

CHILD POVERTY

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This briefing provides an overview of child poverty in Scotland. The different methods of measuring child poverty are outlined, and figures are provided on the numbers of children living in poverty in Scotland. The causes and effects of child poverty, and the policy responses from the Scottish and UK governments, are discussed. The briefing also highlights some of the recent debate on child poverty, including previous parliamentary consideration and the views of stakeholders.

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KEY POINTS

- There are three official measures of child poverty. These are based on the numbers in absolute low income households, the numbers in relative low income households, and the numbers experiencing material deprivation and low income combined
- Latest figures indicate there are:
 - 130,000 children in Scotland in absolute poverty
 - 210,000 children in Scotland in relative poverty
 - 130,000 children in Scotland with a combination of relative low income and material deprivation
 - over 90,000 Scottish children living in severe poverty, according to Save the Children
- Nationally, 21% of children are in families claiming out-of-work benefits. Within Scotland there are 83 local wards where the percentage of children in families on out-of-work benefits is at least twice the national average. Thirty seven of these wards are in Glasgow City
- The Scottish Affairs Committee recently concluded that poverty is caused primarily by low pay and low levels of benefits
- The effects of poverty on children include poorer health and lower levels of educational attainment
- At a UK level, Public Service Agreement 9 sets out the Government's intention to "halve the number of children in poverty by 2010-11, on the way to eradicating child poverty by 2020"
- The Institute of Fiscal Studies states that "the Government could meet its target of halving child poverty between 1998 and 2010 by spending an estimated £4 billion a year (0.3 per cent of GDP) more than currently planned on benefits and tax credits. Getting the second half of children out of poverty between 2010 and 2020 [would require] a further £28 billion (1.6 per cent of GDP) in addition to planned annual spending
- The Scottish Government has stated it is "committed to sharing the UK Government's long-term target to eradicate child poverty by 2020 and will continue to do all [it] can to ensure that Scottish policies and programmes make the maximum contribution towards the milestone of halving child poverty by 2010"
- Target 5 of the Government's National Performance Framework is "to increase overall income and the proportion of income earned by the three lowest income deciles as a group by 2017." More specifically, Indicator 14 is to "decrease the proportion of individuals living in poverty
- Specific policies on child poverty identified by the Scottish Government include:
 - Workforce Plus
 - More Choices More Chances
 - Free school meals pilots
 - The skills strategy
 - A forthcoming early years strategy
 - The establishment of a Ministerial taskforce on health inequalities

WAYS OF MEASURING CHILD POVERTY

“Attempts to explain the different approaches to defining and measuring poverty are often overtly technical and theoretical, written by academics and statisticians for ‘people like them’. However the ways in which we conceptualise and define poverty have implications for the number of people that are counted as living in poverty; the understanding that society in general has about those living in poverty; and about the policy solutions that we develop to address the problem. Therefore we must all be concerned about how poverty is defined and measured”

(Kelly P and McHendrick J, in *Poverty in Scotland 2007*; McHendrick et al)

The Department for Work and Pensions (DWP) measures child poverty using three tiers of statistics (Scottish Executive 2007a). This combined measure will be used to assess progress in achieving a joint DWP/ HM Treasury child poverty target of halving child poverty by 2010 and eradicating child poverty by 2020.

Measure of child poverty	Stated purpose of measure
Tier 1, Absolute low income: Number and proportion of children in households whose equivalised income before housing costs is below 60% of inflation adjusted median income in 1998/99.	This is a measure of whether the poorest families are seeing their incomes rise in real terms.
Tier 2, Relative low income: Number and proportion of children in households whose equivalised income before housing costs is below 60% of median ¹ income in the same year.	This is a measure of whether the poorest families are keeping pace with the growth of incomes in the economy as a whole.
Tier 3, Material deprivation and relative low income combined: Number and proportion of children that are both materially deprived (scoring 25 or more on a deprivation index) and are in households whose equivalised income before housing costs is less than 70% of the median in the current year.	This is to provide a wider measure of children's living standards. 21 questions on material deprivation are included in the UK Family Resources Survey. This composite indicator aims to exclude those with low incomes, who have high living standards, and to include those who would not be captured by the relative low-income measure but who face certain unavoidably high costs.

HOW MANY CHILDREN ARE IN POVERTY IN SCOTLAND?

The charts and table below provide statistics in relation to each of these three ‘tiers’ of measurement:

1. absolute poverty,
2. relative poverty and
3. material deprivation.

