online documents, paper copies or both; taking into account local needs and circumstances, for instance around accessing reports in different formats.

Plans for scrutiny of the reports are still being finalised. Scottish Ministers may, for example, ask the Poverty and Inequality Commission to provide feedback on the local action reports. Bearing in mind that 32 reports are to be produced, it is likely that feedback to local partners will be staged over the 2019-20 financial year. Further information on the process for scrutiny of the local action reports will be provided by Scottish Government separately from this guidance.

## **Support for Local Partners with Production of Reports**

As set out in *Every Child, Every Chance: The Tackling Child Poverty Delivery Plan 2018-22*, Scottish Government is committed to supporting local authorities, NHS Boards and partners to meet the new local child poverty planning and reporting duty through a bundle of measures, set out below:

- **A new national co-ordinator**  
 To support local partners with the development of reports, monitoring progress and sharing best practice, Scottish Government is funding a new national co-ordinator who will have a particular focus on the local planning and reporting duty. The co-ordinator will be based in the Improvement Service but will work closely with the Scottish Government, NHS Health Scotland and COSLA, and other stakeholders such as the Poverty Alliance and Child Poverty Action Group. The Co-ordinator will also play a key role in supporting the implementation of the Fairer Scotland Duty, and will make links between this and their work to support local partners with the planning and reporting on child poverty, so that the Fairer Scotland Duty has a positive impact on improving outcomes for children living in poverty.
- **New Scottish Poverty and Inequality Research Unit (SPIRU)**  
 Scottish Government will also provide funding over 3 years from 2018-19 for the new Scottish Poverty and Inequality Research Unit (SPIRU), which brings together researchers from Glasgow Caledonian University and external partners to analyse different aspects of poverty and inequality. SPIRU will engage with all local authorities and NHS Boards to support them to develop and understand actions that impact on child poverty and to share best practice. A key priority for SPIRU will be to engage with local partners who have historically had less capacity to drive work to tackle child poverty. SPIRU will also liaise with the new National Co-ordinator and with COSLA/NHS Scotland to document the nature and variety of action currently underway and planned within local authorities, health boards and Community Planning Partnerships addressing child poverty. They will work with partners to facilitate a national learning culture which reflects upon, articulates and shares the principles and practices shown to be most effective in tackling child poverty.
- **Encouraging lived experience in decision making**  
 Scottish Government will also expand the support it has already provided to a number of local areas to set up their own community bodies to bring people with lived experience of poverty into strategic decision making. The aim is to support in particular those authority areas where anti-poverty work is under-developed at present.
- **Get Heard Scotland**  
 In addition, the Poverty Alliance will be developing the 'Get Heard Scotland' initiative which aims to gather feedback and views on efforts to address child poverty. This may also provide useful input to the development of reports and plans.

# Linkages With Other Local Reporting Duties On Tackling Poverty

There are a number of reporting duties on local authorities and partnerships linked to tackling poverty, set out below and represented diagrammatically on page 14.

## Fairer Scotland Duty

This is an overarching strategic duty on public bodies (including local authorities). It has interactions with the Equality Act 2010; Scotland Act 2016; and came into force on 1 April 2018.

The Duty requires that: “An authority to which this section applies must, when making decisions of a strategic nature about how to exercise its functions, have due regard to the desirability of exercising them in a way that is designed to reduce the inequalities of outcome which result from socio-economic disadvantage.”

Interim guidance for public bodies on the Duty was published in March 2018 and can be accessed here: <http://www.gov.scot/Resource/0053/00533417.pdf>

It is envisaged that activity associated with the range of thematic legislation with duties relating to reducing child poverty, described below, will contribute to activity to meet the Fairer Scotland Duty, which is concerned with reducing socio-economic inequality across society as a whole.

## Children & Young People (Scotland) Act 2014

Of particular relevance to the duties under the Child Poverty (Scotland) Act are Parts 1 and 3 of the Children and Young People (Scotland) Act.

Part 1 requires public authorities to publish, as soon as practicable after the end of each 3 year period, a report of what steps it has taken in that period to secure better or further effect within its areas of responsibility of the UNCRC requirements. Of particular relevance to the issue of child poverty are the following articles:

- Article 3 (best interests of the child)
- Article 6 (life, survival and development)
- Article 12 (respect for the views of the child)
- Article 26 (social security)
- Article 27 (adequate standard of living)

Local authorities and NHS boards may wish to consider how activity undertaken and reported on in relation to these rights supports the reduction of child poverty, and reflect this in their local action report.
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Part 3 of the Act requires that local authorities and health boards must jointly prepare a Children’s Services Plan for the area of the local authority, in respect of each

three-year period. The aim of the Plans, as set out in the Act, is to ensure that children's services in each local area are provided in a way which:

- best safeguards, supports and promotes the wellbeing of children in the area concerned,
- ensures that any action to meet needs is taken at the earliest appropriate time and that, where appropriate, action is taken to prevent needs arising,
- is most integrated from the point of view of recipients, and
- constitutes the best use of available resources
- ensures that related services in the area concerned are provided in the way which, so far as consistent with the objects and proper delivery of the service concerned, safeguards, supports and promotes the wellbeing of children in the area concerned.

The Statutory Guidance supporting Part 3 of the Children and Young People (Scotland) Act 2014 states that relevant national outcomes and objectives should be reflected in Children's Services Plans. This includes explicit reference to the national objectives and indicators for reducing child poverty, and the guidance recommends that such outcomes and indicators are reflected in Children's Services Plans.

## **Community Empowerment (Scotland) Act 2015**

The Act requires that CPPs must prepare and publish a Local Outcomes Improvement Plan, which sets out the local outcomes the CPP has prioritised for improvement. In preparing the plan, the CPP is obliged to make all reasonable efforts to secure the participation of community bodies in the planning process. In carrying out their functions, the CPP is required to do so with a view to reducing inequalities of outcomes which result from socio-economic disadvantage.

## **Education (Scotland) Act 2016**

The Act requires that education authorities must have due regard to the need to carry out school education functions in a way designed to reduce inequalities of outcome for those pupils experiencing them as a result of socio-economic disadvantage. In terms of local authority reporting requirements: consultation on legislation which would effect a change, proposing that regional improvement plans will require to be submitted, concluded in January 2018.

**Further information on the nature of regional improvement planning and reporting will be set out in due course.**

A timeline showing the frequency and timing of the linked reporting requirements outlined above is set out at Fig 1 on page 14
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**Figure 1: timeline of child poverty and related reporting requirements 2018-2030**

	2018				2019				2020				2021				2022				2023				2024				2025				2026				2027				2028				2029				2030			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4				
Child Poverty Local Action Report																																																				
Children’s Services Plans (part 3 of CYP Act)																																																				
Annual reporting on Children’s Services Plans																																																				
Children’s Rights Reporting (part 1 of CYP Act)																																																				
Local Outcome Improvement Plan																																																				
Local Outcome Annual Reporting																																																				

## **Linkages Between Local Actions Reports and Other Plans/Reports**

It would be helpful for local partners to make clear in the annual local child poverty action reports how links are being made to existing related statutory planning and reporting duties, to ensure a streamlined approach, avoiding wherever possible duplication of effort. For example, there may be scope to use the same activity, such as consultation, needs assessment or progress reporting, to meet related commitments such as those set out on pages 12-13.

For example, in Children's Services Plans (CSP), as set out on page 16, local partners are required to reflect national outcomes and objectives including progress in tackling child poverty. Local authorities and each relevant health board are required to submit annual progress reports annually between submission of each 3-yearly CSP, so the section of this report setting out actions and indicators on child poverty could also form a key element of the annual Child Poverty Local Action Report, and each report should cross-refer to the other. The timescales for the submission of both reports are aligned – as soon as practicable after the end of the reporting year ending on 31 March each year.

This approach could create efficiencies as well as representing joined-up delivery of public services as recommended by the 2010 Christie Commission.

While local authorities and NHS Boards may wish to consider how they can streamline and integrate planning and reporting activity across linked duties, Scottish Government is clear that the introduction of the requirement to produce Local Child Poverty Action Reports signals an imperative to undertake new activity and a new approach; effectively, a step-change in tackling child poverty. Where local partners are continuing with existing activity, they should be clear about the supporting evidence base indicating its effectiveness.

