

EAST RENFREWSHIRE COUNCIL
AUDIT AND SCRUTINY COMMITTEE

30 March 2023

Report by Clerk

NATIONAL EXTERNAL AUDIT - TACKLING CHILD POVERTY

PURPOSE OF REPORT

1. To provide information on the Audit Scotland briefing report on *Tackling Child Poverty*.

RECOMMENDATION

2. It is recommended that the committee considers the report.

BACKGROUND

3. A copy of the Audit Scotland briefing report on [Tackling Child Poverty](#), published in September 2022, has already been circulated to all Audit and Scrutiny Committee Members. Under the committee's specialisation arrangements, the Member leading the review of this particular report is Councillor Buchanan.

4. The Director of Business Operations and Partnerships has provided comments on the report. A copy of that feedback is attached (see Appendix A).

RECOMMENDATION

5. It is recommended that the committee considers the report.

Local Government Access to Information Act 1985

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Background Papers:-

1. Audit Scotland briefing report on [Tackling Child Poverty](#)

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Audit Scotland Briefing Report: Tackling Child Poverty

Comments for Audit & Scrutiny Committee on 30 March 2023

Prepared by Director of Business Operations & Partnerships

March 2023

INTRODUCTION

1. This paper provides high level comments on the Council's position regarding the Accounts Commission's briefing on Tackling Child Poverty, including comments on each of the report's recommendations. A fuller update on child poverty is being prepared for Council in June 2023 as part of reporting on our Local Child Poverty Action Plan.

REPORT

Overview

2. The Accounts Commission published its Tackling Child Poverty briefing in September 2022. In its 'Key Messages', the report highlights the challenges in demonstrating a clear shift in preventing child poverty and reporting on success in delivering action against child poverty targets. The report acknowledges that responsibilities for tackling child poverty sit at all levels of government, with the Scottish Government's second child poverty delivery plan, 'Best Start, Bright Futures' published in March 2022 setting out a more joined-up approach. There are calls in the paper for more detailed joint planning between the Scottish Government and local government to deliver key actions and evaluate impact, with the lived experience of children and families living in poverty put firmly at the heart of any emerging plans. Gaps in data are also highlighted as a key challenge as is the impact of the current cost of living crisis on progress towards targets.

Our Strategic Aims

3. In East Renfrewshire, we continue to be committed to addressing the issue of child poverty. It is seen as integral to achieving the vision set out in our Community Plan to create an "attractive thriving place to grow up, work, visit, raise a family and enjoy later life". The Community Plan contains our Local Outcome Improvement Plan priorities which are focused on reducing inequality across groups and communities in East Renfrewshire. Our locality planning approach also seeks to reduce the inequalities in outcomes between deprived communities and the rest of East Renfrewshire; this is more relevant now than ever given our renewed focus on recovery of our services and building back better and fairer.

4. Our Local Outcome Improvement Plan, the FAIRER East Ren plan, has a key strategic outcome aimed at ensuring that 'child poverty is reduced'. There are 3 main aspects to this:

- Improved income from employment for parents
- Enhanced gains for families from income maximisation and social security
- Reduced costs of living

5. Annex 1 shows the detailed driver diagram including critical activities currently being undertaken. Revised editions of the plan will be brought to Council in June 2023, alongside a progress update for 2022/23.

Information Sharing, Partnership & Networks

6. The Accounts Commission report (pg24) recommends that “*Councils and national groups they participate in should consider how best to share information about what councils are doing to tackle child poverty and its impact. This would support learning and improvement. They should also ensure this is supported by robust data and evaluation*”.

7. The Child Poverty (Scotland) Act 2017 places a duty on local authorities and regional health boards in Scotland to produce annual, joint Local Child Poverty Action Reports (LCPARs) describing ongoing and planned action to tackle child poverty at local level. East Renfrewshire’s most recent report, our fourth annual report, was considered by Council in [June 2023](#). In its role as the national co-ordinator for LCPARs, the Improvement Service also publishes each council’s LCPAR for benchmarking and information sharing purposes – details can be found [here](#), including historical reports.

8. There is a national Local Child Poverty Peer Support Network and a national LCP Co-ordination Group. The purpose of these networks is to co-ordinate efforts and resources to tackle child poverty at a local level. East Renfrewshire Council is an active participant in these national groupings.

9. Locally in East Renfrewshire, we have a Child Poverty Oversight Group which meets quarterly and is co-chaired by the Chief Officer of the HSCP and the Director of Business Operations & Partnerships. This group has senior membership from Council (including the Money Advice & Rights Team, Housing, Economic Development, Revenues & Benefits), HSCP and ERCLT services as well as public sector partners including the Citizens Advice Bureau, Voluntary Action East Renfrewshire, Barrhead Housing Association and Police.

