

# **Advice on the Scottish Government's Child Poverty Delivery Plan 2018**

**Poverty and Inequality Commission**

**February 2018**



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## 1. Introduction

On 8 November 2017 the Scottish Parliament unanimously passed the Child Poverty (Scotland) Act 2017 setting in law four targets relating to ending child poverty, which the Scottish Government is expected to ensure are met by 2030. The targets for children living in households in Scotland are that:

- less than 10% of children live in relative poverty (relative poverty is less than 60% of average household income for the year taking account of the size and composition of the household)
- less than 5% of children live in absolute poverty (absolute poverty is less than 60% of average household income for the financial year beginning 1 April 2010)
- less than 5% of children live in combined low income and material deprivation (low income is defined as less than 70% of average household income for the year, material deprivation is when families are unable to afford three or more items out of a list of basic necessities)
- less than 5% of children live in persistent poverty (persistent poverty is where a child has lived in relative poverty for three out of the last four years).

These are all measured after housing costs are deducted. The Act also sets out interim targets which are to be met in the financial year beginning 1 April 2023.

The Act requires the Scottish Government to produce three Delivery Plans over the period to March 2031 setting out:

- the measures that the Scottish Ministers propose to take during the period of the plan for the purpose of meeting the child poverty targets
- an assessment of the contribution the proposed measures are expected to make to meeting the child poverty targets
- an explanation of how that assessment has been arrived at
- an assessment of the financial resources required to fund the proposed measures.

The Act also sets out certain specific groups of children and certain issues that must be considered as part of the Delivery Plans. The first Delivery Plan is to be prepared for the period 1 April 2018 to 31 March 2022.

The Poverty and Inequality Commission has been asked by the Scottish Government to provide advice on its first Child Poverty Delivery Plan. The Cabinet Secretary for Communities, Social Security and Equalities has asked the Commission to consider:

- where the Scottish Government could most usefully focus its efforts over the period to 2030

- initial thoughts on potential areas or themes for investment for the Tackling Child Poverty Fund, worth £50 million over the period of the first Delivery Plan

The role of the Commission is to advise and make recommendations to the Scottish Government. In this advice the Commission sets out its view about the actions that are most likely to make an impact on the targets, and those actions that will improve the quality of life for children who are growing up in poverty. It is for the Scottish Government to consult on and develop the Delivery Plan and make the decisions about what they consider should be included in the Delivery Plan that will make most progress towards the targets.

The child poverty targets are ambitious and extremely challenging. All parties in the Scottish Parliament have voted for these targets and set them in law. There is a long way to go from where we are now in Scotland to reach the child poverty targets. Table 1 shows the targets compared with levels of child poverty in 2015/16. If significant action is not taken then the Institute for Fiscal Studies has projected that child poverty will get worse over the next few years.<sup>1</sup> Against this background of rising levels of child poverty the targets require a reduction from 26% to 10% for relative poverty in 12 years. By way of context the lowest level that has been reached in Scotland since 1994/95 is 19% in 2011/12.

**Table 1: Child poverty targets and current levels**

	<b>Relative poverty</b>	<b>Absolute poverty</b>	<b>Combined low income and material deprivation</b>	<b>Persistent poverty<sup>2</sup></b>
<b>Target</b>	10%	5%	5%	5%
<b>2015/16 level</b>	26%	24%	12%	12%
<b>Numbers of children in poverty</b>	260,000	230,000	110,000	-

Sources: *Poverty and Income Inequality in Scotland: 2015/16*<sup>3</sup> and *Persistent Poverty in Scotland: 2010-2015*<sup>4</sup>

The child poverty targets are important because evidence shows that income has an impact on a wide range of children’s outcomes, especially in households which already have low incomes. This is not just because poverty can be associated with other factors that might affect children’s outcomes: the evidence suggests that children have worse outcomes at least partly because of lack of income. Reducing

<sup>1</sup> Andrew Hood & Tom Waters, *Living standards, poverty and inequality in the UK: 2017-18 to 2021-22* (Institute for Fiscal Studies, 2017) <https://www.ifs.org.uk/publications/10028>

<sup>2</sup> Persistent poverty is calculated using different data from the other child poverty targets and covers the period 2011-2015. Persistent poverty figures are only published as percentages.

<sup>3</sup> Scottish Government, *Poverty and Income Inequality in Scotland: 2015/16* (Scottish Government, 2017)

<sup>4</sup> Scottish Government, *Persistent Poverty in Scotland: 2010-2015* (Scottish Government, 2017)

income poverty can be expected to have a significant impact on children's environment and their health and development.<sup>5</sup>

Meeting the Scottish child poverty targets will require a significant increase in the amount of money going to households where children are currently growing up in poverty. Additional action also needs to be taken to address the impact of poverty on the lives of children and young people.

This advice is focussed on what can be done within devolved powers, but the Commission recognises that there are also factors outside of the control of the Scottish Parliament that will affect progress towards the targets. The state of the economy and decisions of the UK Government will have an effect on child poverty rates. Depending on what happens between now and 2030, these external factors could help accelerate progress or make it more challenging to meet the targets.

The latest forecasts of the Scottish Fiscal Commission<sup>6</sup> suggest economic growth will remain subdued, growth in productivity will be slow (and that this will hold back wage growth), and that employment growth will slow (due primarily to slow population growth), although the employment rate is forecast to remain relatively high. Some of the risks to the economy include the as yet unknown impact of Brexit on Scotland, a weakening outlook for global trade and a fall in the working age population in Scotland. The Institute for Fiscal Studies (IFS) projects that current welfare reforms, particularly the two-child limit on tax credits, the benefits freeze and the removal of the family element from tax credits and Universal Credit for new births, are likely to have a negative impact on child poverty across the UK, including in Scotland.<sup>7</sup>

The Commission warmly welcomes the targets, and its advice on the Child Poverty Delivery Plan will focus on what can be done within the existing powers of the Scottish Parliament and Scottish Government. The Delivery Plan should be focussed on those powers, but it should also acknowledge that recent changes to the UK social security system will make reaching the targets even more challenging.