## **Involvement of CPP Partners**

Under the Community Empowerment (Scotland) Act 2015, each Community Planning Partnership (CPP) must produce a Local Outcomes Improvement Plan (LOIP), describing their collaboratively agreed local priorities for improvement. CPPs are accountable to their communities and must report publicly to them the improvements they have made. Local Child Poverty Action Reports could helpfully articulate how LOIP outcomes are expected to contribute to tackling child poverty.

As set out on page 10, the Policy Memorandum for the Child Poverty (Scotland) Act 2017 makes clear that there is an expectation that local authorities and health boards will work together to produce the reports, and that the Community Planning Partnership process could provide a helpful vehicle for co-ordinating this work.

However, given differences in local strategic and planning contexts, specific strategic leadership for the production of local action reports will be locally, rather than nationally, determined. Strategic Children's Services Planning Groups may be well placed in many areas to undertake this responsibility given existing partnership

arrangements and requirements, but in other areas there may be other existing structures which have all the key partners represented in their membership and are therefore judged to be the best vehicle.

It is key that local authorities and NHS boards, as the bodies with the statutory responsibility under the Child Poverty Act for producing the Local Action Reports, ensure that the reports reflect the range of partners who were involved in action at local level to tackle child poverty. This also applies to the “forward look” element of the reports. The following bullet points may be a helpful guide as to the information that reports could set out:

- the range of organisations who were involved in delivering the activity set out in the reports
- the role played by each organisation in both planning and delivery of the activity outlined
- how local authorities and NHS Boards have engaged with partners on a strategic basis across key areas such as education (including further and higher), economic development, money advice services, childcare, housing, transport and children’s services.

## **Children’s Services Planning**

The Statutory Guidance for Part 3 of the Children and Young People (Scotland) Act 2014, on children’s services planning, sets out a list of organisations and persons to be involved at certain stages of the process of planning and reporting. These are as below:

- a) Scottish Ministers (but only in relation to a service provided by them in exercise of their functions under the Prisons (Scotland) Act 1989)
- b) Chief Constable of the Police Service of Scotland
- c) Scottish Fire and Rescue Service
- d) Principal Reporter
- e) National Convener of Children’s Hearings Scotland
- f) Scottish Courts and Tribunals Service
- g) An integration joint board established by order under section 9 of the Public Bodies (Joint Working) (Scotland) Act 2014
- h) Social landlords
- i) Organisations (whether or not formally constituted) which:
  - i. represent the interests of persons who use, or are likely to use, any children’s service or related service in the area; and
  - ii. provide a service in the area which, if that service were to be provided by the local authority, relevant health board or “other service provider”, would be considered a “children’s service” or “relevant service”.

Local authorities and NHS Boards may wish to consider how, and under which circumstances, they can involve these bodies in the preparation of Local Child Poverty Action Reports.
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## Community Planning Partners

Local authorities and NHS Boards, when looking at the range of activity undertaken at local level which could contribute to tackling child poverty, may also look beyond services such as those set out above which are specifically aimed at children and families.

For example, organisations which support adult employability, such as Scottish Enterprise and Skills Development Scotland, may have an important role to play in reducing family poverty and therefore child poverty.

Section 4(5) of The Community Empowerment (Scotland) Act 2015 states that each local authority and persons listed in Schedule 1 are statutorily named partners in community planning. For these purposes they are referred to as community planning partners and collectively as the community planning partnership. The bodies in schedule 1 are listed below:

- The board of management of a regional college designated by order under section 7A of the Further and Higher Education (Scotland) Act 2005 which is situated in the area of the local authority
- The chief constable of the Police Service of Scotland
- The Health Board constituted under section 2(1)(a) of the National Health Service (Scotland) Act 1978 whose area includes, or is the same as, the area of the local authority
- Highlands and Islands Enterprise where the area within which, or in relation to which, it exercises functions in accordance with section 21(1) of the Enterprise and New Towns (Scotland) Act 1990 includes the whole or part of the area of the local authority
- Historic Environment Scotland
- Any integration joint board established by virtue of section 9 of the Public Bodies (Joint Working) (Scotland) Act 2014 to which functions of the local authority and the Health Board are delegated
- A National Park authority, established by virtue of a designation order under section 6 of the National Parks (Scotland) Act 2000, for a Park whose area includes the whole or part of the area of the local authority
- A regional strategic body specified in schedule 2A to the Further and Higher Education (Scotland) Act 2005 which is situated in the area of the local authority
- Scottish Enterprise
- The Scottish Environment Protection Agency
- The Scottish Fire and Rescue Service
- Scottish Natural Heritage
- The Scottish Sports Council
- The Skills Development Scotland Co. Limited
- A regional Transport Partnership established by virtue of section 1(1)(b) of the Transport (Scotland) Act 2005 whose region includes, or is the same as, the area of the local authority
- VisitScotland

There is some overlap between this list and the list of partners set out in 'Children's Services Planning', and it may be the case that not all bodies from the list of Community Planning Partners will have a specific role to play in activity undertaken each year within the area of each local authority and Health Board to reduce child poverty. Equally, there may be partner organisations involved in child poverty reduction activity within localities who are not referenced on this list.

However, local authority and Health Board partners may wish to refer to the list when considering the range of partners whose work impacts on activity to reduce child poverty set out in the Local Action Reports.

## **The Place Standard**

The Place Standard is an [award winning](#) tool now being applied across Europe to facilitate conversations between communities, sectors and decision makers about priorities for action, taking a holistic view of all the factors that make places work. It is based on 14 different themes. The themes set out the issues which have been identified as important to promoting and delivering quality places that support health and wellbeing. These themes have been derived from evidence, working with communities, and researching best practice. Place is a key element of Scottish Government policy, underpinning the public sector reform agenda and the drive to support inclusive growth. Increasingly, 'place based approaches' are being adopted to integrate services, tackle poverty and enhance local opportunities for economic development.

The Place Standard Tool can and has been used as a framework for engagement with communities at all stages of community planning including the development of Local Outcome Improvement Plans and Locality Plans. The Place Standard provides a method to bring different groups of all ages in a place together using a shared language, and a shared framework for discussion, to identify issues and priorities that can inform the way places address and benefit from these priority areas.

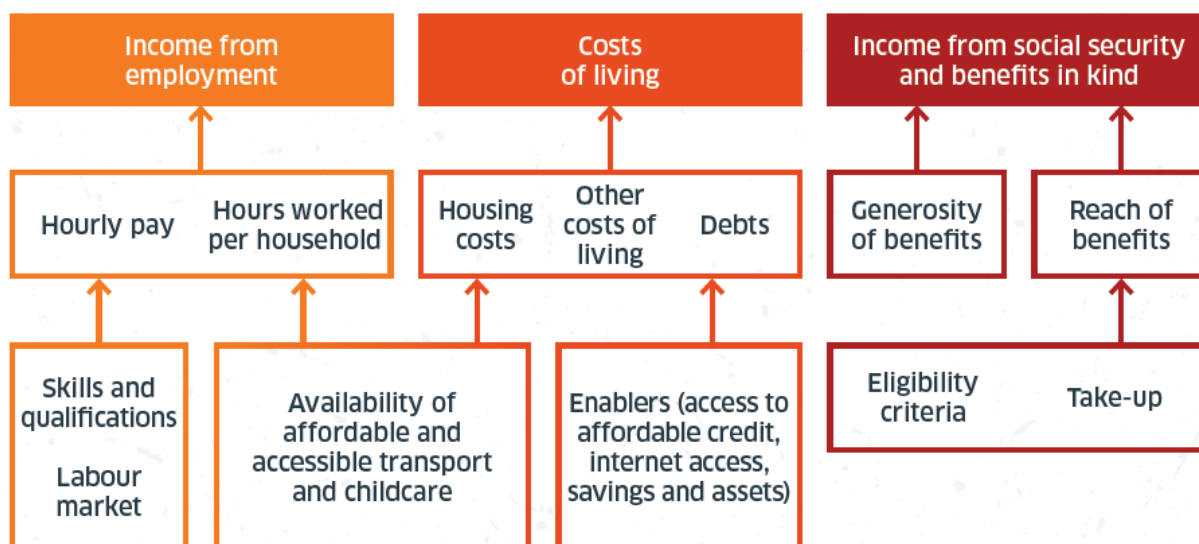
Each local authority has a Place Standard Lead who occupies roles across local government policy areas and promotes the Place Standard as a tool to engage communities and improve outcomes. Training has been provided by the Improvement Service to all Community Planning Partnerships on the Place Standard and how it works. Further information and support is available at <http://www.healthscotland.scot/tools-and-resources/the-place-standard-tool>

# What Must A Local Child Poverty Action Report Contain?

## Child Poverty Targets

Figure 2 sets out what the evidence indicates are the key drivers of poverty. Reference to these will help local authorities and NHS Boards to identify priority areas for action to help meet the statutory reporting requirements on child poverty set out in the Child Poverty (Scotland) Act 2017. More detail on the drivers of poverty, and actions to influence them, is provided in Annex C.

