

# CONSULTATION ON A CHILD POVERTY BILL FOR SCOTLAND



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Any enquiries regarding this publication should be sent to us at  
The Scottish Government  
St Andrew's House  
Edinburgh  
EH1 3DG

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### MINISTERIAL FOREWORD

Poverty is not inevitable; it shames us as a society and as a country; it can affect people of any age, but perhaps it has most impact on children.

As a government we said we would take action to tackle child poverty – and we have – but there is more to do and we want to go further. We’ve promised children a better start in life and more opportunities as they grow up; our driving ambition is to give parents more and better-paid jobs and greater security in which to bring up their families; and to tackle deep-seated inequalities, especially in education and health. We want to ensure equality of opportunity for everyone in Scotland and end the cycle of poverty once and for all.

### **We therefore propose to enshrine our ambition to eradicate child poverty in a new Child Poverty Bill.**

This ambition will be backed up by a robust delivery plan and targets against which we will report our progress, all of which will be anchored in legislation. A Child Poverty Bill will provide a framework for action and ways to hold the Government to account for our efforts in tackling poverty. But this isn’t just a job for Government. Our ambition to tackle child poverty must be shared across the whole of Scotland. As part of this process I want to explore how we can work constructively with people who experience poverty and stakeholders such as local government, business and the third sector to maximise our efforts and deliver the best possible results.

Last year, the UK Government announced plans to repeal large parts of the Child Poverty Act 2010 including child poverty targets based on income, and removed child poverty from the remit of the Social Mobility and Child Poverty Commission established by the Act. By their actions, UK Ministers have signalled that they do not see child poverty and the incomes of poor families as priorities. With this Bill, I am signalling that Scottish Ministers profoundly disagree.

Around one in five children live in poverty in Scotland. This is simply unacceptable in a modern, thriving country like ours. Children from the poorest families are less likely to get qualifications, less likely to get a job or go to university. We need to take urgent action – both to help those children who are living in poverty now, and to prevent future generations of children growing up in poverty.

The Child Poverty Bill will build on our existing measurement framework, and will form part of our overall approach to tackling poverty and inequality in Scotland. It will fit within the overarching agenda to be set out in our Fairer Scotland Action Plan.

Our Government Economic Strategy, which has Inclusive Growth at its heart, will be key to delivering our ambitions on child poverty. Inclusive growth underpins our dual ambition to tackle inequality and boost competitiveness. Delivering growth that is genuinely inclusive means creating jobs, promoting fair pay for all and providing the means to ensure people can take up employment opportunities through, for example, increasing childcare, ensuring skills and training is available for our future workforce, and supporting people into employment.

Of course, tackling child poverty is increasingly difficult in the face of UK Government welfare cuts and austerity measures which mean that child poverty is projected to rise over the coming years<sup>1</sup>. Alongside the economic uncertainty caused by the EU Referendum result, we recognise the scale of the challenge. We also recognise that we do not hold many of the necessary levers for change under the current constitutional settlement. But the scale of the challenge should not temper our ambition. We will strive to eradicate child poverty using all the levers available to us. But more than that, we will use this Bill to put in place a framework against which all future action will be measured, ensuring that improvements to services and policies will be sustained and developed for the longer term.

Legislation cannot achieve all of this alone, but it can be a key tool in driving forward meaningful change. It will set clear goals against which our progress will be measured, and will ensure we deliver targeted policies and work closely with partners outside of Government to achieve those goals.

We have had initial discussions with stakeholders, including the Ministerial Advisory Group on Child Poverty and

our Independent Advisor on Poverty and Inequalities. Their views have informed the content of this consultation paper which sets out the existing Scottish approach, the background to the current legislative landscape, and our detailed proposals for a new Child Poverty Bill for Scotland. There are questions throughout the document, on which we welcome your views, evidence and comments.

I want to be absolutely clear that the Scottish Government is serious about our ambition to eradicate child poverty, and I want to work together with partners across Scotland to make that ambition a reality.

It is a bold ambition, but I believe that we must be bold in the face of challenge. I am proud to present these proposals, and proud of what they say about us as a government and as a country. Poverty is not inevitable, and we will not allow it to be swept under the carpet.

