



Citizens Advice Scotland response Consultation on a Child Poverty Bill for Scotland September 2016

Summary

1. Citizens Advice Scotland agrees that the Scottish Government should include in statute an ambition to eradicate child poverty. It is equally important however that this ambition is backed up by clear strategies with specific, measurable and deliverable actions that are directly linked to reducing the levels of child poverty in Scotland.
2. Citizens Advice Scotland would recommend the Scottish Government also consider poverty and inequality affecting all groups as part of its ambition and strategy, and considers including some measures towards meeting this in the Bill.
3. Citizens Advice Scotland agrees that statutory targets in the Bill should include income.
4. Citizens Advice Scotland would recommend that the Ministerial Advisory Group, or other equivalent body is included in statute, to ensure it has a clear and ongoing function in tackling child poverty. It may be the case that this role is better served by the independent Poverty Adviser, or a Poverty and Inequality Commission which was proposed in the Programme for Government
5. Citizens Advice Scotland would recommend local authorities produce child poverty (or poverty and inequality) strategies and report on them, making the most of independent expertise and the best evidence in their development.
6. Citizens Advice Scotland agrees that the proposed income-based measures in the Bill are acceptable measures for the targets.
7. In addition, Citizens Advice Scotland recommends the Scottish Government consider including the proportion of children in severe poverty to ensure that the depth of poverty is reflected in the targets.
8. Citizens Advice Scotland is content with the levels of child poverty that the targets will be set at.
9. Citizens Advice Scotland agrees that targets should be set on an After Housing Costs basis as this is more reflective of households' actual costs and level of disposable income.
10. Citizens Advice Scotland would recommend that the Scottish Government undertake analysis and research on the feasibility of eradicating child poverty

by particular dates, and what steps would require to be taken to achieve it, before settling on a particular point in time for a legislative target.

11. Citizens Advice Scotland would recommend that Delivery Plans are set every three years, as is currently required, rather than every five years. CAS agrees that Scottish Government should report on the Delivery Plan annually.
12. Citizens Advice Scotland welcomes the general approach to measuring drivers and impacts of poverty. However, there are a number of important indicators of child poverty that are missing, in the main relating to families' incomes, such as the adequacy of social security benefits, compared to the level of income needed to lift families out of poverty, and the proportion of income spent on essential goods and services amongst the lowest income households.
13. Citizens Advice Scotland would recommend the Scottish Government ensure that plans to tackle poverty and inequality more widely are consistent and complementary with the targets set out in the Bill, and collectively represent a focussed set of actions towards the eradication of poverty and inequality from Scotland.
14. In its strategic plans following the Bill, Citizens Advice Scotland would recommend that the Scottish Government sets out how it intends to work with the UK Government to ensure that all necessary actions are taken to meet the targets.

Introduction and Context of Response

15. Citizens Advice Scotland (CAS), our 61 member Citizen Advice Bureaux (CAB), the Citizen Advice consumer helpline, and the Extra Help Unit, form Scotland's largest independent advice network. Advice provided by our service is free, independent, confidential, impartial and available to everyone. Our self-help website Adviceguide provides information on rights and helps people solve their problems.
16. In 2014/15 the Citizens Advice Service network helped over 323,000 clients in Scotland alone and dealt with over one million advice issues. With support from the network clients had financial gains of over £124 million and the Scottish zone of our self-help website Advice for Scotland received over 4 million unique page views.
17. Citizens Advice Scotland welcomes the opportunity to respond to the consultation. Scotland's CAB Service sees the effects of child poverty on a daily basis, and the majority of advice provided by citizens advice bureaux in Scotland relates to issues related to maximising low incomes, particularly access to social security benefits and dealing with problem debt.
18. Analysis of CAB client profile data for a typical month (November 2015) indicates that 30.1% of clients have dependent children, compared with

27.1% from families without dependent children. 30.3% were single adults and 8.4% were single pensioners.