Figure 1: People in Scottish Households with Absolute Low Incomes ('000s)
 (Source Scottish Executive 2007a)

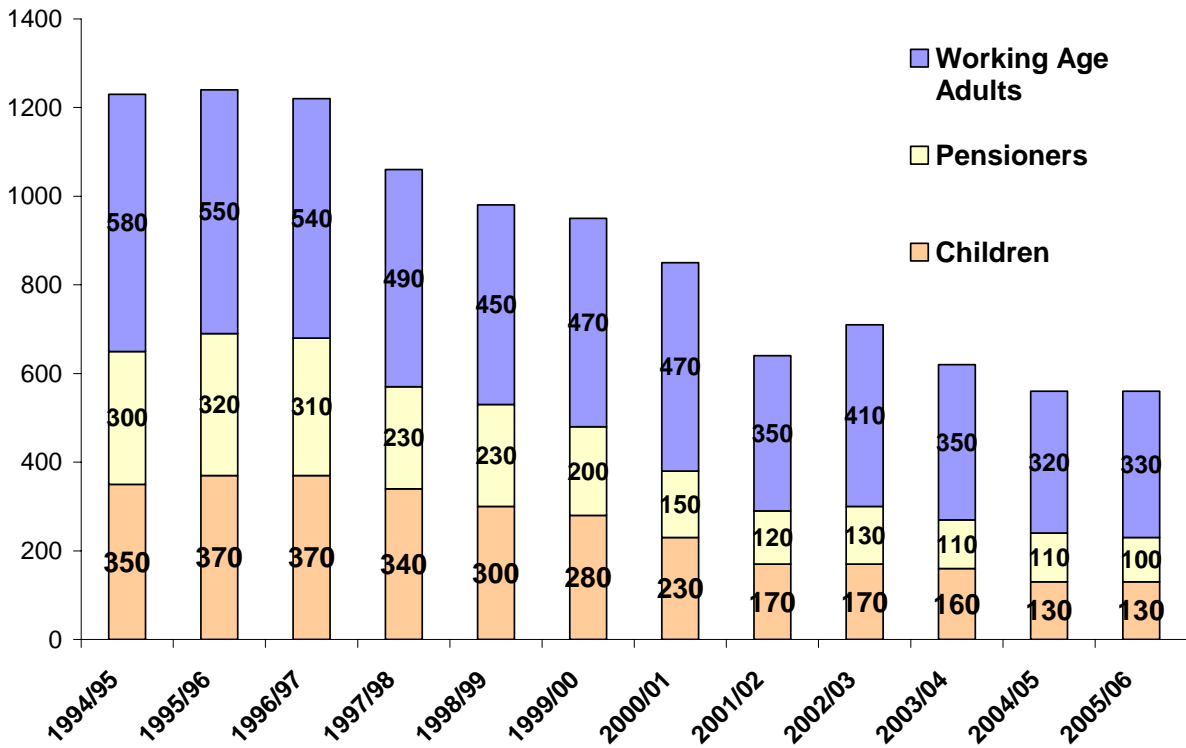
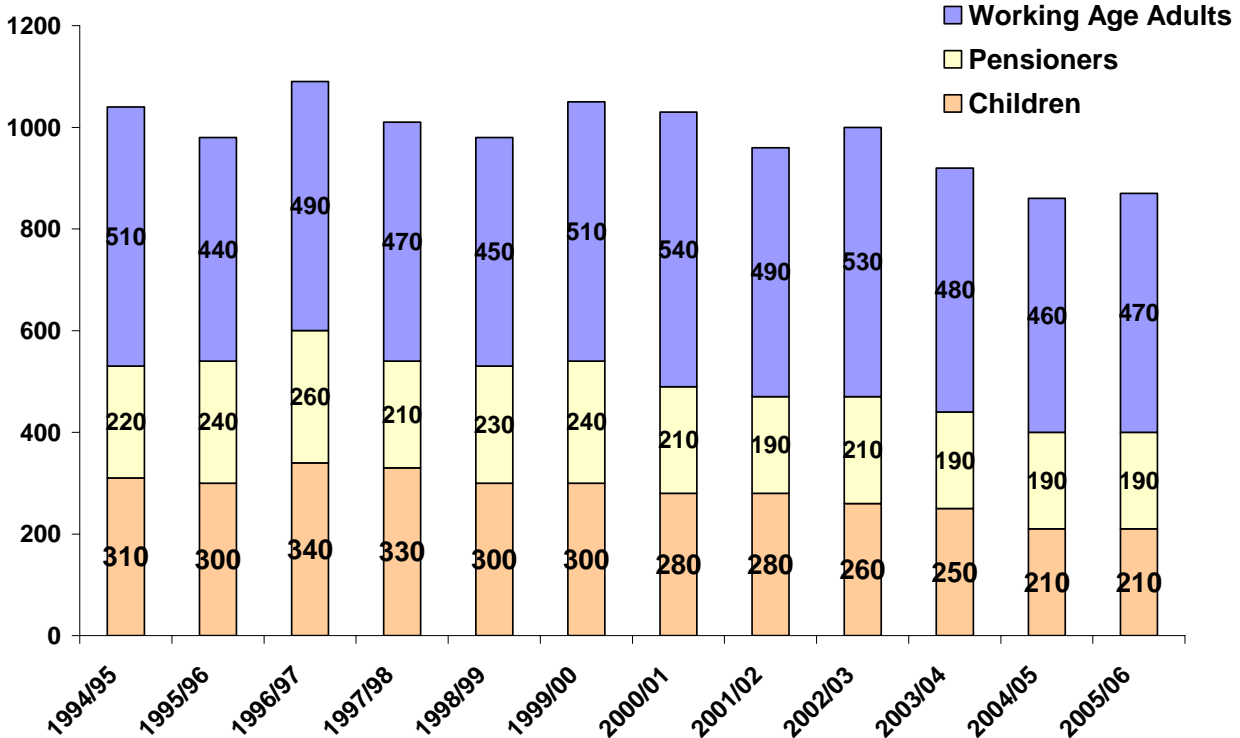


Figure 2: People in Scottish Households with Relative Low Incomes ('000s)
 (Source Scottish Executive 2007a)



Figures on the composite third tier measure of child poverty (combining low income and material deprivation) were published as part of the UK Comprehensive Spending Review in October 2007. The figures indicate that in Scotland:

- In 2004/05 16% of children (170,000 children) were in combined Low Income and Material Deprivation.
- In 2005/06 13% of children (130,000 children) were in combined Low Income and Material Deprivation.

