

What has happened since ‘Shifting the Curve’?

Scrutiny of progress towards meeting the recommendations of the Independent Poverty and Inequality Advisor

Poverty and Inequality Commission

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WHAT HAS HAPPENED SINCE ‘SHIFTING THE CURVE’?

SCRUTINY OF PROGRESS TOWARDS MEETING THE RECOMMENDATIONS OF THE INDEPENDENT POVERTY AND INEQUALITY ADVISOR

Executive Summary

The First Minister appointed Naomi Eisenstadt as Scotland’s Independent Advisor on Poverty and Inequality in June 2015. The purpose of this report is to monitor the progress made in taking forward the recommendations set out in the first of the Independent Advisor’s reports – *Shifting the Curve*.

Overall, this report shows that, by the end of October 2018, some progress has been made and that there has been considerable activity and good will. However, a common theme throughout is that there is a lack of hard data, with little in the way of setting baselines or measuring progress. There is a lack of any detail on the *impact* that the actions have had and this is a crucial omission.





The Scottish Government needs a systematic approach to evaluation and reporting on outcomes. Not least because it may show the recommendation is not having the intended impact, and should be reconsidered. It would be far better for the Government to recognise if something is not working and change approach, rather than continuing to plug away at something where it is not clear if it is making a difference.





The Poverty and Inequality Commission will continue to monitor progress on these recommendations. For future updates, the Commission urges the Government to take a more reflective approach and provide an honest assessment of outcomes and impact.





Summary of progress




Since the publication of *Shifting the Curve* in 2016, overall poverty rates in Scotland are ever so slightly higher. Importantly, it should be noted that the poverty rate in Scotland is following a similar trend to that of England. This suggests that the different policy options being pursued in Scotland are not yet showing an impact at this statistical level.

The following table summarises the Commission’s assessment of progress on each recommendation. The recommendations have each been given a red, amber or green rating, depending on the progress that has been made.

RECOMMENDATION	ASSESSMENT OF PROGRESS	RAG
1. Build on Living Wage Accreditation – a focus on larger employers, and on incentives, would be useful	The Scottish Government has met their original target of encouraging 1,000 employers to pay the Living Wage. They are now working towards a target of 25,000 more people to be paid the Living Wage. However, there are 435,000 jobs in Scotland that do not currently pay Living Wage. This target is therefore not ambitious enough. The Government also need to focus on larger employers and incentives.	 AMBER: Some action taken, more needed.
2. Encourage pay ratio disclosure as a way of tackling pay inequality	The Government has not provided sufficient detail on their progress towards meeting the finer details of this recommendation, e.g. publishing public body pay ratios in the one place. For next steps, the Scottish Government should re-focus on the original recommendation and take actions in line with this.	 AMBER: Some action taken, more needed.
3. Ensure childcare commitments focus on quality to improve outcomes, and consider providing a limited number of free hours of childcare for primary school aged children	The Government have taken a number of actions around the quality of childcare and have plans to monitor and evaluate this. The second part of the recommendation - that primary school children should receive a number of free hours of childcare - has not been adequately addressed by the Government. The Government should be creative in thinking about free childcare for school aged children.	 AMBER: Some action taken, more needed.
4. Make family flexible working more explicit within the Business Pledge, and consider whether approaches such as the Timewise programme could promote flexible working in Scotland	The Scottish Government gives details on how the recommendations from the Flexible Jobs Index are being taken forward and the review of the Business Pledge. The Government now needs hard evidence on impact – is this bringing more people into the workforce? This evidence should then inform next steps.	 AMBER: Action taken, but need evidence of impact

<p>5. Do more to ensure that people claim the benefits they are entitled to</p>	<p>The Scottish Government have run a number of benefit uptake campaigns and taken other actions to encourage take-up. However, more needs to be understood about the impact of this work.</p>	 AMBER: Action taken, but need evidence of the impact
<p>6. Make effective use of new social security powers but proceed with caution</p>	<p>The Commission recognises the complexities of setting up new benefit arrangements in Scotland. Therefore, it is encouraging to hear that the delivery of the new Carer's Allowance Supplement was successful.</p> <p>The Scottish Government is setting up their social security system based on dignity and respect. However, the Government should also consider how they can make more use of their new powers around creating new benefits and supplementing current ones. While the commitment to pay an income supplement to low income families is welcome, it is not likely to be paid until 2022. The Government should look at what they can do to speed this up or if there are other mechanisms that can be used to get money into the pockets of those who need it.</p>	 AMBER: Action underway, could do more
<p>7. Build more social housing</p>	<p>The Scottish Government update states that they are likely to deliver their target of at least 50,000 affordable homes. This is encouraging, but there are still equality aspects to be considered to make sure that the right homes are there for the people who need them.</p>	 GREEN: Action underway, some adjustments may be needed
<p>8. Ensure fuel poverty programmes are focused to support those on low incomes, and do more to tackle the poverty premium in home energy costs</p>	<p>The Scottish Government has recently published a draft Fuel Poverty Strategy which sets out a range of actions and is designed to align with poverty and inequality policies across the Scottish Government. There needs to be clear monitoring and evaluation of the impact of these actions.</p> <p>The new definition of fuel poverty aligns it more closely with relative income poverty and will help focus support on those who need it most.</p>	 GREEN: Action underway, awaiting information on impact

<p>9. Be bold on local tax reform</p>	<p>There have been steps taken around Council Tax, e.g. the changes in the rates for more expensive properties and enhancements to the Council Tax Reduction Scheme. However, these are not “bold on local tax reform”. The Scottish Government needs to consider how local tax could be reformed in a way that effectively tackles poverty and inequality.</p>	 RED: Action taken but not in line with recommendation
<p>10. Carry out a comprehensive review of policies and services relevant to the life chances of older children and young adults, with particular emphasis on young people from poorer backgrounds</p>	<p>This recommendation has been met.</p>	 GREEN: Recommendation met.
<p>11. Reduce the number of government-supported employment programmes targeting this group of young people [aged 16-24] and simplify the landscape to provide a clearer, sharper focus.</p>	<p>Since the update was provided, the Government has published its review of the employability landscape. In line with this recommendation, there is a proposal to take a phased approach to aligning current national programmes. There are also proposals for measuring success and it will be interesting to see the outcomes of this work.</p>	 AMBER: Action underway, need evidence of impact
<p>12. Ensure that the new approach to employer engagement in education is having an impact on improving skills for work of young people</p>	<p>The Government update states that there are now 21 Developing the Young Workforce (DYW) Regional Groups established across Scotland. These programmes aim to better prepare children and young people for the world of work by linking employers with education. Next steps are to understand the impact of these programmes on the opportunities for young people and their experiences of the transition between education and employment.</p>	 AMBER: Action underway, need evidence of impact

<p>13. Do more to tackle occupational segregation</p>	<p>Work is underway to tackle occupational segregation and look at the cultural change required. However, there is a lack of information available on the outcomes and progress that has been made. This is needed in future updates.</p>	 <p>AMBER: Action underway, need evidence of impact</p>
<p>14. Ensure that public service delivery is respectful, person centred and preserves the dignity of people in poverty: pre-employment and in-service training should include the importance of avoiding stigma and developing challenges of living on a very low income.</p>	<p>This recommendation was based around the desire to see more effort made “to provide in-service and pre-employment training to ensure that public services are provided with courtesy and respect for the user”.</p> <p>The work done so far in setting up Scotland’s new social security agency is a good example of these principles being put into practice.</p> <p>A next step is to understand more about the training offered to public sector workers across Scotland and whether this is having an impact on how people feel about the services they receive.</p> <p>The Commission will now undertake a piece of work to further investigate this with people with lived experience. The findings will be published once the work is complete.</p>	 <p>AMBER: Action taken, more needed. Need evidence of impact.</p>
<p>15. Commence the socioeconomic duty in the Equality Act 2010, when powers are available to do so.</p>	<p>The Fairer Scotland Duty came into force from April 2018. The Scottish Government is currently taking steps to consider how the duty performs.</p>	 <p>GREEN: Recommendation met.</p>

INTRODUCTION

The First Minister appointed Naomi Eisenstadt as Scotland's Independent Advisor on Poverty and Inequality in June 2015. As Independent Advisor, Naomi Eisenstadt delivered two reports to the Scottish Government:

- 'Shifting the curve' was published in January 2016. Since then, the Scottish Government has published two progress updates on meeting the recommendations, in October 2016 and July 2017.
- 'Life Chances of Young People' was published in July 2017. The Scottish Government has not yet provided an update on progress but has plans to do so.

This report looks closely at progress on taking forward the recommendations made in the first of the Independent Advisor's reports – 'Shifting the Curve'. The Commission has not considered the second report, 'Life Chances of Young People' at this point. The Scottish Government will set out progress made against each of the 18 actions in the Fairer Scotland Action Plan Progress Report in 2019.

'Shifting the Curve' proposed a set of 15 recommendations. These were based on evidence, the views of stakeholders, Ministers and people with experience of living in poverty. It is now three years since the original report was published, allowing time for the recommendations to have been actioned and for the impact of the actions to start to be felt.

However, it is also worth bearing in mind that the context has changed hugely in the past three years. The UK has voted to leave the European Union and started planning to do so, and further austerity measures have been brought in by the UK Government alongside a phased roll out of universal credit. This changing context can reasonably affect the response to some of the recommendations. The Commission also acknowledges that the appropriateness of, and priority given to, some recommendations may change over time.

