



Child Poverty (Scotland) Act 2017

2017 asp 6

The Bill for this Act of the Scottish Parliament was passed by the Parliament on 8th November 2017 and received Royal Assent on 18th December 2017

An Act of the Scottish Parliament to set targets relating to the eradication of child poverty; to make provision about plans and reports relating to the targets; and to establish the Poverty and Inequality Commission and provide for its functions.

Targets relating to child poverty

1 2030 targets

- (1) The Scottish Ministers must ensure that the 2030 targets are met in the financial year beginning with 1 April 2030.
- (2) The 2030 targets are that, of children living in households in Scotland—
 - (a) less than 10% fall within section 3 (relative poverty),
 - (b) less than 5% fall within section 4 (absolute poverty),
 - (c) less than 5% fall within section 5 (combined low income and material deprivation),
 - (d) less than 5% fall within section 6 (persistent poverty).

2 Interim targets

- (1) The Scottish Ministers must ensure that the interim targets are met in the financial year beginning with 1 April 2023.
- (2) The interim targets are that, of children living in households in Scotland—
 - (a) less than 18% fall within section 3 (relative poverty),
 - (b) less than 14% fall within section 4 (absolute poverty),
 - (c) less than 8% fall within section 5 (combined low income and material deprivation),
 - (d) less than 8% fall within section 6 (persistent poverty).

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3 Relative poverty

A child falls within this section in a financial year if the child lives in a household whose equivalised net income for the year is less than 60% of median equivalised net household income for the year.

4 Absolute poverty

- (1) A child falls within this section in a financial year if the child lives in a household whose equivalised net income for the year is less than 60% of the amount of median equivalised net household income for the financial year beginning with 1 April 2010, adjusted to take account of changes in the value of money since that financial year.
- (2) The Scottish Ministers may by regulations substitute a different date for the date mentioned for the time being in subsection (1).
- (3) Regulations under subsection (2) are subject to the affirmative procedure.

5 Combined low income and material deprivation

A child falls within this section in a financial year if the child—

- (a) lives in a household whose equivalised net income for the year is less than 70% of median equivalised net household income for the year, and
- (b) experiences material deprivation in the year.

6 Persistent poverty

- (1) A child falls within this section in a financial year if the child has lived—
 - (a) in each of the survey years, in a household in Scotland, and
 - (b) in at least 3 of the survey years, in a household whose equivalised net income for the survey year was less than 60% of median equivalised net household income for the survey year.
- (2) The survey years are—
 - (a) the calendar year that ends during the financial year, and
 - (b) the 3 previous calendar years.

7 Calculation of net household income

- (1) For the purposes of this Act, the deductions to be made in calculating net household income include housing costs.
- (2) In this Act—

“equivalised”, in relation to household income, means adjusted to take account of variations in household size and composition,
“median equivalised net household income” means the median equivalised net household income for the United Kingdom.

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Poverty and Inequality Commission

8 Poverty and Inequality Commission

- (1) The Poverty and Inequality Commission (in this Act, referred to as “the Commission”) is established.
- (2) In addition to the functions specified in this Act, the Commission may—
 - (a) perform such other functions,
 - (b) prepare and publish such reports,as it considers appropriate in connection with ensuring that the interim targets and the 2030 targets are met.
- (3) The schedule makes further provision about the Commission.

Delivery plans and progress reports

9 Delivery plan

- (1) The Scottish Ministers must prepare a plan (a “delivery plan”) for each of the following periods—
 - (a) 1 April 2018 to 31 March 2022,
 - (b) 1 April 2022 to 31 March 2026,
 - (c) 1 April 2026 to 31 March 2031.
- (2) A delivery plan must set out—
 - (a) the measures that the Scottish Ministers propose to take during the period of the plan for the purpose of meeting the child poverty targets,
 - (b) an assessment of the contribution the proposed measures are expected to make to meeting the child poverty targets,
 - (c) an explanation of how that assessment has been arrived at, and
 - (d) an assessment of the financial resources required to fund the proposed measures.
- (3) A delivery plan must, in particular, set out what (if any) measures the Scottish Ministers propose to take in relation to—
 - (a) the provision of financial support for children and parents, including the making of such provision by virtue of Part 3 of the Scotland Act 2016 (welfare benefits and employment support),
 - (b) children living in households whose income is adversely affected, or whose expenditure is increased, because a member of the household has one or more protected characteristics,
 - (c) supporting local authorities to consider the automatic payment of benefits and support,
 - (d) the provision and accessibility of information, advice and assistance to parents in relation to—
 - (i) social security matters,

