

POVERTY AND INEQUALITY COMMISSION SCRUTINY REPORT TO INFORM THE SCOTTISH GOVERNMENT'S CHILD POVERTY DELIVERY PLAN PROGRESS REPORT

SECTION 1: BACKGROUND

The Child Poverty (Scotland) Act 2017 requires that Scottish Ministers publish an annual progress report on the progress made during the year towards meeting the child poverty targets and implementing the delivery plan. This progress report must:

- describe the measures taken by the Scottish Ministers in accordance with the delivery plan
- describe the effect of those measures on progress towards meeting the child poverty targets
- describe the effect of those measures on reducing the number of children living in single-parent households who are living in poverty
- describe the effect of those measures on children living in households whose income is adversely affected, or expenditure is increased, because a member of the household has one or more protected characteristics

If the measures have not delivered sufficient progress towards meeting the targets, the progress report must describe how Scottish Ministers will ensure sufficient progress is delivered in the future.

In preparing a progress report the Scottish Ministers must consult with the Poverty and Inequality Commission on:

- the progress made during the reporting year towards meeting the targets
- whether it appears the progress is sufficient to meet the child poverty targets
- what further progress the Commission considers is required to meet the targets

The progress report must include any comments or recommendations made by the Commission.

The Targets

The Act sets out four targets that must be met by 2030 and interim targets to be met by 2023.¹ All the measures are calculated after housing costs are taken into account.

	2017-2018 statistics	2023 target (less than)	2030 target (less than)
% of children living in relative poverty	24%	18%	10%
% of children living in absolute poverty	22%	14%	5%
% of children living in combined low income and material deprivation	14%	8%	5%
% of children living in persistent poverty	17%	8%	5%

The primary levers that can be used to meet targets 1, 2, and 4 are actions that increase income from work and from social security and reduce housing costs. Reducing other costs, e.g. by reducing fuel costs or childcare costs, may have an important impact on disposable income and quality of life, but will not impact on these targets. The third target (combined low income and material deprivation) is slightly different in that actions that reduce costs could free up income to be spent on essential goods and services that are included in calculating material deprivation. This target could therefore be impacted by actions that do not impact on the other actions.

The Commission's report

This report has been prepared by the Poverty and Inequality Commission in response to the requirements set out in the Child Poverty (Scotland) Act, to inform the Scottish Government's progress report. The Commission has not seen a draft of the progress report but the Scottish Government has shared updates with the Commission on the actions set out in the Delivery Plan. The comments in this report are therefore based on the information available to the Commission at this time (May 2019).

This is the first annual progress report that Scottish Ministers will publish on progress made towards meeting the child poverty targets and implementing the delivery plan. The most recently published child poverty statistics relate to 2017-18, the period before the publication of *Every Child, Every Chance*, the Scottish Government's first Tackling Child Poverty Delivery Plan (the Delivery Plan). These statistics provide the baseline for future progress. It is therefore too early for the Commission to comment on actual progress towards meeting the targets.

¹ The Act states that the interim targets should be met in the financial year beginning 1 April 2023 and the targets met in the financial year beginning 1 April 2030.

In sharing the updates the Scottish Government specifically asked for any suggestions as to how it could make its progress report as helpful as possible for stakeholders across Scotland.

The Commission has decided that for this first progress report it can most usefully comment on:

1. the suggested approach for the progress report
2. the extent to which the Commission considers that the actions set out in *Every Child, Every Chance* have the potential to lead to sufficient progress to meet the child poverty targets, and whether, in its view, sufficient progress is being made with implementation of the actions
3. the Scottish Government's approach to monitoring and evaluating progress

In considering whether actions appear likely to lead to sufficient progress the Commission will focus on those actions that it considers likely to have the greatest impact, rather than commenting on each action in the Delivery Plan.

SECTION 2: CONTEXT FOR THE PROGRESS REPORT

Scotland's child poverty targets are ambitious and extremely challenging. The latest statistics show that 24% of children in Scotland are living in relative poverty. This is slightly lower than when the Commission published its advice last year, but the three year averages suggest a rising trend. Absolute child poverty, low income and material deprivation, and persistent poverty are all rising. Scottish Government projections suggest that relative child poverty will rise to just under 38 per cent by 2030. The other child poverty measures are also forecast to rise.