The objectives of this scrutiny exercise are to:

- Assess the action taken so far across the recommendations and highlight where this is going well and areas where more could be done.
- Examine, where possible, the impact of the actions taken so far.
- Consider whether the recommendations are still valid.
- Consider what next steps are planned and whether these look to be sufficient.

CONTEXT

In *Shifting the Curve*, Naomi Eisenstadt recognised some positives around Scotland's performance on poverty. For example, Scotland's poverty figures were consistently better than the UK's. However, it was also clear that the poverty rate had remained relatively flat over recent years and there was more that needed to be done to see the rate decline.

This section considers the current situation and how Scotland has been performing on poverty since the publication of *Shifting the Curve*. In many ways this is a blunt measure – there is new data available to examine but we would not necessarily expect to see significant change in poverty rates in this period of time. Real change takes time. Nevertheless, three years has passed so it would not be unreasonable to start to consider the direction of travel of poverty rates and to look at what is happening across different groups of people.

Many of the policies and actions which directly tackle poverty are reserved to Westminster. However, the Scottish Government has recently gained new powers on tax and social security and has also committed to mitigating the effects of Westminster policies as much as possible. This means that the Scottish Government is taking a different approach to tackling poverty and inequality compared with the UK Government. As well as comparing the poverty rates between Scotland and the rest of the UK, comparing trends is also helpful. The key question here is: are the changes we see in Scotland different from the changes in the rest of the UK? If so, does this suggest that the actions in Scotland that are different from England are having a positive impact?

Table 1 shows the current poverty rates for different groups of people and the approximate number of people living with poverty in each of these groups. It also considers change since 2012-15 (*Shifting the Curve* was based on data from 2013-14. Since then, official estimates of poverty have switched to three year averages so we are using an equivalent three year average). The figures for the rest of the UK are not included in the table as there is not data which is exactly comparable. However, the data for England is referred to in the text.

Notes on the data

The data used in this section is taken from the Scottish Government publication and its additional tables "Poverty and Income Inequality in Scotland 2016-17".

These tables provide percentages of people in relative poverty in Scotland after housing costs. Individuals are in relative poverty if their equivalised household income is below 60% of the UK median income after housing costs.

These figures are calculated using averages of three data years. Using three years of data helps to ensure that sample sizes are sufficient to give robust statistics which is particularly important when considering poverty rates amongst relatively small groups. Note however that even using three years of data, most small differences in rate will not be statistically significant. Care should be taken when comparing rates.

Percentages have been rounded to the nearest whole percentage point.

Numbers have been rounded to the nearest 10,000.

Table 1: Percentage and number of people in poverty (below 60% of UK Household Income) After Housing Costs 2014-17, and comparison with 2012-15, Scotland

	%of people in poverty	Number of people in poverty	Percentage point change in poverty rate since 2012-15	Change in no. of people in poverty since 2012-15
All people	19%	1,000,000	+1	+40,000
Working age adults	19%	630,000	No change	+10,000
Pensioners	13%	140,000	+1	+20,000
Young people 16-24	27%	140,000	-3	-20,000
Full time work	5%	70,000	No change	+10,000
Couple: One FT one PT	6%	30,000	+2	+10,000
Couple: One FT, one not in employment	26%	80,000	+8	+20,000
Self-employed (at least one FT)	18%	60,000	-2	0
Part time employment only	34%	110,000	+4	+20,000
Unemployed	74%	80,000	-2	-20,000
Other inactive	45%	210,000	-2	-10,000
Live in a household with a disabled person	24%	430,000	+1	+40,000
Live in a household without a disabled person	17%	570,000	+1	+10,000
White – British	18%	870,000	Data is not available for ethnic groups as sample sizes are too small to allow reliable comparisons	
White – other	24%	60,000		
Asian or Asian British	35%	40,000		
Other	38%	30,000		
Urban	20%	840,000	No change	+30,000
Rural	14%	170,000	+1	+20,000
All children	24%	230,000	+2	+10,000
Children - Single parent	41%	90,000	+8	+10,000
Children - Couple	19%	140,000	+1	0

The overall poverty rate has not shifted much in the three year period since Shifting the Curve. There is a small (but not statistically significant) rise of 1 percentage point.

Data shows that the poverty rate in England rose by one percentage point from 21% to 22%, over roughly the same time period.¹ While not an exact comparison, the fact that the rises in Scotland and England are similar would seem to suggest that the actions being taken in Scotland may not be having a significant effect. These things do take time though, so perhaps the impact is yet to be seen.

The table also shows that small rises are being seen across many different groups of people, for example, the rate of in-work poverty. This was one of the groups that Naomi Eisenstadt focused on in her original report with recommendations around the living wage, family friendly working and social security. This report goes on to look at the actions that have been taken around the recommendations. However, our initial look at the data suggests that the actions are not yet having a significant impact on in-work poverty.

The second group that Shifting the Curve focused on was young people. Here the story is more positive with a 3 percentage point decrease in the poverty rate. Again a number of recommendations were made here and this group became the focus of Naomi Eisenstadt's second report.

Perhaps one of the most worrying trends though, is the increase in the number of those who live in a household with a disabled person who are in poverty. While the rate has only increased by one percentage point, this is an estimated increase of approximately 40,000 people. Compare this against the increase in overall poverty, which is also 40,000, and this strongly suggests that the increase in this group is a very significant driver of the overall increase in poverty rates.

In some ways this is not a surprise. The Equality and Human Rights Commission recently reported that the disability pay gap persists and the likelihood of disabled people being in low-pay occupations has increased.² Joseph Rowntree Foundation have also highlighted the potential for policies on disability employment and social security to impact on child poverty.³ Naomi Eisenstadt emphasised that people living with a disability would have to be considered when taking action across all recommendations. This finding suggests that this may need to be taken more seriously.

Unfortunately trend data is not available for ethnic groups as sample sizes are too small to allow reliable comparisons.

In summary, we are not currently seeing what we want to see in the data – the beginnings of a fall in poverty rates. The small rises are not statistically significant over the time period we have looked at, which means that we are not yet seeing a rise in poverty rates either. We are also not seeing a difference in trends from England which may lead to the conclusion that the different path the Scottish

¹ <https://www.gov.uk/government/statistics/hbai-199495-to-201617-population-data-tables>

² <https://www.equalityhumanrights.com/sites/default/files/is-britain-fairer-2018-is-scotland-fairer.pdf>

³ <https://www.jrf.org.uk/report/poverty-scotland-2018>

Government is taking is not yet having an effect. Taking into account the forecasting of child poverty rates – which are expected to rise⁴ – this stagnation is a cause for concern.

⁴ <https://www.gov.scot/publications/tackling-child-poverty-delivery-plan-forecasting-child-poverty-scotland/pages/2/>

THE RECOMMENDATIONS

The Scottish Government provided the Commission with an update on progress on the recommendations up to the end of October 2018. The Commission would like to thank the Scottish Government for providing this information (included in full in Annex A). This section provides the Commission's assessment of the evidence provided for each recommendation.

Overall, the update from the Scottish Government show that some progress has been made and that there has been considerable activity and good will. However, a common theme throughout is that there is a lack of hard data, with little in the way of setting baselines or measuring progress. There is a lack of any detail on the *impact* that the actions have had and this is a crucial omission.

The Scottish Government needs a more systematic approach to evaluation and reporting on outcomes. Not least because it may show the recommendation is not having the intended impact, and should be reconsidered. It would be far better for the Government to recognise if something is not working and change approach, rather than continuing to plug away at something which does not make a difference.

Recommendation 1: Build on Living Wage Accreditation – a focus on larger employers, and on incentives, would be useful

The evidence from the Scottish Government reports that the partnership with the Poverty Alliance has been productive in meeting an initial target of over 1000 employers signed up to the Living Wage. They are now working towards a target of getting 25,000 more people onto the Living Wage.

KPMG recently published analysis of the number and proportion of jobs that are paid less than the Living Wage in 2018.⁵ In Scotland, they found that 435,000 jobs, which is 19% of all jobs, were paid under the living wage in 2018. Therefore, the Scottish Government's target of 25,000 more people onto the Living Wage is not ambitious enough.

The KPMG report also found that the hospitality sector had the highest proportion of jobs with earnings below the Living Wage (for example, 86% of all bar staff jobs pay below living wage⁶). It is therefore encouraging to see the Scottish Government adopt an approach which focuses on this low paid industry, alongside tourism. However, it is also worth recognising that Sales and Retail is the industry with the highest **number** of jobs under the Living Wage. Therefore, there may be something to be gained through a sustained push to encourage more employers in this sector to sign up to the Living Wage.

The original recommendation was clear that there should be a focus on larger employers. However, the Scottish Government update states that there are constraints for them to exert influence where larger private sector enterprises have

⁵ <https://assets.kpmg.com/content/dam/kpmg/uk/pdf/2018/11/kpmg-living-wage-research-2018.pdf>

⁶ Based on UK data

HQs based out of Scotland. The latest Business in Scotland statistics⁷ suggest that there are over 2,000 business with more than 250 employees registered in Scotland. Around 300 of these are in the retail sector. Currently there are 27 large private sector employers accredited with Living Wage status.⁸ Therefore, the Government should consider how to encourage other large private sector employers to sign up to the Living Wage, as this is likely to have the most impact on the number of people who are paid the living wage.

