



Executive Advisory Body

Date of Meeting	23 January 2019
Subject	Child Poverty Income Supplement
Agenda No.	Below the Line
Paper No.	3.2
Prepared By	[REDACTED - 38(1)(b) (Personal data relating to a third party)]
Purpose	Note

1. Background

- 1.1. To update members on the work to develop an Income Supplement for low income families.
- 1.2. [REDACTED - 29(1)(a) (Formulation or development of government policy)]
- 1.3. [REDACTED - 29(1)(a) (Formulation or development of government policy)].

2. Key Points

- 2.1. The Tackling Child Poverty Delivery Plan, published in March 2018, committed Scottish Government to work towards delivery, by 2022, of an income supplement for low income families.
- 2.2. It also committed Scottish Government to consider a number of delivery options, including topping up Universal Credit.
- 2.3. [REDACTED - 29(1)(a) (Formulation or development of government policy)]
- 2.4. Ministers are committed to providing an update to Parliament in June on the progress of the plan. The Income supplement is likely to feature in this update.
- 2.5. [REDACTED - 29(1)(a) (Formulation or development of government policy)].

3. Conclusion

- 3.1 No decisions are required at this time



GOVERNANCE CHECKLIST

Strategic Objective	Contribution
<p>Dignity, fairness and respect</p> <p>Delivering a service with dignity, fairness and respect at its core.</p>	
<p>Equality and tackling poverty</p> <p>Promoting equality and tackling poverty.</p>	<p>The Tackling Child Poverty Delivery Plan is a key plan for tackling poverty. Work is ongoing to establish the options for delivery of an Income Supplement.</p>
<p>Efficiency and alignment</p> <p>Ensuring efficiency and aligning our activities with wider public sector for the benefit of the people we serve.</p>	
<p>Economy, society and environment</p> <p>Contributing to our economy, society and protection of our environment.</p>	

Strategic consideration	Impact
Environment	
Governance	<p>Work sits within Social Security programme and have discussed this work with [REDACTED - 38(1)(b) (Personal data relating to a third party)], as the Single Point Of contact.</p> <p>Recommended to bring paper to Executive Advisory Body. Work in very early stages and [REDACTED - 38(1)(b) (Personal data relating to a third party)]</p>
Data	
Finance	
Staff	
Equalities	
Estates	
Communications and Presentation	

4. Purpose



4.1. The EAB is asked to note that:

- an Options Appraisal (across a range of organisations) of the Income Supplement for low income families is underway and,
- [REDACTED - 29(1)(a) (Formulation or development of government policy)].

5. Background

- 5.1. The Scottish Government's *Tackling Child Poverty Delivery Plan* was published in March 2018 as a statutory requirement arising from the Child Poverty (Scotland) Act 2017. Contained within the plan was a commitment to "work towards introducing an income supplement" for low income families by 2022. The Cabinet Secretary for Communities and Local Government [for poverty interests] and Cabinet Secretary for Social Security and Older People [for social security interests] share joint responsibility for this work, with Ms Campbell as the nominal lead Minister.
- 5.2. Developing and delivering an Income Supplement within this timescale will be a significant and challenging undertaking for the Scottish Government (SG). Further work is underway to scope out the Income Supplement [REDACTED - 29(1)(a) (Formulation or development of government policy)]. As a flagship policy to target child poverty, we need to ensure that its development is properly and timeously resourced and that risks to delivery are minimised, insofar as this is possible.
- 5.3. The development of an Income Supplement is set within the context of the SG's commitment to reduce and ultimately eradicate child poverty. The Child Poverty (Scotland) Act 2017 sets challenging targets for 2030 which aim to deliver, after housing costs are taken into consideration:
- 5.4. Fewer than 10% of children living in families in relative poverty.
- 5.5. Fewer than 5% of children living in families in absolute poverty.
- 5.6. Fewer than 5% of children living in families in combined low income and material deprivation.
- 5.7. Fewer than 5% of children living in families in persistent poverty.
- 5.8. The Act also contains statutory interim targets to be met by 2023, based on the same measures, which are pertinent to the timescales for introducing the income supplement.
- 5.9. These targets directly impact Scotland's overall national outcomes as set out in *Scotland Performs*¹, including a specific outcome to 'tackle poverty by sharing opportunities, wealth and power more equally' as well as outcomes for children to 'grow up loved, safe and respected so that we realise our full potential' for Scotland.
- 5.10. The first *Tackling Child Poverty Delivery Plan* was launched by the (then) Cabinet Secretary for Communities, Social Security and Equalities in March 2018 as a first response to the Child Poverty (Scotland) Act 2017. A key action in the plan is the commitment to "work towards introducing" an income supplement for low income families over the lifetime of the Delivery Plan (the plan runs until 31 March 2022).
- 5.11. **The Income Supplement**