There are factors outside of the control of the Scottish Parliament that affect progress towards the targets, in particular the state of the economy and decisions of the UK Government. The action that the Scottish Government is taking has to be seen in the context of UK Government policies and particularly welfare reforms. The Resolution Foundation suggests that the direct causes of the expected rise in poverty in Scotland are UK-wide policies set in place at the 2015 Summer Budget, amounting to an estimated £12 billion cut in working-age benefits once fully rolled out. The Scottish Government is spending £125 million mitigating against the impact of UK Government welfare cuts this financial year. This is money that is being spent to prevent poverty getting worse, rather than to take action towards reaching the targets.

Nevertheless the impact of UK Government policies should not distract from the need and opportunity for action in Scotland. Universal Credit², the benefits freeze, the benefit cap and the two child limit were all introduced before the Scottish Parliament passed the Child Poverty (Scotland) Act. The targets were committed to in the knowledge that they would need to be delivered in a challenging environment, but with cross-party commitment that action could be taken in Scotland to deliver them.

The targets can be met, but, as the Commission was clear in its advice last year, substantial investment will be required to do so. **The Commission considers that *within existing budget resources* it will be almost impossible for the Scottish Government to meet the targets. Meeting the targets will require significant reallocation of resource from other areas or the raising of additional revenue.**

² In the case of Universal Credit introduction has been slower than expected and work allowances increased for those with children after previous cuts.

SECTION 3: THE SCOTTISH GOVERNMENT PROGRESS REPORT

The general principles set out in the Commission's advice remain relevant and important for the Scottish Government's progress report and ongoing delivery. **The Commission recommends that the Scottish Government review those principles in preparing the progress report.** The Commission understands that the Scottish Government's intention is that the progress report will focus on the key actions rather than all the actions in the Delivery Plan. This is a sensible approach. **In particular, the Commission recommends that the progress report should:**

- **focus on the core actions that are likely to have the biggest impact on reaching the child poverty targets and explain the *scale* of impact that they are expected to have and the *timescales* for that impact**
- **clearly set out the money spent so far and plans for future spend to tackle child poverty**
- **set out monitoring and evaluation arrangements for the core actions and any data currently available**

The Commission does not consider that the progress report needs to report on every action in the Delivery Plan.

SECTION 4: POTENTIAL IMPACTS OF THE ACTIONS IN EVERY CHILD EVERY CHANCE TOWARDS THE TARGETS

Comments on overall progress

The Commission appreciated the serious consideration that the Scottish Government gave to the Commission's advice in developing the Delivery Plan. It is clear that the Scottish Government considered the recommendations that the Commission made and tried to incorporate these throughout the Delivery Plan.

In its advice, the Poverty and Inequality Commission set out the three key mechanisms that it believed could increase household income and reduce costs in order to make the biggest impact on the child poverty targets. These were work and earnings, social security and reducing housing costs. The Commission was pleased that the structure and focus of the Delivery Plan explicitly reflected these key mechanisms. New actions were included in the Delivery Plan in relation to these drivers, which could potentially have a significant impact on child poverty

The Commission also set out a set of general principles about the approach that it considered that the Scottish Government should take in the Delivery Plan. Most of these principles were reflected in the Delivery plan. The Commission recommended, for example, that the Delivery Plan should recognise that some households have a much higher risk of poverty than other households and that it should be clear how its proposed actions would support children from high risk households. The Delivery Plan used the evidence base to identify six priority groups of families who are at greater risk of poverty. There was a focus on these families throughout the plan, with the actions including consideration of how they are likely to impact on the priority families.

As recommended by the Commission, the Scottish Government also sets out actions which aim to improve quality of life and improve outcomes in the longer term and this approach is welcomed. There are, however, a wide range of actions in the Delivery Plan and a large number will have little or no impact on the relative and absolute child poverty targets. Many are only expected to impact on the low income and material deprivation target.

Some good progress has been made this year through the introduction of the Financial Health Check, Best Start Grant and Carer's Allowance. The Best Start Grant and Carer's Allowance will make a real difference to the families that receive them and the Commission welcomes the introduction of the baby and pregnancy payments for the Best Start Grants six months earlier than originally planned.