The original recommendation also suggested a focus on incentives but there does not appear to have been any significant progress in relation to this.

Recommendation 2: Encourage pay ratio disclosure as a way of tackling pay inequality

The Scottish Government have provided an update on the plans of the UK Parliament's Business, Energy and Industrial Strategy Committee to publish pay ratios in larger private sector business in 2020. However, there is no detail provided on the Scottish Government's progress towards meeting the finer details of this recommendation. This includes publishing public body pay ratios in the one place and to consider whether to include contract staff in order to encourage public sector organisations to contract with employers who pay the Living Wage.

The Scottish Government have engaged with academics to better understand the impacts that pay ratio disclosure may have. They reported that there is no significant evidence to suggest that publication of pay ratios improves the average levels of employee pay.

The Scottish Government should publish the feedback they received, and allow consideration of how it relates to other published evidence on pay ratio disclosure. It should also be noted that there are other important issues beyond whether publicising pay ratios improves pay levels. For example, research by the High Pay Centre found that that more unequal workplaces experienced higher levels of discontent and lower levels of employee well-being.⁹

Above all, pay ratio disclosure remains an important tool to ensure transparency on the extent and scale of pay disparity. As Naomi Eisenstadt stated in the original report, high income inequality damages economic growth and the effects extend beyond the workplace into the wellbeing of our society. Therefore, for next steps, the Scottish Government should re-focus on the original recommendation and take actions in line with this.

Recommendation 3: Ensure childcare commitments focus on quality to improve outcomes, and consider providing a limited number of free hours of childcare for primary school aged children

The Government have taken a number of actions around the quality of childcare. For example, they have published action plans and resources in the past year which

⁷ <https://www2.gov.scot/Topics/Statistics/Browse/Business/Corporate>

⁸ <https://scottishlivingwage.org/accredited> accessed on 15/11/2018

⁹ http://highpaycentre.org/files/High_Cost_of_High_Pay1.pdf

have quality as a central consideration in the expansion to 1140 hours of funded entitlement.

On-going monitoring and evaluation of quality has been built in to the plans to expand provision. The Scottish Government has also commissioned phase one of a new Scottish Study of Early Learning and Childcare. This study will track children and families through their ELC experience to measure a range of longer term outcomes, including the benefits to parents such as ability to work, train or study. hours.

The Commission's advice on the Tackling Child Poverty Delivery Plan restated the importance of giving further attention to out of school care as well as childcare for early years. Therefore, it is positive that the Scottish Government have now started to take action in this area. However, a key part of this recommendation was that primary school children should receive a number of **free** hours of childcare. This aspect has not been adequately addressed by the Government in their update and should be a key next step. The Commission would suggest that the Government think creatively about out of school care.

Recommendation 4: Make family flexible working more explicit within the Business Pledge, and consider whether approaches such as the Timewise programme could promote flexible working in Scotland

The previous Scottish Government update¹⁰ provided information on the Flexible Jobs Index commissioned from Timewise.¹¹ This has now been published and the current update gives details on how the recommendations are being taken forward. The Government explains that the publication of this index has been important in driving forward this agenda and they plan to re-commission in 2020. The Scottish Government needs to use this as an opportunity to evaluate the impact of the actions in this area. There is a lot of useful data in the Flexible Jobs Index and looking at trends will help highlight where actions have worked well and where more needs to be done.

For next steps, the review of the Business Pledge could consider whether 'Flexible working' should be enhanced from being part of the priorities on 'balanced workforce' and 'workforce engagement' into a priority of its own. This would recognise the fact that flexible working is of clear importance in tackling in-work poverty. It should also be noted that flexible working is likely to be of particular benefit to disabled parents.

The Government now needs hard evidence on impact and whether this is bringing more people into the workforce. This evidence should then inform next steps.

Recommendation 5: Do more to ensure that people claim the benefits they are entitled to

¹⁰ <https://www.gov.scot/publications/independent-advisor-poverty-inequality-progress-report-shifting-curve/>

¹¹ <https://www.familyfriendlyworkingscotland.org.uk/resources/FINAL-Timewise-Scotland-Report.pdf>

Over the course of 2017, the Scottish Government ran a number of benefit uptake campaigns. These were described in the previous progress report and the Scottish Government website.¹² These include:

- working with Citizens Advice Scotland to provide a dedicated phone line and support,
- working with Young Scot to promote Carer's Allowance to young carers,
- working locally with organisations such as local authorities, NHS Boards and third sector organisations to encourage people across Scotland to find out if they are entitled to benefits and to claim them,
- focusing on people aged 65 and older to encourage them to take up what they are entitled to.

However, only the campaign aimed at people aged 65 and older is covered in the current Scottish Government update. This is also the only part of the activity described above which appears to have a formal evaluation. It is important to know the impact of the other strands of activity and whether these approaches were successful in encouraging uptake and targeting the right people. This is particularly relevant given that the Equalities and Human Rights Commission spoke out on the campaign aimed at older people and said that that this campaign needed to go further to address equality-related issues, such as disability, race or sex.¹³

The rest of the Scottish Government's current update has a strong focus on the first two benefits to be delivered by Social Security Scotland – the Carer's Allowance Supplement and the Best Start Grant (BSG). It is encouraging to hear that the Government is building an evidence base on take-up to inform their benefit take-up strategy. This will be published by October 2019 and will include consideration of how data will be collected and how the impact of the strategy will be measured.

Furthermore, while the use of evidence here is important, it appears to be mainly focused on the estimates of take-up. There is much more to be understood. Naomi Eisenstadt's original report suggested that activity should be based upon evidence on the characteristics of those who don't claim but who could, particular barriers to uptake and what can be done to address this. There also needs to be a robust process for involving people with lived experience of social security and ensuring that the views of the seldom heard are incorporated. An evidence base which covers all this would surely lead to better marketing campaigns and services.

The update also provides details of the launch of the Financial Health Check which will include benefits uptake. This has now started and, again, evaluation will be important in measuring its impact.

Recommendation 6: Make effective use of new social security powers but proceed with caution

¹² <https://www.gov.scot/publications/independent-advisor-poverty-inequality-progress-report-shifting-curve/> and <https://www.gov.scot/policies/social-security/benefit-take-up/>

¹³ http://www.parliament.scot/S5_Social_Security/Inquiries/SSS518IWP28_EHRC.pdf

Social security is key to tackling poverty. In the Commission's advice on the Tackling Child Poverty Delivery Plan, social security was highlighted as a necessary element in meeting the child poverty targets.¹⁴

As stated in its advice on the Tackling Child Poverty Delivery Plan, the Commission supports the Scottish Government's commitment to creating a social security system based on rights, dignity and fairness. The Commission recognises the complexities of setting up new benefit arrangements in Scotland and recognises the importance of ensuring the new system is set up to ensure a smooth transition. It is encouraging to hear that Social Security Scotland has been successful in the delivery of the new Carer's Allowance Supplement – with recipients receiving their payments on time and as promised. Since the Scottish Government provided their update, delivery of the Best Start Grant (BSG) has also commenced. Initial updates suggest that there have been a significant number of early applications for this benefit indicating that initial promotion of this benefit has been successful. It is hoped that the careful approach being taken to social security in Scotland will result in successful delivery of this benefit over the coming months and years.

The Commission looks forward to the update on the work around developing a new income supplement as part of the next progress report on the Child Poverty Action Plan. It is encouraging to hear that the Commission's previous advice is being used in this work and that it is being guided by principles around both the effectiveness of any income supplement in lifting people out of poverty, and also the practical delivery considerations.

However, the Government should actively consider how they can make more use of their new powers around creating new benefits and supplementing current ones. While the income supplement is welcome, it is not likely to be paid to families until 2022. The Government's own forecasts of child poverty rates find that they are projected to rise over the next few years and beyond.¹⁵ This means 2022 will not be soon enough for many families. The Government should look at what they can do to speed this process up. In the meantime, there may be other ways of getting money into the pockets of those who need it. For example, the Commission's recent advice on school holidays recommended a school holiday payment to low income families.¹⁶ This could be based on already existing criteria and systems (such as school clothing grants), reducing the need for any additional administration.

Recommendation 7: Build more social housing

Housing costs is becoming more of a problem in Scotland. The proportion of low income households spending more than a third of their income on housing has risen over the past 20 years.¹⁷ During this time period, there has been a fall in the proportion of local authority housing in Scotland which has resulted in more people

¹⁴ <https://povertyinequality.scot/wp-content/uploads/2018/02/Child-Poverty-Delivery-Plan-advice-Final-Version-23-February-2018.pdf>

¹⁵ <https://www.gov.scot/publications/tackling-child-poverty-delivery-plan-forecasting-child-poverty-scotland/pages/4/>

¹⁶ <https://povertyinequality.scot/publication/poverty-and-inequality-commission-advice-on-poverty-in-school-holidays/>

¹⁷ <https://www.jrf.org.uk/report/poverty-scotland-2017>

using private rented sector and housing association accommodation, where rents are generally higher. In the Commission's advice on the Tackling Child Poverty Delivery Plan, action on housing costs was highlighted as a crucial part of the plan to reach the child poverty targets.