Further detail on some of the child specific questions in the Family Resources Survey (05/06) is provided below in Table 1:

Table 1: Responses to material deprivation questions from Scottish households (2005/06)

(Source: Scottish Executive 2007a)

		<i>Bottom quintile</i>		<i>Top quintile</i>		<i>Total number</i>	
		<i>%</i>	<i>(000s)</i>	<i>%</i>	<i>(000s)</i>	<i>%</i>	<i>(000s)</i>
Outdoor space / facilities to play safely	Have this	74%	180	93%	120	85%	860
	Don't have this	26%	60	7%	10	15%	150
Enough bedrooms for every child over 10	Have this	62%	20	88%	20	76%	110
	Want but can't afford this	32%	10	12%	0	22%	30
	Don't want or need; doesn't apply	6%	0	0%	0	2%	0
Celebrations on special occasions	Have this	90%	220	98%	130	96%	960
	Want but can't afford this	8%	20	0%	0	3%	30
	Don't want or need; doesn't apply	2%	0	2%	0	1%	10
Leisure equipment such as sports equipment or a bicycle	Have this	85%	200	96%	120	91%	920
	Want but can't afford this	9%	20	1%	0	4%	40
	Don't want or need; doesn't apply	6%	20	3%	0	4%	40
At least one week's holiday away from home with family	Have this	40%	100	91%	120	66%	660
	Want but can't afford this	55%	130	3%	0	29%	290
	Don't want or need; doesn't apply	5%	10	6%	10	5%	50
Hobby or leisure activity	Do this	73%	170	84%	110	84%	840
	Would like to but can't afford this	11%	30	1%	0	4%	40
	Don't want or need; doesn't apply	16%	40	15%	20	12%	120
Swimming at least once a month	Do this	60%	140	74%	100	69%	690
	Would like to but can't afford this	14%	30	1%	0	6%	60
	Don't want or need; doesn't apply	25%	60	25%	30	25%	250
Have friends round for tea or a snack once a fortnight	Do this	66%	160	82%	110	77%	770
	Would like to but can't afford this	14%	30	1%	0	5%	50
	Don't want or need; doesn't apply	19%	50	17%	20	18%	180
Go on school trip at least once a term	Do this	83%	150	95%	100	91%	730
	Would like to but can't afford this	10%	20	0%	0	5%	40
	Don't want or need; doesn't apply	7%	10	4%	0	5%	40
Go to a playgroup at least once a week	Do this	63%	70	84%	40	75%	290
	Would like to but can't afford this	11%	10	0%	0	4%	20
	Don't want or need; doesn't apply	26%	30	16%	10	21%	80

Respondents were asked, from a prepared list of child specific questions, if they had an item or undertook an activity, if they wanted but could not afford the item/activity or they did not want the item/activity. Amongst the findings in Table 1 above are that:

- 60,000 children living in the lowest income households (26%) do not have outdoor space to play safely compared to 7% (10,000) children in the highest income households.
- 130,000 children living in the lowest income households (55%), live in households that would like, but cannot afford to go on at least one week's holiday a year away from home, compared to 3% (less than 5,000) children in the highest income households.

SEVERE DEPRIVATION

An 'unofficial' analysis of the Family Resources Survey data by Save the Children (2007a) identified the number of children across the UK living in "severe poverty". The threshold for this measure is a household with an income **below 50% of the median**, in combination with material deprivation (deprived of both adult and child necessities, at least one of which shows some degree of severity, ie two or more items). For a couple with one child this equates to an average income of £7,000 per year after housing costs (or £19 per day). Save the Children described those in households between 50% and 70% of median income as being in non-severe poverty.

On this definition a total of 1.4 million children are in severe poverty in the UK, some 10.2% of all UK children. Some 9.7% of Scottish children also fall into this category (just over 90,000 children). There are regional variations in severe poverty across the UK ranging from around 7% in the South-East/South-West to 17% in London. The likelihood of children experiencing severe poverty also increases when:

- Parents are out of work
- Parents have low educational attainments
- The family is living in rented accommodation
- Parents have no savings/assets
- The family is of four or more children
- The family is in an ethnic minority group, especially of Asian origin
- The family includes a disabled adult(s)

In some cases non-receipt of welfare benefit in the family, for whatever reason, is also associated with high levels of severe child poverty.