10. There are also supporting, officer groups such as the Cost of Living Working group; the Local Employability Partnership and an implementation group on incorporation of United National Convention on the Rights of the Child (UNCRC).

Data, Evidence & Context

11. Data from last year’s LCPAR report showed that East Renfrewshire had:

- the highest proportion of children in any Scottish local authority, with almost 20,000 children aged 0-15 years
- the (joint) lowest proportion of children living in relative poverty in Scotland (low incomes compared to average UK household); around 3,000 children or 16%
- almost one in five households (18%) which were ‘workless’, meaning there is no individual in the household employed
- the highest average weekly pay in Scotland for those *living* in the area, but the lowest average weekly pay for those *working* in East Renfrewshire
- a lower proportion of residents (below Scottish average) receiving income from social security and benefits. However, since the beginning of Covid-19, there has been a significant increase for financial support.

12. Despite having one of the lowest rates of child poverty in Scotland, there is a significant gap in standards of living amongst our poorest and wealthiest families, children who could be sitting next to one another in school, making the contrast all the more apparent. The Resolution

Foundation has estimated that levels of Absolute Child Poverty (the proportion of children living in households with incomes that would have been below the relative poverty line in 2010/11) could rise by 5% points in 2022/23. Glasgow City Region (GCR) applied this projection to the latest estimates of Child Poverty (after housing costs) from 2020/21 showing that the number of children in poverty in East Renfrewshire could increase by 950 – no updates on this position area available at this time.

13. The Accounts Commission report (pg16) recommends that *“the Scottish Government and councils should consistently use [a] suite of child poverty indicators to reflect the impact of cost of living increases on low income families”*. This data is not readily available at a local authority level, therefore we would need to allocate resources to respond to this recommendation and are currently looking at potential for this via Child Poverty Oversight Group.

14. The Accounts Commission report expresses concern about the deliverability of the national targets and recommends (pg 33) that *“the Scottish Government should set out options and progress actions to meet the final targets well in advance of the next delivery plan in 2026”*.

15. National delivery plans identify a number of priority groups where there is strong evidence that the risk of poverty is higher, specifically:

- Lone parents
- Families where a member of the household is disabled
- Families with 3 or more children
- Minority ethnic families
- Families where the youngest child is under 1
- Mothers aged under 25

16. We commissioned our own Humanitarian research into the local impact of COVID-19. This research sits strongly against the Accounts Commissions comments (paragraph 54) about the *“lack of data and evidence that would allow councils to fully understand the adverse impacts of the pandemic on different groups in their area and inform local plans”*. Highlights were reported to [Cabinet in October 2023](#) and detailed analysis can be found [here](#). The study included ‘lived experience’ research, in line with the Accounts Commission recommendation (pg 29) that *“the Scottish Government should work with local government, the third sector and other partners, and children and families with lived experience of poverty to quickly set out how the actions in the second delivery plan will be delivered, monitored and their impact evaluated”*. The research also showed that the societal and economic harms caused by the pandemic continue to be felt by residents across East Renfrewshire and many will be exacerbated by the cost-of-living crisis. The research noted key priority groups who should be prioritised for recovery support including children and young people; older people; those with disabilities and long-term conditions; carers; single households; young families; those with language barriers and those experiencing domestic violence.

17. In addition to the impact of the pandemic, other global factors are influencing an ongoing cost-of-living crisis. Weak earnings and income growth; in-work poverty and fragile work, combined with the increasing cost of fuel and goods, particularly food, have seen household finances squeezed. There are several contributing factors including post-lockdown surge in demand for fuel; a lack of supply of fuel due to lack of renewable generation; poor crop yields; a reduction in food production; Brexit; and the war in Ukraine.

18. CPAG estimates that by January 2023 over half of households in the UK (15 million) will be in fuel poverty which means spending over 10 per cent of net income on fuel. Again,

GCR analysis indicated that for East Renfrewshire there could have been 19,000 additional households in fuel poverty by January 2023.

19. The Accounts Commission report (page 27) recommends that *“the Scottish Government and councils should consider how to improve national and local data to ensure that it fully captures and measures the characteristics and complexity of children living in poverty and the impact of actions on outcomes for children across different demographic groups”*. This is a key priority for us locally in our work both as part of the Child Poverty Oversight Group and in our Digital Transformation Programme as we seek to join up data and build insight that can inform decision-making and planning.

20. We are currently working with Smart Data Foundry (linked to Edinburgh University) and the Royal Bank of Scotland on an innovative data project to better understand the cost of living and poverty landscape in East Renfrewshire. With appropriate data protection controls in place, the project looks at people with: use of overdrafts; living beyond their means; high benefits income; high essential expenditure and low disposable income. Among other factors, we can match this against service users from MART; those with disabilities or long term health conditions; young mothers; families with 3+ children and the population aged 16 and under. This is looking at financial vulnerability in the current post-pandemic context, giving us an interactive map that allows us to explore trends since 2020 over 122 small area zones. We have not had access to data like this before and, whilst it is too early to draw conclusions in a formal report, it is an exciting development and will help us plan strategically for the future. It also fits the direction of travel outlined in the Accounts Commission’s report (paragraph 53) where they note *“particular gaps in the data for families who fall into more than one of the groups more at risk of experiencing child poverty and who therefore experience several potential disadvantages at the same time”*.