The Scottish Government update states that they believe they are capable of delivering their target of at least 50,000 affordable homes. This is backed up by the findings of an independent review commissioned by Shelter Scotland, the Scottish Federation of Housing Associations and the Equality and Human Rights Commission in Scotland.¹⁸ This report concluded the target of 50,000 and 70% socially-rented was capable of being reached, noting that there may be some optimism built into the estimates. However, the report also noted that it is not easy to tell whether the right type of homes are being built in the right places. The report points to this as a crucial element in determining the overall success of the programme and calls for more detail in that area.

The Equality and Human Rights Commission's inquiry¹⁹ on housing and disabled people found that very few developers were taking the opportunity to build housing for wheelchair users and people who are ambulant disabled or housing to enable people to stay in the same place as they age. This is in line with the Commission's advice on the Tackling Child Poverty Delivery Plan. One of the recommendations was for work on housing supply to take account of accessibility for wheelchair users, to improve quality of life, increase access to employment and reduce housing costs for disabled people. Also, Kaliani Lyle, the Independent Race Advisor, highlighted the need to ensure that minority ethnic communities also benefit from social housing.²⁰

So while progress has been made, there are still equality aspects to be considered to make sure that the right homes are there for the people who need them.

Recommendation 8: Ensure fuel poverty programmes are focused to support those on low incomes, and do more to tackle the poverty premium in home energy costs

The Fuel Poverty Bill set out a new definition of fuel poverty which aligns it more closely with relative income poverty. This will help focus support on those who need it most.²¹

Using this new definition, in 2016, there were 584,000 households (24% of all households) in Scotland which were in fuel poverty.²² The fuel poverty rate has been

¹⁸https://scotland.shelter.org.uk/_data/assets/pdf_file/0005/1488560/Shelter_AffordableHousingReport_Feb18.pdf / nocache

¹⁹ <https://www.equalityhumanrights.com/en/publication-download/housing-and-disabled-people-scotlands-hidden-crisis>

²⁰ <https://www.gov.scot/publications/addressing-race-inequality-scotland-way-forward/>

²¹ https://www.cas.org.uk/system/files/publications/support_needs_of_those_in_fuel_poverty_-_ipsos_mori_report_for_cas.pdf

²² <https://sp-bpr-en-prod-cdnep.azureedge.net/published/2018/9/3/Fuel-Poverty--Target--Definition-and-Strategy---Scotland--Bill/SB%2018-52.pdf>

decreasing over the past few years; this is mainly attributed to falling energy prices.²³ However, there is still some way to go to reach the target of no more than 5% of households in fuel poverty by 2040. Therefore, the Scottish Government has recently published a draft Fuel Poverty Strategy which sets out a range of actions and is designed to align with poverty and inequality policies across the Scottish Government.

One of the principles in the Commission's Advice on the Tackling Child Poverty Delivery Plan was that actions should be linked to impact. This advice is also relevant here and actions around fuel poverty should be specific about the expected impact on the targets. There should also be clear monitoring and evaluation of the impact of the actions.

The Government's update also sets out steps being taken to tackle the poverty premium in home energy costs. This includes the ambition to establish a public energy company, which sells energy at a fair price. It will be interesting to see if this can be successfully delivered and whether it has an impact on the fuel poverty targets.

Recommendation 9: Be bold on local tax reform

The Commission notes the steps that have been taken around Council Tax, e.g. the changes in the rates for more expensive properties and enhancements to the Council Tax Reduction Scheme.

However, the Commission questions the extent to which these steps and the proposed next steps could be described as "bold on local tax reform". It may be worth re-considering Naomi Eisenstadt's original words:

"The council tax is widely viewed as no longer fit for purpose. I do not have a clearly worked out position on what the new system should look like. But I do recognise that this is a central moment of political decision, an opportunity to introduce a much more progressive system, one that will have important implications, particularly for working households at or just above the poverty line."

It is now three years since the Commission on Local Tax Reform and there is a danger that the opportunity for real reform to create a more progressive local tax, may be missed. Analysis by the Scottish Parliament Information Centre concluded that council tax, even with the changes, could still be considered a regressive tax.²⁴ Therefore, there is more work to do here to understand how local tax could be reformed in a way that effectively tackles poverty and inequality.

Recommendation 10: Carry out a comprehensive review of policies and services relevant to the life chances of older children and young adults, with particular emphasis on young people from poorer backgrounds

²³ <https://www2.gov.scot/About/Performance/scotPerforms/partnerstories/HARO/Indicators/High-quality-sustainable#A1>

²⁴ http://www.parliament.scot/ResearchBriefingsAndFactsheets/S4/SB_16-28_Scottish_Government_proposals_for_Council_Tax_reform.pdf

This recommendation has now been met. A review of the evidence was carried out by Scottish Government analysts and published in July 2017.²⁵ This formed the basis for the second of Naomi Eisenstadt's reports as Independent Advisor on Poverty and Inequality, "The Life Chances of Young People in Scotland", where she made 18 recommendations with particular focuses on mental health, employment, and housing.²⁶

The 2019 Fairer Scotland Action Plan Progress Report will also include progress towards each of the Life Chances recommendations. The Commission urges the Scottish Government to ensure that this update includes hard evidence of the impact of the recommendations. If something is not working, the Government should recognise this and adjust their approach accordingly.

Recommendation 11: Reduce the number of government-supported employment programmes targeting this group of young people [aged 16-24] and simplify the landscape to provide a clearer, sharper focus.

Since the update was provided, the Government has published its review of the employability landscape and the steps they will take to develop a "flexible and responsive system".²⁷ In line with this recommendation, there is a proposal to take a phased approach to aligning current national programmes. There is also discussion of measuring the success of the employment system which will involve the development of a performance framework and, importantly, the experience of users.

Recommendation 12: Ensure that the new approach to employer engagement in education is having an impact on improving skills for work of young people

This recommendation was made to ensure that the needs of young people who are not university bound are addressed. The Government's update states that there are now 21 industry-led Developing the Young Workforce (DYW) Regional Groups established across Scotland. These Regional Groups aim to better prepare children and young people for the world of work by linking employers with education.

The Scottish Parliament's Education and Skills Committee recently published a progress report on these programmes.²⁸ They concluded that the pace of progress in implementing DYW is not presently sufficient to ensure the programme will be fully embedded by 2021. The Committee has suggested the Government look at ways for the programme to find a renewed emphasis in the next three years.

²⁵<https://www.gov.scot/publications/life-chances-young-people-scotland-evidence-review-first-ministers-independent/>

²⁶ <https://www.gov.scot/publications/independent-advisor-poverty-inequality-life-chances-young-people-scotland-report/>

²⁷ <https://www.gov.scot/binaries/content/documents/govscot/publications/report/2018/12/one-left-behind-review-employability-services/documents/one-left-behind-review-employability-services/one-left-behind-review-employability-services/govscot%3Adocument>

²⁸ <https://digitalpublications.parliament.scot/Committees/Report/ES/2018/11/27/Young-People-s-Pathways--a-progress-report-on-Developing-the-Young-Workforce#Conclusions-and-recommendations>

The Government's update notes that DYW Regional Groups are expected to report on a range of Key Performance Indicators. However, the Education and Skills Committee report highlights this as an area of "frustration". Although these programmes have been in place for four years, there is an absence of information collated, particularly around how schools and education authorities are progressing with establishing and promoting different vocational pathways. The Committee has therefore requested an update on work to develop and improve the Key Performance Indicators.

Clearly this is an important area to get right. As well as the range of Key Performance Indicators, the overall outcome of these programmes should be assessed. We need to understand the impact these initiatives are having on the opportunities for young people and their experiences of the transition between education and employment.

Recommendation 13: Do more to tackle occupational segregation

Reducing occupational segregation is crucial for genuinely inclusive growth. The Scottish Government has provided an update with details on a number of actions and investment across workplaces, schools and colleges and in relation to Modern Apprenticeships.

For example, the Government reports on considerable and varied actions around tackling occupational segregation in the labour market such as investing in helping women return to work after a career break.

Naomi Eisenstadt had highlighted the Modern Apprentice scheme as an example of a programme where women were under-represented. She also emphasised that a close eye would be needed on performance monitoring, to identify early impacts and areas where not enough was being achieved.

A quick look at the statistics on Modern Apprentice schemes shows that there is a significant gender imbalance. Of the nearly 13,000 Modern Apprentices started by mid-2018/19, only 35% were women.²⁹ However, the Government does recognise in their update that systemic change around occupational segregation will require a cultural shift in the career pathways that young people choose.

Throughout the Government's update, it is clear that work is underway to tackle occupational segregation and look at the cultural change required. A range of further action has also taken place through Skills Development Scotland such as practical resources, and action on contracting and commissioning. However, it is still too early to assess the outcomes that have been achieved. For future updates the Government should outline the impact that the actions and spend in this area are having.

Recommendation 14: Ensure that public service delivery is respectful, person centred and preserves the dignity of people in poverty: pre-employment and

²⁹ <https://www.skillsdevelopmentscotland.co.uk/media/45100/modern-apprenticeship-statistics-quarter-2-2018-19.pdf>

in-service training should include the importance of avoiding stigma and developing challenges of living on a very low income.

