

## **CPAG in Scotland**

### **Additional Submission to Scottish Parliament Local Government and Communities Committee Inquiry into Child Poverty**

#### **1.0 Child Poverty Action Group (CPAG) in Scotland**

CPAG promotes action for the prevention and relief of poverty among children and families with children. To achieve this, CPAG aims to raise awareness of the causes, extent, nature and impact of poverty, and strategies for its eradication and prevention; bring about positive policy changes for families with children in poverty; and enable those eligible for income maintenance to have access to their full entitlement.

Our work includes raising awareness through the publication, with partners, of *Poverty in Scotland*; influencing devolved policy in the interests of children in poverty; contributing a Scottish voice to UK wide campaigns on education, child benefit and welfare reform; and maximising incomes through specialist training, advice and information on benefits, tax credits and their interaction with devolved sources of financial support.

#### **2.0 Introductory Comments**

After dramatic increases in child poverty between 1979 and the mid 1990's, unprecedented government commitments to eradicate child poverty by 2020, and policy action from both Westminster and Holyrood, have had a real impact in reducing the numbers of children and pensioners in relative income poverty<sup>1</sup>. Yet, despite this real improvement, progress has stalled – at a UK level child poverty worsened between 2004/05 and 2006/07, and in Scotland there was no improvement. Poverty levels in Scotland, as in the rest of the UK, remain extremely high. In recent historical terms, in relation to other European countries, and compared to adults, children in Scotland continue to face an unusually high risk of poverty. One in four are officially recognised as poor (after housing costs), compared to 20% of the population as a whole and almost double the 1979 rate<sup>2</sup>. Moreover Scotland's children are more than twice as likely to be poor than their peers in Scandinavian countries<sup>3</sup>. Whilst recognizing the impact existing policies have had it is clear that renewed political vigour, increased resources and new policies are needed for future progress.

In this context CPAG in Scotland welcomes the Scottish Parliament's Local Government and Communities Committee Inquiry into Child Poverty. This submission should be read as additional to, and in support of, our previous Joint Submission with Barnardo's, NCH, One Parent Families Scotland, Poverty Alliance and Save the Children.

#### **3.0 Targets**

CPAG has welcomed clear Scottish Government commitments to the UK child poverty targets to halve child poverty by 2010 and eradicate child poverty by 2020 and to doing "all within the powers available"<sup>4</sup> to the Scottish Government to achieve these goals.

We have also welcomed the new Scottish Government commitment within the Solidarity purpose target to reducing income inequality<sup>5</sup>. CPAG has long argued<sup>6</sup> that there is a real need for government to seriously consider the role that underlying income inequalities play in undermining further progress toward eradicating child poverty.

However it is vital that these targets lead to policy that makes a real difference on the ground. **CPAG recommends that the Scottish Parliament Local Government and Communities Committee should consider annual scrutiny of progress towards achieving child poverty targets.** This could be done by monitoring progress annually when the Households Below Average Income (HBAI) statistics are published, and seeking updates from Scottish, and potentially UK, government on the level of progress made, and the policies planned to maintain progress. We also suggest that the Scottish Government's Solidarity Golden Rule is developed to ensure progress on tackling inequality is judged on increasing the proportion of income held by *each* of the bottom three deciles and that interim targets are set to assess progress.

#### **4.0 Single Outcome Agreements**

Central to delivery of action to tackle child poverty will be Single Outcome Agreements and the relationship between Scottish Government and local authorities. **CPAG calls on the new Scottish Government anti-poverty framework to give full details on how local authorities will be supported, and held accountable, to ensure spending and services reach and benefit children and families living in poverty.** Given the significant additional discretion on spending local authorities now have, it is vital that future Single Outcome Agreements clearly define expectations in relation to reducing child poverty and include mechanisms for measuring the impact of service delivery and spending on child poverty levels.

CPAG has developed a Local Child Poverty toolkit for use in England that could, with appropriate funding and commitment from local government and the Scottish Government, be adapted for use by local authorities in Scotland, as a way of assisting in the development of local strategic approaches and of measuring the impact of local service delivery on child poverty levels. The toolkit, which can be accessed at <http://www.childpovertytoolkit.org.uk> has been designed to support local authorities in their contribution to the national child poverty target, and to help local partners to frame an informed debate on child poverty in relation to employment, income, education, health and social services.

CPAG believes that the Local Government and Communities Committee can play an important role in monitoring the effectiveness of Single Outcome Agreements as a mechanism for ensuring local authority services and spending are having a positive impact on local levels of child poverty.