**Figure 2 – Drivers of child poverty**



The Child Poverty (Scotland) Act 2017 requires that the Local Child Poverty Action Report **must** set out any measures taken in the previous reporting year by the local authority and each relevant Health Board for the purpose of contributing to the meeting of the child poverty targets set out in the Act. The Act also requires that local authorities and each relevant Health Board must set out any measures that they propose to take to contribute to the meeting of the targets. This means that the action reports should articulate how any activity which has been undertaken in the previous reporting year, or is proposed to be taken, has contributed or will contribute to the meeting of the targets.

It is up to local partners to identify how best to tackle child poverty in their local areas and the measures that are most sensible, relevant and practical in their local areas. Consideration of the drivers will be useful and we do encourage local partners to think carefully about whether their actions will:

- a. reduce poverty between now and 2030
- b. not reduce poverty before 2030 but has a potentially longer term preventative outcome

c. not reduce poverty before 2030 but will improve wellbeing of families experiencing poverty now.

All categories can be included but we would encourage partners to be very clear which action will help to meet the targets, perhaps by compiling this action into a separate template. It is also acknowledged that this is a complex area. Actions may fit multiple categories and understanding is likely to develop over time. The National Co-Ordinator, SPIRU and NHS Health Scotland can all help local partners think about their theory of change if helpful - and it will be an area that we hope partners across Scotland will look to share good ideas and practices.

Local partners may wish to make clear in their reports which driver(s) each activity they set out aims to address, and how their contribution might be assessed. A suggested template for reporting activity is set out on page 24.

## **Income Maximisation Activity**

The Act further requires that, in the context of reporting on activity that has been taken or is proposed in support of meeting the child poverty targets, local authorities and NHS boards must report in particular on:

income maximisation measures taken in the area of the local authority during the reporting year to provide pregnant women and families with children with:

- a) information, advice and assistance about eligibility for financial support, and
- b) assistance to apply for financial support

NHS Greater Glasgow and Clyde's Healthier Wealthier Children model of income maximisation support for pregnant women and families with children has been particularly well evaluated:

[http://www.gcph.co.uk/assets/0000/3517/HWC\\_final\\_report\\_FINAL\\_updated\\_Aug\\_2012.pdf](http://www.gcph.co.uk/assets/0000/3517/HWC_final_report_FINAL_updated_Aug_2012.pdf)

The child poverty local action reports present an opportunity for local partners to set out what they are doing to develop and embed models of income maximisation support for pregnant women and families with young children using the learning from models such as Healthier Wealthier Children.

The Scottish Government is working with NHS Boards, Integration Authorities and Local Authorities to ensure referral pathways are embedded in all health boards, supported with £500,000 over 2 years from the Tackling Child Poverty Fund.

Of course, income maximisation models need not be limited to health care settings and other universal services for families might have a role, including early years and education.

Local partners may also wish to consider the scope to maximise the income of families with children through exploring the automation of benefits and entitlements for low income families. Case studies from 3 local authorities who have developed successful models around the automation of benefits is set out at Annex E.

## Protected Characteristics

The Act also sets out that a local child poverty action report **must** describe:

“any measures taken during the reporting year, or which are proposed to be taken, in the area of the local authority in relation to children living in households whose income is adversely affected, or whose expenditure is increased, because a member of the household has one or more protected characteristics.”

This provision reflects the need to consider whether families with a member or members with one or more protected characteristics may face particular challenges in terms of:

- Being able to access a level of income which can sustain a family
- Having to meet costs linked to one or more family members having one or more protected characteristics, additional to the costs incurred in raising a family.

A full list of the Protected Characteristics, as set out in the Equality Act 2010<sup>4</sup>, is below:

- age;
- disability;
- gender reassignment;
- marriage and civil partnership;
- pregnancy and maternity;
- race;
- religion or belief;
- sex;
- sexual orientation.

Local authorities and NHS Boards should consider, when preparing a Local Action Report, what measures they have taken, or propose to take, to support children living in households whose income is adversely affected, or whose expenditure has increased, because a member of the household has one or more of these characteristics.

An example of such a household could be a family with a disabled child: the ability of one or both parents to work full-time could be impacted by caring responsibilities, and significant additional costs could be faced by the family e.g. transport costs to regular hospital appointments.

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<sup>4</sup> <http://www.legislation.gov.uk/ukpga/2010/15/section/4?view=extent>

## Links With National Delivery Plan Priorities

The Scottish Government's first Child Poverty Delivery Plan, ***Every Child, Every Chance*** was published on 29 March 2018, setting out a range of commitments to be driven forward across Ministerial portfolios to support the meeting of the child poverty reduction targets in the period 2018-2022. As set out at Figure 2 on page 19, all activity set out is in response to these key Drivers of poverty:

- Increasing income via employment,
- Reducing household costs and
- Help from the social security system.

Examples of the challenges faced by families living in poverty, under each of these Drivers, are set out at Annex C. Further information on monitoring the Drivers is set out in Chapter 4.

## Priority Groups in Child Poverty Delivery Plan

The Delivery Plan identifies a number of priority groups being targeted as particular beneficiaries of the Plan's commitments:

- Lone parents
- Families where a member of the household is disabled
- Families with 3 or more children
- Minority ethnic families
- Families where the youngest child is under 1
- Mothers aged under 25

Living in areas of high material deprivation and remote rural locations were also identified as additional barriers faced by families in these groups.

The reason these were identified as priority groups is that they are groups where there is strong evidence that the risk of poverty is higher. This evidence comes from Scottish Government statistics and from the wider literature. The majority of households in poverty are in work. But they are unable to work enough hours, and/or at a high enough rate of pay to move out of poverty.

Local partners may wish to give particular consideration to actions that will support these priority groups when preparing Local Action Reports.
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The Delivery Plan also makes clear that addressing Adverse Childhood Experiences (ACEs) is a key priority, given that:

- although ACEs occur across the whole income spectrum, higher levels of ACEs are associated with living in a low income household;
- children growing up in poverty have less access to resources which help to reduce the negative impacts of ACEs, such as, sports clubs, leisure activities, and good quality housing and neighbourhoods.

- the stress associated with growing-up in poverty is often considered an ACE in itself, along with other stressful experiences which can be associated with poverty such as homelessness and area deprivation, and other types of stress and trauma such as bereavement and bullying.

Action to reduce childhood poverty will reduce ACEs for the reasons outlined. This is also true of actions to mitigate the impact of poverty and improve the quality of life of those living in poverty.

Given the links between ACEs and poverty, local partners may find it helpful to set out how the activity in their Local Action Reports will support children and families whose lives are impacted by ACEs.

Information on ACEs can be found here <http://www.healthscotland.scot/population-groups/children/adverse-childhood-experiences>

## Suggested Template For Recording Actions

Below is a table which provides an example of how actions to reduce child poverty could be represented within a Child Poverty Local Action Report.

Local authorities and NHS Boards are not statutorily required to use this template; however, it provides a suggested format for presenting the rationale for undertaking the actions being reported on, describing any such actions, and setting out evidence of impact. It may be helpful to utilise one template to describe actions taken in the year previously, and another to set out actions which will be taken in the period going forward.