Naomi Eisenstadt noted in 'Shifting the Curve' that "people felt ashamed, belittled, and exhausted with the effort required to get basic needs met".³⁰ This recommendation was based around the desire to see more effort made "to provide in-service and pre-employment training to ensure that public services are provided with courtesy and respect for the user".

Scotland's new social security system is being developed with this in mind. The Experience Panels involve a large number of people (over 2,400 people are signed up to the Panels) and are committed to involving people with direct experience of the benefits system in the development of the new system. The Commission would like to see this commitment to preserving dignity and fostering respect continue as the new system develops.

The Government update provides information around some aspects of training and evaluation of those delivering public services. This mainly focuses on GPs and medical trainees. However, there are many more involved in delivering public services who have the potential to impact on people's feelings and experiences. This includes teachers, health visitors, and local authority frontline workers.

The Commission is aware that a lot of work has happened around poverty awareness training in different local authorities (e.g. The Fife Partnership provide free training courses for all public and voluntary sector workers in Fife who are in contact with low income households) which is not reflected in the Government update.

The next step is to understand more about how people with lived experience of poverty feel about public service delivery. The lack of evidence on impact is a common theme throughout this report and applies to this recommendation too. As this recommendation is cross-cutting and fundamental to how public services are delivered, the Commission will further investigate by engaging with people with lived experience. The outcome will be published as a separate document once the work is complete.

Recommendation 15: Commence the socioeconomic duty in the Equality Act 2010, when powers are available to do so.

This recommendation was met when the Fairer Scotland Duty came into force from April 2018. The Scottish Government is currently taking steps to consider how the duty performs.

³⁰ <https://www.gov.scot/publications/independent-advisor-poverty-inequality-shifting-curve-report-first-minister/>

NEXT STEPS

The Poverty and Inequality Commission will continue to monitor progress on these recommendations. This scrutiny exercise has shown that the Government needs a better approach to understanding how their work makes a difference. Therefore, in future updates, the Commission urges the Government to take a more reflective approach and provide an honest assessment of outcomes and impact.

ANNEX A: Scottish Government Progress Report 2018 – Produced in October 2018 following a request for an update from the Poverty and Inequality Commission

1. Build on Living Wage Accreditation – a focus on larger employers, and on incentives, would be useful

We have already done a lot to promote the Living Wage in Scotland. The Scottish Government has long championed the payment of the Living Wage and the real benefits to our economy of treating people who work more fairly. Scotland remains the best performing of all four UK countries, with the highest proportion of employees paid the Living Wage or more (81.6%).

Having reached the target of having 1,000 accredited Living Wage employers, we commit to lifting at least 25,000 more people onto the real Living Wage. Over the next three years the Scottish Government will work with the Poverty Alliance to build a 'Living Wage Nation', boosting the wages of those on low pay and supporting inclusive growth.

There will also be a focus on the hospitality and tourism sectors, where there are many low paid jobs. These sectors are dominated by women workers, the majority of whom work part-time.

Our joint strategy, focusing on a place-based approach and low pay industries, will greatly help the coordinated approach needed across the Scottish Government to ensure that for those who are able to work, paid employment offers the best and most sustainable route out of poverty.

We have also provided funding to enable adult social care workers to be paid the real Living Wage, a move that has benefited up to 40,000 care workers, mostly women. We believe that all hours worked should be paid the real Living Wage. During 2018-19, this will be extended to sleepover hours giving time for the commitment to be implemented in a way that ensures continuity of care. The recent report on the Economic Value of the adult social care sector in each of the four nations of the UK highlights some of the positive impacts of the introduction of the living wage in Scotland.

As part of the expansion in funded Early Learning and Childcare entitlement to 1140 hours by 2020, the Scottish Government is committed to promoting and encouraging fair work practices. This includes providing, as part of the new Funding Follows the Child approach, the funding to enable payment of the 'real' Living Wage to all childcare workers delivering the funded hours from 2020.

We will receive quarterly reports from the Poverty Alliance that will advise us of their progress towards this target of uplifting 25,000 employees to the real Living Wage.

We are limited in terms of what we can do to encourage more large employers to pay the living wage. The Scottish Living Wage Accreditation Initiative is only responsible for accrediting businesses whose headquarters are located in Scotland, and many of the larger employers are headquartered out of Scotland. Rather, we

have decided to focus action on low pay sectors which, although challenging, would see greater focus on a more targeted approach to reducing the almost 20% of the workforce currently being paid below the real Living Wage.

2. Encourage pay ratio disclosure as a way of tackling pay inequality

From June 2018, listed companies with over 250 employees are legally obliged to publish information on their pay ratios. The first of these reports, to be published by the Business, Energy and Industrial Strategy **Committee**, can be expected in 2020.

We committed in last year's progress report to engage with academics to better understand the sectors where they considered pay ratio disclosure would make the biggest difference. This engagement has revealed that there is no substantial evidence to support that disclosing the pay ratio will improve the average (or median) level of employee pay in any genuine way. Although it was hoped that publication of pay ratios would encourage an increase in low paid posts, it does not appear to be an appropriate or effective measure to help reduce pay inequality. Instead, the Scottish Government is taking alternative action in order to better tackle low pay in Scotland.

That is why we have committed to lift at least 25,000 more people onto the Living Wage by 2021. The Scottish Government is providing £340,000 of funding in 2018-19 to the Poverty Alliance Scotland to deliver this initiative. This is the first of a planned three year programme to increase the number of Living Wage employers across Scotland and achieve an uptake in wages to at least the Living Wage rate for a substantial number of workers. This will include a targeted approach focusing on low paid sectors, including hospitality and tourism, where the challenges for employers in gaining Living Wage accreditation is recognised.

3. Ensure childcare commitments focus on quality to improve outcomes, and consider providing a limited number of free hours of childcare for primary school aged children

Building on our Blueprint for 2020 Action Plan, published in March 2017, the Scottish Government published a [Quality Action Plan](#) in October 2017. This sets out 15 actions that we will be taking to further embed and strengthen quality on early learning and childcare as we plan for the expansion to 1140 hours of funded entitlement.

To ensure that children have access to a high quality ELC workforce and ensure that the expansion to 1140 hours delivers the best possible outcomes for children, we have provided funding to local authorities to resource 435 additional graduates for nurseries in our most deprived areas, are piloting a graduate level apprenticeship for the ELC sector, and published 'Your Childminding Journey', a learning and development resource to support childminders provide the highest quality care for children. We will shortly be publishing a national induction resource to support staff who are new to delivering funded ELC. We will also publish a National Standard at the end of November that all settings delivering the funded early learning and childcare (ELC) hours will be required to meet. At the heart of the National Standard

will be a set of quality criteria, that includes requirement around staffing, leadership and management and development of children's outcomes.

To help support the development of high quality infrastructure, we have published 'Space to Grow', guidance on good design for supporting the delivery of high quality early learning, childcare and out of school care services and have funded Inspiring Scotland to support local authorities to extent the use of outdoor learning in ELC.

As we expand provision, we will continue to monitor quality using inspection data collected by the Care Inspectorate and Education Scotland and by monitoring the proportion of ELC Settings meeting the quality criteria in the National Standard. The key messages from our evaluation of the early learning and childcare delivery trials, which tested different models of delivery to inform the wider ELC sector related to the implementation of 1140 hours, will also help inform this work going forward.

In addition to our ELC commitments, we are working to improve childcare provision for primary school aged children. Within Programme for Government 2018-19, we have committed to developing a strategic framework for after-school and holiday childcare over the course of this Parliament. In the next year, we will publish a consultation asking for views on that draft framework by assessing the availability of existing provision and defining what we can do to better meet the needs of families. The consultation is expected to include a focus on positive outcomes for those children who stand to benefit most from access to after school and holiday childcare, and will consider the impact of social inclusion and the community here. It will also consider issues of child poverty and food insecurity and the benefits of out of school care for children aged 12-15.

To support this work, we have established a dedicated policy team and formed a reference group of key stakeholders from across the sector who will work collaboratively to shape and develop the framework. We will also work with children and parents to better understand the benefits for children and their families across Scotland.

4. Make family flexible working more explicit within the Business Pledge, and consider whether approaches such as the Timewise programme could promote flexible working in Scotland

As per the Timewise recommendations:

- The Scottish Government actively talks about the importance of flexible working when engaging with businesses seeking to make a commitment or who make enquiries about what is expected of them.
- We work with Family Friendly Working Scotland (FFWS) and provide funding to them to support their work. This enables FFWS to promote flexible working within the Scottish Business Pledge cohort of almost 550 businesses – including its guidance and the Happy to Talk strapline – and to reach out to other employers.
- The Tackling Child Poverty Delivery Plan commits to invest additional monies from the Tackling Child Poverty Fund to deliver new programmes with partners to encourage employers to change workplace cultures on flexible work, hiring and job design.

- A review of the Scottish Business Pledge is ongoing and recommendations are being developed to be included as part of the Fair Work Action Plan due for publication at the end of the year.

Recent discussions with FFWS suggest that the publication of the Flexible Jobs Index Scotland has been a very important tool for opening up discussions with employers here about job design and flexible hiring. With this in mind, the delivery plan has committed to re-commission the Jobs Index in 2020.