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- (ii) income maximisation,
 - (iii) financial support,
 - (e) education and, in particular, closing the attainment gap,
 - (f) the availability and affordability of housing,
 - (g) the availability and affordability of childcare,
 - (h) the facilitation of—
 - (i) the employment of parents (with remuneration that is sufficient to secure an adequate standard of living), and
 - (ii) the development of the employment-related skills of parents,
 - (i) physical and mental health,
 - (j) children living in single-parent households,
 - (k) arrangements for setting the amount of the revenue support grant payable to each local authority in order to ensure that resources are directed for the purpose of contributing to the meeting of the child poverty targets.
- (4) A delivery plan must, in particular, set out whether, during the period of the plan for the purpose of meeting the child poverty targets, the Scottish Ministers intend to bring forward legislation to exercise the power provided for in section 24 of the Scotland Act 2016 to top-up social security benefits in relation to providing a top-up for child benefit paid under section 141 of the Social Security Contributions and Benefits Act 1992.
- (5) A delivery plan may include such other information about child poverty as the Scottish Ministers consider appropriate.
- (6) In preparing a delivery plan, the Scottish Ministers must—
- (a) consult the Commission on the measures they propose to include in the delivery plan,
 - (b) have regard to any recommendations made by the Commission,
 - (c) set out in the delivery plan the changes, if any, they have made in the delivery plan as a result of any such recommendations.
- (7) As soon as reasonably practicable after preparing a delivery plan, and before the beginning of the period of the plan, the Scottish Ministers must—
- (a) lay the plan before the Scottish Parliament,
 - (b) make a statement to the Parliament in relation to the plan, and
 - (c) publish the plan.
- (8) In preparing a delivery plan, the Scottish Ministers must consult—
- (a) such local authorities or associations of local authorities as they consider appropriate,
 - (b) such persons and organisations working with or representing children as they consider appropriate,
 - (c) such persons and organisations working with or representing parents as they consider appropriate,
 - (d) the Scottish Parliament,
 - (e) such persons and organisations as they consider appropriate who work with or represent children or parents living in households whose income is adversely affected, or whose expenditure is increased, because a member of the household has one or more protected characteristics, and

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- (f) such persons who have experience of living in poverty and such other persons as they consider appropriate.
- (9) Subsections (6)(a) and (8) are complied with even if the consultation has been undertaken, or initiated, before this section comes into force.

10 Progress report

- (1) The Scottish Ministers must, before the end of the period of 3 months beginning with the last day of each reporting year, prepare a report (a “progress report”) on the progress made during the year—
- (a) towards meeting the child poverty targets, and
 - (b) in implementing the relevant delivery plan.
- (2) A progress report must, in particular—
- (a) describe the measures taken by the Scottish Ministers in accordance with that delivery plan,
 - (b) describe the effect of those measures on progress towards meeting the child poverty targets,
 - (c) describe the effect of those measures on reducing the number of children living in single-parent households—
 - (i) who fall within section 3 (relative poverty),
 - (ii) who fall within section 4 (absolute poverty),
 - (iii) who fall within section 5 (combined low income and material deprivation),
 - (iv) who fall within section 6 (persistent poverty),
 - (d) describe the effect of those measures on children living in households whose income is adversely affected, or whose expenditure is increased, because a member of the household has one or more protected characteristics.
- (3) If, in preparing a progress report, the Scottish Ministers consider that the measures taken in accordance with the relevant delivery plan have not delivered sufficient progress towards meeting the child poverty targets, the progress report must describe how the Scottish Ministers propose to ensure sufficient progress is delivered in the future.
- (4) In preparing a progress report, the Scottish Ministers must consult the Commission on—
- (a) the progress made during the reporting year towards meeting the child poverty targets,
 - (b) whether it appears to the Commission that such progress is sufficient to meet the child poverty targets,
 - (c) what further progress the Commission considers is required to meet the child poverty targets.
- (5) A progress report must include any comments or recommendations made by the Commission on the matters mentioned in paragraphs (a) to (c) of subsection (4).
- (6) In subsection (4), the reference to progress towards meeting the child poverty targets includes reference to progress towards reducing inequality for the purpose of meeting those targets.

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- (7) As soon as reasonably practicable after preparing a progress report, the Scottish Ministers must—
- (a) lay the report before the Scottish Parliament,
 - (b) make a statement to the Parliament in relation to the report, and
 - (c) publish the report.
- (8) In this section—
- “relevant delivery plan”, in relation to a progress report, means the plan prepared under section 9(1) for a period that includes the reporting year for which the progress report is prepared,
- “reporting year” means a financial year falling within the period of a plan prepared under section 9(1).