Local authorities and NHS Boards may use the template to help develop their Local Action Reports. For example, they may wish to use the template to summarise actions, with supporting or contextual narrative comprising other elements of their report, such as a strategic overview of the cumulative expected impact of those actions on child poverty in their area.

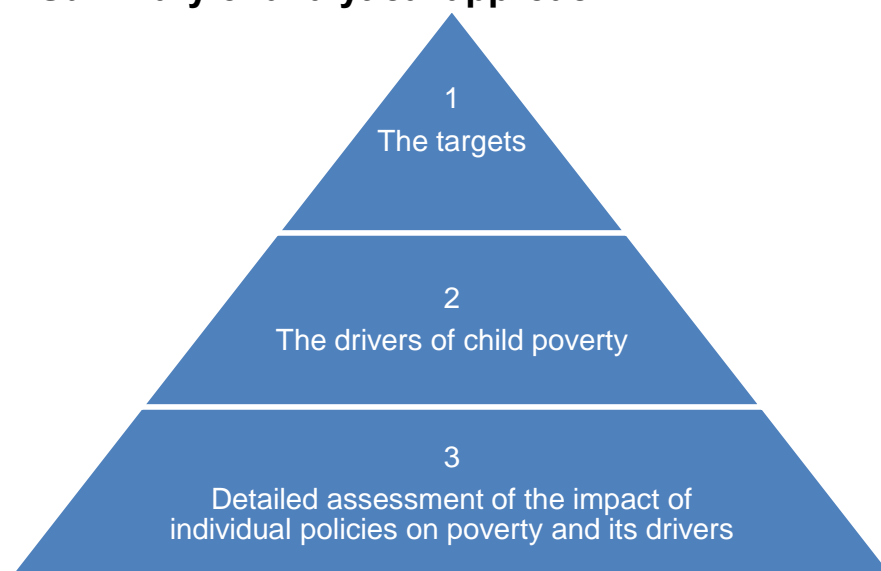
<b>Action</b> e.g. new services offered, increasing flexibility of existing services	<b>Who action is carried out by</b> e.g. list of all those partners involved in action	<b>Resources allocated</b>	<b>Poverty driver(s) the action is intended to impact</b>	<b>How impact has / will be assessed</b>	<b>Timescale for action</b>	<b>Group(s) the action is intended to reduce poverty amongst</b> e.g. who is service targeted at and who is using it?



# Using Evidence To Inform And Evaluate Local Action

Figure 3 summarises the analytical approach that is being taken to assessing the impact of the national Child Poverty Delivery Plan.

**Figure 3 – Summary of analytical approach**



The end goal is that we will see reductions in levels of child poverty and achieve the child poverty targets. So we use two publications (Poverty and Income Inequality in Scotland, and Persistent Poverty in Scotland) to provide rolling annual updates on all four child poverty targets. This data will allow us to track high level trends against the child poverty targets over time. The drivers of child poverty are the key underpinning issues that influence child poverty (see annex C for more detail). Monitoring these drivers over time will tell us what is happening in relation to the various drivers of child poverty over time, in order to better understand what is driving any change in performance against the targets. It will not, however, allow us to understand the reasons for any changes and how these are influenced by the action of any government, organisation or individual – for that, monitoring and evaluating the impact of individual policies will be required.

We therefore need to ensure that robust monitoring and evaluation processes are in place for the local implementation of policies that contribute to the national targets. We will also need to understand the interdependencies on other factors – for instance, how impact varies for different household types. More importantly, we will need to know which policies do not have the full intended effects and why.

Planning and evaluation are interlinked. Therefore the local reporting process should be seen as an integral part of a plan-act-review cycle. Local partners will be working together to produce reports that reflect both the national Child Poverty Delivery Plans and local priorities for actions to reduce the number of children living in poverty, as well as mitigate the consequences of poverty for those children who have already experienced it. These reports will demonstrate that they have considered the

relevant evidence for their local area in terms of need and local context, and incorporate broader considerations of what works to reduce poverty and inequality.

The local perspective should reflect the assets available to support effective implementation, such as organisational capacity, strong partnership working and practice networks, as well as areas for development.

The local reports will also have strong linkages with existing local reporting processes in relation to tackling inequality (see chapter 2). There are already a range of resources and networks to support these processes at different levels, including:

- [guidance](#) on implementing the Community Empowerment Act
- support for organisations and practitioners from the Improvement Service, such as analytical [products](#), the community planning [portal](#) and the local government benchmarking [framework](#)
- The Children and Young People Improvement [Collaborative](#)
- The What Works Scotland [initiative](#)

## Planning and evaluation

Planning local initiatives to reduce child poverty and evaluating their impact in a complex landscape is a challenge. It is important to have a clear line of sight, or 'golden thread', which links high-level strategic priorities with specific objectives for services, teams and individuals, aligns activities to desired outcomes and reflects the contributions of multiple stakeholders. In this respect, robust and explicit theories of change provide a way of navigating a path through complexity, competing constraints and diverse imperatives. SPIRU will facilitate discussions between policy-makers within CPPs to interrogate policy logics in selected areas in order to improve and share understanding of the 'lines of sight' which link actions with intended outcomes.

The following key considerations are adapted from the What Works Scotland position paper *Outcomes based approaches in public service reform*<sup>5</sup>, and illustrate how evidence can be embedded across the planning cycle to maximise impact and efficacy. Some of the available data resources are shown in Annex D, and further resources will be developed in partnership with the national co-ordinator, the Scottish Poverty and Inequality Research Unit and other stakeholders.

## Prioritisation and planning

We have a compelling body of evidence on the drivers of poverty and actions to influence them (Annex C). Effective local action to reduce child poverty requires understanding the local picture, levels of need and how to address these. Generating a shared understanding of the issues, common priorities and strategic approach to planning will involve working with a range of partners with differing perspectives, including people with lived experience of poverty, and potentially diverse ways of using evidence. Deliberative and participatory methodologies have been shown to be

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<sup>5</sup> Cook, A. (2017) *Outcomes based approaches in public service reform*  
<http://whatworkscotland.ac.uk/publications/outcomes-based-approaches-in-public-service-reform/>

helpful in this context for developing local reports, ensuring that adequate account is taken of multiple perspectives and partners have fully bought into the process.

## **Effective implementation and delivery**

Understanding the local context is also important to ensure effective implementation. This will require monitoring activities on the ground, and developing delivery models in a co-productive way enables partners to clarify their specific contributions to effective delivery. This also allows partners to identify facilitators and blockers which will enhance or undermine the impact of activities of different stakeholders.

## **Review and evaluation**

Articulating robust and explicit theories of change will allow partners to break down the link between activities and outcomes into steps that are meaningful to all of those involved in the process, including people using services, staff and managers, and are grounded in a detailed understanding of the context in which an intervention is being delivered. The use of routine monitoring and improvement methodologies alongside these theories of change (for example, using the Scottish Government [5 step approach to evaluation](#)) will strengthen the review and evaluation process, allowing a better understanding of the impact of local interventions and activities, and how these might be adapted and improved. If this is done consistently across a range of services, it will be easier to assess cumulative impact.

## **Maximising learning**

Learning will be maximised by understanding the journey as well as the outcome. Outcomes do not just happen, they are the result of complex chains of events, some of which may never be fully understood. Capturing evidence about the process through which outcomes have been achieved, or missed, is a fundamental part of the improvement process. To do this, it is vital to capture evidence not just about the extent to which the steps in the chain have been realised, but also about the risks to effective implementation, as well as the assumptions. Deliberative approaches to sharing and disseminating this learning will both strengthen the local evidence base, and enhance the broader understanding of what is effective under different circumstances.

## **Using data effectively**

Demonstrating how an intervention has contributed to outcomes involves capturing evidence along the journey from activity to outcome, as well as being explicit about risks and assumptions. This requires using a range of different forms of evidence that meaningfully reflect the issues, including the perspectives of multiple stakeholders. Developing measures for final outcomes is often hard to do, however there are many aspects of the process, as well as risks and assumptions, that are amenable to measurement, such as information about engagement, service use, and individuals' responses. Key to effective implementation is ensuring the evidence gathering approach is appropriate to the context, and bringing together data from different sources to develop a broad picture of what is going on.