A working group to address the gender pay gap has been set up by Ministers which, in due course, will help develop an action plan. Joseph Rowntree Foundation (JRF) is providing advice and we would expect, bearing in mind the focus in JRF's recent report on flexible working and gender pay, to see this as a key priority.

A review of the Scottish Business Pledge is ongoing and recommendations are being developed to be included as part of the Fair Work Action Plan due for publication at the end of the year. As part of this, we will be looking at how we can develop all areas of diversity, including enhancing flexible working information and guidance, on the Business Pledge to better support members to improve their activity in this area.

5. Do more to ensure that people claim the benefits they are entitled to

The Social Security (Scotland) Act 2018 requires the Scottish Government to publish a benefit take-up strategy in relation to the Scottish social security system. The Act also requires that first strategy should be published within one year of that section being commenced. The relevant provisions were commenced on 22 October 2018 and we expect to publish the first strategy in October 2019. We will work with internal and external stakeholders to develop the strategy, seeking input from those receiving assistance through the Scottish social security system.

We are gathering and building an evidence base on take-up in order that the strategy can set out our best estimates of take up of assistance given through the Scottish social security system. These estimates will be set in our strategy to promote take-up in accordance with the Social Security Act 2018.

On 11 September 2018, the Scottish Fiscal Commission (SFC) published the average take up rate for Sure Start Maternity Grant in 2016-17 and 2017-18 which they estimate to be 46%. The SFC also produced forecasts of take up rates for the Best Start Grant (Pregnancy and Baby Grant (PBG)). The SFC expect the take up rate for BSG (PBG) to rise from 47% in 2018/19 to 58% in 2022/23. Further information is available on the SFC website:

<http://www.fiscalcommission.scot/media/1355/supplementary-costing-social-security-best-start-grant-pregnancy-and-baby-grant-september-2018.pdf>.

Social Security Scotland will deliver an integrated communications and marketing campaign to support the introduction of the BSG which will build awareness with eligible clients, helping them understand how to apply. The Scottish Government is working with relevant stakeholders and professional bodies to raise awareness of the BSG and to ensure these organisations are equipped to help people access this

support. Towards the end of 2018, the Scottish Government will run a marketing campaign targeting low income families encouraging them to find out if they are entitled and to claim this benefit.

In autumn 2017, the Scottish Government ran a marketing campaign focused on people aged 65 and older to raise their awareness of the range of social security and income maximisation mechanisms available to them, and to encourage them to take up what they are entitled to. The evaluation of the campaign can be found here: <https://beta.gov.scot/publications/youve-earned-benefit-uptake-campaign-october-2017-evaluation-report/>. We are working to build our evidence on take-up in order that the strategy can set out our best estimates of take up of assistance given through the Scottish social security system. These estimates should then provide a basis for measuring impact of the strategy.

Building on the work done to support older people in 2017, a Financial Health Check for older people and low income families will be launched next month. This check will offer personalised advice to ensure people can maximise their income and avoid paying the 'poverty premium', where they pay more for basic goods and services. It will cover things like benefit take up, access to free school meals, school clothing grants and cheaper deals on energy and other utilities to reduce household costs. This will be resourced by £3.3 million of Scottish Government funding over the next two years. The check will be delivered by Citizens Advice Scotland and the network of Citizens Advice Bureau and is expected to help an additional 15,000 households in Scotland.

6. Make effective use of new social security powers but proceed with caution

The Scottish Government's overriding priority on assuming new powers over some social security benefits is to ensure a safe, secure and seamless transition that maintains continuity of provision for all those that rely on these payments. Our ambition is to use these new powers to deliver a social security system that is person-centred, fit for purpose and founded on dignity and respect for those that use it.

This approach was successfully demonstrated during the planning, transfer of information and delivery of the new Carer's Allowance Supplement. Our phased approach ensured that 75,000 recipients received their first payment of an additional £221 on time and as promised during September/October. In total, this new investment will put an extra £442 into carer pockets in 2018/19, an increase of 13%, and an investment of more than £30 million a year.

A similar planned, structured and careful approach will allow us to deliver the new pregnancy and baby payment of Best Start Grant in time for Christmas 2018, with continued Department for Work and Pensions (DWP) cooperation. Best Start Grant will provide a payment of £600 on the birth of a first child – an additional £100 on DWP's Sure Start Maternity Grant of £500.

The Tackling Child Poverty Plan commits us to working towards the development of a new income supplement over the lifetime of the plan (2018 – 2022), while recognising that the safe and secure delivery of the devolved benefits remains the

priority for this Parliamentary term. In time, the income supplement will provide additional, regular financial support for low income families, and help support meeting the Child Poverty (Scotland) Act 2017 targets.

The development of the income supplement will also be guided by two key tests:

1. that the additional income is targeted on those families who need it, and that it's therefore helping to lift the maximum number of children out of poverty; and
2. that there is a robust and viable delivery route to get the additional income to those families, and that the delivery costs are reasonable.

As part of this work, we will explore all available options, including the Poverty and Inequality Commission's advice in relation to topping up Universal Credit, as well as what the new Social Security Agency could do through a Scottish Government supplement.

An update on this work will be provided in the delivery plan's first progress report, which will be provided to the Scottish Parliament by Summer 2019. An evaluation framework is also being developed for the wider Tackling Child Poverty Delivery Plan which will evidence the impact of the delivery plan in helping to meet child poverty targets. The income supplement will be one of the key actions evaluated under this.

7. Build more social housing

The Scottish Government's target is to deliver at least 50,000 affordable homes over the lifetime of this Parliament, 35,000 of which will be for social rent. This commitment has been backed by more than £3 billion – the single biggest investment in, and delivery of, affordable housing since devolution. Housing for social rent already has to meet our accessibility standards, but funding is also available for specialist housing – for example, helping disabled people with more complex needs live independently in their own homes.

We have already given councils and housing associations the long-term certainty they need by allocating resource planning assumptions to March 2021. Over £756 million is available this year (2018/19) and from this, over £568 million has been allocated to council areas across Scotland. The increases continue over the coming years, rising to £591 million in 2019-20 and £630 million in 2020-21, bringing the overall funding allocated to council areas for affordable housing to £1.79 billion over the three years to the end of March 2021.

Making sure everyone has a safe, warm and affordable home is central to this government's drive to make this country fairer and more prosperous. The Scottish Government is determined to increase and accelerate housing supply across all tenures and support local authorities and housing associations to deliver their housing priorities with quality homes in mixed communities that fit local needs.

We know the target is ambitious but analysis to date shows that the pipeline of proposals is capable of delivering against the 50,000 target by the end of March 2021. The target is ambitious – the single biggest investment in, and delivery of, affordable housing since devolution. The latest statistics for the year to end June

2018 show that the supply of homes for social rent under the Affordable Housing Supply Programme is showing an increase of 14% in social rented completions.

We want to deliver more of the right homes in the right places to meet the housing needs and aspirations of the people of Scotland.

This is one of the reasons why the Scottish Government recognises that, by giving communities the power and confidence to shape their own futures, we can tackle poverty and address inequalities much more effectively. A key part of public service reform to achieve a fairer Scotland is that communities must be empowered and that their voices are heard in the planning and delivery of services. We want communities across Scotland to be able to participate in, and make decisions on, the priorities that matter most to them.

Over the last five years, we have established the main components set out in our regeneration strategy, providing a strong foundation for inclusive growth. This includes the introduction of a range of funds by the Scottish Government, all of which collectively underpin our holistic approach to community-led regeneration, and to help reinforce that invaluable sense of community and place irrespective of where each of us lives. For example, our £20 million Empowering Communities Fund supports a range of work that invests directly in community groups, or provides support to those groups. Through this fund, we aim to provide a pipeline of support, from capacity building through to delivery and implementation of local projects and services that have been co-produced and co-delivered specifically to address local circumstances and needs.

The Scottish Government's review of the planning system identified the infrastructure first approach to planning and development as a priority. This approach includes a number of work streams, one of which is progressing a power through the Planning Bill, which is currently going through the Parliament, to introduce an Infrastructure Levy. The intention of the Infrastructure Levy is to help raise funds for infrastructure provision so that necessary services and amenities are in place for land to be developed, or to deliver infrastructure that is needed to serve the additional growth within an area.

Ensuring appropriate education infrastructure is in place is another key factor in the development of land, which is why the Scottish Government is contributing £1.13 billion to the Scotland's Schools for the Future programme. This £1.8 billion programme will see the construction or refurbishment of 117 schools by March 2020 with at least one new school project is being delivered in every local authority area in Scotland – an initiative that will benefit over 60,000 pupils. Last November, the Deputy First Minister announced our intention to build upon the success of the programme by developing Scotland's Learning Estate Strategy/Investment Plan, an announcement on which can be expected in the coming months.

In response to the recommendations in Scottish Natural Heritage's research³¹ around how to ensure green infrastructure is adequately funded in social housing developments, the Scottish Government will be supporting a piece of action research

³¹ [Maximising the benefits of Green Infrastructure in Social Housing](#)

in partnership with other organisations in 2019-20. This will test different design scenarios with different levels of green infrastructure on a live social housing development project. The action research work will explore detailed costings and raise awareness of the benefits of green infrastructure, with the aim to bring about greater innovation in this respect in social housing developments.