**Angela Constance**

**Cabinet Secretary for Communities,  
Social Security and Equalities**

<sup>1</sup> The Institute for Fiscal Studies projected (March 2016) that relative child poverty (before housing costs) will rise by eight percentage points at UK level between 2015 and 2020. This would essentially undo the progress made on child poverty since 1997. <http://www.ifs.org.uk/publications/8171>

## EXISTING APPROACH TO TACKLING CHILD POVERTY IN SCOTLAND

### Section 1: Legislative Context

In July 2015, the UK Government announced their intention to repeal significant proportions of the Child Poverty Act 2010 via the Welfare Reform and Work Bill<sup>2</sup>. They proposed to replace the four income-based targets with measures on worklessness and educational attainment; to remove the child poverty aspects of the Social Mobility and Child Poverty Commission's remit; and to rename the legislation the 'Life Chances Act'.

Scottish Ministers fundamentally disagreed with this approach; in particular, the removal of targets, and the use of alternative measures that do not take income into account. In the Scottish Government's view, this represents a shift towards characterising poverty as a lifestyle choice rather than addressing the social and economic drivers that cause people to fall into or remain in poverty.

The Scottish Government therefore requested an opt-out from the UK Government's approach and worked to bring forward amendments to the Bill repealing all parts of the 2010 Act that imposed any duty on Scottish Ministers, and sought legislative consent from the Scottish Parliament<sup>3</sup>. The UK Government's Welfare Reform and Work Bill was passed with the requested amendments in March 2016, meaning that the Scottish Government is now in a position to bring forward proposals for a Scottish approach to tackling and measuring child poverty.

The UK was examined on its performance under the UN Convention on the Rights of the Child (UNCRC) in May. The UN Committee noted 'serious concern' regarding the UK Government's repeal of the child poverty targets. It recommended that the UK '**set up clear accountability mechanisms for the eradication of child poverty, including by re-establishing concrete targets with a set timeframe and measurable indicators, and continue regular monitoring and reporting on child poverty reduction in all parts of the State party**'.

A further examination under the International Covenant on Economic, Social and Cultural Rights (ICESCR) has just taken place, and concerns relating to child poverty are again expected to feature in the conclusions. The Scottish Government has made clear that concerted and effective action to confront poverty and inequality are fundamental to meeting the UK's international human rights obligations.

Our approach must live up to the UNCRC recommendations and set out a clear agenda for tackling, reporting on and measuring child poverty. If we genuinely want Scotland to be the best place in the world to grow up, and that lives up to the Fairer Scotland vision, eradicating child poverty is fundamental. That is why we are proposing that the key purpose of the Child Poverty Bill will be to enshrine in legislation a **Scottish Government ambition to eradicate child poverty**. That ambition will be underpinned by the reinstatement of statutory income targets, against which our progress can be judged, and a robust 'Team Scotland' Delivery Plan.

<sup>2</sup> <http://services.parliament.uk/bills/2015-16/welfare-reform-and-work.html>

<sup>3</sup> <http://www.scottish.parliament.uk/help/93978.aspx>

**QUESTION 1**

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

**QUESTION 2**

What are your views on making income targets statutory?

### Section 2: Child Poverty Strategy 2014-17 and Ministerial Advisory Group on Child Poverty

The UK Government's Child Poverty Act 2010 set out four UK-wide targets to reduce child poverty significantly, which are discussed in more detail in the following pages. Under that Act, Scottish Ministers were required to publish a strategy every three years, and to report on progress towards these targets annually<sup>4</sup>.

The Scottish Government appointed a Ministerial Advisory Group on Child Poverty in 2012. The remit of the group is to provide Scottish Ministers with advice on priorities and actions relating to child poverty. The Group acts as the advisory body for the Child Poverty Strategy and the related annual reports, and provides a forum for the discussion of evidence, dissemination of good practice and the development of new thinking to support the delivery of the strategy.

The Group has been a valuable source of advice, challenge and input as we have developed our policy in recent years. In particular, they were instrumental in helping to develop the measurement framework set out in the Child Poverty Strategy 2014-17. The Strategy includes

a range of actions to maximise household incomes, boost life chances and build high-quality places where children can thrive and prosper. The detailed framework set out in that Strategy is discussed in more detail in Section 10.

We want to ensure that we retain the experience and expertise of the Group as we move forward with our Scottish approach to tackling child poverty. We would be keen to hear views on how their role might best be developed so that they continue to play a key role in taking forward actions and legislation.