In developing its advice, the Commission has drawn on a range of experience and evidence. This has included consideration of existing research and analysis, and in particular the Joseph Rowntree Foundation's report *We Can Solve Poverty in the UK* and the reports of Naomi Eisenstadt, previously the First Minister's Independent Advisor on Poverty and Inequality and now the deputy chair of the Commission.

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<sup>5</sup> Kerris Cooper & Kitty Stewart, *Does Money Affect Children's Outcomes? An Update*, CASE/203 (Centre for Analysis of Social Exclusion, 2017)

[http://sticerd.lse.ac.uk/case/new/research/money\\_matters/report.asp](http://sticerd.lse.ac.uk/case/new/research/money_matters/report.asp)

<sup>6</sup> Scottish Fiscal Commission, *Scotland's Economic and Fiscal Forecasts December 2017* (Scottish Fiscal Commission, 2017) <http://www.fiscalcommission.scot/publications/scotlands-economic-and-fiscal-forecasts/scotlands-economic-and-fiscal-forecasts-december-2017/>

<sup>7</sup> Andrew Hood & Tom Waters, *Living standards, poverty and inequality in the UK: 2017-18 to 2021-22* (Institute for Fiscal Studies, 2017) <https://www.ifs.org.uk/publications/10028>

In addition to looking at existing evidence, the Commission has also worked with partners to develop further evidence to support the Commission's thinking. IPPR Scotland carried out modelling to explore different ways of tackling child poverty through the benefits system and how much it would cost. Policy Scotland has undertaken analysis looking at the impact of existing Scottish Government actions on child poverty and potential levers to reduce child poverty. It has also looked at local authority level data and the potential role of local action. Additional analysis of child poverty data was also provided to the Commission by Scottish Government analysts and Joseph Rowntree Foundation analysts.

The Commission has not carried out a wider consultation on the Delivery Plan as the Scottish Government is required to do this under the Act and the Commission did not want to duplicate this activity.

## 2. General Principles for the Delivery Plan

In addition to setting out specific areas that should be included in the Delivery Plan, the Commission identified a set of general principles about the approach that should be taken in the Delivery Plan. These principles are set out below.

### ***Linking actions to impact***

The Child Poverty (Scotland) Act 2017 places a requirement on Scottish Ministers to assess the contributions that the measures they propose in their Child Poverty Delivery Plan are expected to make to meeting the child poverty targets. Scottish Ministers are also required to prepare an annual report on progress made towards meeting the targets and implementing the Delivery Plan. This progress report must describe the effect of the measures that have been taken on progress towards meeting the child poverty targets.

The Commission strongly supports the requirement for the Delivery Plan to be clear about the expected impact of the actions it sets out and reiterates the need for robust monitoring and evaluation of the actions. It also considers that this should go further and that the Scottish Government's annual budget should include an analysis of the extent to which the budget will impact the numbers of children living in poverty. This is would be in line with the Fairer Scotland Duty which comes into force in April 2018.

#### **Recommendations:**

1. In identifying actions to include in the Delivery Plan the Scottish Government must be specific about the expected impact of each action on the statutory targets. It should commit to monitoring and evaluating the impact of these actions.
2. The Delivery Plan should commit the Scottish Government to provide analysis of the likely impact of annual budget decisions on the child poverty targets.

### ***A cross-portfolio approach focusing on actions that will have the biggest impact***

No single action or area can deliver the progress needed to meet the child poverty targets. The Delivery Plan should take a cross-portfolio approach and focus on the actions that will have a significant impact on the Child Poverty targets. Previous Child Poverty strategies set out a range of actions but, while the actions might have been worthwhile in themselves, it was not always clear whether they would have any significant impact on the child poverty targets. Analysis of the current Scottish Government Child Poverty Strategy by Policy Scotland found that a wide range of policies had been identified that were expected to contribute to the overall outcomes,

but there was not any indication of the expected contribution of each policy towards the child poverty targets, or the actual/estimated impact of previous commitments<sup>8</sup>.

**Recommendations:**

3. The Delivery Plan should take a strategic cross-portfolio approach, making full use of new powers and available policy choices. The Scottish Government should designate a senior person within government with responsibility to ensure this cross-portfolio approach is co-ordinated and delivered on. The plan should also recognise the role that needs to be played by the wider public sector, the private sector and the third sector.
4. The Delivery plan should focus particularly on a core set of actions that are likely to have the biggest impact on reaching the child poverty targets.
5. The Delivery plan should also clearly set out the wider activity that is needed to underpin these actions and the links with other strategies and policies. Every part of government should be clear about its contribution to delivering the outcomes set out in the Delivery Plan.
6. The Scottish Government should consider whether there may be any unintended consequences of the actions they propose, and, where possible, put in place measures that address this.

***Focusing on people as well as numbers***

The Children and Young People's Commissioner for Scotland has described growing up in poverty as the biggest human rights issue facing children in Scotland. Poverty can damage not just children's ability to achieve an adequate standard of living, but also other rights, such as their right to fully access education and participate in the social and cultural life of their community. It can affect their health, development, family relationships and their ability to realise their aspirations. Under Articles 26 and 27 of the UN Convention on the Rights of the Child, children have the right to help from government if they are living in poverty or in need and have the right to a standard of living that is good enough to meet their physical and mental needs.

