



the
**POVERTY
ALLIANCE**

WORKING TOGETHER TO COMBAT POVERTY

LOOSENING THE GRIP

**One year on from the
Child Poverty Act:
an agenda for action in Scotland**

1 M.

one million people in Scotland are living in poverty, including 230,000 children ¹

24%

the Child Poverty Act sets the target of reducing child poverty to below 10% by 2030. 24% of children in Scotland currently live in poverty

ONE YEAR ON FROM THE CHILD POVERTY ACT: TACKLING POVERTY IN SCOTLAND

Poverty is on the increase in Scotland for the first time in decades, with more and more people struggling to get by. One million people in Scotland are now living in poverty, including 230,000 children. [1] All levels of government – local, Scottish and UK – have a responsibility to take action to put this right and ensure that everyone in Scotland has a decent standard of living.

Recent progress has been made in recognising the importance of solving poverty in Scotland, with the Child Poverty Act receiving the unanimous support of all parties in the Scottish Parliament.

With a year now passed since the passing of the Act, we have begun – via the Scottish Government’s Every Child Every Chance: Tackling child poverty delivery plan – to identify and implement some of the policies that can help us tackle poverty in Scotland.

But with poverty projected to increase further in the years ahead, we must do more to loosen its grip and meet the ambitious targets that the Act set. These targets require different decisions about how we deliver services, develop policy, and manage our economy. They demand sustained and ambitious action. This Agenda for Action sets out some key priorities for early action to make progress in Scotland.

THE CHILD POVERTY ACT

The Child Poverty (Scotland) Act 2017 was passed unanimously by the Scottish Parliament on 8th November 2017, making Scotland the only country in the UK with targets for reducing poverty and providing a clear vision for everyone involved in tackling poverty in Scotland.

The Act requires the Scottish Government to reduce the number of children who live in poverty, meaning that by 2030 the following targets must be met:

- Fewer than 10% of children living in families in relative poverty
- Fewer than 5% of children living in families in absolute poverty
- Fewer than 5% of children living in families living in combined low income and material deprivation
- Fewer than 5% of children living in families in persistent poverty

As well as setting targets and requiring the Scottish Government to produce a Child Poverty Delivery Plan, the Act contains a requirement for local authorities and health boards to work together to produce an annual report on what they are doing to tackle child poverty.

"Scotland is the only part of the UK with targets for reducing poverty."

THE CHILD POVERTY DELIVERY PLAN

The Child Poverty Act requires the Scottish Government to produce a Child Poverty Delivery Plan, which sets out exactly what it will do to meet the targets set by the Act. The first Child Poverty Delivery Plan was published in March 2018, and contains the steps that will be taken in the period 2018 – 2022.

The Delivery Plan focuses on three main areas that the Scottish Government believes have the biggest impact on levels of child poverty. These areas are:

- **Work and earnings:** Income from parents' work and earnings is insufficient in preventing them from experiencing poverty.
- **Costs of living:** The costs of living that households have to cover are too high. These costs include housing costs, transport costs and childcare costs.
- **Social security:** Income from social security has been cut back significantly by the UK Government, and is now not enough to prevent people from experiencing poverty.

Headline commitments from the plan include:

- The introduction of an income supplement for families on low incomes.
- A new Best Start Grant to provide lower income families with financial support during a child's early years.
- A new minimum payment for the School Clothing Grant across Scotland.

THE ACTION WE NEED ON INCOMES, SERVICES, PARTICIPATION AND ATTITUDES

To loosen the grip of poverty on people's lives in Scotland, it is incumbent upon all levels of government to take action. At a UK level this includes ending the freeze on working-age and child benefits, halting and fixing Universal Credit, and ending the punitive sanctions regime and policies like the two-child limit.

Yet the Child Poverty Act has underlined the consensus that exists that we can take decisions and make choices here in Scotland about the society we want to live in and the economy we want to have; decisions and choices that really can solve poverty. Below we set out some priorities to take action on poverty to ensure that we meet the ambitious targets that have been set.

