

# **Child Poverty (Scotland) Bill**

## **Equality Impact Assessment – Results**

**February 2017**

## EQUALITY IMPACT ASSESSMENT – RESULTS

<b>Title of Policy</b>	Child Poverty (Scotland) Bill
<b>Summary of aims and desired outcomes of Policy</b>	<p>The purpose of this policy is to reduce the number of children living in poverty in Scotland. By placing statutory income targets on Government we will focus action on reducing inequality and poverty within the formative years of children's lives.</p> <p>The Government Economic Strategy, which has Inclusive Growth at its heart, will be primarily the way we can tackle poverty once and for all. 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 and inequality, 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 and forecasts. To deliver 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 child care, ensuring skills and training is available for our future workforce, and supporting people</p>

into employment. 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 vice versa as we will have a skilled healthy productive workforce that can face up to economic challenges and create prosperity in future.

To support this agenda, we already have in place a much-respected Child Poverty Strategy, covering the period 2014-17. This includes a range of actions to maximise household incomes, boost life chances and sustain high-quality places where children can thrive and prosper and a refreshed strategy, based on current policies and proposals, might be expected to contain:

- 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;
- 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;
- Enhancing the rights of young carers as set out in the Carers (Scotland) Act 2016, to be commenced;
- The new Maternity and Early Years Allowance;
- 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 neo-natal services.

All of the above initiatives will take time to impact on the poverty figures. Inclusive Growth cannot be delivered only as a short-term fix. And we will need to go further and go deeper in our responses if we are genuinely to reduce child

	poverty. Which is why a long-term, cross-portfolio approach is crucial if we are to achieve real change.
<b>Directorate: Division: Team</b>	Housing & Social Justice: Social Justice & Regeneration Division: Social Justice Strategy

## Executive Summary

The public sector equality duty requires the Scottish Government to pay “due regard” to the need to meet its obligations under the Equality Act 2010. The Scottish Government therefore undertook an EQIA as part of the process to introduce a Child Poverty Bill for Scotland to support the improvement of the relevant National Outcomes for children and families.

The Child Poverty Bill will indirectly, through policy choices made to achieve the ambitious targets set out below, affect children, young people, their families and the communities that support them. It is designed to reduce poverty levels in Scotland building 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 set out in our Fairer Scotland Action Plan.

The Bill will;

- Set out four statutory income targets.
- Place a duty on Scottish Ministers to publish Child Poverty Delivery Plans, with the first plan covering the 3 year period from 1 April 2018 and two further plans each covering a 5 year period, and to report on those Plans annually.
- Place a duty on Local Authorities and Health Boards to report annually on activity they are taking to reduce child poverty.

The 2030 targets are that on an After Housing Costs basis;

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

Through the EQIA process no specific negative effects have been identified as a result of introducing this legislation.

## **Background**

- 1) In July 2015 the UK Government announced plans to repeal significant parts of the Child Poverty Act 2010 (the 2010 Act) via the Welfare Reform and Work Bill. They proposed to replace the 2020 income-based poverty 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'.
- 2) Scottish Ministers condemned these changes and requested an opt-out from the UK Government's approach. We worked with DWP to agree a number of amendments to the Welfare Reform and Work Bill removing any duties on Scottish Ministers from the 2010 Act, and committed to bring forward a Scottish approach to tackling child poverty. A Legislative Consent Memorandum was considered by the Welfare Reform Committee in December 2015 and approved by the Parliament in January 2016.
- 3) The UK Welfare Reform and Work Act was passed with the requested amendments in March 2016. The First Minister announced on 20 July that the Scottish Government would bring forward a Child Poverty Bill in this Parliamentary Year, and the consultation was published on 8 August.
- 4) The consultation period for the Bill launched on 8 August and ran until 30 September. The consultation document heavily focused on our discussions with stakeholders, the majority of whom have lobbied us to introduce a Bill and reinstate statutory income targets.

By implementing the Child Poverty Bill for Scotland we will support the following national outcomes:

- Our children have the best start in life and are ready to succeed.
- Our young people are successful learners, confident individuals, effective contributors and responsible citizens.
- We have improved the life chances for children, young people and families at risk.
- We have tackled the significant inequalities in Scottish society.