Actions to Reduce Child Poverty

21. Annex 1 shows our key planned activities in East Renfrewshire as part of our FAIRER and Local Child Poverty Action Plan. An update on progress is currently being prepared with Council services and partner organisations, including ‘lived experience’ examples, and will be brought to Council in June 2023.

22. In October 2022, Cabinet approved a series of proposals for use of COVID reserves, including several linked to cost of living response. These included winter direct support to vulnerable families and children; assistance for advice and support services; support for communities; targeted support to mitigate fuel poverty and mental health and wellbeing support. Many of these initiatives have a direct link to child poverty, including:

- Augmenting the national family bridging payments (targeted at children on Free School Meals and which ended in Dec 2022) to give 632 additional children in receipt of only Clothing Grants a payment of £260 in December 2022;
- Running an additional payment of £130 in March 2023 that will benefit the 2048 children in receipt of FSMs for low income purposes and/or Clothing Grants.
- Christmas meal vouchers for 86 families (157 children), with a further 91 vouchers processed by Youth Intensive Services (HSCP).
- Support for Back to School Bank charity – 130 school uniforms provided between October & December 2022, mainly for working families which do not meet CG thresholds but who were struggling with uniform costs. (There is a related project as part of our child poverty work, led by Education, to look in-depth at the Cost of the School Day).
- Support to community food organisations with 10 organisations receiving a grant and helping 500 people.

23. An interim update on progress with this funding was given to elected members at a briefing on 20 February 2023 and a more detailed update will be given to Cabinet in May, alongside new proposals for use of the remaining COVID reserve. While proposals must have a clear and direct link to COVID impact, there are ongoing potential links which can be made to poverty and the '4 harms' of COVID i.e. direct health impacts; indirect health and social care impacts; societal, wellbeing and quality of life impacts and economic impacts (see Humanitarian research above for further details).

24. The Accounts Commission report makes note of an insufficient "*shift to prevention to reduce the disadvantage caused by child poverty*" and recommends (pg22) that "*the Scottish Government should increase the focus on policies aimed at preventing children from experiencing poverty*". In 2016, East Renfrewshire Council agreed 5 capabilities which were fundamental to delivery of our outcomes. These capabilities were prevention, empowering communities, digital technology, modernisation and data. These are still as relevant as they ever were. Investment in preventing poor outcomes in the future and the empowerment of communities was at the heart of the Christie review. Despite our ongoing strategic commitment to prevention, the reality of recent years across the public sector has been a focus on pandemic response and tackling rising demand for services.

25. In East Renfrewshire we have made the most of the opportunities of COVID funding and partnership working to support the most vulnerable, build back communities and enhance wellbeing, but this funding has a 'cliff edge' by March 2024, coupled with the hugely challenging budget situation for the Council, HSCP and our partners will have a severe impact on our ability to engage in preventative activities. We are now seeing services to help the most vulnerable being reduced and this does not sit well with our values. We are also seeing (and often administering) a range of tactical initiatives from national governments aimed at mitigating the worst impacts of the cost of living crisis and the pandemic – this is echoed in the 'Spending' section of the Accounts Commission report (pg 29). In many cases these initiatives are not joined-up, have a short-term focus and it is an increasingly complex landscape of entitlement for people to navigate without the support of services and agencies such as MART and CAB. The Council has produced a Cost of Living Support leaflet to help publicise the support available locally and this has been distributed widely in recent months. The Accounts Commission recommendation is that "*the Scottish Government should consider how to develop its understanding of the reach of universal spending and the extent to which low-income households are benefitting. This would help better understand the impact of this spending on reducing child poverty, and any changes needed*".

CONCLUSION

26. This report gives a high level overview of our position against the recommendations from the Accounts Commission's Tackling Child Poverty briefing. A fuller update will be presented to Council in June 2023.

27. Through the Child Poverty Oversight Group and Local Child Poverty Action Plan, East Renfrewshire Council, HSCP and partners are committed to tackling the increasing challenge of child poverty in our local communities. While East Renfrewshire has the lowest rate of child poverty in Scotland, we are not complacent and are keenly aware of the gap that exists between our most affluent families and our most vulnerable. We also recognise the potential for our poverty profile to change over time as we witness the impacts on the financially vulnerable, or families who are 'just about managing'. We remain concerned at the impact of the cost of living on local people and the outlook for future public sector finances will make it increasingly hard to fulfil our commitments to prevention and early intervention. In the meantime, it is clear that the Council and its partners are working closely together, making

best use of the resources available and doing some innovative work on data which will inform and drive future strategic planning.