**QUESTION 3**

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

### Section 3: Scottish Government Policy Context

Significantly reducing child poverty has key links to a number of our priorities, such as reducing the attainment gap, achieving equity and excellence in education, closing the gap in healthy life expectancy and reducing youth unemployment. We already have a whole range of policies and approaches in place which contribute towards tackling child poverty. Some key examples include:

- our commitment to promoting the Living Wage;
- free school meals;
- expansion of funded early learning and childcare;
- the Early Years Collaborative and Raising Attainment for All Programme;
- the Play, Talk, Read and Read, Write, Count campaigns;

<sup>4</sup> Child Poverty Strategy for Scotland 2014-17 <http://www.gov.scot/Resource/0044/00445863.pdf>  
2015 Annual Report on the Child Poverty Strategy for Scotland <http://www.gov.scot/Resource/0048/00487238.pdf>

- the Scottish Attainment Challenge: support by the Attainment Scotland Fund (£750 million over this parliamentary session);
- new duties introduced by the Education (Scotland) Act 2016 to tackle inequalities of educational outcome experienced by pupils as a result of socio-economic disadvantage;
- implementing the recommendations of the Commission for Developing Scotland's Young Workforce;
- delivery of our affordable homes and social rent targets;
- the People and Communities Fund;
- the Building Safer Communities programme;
- reducing re-offending and supporting families affected by parental imprisonment;
- enhancing the rights of young carers as set out in the Carers (Scotland) Act 2016, to be commenced;
- the proposed Best Start Grant;
- the deployment of 250 links workers in GPs' surgeries in our most deprived neighbourhoods to help people get access to the services that they need;
- increasing the Health Visiting workforce and implementing the refreshed Universal Pathway;
- expanding the Family Nurse Partnership programme; and
- a review of maternity and neonatal services.

But we know that we need to do more. Poverty is complex, with a wide range of underlying drivers. For some families in poverty, the experience of low income may be short-lived; others will dip in and out of poverty over an extended period perhaps because of insecure employment;

still others will experience persistent poverty over many years and this latter is arguably the most difficult 'poverty' to tackle of them all.

The resilience of communities is often linked to poverty and inequality. There is a direct link between poverty on the one hand and vulnerability and victimisation on the other. Therefore we must ensure, through an increased emphasis on prevention and protection, that any engagement with the justice system delivers better outcomes for individuals and communities.

Legislation on its own will not deliver all of our aims for our children. However, we believe that by making the eradication of child poverty a central, cross-cutting priority, we can bring together action across all of Government and beyond to deliver real change.

The Child Poverty Bill will be complemented by a range of activity, including the Government Economic Strategy, which has Inclusive Growth at its heart. Inclusive Growth underpins our dual ambition to tackle inequality and boost competitiveness, so that the benefits of a flourishing Scotland can be shared by all. Without tackling poverty, deep-rooted inequalities and poor outcomes will continue to impact on our performance across all aspects of the economy - a challenge that will only become more significant in the context of the EU referendum result and associated economic uncertainty. Tackling child poverty means tackling all poverty, ending the cycle of poverty for good. In this respect, Inclusive Growth is central to the tackling poverty agenda; and as we build a skilled healthy productive workforce we will be better equipped to face up to economic challenges and create prosperity in the future.

## Section 4: Importance of Partnership

The Bill will be backed up by a robust 'Team Scotland' Delivery Plan. We want the Child Poverty Delivery Plan to be clear and comprehensive. Most importantly, we want everyone in Scotland who seeks to help children in poverty to understand and work towards the same key ambitions. We will work closely with local authorities, COSLA and other public, third sector and community stakeholders, to strengthen the relationship between national policy and local action.

Local partners are vital in any plan to tackle poverty in Scotland. We collaborated with COSLA in the development of the 2015 annual report on child poverty to ensure that the excellent work taking place in local authorities across the country was reflected in the report. But we need to do more than just reflect that work. We need to work together to gain a clear picture of how the national Delivery Plan is being put into practice at a local level, and ensure that it is delivering outcomes by measuring success, reporting on it and sharing best practice across Scotland.

We are mindful of the duties and reporting requirements that already exist, for example under the Community Empowerment Act and the Children and Young People Act, and we are therefore open to suggestions that allow us to engage with local partners and communities on child poverty in a way that minimises the reporting burden wherever possible, recognising that this is a key priority for us all.

## QUESTION 4

How can links between the national strategy and local implementation be improved? What could local partners do to contribute to meeting these national goals? This might include reporting and sharing best practice or developing new strategic approaches.