Some children are at much greater risk of poverty and specific action may also be needed to reduce their chances of being in poverty. Over a third of children living in single parent households are in poverty compared with just under a fifth of those living in couple households. 94% of these single parents are women. Children living

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<sup>8</sup> Evan Williams, Nick Bailey & Des McNulty, *Report on the Child Poverty Strategy for Scotland 2014-17* (Policy Scotland, 2018)



in a household with a mother under the age of 25 are twice as likely to be living in poverty as those where the mother is aged 25 or over. 37% of children from minority ethnic households live in poverty, compared with 22% of children from white households. Children living in a house with either a disabled adult or a disabled child are more likely to live in poverty (30%) than those living a household without a disabled person (20%).<sup>9</sup>

The Commission is clear that a focus on the target numbers should not mean that we lose sight of particular groups who are more likely to be living in poverty. The Child Poverty (Scotland) Act requires Scottish Ministers to set out in the Delivery Plan what measures Ministers propose to take in relation to children living in households whose income is adversely affected, or whose expenditure is increased, because a member of the household has one or more protected characteristics. The progress report should also describe the effect of those measures on children living in households with protected characteristics. The Act also specifically requires that the Delivery Plan sets out what measures it will take in relation to children living in single-parent households.

It will be easier to take action to bring some children out of poverty than others but the Delivery Plan should ensure that it works to narrow the poverty gap for all children, particularly those children who are most disadvantaged. Better understanding of those at most risk of poverty and taking action to address their needs may deliver benefits for others experiencing poverty.

Factors other than income can be important where they enable people to do things that they otherwise would not be able to do. If income levels remain constant but a service that used to be paid for is provided free of charge, for example, this can improve living standards, or vice versa. Some households, such as households with a disabled person in them or households living in rural areas, may also have additional costs that mean they experience a lower standard of living on the same income than other households. Official poverty statistics underestimate poverty for disabled people because they count Disability Living Allowance and Personal Independence Payment as income when they are intended to be compensation for extra costs.<sup>10</sup> It is estimated to cost between 10% and 30% more for families with children to live in rural Scotland than in an urban area.<sup>11</sup> The additional costs vary depending on whether a family lives on the mainland or an island, and whether they are a single parent or couple family. This should be acknowledged in the Delivery Plan.

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<sup>9</sup> Data drawn from *Overview of characteristics associated with poverty – tables* (Scottish Government, 2017) and unpublished data provided to the Commission by Scottish Government

<sup>10</sup> Joseph Rowntree Foundation, *UK Poverty: Causes, costs and solutions* (Joseph Rowntree Foundation, 2016) <https://www.jrf.org.uk/report/uk-poverty-causes-costs-and-solutions>

<sup>11</sup> Highlands and Islands Enterprise, *A Minimum Income Standard for Remote Rural Scotland: A Policy Update* (Highlands and Islands Enterprise, 2016) <http://www.hie.co.uk/regional-information/economic-reports-and-research/archive/a-minimum-income-standard-for-remote-rural-scotland--a-policy-update.html>

The Child Poverty (Scotland) Act requires Scottish Ministers to consult people who have experience of living in poverty in developing the Delivery Plan. It is important that the Delivery Plan reflects the reality of lived experience of poverty if it is to be effective. Not being heard can be both a cause and a symptom of poverty and compounds experiences of being disempowered. The engagement that has taken place as part of developing the Delivery Plan should be on-going and should reach beyond the usual groups to those who are generally less likely to be heard.

**Recommendations:**

7. The Delivery Plan should set child poverty in the context of human rights, and particularly the UN Convention on the Rights of the Child.
8. The Delivery Plan should recognise that some households have a much higher risk of poverty than other households. The Delivery Plan should be clear how its proposed actions will support children from high risk households.
9. Some households face additional costs and require a higher income, or other kinds of support, in order to achieve the same living standards as other households. The Delivery Plan should demonstrate awareness that other factors beyond income can impact on experiences of poverty.
10. The Delivery Plan should set out how the Scottish Government will ensure that children and families with direct experience of poverty will continue to be involved in the development and delivery of the actions. It should ensure that this consultation reaches wider communities and not always the same organisations and individuals.

***Reducing the poverty gap in the long term***

The 2030 timescale for achieving the targets is challenging and there are longer term actions which might not have an impact on the targets by 2030 but nevertheless need to be taken with a view to improving outcomes and reducing inequalities in the longer term. Tackling the poverty related education attainment gap, for example, may not demonstrate a substantial impact on child poverty targets by 2030 but it will be important in addressing poverty and inequality in the future. In the longer run maintaining a sustainably low level of child poverty will require action on future prospects as well as current income. Child development, educational attainment and skills for the labour market are all important factors to be considered in the Delivery Plan.

**Recommendations:**

11. The Delivery Plan should also include actions which might not have an impact in time for the 2030 targets but which will improve outcomes and reduce inequalities in the longer term.

***Considering the geography of poverty***

The geography of poverty can be complex. Poverty can be concentrated in particular areas and place based initiatives have a role to play. According to estimates of relative poverty produced by the End Child Poverty campaign, 16% of children living in poverty in Scotland live in Glasgow. 45% of children in poverty live in five local authority areas in Scotland (Glasgow, North Lanarkshire, Fife, Edinburgh, South Lanarkshire).<sup>12</sup> On the other hand the majority of people living in poverty do not live in multiply deprived areas. The experience of poverty can differ depending on where families live.

Rates of child poverty vary across Scotland. The End Child Poverty analysis estimates that relative child poverty rates range from 9% in Shetland Islands to 34% in Glasgow. These estimates show that the relative child poverty target has already been reached or is close to being reached in some parts of Scotland, whereas other areas have got a significant gap to address.

These local authority rates can, however, hide wide variation within local authorities. In Glasgow, for example, estimated poverty rates range from 22% in one local authority ward to 47% in another. Variation is likely to be even higher at smaller neighbourhood level.

Scottish Government has also published some experimental statistics analysing combined low income and material deprivation at local authority level, which is one of the other child poverty targets. This analysis shows that children in Glasgow are more likely to live in families with limited resources than children in Scotland as a whole and children in Moray, Shetland Islands, East Renfrewshire, East Lothian and Aberdeenshire are less likely to live in families with limited resources.<sup>13</sup>

It will be important for local authorities to understand the scale and experience of poverty for children in their area in order to develop local child poverty delivery plans.