19. Of the CAB clients with children, 46% were small families (2 adults, 1 or 2 dependent children), with 14% from large families (2 adults and 3 or more dependent children, or 3 or more adults with 1 or more dependent children). A relatively large proportion, 39% of those with children, were single parents, a group which typically experiences a higher rate of poverty than other families.¹
20. Compared with clients without dependent children, CAB clients with caring responsibilities for a child were more likely to be female (67% of clients with children), younger and living in private rented housing (21%, compared with 15% of clients without dependent children). They were more likely to be employed than other clients, particularly in part-time work (21% of clients with children, compared with 9% of those without).
21. In common with other CAB clients, those with dependent children were most likely to receive advice on a benefits issue (52%, compared with 48% for those without children). They were significantly more likely to receive advice on debt (24%, compared with 19%) or relationships issues (9%, compared with 4% of those without dependent children). Clients with caring responsibilities for children are marginally more likely to come to CAB with multiple issues.
22. In general, Citizens Advice Scotland welcomes steps to reduce poverty and inequality in Scotland, as Scotland's CAB network does through its work every day.

Q1. Do you agree with the Scottish Government including in statute an ambition to eradicate child poverty?

23. **Citizens Advice Scotland agrees that the Scottish Government should include in statute an ambition to eradicate child poverty. It is equally important however that this ambition is backed up by clear strategies with specific, measurable and deliverable actions that are directly linked to reducing the levels of child poverty in Scotland.**
24. Additionally, whilst tackling child poverty is an important ambition for Scotland, other forms of poverty and inequality continue to cause negative experiences for individuals and are extremely costly in terms of causing knock-on costs for public services.
25. For instance, whilst 1 in 3 CAB clients who needed advice on foodbanks had dependent children – a very sobering reminder that Scotland has a long way

¹ In 2014/15, 37% of lone parents were in poverty after housing costs. Equality characteristics of people in poverty in Scotland 2014/15 – Scottish Government Communities Analysis, August 2016
<http://www.gov.scot/Topics/Statistics/Browse/Social-Welfare/IncomePoverty/CoreAnalysis/povertyanalysis>

to go to eradicated child poverty - 60% of clients advised on foodbanks lived alone.² Scottish Government statistics indicated that 26% of single working age women and 25% of single working age men were in relative poverty after housing costs.³

26. Citizens Advice Scotland would recommend the Scottish Government also consider poverty and inequality affecting all groups as part of its ambition and strategy, and considers including some measures towards meeting this in the Bill.

Q2. What are your views on making income targets statutory?

27. Citizens Advice Scotland agrees that statutory targets in the Bill should include income.

28. The majority of the advice given by Scotland's citizens advice bureaux relates to supporting people to maximise their incomes, such as through helping people claim all the social security benefits they are entitled to, or advising people on controlling unmanageable debt. Whilst there are other ways of measuring child poverty that are not strictly financial, levels of income are key to understanding the impact of poverty on people's lives and the outcomes for children.

29. Alternative mechanisms, such as 'worklessness' or educational attainment, (set as key targets in the renamed Life Chances Act), would entirely exclude the impact of in-work poverty. 66% of children living in poverty, as well as 58% of working age adults are from households where at least one person is in work.⁴ Citizens advice bureaux have seen the impact of in-work poverty on people's lives and opportunities^{5,6,7}, and CAS would consider it crucial that this large group is not overlooked if child poverty is to be eradicated.

Q3. 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?

² Living at the Sharp End: CAB Clients in Crisis – Citizens Advice Scotland, July 2016. <http://www.cas.org.uk/publications/living-sharp-end>

³ Equality characteristics of people in poverty in Scotland, 2014/15 – Scottish Government Communities Analysis, August 2016 <http://www.gov.scot/Topics/Statistics/Browse/Social-Welfare/IncomePoverty/CoreAnalysis/povertyanalysis>

⁴ Poverty and Income Inequality in Scotland: 2014/15 – Scottish Government 2014/15 <http://www.gov.scot/Resource/0050/00502180.pdf>

⁵ Working at the Edge: Enforcement of the National Minimum Wage – Citizens Advice Scotland, March 2014 <http://www.cas.org.uk/publications/enforcement-national-minimum-wage>

⁶ Working at the Edge: Zero Hours Contracts – Citizens Advice Scotland, July 2014 <http://www.cas.org.uk/publications/working-edge-zero-hours-contracts>

⁷ Working at the Edge: Childcare – Citizens Advice Scotland, December 2014 <http://www.cas.org.uk/publications/working-edge-childcare>