## CHILD POVERTY MEASUREMENT AND TARGETS

### Section 5: The income-based measures of poverty that the targets should use

Our ambition to eradicate child poverty will be underpinned by statutory targets. We propose setting targets based on the same four income-based poverty indicators as in the Child Poverty Act 2020, namely:

- **Relative poverty:** the percentage of children living in households with equivalised<sup>5</sup>, net incomes of less than 60% UK median household income, in the same year.
- **Absolute poverty:** the percentage of children living in households with equivalised, net incomes of less than 60% of UK median household income, in the base year (2010/11), adjusted for inflation.
- **Combined low income and material deprivation:** the percentage of children living in low income households that lack certain basic necessities. Low income here is defined as an equivalised, net household income of less than 70% of the UK median household income.
- **Persistent poverty:** the percentage of children living in a household in relative poverty for at least three years out of a four-year period.

<sup>5</sup> The poverty threshold is adjusted, based on the size and composition of the household, recognising that smaller and larger households may need different levels of income to maintain the same standard of living. This process of adjustment is known as equivalisation.

Further information on these measures and performance can be found at Annex A.

### Rationale:

These four measures are well-known and understood amongst stakeholders, and retaining them would provide a degree of continuity. These measures were chosen following extensive consultation and were designed to complement each other, with each capturing different aspects of poverty.

They are also strongly supported in Scotland and across the UK. Analysis of responses to a Department of Work and Pensions consultation on the targets in 2012 concluded **‘There is very strong support for the existing measures, and near universal support for keeping income poverty and material deprivation at the heart of poverty measurement.’**<sup>6</sup>

As the table overleaf sets out, there is no single indicator that can adequately measure poverty. Each on its own has advantages and disadvantages. The combination of the four set out above is understood to give the best overall picture.

### QUESTION 5

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

<sup>6</sup> [http://blogs.lse.ac.uk/politicsandpolicy/plans-to-axe-child-poverty-measures-have-no-support-among-experts/?utm\\_source=feedburner&utm\\_medium=email&utm\\_campaign=Feed:+BritishPoliticsAndPolicyAtLse+%28British+politics+and+policy+at+LSE%29](http://blogs.lse.ac.uk/politicsandpolicy/plans-to-axe-child-poverty-measures-have-no-support-among-experts/?utm_source=feedburner&utm_medium=email&utm_campaign=Feed:+BritishPoliticsAndPolicyAtLse+%28British+politics+and+policy+at+LSE%29)

Measure	Strengths and weaknesses
<b>Relative poverty</b>	<ul style="list-style-type: none"> <li>• Simple, and produces a number that can be easily tracked over time.</li> <li>• Recognises that individual and household needs are relative to societal standards of living (as proxied by median household income).</li> <li>• Enables international comparisons (as do other measures of income poverty).</li> </ul> <p>BUT</p> <ul style="list-style-type: none"> <li>• Does not enable assessment of the extent to which households are able to make use of their resources.</li> <li>• Does not take account of the cost of meeting basic needs and how this changes over time.</li> <li>• Does not capture aspects of poverty other than access to income as a resource.</li> <li>• May not reflect changes in living standards when median incomes fall or rise rapidly.</li> </ul>
<b>Absolute poverty</b>	<ul style="list-style-type: none"> <li>• Enables an assessment of whether living standards at the bottom of the income distribution are rising or falling irrespective of those elsewhere in the income distribution. Provides a further check against which to assess real living standards in a situation in which median income is falling.</li> </ul> <p>BUT</p> <ul style="list-style-type: none"> <li>• As we would expect absolute poverty to fall in periods of normal economic growth without government action, this is not an adequate measure alone of whether those at the bottom are keeping pace with the rest of society.</li> </ul>
<b>Combined low income and material deprivation</b>	<ul style="list-style-type: none"> <li>• Enables an analysis of a household's ability to use resources to buy essentials, as well as of the income coming into a household. Households who, for example, are required to spend a greater proportion of their income on health or education costs, on issues connected to a disability, or on servicing debts, are less likely to be able to access the essentials identified on the list used for measuring material deprivation.</li> <li>• Likely to pick up real changes in living standards, for example when median incomes fall.</li> <li>• Reflects the changing cost of buying basic items in terms of the prices faced by people on low incomes.</li> </ul> <p>BUT</p> <ul style="list-style-type: none"> <li>• It is more difficult to provide a consistent time series using this measure: the 2012 edition of HBAI, for example, includes four new items because of changing social norms.<sup>7</sup></li> <li>• Explaining how the material deprivation indicator is constructed is complex, although the basic concept may command broad support.</li> </ul>
<b>Persistent poverty</b>	<ul style="list-style-type: none"> <li>• Avoids the problems inherent in taking a 'snapshot' of income at one time only. We know that living in poverty for a significant period of time is more damaging than brief periods spent with a low income.</li> </ul>

Source: Adapted from <https://www.jrf.org.uk/report/measuring-child-poverty-consultation-better-measures-child-poverty>

<sup>7</sup> Note that the list of items in the Households Below Average Income (HBAI) survey used was reviewed recently, resulting in 4 new items which better reflect current social norms.