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<sup>12</sup>End Child Poverty local indicators <http://www.endchildpoverty.org.uk/poverty-in-your-area-2018/>  
These estimates are not directly comparable with the Scotland level statistics produced by Scottish Government as they use different data.

<sup>13</sup> Scottish Government, children in *Families with Limited Resources across Scotland* 2014-2016 (Scottish Government, 2017) <http://www.gov.scot/Publications/2017/11/9758>

**Recommendations:**

12. The Delivery Plan should reflect the geography of poverty across Scotland and ensure that the geographical variations are taken into account in the proposed actions.
13. The Delivery Plan should make sure that there are connections between national and local Child Poverty Delivery Plans. Local plans should be clear on the connections between actions and outcomes.

### 3. Increasing Income And Reducing Costs

After considering the evidence the Commission agreed that there are three key mechanisms that can increase household income and reduce costs in order to make the biggest impact on the child poverty targets:

- Work and earnings
- Social Security
- Reducing housing costs

None of these levers on their own is likely to meet the child poverty targets. A combination of actions in these areas will be required and some of these actions will have substantial costs attached. Choices will need to be made between the balance of investment in these mechanisms. It is important to note though that while substantial investment will be required there are also substantial costs resulting from poverty. The Financial Memorandum for the Child Poverty (Scotland) Act estimated that the annual total cost of child poverty in Scotland in 2013 was £2.39 billion.<sup>14</sup> While these costs would not disappear immediately if child poverty was eradicated, in the long term savings could be made.

The Commission's advice discusses each of these three key mechanisms. There are many other areas that may have a contribution to make in reducing child poverty but the primary focus of the Delivery Plan should be on those actions that are most likely to have a significant impact on reaching the targets, both with respect to numbers and the groups at most risk of poverty.

The evidence the Commission has considered and the feedback from people with lived experience of poverty underpins the Commission's view that while the Delivery Plan should focus on these three areas it should also identify action to improve quality of life and support families to manage the impact of poverty. The Commission's advice also discusses how the Delivery Plan should do this.

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<sup>14</sup> Scottish Parliament, *Child Poverty (Scotland) Bill: Financial Memorandum* (Scottish Parliament, 2017) <http://www.parliament.scot/parliamentarybusiness/Bills/103404.aspx>

#### 4. Work and Earnings

The relationship between work and poverty is not straightforward. Children in households where no-one is in employment are at highest risk of poverty: six out of ten children living in households where no-one is in employment are living in poverty (compared to one in twenty children in households with two adults in employment).

Nevertheless work is not always a direct route out of poverty. In-work poverty has been rising in recent years. In terms of actual numbers there are more children living in poverty who are in a household where someone is working than in a household where no-one is working. Nearly two-thirds of children who are in poverty live in a household where someone is in some form of employment.

**Table 2: Child poverty and family economic status**

	<b>Percentage of children whose family is in each employment category living in poverty</b>	<b>Percentage of all children living in poverty whose family is in this employment category</b>
<b>In employment</b>		
<i>Couple: in full-time employment</i>	5%*	5%
<i>Couple: one full-time, one part-time</i>	8%	8%
<i>Couple: one full-time, one not in employment</i>	29%	16%
<i>Couple: self-employed</i>	25%	13%
<i>Couple: part-time employment only</i>	35%	9%
<i>Single Parent: in full-time employment or self-employed</i>	17%*	4%
<i>Single Parent: in part-time employment</i>	27%	9%
<b>Not in employment</b>		
<i>Couple: not in employment</i>	67%	12%
<i>Single Parent: not in employment</i>	57%	24%
<b>All children</b>	23%	100%

Source: Households Below Average Income (analysis provided to the Commission by Joseph Rowntree Foundation)

\*percentages are based on small sample sizes (30 or less)

The proportion of children in households where no-one works who are living in poverty has fallen over the last decade, but 60% are still living in poverty.

#### **Supporting families into work**

Work will be the most effective route out of poverty for many households. Modelling suggests that higher employment rates would make a real contribution to reducing

child poverty rates in Scotland.<sup>15</sup> Increased working hours for part-time workers would have a smaller but also positive contribution. Increased employment can also increase tax receipts, enabling tax to be reinvested into measures to reduce child poverty further.

Nevertheless, the statistics show that higher employment alone will not necessarily address child poverty for all children. Analysis carried out in 2014 looking at the potential impact of employment on the UK Government's 2020 child poverty targets concluded that meeting those targets solely through increased parental employment and hours looked impossible, requiring an assumption of an implausible increase in employment rates for parents plus a substantial increase in hours for those already in work.<sup>16</sup>

That said, progress can be made by supporting people into work or to work more hours. Analysis provided to the Commission by the Joseph Rowntree Foundation (JRF) looked at whether parents in families in poverty were working as much as is expected under the Universal Credit rules for people assessed as fit for work. It suggests nearly four out of ten children in relative poverty (38%) are in families where there is no potential for increased employment in line with the expectations set out for Universal Credit (although data is not available for families with self-employed workers, which include 13% of children).<sup>17</sup> In these cases the adults are already working full-time, working the number of hours expected of them given the age of their youngest child, or not working because they are a lone parent with a child under the age of three. More work is not (currently) the answer for these families, although better paid work could be. The analysis finds that around 50% of children in poverty live in families where there may be some potential for additional employment and more than half of these (56%) are in workless families. However, of those identified as having potential for additional employment, half also include a disabled adult or child in the family, indicating a disability or health condition or caring responsibilities could be reducing their ability to work (and they may not be expected to work under the Universal Credit rules).