Ensuring that everyone in Scotland can access their right to an adequate income

Low income must lie at the heart of any analysis of poverty. Ensuring that everyone is able to access their right to an adequate income is essential to meet the Child Poverty Act's targets and solve poverty in Scotland. Incomes in Scotland, and across the UK, have taken a hit in recent years owing to a combination of stagnating pay and factors such as the decision to implement a freeze on working-age benefits; a policy that on its own will mean a reduction in £370 million in support for people in Scotland by 2020/21. [2] Women have been particularly hard hit. Estimates suggesting that women who are lone parents will, by 2020, experience a 17% reduction in their disposable income as a result of austerity policies. [3]

POVERTY RATES IN SCOTLAND ARE HIGHER AMONG WOMEN, DISABLED PEOPLE, AND PEOPLE FROM MINORITY ETHNIC BACKGROUNDS



65%

65% of all children living in poverty live in working households. 59% of all working-age adults living in poverty live in working households⁴

ACTIONS WE CAN TAKE IN SCOTLAND TO BOOST INCOMES

Ensuring adequacy within the social security system

With 11 social security benefits now devolved – or being devolved – to the Scottish Government, significant scope exists to take decisions that would restore value to the support people receive. Positive first steps – such as increasing the value of the Best Start Grant, and Carers Supplement – have been made, and this must continue in the years ahead. Longer-term, we must look at how social security entitlements can be increased with the explicit aim of moving towards the Minimum Income Standards, which are based on what members of the public think is the minimum that is required to enable people to meet their needs and live with dignity. Such a commitment would enable us to better realise the principle of dignity within the Scottish social security system.

Introducing a top-up to child benefit

The Scottish Government's commitment to introducing an income supplement for families on low incomes is recognition of the importance of using social security to tackle poverty, and it is essential that it is delivered with urgency. The most simple, efficient and effective way of ensuring that it reaches every child and family who needs it – is through topping up child benefit. This action would immediately lift tens of thousands of children out of poverty. As a stable and reliable source of income for families, child benefit can – if provided at a sufficient value – act as an anchor to prevent families from being dragged further into poverty.

Ensuring every worker receives at least the real Living Wage

The Scottish Government's commitment to creating a Living Wage Nation is welcome. 19% of workers in Scotland still do not receive the real Living Wage^[5], and women are still less likely than men to earn the real Living Wage.^[6] These statistics, as well as rising in-work poverty levels, underline the case for redoubling efforts to ensure that every worker in Scotland receives at least the real Living Wage. Efforts should particularly focus on low-pay sectors such as hospitality, tourism and the care sector. Local authorities and other public bodies have an important role to play, and at a minimum every local authority and public body should become accredited Living Wage employers and work with local employers to encourage them to become Living Wage employers.

Strengthening action to promote Fair Work

The real Living Wage should remain at the centre of all efforts to embed fair work practices, but it should not represent the limit of our ambitions. The upcoming Fair Work Action Plan and the Disability Employment Action Plan and the revision of the Scottish Business Pledge offer the opportunity to take more action on zero-hours contracts, the gender pay gap, and in supporting in-work progression.

Investing in the Scottish Welfare Fund

The Scottish Welfare Fund provides protection for people facing income crisis. Particularly in the context of the Universal Credit rollout and the ongoing freeze on working-age and child benefits, it is essential that the Scottish Welfare Fund remains a strong safety net. Increasing investment in the Fund is much-needed, as is action to ensure that individuals are aware of the support that the Fund can offer.

USE PUBLIC SERVICES TO REDUCE COSTS AND ENSURE MAKE ALL PUBLIC SERVICES WORK FOR EVERYONE

People living on low incomes are more likely to rely on public services. Public services also have a huge role to play in reducing the costs faced by people on low incomes and helping to unlock people from poverty. Progress has been made in recent years in terms of shaping public services to better tackle poverty, including the introduction of the Fairer Scotland Duty, but there is more that can and should be done to ensure that we have public services that work for everyone. These actions include:

Making the transport system work better for people on low incomes

Access to transport is vital to people on low incomes. It enables access to services, employment, education and training opportunities, as well as maintaining social connections and reducing isolation. Yet people often cannot afford to access transport or they live in communities that are under-served by transport services. Evidence shows that 1 million people in Scotland could be without affordable access to transport.[7] The Transport Bill and the ongoing National Transport Strategy Review offer the opportunity to take action to deliver transport services – particularly bus services – that better serve people experiencing poverty. We can, for example, widen concessionary travel schemes to include more people on low incomes, take stronger action to regulate fares and ensure affordability for everyone, and give communities greater control over how their transport services are delivered.