8. Ensure fuel poverty programmes are focused to support those on low incomes, and do more to tackle the poverty premium in home energy costs

We are investing to tackle fuel poverty and increase energy efficiency. We are on track to deliver our 2016-17 Programme for Government commitment to make £0.5 billion available over the four years to 2021 to tackle fuel poverty and improve energy efficiency, making people's homes warmer and cheaper to heat. This money will help install energy efficiency measures in thousands of homes across Scotland.

We remain committed to tackling fuel poverty. We introduced the Fuel Poverty (Target, Definition and Strategy) (Scotland) Bill to Parliament on 26 June 2018. This sets out a new definition of fuel poverty and includes a target that, by 2040, no more than 5% of households will be in fuel poverty. As recommended by stakeholders and a panel of academic experts, we are aligning the definition of fuel poverty more closely with relative income poverty. This recognises that those who are income poor – and therefore more likely to pay the poverty premium – are more liable to be subject to fuel poverty, and to focus support on those who need it most.

Alongside the Bill, we have published a draft Fuel Poverty Strategy, which sets out more information on the actions we are taking to support householders. This draft strategy sets out how we aim to bring thousands of households out of fuel poverty, based on the principles of fairness and equality for all, reflecting the different needs of all of Scotland's urban, suburban, rural and remote communities. We are aligning this work with policies across the Scottish Government to tackle poverty and improve homes.

In recognition that a continued collaborative effort is needed to effectively tackle the poverty premium in the energy market – where people on low incomes pay more for their home energy simply because they are poor – we reconvened the Energy Summit in January 2018. This work will help inform the development of a consumer vision and action plan to ensure our policy decisions respond to the needs and interests of energy consumers in Scotland, and provide extra support for those struggling to heat their homes. In addition, next month we will launch the Financial Health Check which is a key part of our Tackling Child Poverty Delivery Plan. The check, which will be delivered by Citizens Advice Scotland and the network of Citizens Advice Bureaux, will offer personalised advice to ensure people can maximise their income and avoid paying the poverty premium. It will include advice on shopping around for cheaper deals on energy and other utilities to reduce household costs, and make onward referrals to Home Energy Scotland.

We also want to make it easier for everyone to be able to access affordable energy. At the heart of the Scottish Energy Strategy published in December 2017 is a commitment to “promote consumer engagement and protect consumers from excessive or avoidable costs, prevent new forms of social exclusion and promote the

benefits of smarter domestic energy applications and systems”. We want to deliver a people-centred energy transition shaped by and for the people of Scotland, and are developing a vision and action plan to set out how we will do this with a focus on the disengaged and those in vulnerable circumstances.

Our ambition is to establish a public energy company which sells energy to customers at a fair price and offers people more choice, particularly those for whom fuel poverty is a real and present concern. In April, we published the strategic outline case for an energy company. Since then we have been considering the approaches set out in that report and the consultants’ recommendations. In August, we started the procurement of the outline business case to further investigate these proposals and to develop our understanding of the practical details, costs and benefits. This will be completed around the end of the year and will involve engagement with key stakeholders, including local authorities.

9. Be bold on local tax reform

The Scottish Government has taken a number of steps to make Council Tax fairer. Reforms introduced from April 2017 changed how the rate for more expensive properties – those in Council Tax bands E to H – is calculated. Relief from these changes is available for qualifying low to middle income households in band E to H properties. Households in bands A to D properties are not paying anymore as a result of our reforms.

The Council Tax Reduction scheme ensures that low income families are not required to meet a Council Tax liability they cannot afford. We enhanced the Council Tax Reduction scheme from April 2017 for families with children and around 46,000 households now benefit from this measure. By the end of this financial year, we will have invested over £1.4 billion in the Council Tax Reduction Scheme since 2013, helping around half a million households every year to pay their council tax bill. On average, households in receipt of assistance from the Council Tax Reduction Scheme have had their council tax bill reduced by almost £700 a year.

We have also increased the ‘child allowance’ within the Council Tax Reduction Scheme by 25%, providing additional support to families on low incomes across all Council Tax bands. This support will benefit up to 77,000 low income families by an average of £173 per year, supporting up to 140,000 children. We also have not, and will not, introduce a two child cap in assessments for our Council Tax Reduction scheme.

We are exploring further work to promote the Council Tax Reduction Scheme in the future, for example, encouraging uptake of this benefit will form part of the Financial Health Check being launched next month. We have introduced other Council Tax measures too: local authorities now have the option of offering no discount for second homes, providing another lever to encourage better use of housing stock in their areas.

10. Carry out a comprehensive review of the policies and services relevant to the life chances of older children and young adults, with particular emphasis on young people from poorer backgrounds

Naomi Eisenstadt was reappointed by the First Minister as her Independent Advisor on Poverty and Inequality for the period 1 July 2016 to 30 June 2017. During this time, she undertook a robust review of issues and services pertinent to the life chances of young people. This work culminated in the publishing of her second report "[The Life Chances of Young People in Scotland](#)".

The material within the report was developed from two main sources:

- A formal review of the evidence, commissioned from Scottish Government analysts, on the challenges facing Scotland's young people, particularly those from low income backgrounds, [published in July 2017](#).
- Engagement with a wide range of experts. This included small and informal engagement events with a range of young people, a roundtable discussion with academics, and meetings with a number of stakeholders with a key interest.

Ms Eisenstadt made 18 recommendations with particular focuses on mental health, employment, and housing. The First Minister welcomed the recommendations made in Ms Eisenstadt's second report, and a formal commitment to implement the recommendations was set out in [Programme for Government 2017-18](#). Implementation of these began in 2018 and progress made against each of the 18 actions will be set out in the Fairer Scotland Action Plan Progress Report in 2019.

As the review has been undertaken, this recommendation has now been met, however, continued action will be needed to deliver on the Life Chances of Young People in Scotland recommendations.

11. Reduce the number of government-supported employment programmes targeting this group of young people [aged 16-24] and simplify the landscape, to provide a clearer, sharper focus

In March 2018, as part of our publication "No One Left Behind", we initiated a review of the employability landscape and Scottish Government investment in employability in March 2018. The review is in response to a body of evidence that shows the current employability system does not deliver for all service users, a conclusion which is supported by the recommendations made by the independent advisor. That review covers the range of Scottish Government supported programmes for young people. We will publish the conclusions of the review before the end of 2018.

12. Ensure that the new approach to employer engagement in education is having an impact on improving skills for work of young people

We now have 21 industry-led Developing the Young Workforce (DYW) Regional Groups established covering the whole of Scotland. The key aim of the Regional Groups is to link employers with education to enable young people to be better prepared for the world of work. Regional Groups are increasing the number of

employers providing opportunities for young people both in the school environment and in the workplace.

Through more and improved engagement between employers and schools, young people are developing their knowledge of the world of work and an understanding of the careers available to them. DYW Regional Groups are facilitating school-employer relationships across a range of sectors to ensure there is an equity of offering for young people. In addition, by involving employers in school and curriculum planning, teachers are more aware of how to contextualise their teaching to the world of work.

DYW Regional Groups are expected to report across a range of national and local Key Performance Indicators to present what is going well and areas for improvement. One of the fundamental measurements of success is the number of schools and employers entering into meaningful relationships. Through a more joined-up approach between Scottish Government policy areas, we are able to set parameters for Regional Groups and schools to work within and targets to ensure the quality of offering.

This is an on-going process and work will continue to progress this recommendation. DYW Regional Groups are funded until 2021 to continue to deliver and improve the action taken to support young people. It is envisaged that all secondary schools in Scotland will have at least one partnership with an employer at a strategic level – where curriculum influence is a key feature – and will build further relationships with other employers to broaden the opportunities for young people.

13. Do more to tackle occupational segregation

We have committed to a range of action across workplaces, in schools and colleges and in relation to Modern Apprenticeships to tackle occupational segregation.

Labour Market

We have delivered on our commitment for a Returner's Programme to assist women to re-enter the workforce following a career break. We funded seven projects which sought to address the under-representation of women in the STEM, finance, security and manufacturing sectors and are currently undertaking an evaluation of this programme.

We are providing £750,000 to the Workplace Equality Fund which supports employers to deliver innovative solutions to overcome workforce inequalities, including helping them to identify and close their pay gaps. One of the successful applications from round one was for a Women's Returners programme. Applications for round two funding are currently being assessed.

The then Cabinet Secretary for Communities, Social Security and Equalities announced her intention to invest £12 million from the Tackling Child Poverty Fund to support the implementation of the Parental Employability Support Fund for low income parents. The investment will focus on key worker support that provides support on two key areas:

- Person-centred help for parents to address their barriers to work, which might include health support, money advice, or motivational support; and
- Help meeting the increasing challenge of in-work poverty, targeting in-work support to help parents already in jobs to remain in the workplace and gain progression through a rewarding career. This will include taking issues such as occupational segregation into account.

As announced in Programme for Government 2018-19, we will also invest £5 million over the next three years to support around 2,000 women to return to work following a career break.

We are making progress to tackle occupational segregation in Scotland, for example, female employment in STEM roles has increased more rapidly than that for males. The number of females employed in STEM³² roles increased by 12% between 2016 and 2017 and by 70% since 2007, which is greater than the increase in male STEM employment (3% and 22% respectively).