## Section 6: The levels (percentages of children in poverty) the targets should be set at

The Scottish Government proposes that the Scottish targets should be set at the following levels:

1. Fewer than **10%** of children are in **relative poverty**
2. Fewer than **5%** of children are in **absolute poverty**
3. Fewer than **5%** of children are in **combined low income and material deprivation**
4. Fewer than **5%** of children are in **persistent poverty**

### Rationale:

Our ambition is to eradicate child poverty and we will strive to deliver that ambition. We know that the UK Government's austerity programme and the economic uncertainty caused by the EU Referendum result make this an increasingly difficult challenge. We also recognise that we do not hold many of the necessary levels for change under the current constitutional settlement. Nevertheless, we want to be bold in our direction of travel. We want targets that are stretching and ambitious, but realistic, to ensure that all parties can sign up to playing a part in achieving them.

These levels are the same as the 2020 target levels, with the exception of the persistent poverty target. This was set at 7% by the UK Government, but stakeholders and the Scottish Government argued that a 5% target was more ambitious.

However, the extent of the ambition depends in large part on whether targets are set before or after housing costs, as discussed in the next section.

## QUESTION 6

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

## Section 7: Whether the targets should be set on a before or after housing costs basis

The Scottish Government proposes that its targets should be set on an after housing costs basis.

### Rationale:

The measures set out above consider poverty in two ways – before and after housing costs:

- **Before Housing Costs (BHC)** measures the disposable income households have – from employment, benefits, savings etc – before they have paid for their housing.
- **After Housing Costs (AHC)** measures the disposable income households have once they have paid their housing costs.

Housing is an essential expense for most people, and those on a low income have to compete in the same housing markets as their peers, which tends to result in more people being in poverty AHC than BHC. So whether targets are set on a AHC or BHC basis makes a big difference in terms of how ambitious the targets are, as this table shows.

2030 TARGET	2014/15 BHC LEVEL	2014/15 AHC LEVEL
Fewer than 10% of children are in relative poverty	17%	22%
Fewer than 5% of children are in absolute poverty	16%	21%
Fewer than 5% of children are in combined low income and material deprivation	10%	12%
Fewer than 5% of children are in persistent poverty	Awaiting data <sup>8</sup>	

There are advantages and disadvantages for both BHC and AHC. The targets in the Child Poverty Act 2010 use a BHC measure of income and it is possible to draw international comparisons on this basis. The BHC approach is well understood and would enable us to retain consistency with the current set of targets.

However, there is increasing agreement that AHC better reflects the amount of disposable income households have to meet basic needs; and therefore that AHC offers a more realistic assessment of the extent of poverty than BHC.

Nevertheless, AHC measures do not take into account that some people may have higher housing costs than they need – for example, if they choose to pay more for better quality accommodation or to live in a more expensive area.

<sup>8</sup> To produce estimates of persistent poverty requires four years of data from the Understanding Society survey. This data has only recently become available. We will produce first analysis for Scotland on persistent poverty in due course.

Adopting AHC targets is significantly more ambitious than BHC targets, and we recognise that, in the current political and economic climate, they would be very challenging to meet. However, AHC targets also represent a real ambition that should inspire action and that, if met, would represent a huge step towards eradicating child poverty.

### QUESTION 7

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

### Section 8: When the target date for achieving the targets should be

The Scottish Government proposes that the targets should be achieved by 2030.

#### Rationale:

The Scottish Government is clear that income targets are central to child poverty legislation. That is why we opted out of the UK Government approach, and are now consulting on our commitment to reinstate those targets – despite our limited powers and the clear challenges ahead. Eradicating child poverty will be a key priority in deciding how to take forward the new powers that are being devolved to Scotland as a result of the Smith Commission and the Scotland Act 2016<sup>9</sup>. For example, we have already committed to using our new social security powers to expand the existing Sure Start Maternity Grant into a Best Start Grant, increasing support for children in lower income families at key stages in the early years of child’s life.