INTERNATIONAL COMPARISONS

A recent report by the UNICEF (2007) attempted to provide a comparison of child welfare in a broader sense across 21 OECD countries. Rather than use income poverty as a proxy measure for overall child well-being in the OECD countries the report attempts to measure and compare child well-being under six different headings, or 'dimensions' (using 40 indicators): material well-being; health and safety; education; peer and family relationships; behaviours and risks and; young people's own subjective sense of well-being.

The findings of the research were summarised in a 'report card' (see Table 2 below). Countries are listed in order of their average rank for the six dimensions of child well-being that have been assessed. It should be noted that some of the UK indicators draw on data from England. In one case for example, the health behaviours of school children, the Scottish results are significantly different to the English results.

UNICEF described the main findings as follows:

- The Netherlands heads the table of overall child well-being, ranking in the top 10 for all six dimensions of child well-being covered by this report.
- European countries dominate the top half of the overall league table, with Northern European countries claiming the top four places.
- All countries have weaknesses that need to be addressed and no country features in the top third of the rankings for all six dimensions of child well-being (though the Netherlands and Sweden come close to doing so).
- The United Kingdom and the United States find themselves in the bottom third of the rankings for five of the six dimensions reviewed.
- No single dimension of well-being stands as a reliable proxy for child well-being as a whole and several OECD countries find themselves with widely differing rankings for different dimensions of child well-being.
- There is no obvious relationship between levels of child well-being and GDP per capita. The Czech Republic, for example, achieves a higher overall rank for child well-being than several much wealthier countries including France, Austria, the United States and the United Kingdom.

Table 2: Summary findings from the UNICEF report card

		Dimension 1	Dimension 2	Dimension 3	Dimension 4	Dimension 5	Dimension 6
Dimensions of child well-being	Average ranking position (for all 6 dimensions)	Material well-being	Health and safety	Educational well-being	Family and peer relationships	Behaviours and risks	Subjective well-being
Netherlands	4.2	10	2	6	3	3	1
Sweden	5.0	1	1	5	15	1	7
Denmark	7.2	4	4	8	9	6	12
Finland	7.5	3	3	4	17	7	11
Spain	8.0	12	6	15	8	5	2
Switzerland	8.3	5	9	14	4	12	6
Norway	8.7	2	8	11	10	13	8
Italy	10.0	14	5	20	1	10	10
Ireland	10.2	19	19	7	7	4	5
Belgium	10.7	7	16	1	5	19	16
Germany	11.2	13	11	10	13	11	9
Canada	11.8	6	13	2	18	17	15
Greece	11.8	15	18	16	11	8	3
Poland	12.3	21	15	3	14	2	19
Czech Republic	12.5	11	10	9	19	9	17
France	13.0	9	7	18	12	14	18
Portugal	13.7	16	14	21	2	15	14
Austria	13.8	8	20	19	16	16	4
Hungary	14.5	20	17	13	6	18	13
United States	18.0	17	21	12	20	20	–
United Kingdom	18.2	18	12	17	21	21	20

VARIATIONS WITHIN SCOTLAND

The Joseph Rowntree Foundation (JRF) has attempted to measure [geographical variation](#) in child poverty drawing on data measuring the percentage of children living in families claiming out of work benefits. This does not count all people who are 'poor', but is considered by JRF to be a good indicator of how bad poverty is in different areas. Latest available data is for 2005. The following 83 wards had twice the national average (21%) of children living in families receiving out-of-work benefits in 2005. Thirty seven of these wards are in Glasgow City.