Ensuring everyone can afford to heat their homes

Over one-quarter of all households in Scotland are living in fuel poverty.[8] While boosting incomes has a huge role to play in ensuring people have the resources to

heat their homes, this must be accompanied by action on energy prices and improving the energy efficiency of homes. Options like expanding the criteria for the Cold Weather Payment and investing in energy advice services would make a huge difference to people at risk of fuel poverty.

Providing quality, affordable and flexible childcare

One of the key ways that women can avoid poverty and inequality is to have access to resources in their own right. While childcare is about more than just supporting women's participation in the labour market, a lack of appropriate childcare is still one of the major employment barriers faced by women. The Scottish Government's commitment to expanding childcare entitlement is welcome, but we must look at what more we can do to support childcare provision and continue to ensure that local authorities have the resources to support this expansion. In particular, we need to ensure that childcare is available to women living on low incomes, including lone parents.

Using the tax system to fund investment in public services

The Scottish Government has control over income tax and local taxation. Substantial power therefore exists to make decisions about the Scottish taxation system that would fund investment in public services that people experiencing poverty most rely upon. For example, using the taxation system to invest in local authority budgets would have a particular impact, given the 9.6% real-terms reduction in funding that local authorities have experienced between 2010/11 and 2018/19. [9] Such investment would better equip local authorities to fulfil their poverty reduction duties under the Child Poverty Act.

CHALLENGE NEGATIVE OR DISCRIMINATORY ATTITUDES TOWARDS PEOPLE ON LOW INCOMES

Attitudes to poverty affect the context in which anti-poverty policy is shaped. Efforts to introduce more effective anti-poverty policies can be hindered by negative or discriminatory attitudes towards people on low incomes. In addition, negative attitudes can often cause stigma that makes it even more difficult for people experiencing poverty to overcome the barriers that the economy and society already places on them.

Actions that we can take include:

Training all Social Security Scotland staff in poverty awareness

The development of Social Security Scotland offers the opportunity to entirely reshape people's perceptions of the social security system for the better. To encourage this, all new Social Security Scotland staff should receive poverty awareness training in order to equip them with the skills to better realise the social security system's fundamental principles of fairness, dignity and respect.

Training all elected representatives in poverty awareness

MSPs, MPs and local councillors have a critical role to play in shaping the political discourse around poverty. The way in which they frame policy issues and the language they use to do so have a real-world impact, and too often this impact is a negative one. All elected representatives should engage in poverty awareness training to enable them to contribute to discussions about poverty in a constructive and non-stigmatising way.

Launching a public campaign to change attitudes on poverty

Attitudes towards people experiencing poverty and towards the social security system have changed for the worse in the last few decades, and too often we see a media and political discourse that stigmatises people living on low incomes. A public campaign challenging these attitudes is required if we are to reduce the stigma that people experience and create a more positive context in which anti-poverty policy can be developed.

ENSURE THAT PEOPLE ON LOW INCOMES CAN PARTICIPATE AND HAVE THEIR VOICE HEARD

The participation of people experiencing poverty in policy-making is not only the right thing to do, but it is also central to developing better policy solutions to poverty. Everyone has a right to have a say over the decisions that most impact upon their lives, yet too often the voices of people experiencing poverty are not heard in policy-making processes. This has to change.

Actions that we can take include:

Involving people on low incomes in the development of local child poverty action reports

Local authorities should guarantee the involvement of people on low incomes when developing their local child poverty action reports. Local authorities should utilise initiatives like Get Heard Scotland – coordinated by the Poverty Alliance to ensure the voices of people experiencing poverty are heard – and ensure that this participation is built into the development of the reports from the outset.

Involving people on low incomes in all national anti-poverty policy development

The Scottish Government should continue to ensure the involvement of people experiencing poverty in the monitoring and implementation of Every Child, Every Chance as well as other initiatives that will contribute towards poverty reduction.