Barriers to entering employment can include lack of availability of job opportunities, which can be further constrained by lack of access to transport, the lack of availability of childcare, the value placed by parents on staying at home to look after

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<sup>15</sup> Glen Bramley, *What Would Make a Difference for Scotland?* (analysis provided to the Commission by Policy Scotland, forthcoming 2018)

<sup>16</sup> Howard Reed & Jonathan Portes, *Understanding the parental employment scenarios necessary to meet the 2020 child poverty targets* (Social Mobility & Child Poverty Commission, 2014) <https://www.gov.uk/government/publications/meeting-the-2020-child-poverty-targets>

<sup>17</sup> Universal credit expects that one parent in a couple family with children is in full-time work and that single parents, or the second parent in a couple family: work full-time if the youngest child is aged 13+; work part-time if the youngest child is aged 3 to 12; are not expected to work if the youngest child is under 3 years old.

children, lack of skills and work experience and the financial uncertainties that can be associated with insecure work and frequent moves between benefits and work.<sup>18</sup>

For some groups of parents there are additional barriers to employment. For example, discrimination may be an issue in accessing employment for parents who are disabled or from Black and Minority Ethnic (BME) communities. In 2016 in Scotland the employment rate for those aged 16-64 who were classed as disabled under the Equality Act 2010 was 42.9% compared to 80.1% for those who were not classed as disabled.<sup>19</sup> Evidence cited in *'How fair is Scotland'* shows that despite having the highest levels of educational attainment, people from BME communities are twice as likely to be unemployed compared to those from white communities. Actions to address this are set out in *Addressing Race Inequality in Scotland: The Way Forward*, the report of Kaliani Lyle, Independent Race Equality Adviser to the Scottish Government and Deputy Chair of the Poverty and Inequality Commission.<sup>20</sup>

Barriers for lone parents in finding and sustaining employment include the need for a high level of flexibility from employers, lack of affordable childcare as well as personal employability factors such as lack of qualifications, poor health and low confidence and expectations.<sup>21</sup> For parents of disabled children finding suitable, affordable, accessible childcare and finding or holding onto reasonably well-paid, part-time or otherwise flexible work are barriers to remaining in or re-entering the labour market.<sup>22</sup> Two-thirds of those in work had not sought promotion, had declined promotion or accepted demotion in order to balance work and caring responsibilities. Just over half had reduced or tried to reduce their work hours.

Employment support can help address the barriers that parents face in entering the labour market. Responsibility for employment support for people who are long-term unemployed and for disabled people was devolved to Scotland in 2017. Contracts worth up to £96 million have been awarded to public, private and third sector organisations across Scotland to deliver the new Fair Start Scotland service, which begins in April 2018. Participation in the service, which will offer pre-work support of 12-18 months and in-work support for 12 months, is entirely voluntary. This devolved responsibility offers an opportunity to develop an employment support service that reduces child poverty.

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<sup>18</sup> Nadia Bashir, Richard Crisp, Tony Gore, Kesia Reeve & David Robinson, *Families and work: Revisiting barriers to employment* (Department for Work and Pensions, 2011) <https://www.gov.uk/government/publications/families-and-work-revisiting-barriers-to-employment-rr729>

<sup>19</sup> Scottish Government, *Regional Employment Patterns in Scotland: Statistics from the Annual Population Survey 2016* (Scottish Government, 2017) <http://www.gov.scot/Publications/2017/05/8508>

<sup>20</sup> Kaliani Lyle, *Addressing Race Inequality in Scotland: The Way Forward* (Scottish Government, 2017) <http://www.gov.scot/Publications/2017/12/9088/3>

<sup>21</sup> Helen Graham & Ronald McQuaid, *Exploring the impacts of the UK government's welfare reforms on lone parents moving into work: Literature Review* (Glasgow Centre for Population Health, 2014) [www.gcph.co.uk/assets/0000/4284/Lone\\_parents\\_Literature\\_Review\\_web.pdf](http://www.gcph.co.uk/assets/0000/4284/Lone_parents_Literature_Review_web.pdf)

<sup>22</sup> Working Families, *Off Balance: parents of disabled children and paid work* (Working Families, 2015) <https://www.workingfamilies.org.uk/publications/off-balance-parents-of-disabled-children-and-paid-work/>



Analysis of employment programmes aimed at helping lone parents move into work suggests that the factors that make a programme successful are: tailored holistic support that responds to the needs of the individual, and is delivered by a well-trained and sympathetic advisor; more affordable childcare and the integration of childcare and employability support; and effective working between agencies and with employers<sup>23</sup>. Financial work incentives also have a positive impact. Principles that matter to employment support service users include it being a positive experience where they feel the person providing the support has their best interests at heart and offers the full range of help available; being treated with dignity and respect; having clear and transparent communication; being personal, realistic and beginning with a shared assessment of needs and assets.<sup>24</sup>

Access to, and quality of, training opportunities can be a factor both in helping parents to access employment and helping them to progress within work. Poverty is particularly high among younger parents and the Commission welcomes the Scottish Government's focus on Modern Apprenticeships. It is important that this also includes a focus on the quality of modern apprenticeships and other vocational training and the quality of jobs and wage outcomes for those who undertake them. There is a high level of gender segregation in apprenticeships, for example, with young women tending to end up in apprenticeships leading to low pay professions. It is important that there is on-going analysis of which groups are accessing apprenticeships and vocational training and that action is taken to address inequalities in access and progression rates.

**Recommendations:**

14. The Child Poverty Delivery Plan should include action to support parents who are able to work, or able to work more, into employment. This action should be developed in response to a clear analysis of the barriers to employment and evidence about what works in supporting people into work.

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<sup>23</sup> Helen Graham & Ronald McQuaid, Exploring the impacts of the UK government's welfare reforms on lone parents moving into work: Literature Review (Glasgow Centre for Population Health, 2014) [www.gcph.co.uk/assets/0000/4284/Lone\\_parents\\_Literature\\_Review\\_web.pdf](http://www.gcph.co.uk/assets/0000/4284/Lone_parents_Literature_Review_web.pdf)

<sup>24</sup> Joseph Rowntree Foundation, *UK Poverty: Causes, costs and solutions* (Joseph Rowntree Foundation, 2016) <https://www.jrf.org.uk/report/uk-poverty-causes-costs-and-solutions>

**Recommendations:**

15. The Delivery Plan needs to particularly recognise the barriers that may be faced by those at greatest risk of poverty, including single parents, households with a disabled member and black and minority ethnic households, and consider how it can address the specific needs these households may have. In doing so the Delivery Plan should consider the recommendations made in *Addressing Race Inequality in Scotland: The Way Forward* and actions to 'reduce by at least half the employment gap' between disabled and non-disabled people set out in *A Fairer Scotland for Disabled People*.
16. The Delivery Plan should consider what further analysis may be needed about access to and outcomes of vocational training for groups at risk of poverty, and what action might be taken in response to this analysis.