Local Authority	Ward	% of children	Local authority	Ward	% of children
Aberdeen City	Auchmill	48.5	Glasgow City	Wyndford	52.8
Aberdeen City	St. Machar	46.5	Glasgow City	Merchant City	52.6
Aberdeen City	Tulloch Hill	43.6	Glasgow City	Toryglen	52.0
Aberdeen City	Woodside	42.6	Glasgow City	Maryhill	51.4
Aberdeenshire	Fraserburgh N	44.4	Glasgow City	Ashfield	51.3
Clackmannanshire	Alloa Mar	50.0	Glasgow City	Springburn	49.6
Clackmannanshire	St Serf's	46.4	Glasgow City	Tollcross Park	49.6
Clackmannanshire	Alloa East	42.4	Glasgow City	Pollokshaws	49.5
Dundee City	Pitkerro	47.1	Glasgow City	Milnbank	48.9
Dundee City	Longhaugh	46.3	Glasgow City	Nitshill	48.3
Dundee City	Hilltown	43.9	Glasgow City	Cowlares	47.9
Dundee City	Bowbridge	42.5	Glasgow City	Anderston	47.6
Dundee City	Douglas	42.1	Glasgow City	Gartcraig	46.0
East Ayrshire	Shortlees	53.4	Glasgow City	Wallacewell	45.9
East Ayrshire	Onthank	47.7	Glasgow City	Calton	45.8
East Ayrshire	Dalmellington	43.2	Glasgow City	Garthamlock	45.7
Edinburgh,	Craigmillar	59.6	Glasgow City	Crookston	44.4
Edinburgh,	Muirhouse/ Drylaw	48.4	Glasgow City	Yoker	44.3
Edinburgh,	Kaimes	43.9	Glasgow City	Dennistoun	44.1
Edinburgh,	Murray Burn	42.7	Glasgow City	Govanhill	44.0
Edinburgh,	Parkhead	42.4	Highland	Merkinch	47.2
Fife	Methil	50.0	Inverclyde	Ward 8	51.6
Fife	Smeaton and Overton	46.8	Inverclyde	Ward 2	50.8
Fife	Ballingry and Lochore	45.9	Inverclyde	Ward 14	44.7
Fife	Methilhill	42.3	Inverclyde	Ward 7	44.1
Glasgow City	Parkhead	63.4	North Ayrshire	Irvine Vineburgh & Woodlands S	45.6
Glasgow City	Keppochhill	63.1	North Ayrshire	Stevenston South	43.1
Glasgow City	Bridgeton/ Dalmarnock	62.2	N Lanarkshire	Craigneuk	55.6
Glasgow City	Ibrox	62.1	N Lanarkshire	Mossend West and Thorndean	43.4
Glasgow City	Royston	62.1	N Lanarkshire	Shawhead	42.3
Glasgow City	Barlanark	59.9	Renfrewshire	St. James	58.1
Glasgow City	Summerhill	59.4	Renfrewshire	Ferguslie	51.0
Glasgow City	Queenslie	59.2	Renfrewshire	Paisley Central	48.5
Glasgow City	Hutchesontown	59.0	South Ayrshire	Ayr Lochside	50.9
Glasgow City	Drumry	56.9	South Ayrshire	Ayr Whitletts	42.9
Glasgow City	Glenwood	56.3	S Lanarkshire	Larkhall South	43.2
Glasgow City	Braidfauld	55.5	S Lanarkshire	Udston	42.0
Glasgow City	Milton	55.5	Stirling	Raploch	46.9
Glasgow City	Easterhouse	55.1	W Dunbartonshire	Faifley	44.1
Glasgow City	Carntyne	54.3	W Dunbartonshire	Dumbarton W	42.8
Glasgow City	Govan	53.5	W Dunbartonshire	Kilbowie West	42.0
Glasgow City	Firhill	53.0			

CAUSES AND EFFECTS OF CHILD POVERTY

The Scottish Affairs Committee's recent report into Poverty in Scotland (2007) concluded as follows:

“Our evidence has shown that poverty is caused by low pay and low levels of benefits. Events such as family breakdown, low educational achievement or unemployment, are often cited as causes of poverty, but these factors are also to be found amongst those who are relatively well off. At root, poverty is caused by a lack of money. In 2000, our predecessor Committee found that poverty could only be tackled with quality work and generous wholehearted benefits for those unable to work. This remains the case.”

McHendrick and Dickie (2007 pp37-55) suggest that there are four broad causes of poverty:

- The behaviour of individuals - the ‘failings of individuals’, which the authors argue is an explanation of limited value in accounting for poverty in Scotland
- Social factors – characteristics which define groups of people, making them more vulnerable to poverty (for example at different stages of the life cycle, disability, the neighbourhood)
- Political factors – the nature and extent of government intervention
- Economic factors – the strength of the economy and income distribution within the economy.

The authors suggest that these factors are inter-related, and the ways in which they can influence individuals are complex, hidden and indirect. Some of the evidence of the effects of child poverty on health, education, life chances, and on local services and communities, is outlined below:

Health

The links between health and poverty in the general population have been well documented. In terms of child health one study (Levin et al 2007) examined the relationship between reported family affluence and aspects of adolescent health and well being. Amongst the main findings were:

- 20% of young people in Scotland live in ‘low affluence’ households: lower than for other countries in the study such as Hungary, Poland and Russia, but higher than for England (15%) Wales (14%) and Sweden (9%)
- Young people from low affluence families are less likely to be physically active and to eat fruit and vegetables daily and more likely to consume soft drinks
- Young people from low affluence families are more likely to report low life satisfaction and more frequent health complaints and are less likely to report their health as excellent

Education

The link between child poverty and education has often been highlighted. For example a report for the Child Poverty Action Group (Hirsch, 2007) provides the following summary:

“Child poverty and unequal educational opportunities are inextricably linked. Children’s educational prospects reflect the disadvantages of their families. Those who are poor, whose parents have low qualifications and no or low-status jobs, who live in inadequate housing and in disadvantaged neighbourhoods, are less likely to gain good qualifications themselves at school.”

The Scottish Executive (2007b) measures educational attainment using average tariff scores (allowing different forms of certification to be compared). The average for all pupils in Scotland is 172. Table 3 below indicates that the average tariff score for S4 pupils living in the 15% most deprived areas of Scotland is 121 (some 70% of the average rate). For those S4 pupils registered for free school meals the score is 110 (64% of the national average).