## Good Practice Support

As set out on page 11, a national co-ordinator will be appointed to support local partners with the preparation of the local action reports. Key aspects of this support will be around the identifying and disseminating evidence of good practice, developing strong practitioner networks and engaging with partner organisations. The co-ordinator will also work with Scottish Government to convene an annual Summit to facilitate the sharing of good practice across local areas.

The Cost of the School Day was raised as a particular challenge for parents, throughout the consultation carried out to inform the priorities for Every Child, Every Chance. The Cost of the School Day toolkit and examples of good practice can be found on CPAG Scotland's website: <http://www.cpag.org.uk/cost-school-day>.

Other exemplars of good practice on work in this vital area can be found on Education Scotland's National Improvement Hub: <https://education.gov.scot/improvement/practice-exemplars/The%20Cost%20of%20the%20School%20Day%20Programme,%20Child%20Poverty%20Action%20Group>

And finally, NHS Health Scotland has set up a 'Facing Up to Child Poverty in Schools Practice Network' which is a peer support and learning forum for local authority representatives and partners taking action to reduce cost barriers in school. Contact: [kerry.mckenzie@nhs.net](mailto:kerry.mckenzie@nhs.net).

Case studies from 3 local authorities who have developed successful models to automate specific benefits are set out at Annex E.

## **Members Of Child Poverty Local Action Reports Reference Group**

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Peter Allan, Community Planning Manager, Dundee City Council  
Nicola Dickie/Mike Callaghan, COSLA  
Robert McGregor, Policy Manager, Communities and Corporate Development, Fife Council (and representing COSLA from January 2018)  
Alison Clark, Acting Head of Policy, Highland Council  
Wendy Jesson, Anti-Poverty Officer, Dumfries and Galloway Council  
Jude Breslin, Co-ordinator, Children's Services, Falkirk Council  
Liz Nolan, Aberlour Service Manager and Chair, Falkirk Children's Commission  
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Kerry McKenzie, Organisational Lead, Child Poverty, NHS Health Scotland  
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Allyson McCollam, Associate Director of Public Health, NHS Borders  
Susan Webb, Director of Public Health, NHS Grampian  
Sonya Scott, Consultant in Public Health and Fiona Moss, Associate Director of Public Health – sharing representation for NHS Greater Glasgow and Clyde  
Regina McDevitt, Public Health Specialist, NHS Ayrshire and Arran  
John Dickie – Child Poverty Action Group  
Fiona McBride – Children 1st  
Maike Waldmann, Statistician, Communities Analysis Division, Scottish Government

Chair: Gillian Cross, Team Leader, Child Poverty, Scottish Government  
Kathryn Chisholm, SG Social Justice Strategy (secretariat)

## Target Measure Definitions And Data Sources

### 1. Less than 10% of children are in relative poverty

**Description of measure:** Relative poverty measures the proportion of children living in households with incomes below 60% of the median (middle) UK income in the current year.

**Rationale for the target:** This measure of poverty recognises that individual and household needs are relative to societal standards of living and measures whether the incomes of the poorest households are keeping up with growth in average (middle) incomes in the current year.

**Data source:** The data used to measure this comes from the Family Resources Survey (FRS) and associated Households Below Average Income (HBAI) dataset. These provide the best source of household income data at a Scotland (and UK) level. <https://www.gov.uk/government/collections/family-resources-survey--2>

### 2. Less than 5% of children are in absolute poverty

**Description of measure:** The number of children living in households below 60% of the median UK income in 2010/11, adjusted for inflation.

**Rationale for the target:** Assessment of whether living standards at the bottom of the income distribution are rising or falling (keeping pace with inflation) irrespective of those elsewhere in the income distribution.

**Data source:** As for the relative poverty measure, the data used to measure this comes from the Family Resources Survey (FRS) and associated Households Below Average Income (HBAI) dataset. <https://www.gov.uk/government/collections/family-resources-survey--2>

### 3. Less than 5% of children are in combined low income and material deprivation

**Description of measure:** The number of children living in households with incomes below 70% of the median UK income AND going without certain basic goods and services (such as a warm winter coat, a holiday away from home, money to replace worn out furniture etc.)

**Rationale for the target:** Enables an assessment of a household's ability to use resources to buy essentials as well as of the income coming into the household.

**Data source:** The data used to measure this comes from the Family Resources Survey (FRS) and associated Households Below Average Income (HBAI) dataset. <https://www.gov.uk/government/collections/family-resources-survey--2>

#### **4. Less than 5% of children are in persistent poverty**

**Description of measure:** The number of children who have lived in relative poverty in 3 or more of the last 4 years.

**Rationale for the target:** Living in poverty for a significant period of time is more damaging than brief periods spent with a low income.

**Data source:** The data used to measure this comes from Understanding Society which is a longitudinal survey meaning that it tracks the same individuals over time – necessary for measuring persistent poverty. <https://www.understandingsociety.ac.uk/>

## The Drivers Of Child Poverty And Actions To Influence Them

The direct drivers of poverty fall into 3 main categories – income from employment, costs of living, and income from social security. These are summarised in figure A and discussed in more detail below.

**Figure A – Drivers of child poverty**

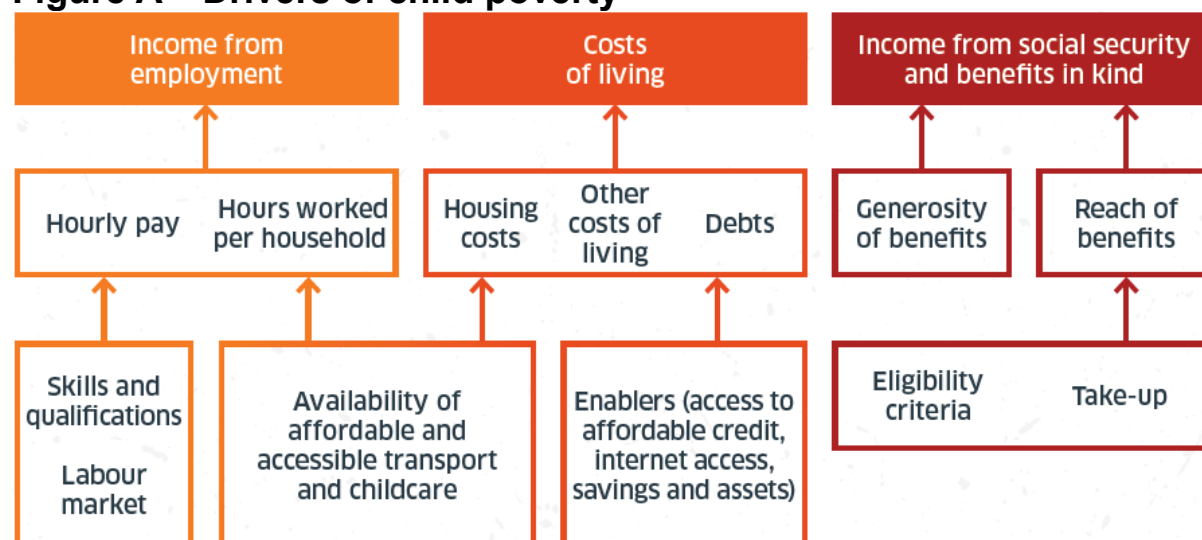


Figure B summarises which of these drivers influence which of the targets. Income from employment, income from social security and housing costs influence all four targets. Other costs of living influence the combined low income and material deprivation target.

**Figure B – Summary of poverty drivers and which targets they influence**

		DRIVERS			
		Income from employment	Costs of living		Income from social security and benefits in kind
			Housing costs	Other costs	
TARGETS	Relative poverty	✓	✓	✗	✓
	Absolute poverty	✓	✓	✗ <sup>6</sup>	✓
	Combined poverty and material deprivation	✓	✓	✓	✓
	Persistent poverty	✓	✓	✗	✓

<sup>6</sup> It is theoretically possible for other costs of living to influence absolute poverty if they impact on measures of inflation, but this is unlikely.