In its advice to the Scottish Government the Commission highlighted the work that organisations such as CPAG, One Parent Families Scotland and the Poverty Truth Commission had done on costs of the school day and the school clothing grant and recommended that the Scottish Government should act now to establish a minimum rate for the school clothing grant. The Commission welcomes the action taken by the Scottish Government and COSLA to ensure that a minimum rate for the school clothing grant was introduced in time for the 2018-2019 school year. The Commission expects that the school clothing grant should be available to all eligible

children who are still at school regardless of whether they have passed the school leaving age.

Speed of progress

A lot of action has clearly taken place over the past year, but more focus is needed on delivering those actions that are likely to have the greatest impact on the targets and doing so as quickly as possible. For example the Commission would highlight progress on two significant actions within the Delivery Plan – Intensive Employment Support for Parents and the Income Supplement. At the time the Commission received updates from the Scottish Government there was no delivery model agreed for the ‘Intensive Employment Support for Parents’ action, and an introduction date for the Income Supplement has not been confirmed.

Speed of progress is important because of the impact for children who are living in poverty now, and who should not have to wait until 2030 to experience a difference in their lives. It is also important because the Child Poverty (Scotland) Act sets out interim targets that must be met in the financial year beginning 1 April 2023. There are now four years to implement meaningful action towards those targets. The Commission expects to see significant progress over the coming year.

Recommendation: Action should be taken to speed up delivery of the Income Supplement

Scale of impact

There is little evidence in the updates that the Scottish Government has provided to the Commission about the scale of the impact that the actions are expected to have on the number of children living in poverty. While the actions in the plan are positive, the Commission is currently unconvinced that they will be delivered on a large enough scale to have a realistic chance of achieving the targets.

The Income Supplement aims to achieve a minimum of a three percentage point reduction in child poverty against a baseline of the rate of child poverty when the Income Supplement is rolled out. Based on Scottish Government projections of a relative child poverty rate of just under 38 per cent by 2030, this suggests that the income supplement would come nowhere near bringing child poverty back to the current level, let alone meeting the targets. This means that other actions in the Delivery Plan will need to have a very significant impact on the number of children living in poverty, and there is nothing in the progress update that convinces the Commission that these actions will do so on anything like the scale required.

The update on actions on work and earnings is unclear about the number of children who are likely to benefit from the actions. For example, the update received by the Commission says that 38,000 people are expected to benefit from Fair Start Scotland, but it is unclear as to how many of those people are likely to be parents, and how many are expected to move into work. A budget of £12 million has been identified for intensive employment support for parents over the period of the Delivery Plan, but again it is unclear how many people will be supported and how many are likely to move into work or progress to a higher wage. By comparison the

Working for Families Fund which ran from 2004-2008 and had similar aims had £50m funding over four years. Over the four years a total of 25,508 clients were registered and 7944 went into employment, or were able to take up a job offer, improve employment or move into different employment. The intensive employment support offer may, of course, be different and the costs therefore not directly comparable. Nevertheless, in the absence of other information about expected impact it is the best comparison that we have. With current funding, the intensive employment support could therefore be assumed to have only a modest impact on the number of children in poverty.

The Scottish Government's own child poverty projections suggested that there would be no statistically significant impact of the introduction of the Best Start Grant and Carer's Allowance, on relative and absolute child poverty rates. This is because they either do not affect enough households with children (Carer's Allowance) or the additional payments are not large enough (Best Start Grant).³

The Scottish Government report should also try to identify the scale of impact on the targets that is anticipated from other significant actions such as investment in early learning and childcare. In future this would enable the Commission to comment on those actions that the Scottish Government thinks will have the greatest impact.

To be clear, it is not that the Commission thinks that the actions set out by the Scottish Government are not useful in reducing child poverty, the issue is the scale at which they are being delivered. The Commission does not underestimate the complexities of modelling the impact of the actions, but doing so needs to be a priority if the Scottish Government thinks these actions will impact on the targets.

Recommendation: The Scottish Government should focus its efforts on those actions that are likely to have the biggest impact on the child poverty targets

Recommendation: The Scottish Government should estimate/model the number of children it expects to be lifted out of poverty by the key actions in its Delivery Plan

Involvement of people with lived experience

The Commission recommended that the "*Delivery Plan should set out how the Scottish Government will ensure that children and families with direct experience of poverty will continue to be involved in the development and delivery of the actions. It should ensure that this consultation reaches wider communities and not always the same organisations and individuals*". The Scottish Government has provided funding to the Poverty Alliance and to three new community organisations to enable people with lived experience to get their voices heard. In the update provided, however, there is limited evidence of how people with lived experience have been involved so far in development of key actions. If this has taken place the Scottish Government should reflect it in its progress report. The Commission would expect to see further action to involve children and families in the development and delivery of the actions.