- 30. Citizens Advice Scotland would recommend that the Ministerial Advisory Group, or other equivalent body is included in statute, to ensure it has a clear and ongoing function in tackling child poverty. It may be the case that this role is better served by the independent Poverty Adviser⁸, or a Poverty and Inequality Commission which was proposed in the Programme for Government⁹.**
31. Independent experts have an important function, both in shaping the legislation, but also advising the Scottish Government on the delivery of strategies to eradicate child poverty. Developing this would allow the Scottish Government to draw on the wealth of expertise on the causes, consequences and possible solutions to poverty that exists outside of government. Involvement of independent organisations and individuals will help ensure that the ambitious targets for eradicating child poverty are met.
32. It is important that if multiple independent groups are established their role in tackling child poverty, as well as other strategies to reduce poverty and inequality is clear to avoid confusion over priorities or functions.

Q4. How do you think links between the national strategy and local authorities could be improved? Do you think that local authorities themselves should be producing strategies or reporting on child poverty activity? Is there anyone else that should be measuring or reporting on child poverty?

- 33. Citizens Advice Scotland would recommend local authorities produce child poverty (or poverty and inequality) strategies and report on them, making the most of independent expertise and the best evidence in their development.**
34. In the last two years a number of local authorities, such as Renfrewshire¹⁰, Shetland¹¹ and Fife¹² have established independent Commissions to consider evidence and develop recommendations for addressing poverty and inequality in the area. These models have been well-received and have resulted in local authorities adopting strategic plans for addressing child poverty (or poverty and inequality more widely), with bold and challenging targets. Actions by

⁸ Eradicating Child Poverty – Scottish Government, July 2016

<http://scottishgovernment.presscentre.com/News/Eradicating-child-poverty-2738.aspx>

⁹ A Plan for Scotland: The Scottish Government's Programme for Scotland 2016-17, p. 74

<http://www.gov.scot/programme2016>

¹⁰ Tackling Poverty Strategy 2015-2017 – Renfrewshire Council, October 2015

<http://www.renfrewshire.gov.uk/media/1040/Tackling-Poverty-Strategy-2015-2017/pdf/TacklingPovertyStrategy.pdf>

¹¹ On Da Level: Achieving a Fairer Shetland – Shetland's Commission on Tackling Inequalities, March 2016 http://www.shetland.gov.uk/equal-shetland/documents/OnDaLevel_Full_Version_13_April_16.pdf

¹² Fairness Matters – Fairer Fife Commission, November 2015

<http://www.fifedirect.org.uk/minisites/index.cfm?fuseaction=page.display&pageid=6EE8041B-E387-D685-6DBE9BE4D5C06929&siteID=6EE6DD98-ED66-5C2C-CFE1A79C6D975A5D>

local government, as well as central government will be required to meet a goal of eradicating child poverty by 2030.

Q5. 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?

35. Citizens Advice Scotland agrees that the proposed measures – proportion of children in relative poverty; in absolute poverty; in persistent poverty; and a combined low income and material deprivation metric – are acceptable measures for the targets.

36. In addition, Citizens Advice Scotland recommends the Scottish Government to consider including the proportion of children in severe poverty (those living with equivalised household income below 50% of UK median income) to ensure that the depth of poverty is reflected in the targets.

37. According to the most recent figures, the majority of people in poverty were also in severe poverty, particularly after housing costs, with 13% of children in severe poverty AHC.

38. Ongoing analysis of CAB case evidence over the last four years has shown that more and more citizens advice bureaux clients are experiencing periods of no income, and are unable to afford essentials, including food, gas and electricity to heat their homes, as well as priority payments such as rent. More worrying still are the number of clients who present at bureaux having not eaten in a number of days.

39. In the four years since CAS began capturing data on advice regarding food banks, CAS has seen a considerable increase in this area of work. During 2014/14, advice related to food banks was provided on 7,400 occasions by citizens advice bureaux in Scotland in Scotland, an increase of 47% on the previous year. During 2014/15, at least 1 in 42 enquiries featured advice regarding food banks.¹³ CAS would consider it important to eradicate more extreme child poverty, and including a severe poverty measurement may be a way to capture that.

Q6. What are your views on the Scottish Government's proposals for the levels of child poverty that the targets will be set at?