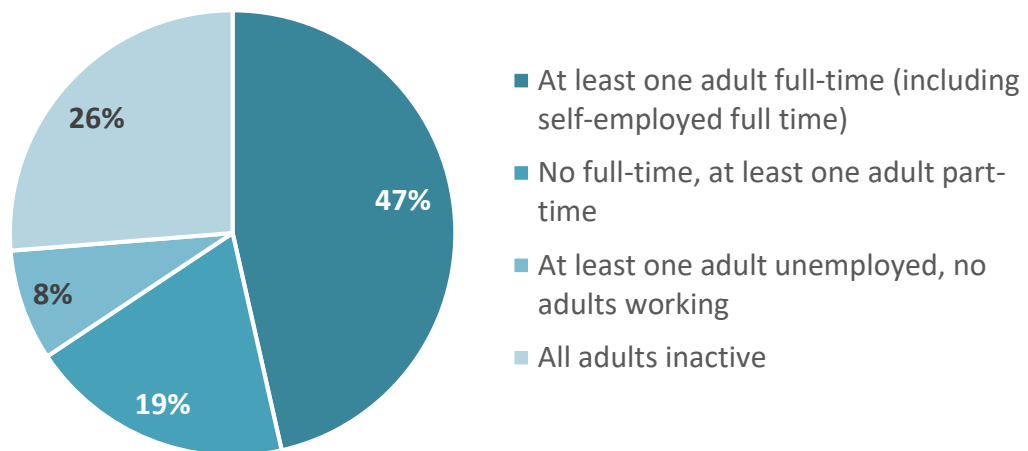


We now look at each of these drivers in turn, summarising the evidence on how these drivers influence child poverty, and potential actions to influence them.

## Income From Employment

Employment is not a guarantee against poverty. The vast majority of children in poverty live in a household where at least one adult is in paid employment. Indeed, as shown in Chart A, the number of children in relative poverty where at least one adult is in full time paid employment exceeds the number of children in relative poverty in families where no one is in paid employment.

Chart A: Relative child poverty by economic status, Family Resources Survey 2014/15 – 2016/17



A substantial proportion of in-work poverty is made up of families with ‘low work intensity’ – including single-earner couples, families with only part-time earners and those working intermittently. In households where all adults are in full-time paid employment, although the child poverty risk is much lower (less than 10% for relative poverty), it still exists. This highlights the importance of hourly pay in addition to hours worked per household.

Hospitality and catering, personal services, retail and the residential care sectors are most closely associated with both in-work poverty and (persistent) low pay. Women are heavily over-represented in both low pay and part-time work but this is not reflected in strong gender differences in poverty levels. This is because poverty is measured at the household level, and low-earning women are more likely than low-earning men to live with higher earners. However, this means that low-paid women are especially reliant on a partner’s earnings to lift them out of poverty, which makes them more vulnerable to poverty from family breakdown.

Individuals with higher qualification levels and skills are much more likely to be in employment, and have better employment prospects and higher earnings. However, the number and type of jobs available in the labour market also has an impact on people’s income, through the employment opportunities they have access to. Family

friendly working practices can potentially play an important role in promoting employment among people with caring responsibilities.

Policies such as the efforts to close the attainment gap should lead to an improvement for older children who may become parents before 2031, and the next generation of parents and children beyond. However, we must be clear here that in order to meet the targets, it is the skills and qualifications of parents (and people who may become parents by 2030) that are our primary focus.

### **Potential actions:**

- Employment growth will have a limited impact on relative poverty rates if the gains go to households not in poverty. Workless households, low-work-intensity households (either in terms of the number of earners or hours worked), and households with low-wage earners have a relatively high poverty risk and are priorities for anti-poverty initiatives.
- Review policy on economic development to ensure good quality and family friendly employment.
- Ensure jobs created match the skills and experience of people in deprived places and are linked to local employment and training schemes.
- Ensure wages are adequate and that there are opportunities for career progression for parents, particularly mothers. Potentially starting with CPP members as employers but also involving engagement with local employers.
- Ensure that more employees are paid the real Living Wage by supporting and promoting Living Wage accreditation, and by promoting the development of local 'Living Wage Places'
- Target sectors most likely to create jobs that don't just replace existing employment Implement large-scale Intermediate Labour Market schemes targeting those who find it hardest to get work, to create new jobs in areas of high worklessness.

## **Costs Of Living**

The 'cost of living' generally refers to the prices of goods and services considered essential to day-to-day life. The Joseph Rowntree Foundation's Minimum Income Standard (MIS) includes the following categories of essentials: housing; household goods and services; transport; food and drink; clothing; personal goods and services; social and cultural participation; and childcare. Price increases have a particular impact on low income households, as they spend a higher proportion of income on essential goods and services.

Poorer households in Scotland spend a higher proportion of their income on housing. In 2015/16, the lowest income households spent, on average, 48% of their income on housing, more than five times that for middle income households (9%), and 16 times more than the highest income households (3%). In 2015/16, an extra 170,000 people were below the poverty threshold once housing costs were taken into account. Low income households renting privately spend an especially high proportion of their income on housing.

High and rising energy prices can mean that households on lower incomes experience difficulties in paying their bills – resulting either in debts to energy companies, or households living in under-heated homes.

Childcare can be a significant cost for households with children. And a lack of affordable and flexible childcare can limit opportunities for paid employment.

Transport enables people to travel further to find a good deal (for example, to shop in a large supermarket as opposed to a more expensive local convenience store), as well as access jobs and essential services. People with low incomes do not travel as far or as frequently as those with high incomes, and rely more on walking and buses. Low income households are much less likely to have access to at least one car than high income. Along with affordability, other aspects of public transport, such as limited frequency and timetable constraints, can make it difficult for people without access to a car to co-ordinate work, childcare and other activities.

Costs associated with school have also been identified as a putting pressure on family finances and [Cost of the School Day](#) approaches (as described at 4.15 above) can help to reduce these costs as well as remove barriers to participation at school.

The ‘poverty premium’ is a term used to describe a situation in which people in poverty pay more than those with higher incomes for equivalent goods and services, including:

- more expensive utility tariffs due to being on a payment method with higher charges (e.g. Pre-Payment Meters) or being on a suboptimal tariff
- additional charges for transaction method (e.g. not paying by direct debit)
- expensive credit (low income is often associated with poor credit ratings)
- higher insurance (those in poorer areas often face higher insurance premiums).

‘Enabling’ products have been defined as ‘goods and services that improve access in other markets’. These include: a current bank account, which increases credit options and allows payment by direct debit and standing order; and access to the internet, which allows access to lower-cost financial products and services, online banking, access to price comparison sites and online deals. Internet access and digital literacy also increase people’s chances of accessing jobs and social welfare systems.

There is a relationship between wealth and poverty. Savings can provide income, from interest earned, and therefore reduce the risk of income poverty. They can also allow people to buy goods and services, without eating into their disposable income, and therefore reduce their risk of material deprivation. Savings and affordable borrowing can cushion the impact of a loss of income, and avoid financial difficulty turning in to problem debt. Debt repayments reduce the amount of disposable income people have to spend on goods and services, and therefore increase their risk of material deprivation.

### **Potential actions:**

- Increase the supply of affordable housing
- Make energy efficiency a priority

- Take steps to improve current childcare provision by assessing whether there is sufficient childcare available for working parents, with hours that match work patterns; exploring funding models that use a sliding scale; and supporting voluntary, community or parent-led providers of childcare, and ensuring provision is of high quality.
- Schemes such as discounted bus travel for those on low incomes and free bus travel to college may help.
- Provide accessible money advice services. An integrated system for income maximisation might include: embedding money information and advice in frequently used existing services, such as NHS Greater Glasgow and Clyde's Healthier Wealthier Children project, and/or having a dedicated money and employment hub.
- Enable low-income consumers to get good deals through collective switching schemes run by trusted intermediaries (such as housing associations, community groups and local authorities) and support people who are switching to make sure they are genuinely getting a better deal.

## **Income From Social Security And Benefits In Kind**

Social security payments have a direct impact on poverty by providing or supplementing household income. Groups the system is designed to help include those who are out of work or on low incomes, sick and disabled people, families with children and older people, as well as people in certain circumstances, for example, new mothers or bereaved people.