³ It is possible that the Best Start Grant could reduce the measure of low income and material deprivation by incentivising families to spend on child-related items that are some of the items used to measure relative deprivation.

Recommendation: The Scottish Government should identify opportunities to involve children and families in the development and delivery of the actions in the Delivery Plan

Gaps in the Delivery Plan

The Commission expected to see more in the Delivery Plan focused on creating and improving jobs, not just getting people into work. The Delivery Plan does include a partnership between the Scottish Government and Glasgow City Region on inclusive growth and child poverty and a commitment to pilot a Community Wealth approach to procurement, but a greater focus on creating good quality employment opportunities is needed if the targets are to be met.

The Commission believes that in order to unlock people from poverty, Scotland must deliver an inclusive growth agenda that genuinely benefits all. The Commission will shortly publish research that it has undertaken on inclusive growth in Scotland. It finds that on one level, the concept of inclusive growth is being widely adopted and there is a high level of commitment to make the agenda work. However, the report also indicates that the Scottish Government has not been sufficiently clear about what it means by inclusive growth. As it stands, inclusive growth appears to be more of a concept than something which results in a tangible outcome. The further you move from central government to local areas, or from the senior level to the practitioner level, the more there is confusion around what inclusive growth is and what it is trying to achieve. It is also a struggle to identify key policies which mark a significant departure from things which were happening already.

Recommendation: The Scottish Government should have a greater focus on creating and improving jobs in relation to child poverty and should take account of the Commission's research on inclusive growth.

Funding

The Commission has previously recommended that there needs to be greater transparency in the Budget to allow more detailed scrutiny of spending on poverty and inequality. When it published the Delivery Plan, the Scottish Government announced a new £50 million Tackling Child Poverty Fund and said that approximately half of the funding would be set aside for use in 2020 and 2021, in part to roll out pilot programmes that prove successful.

While the Tackling Child Poverty Fund is only part of the funding to tackle child poverty it is important that the Scottish Government sets out the money spent so far from the Fund and plans for future spend. The work that the Commission has recommended that Scottish Government undertakes to allow more detailed scrutiny of the budget should help identify the total amount spent on child poverty.

Recommendation: In its progress report the Scottish Government should set out how much of the Tackling Child Poverty Fund has been spent or committed so far.

ACTIONS IN THE DELIVERY PLAN

While the Commission does not intend to comment on all the actions in the Delivery Plan it does want to look in more detail at some of the key actions that are most likely to impact on the targets.

Work and Earnings: Fair Start Scotland, intensive employment support for parents, and a new approach to employment, developed with disabled people

The Delivery Plan includes a number of actions intended to impact on work and earnings. Some of these are existing actions which do not have a significant focus on tackling child poverty, as they were designed to address other policy issues. Actions such as the Flexible Workforce Development Fund, the Workplace Equality Fund and action on the gender pay gap are valuable in their own right and may have a small impact on child poverty, but the Commission would not expect these actions to have a significant impact on the child poverty targets.

In relation to work and earnings, the Commission is focusing on actions relating to employment support, but also on early learning and childcare. The commitment on early learning and childcare has a potential long-term impact on child poverty, by improving future prospects through attempting to prevent and reduce the poverty-related attainment gap and the subsequent consequences for employment and earnings. Here, the Commission is focusing on its more immediate consequences for work and earnings, including: enabling parents, particularly mothers, to work, or to work more hours; saving parents money on childcare; and creating new, living wage jobs.