¹³ Living at the Sharp End: CAB Clients in Crisis – Citizens Advice Scotland, July 2016.
<http://www.cas.org.uk/publications/living-sharp-end>

40. The targets proposed in the consultation are identical to those in the Child Poverty Act 2010, with the exception of a more ambitious target for persistent poverty, and that the timescales has been extended from 2020 to 2030.
Citizens Advice Scotland is content with these proposals, given that the original 2020 target is extremely unlikely to be met.

Q7. 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?

41. **Citizens Advice Scotland agrees that targets should be set on an After Housing Costs basis as this is more reflective of households' actual costs and level of disposable income.**
42. Housing costs are one of the largest outgoings low income households face. Housing Benefit is one of the most common issues that people seek advice on from their local CAB, with 23,132 new issues in 2015/16. Between 2012/13 and 2015/16 bureaux in Scotland reported a 48% increase in council housing arrears issues; a 65% increase in instances of rent arrears to registered social landlords, and a 10% increase in advice on arrears to private landlords. Rental costs in the Private Rented Sector have increased over and above inflation in a number of pressurised areas in Scotland over the past five years.¹⁴¹⁵¹⁶
43. Given the forthcoming changes to the support provided for housing costs by the social security – such as the incorporation into Universal Credit, the reduction of the Benefit Cap¹⁷ and the planned capping of support for social housing costs at Local Housing Allowance rates, regardless of whether it covers the actual rental costs incurred¹⁸ - it appears likely that actions in this area will have an impact on child poverty in the medium term, and as a result should be included in the calculation.

Q8. What are your views on the Scottish Government's proposal to set targets that are expected to be achieved by 2030?

¹⁴ Citylets Quarterly Rental Reports <http://www.citylets.co.uk/research/reports/>

¹⁵ Edinburgh Rental Market up 28% in 5 years – Citylets, August 2016

<http://www.citylets.co.uk/blog/edinburgh-rental-market-up-28-in-5-years/>

¹⁶ Citizens Advice Scotland consultation response on a New Tenancy for the Private Sector, May 2015 http://www.cas.org.uk/system/files/publications/cas_response_new_tenancy_2nd_consult.pdf

¹⁷ Learning from Testing Times: Early Evidence of the Impact of Universal Credit in Scotland's CAB Network - Citizens Advice Scotland, June 2016 <http://www.cas.org.uk/publications/learning-testing-times>

¹⁸ Mind the gap: the growing shortfall between private rents and help with housing costs – Chartered Institute for Housing, May 2016
https://gallery.mailchimp.com/91cb73bca688114fefed773f2/files/Mind_the_gap.pdf

44. Citizens Advice Scotland would recommend that the Scottish Government undertake analysis and research on the feasibility of eradicating child poverty by particular dates, and what steps would require to be taken to achieve it, before settling on a particular point in time for a legislative target.

45. Whilst it is important that challenging ambitions to eradicate child poverty are set, it is important that they are realistic. The Child Poverty Act 2010 aimed to achieve the targets in the ten years to 2020, which looks extremely unlikely to be achieved.

Q9. 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?

46. Citizens Advice Scotland would recommend that Delivery Plans are set every three years, as is currently required, rather than every five years. CAS agrees that Scottish Government should report on the Delivery Plan annually.

47. Revising plans every three years will allow for more focussed objectives covering the medium term, and ensure the issue is never far from Ministers' minds. It would also help mitigate problems being caused by unexpected or developing events rendering parts of a plan out of date before its expiry.

48. Whilst we understand the desire to match the length of the Scottish Parliamentary term, producing Delivery Plans on a more frequent basis would ensure that each Scottish Government would be responsible for the development, delivery and implementation of the plan, without being able to leave difficult aspects to its successors. If overlap between Parliamentary terms is a concern, then requiring plans to be produced every two-and-a-half years (half the length of the term) might be an alternative.

Q10. 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?

49. Citizens Advice Scotland welcomes the general approach to measuring drivers and impacts of poverty. However, there are a number of important indicators of child poverty that are missing, in the main relating to families' incomes.