#### **5.0 Employment and Childcare**

Whilst work is an important route out of poverty, and removing barriers to work must play a key role in action to tackle poverty, we are concerned that current policy tends to elevate work as the primary solution to poverty, without fully acknowledging the limitations of this approach. Not everyone can do paid work and expecting parents to work longer hours can undermine work-life balance and time to parent. There is also a real risk of undermining the value and contribution those who are not in paid work make to society. **CPAG strongly recommends that devolved approaches to supporting parents into employment continue to be based on voluntary engagement and the removal of barriers, an approach exemplified by the New Future Fund and Working for Families programmes.**

Low pay, combined with job insecurity, lack of flexibility for working parents and sparse in-work support for those with disability or long term illness, continues to undermine paid work as a route out of poverty. Scotland, alongside the rest of the UK, already has a high employment rate, hand-in-hand with a high child poverty rate. Nearly a quarter of children living in poverty are in households where an adult is already working full time.<sup>7</sup> Furthermore 30% of low pay in Scotland is within the public sector<sup>8</sup> over which the Scottish Government has substantial direct responsibility. A higher employment rate does not necessarily mean a low poverty rate.

**We recommend that the Scottish Government builds on reference to developing a 'living wage'<sup>9</sup> and sets out how it will increase rates of pay at the bottom of the public sector pay spectrum, in order to set an example in tackling in-work poverty.** In addition **we recommend that a clearer focus on tackling the low pay, insecurity, discrimination and family unfriendly practice that too often makes work an ineffective route out of poverty be built into Workforce Plus, enterprise and business support activity.** There is a real role for Scottish Government to ensure that its Economic Strategy focuses on supporting the development of quality jobs.

Major policy areas encompassed by the UK Welfare Reform agenda, such as childcare, health and skills development, are devolved to the Scottish Government. **Scottish and UK government must work together to ensure necessary levels of childcare, skills development and health service support are in place as UK policy removes Income Support entitlement from lone parents with younger children<sup>10</sup> and introduces the new Employment and Support Allowance<sup>11</sup> for people who have limited capability for work because of illness or disability.** We are concerned that many of those who rely on benefit support, such as the long term sick, the disabled and lone parents are facing increased conditionality attached to their benefits without the necessary support being in place to allow them to meet the new responsibilities being attached to benefit entitlement. Planning across Scottish and UK government will be vital to reduce the risk of families losing benefit entitlement, or parents being forced into inappropriate jobs that risk undermining family wellbeing, because of lack of adequate support to engage with employment related opportunities.

A key barrier to improved employment prospects for parents is lack of affordable accessible childcare. **CPAG recommends that the Scottish Government build on current patchwork and targeted improvements in childcare toward a policy of universal childcare, free at the point of delivery.** Affordable and accessible childcare provision needs to focus as much on supporting child development as enabling parents into work, training or further education. Whilst there has been real improvement through increased access to nursery places, development of sure start programmes, of local childcare strategies and of the Working for Families programme, problems of expense and inadequate supply, particularly in the most disadvantaged areas, continue to undermine parents' attempts to take up work and other opportunities. Difficulties facing organisations providing childcare in the most disadvantaged areas have created a child care system that is *"often, patchy, inflexible and expensive"*<sup>12</sup>. As frontline providers described in *Poverty in Scotland 2007* *"..the childcare infrastructure remains the biggest obstacle to the progress of individual parents"*, with pressures on childcare providers to increase sustainability and reduce grant dependency by increasing parental fees leading to *"Some nurseries which have been driven down this route have only been able to do so by relinquishing anti-poverty objectives"*<sup>13</sup>

CPAG recognises that providing a sustainable universal childcare service is a complex undertaking. In addition to issues of principle, there are workplace issues around the number of child carers, and the training and remuneration they receive. These workplace issues, in part being addressed as part of ongoing policy reform, are critical to creating a service that is not only of good quality - sufficient to maximise child development - but is also sustainable.

In the short term, sustainable ways must be sought to make more childcare available in deprived areas, as well as ensuring a greater variety of provision to match need. Further commitment, and funding, from the Scottish Government is needed to ensure affordable childcare provision is accessible, in the right places and at the right times, to all parents seeking to move into education, training or employment related activity. The long-term ambition should be universal childcare, free at the point of delivery, and the immediate priority is to establish an action plan with steps to get there, starting now.