	Action	Progress at the time update was provided to the Commission
Fair Start Scotland	The Fair Start Scotland employment support service went live in April 2018. It aims to support at least 38,000 people over three years. Several groups are priority groups for the service: lone parents, disabled people, minority ethnic groups, refugees, people who live in the 15% most deprived areas of Scotland and care experienced young people.	A total of 7,031 people had joined Fair Start Scotland in the first nine months of operation. An evaluation programme has been established which will include reporting on impacts for parents.
Intensive Employment Support for Parents	The Scottish Government committed to investing £12 million from the Tackling Child Poverty Fund to provide intensive support for low income parents to help them get into work and to progress through a career.	Scottish Government has been engaging with stakeholders, visiting existing programmes, and working jointly on design and implementation through the Scottish Government/ Local Authority Partnership Working Framework. It has identified three potential delivery models and expects to finalise the model by the end of April. It intends to begin delivery by end 2019.
Employment Support for Disabled Parents	Following publication of the Delivery Plan up to an additional £6m has been announced over the period to 2022 to increase levels of	The £6m funding was announced in December 2018.

	disability employment in Scotland. A commitment has been made to co-produce a pilot fund with disabled parents and representative bodies to look specifically at issues disabled parents face in entering the workforce and progressing through a career.	
Early Learning and Childcare	By 2020 all three and four year olds and targeted two year olds (around one quarter based on free school meals criteria) will be entitled to 1140 hours of early learning and childcare. It is forecast that the Early Learning and Childcare workforce will need to expand by up to 11,000 additional people.	Scottish Government has an agreement with local government that they will “phase in” the expanded early learning and childcare offer between now and April 2020. Guidance made clear that phasing should reflect deprivation. Funding has been agreed to enable anyone delivering funded early learning and childcare to be paid the living wage from August 2020.

The Commission welcomes these actions that aim to address access to employment, progression within employment and barriers to making work pay. The different way in which employment services are being delivered in Scotland, with people engaging on a voluntary basis, and the identification of priority groups for early support are all positive aspects of the Scottish Government’s approach. **The Commission would like to see more information on how Fair Start Scotland and the intensive employment support for parents link together.**

The primary concerns that the Commission has in relation to these actions is around scale and speed of impact. In the Delivery Plan the Scottish Government said that it expected 7000 children to benefit from the Fair Start Scotland service. It is not clear on what basis the estimate has been made, whether that is over a three year period, and what is meant by benefit.

In relation to the Intensive Employment Support for parents, there needs to be more clarity about the purpose of the investment, what outcomes are expected and how many families are expected to benefit. The Working for Families Fund had £50m funding over four years and 7944 clients went into employment, or were able to take up a job offer, improve employment or move into different employment. With current funding, the intensive employment support could therefore be assumed to have only a modest impact on the number of children in poverty.

The Commission is also concerned about the speed of progress in developing the intensive employment support for parents commitment, which the Scottish Government describes in its update as one of the landmark actions in the delivery plan. At the time the Commission received the update no model had been agreed for delivery of the programme and this raises questions about whether the Scottish Government will meet its target date to begin delivery in November 2019.

The Scottish Government has made significant investment in Early Learning and Child Care. It is not clear whether the Scottish Government has carried out work to model the potential impact of investment in early learning and childcare on the child poverty targets through enabling parents to work, or work more. **The Commission**

recommends that this modelling should be carried out if it has not been done already.

Around a quarter of two years olds are entitled to the current 600 hours of early learning and childcare based on free school meals criteria, but only 10% are registered. The Delivery Plan said that Scottish Government would support local authorities to improve uptake. The Commission notes that in expanding hours beyond 600 hours, the uptake of the increased hours for two year olds has been higher than had been forecast by local authorities. This is a promising sign and there needs to be a continued focus on this.

In addition to these actions on work and earnings the Commission considers there needs to be more action on creating good quality employment opportunities if the targets are to be met. It has recommended that this is an area that the Scottish Government should focus on.

Social Security

In its advice to the Scottish Government the Commission said that the Delivery Plan should set out the extent to which the Scottish Government intended to use its social security powers to meet the child poverty targets, and the options that the Scottish Government would consider over the period to 2030 to top up or create benefits.

In its Delivery Plan the Scottish Government recognised that while social security on its own is not the answer to child poverty, it does have a key role to play in meeting the child poverty targets. The Scottish Government committed to introducing a new Income Supplement for low income families within the lifetime of the first Delivery Plan.

	Action	Progress at the time update was provided to the Commission
Income Supplement	The Scottish Government committed to working towards introducing an income supplement within the lifetime of the Delivery Plan.	The Scottish Government has consulted stakeholders and will publish an options appraisal for the income supplement in June.

The Commission welcomes that commitment that the Scottish Government made to introduce an income supplement. Developing a new income supplement is complex and the Commission welcomes the involvement of stakeholders in the process and the detailed appraisal that is being undertaken. As the options appraisal is currently taking place the Commission is not able to comment in detail on the proposed policy option for the Income Supplement. It will instead focus on the ambition of the approach and the timescales for implementation.

