

Options for developing a national cross-party and civil society agreement to develop a shared six year strategy to meet the 2030 child poverty targets

1. Background

The Poverty and Inequality Commission's <u>Child Poverty Scrutiny Report 2023-24</u> recommended that:

Recommendation 1: The Scottish Government should convene and lead a national cross-party and civil society agreement to develop a shared six year strategy to meet the 2030 child poverty targets. This cross-party approach should consider the choices that need to be made around tax and spending, in particular:

- Where to raise revenue through tax, beyond more changes to income tax rates and bands
- What evidence tells us the most effective policies are, alone and in combination
- What the appropriate eligibility and entitlement criteria are for policies and
- services to have the greatest impact on poverty
- How to distribute spending within the existing budget
- How to accelerate public services reform
- How to implement a full Minimum Income Guarantee, including for disabled people
- How to accelerate roll out of childcare in a way that best supports those
- on low incomes
- How to improve accessibility and quality of jobs

This should be completed in time to form the basis of the final national Child Poverty Delivery Plan, due to be published by spring 2026.

The report said that the Commission would do everything it could to help generate the political climate that would support agreement over the actions required to make significant inroads into child poverty and that, if it would be helpful, the Commission would be willing to take a lead in convening this national poverty convention, in partnership with key stakeholders.

The Commission's recommendation was made in recognition that the current context means that there are hard choices to be made about revenue raising and spending. The child poverty targets are not just the Scottish Government's targets, they are Scotland's targets, voted for by all the parties in the Scottish Parliament. All parties need to continue to demonstrate their commitment by participate constructively in a cross-party conversation about taking these hard choices in the interests of children in Scotland. As the First Minister has said:

"One of the benefits of long service in politics is having witnessed the Scottish Parliament when it is functioning at its very best. That happens when parties work constructively together... My government will do everything in our power – working with Members from across parties – to make child poverty a thing of the past."

Following the Chair's meeting with the First Minister it was agreed that the Commission would develop some options setting out how this could be taken forward and share these with Scottish Government officials. This paper sets out two options that the Scottish Government could consider, and further information about the role of the Commission.

2. Role of the Commission in supporting a cross-party approach

As part of developing these options, the Commission has further considered what role it could best play in supporting a cross-party approach. It considered whether it would be well-placed to lead any cross-party group. It concluded that, while its independence could be an advantage in doing so, leading such a group would require it to take a neutral role which would not allow it to fulfil its responsibilities to advise the Scottish Government on the next Child Poverty Delivery Plan. Instead the Commission's view is that it would be best placed as a participant in a cross-party process, rather than leading it. The options set out below are therefore for the Scottish Government to lead on, although the Commission remains happy to consider requests from the Scottish Government for support on particular aspects of these, dependent on available resources.

3. Option one – Smith Commission style cross-party group

The Smith Commission offers a potential model to follow to develop a purposeful and practical cross-party approach to the development of the next child poverty delivery plan. A brief summary of the Smith Commission approach is included in the Annex.

The context for this approach is that the Child Poverty (Scotland) Act 2017 was passed unanimously by the Scottish Parliament, making the child poverty targets not just the responsibility of the Scottish Government but Scotland's targets. The purpose of establishing a cross-party group would be to reach agreement on the key policies and actions required to meet the 2030 targets, and, crucially, how to fund them. Participants in the process would need to consider:

- What evidence tells us are the most effective policies, alone and in combination
- What eligibility and entitlement criteria are appropriate for policies and services to have the greatest impact on poverty
- How to distribute spending within the existing budget

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¹ Priorities for Scotland - gov.scot (www.gov.scot)

 Where to raise revenue through tax, beyond further changes to income tax rates and bands

Proposed approach

The Scottish Government should appoint an independent Chair to chair the crossparty group. The Chair should be political neutral, with the ability to actively broker compromises where needed.

Membership of the group would be:

- One senior representative from each of the parties in the Scottish Parliament (with sufficient authority to reach agreement on behalf of the party)
- Two representatives of local authorities
- Two representatives of third and community sector (with a larger forum organised by the sector to underpin this and debate issues before coming to the group)
- Two representatives of the business sector
- One trade union representative
- Two experts by experience, with lived experience of poverty (these experts by experience should be selected from existing groups, such as the Commission's Experts by Experience Panel, the Poverty Alliance Community Activist Group, or one of the local commissions, to ensure that they have support to participate)
- Chair of the Poverty and Inequality Commission
- Children and Young People's Commissioner Scotland

The political party representatives could also have one aide (likely a special adviser) attend the group.