Occupational segregation is a significant contributing factor to the gender pay gap. Within our National Performance Framework we have a target to reduce the gender pay gap and we will continue to report against progress on this target. The Scottish Government is also developing a gender index which will include measures relating to occupational segregation to monitor progress on this.

The Scottish Government has established a Gender Pay Gap Working Group, chaired by the Minister for Business, Fair Work and Skills which includes stakeholders such as Close the Gap, Engender and STUC. The working group will identify action to reduce gender pay gaps across Scotland as part of our inclusive growth vision. This in turn will help to inform the development of the Scottish Government's Gender Pay Gap Action Plan, due for publication by the end of 2018, which will include tackling occupational segregation.

We recognise that gender stereotyping during younger years limits individuals' choices and also hinders Scotland's economy. Tackling occupational segregation requires partnership working: Scottish Government, employers, public bodies, training providers, schools, colleges and universities all need to play a role.

Schools/STEM

We are addressing gender issues in schools and particularly within STEM. The Improving Gender Balance (IGB) Project was an action research project in six school clusters to challenge stereotyping in learning from early learning through to upper secondary school and help young people to make informed career choices. The project received a total £410,000 funding over three years and was managed by a

³² *STEM roles as defined as Standard Occupation Codes (SOC10) 21: science, research, engineering and technology professionals, and 31: science, engineering and technology associate professionals.

partnership of Skills Development Scotland (SDS), Education Scotland, Institute of Physics and Scottish Government.

The IGB Project finished at the end of March 2018. Interim evaluation findings state that the majority of those who responded felt they now have more influence in their own organisation on gender imbalance issues and that the project has influenced work with young people around gender stereotypes.

Going forward, the following actions have been developed, drawing on the learning from the IGB project, to address the STEM strategy commitment of unconscious bias, gender stereotyping and tackling inequity within early learning establishments and schools:

- This programme will be led by a team of six staff (one team leader and five development officers) managed by Education Scotland.
- The programme will focus on the promotion of gender balance and tackling of stereotypes in early learning and childcare, primary and secondary settings.
- The new officers will work in partnership with the six new Regional Improvement Collaboratives that are being established. They will also liaise closely with the new STEM Regional Advisors currently being recruited by Education Scotland.
- Although an action within the STEM strategy, the work will continue to prioritise tackling the root causes of gender imbalances through whole school/setting approaches. This will address gender equality broadly such as encouraging the participation of girls in STEM subjects, and supporting work with boys and literacy.

The Developing the Young Workforce (DYW) programme is also helping schools make better connections with STEM employers, co-ordinated by the DYW regional groups.

Modern Apprenticeships and Careers, Advice and Guidance

We are also working with SDS to ensure that young people have the opportunity to pursue apprenticeships in any sector, regardless of gender. Apprenticeships are an essential part of ensuring that our education and training offer is responsive to the needs of the economy, and we are continuing to progress towards our target of 30,000 starts by 2020.

The Equality Action Plan for Modern Apprentices (MAs) is focused on recruitment and achievement for under-represented groups. There are a number of actions within the plan relating to reducing gender stereotyping and gender segregation.

In 2017-18, as part of the contract monitoring process, MA training providers were required to complete an Equality Action Plan outlining what action they were taking to address under-representation on apprenticeships. Throughout 2017-18, SDS ran training sessions for contracted MA training providers on a variety of equality topics, including gender. Training providers were asked to demonstrate how well they were performing in relation to our equality requirements through the self-assessment and quality action planning process. Providers who bid for 2018-19 MA contracts were

also asked to evidence their intended approach to improving representation within their contract.

In 2017-18, the proportion of female MA starts decreased by 1.3% due, in part, to the expansion of STEM apprenticeships at Level 3 and above where there is more gender segregation within frameworks. The long-term aim to effect systemic change around occupational segregation requires a major cultural shift in relation to the career pathways that young people choose and to the recruitment and employment practices of employers. To achieve the change we want to see, determined and persistent effort will be required from all partners across the education and skills pipeline to challenge stereotypes and attract men and women to sectors where they are under-represented. We recognise that employers have a big role to play, and SDS is working hard to make sure their industries are open and inclusive and attractive to all.

SDS will continue to work closely with Education Scotland to ensure their Career Information, Advice and Guidance (CIAG) staff reflect on any potential bias within their own practice and actively challenge gender stereotypes in young people's career decisions. SDS will also continue to work with CIAG colleagues to ensure apprenticeships are promoted to young people and their influencers as a positive pathway, and that individuals are supported to apply for opportunities where appropriate. SDS will consult with the Equality Advisory Group to inform the development of a CIAG Equality Action Plan.

SDS has published their annual report:

<https://www.skillsdevelopmentscotland.co.uk/media/44830/apprenticeship-equality-action-plan.pdf>

Colleges

In August 2016, the Scottish Funding Council (SFC), in partnership with SDS, the Scottish Government and other key stakeholders, published the Gender Action Plan. This contains clear targets for addressing gender imbalances and addressing gender inequality in colleges and universities. For the college sector, this will also be aligned with what the Scottish Government expects in relation to their gender Key Performance Indicators for DYW: "increase by 5 percentage points the minority gender share in each of the 10 largest and most imbalanced superclasses among 16-24 year olds by 2021".

Outcome Agreements will be the principal means through which the SFC will influence and monitor delivery. The SFC published a [full progress report](#) on 4 December 2017 based on data for the 2016-17 academic year, the first year that colleges were asked to begin to address gender imbalances at subject level through their Outcome Agreements. This will be used as a baseline for later reports.

14. Ensure that public service delivery is respectful, person centred and preserves the dignity of people in poverty: pre-employment and in-service training should include the importance of avoiding stigma and developing understanding of the challenges of living on a very low income

In developing Scotland's new social security system, we are ensuring that the principles of dignity and respect is at the heart of this. The Social Security (Scotland) Act 2018 contains in its first section a number of principles which set out that social security is a human right and that respect for the dignity of individuals is at the heart of the system. We have set up Experience Panels which involve people with direct personal experience of the current benefits system to underpin the development of the new system. In February 2018, we published About Your Benefits and You^[1], a report based on the lived experience of 1,144 panel members across Scotland, and their priorities for the new system. The research has helped to identify key themes to be considered in the new system, what currently works well and areas for improvement.

Preserving dignity and fostering respect are key to public service delivery in Scotland and, for example, are at the core of the Health and Social Care Standards published in June 2017, and Fair Start Scotland, Scotland's first devolved employment support service. Participation in Fair Start Scotland is voluntary, allowing people to choose whether or not to take part in the knowledge that this decision will not affect their existing benefits. Dignity and respect in a 'lived experience' sense are also key components of our work to ensure free access to sanitary products for all pupils and students.

Dignified, respectful, person-centred public service delivery is important, and evaluation of those delivering our public services to ensure these principles are maintained plays a role in this. In Scotland, a medical trainee can demonstrate that they are gaining all competencies required by the relevant training programme through their Annual Review of Competence Progression. The UK [Workplace Based Assessment](#), one of the three components of the Membership of the Royal College of General Practitioners exam, provides a framework for evaluating a GP Speciality Trainee's (GPST) progress in those areas of professional practice best tested in the workplace. A GPST collects evidence related to [13 areas of professional competence](#), which includes:

- Practising holistically – operating in physical, psychological, socioeconomic and cultural dimensions, taking into account feelings as well as thoughts
- Community orientation – management of the health and social care of the practice population and local community
- Maintaining performance, learning and teaching – maintaining performance and effective CPD for oneself and others
- Maintaining an ethical approach to practice – practising ethically, with integrity and a respect for diversity

Performance against the NHS Health Scotland eLearning module on child poverty health and wellbeing should be captured by their employers, i.e. NHS Boards,

[1] <https://www.gov.scot/Publications/2017/11/7769>

including any improvement in their practice as a result of undertaking this module, which can be used by Health Boards to evaluate the effectiveness of this training.

15. Commence the socioeconomic duty in the Equality Act 2010, when powers are available to do so

The socio-economic duty, now known in Scotland as the Fairer Scotland Duty, came into force from April 2018. The duty seeks to deliver better strategic decision making, ultimately reducing inequalities of outcome caused by socio-economic disadvantage.

The duty was introduced via regulations, approved by the Scottish Parliament, which commenced the duty and named the public bodies subject to the duty. A consultation on the duty was issued in the summer of 2017, and this enabled interim guidance to be published in March 2018. Advice from the Equality and Human Rights Commission (EHRC), COSLA, local authority equality leads, equality leads (third sector representative groups), and relevant Scottish Government leads informed the development of this guidance.

The recommendation is considered to have been met in simple terms – the duty has been commenced, and collaborative guidance has been produced. However, how the duty performs will be considered further over the next few years. The guidance sets out that a three year implementation period, in which the duty will be becoming part of everyday public sector practice, will enable different approaches to be tried and best practice shared. The Scottish Government is conducting its own pilots with policy areas to try out a range of approaches to meeting the duty effectively. Further, the Improvement Service will shortly be appointing a lead officer, funded by the Scottish Government, to support public bodies in carrying out their responsibilities under the duty and sharing best practice. We will be working with the EHRC (the regulator of the duty under the Equality Act 2010) and the Improvement Service, as well as with other public bodies, to improve performance under the duty over the implementation period.