Ensuring that the Local Governance Review is used to empower communities associated with poverty

The Scottish Government's ongoing Local Governance Review aims to give local communities greater say over the decisions that most impact their lives. This provides recognition of the value of participatory approaches to policy-making, and is welcome. It is essential that any legislation that results from the review truly empowers all communities – and not just those with the resources to participate.

SUMMARY RECOMMENDATIONS AND NEXT STEPS

The Child Poverty Act was an important step forward in the fight against poverty in Scotland. It reinforced that in Scotland we are a society that believes in justice and compassion. However, this compassion must be matched by a responsibility to take action to reduce poverty.

The Child Poverty Delivery Plan set out an ambitious programme of activity to address poverty. The upcoming Local Child Poverty Action Reports/Plans will be another opportunity to take action, and to bring further focus to these issues. The priorities outlined in this Agenda for Action should serve as a reminder of the need for swift action to bring about change. We hope that all those with responsibility for bringing about this action will listen and act.

RECOMMENDATIONS

Ensure that everyone in Scotland is able to access their right to an adequate income

- Ensuring adequacy within the social security system
- Introducing a top-up to child benefit
- Ensuring every worker receives at least the real Living Wage
- Strengthening action to promote Fair Work
- Investing in the Scottish Welfare Fund

Use public services to reduce costs and make all public services work for everyone

- Making the transport system work better for people on low incomes
- Ensuring everyone can afford to heat their homes
- Providing quality, affordable and flexible childcare
- Using the tax system to fund investment in public services

Challenge negative or discriminatory attitudes towards people on low incomes

- Training all Social Security Scotland staff in poverty awareness
- Training all elected representatives in poverty awareness
- Launching a public campaign to change attitudes on poverty

Ensure that people on low incomes have their voices heard and are able to participate

- Involving people on low incomes in the development of local child poverty action reports
- Involving people on low incomes in all national anti-poverty policy development
- Ensuring that the Local Governance Review is used to empower communities associated with poverty

REFERENCES

- [1] Scottish Government, Poverty & Income Inequality: 2014-17, March 2018
- [2] Scottish Government, 2018 Annual Report on Welfare Reform, October 2018
- Scottish Government, Poverty & Income Inequality: 2014-17, March 2018
- [3] Women's Budget Group, A cumulative gender impact assessment of ten years of austerity policies, March 2016, https://wbg.org.uk/wp-content/uploads/2016/03/De_HenauReed_WBG_GIAtaxben_briefing_2016_03_06.pdf
- [4] Scottish Government, Poverty & Income Inequality: 2014-17, March 2018
- [5] IHS Markit, Living Wage Research for KPMG, November 2018, <https://assets.kpmg.com/content/dam/kpmg/uk/pdf/2018/11/kpmg-living-wage-research-2018.pdf>
- [6] Scottish Government, Annual Survey of Hours and Earnings, October 2018
- [7] Sustrans, Transport Poverty in Scotland, August 2016, https://www.sustrans.org.uk/sites/default/files/file_content_type/transport_poverty_in_scotland_report.pdf
- [8] Scottish Government, Scottish House Condition Survey: 2016 Key Findings, December 2017
- [9] Accounts Commission, Local government in Scotland: Challenges and performance 2018, April 2018, http://www.audit-scotland.gov.uk/uploads/docs/report/2018/nr_180405_local_government.pdf

THE POVERTY ALLIANCE

The Poverty Alliance is the national anti-poverty network in Scotland. We are an independent organisation with over 230 members drawn from the voluntary and public sectors, trade unions, researchers, faith groups and individuals with direct experience of poverty. Our aim is to work with civil society organisations and others to enable communities and individuals to tackle poverty. We have a number of key policy areas that provide the focus for our activities: addressing low incomes; supporting services to address poverty; enhancing the participation of people with direct experience of poverty in policy development; and addressing attitudes to poverty.

For more information about this Agenda for Action, and the work of the Poverty Alliance visit www.povertyalliance.org or contact:

Neil Cowan
Policy and Parliamentary Officer
neil.cowan@povertyalliance.org