The group would be supported by a secretariat made up of Scottish Government officials. Analysis, cost calculations and briefings would be commissioned from Scottish Government officials, and potentially from SPICe and external organisations. The Commission's Experts by Experience Panel would also be invited to contribute to the group's discussions.

The work would be divided into two phases: Phase One, a four month preparatory period and Phase Two, an eight month meeting and reporting phase.

Phase One

During the preparatory period, the independent Chair would have bi-lateral meetings with each of the representatives to get agreement on the principles underpinning the group's work, establish rules of conduct and identify the potential scope for discussion and agreement. This would help establish a realistic basis for the group's work.

At this stage, members of the group would be invited to share proposals for the action that they think is necessary, along with any estimated costs and underpinning

assumptions, to allow Scottish Government officials to cost the different proposals on a consistent basis.

During this period officials would also commission analysis and start to prepare briefings for the group.

Phase Two

During this phase the group would meet every four to six weeks. The content of the sessions would be shaped by the work done during Phase One. At each meeting the aim would be to identify areas of agreement that could form final proposals, areas that were not worth pursuing as agreement was unlikely, and areas where further information or consultation was needed. Between meetings representatives would be expected to consult with their organisations about the discussions in order to be able to reach agreement in the sessions themselves.

Output

The output of the group would be a set of proposals. While the aim would be consensus, it would not be a requirement for all proposals to be agreed by all members of the group. It should be an option to note dissent where a proposal was supported by a majority, rather than the whole group.

Opportunities and risks

This approach offers the potential to achieve consensus on some of the challenging decisions that need to be made, by taking these outside normal party political debate and competition into an environment where there is a shared commitment to achieve solutions. It is an opportunity to reaffirm that meeting the child poverty targets is a shared national commitment, not just a Scottish Government responsibility. It also stimulates reflection within stakeholder organisations and across wider society by engaging organisations in discussion about not just what actions are needed, but how to achieve them within the current environment.

There are risks, however, as the process depends on a real commitment from all participants to engage fully and reach consensus. This is particularly challenging in a political context that is starting to focus on Scottish Parliament elections in May 2026. If this commitment is not there then the Group may not be able to achieve any meaningful output and the process could use up significant resource and goodwill. This could be managed by communicating very clearly the purpose of the process, the outcome envisaged and the risks, which all participants are required to embrace. Commitment to this could be tested in Phase One, with Phase Two only taking place if this commitment is clear.

A further risk is that trying to achieve consensus means that some of the more challenging issues are set aside as too difficult and this leads to a set of small-scale proposals that are easier to agree but will not deliver the kind of transformative change needed.

There would also be a need to consider how this work would align with Scottish Government's wider consultation and engagement on the next Delivery Plan. There are risks that people could feel excluded, and that consultation meaningless, if they see this group being where decisions are made.

Time and resource commitment

This option would require a significant time and resource commitment from the Scottish Government. It would require new ways of working and the creation of a team to support the work. It would also require input from officials and analysts across Scottish Government. The proposal to establish a forum for third sector and community organisations would also require time and resource commitment from those groups.

Work would need to start as early as possible in order to be completed in time to inform the 2026-2030 Child Poverty Delivery Plan.

4. Option Two – A phased approach

Option two sets out a phased approach to developing cross-party agreement, which the Scottish Government could pursue if it was not able to take forward option one at this time. This sets out three phases of work with the option to 'step off' at the end of any of the phases if the Scottish Government doesn't consider there to be a realistic chance of success with the following phase.

Phase 1: A desk-based review (two months)

The Scottish Government would undertake a desk-based review of recent manifestos, public statements and debate contributions from the parties in the Scottish Parliament to identify existing proposals, commitments, or areas of particular focus around tackling child poverty. It would also review the key asks of campaigning and third sector organisations. The Scottish Government would use this to identify potential proposals where there are areas of agreement - or potential agreement - that could be explored between the parties, and how these align with the asks of campaigning organisations. In itself this would be useful in informing thinking for the next Delivery Plan.

Phase 2: Engagement on specific proposals and key policy questions (six months)

In this phase the Scottish Government would organise and facilitate a series of meetings to explore specific proposals or areas identified in phase 1. A similar list of attendees to option one would be invited to join in the discussions.