11 Report on interim targets

- (1) This section applies to the report prepared under section 10(1) for the financial year beginning with 1 April 2024.
- (2) The report must include a statement of the percentage of children living in households in Scotland in the financial year beginning with 1 April 2023—
- (a) who fell within section 3 (relative poverty),
 - (b) who fell within section 4 (absolute poverty),
 - (c) who fell within section 5 (combined low income and material deprivation),
 - (d) who fell within section 6 (persistent poverty).
- (3) Whether the interim targets have been met in the financial year beginning with 1 April 2023 is to be determined by reference to the percentages given in the report.
- (4) If any of the interim targets has not been met, the report must explain why it has not been met.

12 Final report

- (1) This section applies to the report prepared under section 10(1) for the financial year beginning with 1 April 2030.
- (2) The report must include a statement of the percentage of children living in households in Scotland that year—
- (a) who fell within section 3 (relative poverty),
 - (b) who fell within section 4 (absolute poverty),
 - (c) who fell within section 5 (combined low income and material deprivation),
 - (d) who fell within section 6 (persistent poverty).
- (3) Whether the 2030 targets have been met in the financial year beginning with 1 April 2030 is to be determined by reference to the percentages given in the report.
- (4) If any of the 2030 targets has not been met, the report must explain why it has not been met.

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Local child poverty action reports

13 Local child poverty action reports

- (1) A local authority and each relevant Health Board must, as soon as reasonably practicable after the end of each reporting year, jointly prepare and publish a report (a “local child poverty action report”).
- (2) A local child poverty action report must describe any measures taken in the area of the local authority during the reporting year by—
 - (a) the local authority,
 - (b) each relevant Health Board,for the purpose of contributing to the meeting of the child poverty targets.
- (3) A local child poverty action report must also describe any measures that—
 - (a) the local authority,
 - (b) each relevant Health Board,proposes to take for the purpose of contributing to the meeting of the child poverty targets.
- (4) Subsection (3) does not apply in relation to a local child poverty action report prepared for the reporting year beginning with 1 April 2030.
- (5) A local child poverty action report must, in particular, describe any income maximisation measures taken in the area of the local authority during the reporting year to provide pregnant women and families with children with—
 - (a) information, advice and assistance about eligibility for financial support, and
 - (b) assistance to apply for financial support.
- (6) A local child poverty action report must, in particular, describe any measures taken during the reporting year, or which are proposed to be taken, in the area of the local authority in relation to children living in households whose income is adversely affected, or whose expenditure is increased, because a member of the household has one or more protected characteristics.
- (7) In this section—

“relevant Health Board”, in relation to a local authority, means a Health Board constituted under section 2(1)(a) of the National Health Service (Scotland) Act 1978 whose area—

 - (a) is the same as the area of the local authority, or
 - (b) includes all or part of the area of the local authority,

“reporting year” means a financial year falling within the period of a plan prepared under section 9(1).

General

14 Interpretation

- (1) In this Act—

“2030 targets” has the meaning given by section 1(2),

“child” means—

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(a) a person under the age of 16, or
 (b) a person who is a qualifying young person for the purposes of Part 9 of the Social Security Contributions and Benefits Act 1992,
 “interim targets” has the meaning given by section 2(2),
 “parent” includes an individual with whom a child resides and who has care of the child,
 “protected characteristics” means the characteristics listed in section 149(7) of the Equality Act 2010.

- (2) In sections 9, 10 and 13, a reference to “child poverty targets”, in relation to a plan or a report, is a reference to—
- (a) the interim targets and the 2030 targets, to the extent that the plan or report relates to a period ending on or before 31 March 2024,
 - (b) the 2030 targets, to the extent that the plan or report relates to a period beginning on or after 1 April 2024.

15 References to the Commission

- (1) In this Act, references to the Commission are to be construed in accordance with section 8(1).
- (2) But until that section comes into force, the references to the Commission in sections 9(6) and 10(4) and (5) are to be read as references to the body known as the Poverty and Inequality Commission established by the Scottish Ministers on 3 July 2017.

16 Commencement

- (1) This section and sections 14 and 17 come into force on the day after Royal Assent.
- (2) Section 8 (and the schedule) come into force on 1 July 2019.
- (3) The other provisions of this Act come into force at the end of the period of 2 months beginning with the day of Royal Assent.

17 Short title

The short title of this Act is the Child Poverty (Scotland) Act 2017.

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SCHEDULE

(introduced by section 8)

THE POVERTY AND INEQUALITY COMMISSION

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