The impact of social security on a particular household will depend on its characteristics, the benefits it is eligible for, whether they claim all of these benefits, the rate benefits are withdrawn at when a person in a household enters employment or increases hours and earnings, and benefit conditionality and sanctions. Delays to new claims, late payment or overpayments resulting from complexities in benefits administration can lead to financial crises for families. There are also important interactions between the social security system, the tax system and childcare support.

Costs arising from children's attendance at school – including the cost of school uniforms, transport costs, eating at school, learning resources, school trips, events and clubs - place pressure on family budgets, and can also lead to unequal access to opportunities, or stigma.

### **Potential actions:**

- Improve take-up of means-tested benefits, by those in and out of work, by increasing the level of knowledge about entitlements and the eligibility rules, and by reducing stigma and the complexity of claiming. Local initiatives are most effective. The Scottish Government funded CPAG [second tier welfare rights service](#) can provide training, advice and information support to local services.
- Ensure strong links with DWP and JobCentre Plus to develop appropriate service delivery and links with local advice services.
- Ensure locally-administered benefit systems are working well, with minimal delay, error and maladministration

- Ensure that the Scottish Welfare Fund is accessible and linked in to wider services and support as outlined in Scottish Welfare Fund Guidance.
- Local authorities and social landlords should sustain and, where possible, increase their investment in specialist welfare rights services and in local targeted take-up campaigns.
- Health service staff and GPs should extend the targeted provision of welfare rights services within healthcare settings and make referrals to more specialist welfare rights advice.
- An integrated system for income maximisation might include: embedding money information and advice in frequently used existing services, such as NHS Greater Glasgow and Clyde's Healthier Wealthier Children project, and/or having a dedicated money and employment hub.
- Encourage and measure take up of free school meals and school clothing grants, investigate which costs of the school day could be abolished, and build positive relationships with parents so that they feel comfortable accessing available supports.

## References

What Works Scotland (2017) Tackling Child Poverty: Actions to Prevent and Mitigate Child Poverty at the Local Level:

<http://whatworksscotland.ac.uk/publications/tackling-child-poverty-actions-to-prevent-and-mitigate-child-poverty-at-the-local-level/>

Joseph Rowntree Foundation (2016) 'A Scotland without poverty' (Scotland-specific recommendations, some of them relevant to the local level):

[https://www.jrf.org.uk/sites/default/files/jrf/files-research/scotland-without-poverty-web\\_0.pdf](https://www.jrf.org.uk/sites/default/files/jrf/files-research/scotland-without-poverty-web_0.pdf)

Joseph Rowntree Foundation (2016) 'We can solve poverty in the UK' (more comprehensive and detailed than 'A Scotland without poverty', but not all of the recommendations are relevant to Scotland, or to the local level):

[https://www.jrf.org.uk/sites/default/files/jrf/we\\_can\\_solve\\_poverty\\_in\\_the\\_uk.pdf](https://www.jrf.org.uk/sites/default/files/jrf/we_can_solve_poverty_in_the_uk.pdf)

Joseph Rowntree Foundation (2014) 'Reducing poverty in the UK: a collection of evidence reviews':

<https://www.jrf.org.uk/report/reducing-poverty-uk-collection-evidence-reviews>

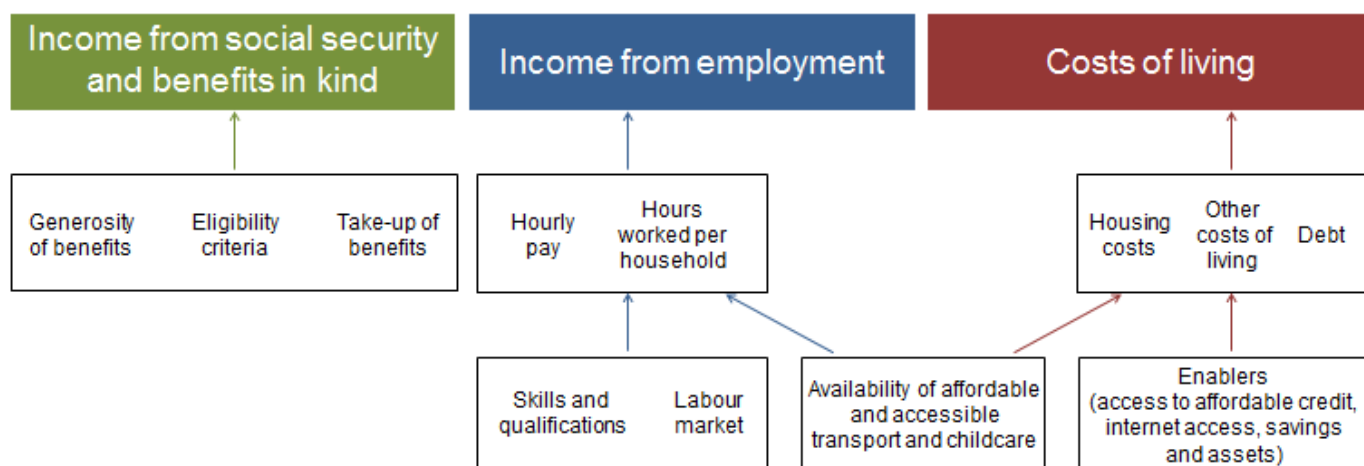
## Using Evidence To Inform Local Action

### Sources of local data on child poverty and its drivers

#### Local child poverty data

Data source	Details
<a href="#">HMRC Tax Credit Statistics 2017</a>	Number of children and families in receipt of tax credits, by local authority.
<a href="#">Children in Families With Limited Resources Across Scotland 2014-2016</a> <a href="#">Open data</a> <a href="#">Methodology</a> <a href="#">Supplementary tables</a>	Experimental statistics on children in combined low income and material deprivation Low income is defined as household income below 70% of the Scottish median after housing costs. Material deprivation is defined by being unable to afford three or more basic necessities from a list of 22. Uses data from the Scottish Household Survey. Breakdowns by council area, health board, family, housing and area characteristics.
<a href="#">End Child Poverty Local Poverty Estimates 2015</a>	Estimates of the level of child poverty in each constituency, local authority and ward. A proxy measure of relative poverty after housing costs, using data from HMRC and the Labour Force Survey.
<a href="#">HMRC Children in Low Income Families Statistics 2014</a>	Proportion of children living in families in receipt of out-of-work (means-tested) benefits, or in receipt of tax credits, where their reported income is less than 60% of UK median income. Broken down by local authority.
<a href="#">Small Area Income Estimates 2014</a> <a href="#">Open data</a>	Estimates of the number of households in income bands, along with a measure of relative poverty, at a datazone level. Based on gross, not net, income. A variety of data sources were used to construct the model: <ul style="list-style-type: none"> <li>• Family Resource Survey</li> <li>• Scottish Household Survey</li> <li>• Improvement Service/ Scottish Government (Bramley &amp; Watkins 2013) study on Local Income and Poverty in Scotland.</li> <li>• Understanding Society Longitudinal Survey</li> <li>• Scottish Census (2011)</li> <li>• ONS Standard Occupational Classification (2010)</li> <li>• Transport Scotland's Transport Model for Scotland</li> </ul>
<a href="#">Relative poverty across Scottish local authorities in 2008</a>	Estimates of the proportion of households in relative poverty at local authority level across Scotland. Published as "Data being developed". Uses data from the Scottish Household Survey

## Local data on drivers of child poverty



Driver	Data source
Take-up of benefits	<a href="#">Healthy Living Survey – Uptake of free school meals</a>
Hourly pay	<a href="#">Annual Survey of Hours and Earnings – Employees paid less than the Living Wage</a>
Hours worked per household	<a href="#">Annual Population Survey – Employment, unemployment and economic inactivity rates, reasons for inactivity, willingness to work, work pattern (part-time/full-time), underemployment, temporary contract</a>
Skills and qualifications	<a href="#">Annual Population Survey – Qualifications and occupational skill level of working age adults</a> <a href="#">School attainment and school leaver destinations</a>
Availability of affordable accessible transport and childcare	<a href="#">Summary statistics for schools in Scotland - Uptake of funded early learning and childcare entitlement</a> <a href="#">Availability and frequency of bus service, (by data zone)</a> <a href="#">Mode of transport people use to get to work</a> <a href="#">Scottish Household Survey – Satisfaction with public transport</a> Scottish Household Survey – average monthly spend on car fuel*
Housing costs	<a href="#">Registers of Scotland House Price Statistics</a> <a href="#">Affordable Housing Supply Programme statistics</a> Scottish Household Survey – Average monthly spend on mortgage, average spend on rent, difficulties paying mortgage or rent in past 12 months*
Other costs of living	<a href="#">Scottish House Condition Survey – fuel poverty</a> Scottish Household Survey – average spend on heating fuel, method of paying for fuel (e.g. pre-payment meter)*
Debt	Scottish Household Survey – not managing well financially, owing money on credit, charge or store cards*
Enablers	Scottish Household Survey – internet access, savings, use of high cost credit methods*

\*Local authority breakdowns not currently published, but there are plans to make them available via the Scottish Government's Open Data website <http://statistics.gov.scot/>

## **Other sources of local data**

Examples of 'know your patch' resources.