***Supporting parents to progress in work***

As has been set out just having a parent in work does not necessarily take a child out of poverty. Wages, hours, security and the quality of work matter as well as being in employment. There is a particular issue of 'churn' for those in low-paid, precarious employment, with people moving in and out of employment and the potential that this lack of employment security leads to people deciding not to take up work because of the risks to their benefit payments.

Support for people to progress in work is important in addressing in work poverty. This could mean helping someone to move into a better job in order to increase their earnings or supporting them to work more hours. This may require additional training and skills, which may be less likely to be available to people working in low paid, low-skilled jobs. There is limited evidence about what works in supporting progression and there is scope to test and learn from different approaches.

Families with one parent in full-time employment and one parent in part-time employment have almost as low a risk of child poverty as those with two parents in full-time employment. Improving the quality of part-time jobs is one way of supporting parents to balance family life while addressing child poverty. Quality part-time work should offer the same terms and conditions, development and progression opportunities as comparable full-time work, and wherever possible jobs should be advertised as willing to consider flexible working.

**Recommendations:**

17. The Delivery Plan should set out action to support progression in work for families in working poverty. Given the limited evidence about what works in this area, this might include action to test what support works to help people move jobs, undertake training, and work more hours, and what incentives can help deliver this.
18. The Delivery Plan should consider how the Scottish Government can work with employers to improve the quality of part-time work. Employers should consider job design to build in progression at the lower end of the wage spectrum.

***Help with the costs of work***

Parents can face a range of additional work-related costs if they move into employment, including transport costs, clothing and, in particular, childcare. Childcare is one element that can support increased employment amongst households with children. Evidence about the efficiency of free early years childcare as a way of increasing employment rates is mixed, but modelling suggests that investment in flexible early years childcare, when combined with increased workforce participation and increased hours, could have an impact on child poverty.<sup>25</sup> Early years and out of school childcare can also be crucial in enabling parents to take up training and education opportunities. The costs of childcare and particularly upfront fees and deposits can act as a barrier to entering work.

The Commission supports the conclusion of Naomi's Eisenstadt's *Shifting the Curve* report<sup>26</sup> that the Scottish Government's work on childcare needs to focus on quality as well as hours in order to see long term benefits in tackling inequality. Further attention needs to be given to out of school care as well as childcare for early years.

**Recommendations:**

19. The Delivery Plan should set out how investment in early years childcare will ensure it is of high quality and also able to support parents into employment.
20. The Scottish Government has committed to developing a strategic framework for after-school and holiday childcare. This should be taken forward as a priority given the potential impact of the availability of out of school care on parents' ability to access and sustain employment.

<sup>25</sup> Glen Bramley, *What Would Make a Difference for Scotland?* (analysis provided to the Commission by Policy Scotland, forthcoming 2018)

<sup>26</sup> Naomi Eisenstadt, *Independent Advisor on Poverty and Inequality: Shifting the Curve – A Report to the First Minister* (Scottish Government, 2016)

### ***Availability of good quality work***

Increasing employment amongst parents is of course not just about ensuring that individuals have the right skills and support to work. It is also about the strength of the labour market, the demand for labour and the quality of the jobs it offers. This requires action to boost growth and increase productivity in a way that reduces poverty and inequality. The Scottish Government has a role in ensuring that the benefits of economic development are shared by those living in poverty. In order to make a sustainable change to child poverty Scotland must deliver an inclusive growth agenda that genuinely benefits all.

The Commission welcomes the fact that Inclusive Growth is a central part of the Scottish Government's Economic Strategy and recognises the Scottish Government's commitment to the Scottish Business Pledge. The Scottish Government should be explicit about how the specific activities to deliver inclusive growth will have an impact on child poverty. It is important that tackling poverty and inequality should also be core aims of the City Region and Growth Deals that are agreed in Scotland, with clarity about how this investment contributes to addressing inequalities and child poverty.

The Scottish Government should continue to consider how public sector procurement spending can contribute to reducing poverty and inequality. The public sector in Scotland spends £11bn each year buying goods, services and works which creates an opportunity to impact on child poverty. The Scottish Government has produced statutory guidance on taking account of fair work practices, including the Living Wage, as part of procurement processes. Its procurement guidance also sets out the requirement to consider whether community benefits (e.g. targeted recruitment and training, small business and social enterprise development and community engagement) can be included in public contracts. The impact of this guidance in tackling child poverty should be monitored and evaluated and further consideration should be given to how public sector procurement can contribute towards the levers to tackle child poverty.

The Commission welcomes the Scottish Government's commitment to increasing the number of people earning the real Living Wage. The real Living Wage is an important element of fair and sustainable work and the Commission supports efforts to extend the Living Wage. Analysis that the Commission has considered nevertheless suggests that the impact of the real Living Wage on the child poverty targets is small. A focus on increasing the numbers of people earning the real Living Wage is likely to have more of an impact on households with incomes around the middle than on low income families with children, as many people earning below the real living wage are second earners in two-worker households or younger single people.

**Recommendations:**

21. The Delivery Plan should set out how the Inclusive Growth agenda and City Deals will contribute to delivering the child poverty targets.

## 5. Social Security

Social security will be the most direct route for reducing levels of child poverty in Scotland. It cannot be expected to provide the whole solution but investment in social security is a necessary element to meet the child poverty targets.