## 6.0 Benefits

Benefits and tax credits play a vital role in boosting the incomes of families facing poverty, both in and out of work, and are an important tool in the strategy to end child poverty. Whilst benefit and tax credit policy are reserved matters, many families miss out on the benefits and tax credits to which they are entitled either because they do not claim or are unable to challenge poor decision making and administration relating to their claims. Official estimates suggest one in five families fail to claim tax credits worth around £70m in Scotland alone<sup>14</sup>, and there is evidence that families facing the most severe and persistent poverty are not receiving the benefit support they should be. Save the Children research showed that 14% of children living in severe and persistent poverty had not received benefits in the previous 5 years, rising to 68% of children who had experienced severe poverty over a short term.<sup>15</sup> Despite being at particular risk of poverty less than half of disabled children receive Disability Living Allowance.<sup>16</sup>

There are important measures that the Scottish Government can take to ensure families in Scotland receive the benefits and tax credits they are entitled to. Research shows welfare rights services “improve take up and deliver significant financial gains for clients”; that the “extra resources acquired by clients tends to be directed toward extra spending on fuel, food, education, recreation and transport”; and that the “local economy gains”. Furthermore “positive, if broadly anecdotal” evidence suggests welfare rights advice is cost effective. RNIB estimate that for every £1 of funding £44 worth of unclaimed benefit is raised, whilst CAB estimate every £1 spent on take up campaigns nets up to £85 for local areas.<sup>17</sup>

CPAG welcomes existing Scottish Government investment in advice and information service, including the funding provided to CPAG to support the capacity of frontline advisers to deliver effective high quality advice and information. However **we recommend that the Scottish Government’s new framework for tackling poverty maps the extent to which welfare rights advice services, second tier welfare rights advice and other benefits and tax credits information sources meet the needs of households across Scotland and identify gaps in service provision and quality.** Recent independent evaluation of CPAG in Scotland’s second tier advice and information services suggests that many frontline agencies face real funding pressures, limiting their capacity to deliver. The framework should also set out a longer term strategy to ensure that advice services are accessible, adequately funded and co-ordinated, as well as supported to maintain and improve quality standards. Identifying

new ways of delivering benefits and tax credits information and advice in those places most used by families (e.g. childcare, Sure Start, health and education settings) should be part of such a strategic approach.

## **7.0 Equality**

CPAG analysis demonstrates that particular groups of children are at heightened risk of poverty. Our publication, [At Greatest Risk](#), identified those various groups of children who were at greatest risk of child poverty and looked at how to tackle the particular issues that most affect them. The challenge for the Scottish Government's anti-poverty framework is to drive overall policy to deliver most for the most vulnerable children and families including those living in large families; those children with disabilities; children with disabled parents; black and minority ethnic children; traveller and gypsy children; children leaving care and asylum seekers.

### **7.1 Children with disabilities**

While not all disabled children will experience poverty, they are more likely than their non-disabled peers to live in poverty as a result of lower incomes (because parents need to look after disabled children and so cannot work) and the impact of disability-related additional costs.<sup>18</sup>, with those living in lone-parent families and black and minority ethnic families at particular risk<sup>19</sup>.

CPAG's report, [Out of Reach](#),<sup>20</sup> explores ways of improving the effectiveness of current policy and its administration - by, for instance, maximising the take-up of disability living allowance - to improve the circumstances of disabled children. CPAG therefore welcomed Scottish Government investment in our activity focusing on working with non-specialist frontline workers to provide basic level training, information and advice on benefit and tax credits for disabled children and their families, and would welcome the opportunity to discuss further action that could be taken to ensure families affected by disability receive the financial support they are entitled to.

### **7.2 Black and minority ethnic children**

In Scotland in 2002/03 to 2004/05, after housing costs, an estimated 42% of children living with a minority ethnic head of household were living in poverty (compared with 24% of children with a non-minority ethnic head of household).<sup>21</sup> CPAG's report [At Greatest Risk](#)<sup>22</sup> points out that the greater likelihood of poverty among minority ethnic groups is the consequence of a number of factors, including: higher than average unemployment levels; minority ethnic communities largely concentrated in inner cities where recession and industrial restructuring have weakened or destroyed older industrial sectors; racism in the selection of people for jobs or redundancy; the greater likelihood of being in low-paid work; inadequate health and housing provision; and, more recently, restrictions on financial help for refugees and asylum seekers.

### **7.3 Asylum seekers**

CPAG believes that the UK Government's asylum policy directly conflicts with policies on child welfare, social inclusion and anti-discrimination principles. The difference in treatment of asylum-seeker families is highlighted in a recent report from researchers at the London School of Economics.<sup>23</sup> It found that while poverty had been alleviated for some vulnerable groups over the last seven years, asylum policies have led to a reduction in rights for this group in employment, health services, income and housing.

**CPAG strongly urges the Scottish Parliament to do what it can to ensure all children benefit from devolved child welfare and anti-poverty policies.** Children should be seen and dealt with as children first – irrespective of where they were born.