Table 3: Average tariff score of S4 pupils, by characteristic of pupil

	Tariff Score			
	2002/03 Average	2003/04 Average	2004/05 Average	2005/06 Average
All pupils	168	170	170	172
Male	159	162	161	164
Female	177	178	178	180
Deprivation (SIMD 2006 rankings)				
Most deprived 15%	121	120	120	125
Other 85%	178	180	180	181
Free School Meal Entitlement				
Not registered for free school meals	178	180	180	182
Registered for free school meals	110	111	110	112

Lifelong poverty

[A study](#) by the London School of Economics (2005) compared the life chances of British children with those in other advanced countries for a study sponsored by the Sutton Trust. In summary the findings were that:

- “In a comparison of eight European and North American countries, Britain and the United States have the lowest social mobility
- Social mobility in Britain has declined whereas in the US it is stable
- Part of the reason for Britain's decline has been that the better off have benefited disproportionately from increased educational opportunity”

Another study, by the Joseph Rowntree Foundation (2006a), attempted to measure the persistence of poverty across generations. The study concluded that living in poverty at age sixteen increases an individual's chances of living in poverty in their early thirties. For example amongst 1970s teenagers some 19% of those who were in poor families at sixteen were still poor in 2006, compared to 10% of those from non-poor families. The study found that this persistence of poverty across the generations was higher for 1980s teenagers. It also found that other characteristics of disadvantage (low parental education, unemployment and poor neighbourhoods) were the key contributors to adult poverty.

POLICY

Child poverty is a cross cutting issue influenced by most policy areas including education, the economy, justice, housing, social services and the welfare system. Some of the measures that most directly affect child poverty, particularly the welfare and tax systems are reserved. Other policy is devised and delivered by local government and local community planning partnerships.

SCOTTISH GOVERNMENT POLICY

It is understood that the current Administration is currently reviewing its approach to tackling poverty and intends to make an announcement in its intentions “shortly” (Scottish Government January 2008).

Background information on children’s services generally is set out in SPICe briefing SB 07-40 (Kidner 2007). An early years and childcare strategy is being developed by the Scottish Government. The intention is that the strategy will be comprehensive in scope, cover a period of 10 years and be published in 2008 (Scottish Government 2007y). Policy more specifically relating to child poverty is set out below.

Target 5 of the Government’s National Performance Framework, as set out in the Spending Review 2007, is concerned with ‘solidarity’ (Scottish Government 2007).

“To increase overall income and the proportion of income earned by the three lowest income deciles as a group by 2017.”

Indicator 14 in the National Performance Framework is to

“Decrease the proportion of individuals living in poverty.”

In response to a parliamentary question by Jackie Baillie MSP (Scottish Parliament 2007a) Stewart Maxwell MSP, Minister for Communities and Sport, set out the new Administration’s commitment to the existing child poverty targets:

“We are committed to sharing the UK Government’s long-term target to eradicate child poverty by 2020 and will continue to do all we can to ensure that Scottish policies and programmes make the maximum contribution towards the milestone of halving child poverty by 2010”

The Minister also identified a number of *specific actions* being taken on child poverty (Scottish Parliament 2007b). These included:

- [Workforce Plus](#) (the Government’s employability framework)
- [More Choices More Chances](#) (an action plan to reduce the proportion of young people not in education, employment or training in Scotland)
- [Free school meals](#) – a six month pilot for Primary one to three pupils in the Borders, East Ayrshire, Fife, Glasgow and West Dunbartonshire
- A forthcoming skills strategy (since [published in September 2007](#))
- A forthcoming early years strategy
- Establishment of a [Ministerial taskforce on health inequalities](#)

The Scottish Government [child poverty web pages](#) also provide examples of initiatives specifically addressing child poverty. These include the following examples, (with updated expenditure statistics up to the current year provided to SPICe by the Scottish Government):

- The Executive's [Childcare Strategy](#) (£44m funding in 2007-08) to provide 'affordable, accessible, quality childcare for children aged 0-14 in all neighbourhoods'
- For lone parents wishing to undertake further and higher education there are [lone parent and childcare grants](#)
- [Sure Start Scotland](#) aims to provide broad based support for families with very young children. The aim is to expand the availability of support focussing on more deprived communities and vulnerable families. Funding for 2007/08 is £60m
- [Working for Families](#) funding has been allocated to 20 local authorities across Scotland with the highest concentration of children in workless households (2007-08 budget of £15m). The programme provides affordable, accessible childcare which enables parents in deprived areas or groups to access education, training or employment. The Working for Families budget for 2008/09 has been incorporated with six other funding streams into the Fairer Scotland Fund to be deployed by Community Planning Partnerships across Scotland (see below).
- [Hungry for Success \(HfS\)](#) was introduced in 2003, with the aim to 'drive up nutritional standards and improve the diet of children and their achievement in by ensuring that healthy choices are available and attractively presented in schools and by improved links between healthy eating and the curriculum'.