<sup>9</sup> <http://services.parliament.uk/bills/2015-16/scotland.html>

Setting a target date of 2030 to meet the proposed set of AHC targets is clearly challenging. However a 2030 target date aligns with the Fairer Scotland Action Plan and other Scottish Government action including taking forward the recommendations of the Widening Access Commission, which itself sets 2030 targets. There is a wide range of activity already in train, and planned for the future, which takes us in the right direction, and we want to build on that to develop a wide-ranging, cross-government approach to reducing poverty. Crucially, a 2030 timeframe would provide us with the opportunity to fully implement a long-term, comprehensive and sustainable Child Poverty Delivery Plan.

Of course, the Scottish Government appreciates that there are a wide range of drivers of poverty. Section 10 describes the Child Poverty Measurement Framework, which contains a detailed set of indicators which would sit underneath these ambitious headline targets.

### QUESTION 8

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

## DELIVERING THE AMBITION TO ERADICATE CHILD POVERTY

### Section 9: Child Poverty Delivery Plan and annual reporting

The Scottish Government is committed to continuing to report annually on progress towards tackling child poverty, and to producing a Delivery Plan at regular intervals. However, we recognise that poverty is a deep-rooted problem in

Scotland, and that no short-term options address its underlying causes. Tackling the issue comprehensively will require serious long-term commitment and clear and stretching goals. We believe that a more strategic vision, and greater progress and accountability, would be achieved by publishing robust Delivery Plans at five year intervals, covering each parliamentary term<sup>10</sup>, and to continue with annual reporting on progress against the Plan.

### QUESTION 9

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

### Section 10: Child Poverty measurement framework

The current **Child Poverty Strategy for Scotland 2014-2017** contains a comprehensive measurement framework which addresses both the wide range of drivers of poverty and the impacts poverty has on the lives of children and their families. A one-page 'map' setting out the framework appears on page 15, and you can find more information about the framework here: <http://www.gov.scot/Publications/2014/03/5304/0>. It includes a range of indicators under three key themes:

- **POCKETS** – maximising household resources.
- **PROSPECTS** – improving children's wellbeing and life chances.
- **PLACES** – provision of well-designed, sustainable places.

<sup>10</sup>Noting that the first plan will be for a shorter period to take us to the end of the current parliamentary term.

This innovative and robust measurement framework was widely welcomed and continues to be supported by stakeholders, and we therefore propose to retain the framework and build on it as part of any new approach. Measuring against key indicators in this way will allow us to see where Scottish Government policies are having an impact, and we will use the annual reports to inform our approach and actions.

However, we recognise that the landscape has changed since the framework was developed in 2014, and we are therefore considering ways in which we could refine, or build on, the current set of indicators. Obviously, the new targets would need to be added in.

We have had initial discussions with a number of stakeholders about this. Given our consultation on child poverty, for 2016 we intend to produce a more concise version of the annual report, although this will of course detail progress against each of the indicators in the existing measurement framework.