One of the objectives that the Scottish Government has set out for the Income Supplement is that it should deliver at least a 3 percentage point reduction in the child poverty rate (benchmarked against the rate at the time of the introduction of the income supplement). The Commission notes that at the current rates of child poverty

that leaves 11 percentage points that would need to be reduced by other actions in the plan in order to meet the relative poverty targets.

The Commission welcomes the commitment to ensuring that the income supplement reduces the depth of poverty as well as the numbers in poverty.

While the Delivery Plan says that the Scottish Government will work towards introducing an income supplement within the lifetime of the Delivery Plan, the specific date of introduction will depend on the option chosen and what is needed in order to deliver it. It is important that this is as soon as possible; children living in poverty cannot wait until 2022. **Action should be taken to speed up delivery of the income supplement.**

While the Income Supplement is being developed, the Scottish Government should consider whether any interim arrangements can be made to provide further financial support to low income families using existing mechanisms. One option that the Commission has proposed is the introduction of additional cash payments during school holidays. Existing mechanisms, such as the school clothing grant, could be considered as a way of delivering this. This recommendation was made specifically to address the particular pressures that families face during school holidays, but it would also provide additional support to families until the income supplement is introduced.

Reducing Housing Costs

The child poverty targets are measured after housing costs and in its advice to the Scottish Government, the Poverty and Inequality Commission identified that addressing housing costs had to be part of the plan to reach the child poverty targets. The Commission found that the evidence was not clear about which particular housing policies would most effectively reduce housing costs and subsequently impact on child poverty rates. The Commission recommended that the Delivery plan should explore ways of reducing housing costs for families with children living in poverty. It made further recommendations on affordable housing and the Private Residential Tenancy.

	Action	Progress at the time update was provided to the Commission
Affordable rents	Work with the social housing sector in 2018 to agree the best ways to keep rents affordable	The Scottish Government has established a 'Rent Affordability in the Affordable Housing Sector' project, and commissioned a literature review on rent affordability.
Affordable housing supply	Ensure that future affordable housing supply decisions support our objective to achieve a real and sustained impact on child poverty	The Scottish Government discussion paper on housing beyond 2021 highlighted the need to tackle child poverty. The Scottish Government continues to be committed to delivering at least 50,000 affordable homes over the current parliamentary term, of which 35,000 will be for social rent.

Private residential tenancy	Evaluate the impact of the private residential tenancy on families with children	The Scottish Government is carrying out a private rented sector reforms research project. It is also working closely with the Nationwide Foundation which is taking forward a major longitudinal qualitative research project on the new Private Residential Tenancy in Scotland. The research will look specifically at low income families with children.
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The update from the Scottish Government shows that some action has been taken to start to explore reducing housing costs for families. The Commission welcomes the research that is being undertaken into rent affordability. **It is important that child poverty should be a central concern of this work and that the research is followed by swift action.**

The Commission continues to support the Scottish Government’s investment in affordable housing, and particularly social rented housing. It recognises the progress that has been made towards the target of delivering at least 50,000 affordable homes, but an independent review commissioned by Shelter Scotland, the Scottish Federation of Housing Associations and the Equality and Human Rights Commission in Scotland found that it is not easy to tell whether the right type of homes are being built in the right place. The Scottish Government estimates that around 27,000 children will be helped by the affordable housing programme, but there is no information on how many of these children are likely to be experiencing poverty. **The Scottish Government needs to do more to understand who is benefitting from this investment and how it can maximise the impact of its investment on child poverty.**

It is good to see that action is being taken to evaluate the impact of the private rented sector reforms. **It is important that this research maintains a focus on low income tenants with children and explores the impact of the reforms on their incomes.**

SECTION 4: MONITORING AND EVALUATION

One of the general principles that the Commission set out in its advice to Scottish Government was about identifying impact, and committing to monitoring and evaluation. It said that:

‘In identifying actions to include in the Delivery Plan the Scottish Government must be specific about the expected impact of each action on the statutory targets. It should commit to monitoring and evaluating the impact of these targets.’