¹ <http://nationalperformance.gov.scot/>



[REDACTED - 29(1)(a) (Formulation or development of government policy)].

- 5.12. Since then the Child Poverty Action Group (CPAG) has campaigned for a universal top up of child benefit by £5 per week (the Give Me Five campaign) and attracted a significant degree of interest during the passage of both the Child Poverty (Scotland) Act 2017 and Social Security (Scotland) Act 2018, with amendments from Scottish Labour and the Green Party supporting the policy. The Scottish Government position maintained that such a top-up, on a universal basis, did not represent the most impactful way to secure our ambitions, or deliver a system that best meets the needs of those in poverty with the resources available.
- 5.13. The Programme for Government 2017 set out that Ministers would ask the Poverty and Inequality Commission for advice on alternatives to the £5 top up. The Commission published their advice in February 2018, setting out a range of possible options based on the current social security system, mainly focused on topping up Universal Credit (UC).
- 5.14. The Tackling Child Poverty Delivery Plan commits the SG to developing an Income Supplement to provide, “regular, additional financial help to families” providing that the following two criteria can be met:
 - 5.15. That the additional income is targeted on those families who need it, and that it’s therefore helping to lift the maximum number of children out of poverty; and,
 - 5.16. That there is a robust and viable delivery route to get the additional income to those families, and that the delivery costs are reasonable.
- 5.17. The Plan also commits the SG to examining all available delivery options, including the Poverty and Inequality Commission’s advice in relation to topping up Universal Credit (UC), and looking at what Social Security Scotland could do through a SG supplement.

6. Ministerial Statements

- 6.1. The Scottish Cabinet signed up to the targets in the Child Poverty Bill collectively. Post-Delivery Plan, the Cabinet Secretary for Communities and Local Government and the Cabinet Secretary for Social Security and Older People share joint responsibility for the income supplement, with Ms Campbell as the nominal lead Minister. The Cabinet Secretary for Communities and Local Government is particularly mindful of the Government’s statutory duties under the Child Poverty (Scotland) Act 2017, which includes the requirement to update Parliament on an annual basis, as well as reporting on the interim poverty targets in 2023.
- 6.2. [REDACTED - 29(1)(a) (Formulation or development of government policy)].

7. Stakeholder Views

- 7.1. There is significant stakeholder interest in the income supplement, and high expectation among interest groups with regard to the development of the supplement. The Give Me Five campaign continues to have support despite the publication of the delivery plan and its commitment to an income supplement. CPAG and other stakeholders support the idea of the income supplement but are concerned about families having to apply, potential interactions with other benefits, and the length of time it will take to deliver.



Officials are committed to working with a range of stakeholders as the options appraisal progresses.

8. Options to consider

8.1. [REDACTED - 29(1)(a) (Formulation or development of government policy)]

9. Delivery Risks

9.1. The Tackling Child Poverty Delivery plan noted that the safe and secure transition of the devolved benefits was the SG priority for this Parliamentary term. As such we are undertaking the options appraisal to consider a range of issues including the feasibility, risks and opportunities attached to delivery.

9.2. [REDACTED - 29(1)(a) (Formulation or development of government policy)].

10. Anticipated Timescales and Outputs

10.1. [REDACTED - 29(1)(a) (Formulation or development of government policy)].

11. Executive Advisory Board Decision

11.1. The EAB is invited to note:

- [REDACTED - 29(1)(a) (Formulation or development of government policy)];
- the involvement of SSS colleagues in this work; and
- that officials expect the Options Appraisal to be finalised in June 2019.

Reserved Benefits Division

Social Security Directorate