Each meeting would focus on one or two policy ideas or questions. A short briefing would be sent out ahead of each meeting and participants would be asked to consult others in their organisations/parties on the ideas ahead of attending the meeting. The aim would be to explore views, and identify where there is agreement and where there are stumbling blocks, but not necessarily to achieve consensus. Following

each meeting the Scottish Government would write up the discussion and identify what might be a way forward in relation to that policy idea or question. This would aim to prepare the ground for phase 3.

Phase 3: Cross-party group (four months)

If the Scottish Government considered that sufficient common ground had been identified to make it realistic that consensus might be achieved, in this phase it would establish a cross-party group, with an independent Chair, as set out in Option one. As most of the preparatory work would be done in phases 1 and 2, the timescales for this work could be much shorter than in option one, with the focus being on agreeing specific proposals, based on previous discussions, rather than exploring the issues.

Outputs

Phase 1: The phase 1 outputs would be a summary of the current positions of the political parties and third sector and civil society groups on the actions they would propose to reach the child poverty targets, along with an analysis of potential areas of agreement and disagreement.

Phase 2: The phase 2 outputs would be a summary of discussions about each policy proposal/area, along with an analysis of what might be a way forward in relation to that policy idea or question.

Phase 3: The phase 3 outputs would be a set of proposals, as with Option one.

Opportunities and risks

By taking a phased approach, the Scottish Government can start this work without having to commit significant resources, and with the knowledge that it will have a useful output even if it does not end up taking forward all phases. However, taking a phased approach could add in delays, if agreement needs to be sought at each stage for the next phase, and new resource put in place, making the timescales challenging for the next Delivery Plan.

As Phase 2 is not aiming to necessarily achieve agreement, this could allow a fuller exploration of ideas and questions, and reduce the risk of focusing on minor points simply because agreement can be reached. It would increase understanding of the political parties' positions on these ideas and questions and potentially identify areas of agreement. However, as this approach does not require any significant commitment from the political parties until Phase 3, there is a risk that substantial resource is invested in this process and it may not really address the need for a cross-party approach.

There are also potentially risks of duplication if the Scottish Government is also undertaking wider consultation on the next Child Poverty Delivery Plan at the same time.

Time and resource commitment requirements

While the initial resource commitment for Phase 1 would be fairly low, fully delivering all three phases would require a significant amount of resource from Scottish Government. A dedicated resource would be required to deliver phases 2 and 3.

Annex: The Smith Commission approach²

Lord Smith's brief was to "convene cross-party talks and facilitate an inclusive engagement process across Scotland to produce, by 30 November 2014, Heads of Agreement with recommendations for further devolution of powers to the Scottish Parliament".

The Commission was made up of two representatives from each of the five parties represented in the Scottish Parliament and was supported by a secretariat seconded from the Scottish and UK governments and the Scottish Parliament. The secretariat's staff was identified based on a required skills, which included both subject knowledge and procedural skills. They were organised into three teams responsible for 'negotiation' (organising talks and preparing papers for meetings), 'analysis' (commissioning briefings and organising research presentations), and 'outreach' (handling public submissions of evidence and organising a small series of public and private evidence sessions). Key civil servants had experience of international negotiations and these experiences were used to structure the process.

Civil servants serving both governments provided technical analysis to the Commission. In addition to their members of the Commission, each political party could have two aides, who were typically special advisers employed by the parties. They were used to facilitate pre-negotiation, maintain momentum in the talks and identify quick wins.

At the start of the process the Scottish Government published its proposals for more powers for the Scottish Parliament and the UK Government produced a Command Paper summarising party proposals for further devolution. Before the negotiations began Lord Smith met with external stakeholders (e.g. third sector and business) and received technical briefings from civil servants to understand the key issues the Commission faced. He engaged in early shuttle diplomacy between the parties to secure agreement on the principles underpinning the process

The Smith Commission's work was structured through a combination of plenaries and bilaterals. Each plenary would discuss a specific issue and between them intense bilateral working between the members of the Commission, facilitated by the secretariat and the party aides, would identify possible deals and compromises. Plenaries lasted three hours.

Some criticisms of the Smith Commission were that its success, in reaching an outcome by the agreed deadline, came at the expense of ambition and detail. In order to secure a minimum level of agreement in a short space of time, certain contentious or complicated issues remained unresolved. There was also criticism from representatives of Scottish civic life that the public engagement activities undertaken by the Commission failed to have any significant impact on the process.

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² Summary drawn from Kenealy, D & Parry, R 2018, 'Devolution commissions in the shadow of Whitehall: The Smith Commission and the creation of a 'Powerhouse Parliament', British Politics, vol. 13, no. 4, pp. 484-504