The Commission welcomes the way in which the Delivery Plan tries to be explicit about the way in which an action will impact on the targets and sets out a framework for monitoring the impact of particular actions. While some of the actions were not fully enough developed to do this, a chapter of the plan was dedicated to assessing impact, and an attempt made to look at potential size, type and certainty of impact.

This work has subsequently been built on to develop a [tackling child poverty evaluation strategy](#), which sets out the approach to monitoring and evaluating action taken by Scottish Government and its partners to meet the child poverty targets. The evaluation sets out an approach which includes:

1. Monitoring progress against the child poverty targets
2. Monitoring the drivers of child poverty
3. Assessing the impact of policies and external factors on poverty and its drivers

The evaluation strategy notes that it would not be feasible or justifiable to attempt a comprehensive evaluation of the impact of every action on child poverty. The evaluation strategy uses a range of criteria to identify which actions should be evaluated. These criteria include:

- Likely impact of the intervention on the four child poverty target measures
- Size of the investment from Government
- Feasibility, cost and value of a robust evaluation of the intervention’s impact on child poverty

The Commission welcomes the publication of the evaluation strategy and the continuing commitment to evaluation. If the targets are to be reached it is critical that actions are linked to impact and that the Scottish Government understands how its actions are impacting on the targets. It is helpful that the Scottish Government has set out clear criteria for selecting which actions should be evaluated and the Commission supports these criteria.

At present the actions selected for evaluation do not include the income supplement and the intensive employment support for parents as these policies have not been fully developed. **Given the important role these policies are expected to play in reaching the targets, however, the Commission recommends that a commitment to evaluate them should be made now.** The Commission would also

like to see more information about what the evaluation of help with housing costs will cover.

Some of the policies that are being evaluated do not have reducing child poverty as a primary objective. This includes policies on extending Early Learning and Childcare, Fair Start Scotland, and potentially some of the policies on help with housing costs. **There is therefore a risk that evaluations will not be designed to in a way that fully explores their impact on child poverty, but will focus instead on other aims. The Scottish Government should set out what safeguards it will put in place to avoid this happening.**

The evaluation strategy sets out that it will be important to evaluate how policies are working together as a package of policies to lift children out of poverty, not just as individual actions. The Commission agrees that this is particularly important and, while acknowledging the complexity of doing so, emphasises that progress should be made towards this.

CONCLUSIONS AND RECOMMENDATIONS

In its conclusions the Commission returns to the three matters set out in the Child Poverty (Scotland) Act that Scottish Ministers are required to consult the Commission about.

What progress has been made during the reporting year towards meeting the targets?

It is too early for the Commission to comment on actual progress towards meeting the targets as the relevant data is not yet available. The Commission recognises that a lot of work has been undertaken by the Scottish Government over the last year in relation to the actions set out in the Delivery Plan, and some good progress has been made, particularly with the introduction of the Financial Health Check, Best Start Grant and Carer's Allowance, and the establishment of a minimum rate for the school clothing grant.

Does it appear to the Commission that such progress is sufficient to meet the child poverty targets?

From the evidence currently available to the Commission, it does not appear to the Commission that the actions being taken are likely to be sufficient to meet the child poverty targets. While the actions set out in the Delivery Plan are positive, the Commission is currently unconvinced that they will be delivered on a large enough scale to have a realistic chance of achieving the targets. The Commission considers that **within existing budget resources** it will be almost impossible for the Scottish Government to meet the targets. Meeting the targets will require significant reallocation of resource from other areas or the raising of additional revenue.

What further progress does the Commission consider is required to meet the targets?

The Scottish Government needs to focus its efforts on those actions that are likely to have the biggest impact on the child poverty targets. It should develop a greater understanding of the likely impact of the actions on the targets and use this to identify what further action is needed. The Commission sets out six recommendations below for the Scottish Government.

1. Action should be taken to speed up delivery of the Income Supplement
2. The Scottish Government should focus its efforts on those actions that are likely to have the biggest impact on the child poverty targets.
3. The Scottish Government should estimate/model the number of children it expects to be lifted out of poverty by the key actions in its Delivery Plan.
4. The Scottish Government should identify opportunities to involve children and families in the development and delivery of the actions in the Delivery Plan.

5. The Scottish Government should have a greater focus on creating and improving jobs in relation to child poverty and should take account of the Commission's research on inclusive growth.
6. In its progress report the Scottish Government should set out how much of the Tackling Child Poverty Fund has been spent or committed so far.