## QUESTION 10

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

KEY

## CHILD POVERTY MEASUREMENT FRAMEWORK – PERFORMANCE AT A GLANCE 2015

Performance improving	Performance maintaining	Performance worsening	New data not available
<b>Pockets</b>			
<b>18.4%</b> of working people earn less than <b>Living Wage</b>	Average <b>private nursery costs</b> in real terms – <b>£99.93</b>	<b>28%</b> of parent households are not <b>managing financially</b>	<b>93%</b> of parent households have a <b>bank account</b>
<b>Employment</b> rate of parents – <b>80%</b>	<b>Underemployment</b> rate of parents – <b>8.0%</b>	<b>Ratio of earnings</b> of lowest to highest earners – <b>15.7</b>	<b>8.9%</b> of parents have <b>low or no qualifications</b>
<b>Prospects</b>			
<b>91.8%</b> of the poorest children are in <b>good health</b>	<b>19%</b> of the poorest children have below average <b>mental health</b>	<b>8.9%</b> of the poorest children eat five <b>fruit and veg</b> a day	<b>15.4%</b> of the poorest children spend <b>4+ hours at a screen</b> per day
<b>16.0%</b> of the poorest 15 year olds <b>smoke</b> one or more cigarettes a week	<b>60.7%</b> of the poorest children <b>played sport</b> last week	<b>79.2%</b> of the poorest children find it easy to <b>talk to their mother</b>	<b>62.1%</b> of the poorest children <b>feel accepted</b> by pupils in their class
<b>53.0%</b> of the poorest children perform well in <b>numeracy</b>	<b>81.4%</b> of the poorest children perform well in <b>reading</b>	<b>56.3%</b> of the poorest children perform well in <b>writing</b>	Mean <b>Strength and Difficulties</b> score for the poorest children – <b>9.2</b>
<b>89%</b> of the poorest parent households are satisfied with <b>local schools</b>	<b>84.4%</b> of the poorest school leavers are in <b>positive destinations</b>	<b>86.6%</b> of the poorest children expect to be in <b>positive destinations</b>	<b>Modern apprenticeship</b> starts – <b>25,247</b>
<b>Modern Apprenticeship</b> completion rate – <b>74%</b>			
<b>Places</b>			
<b>10.0%</b> of average incomes is spent on <b>housing</b>	<b>71%</b> in the most deprived areas satisfied with <b>condition of their home</b>	<b>24%</b> in the most deprived areas feel they can <b>influence local decisions</b>	<b>64.0%</b> of neighbours <b>stop to talk</b> in the most deprived areas
<b>Crime victimisation</b> rate in the most deprived areas – <b>21.3%</b>	<b>27%</b> say <b>drug misuse</b> is common in the most deprived areas	<b>85%</b> of adults in most deprived neighbourhoods say their neighbourhood is a <b>good place to live</b>	<b>79%</b> satisfied with <b>public transport</b> in the most deprived areas
<b>62%</b> within 5-minute walk of <b>greenspace</b> in the most deprived areas	<b>Employment rate gap</b> between most deprived areas and elsewhere – <b>18.2</b> percentage points	<b>Low qualifications gap</b> between most deprived areas and elsewhere – <b>16.5</b> percentage points	<b>Internet use gap</b> between most deprived areas and elsewhere – <b>8</b> percentage points

## CONSULTATION QUESTIONS – SUMMARY

1. Do you agree with the Scottish Government including in statute an ambition to eradicate child poverty?
2. What are your views on making income targets statutory?
3. How do you think the role of the Ministerial Advisory Group on Child Poverty can be developed to ensure that they play a key role in developing the legislation?
4. How can links between the national strategy and local implementation be improved? What could local partners do to contribute to meeting these national goals? This might include reporting and sharing best practice or developing new strategic approaches.
5. What are your views on the income-based measures of poverty proposed for Scottish child poverty targets? For example, are there any additional income-based measures you think we should also use (and if so, why)? Are there any alternative approaches to measuring income – for example, as used in other countries – that you think could apply in Scotland?
6. What are your views on the Scottish Government’s proposals for the levels of child poverty that the targets will be set at?
7. What are your views on the Scottish Government’s proposal to set targets on an after housing costs basis? For example, are there any disadvantages to this approach that we have not already considered?
8. What are your views on the Scottish Government’s proposal to set targets that are expected to be achieved by 2030?
9. What are your views on the proposal that Scottish Ministers will be required by the Bill to produce a Child Poverty Delivery Plan every five years, and to report on this Plan annually?
10. Do you have any suggestions for how the measurement framework could usefully be improved? For example, are there any influencing factors that are not covered by the measurement framework? Or are there any additional indicators that could be added?
11. Do you have any additional views on a Child Poverty Bill for Scotland?

**You can respond to the consultation online at <https://consult.scotland.gov.uk/social-justice/consultation-on-a-child-poverty-bill-for-scotland>; or by sending an email and a completed Respondent Information Form to [childpovertyconsultation@gov.scot](mailto:childpovertyconsultation@gov.scot)**

## ANNEX A

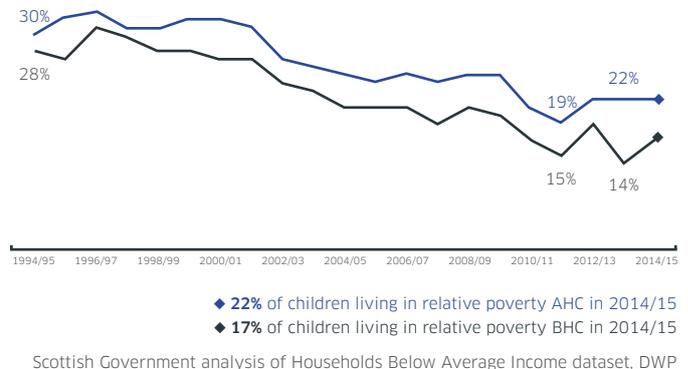
### CHILD POVERTY IN SCOTLAND

Because family low income has a range of complex drivers, the Scottish Government measures child poverty in a number of different ways. Three current measures help us understand the following: whether the incomes of poorer families are keeping up with those on middle incomes; whether poorer families' incomes are keeping pace with inflation; and whether poorer families can afford certain basic necessities. This section describes how Scotland has been performing on these measures over the last 20 years. A fourth measure looking at persistent poverty will be reported on, for the first time, next year. These four measures together were set out as the targets in the UK Government's Child Poverty Act 2010. However, the Scottish Government is proposing that targets should be set on an after housing costs basis. This is a more challenging ambition than the 2020 targets which were set on a before housing costs basis.