- We have strong, resilient and supportive communities where people take responsibility for their own actions and how they affect others.
- Our public services are high quality, continually improving, efficient and responsive to local people's needs

And directly influence the following national indicators;

- Decrease the proportion of individuals living in poverty
- Reduce children's deprivation

The Scottish Government have sought advice from the Ministerial Advisory Group on Child Poverty, the Independent Advisor on Poverty and Inequality and key stakeholders; which comprised a number of Child Poverty and wider poverty interest groups and third sector organisations. With these insights we formed the consultation and the targets which were outlined within.

## **The Scope of the EQIA**

The Bill deals with Child Poverty in Scotland, children are considered to be in poverty if they live in households where income is less than 60% UK median household income (equivalised). The Bill therefore affects all children who are living in or at risk of living in poverty in Scotland.

The Scottish Government has carried out a full public consultation relating to the Bill's aims, which informed the EQIA.

The policy was examined against each of the protected characteristics.

## **Key Statistics**

In 2014/15, 17% of children in Scotland were living in relative poverty<sup>1</sup> before housing costs (BHC), and 22% after housing costs are taken into account (AHC). Of the main **age** groups, children's level of poverty was higher in 2014/15 than for working age adults (19%) and pensioners (12%). Children's poverty levels have been highest of these three age groups since 1997.

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<sup>1</sup> Future reference to 'poverty' rates refer to 'relative poverty' after housing costs.

Data published by the Coalition to End Child Poverty in November 2016 highlighted the varying degrees which this national average affects Local Authority areas; for example, 34% were living in poverty (AHC) in Glasgow, compared to 11% in Shetland.

In terms of **disability**, poverty rates remain higher for households with a disabled adult: in 2014/15 23% of households with a disabled adult were in poverty AHC, compared with 16% those without. Poverty rates are higher still for households with a disabled child: in 2014/15, 27% of households with a disabled child were in poverty AHC, compared with 18% of those without.

Poverty rates vary by **ethnicity**, but poverty rates AHC for all people from minority ethnic (non-white) groups are higher than for the 'White - British' group. Over a third (34%) of people in minority ethnic groups were in poverty (AHC) were taken into account, compared with 17% of people from the 'White – British' group. Within this, poverty AHC was 26% for 'White - other' groups; 30% for 'Asian/Asian British' people; and 37% for 'Mixed, Black / Black British, Chinese & Other' people. Because of small sample sizes for ethnic minorities within the statistics collected, we are unable to provide separate analysis for minority ethnic children.

In terms of **gender**, according to the latest statistics, women have higher poverty rates than men. Overall for adults in 2014/15, 18% of women were in poverty AHC, as were 16% of men. The large majority of lone parent households are headed by women and these households tend to experience high poverty rates: 34% were in poverty in 2014/15, compared with 26% of single working age women without children. For comparison, 16% of couples with dependent children were in poverty AHC in 2014/15. These statistics have implications for child poverty, as women tend to be the main carers of children.

Parental age also has a significant impact on child poverty rates. Over half (52%) of children whose mother is aged 25 or younger were in poverty, compared with 20% of children whose mother is aged older than 25 years.

The Scottish Government does not have sufficiently robust evidence to draw conclusions on the association between income, poverty and sexual orientation, or on the experiences and position of transgender people in relation to income and poverty.



## Discussion

As set out above, more than one in five children live in poverty in Scotland. While Scotland continues to perform better on these statistics than at UK level, the latest figures show that poverty after housing costs remains static. Scottish Ministers are clear that these levels are simply unacceptable in a rich, developed country like Scotland.

Without progress on tackling poverty, deep-rooted inequalities and poor outcomes will continue to impact on our performance across all aspects of government. We cannot resolve issues like the attainment gap or health inequalities over the long term without tackling poverty as a priority.

Poverty is at the root of many of the problems we face as a government and as a country. It has significant costs for the economy of Scotland and the wider UK. In 2013, child poverty was estimated to cost the UK over £35 billion a year in today's terms, equivalent to about three per cent of GDP. About half of these costs arise from the fact that adults who grew up in poverty have lower productivity and a higher risk of unemployment, and this impacts on economic growth. The other half of the costs arise from the additional public spending needed to deal with social problems arising from child poverty, emphasising the need for a preventive approach.