The Scottish Parliament has gained significant new powers in relation to social security. This includes a range of existing benefits that have been devolved to Scotland, such as disability and carers' benefits; benefits that are currently part of the Regulated Social Fund, such as the Sure Start maternity grant and winter fuel payments; discretionary housing payments; and welfare foods. In addition to these devolved benefits the Scottish Parliament is also getting the power to top-up reserved benefits; the power to create new social security benefits in areas not otherwise connected with reserved matters; and powers to vary the housing cost element and change payment arrangements for Universal Credit. These powers follow the establishment of the Scottish Welfare Fund and the Council Tax Reduction in 2013.

Once all those benefits are devolved the Scottish Government will be responsible for around 15.6% of social security spending in Scotland, totalling about £2.8 billion.<sup>27</sup> The Scottish Government has already made some use of these powers to diverge from the UK position, enabling Universal Credit applicants in full service areas the choice to be paid twice monthly and have the housing element of Universal Credit paid directly to their landlords. It has also committed to increasing the level of Carer's Allowance and introducing a Young Carer Grant, creating a Best Start Grant that replaces and expands the Sure Start Maternity Grant, and launching a new Funeral Expense Assistance benefit. The Commission welcomes the Scottish Government's use of its powers in these areas.

In order to look at the potential options for reducing child poverty through devolved social security powers, the Commission worked with IPPR Scotland to model the impact of topping up specific benefit payments.<sup>28</sup>

### ***Modelling changes to Universal Credit and Child Benefit***

The modelling concentrated on two specific benefits. Universal Credit was considered, rather than tax credits and child tax credits, because the UK Government aims to fully roll out Universal Credit to new and existing applicants over the period of this Delivery Plan. Child Benefit was considered because the Child Poverty (Scotland) Act requires that the Delivery Plan should set out whether

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<sup>27</sup> Scottish Government, *Social Security for Scotland: Benefits being devolved to the Scottish Parliament- December 2017* (Scottish Government, 2017)

<http://www.gov.scot/Topics/Statistics/Browse/Social-Welfare/SocialSecurityforScotland/SSFSDec2017>

<sup>28</sup> Russell Gunson, Darren Baxter & Alfie Stirling, *How Much Would it Cost to Reduce Child Poverty in Scotland: The financial scale of Scotland's 'child poverty deficit'* (IPPR Scotland, 2018 forthcoming)

Scottish Ministers will use powers to top up child benefit, and the Cabinet Secretary had specifically mentioned child benefit in her letter to the Commission.

The goals of Universal Credit, which include simplifying a complex system of benefits into one payment and making it easier for people to move into work or increase their hours, are laudable but the Commission recognises that the actual roll out of Universal Credit so far has caused significant hardship to many claimants. The waiting time before Universal Credit is received for new applicants is pushing people into debt and even some into destitution. Changes were made at Budget 2017 to ease these problems, although their impact remains to be seen.

It was originally suggested that Universal Credit would reduce child poverty, and modelling by the Institute for Fiscal Studies projects that this will still be the case due to increased take-up, as Universal Credit makes partial take-up of benefits impossible. Subsequent welfare reforms such the restriction of existing tax credits and the child element of Universal Credit to the first two children and cuts to the work allowance are projected to increase child poverty.<sup>29</sup> Analysis by the Resolution Foundation suggests that, overall, Universal Credit is set to be almost £3 billion a year less generous than the tax credit system it replaces and will leave working families an average of £625 a year worse off. This masks significant variation between family types with working single parents losing out by an average of £1350 a year.<sup>30</sup> Universal Credit is largely a reserved benefit and most elements are not within the powers of the Scottish Government but the Scottish Government should use the powers it has to mitigate the negative impacts of Universal Credit roll out where it can.

The IPPR Scotland modelling tested the impact of different changes to Universal Credit on one of the child poverty targets – percentage of children living in relative poverty (less than 60% of average household income after housing costs). When looking at the impact of different interventions the poverty line has been recalculated each time to take account of the impact of the intervention on median (average) income. This is important because relative poverty is calculated as 60% of median income. If an intervention raises the median income this will change the poverty line, increasing the amount of income that a household needs to take a child out of poverty. The tables in this section show the number of children lifted out of poverty if the poverty line is recalculated and also how many would be lifted out of poverty if

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<sup>29</sup> Andrew Hood & Tom Waters, *Living standards, poverty and inequality in the UK: 2017-18 to 2021-22* (Institute for Fiscal Studies, 2017) <https://www.ifs.org.uk/publications/10028>

<sup>30</sup> Mike Brewer, David Finch & Daniel Tomlinson, *Universal Remedy: ensuring Universal Credit is fit for purpose*, (Resolution Foundation, 2017) <http://www.resolutionfoundation.org/publications/universal-remedy-ensuring-universal-credit-is-fit-for-purpose/>

the impact of the intervention on the median income is not taken into account (poverty line static).<sup>31</sup>

The modelling found that only five elements had a meaningful impact on the child poverty target. These are removing the benefit cap, removing the two child limit, altering the work allowance, increasing the standard element and increasing the child element.

The modelling combined removing the benefit cap and two child limit with each of the other elements as it found that doing so magnified the impact of the different interventions for relatively modest increases in spending. It would cost approximately £130m per year to remove the benefit cap and two child limit and this would potentially lift around 10,000 children out of poverty.

**Table 3: The cost and impact on poverty of removing the Benefit Cap and Two-child Limit in Scotland, 2019-20**

<b>Policy:</b>	<b>Ending Two-child Limit</b>	<b>Ending the Benefit Cap</b>	<b>Ending the Benefit Cap and Two-child Limit</b>
Cost, per year	£20m	£90m	£130m <sup>32</sup>
Number of children lifted from poverty, below 60% median, after housing costs: Poverty line recalculated	5,000	5,000	10,000
Number of children lifted from poverty, below 60% median, after housing costs: Poverty line static	5,000	5,000	10,000

*\* Rounded to nearest 5000 for poverty numbers and nearest £10m for costing*

Table 4 shows the impact on child poverty of investing in the region of £350m in different social security changes. This is approximately what it would cost to top up Child Benefit by £5. The exact amount varies for the different options.