50. Wages, tax and benefits are critical to increasing family incomes and lifting them out of poverty. There are also a number of other important areas affecting living costs that are not included.
51. For many of these measurements, they are presumably not included due to being reserved matters, and therefore not under the direct control of the Scottish Government. Indeed, the Child Poverty Strategy itself highlights that the Scottish Parliament does not possess these powers and notes that *“the Child Poverty Act says that our Child Poverty Strategy can only refer to actions using our current devolved powers.”*¹⁹
52. Given the removal of the Scotland from the scope of the Child Poverty Act (now renamed the Life Chances Act), this barrier no longer exists. Whilst the Scottish Parliament does not necessarily have control over all of the policy levers in these areas, Citizens Advice Scotland would recommend the Scottish Government consider the following for inclusion in a revised measurement framework:
- Family incomes compared with the Minimum Income Standard²⁰
 - The adequacy of social security benefits, compared to the level of income needed to lift families out of poverty.
 - Unemployment rate of parents (in addition to employment and underemployment rates)
 - The take-up rates of social security benefits associated with increasing parents’ incomes.
 - The proportion of income spent on housing costs amongst the lowest income households.
 - The proportion of income spent on essential goods and services amongst the lowest income households.
 - The availability of childcare, as well as the cost.
 - The rate of in-work poverty
 - The level of food insecurity²¹
 - The extent of the ‘poverty premium’ in essential goods and services²²
53. Citizens Advice Scotland would also recommend reviewing the measurement framework to ensure clarity of purpose, and how the indicators relate to the ultimate aspiration of eradicating child poverty, as measured by the four proposed indicators in the Bill. The four indicators in the Bill are primarily focussed on income, whereas the majority of indicators in the framework relate to improved life chances and sustainable places, which whilst important

¹⁹ Child Poverty Strategy for Scotland: Our Approach 2014 – 2017 – Scottish Government

²⁰ A Minimum Income Standard for the UK in 2015 – Joseph Rowntree Foundation, July 2016
<https://www.jrf.org.uk/report/minimum-income-standard-uk-2015>

²¹ Report to the UN Committee on Economic, Social and Cultural Rights – Nourish Scotland, August 2015 <http://www.nourishscotland.org/wp-content/uploads/2015/10/ICESCR-Nourish-Scotland-2015.pdf>

²² Paying more to be poor: The poverty premium in energy, telecommunications and finance in Scotland – Citizens Advice Scotland, August 2016 <http://www.cas.org.uk/publications/paying-more-be-poor>

do not have the same direct connection to maximising income and lifting children out of poverty.

Q11. Do you have any additional views on a Child Poverty Bill for Scotland?

54. As mentioned in our response to question 1, whilst eradicating child poverty is important to reduce inequality in society, increase opportunities for children and young people and to reduce some of Scotland's societal problems, children are not the only groups in society to be affected by poverty. Eradicating poverty amongst single adults, pensioners and disabled people, as well as poverty and inequality more widely should be considered alongside these proposed measures.

55. Whilst the Scottish Government appears to have recognised the need for comprehensive action on poverty, including appointing an independent Poverty Adviser, considering the form and scope of a Poverty and Inequality Commission²³, and consulting on a Fairer Scotland Action Plan²⁴. However, it is not immediately clear how these actions, along with others, relate to the specific targets related to child poverty proposed to be set out in statute.

56. Citizens Advice Scotland would recommend the Scottish Government ensure that plans to tackle poverty and inequality more widely are consistent and complementary with the targets set out in the Bill, and collectively represent a focussed set of actions towards the eradication of poverty and inequality from Scotland.

57. Eradicating child poverty by 2030 will require a sustained and focussed programme of activities across a number of areas, including reserved matters. Whilst a number of matters related to addressing child poverty – such as education, health and public transport are within the remit of the Scottish Parliament, other areas directly related to increasing family income, such as the National Minimum Wage, most 'safety net' social security benefits, and areas of taxation are reserved to the UK Parliament.

58. In its strategic plans following the Bill, Citizens Advice Scotland would recommend that the Scottish Government sets out how it intends to work with the UK Government to ensure that all necessary actions are taken to meet the targets.

²³ A Plan for Scotland: The Scottish Government's Programme for Scotland 2016-17, p. 74
<http://www.gov.scot/programme2016>

²⁴ Creating a Fairer Scotland <https://fairer.scot/>