### *Local resources*

Glasgow

<http://www.understandingglasgow.com/>

Fife

<http://knowfife.fife.gov.uk/>

## **National resources**

Scottish Government open data publishing platform

<http://statistics.gov.scot/>

Scottish Public Health Observatory

<http://www.scotpho.org.uk/life-circumstances/>

Improvement Service community planning profiles

<http://www.improvementservice.org.uk/community-planning-outcomes-profile.html>

Improvement Service community planning

<http://www.cppsupport.scot/data-analysis-and-evidence.html>



## CASE STUDIES

### Case Study 1) Glasgow City Council: Automation of School Clothing Grants

#### The Challenge

- Under-claiming of School Clothing Grant (SCG) in Glasgow City Council (GCC)
- Challenge was to increase uptake
- Evidence from engagement and consultation with parents demonstrated a number of barriers to existing application process:
  - Unawareness of entitlement
  - English not first language
  - Application forms considered to be complex
  - Concerns that uptake of SCG could impact on other benefit entitlements
  - The value of SCG (at that time £47) wasn't considered to be worth the perceived difficulties in applying including issues with evidence requirements

#### Implementation of Change Process

- Collective view from steering group that if the process could be automated using Glasgow City Council datasets, this would be the optimal option
- Utilised existing GCC technology and applications (Academy Housing Benefit/Council Tax Reduction data, SEEMIS school system data and Accounts Payable System) which lowered the project risk
- A data analyst within GCC was used to match the data and ensure accuracy of data
- By matching entitlement to takeup, GCC were able to quantify a gap of 5400 children not receiving SCG
- A decision was made to increase the SCG to £52 for all recipients including those in takeup data match
- Budget allocation for GCC linked to the potential additional award was in the region of £400k
- Paypoint was selected as a method of payment as GCC used this for Scottish Welfare Fund payments so it was a tried and trusted solution which could be turned around quickly. Additional cost to using Paypoint was £3500

#### Outcomes/Impact

- Using current datasets, the process is simple to operate and maintain for a reduced administration cost
- It allows citizens to receive SCG without stigma and removes literacy/language issues as a barrier to applying
- The change of process increased takeup of SCG from 22,000 to 27,407

### **Lessons Learned**

- Dedicated telephone team handled 350 enquiries over a 4 week period to gather lessons learned
- Feedback from parents/guardians was very positive and confirmed the reasons for not applying previously were the same as evidenced in consultation:
  - 31% were working and therefore believed they were not eligible to apply
  - 15% were students who didn't know they could apply
  - 54%, although in receipt of other benefits, didn't know they were eligible (this includes customers for whom English is not their first language)
- Data matching was extremely accurate with very few errors identified

### **Next Steps**

- As a result of the success of this project, GCC has increased the SCG further to £70 per award
- They are also looking to see how the principles could be applied to:
  - Free School Meals
  - Educational Maintenance Support Grant
  - Early Learning and Childcare entitlement for 2 year olds

## **Case Study 2) Dundee City Council: Integrating Educational Benefits**

### **The Challenge**

- To improve the application for customers in relation to Educational Benefits (collective title for School Clothing Grants and Free School Meals) through bringing them into the remit of the Benefit Delivery Team
- To reduce the number of applications needed to assess entitlement to Educational Benefits and Housing Benefit/Council Tax Reduction from three to one, therefore improving the customer experience
- To have one point of contact for queries from customers on Educational Benefit and Housing Benefit/Council Tax Reduction
- To develop an online application to provide customers with an improved choice of service options and enhance Dundee City's digital service
- To use live financial data to allow the Benefit Delivery team to capture those who need help the most in a timely manner.

### **Implementation of Change Process**

- A strategic plan was created between representatives of Customer Services and IT Service and Children and Families Service to agree on how to deliver the project's aims
- Dundee City's website was updated to provide relevant information to customers and allow them to apply online
- Notification of the new service delivery model was shared with all schools, all of whom also introduced a single point of contact for any queries
- Workarounds developed by staff who were committed to introducing greater integration, to mitigate system limitations which represented the main barrier for service delivery
- Dundee City reviewing their bulk Clothing Grant process for the 2017-18 academic year to make transition as smooth as possible.

### **Outcomes/Impact**

- Increase in takeup of pupils awarded Free School Meals and School Clothing Grants
- Using live data has allowed for an accurate assessment of any entitlements and allows the Benefits Team to capture those who may not have applied before. Awards are made in a timely manner to ensure that the child receives the support they need
- As a result of this integration, in most cases there is no requirement to reapply each year, bringing an advantage to not only Dundee City's customers, but to the Customer Services Team in the reduction of the number of applications that are necessary each year. Customer Services have seen a reduction in footfall and also a reduction in the number of telephone calls made to the Council
- Following on from the positive outcomes of this approach, the Benefit Delivery Team have taken on the responsibility for the assessment of Educational Maintenance Allowance. Using the same methodology, the result has been to reduce the amount of evidence that customers need to supply.

## Case Study 3) Highland Council: Apply Once

### Overview

The Highland Council has implemented an online application form (called Apply Once) which has been designed in a way that captures applicant's details and their uploaded evidence only once. The Council will automatically assess the applicant's eligibility for Council-assessed entitlements and instantly inform the applicant of the amount due for each of the following (based on the information provided by the applicant):

Housing Benefit	Council Tax Reduction	Education Maintenance Allowance
Free School Meals	Clothing Allowance	Second Adult Rebate
Council Tax Discounts & Exemptions	Disabled Band Reduction	Discretionary Housing Payments
Garden Aid	Parking Permit	

### Process

The Highland Council's centre of expertise for financial assessments within the Council is undertaken within a single Service Delivery Team which has many advantages including identifying entitlements (eg Educational Maintenance Allowance (EMA), Free School Meals (FSMs) and Clothing Grants) following receipt of a paper form for a single entitlement.

When an individual applies to the DWP for Universal Credit (UC) they have the option to consent for DWP to notify the LA for the purposes of Council Tax Reduction (CTR) that a UC claim has been made. The notification is called a LCTR.

The Highland Council implemented a local policy which enables the LCTR to be treated as a claim and to automatically award CTR once entitlement to UC is known. Some other LAs in Scotland are adopting this policy as UC is being rolled out.

Funded by the Inverness Common Good Fund, and administered by the Council, the 2017/18 Inverness Winter Payment scheme has been designed to provide a one-off fixed payment of £81 for eligible applicants to help with heating costs during the winter months.

A payment is automatically awarded when an applicant received a Scottish Welfare Fund Crisis Grant payment between 1 December 2017 and 28 February 2018, irrespective of savings or earnings. There are others but the link with Scottish Welfare Fund is particularly important within the context of child poverty.

Free School Meals: the UC assessment period is such that applicants seeking FSMs, are unable to confirm their entitlement at the outset of their application and

FSMs cannot be backdated. The approach taken in Highland is to award FSMs for a period of 8 weeks pending a decision on the UC claim. Once the outcome of the UC claim is known, the applicant then supplies the information to Council and when applicable, FSMs are assessed based on UC entitlement. (Note the 8 week period can be extended where there are delays on the part of the DWP in the initial assessment period.)

## USEFUL CONTACTS

Scottish Government child poverty lead:

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TBC

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Poverty Alliance (Get Heard Scotland):

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The Hunter Foundation (The Innovation Fund)

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