# 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).

**Status:** *Point in time view as at 01/07/2019.*
**Changes to legislation:** *There are currently no known outstanding effects for the Child Poverty (Scotland) Act 2017. (See end of Document for details)*

### 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.

*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.

**[**[F1](2) In addition to the functions conferred on it by this Act, the functions of the Commission are—

(a) to advise the Scottish Ministers on any matter relating to poverty or inequality in Scotland, including the impact of their policies and use of resources in reducing such poverty and inequality,

(b) to monitor progress in reducing poverty and inequality in Scotland,

(c) to promote the reduction of poverty and inequality in Scotland.

(2A) The Commission may do such things as it considers appropriate for the performance of its functions, including in particular—

(a) gathering evidence,

(b) carrying out research,

(c) preparing and publishing such reports as it considers appropriate.

(2B) The Commission must publish any advice it provides to the Scottish Ministers.**]**

(3) The schedule makes further provision about the Commission.

**Textual Amendments**

**F1** S. 8(2)-(2B) substituted for s. 8(2) (1.7.2019) by The Public Services Reform (Poverty and Inequality Commission) (Scotland) Order 2018 (S.S.I. 2018/316), arts. 1, **2(2)**

*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,

(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

(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,

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(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.

(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.

*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).

**Status:** *Point in time view as at 01/07/2019.*
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*General*

## 14 Interpretation

(1) In this Act—

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

"child" means—

(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.

***Status:*** *Point in time view as at 01/07/2019.*
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# SCHEDULE

*(introduced by section 8)*

## THE POVERTY AND INEQUALITY COMMISSION

### *Membership*

1 (1) The Commission is to consist of—

(a) a member to chair the Commission, and

(b) at least **[**F2 4 but no more than 8**]** other members.

(2) The Scottish Ministers are to appoint the members.

(3) The Scottish Ministers may appoint a person as a member only if the Scottish Parliament has approved the appointment.

(4) In proposing persons to the Scottish Parliament for approval for appointment to the Commission, the Scottish Ministers must have regard to the desirability of **[**F3—

(a) securing that the Commission (taken as a whole) has experience in and knowledge of—

(i) the formulation, implementation and evaluation of policy relating to poverty and inequality,

(ii) research in connection with poverty and inequality,

(iii) working with persons experiencing poverty or inequality (or both), and

(b) the Commission's membership including persons who have experienced poverty or inequality (or both).**]**

(5) The Scottish Ministers may by regulations amend sub-paragraph (1)(b) by substituting a different number for any number for the time being specified there.

(6) Regulations under sub-paragraph (5) are subject to the negative procedure.

**Textual Amendments**

**F2** Words in sch. para. 1(1)(b) substituted (1.7.2019) by The Public Services Reform (Poverty and Inequality Commission) (Scotland) Order 2018 (S.S.I. 2018/316), arts. 1, **2(3)(a)**

**F3** Sch. para. 1(4)(a)(b) substituted for words in sch. para. 1(4) (1.7.2019) by The Public Services Reform (Poverty and Inequality Commission) (Scotland) Order 2018 (S.S.I. 2018/316), arts. 1, **2(3)(b)**

### *Independence*

2 (1) In performing its functions, the Commission is not subject to the direction or control of any member of the Scottish Government.

(2) This paragraph is subject to any contrary provision in this or any other enactment.

### *Access to information*

3 (1) The Commission—

(a) has a right of access at reasonable times to any relevant information that the Commission may reasonably require for the purpose of performing its functions,

**Status:** *Point in time view as at 01/07/2019.*
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(b) may require any person who holds or is accountable for relevant information to provide at reasonable times any assistance or explanation that the Commission may reasonably require for the purpose of—

(i) performing its functions, or

(ii) exercising the right conferred by paragraph (a).

(2) In sub-paragraph (1), "relevant information" means information in the possession or under the control of—

(a) any member of the Scottish Government,

(b) a local authority,

(c) such other person, or person of such description, as the Scottish Ministers may by regulations specify.

(3) Sub-paragraph (1) is subject to any other enactment or rule of law that prohibits or restricts the disclosure of any information or the giving of any assistance or explanation.

(4) Regulations under sub-paragraph (2)(c) are subject to the affirmative procedure.

*Exclusion of Crown status*

4 The Commission is not to be regarded—

(a) as the servant or agent of the Crown, or

(b) as enjoying any status, privilege or immunity of the Crown.