BACKGROUND PAPERS

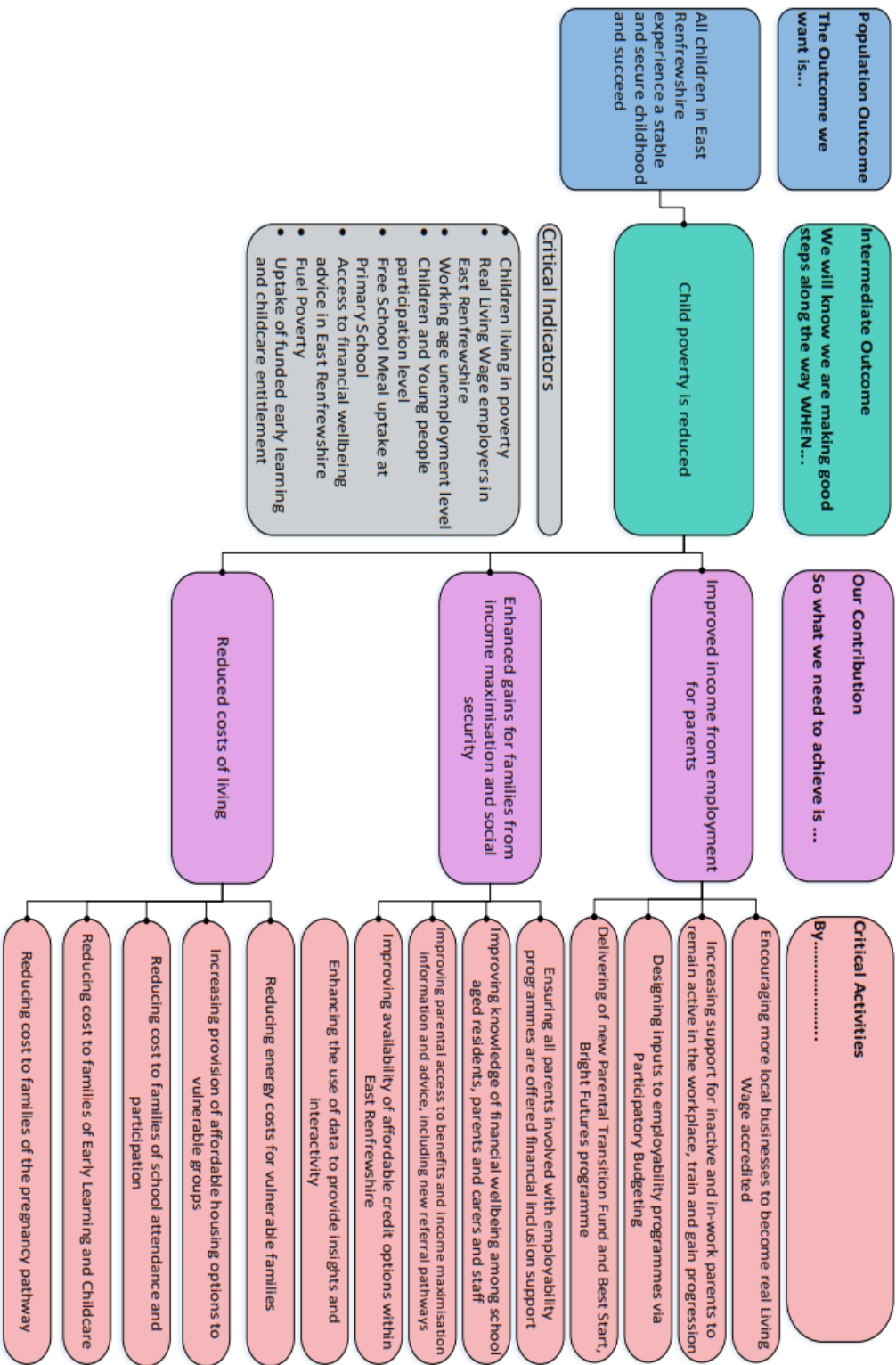
- Covid Reserve – Proposals, Cabinet 13 October 2022
- Incorporation of United Nations Convention on the Rights of the Child (UNCRC), Corporate Management Team, 23 August 2022
- Community Plan: Annual Performance Report 2021/22; Fairer East Ren: Transition Plans 2022/23; Local Child Poverty Action Report: Year 4, Council 29 June 2022
- Briefing: Child Poverty & the Cost of Living, Improvement Service & Child Poverty Action Group in Scotland, [here](#)

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Annex 1

Excerpt from FAIRER East Ren: Transitional Delivery Plans 2022/23

1.1 Child Poverty in East Renfrewshire is reduced



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