The Scottish Budget Spending Review 2007 (Scottish Government 2007c) set out a new 'Fairer Scotland' fund of £145 million per annum, (bringing together the following seven existing funding streams), to be deployed by the Community Planning Partnerships and ring fenced for the next two years (Scottish Parliament 2007c)

Current Programme	Budget (07/08) (£m)
Community Regeneration Fund	108.4
Community Voices	3.3
Working for Families	15.0
Workforce plus (inc New Futures Fund)	5.6
More Choices More Chances	2.4
Financial inclusion	5.3
Changing Children's Services (social inclusion element)	5.0
TOTAL	145.0

(Information from Scottish Government to SPICe 7/12/07)

[Closing the Opportunity Gap](#) (CtOG) is the title of the overarching approach of the previous Executive to 'tackle poverty and disadvantage'. It is understood that the current administration is reviewing the CtOG targets. There were six broad objectives in CtOG relating in general terms to: employment opportunities; skills for school leavers; debt and financial exclusion; regeneration; health; and access to rural services. Specific targets on child poverty included those on:

- the proportion of 16-19 year olds who are not in education, training or employment
- the provision of integrated packages of appropriate health, care and education support
- the average tariff scores of the lowest attaining 20 per cent of S4 pupils by 5%
- the proportion of "looked after" young people leaving care entering education, employment or training

UK GOVERNMENT POLICY

[PSA 9](#), one of the UK Government's Public Service Agreements (HM Treasury 2007), is to:

“Halve the number of children in poverty by 2010-11, on the way to eradicating child poverty by 2020”

The strategic priorities of the PSA are stated as being:

- Reducing poverty through work – making work a ‘sustainable route out of poverty’ and tackling barriers such as availability of childcare
- Reducing poverty through raising incomes – predominantly delivered through a combination of Child Tax Credit, Child Benefit and reform of the Child Support Agency
- Tackling poor living conditions – focusing on housing, fuel poverty and financial inclusion
- Focusing delivery on at-risk groups – including lone parents, large families, black and minority ethnic families, and families with a disabled member
- Engaging with users – including delivery partners such as local government and the third sector, and with parents
- Establishing clear governance and accountability mechanisms throughout the delivery system.

The Department for Work and Pensions (DWP), one of the key delivery bodies, states that the UK government “strategy [on child poverty] has focused on increasing employment levels for parents, with most policy focus on lone parents, and increasing financial support through the tax system” ([DWP child poverty web pages](#))

[‘Working for Children’](#) is the DWP strategy on child poverty (2007). The strategy suggests that further action is now required in three areas:

- “building support through increased rights and responsibilities for lone parents;
- helping people to stay in work and progress in employment;
- developing a family focus in our work with parents”

Some of the measures being considered include providing more incentives for lone parents to move into employment, streamlining the child maintenance payments system, improving basic skills for those on low wages, such as in literacy and numeracy, enhanced *jobcentre plus* support to partners of ‘benefit customers’, enhanced childcare and more work with groups from some ethnic minorities.

DEBATE ON CHILD POVERTY

PARLIAMENTARY CONSIDERATION

Child poverty has been the subject of parliamentary consideration on a number of occasions. In Session 2 (2003) the Finance Committee published a report on [cross cutting expenditure in relation to children in poverty](#). The Committee’s conclusions included that “the Executive has made progress in reducing the level of child poverty, but that a step-change in its approach is needed if the ambitious targets are to be met.”

The [Scottish Executive response](#) to the Committee (2003) highlighted work as the best route out of child poverty:

“We believe that we are making clear progress on tackling child poverty in Scotland. Work is the best route out of poverty and the Executive is delivering this through training and skills development, supporting growth in the economy through Smart, Successful Scotland and building sustainable communities across Scotland”.

A [Member’s debate on child poverty](#) was held in November 2006 on the following motion (S2M-5172) lodged by Jackie Baillie MSP

“That the Parliament agrees that it is unacceptable that children living in severe poverty in Scotland are missing out on basic necessities such as fresh, nutritious food, new clothes and shoes and having a warm home in the winter; welcomes Save the Children's campaign to end child poverty, which highlights the effects for children and their families of living in severe and persistent poverty; acknowledges the progress made by the Scottish Executive in lifting 100,000 children in Scotland out of poverty and helping children in the Dumbarton constituency and across Scotland to improve their life chances, and believes that more needs to be done and that the Executive should prioritise the needs of the very poorest children and continue to work with the UK Government in implementing solutions, such as child seasonal grants, proposed as part of the Save the Children campaign.”

The Scottish Affairs Committee in Westminster held an inquiry into [Poverty in Scotland](#) in 2006 and 2007. An initial report was published in December 2007 whilst a further report, specifically on child poverty, is expected to follow. The initial report on wider poverty concluded:

“Poverty is still a reality in Scotland today. The UK Government's policy for combating poverty is characterised by ambitious targets, particularly for the reduction of child poverty. There is evidence to suggest that these policies have had a positive effect in reducing poverty in Scotland over the past ten years. Nevertheless, there is still more work to be done.

We believe that the recent progress on reducing poverty must continue over the next decade. To achieve this, more resources and an even greater effort will be needed to reach those groups that have not yet benefited from the economic growth enjoyed by the UK as a whole.

In order for this to happen, the Government needs to make a concerted effort to present a coherent anti-poverty strategy across all policy areas, joining up across Government departments as well as with the work of the Scottish Executive and of local government in Scotland. On present evidence, we do not believe that the Government is doing enough to 'poverty-proof' all of its policies and to exploit the available opportunities to integrate services.”