*Disqualification for appointment*

5 (1) The Scottish Ministers may not appoint a person as a member if the person—

(a) is—

(i) a member of the Scottish Parliament,

(ii) a member of the House of Commons,

(iii) a member of the National Assembly for Wales,

(iv) a member of the Northern Ireland Assembly,

(v) a member of the European Parliament,

(vi) a councillor of any local authority,

(vii) the holder of any other relevant elective office within the meaning of paragraph 1(8) of schedule 7 to the Political Parties, Elections and Referendums Act 2000,

(viii) a member of the Scottish Government,

(ix) a Minister of the Crown,

(x) an office-holder of the Crown in right of Her Majesty's Government in the United Kingdom,

(xi) an office-holder in the Scottish Administration,

(xii) a civil servant,

(b) is or has been insolvent,

(c) is or has been disqualified as a company director under the Company Directors Disqualification Act 1986,

(d) is or has been disqualified as a charity trustee under the Charities and Trustee Investment (Scotland) Act 2005, or

***Status:*** *Point in time view as at 01/07/2019.*
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(e) is or has been disqualified under any disqualification provision analogous to either of those mentioned in paragraphs (c) and (d), anywhere in the world.

(2) For the purposes of sub-paragraph (1)(b), a person is or has been insolvent if—

(a) the person's estate is or has been sequestrated,

(b) the person has granted a trust deed for creditors or has made a composition or arrangement with creditors,

(c) the person is or has been the subject of any other kind of arrangement analogous to either of those described in paragraphs (a) and (b), anywhere in the world.

*Period and terms of appointment*

6 (1) A member is appointed for such period not exceeding 5 years as the Scottish Ministers may determine.

(2) A person may be reappointed as a member (with the approval of the Scottish Parliament) if—

(a) the person—

(i) is a member at the time of reappointment, or

(ii) ceased to be a member not more than 3 months before the date of reappointment, and

(b) the person has not previously been reappointed.

(3) The Scottish Ministers may determine other terms of an appointment, so far as not provided for by this Act.

*Disqualification after appointment*

7 (1) A person's appointment as a member ceases if the person becomes disqualified as a member after appointment.

(2) A person becomes disqualified as a member after appointment if, during the person's period of appointment as a member, any of paragraphs (a) to (e) of paragraph 5(1) applies to the person.

*Resignation*

8 A member may resign by giving notice in writing to—

(a) the Scottish Ministers, and

(b) the Presiding Officer of the Scottish Parliament.

*Removal*

9 (1) The Scottish Ministers may remove a member, by giving the member notice in writing, if the Scottish Ministers consider that the member is—

(a) unable to perform the member's functions, or

(b) otherwise unfit to continue to be a member.

(2) The Scottish Ministers may remove a member under sub-paragraph (1) only with the approval of the Scottish Parliament.

**Status:** *Point in time view as at 01/07/2019.*
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*Remuneration, expenses and resources*

10 (1) Members of the Commission, and any members of committees established by the Commission under paragraph 12 who are not members of the Commission, are entitled to such remuneration and expenses as the Scottish Ministers may determine.

(2) The Scottish Ministers are to pay any such remuneration and expenses.

(3) The Scottish Ministers are to provide the Commission with such staff and other resources as it requires to carry out its functions.

*Regulation of procedure*

11 The Commission may regulate its own procedure (including quorum) and that of any committee established under paragraph 12.

*Committees*

12 (1) The Commission may establish committees.

(2) The membership of a committee may include (but may not consist entirely of) persons who are not members of the Commission but those persons are not entitled to vote at meetings.

*Amendment of public bodies' legislation*

13 (1) In the Ethical Standards in Public Life etc. (Scotland) Act 2000, in schedule 3 (devolved public bodies), after the entry relating to the Board of Trustees of the National Museums of Scotland insert— " The Poverty and Inequality Commission ".

(2) In the Freedom of Information (Scotland) Act 2002, in Part 7 of schedule 1 (others), after paragraph 75AB insert—

"75AC The Poverty and Inequality Commission".

(3) In the Public Appointments and Public Bodies etc. (Scotland) Act 2003, in schedule 2 (the specified authorities), under the heading "Other Public Bodies", after the entry relating to the Parole Board for Scotland insert— " Poverty and Inequality Commission ".

(4) In the Public Services Reform (Scotland) Act 2010, in schedule 5 (improvement of public functions: listed bodies), under the heading "Scottish public authorities with mixed functions or no reserved functions", after the entry relating to the Police Investigations and Review Commissioner insert— " Poverty and Inequality Commission ".

**Status:**
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**Changes to legislation:**
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