## 8.0 Concluding Comments

In conclusion CPAG in Scotland believes there is a significant role for Scottish Government and Parliament to play in ending child poverty. We recommend that the Committee play a greater role in monitoring progress against child poverty targets and in ensuring local authorities are supported, and held accountable, for ensuring that services and spending reach children in poverty. CPAG calls for a greater focus on tackling in-work poverty, and for Scottish and UK government to work together to ensure that the necessary levels of childcare, skills development and health service support are in place to minimise the risks associated with aspects of recent welfare reform. Strategies to move toward universal childcare, free at the point of delivery, and for comprehensive high quality advice and information so that families receive the financial supports to which they are entitled (both in and out of work) must also be central to devolved action to end child poverty. Finally it is vital that policies and services are proofed to ensure *all* children in poverty benefit.

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**30 June 2008**

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<sup>1</sup> *Poverty in Scotland 2007* Chapter 2 p23, CPAG 2007

<sup>2</sup> [www.scotland.gov.uk/Publications/2007/05/30085716/4](http://www.scotland.gov.uk/Publications/2007/05/30085716/4) and *Poverty: the stats*; CPAG, 2006

<sup>3</sup> see J Bradshaw, *A review of the comparative evidence on child poverty*, JRF, 2006 Figure 2

<sup>4</sup> Scottish Government, *Discussion Paper on Tackling Poverty, Inequality and Deprivation*, p5

<sup>5</sup> Scottish Government, *Discussion Paper on Tackling Poverty, Inequality and Deprivation*

<sup>6</sup> See for e.g. CPAG Submission to Scottish Affairs Committee Poverty in Scotland inquiry

[http://www.cpag.org.uk/scotland/SAC\\_Poverty\\_submission\\_1006.doc](http://www.cpag.org.uk/scotland/SAC_Poverty_submission_1006.doc)

<sup>7</sup> [http://www.dwp.gov.uk/asd/esa/hbai/hbai2005/pdf\\_files/chapters/chapter\\_4\\_hbai06.pdf](http://www.dwp.gov.uk/asd/esa/hbai/hbai2005/pdf_files/chapters/chapter_4_hbai06.pdf) Table 4.4

<sup>8</sup> Defined as less than £6.50ph see <http://www.poverty.org.uk/reports/scotland%202005%20findings.pdf>

<sup>9</sup> Scottish Government, *Discussion Paper on Tackling Poverty, Inequality and Deprivation* para 43

<sup>10</sup> See [http://www.cpag.org.uk/info/briefings\\_policy/CPAG\\_InWorkBetterOff\\_responseCM7130.doc](http://www.cpag.org.uk/info/briefings_policy/CPAG_InWorkBetterOff_responseCM7130.doc)

<sup>11</sup> See [http://www.cpag.org.uk/esa/\\_policy.htm](http://www.cpag.org.uk/esa/_policy.htm)

<sup>12</sup> *Poverty in Scotland 2007* p130, CPAG, 2007

<sup>13</sup> *Poverty in Scotland 2007* p150/151, CPAG, 2007

<sup>14</sup> <http://www.hmrc.gov.uk/stats/personal-tax-credits/takeup-rates2004-05.pdf>

<sup>15</sup> *Britain's Poorest Children*, Save the Children, ??

<sup>16</sup> *Out of Reach: Benefits for disabled children*, CPAG, 2006

<sup>17</sup> Wigan and Talbot, *The benefits of welfare rights advice: a review of the literature*, 2006 at

[www.nawra.org/nawra/docs\\_pdf/Benefitsofwelfareadviceadviceelitreview.pdf](http://www.nawra.org/nawra/docs_pdf/Benefitsofwelfareadviceadviceelitreview.pdf)

<sup>18</sup> N Sharma, *Still Missing Out? Ending poverty and social exclusion: messages to government from families with disabled children*, Barnardo's, 2002

<sup>19</sup> E Emerson, 'Mothers of Children and Adolescents with Intellectual Disability: social and economic situation, mental health status, and the self-assessed social and psychological impact of their children's difficulties', *Journal of Intellectual Disability Research*, 47: 4/5, 2003, pp385-99

<sup>20</sup> G Preston with M Robertson, *Out of Reach: benefits for disabled children*, CPAG, 2006

<sup>21</sup> Scottish Parliament, Written Answers, 28 March 2006, available online at

[www.scottish.parliament.uk/business/pqa/wa-06/wa0328.htm](http://www.scottish.parliament.uk/business/pqa/wa-06/wa0328.htm)

<sup>22</sup> G Craig, 'Poverty Among Black and Minority Ethnic Children', in G Preston (ed), *At Greatest Risk: the children most likely to be poor*, CPAG, 2005

<sup>23</sup> J Hills and K Stewart (eds), *A More Equal Society? New Labour, poverty, inequality and exclusion*, The Policy Press, 2005