**Relative poverty** is a measure of whether the incomes of the poorest are increasing in line with middle income households. In 2014/15, 17% of children in Scotland were living in relative poverty before housing costs (BHC), and 22% after housing costs are taken into account (AHC). Relative child poverty BHC has been decreasing over the long term, though there have been fluctuations in recent years. Relative child poverty AHC has also decreased over the long term, though it increased in 2012/13 and has remained flat since then.

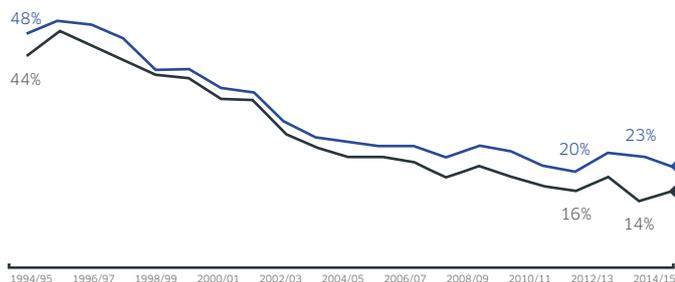
The 2020 target was 10% BHC, so in 2014/15, Scotland was seven percentage points away from meeting that target. The Scottish 2030 target is 10% AHC, so in 2014/15, Scotland was 12 percentage points away from meeting that target.

### Relative Poverty in Scotland



**Absolute poverty** is a measure of whether the incomes of the lowest income households are keeping pace with inflation. In 2014/15, 16% of children in Scotland were living in absolute poverty BHC and 21% AHC. As with relative child poverty, absolute poverty had been decreasing over the long term, both before and after housing costs, but has fluctuated in recent years. The 2020 target was 5% BHC, so in 2014/15, Scotland was eleven percentage points away from meeting that target. The Scottish 2030 target is 5% AHC, so in 2014/15, Scotland was 16 percentage points away from meeting that target.

### Absolute poverty in Scotland



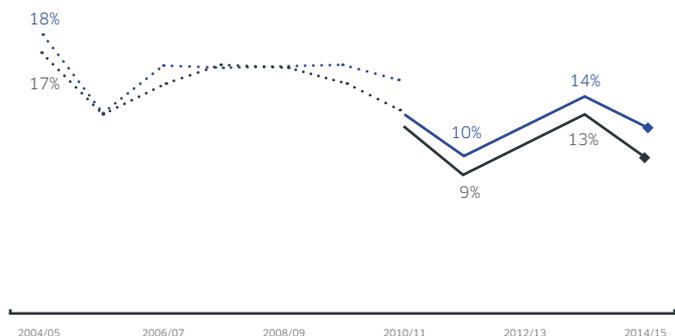
- ◆ 21% of children living in absolute poverty AHC in 2014/15
- ◆ 16% of children living in absolute poverty BHC in 2014/15

Scottish Government analysis of Households Below Average Income dataset, DWP

The fourth 2020 target, on **persistent poverty**, was set at UK level at 7% BHC. The UK only recently published its first estimates of persistent poverty, because of data issues. The proposed Scottish target is 5% AHC. The first Scottish estimates are expected next year.

Scotland also has a **combined ‘low income and material deprivation’** measure. This considers whether families on low incomes can afford certain basic necessities. In 2014/15, 10% of children were living in combined material deprivation and low income BHC, and 12% AHC are taken into account. This represents a decrease in combined material deprivation and low income since 2013/14, following two years of increases prior to that. The 2020 target was 5% BHC, so in 2014/15, Scotland was five percentage points away from meeting that target. The Scottish 2030 target is 5% AHC, so in 2014/15, Scotland was seven percentage points away from meeting that target.

### Combined material deprivation and low income



- ◆ 12% of children living in combined material deprivation and low income AHC in 2014/15
- ◆ 10% of children living in combined material deprivation and low income BHC in 2014/15

Scottish Government analysis of Households Below Average Income dataset, DWP



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