The EQIA did not identify any potential negative impacts on equality from implementation of this policy. Indeed, a reduction in child poverty is likely to be of significant benefit to a wide range of equality groups that, as evidenced above, often experience higher rates of poverty. Women, who traditionally tend to be the main carers of children and whose incomes may disproportionately support them, may be particularly advantaged from actions that increase family incomes or reduce household costs. It might also be expected that families with disabled children and minority ethnic children would benefit if poverty and deprivation rates are reduced to target levels.

However, new policies that seek to reduce child poverty and meet the new targets will need to ensure that equality considerations are at the forefront. Equality Impact Assessment will help with this. It is essential that in meeting these targets, the Scottish Government also closes the poverty gap that exists for gender, race, and disability. Also, there is a need to be mindful that tackling poverty for those without children – particularly single person households – remains a central consideration:

tackling poverty for children should not mean that poverty becomes less of a priority for other age groups.

## **Equality and the Consultation**

From the consultation 94% agreed with the Scottish Government ambition to eradicate child poverty and to include in statute stretching targets to reduce child poverty. A range of reasons for this support were outlined, including that the targets would provide focus, place child poverty 'high on the agenda'; and act as a driver of change.

The main equality issues that were raised in the consultation were around better understanding how poverty impacts on groups with different protected characteristics and considering the specific needs of these groups. The main groups mentioned were women (specifically economic inequality), disabled people/children and ethnic minorities (and better linking with anti-racism issues). Some specific issues raised were:

- Linking to other relevant SG strategies/commitments around race, gender, disability etc
- Considering equality aspects and disaggregation in relation to the income-based measures and targets (also taking into account additional costs associated with disability)
- Better statistics so the most at risk groups can be identified, gaps monitored and support tailored. Particularly, considering equality aspects and disaggregation in relation to the measurement framework and indicators (that currently the MF may not identify experiences of some groups/specific routes out of poverty)
- Representation – including someone with insight into/knowledge of equality issues on the advisory group (disability; race equality; women's experiences of poverty); wider stakeholder engagement with equalities groups; engaging with groups with experience of poverty

Specific comments made in the consultation on equality included:

“CRER hopes that a robust and thorough Equality Impact Assessment is published alongside the draft Child Poverty Bill which highlights the different realities, experiences, and challenges faced by equalities groups living in poverty. It is important to recognise that improvements for the majority do not serve as a proxy for improvements for everyone. Specialised and targeted efforts and initiatives will be needed to

eradicate child poverty for all groups and will be more effective than adopting a "one size fits all" approach. If policies to eradicate child poverty (and wider poverty) do not reflect the particular barriers faced by minority ethnic individuals, inequality will only perpetuate and grow. CRER is happy to provide the Scottish Government with information relevant to racial equality that may be useful in the development of the Child Poverty Bill and the associated Equality Impact Assessment.”

“As with our answer to Question 10 a comprehensive equality impact assessment could assist in identifying areas where local partners’ contribution to the national goals and their relationship to equality could be explored. Any guidance issued, and any monitoring required of local partners needs to stress the equality aspects of the policy and the need for inclusive data to be sought to demonstrate that the policy is having its intended effect of benefiting all children living in poverty, not just those living in the most deprived areas.” (EHRC)

## **Recommendations and Conclusion**

The evidence collected over the course of the EQIA satisfied the Scottish Government that there is clear support for establishing a Child Poverty Bill.

Through the public consultation question on national and local links<sup>2</sup>, the Bill proposes that a duty requiring Local Authorities and Local Health Boards to report annually on activity to reduce Child Poverty will help to drive locally-focused and targeted action.

National Delivery Plans must give due consideration to the specific needs across the protected characteristics in order to ensure that everyone can access the support available as a result of the Bill; the guidance produced will also reflect these considerations.

As highlighted above, particular groups will often experience higher rates of poverty; therefore any reduction in poverty levels should benefit these groups. However, the Delivery Plan and individual policy actions within it must ensure that everyone is able to benefit from actions put in place and that particular inequality gaps narrow as a result. EQIAs will be

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<sup>2</sup> “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.”

published for all relevant policies and proposals as normal government practice.

From our consultation and discussion event with local authority poverty leads we have taken advice on improvements which can be made to our Child Poverty Measurement Framework. We will use these responses and work with our stakeholders over the course of 2017 to develop the measurement framework alongside the first Delivery Plan(which the Bill requires to be published by 1 April 2018). These improvements will be incorporated where data is available in order to support local delivery to advance equality. We will produce yearly updates on progress made against this framework in order to drive local action.



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