VIEWS OF NON-GOVERNMENTAL ORGANISATIONS

In a **joint letter** (June 2007) to the Convener of the Local Government and Communities Committee a number of Scottish children’s and poverty organisations requested an inquiry into child poverty. The letter from Barnardo’s, Child Poverty Action Group, Save the Children and the Poverty Alliance set out the policy issues as follows:

“Tackling child poverty is complex. It requires a cross-cutting approach across many government departments and needs to be delivered in partnership with local government. Thus, we believe that an inquiry should focus on two key areas:

providing research and information services to the Scottish Parliament

- supporting parents into, and remaining in, decently paid work, and
- benefits and tax credits uptake.

Of particular importance is the need to examine whether current policies are reaching all children, and families, living in poverty. There is some evidence to suggest that current initiatives are not reaching those children living in the most acute poverty. Unless policies reach all those affected, child poverty will persist in Scotland.”

A number of issues are highlighted by Barnardo’s (2007) along with other groups in which there is a role for the devolved government:

- Improving **employment** opportunities and the provision of education, lifelong learning and skills
- A lack of convenient and affordable **childcare** remaining a barrier into work for some parents and the need to extend provision of **free meals** (to children with parents on the maximum working tax credit)
- Addressing the impact of poverty in the **school holidays** (which for low income families become a time of ‘survival’). Local authorities are encouraged to provide affordable holiday activities for all children
- Addressing **fuel poverty**, including the higher costs faced by those with pre-payment meters (PPMs). Gas customers with PPMs pay an average of £70 more per year than customers on direct debit, and electricity customers pay £103 per year more
- Addressing **debt**, amassed by households to cover costs of Christmas, birthdays, or the purchase of household items, with lenders, “including some reputable high street names”, charging between 160 and 800 per cent interest a year on loans

Barnardo’s also proposes that the Executive establishes an appropriate mechanism to mirror a proposed UK **Commission on child poverty** (the UK commission to be chaired by the Prime Minister or Chancellor setting out a road map to hit the 2020 targets).

More recently Save the Children (2008) has expressed some concerns regarding the Scottish Government’s policy on child poverty:

“Save the Children is extremely concerned that there **is no national target or outcome to reduce child poverty in Scotland**. Clarity is required on how the Government commitment to the 2020 target of ending child poverty relates to the National Performance Framework. Further detail is also required on how progress in reducing child poverty will be monitored and how Ministers will be held accountable. Interim targets or indicators would be useful in monitoring progress and therefore clarity is required on whether the Scottish Government, along with the UK Government, is committed to halving child poverty by 2010.

Save the Children believes that a commitment to provide **additional resources targeted at the poorest families** is required if child poverty is to be eradicated. Experience from initiatives such as Sure Start has shown that money nominally allocated to services for the poorest families does not always reach them. The current proposals provide no guarantee that funding will be targeted at those who need it most. Save the Children seeks clarity around how Government will ensure that spending reaches and benefits children living in poverty, and how Government will support local authorities to do this.”

Progress on achieving UK child poverty targets

The [Institute for Fiscal Studies](#) (IFS) has undertaken modelling work for the Joseph Rowntree Foundation on the [costs of the UK government achieving its child poverty targets](#). Amongst the conclusions (2006b) were that

- “The Government could meet its target of halving child poverty between 1998 and 2010 by spending an estimated £4 billion a year (0.3 per cent of GDP) more than currently planned on benefits and tax credits
- Getting the second half of children out of poverty between 2010 and 2020 will be far harder. If the Government relied primarily on tax credits and benefits to achieve this, it would have to add about a further £28 billion (1.6 per cent of GDP) to planned annual spending, an unlikely scenario
- The study concludes that, to make further inroads into child poverty, the Government will need to extend its policy of increasing redistribution to low-income families, but that this will not be enough on its own to meet the targets. In addition, this will require parents to fare better in the workplace, with improved pay and opportunities. Long-term policies working in this direction include better education and training for disadvantaged groups, improved childcare and the promotion of equal pay for women”

A recent article for the IFS (Shaw 2007) concluded:

“In order to hit the 2010/11 target, child poverty has to fall more than one-and-a-half times as fast between 2004/05 and 2010/11 than it did between 1998/99 and 2004/05. Recent work at IFS suggests that this could be achieved at a cost of around £4.3bn in 2010/11. Although this is only just over half the size of the increase in child-contingent support experienced between 1999/00 and 2003/04, it may nevertheless be difficult to achieve because the public finances are tight (making it hard to find more money to redistribute towards children). Moreover, by the time you read this, there will only be three years left for the government to announce policies aimed at meeting the 2010/11 target!

In all likelihood, the 2020 target will be even more challenging. Children further down the income distribution tend to be more difficult (and expensive) to reach using traditional tax and benefit policies since many are in workless families or families who are not claiming all the benefits and tax credits they are entitled to.

As the government recognises, tax and benefit changes by themselves won't be sufficient to eradicate child poverty: more fundamental changes in the underlying distribution of income are required. In part, this will need to come from increasing the proportion of parents in work (you won't be surprised to hear that poverty is concentrated in workless households). Although progress has been made on this front in recent years – particularly among lone parents – more is needed. But other non-financial interventions, such as greater investment in education to reduce the proportion of children leaving school without qualifications, may also be crucial. Many people who will be parents in 2020 are still in school now!”

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