<sup>31</sup> The original IPPR Scotland research recalculated the poverty line based on an intervention being implemented across the UK. IPPR have subsequently carried out further analysis where the poverty line is recalculated based on an intervention being implemented in Scotland only. Where this has produced different figures we have now included this analysis (March 2019).

<sup>32</sup> The cost of ending the two-child limit and the benefit cap is higher than the sum of the cost of doing each in isolation. This is because removing the two-child limit but not the benefit cap will mean those families with three or more children who are already receiving benefit payments at the level of the benefit cap would be no better off. Likewise ending the benefit cap but not the two-child limit would not help families with three or more children who receive benefit payments at a level at or beneath the benefit cap. This limits the effects and costs of doing each in isolation.



**Table 4: The relative impact of removing the Benefit Cap, the Two-child Limit and increasing spending on other benefit elements in Scotland, 2019-2020.**

	<b>Increasing UC Standard Allowance by £30</b>	<b>Topping up Child Benefit by £5</b>	<b>Increasing the UC Child Element by £45</b>	<b>Increasing the UC Work Allowances by £350</b>
Cost, per year	£350m	£340m <sup>33</sup>	£360m	£370m
Number of children lifted from poverty, below 60% median, after housing costs: Poverty line recalculated	20,000	20,000	45,000	15,000
Number of children lifted from poverty, below 60% median, after housing costs: Poverty line static	20,000	30,000	45,000	20,000

*\* These figures include the £130m cost of removing the Benefit Cap and Two-child Limit and the 10,000 children this would remove from poverty (see table 3).*

The modelling found that increasing the child element of Universal Credit appears to be the most cost-effective way of reducing child poverty. The model assumes that there is 100% take-up of Universal Credit. In the real world the impact on child poverty would depend on Universal Credit being delivered effectively and a range of other factors that are discussed further below.

Further modelling by IPPR Scotland demonstrated that reaching the targets through use of devolved social security powers alone is not realistic and would require billions of pounds of additional spending. For example, if the policy intervention took place across the UK, it would cost in the region of £3.8 billion per year to reach the 10% target of children living in relative poverty through increasing the child element of Universal Credit combined with removing the benefit cap and two child limit. This would take approximately 185,000 children out of poverty. In this scenario the child element would be increased by £550 per month. If the policy intervention took place only in Scotland – and therefore had a smaller impact on the UK median income – it would cost in the region of £2.6bn to reach the 10% target by increasing the child element by £400 per month and would take approximately 190,000 children out of poverty.<sup>34</sup>

Potential new benefits that could have an impact on child poverty were also modelled alongside top up payments. These were:

- a new monthly payment for children under five years old

<sup>33</sup> This is a higher cost and lower impact on child poverty than some other costings have found. This is due to a number of factors, but most notably due to the analysis being for 2019/20, and taking account of the introduction of the Benefit Cap and Two-child Limit.

<sup>34</sup> The projected number of children in poverty in 2019/20 is 290,000.

- a Universal Basic Income (an unconditional weekly payment of £100 per adult and £50 per child)
- a Minimum Income Guarantee (a means-tested household payment of £600 per month per adult in family and £450 per month per child)

All these options were considerably more expensive ways of tackling child poverty than increasing the Universal Credit Child element, although they may offer other kinds of advantages.

It is important to note that the IPPR Scotland analysis looks **only** at how benefits could be topped up or created to increase incomes. It is not able to model any behaviour change amongst those receiving the topped up benefits. It seems fair to assume that very significant benefit changes would have an impact on behaviour and that this would need to be considered before any decisions were made about topping up benefits.

Separate analysis by Professor Glen Bramley for Policy Scotland incorporated potential behaviour change if Universal Credit work allowances (the amount that can be earned before Universal Credit is reduced) were increased and the Universal Credit taper reduced.<sup>35</sup> This assumes that there would be an effect on people changing from non-working to working status. While noting caveats about the assumptions about behaviour change, this modelling found that increasing work allowances in particular could have large positive effects in terms of reducing poverty. This modelling does not look at what the changes to the work allowances would cost.

### ***Costs and complexities of topping up benefits***

Neither the analysis by IPPR Scotland nor that by Professor Bramley looks at the costs or complexities of delivering benefit changes. Given that Universal Credit and Child Benefit are reserved benefits, any top up would require the Scottish Government to work with the Department for Work and Pensions and HMRC in order to deliver it. The analysis has also not looked at any potential implications of topping up Universal Credit on other benefits. The aim of this analysis was not to recommend a specific top up benefit but to look at the potential direct cost of meeting the child poverty targets through social security and to provide some direction as to which options were worth exploring.

The analysis suggests that topping up the child element of Universal Credit could be the most cost-effective policy option as it appears to deliver the biggest reduction in child poverty. It is clear, however, that any policy option relating to Universal Credit is particularly challenging given the current problems with the way that Universal Credit is being delivered. When making decisions on how best to use social security

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<sup>35</sup> Glen Bramley, *What Would Make a Difference for Scotland?* (analysis provided to the Commission by Policy Scotland, forthcoming 2018)

powers, consideration should also be given to issues such as the cost and complexity of delivery, potential take up rates, income security, and potential disincentives to move into work or increase earnings as well as likely impact.

**Recommendations:**

22. The Commission believes that investment in social security is needed if the targets are to be met. The Delivery Plan should set out the extent to which the Scottish Government intends to use Social Security powers to meet the child poverty targets.
23. The Delivery Plan should set out the options that the Scottish Government will consider over the period to 2030 to top up or create benefits. It should consider the options that are modelled as having the greatest financial impact alongside other relevant factors such as cost and complexity of delivery, take up rates, income security, and potential disincentives to move into work or increase earnings in order to identify the most effective option to impact on child poverty.

***A social security system based on dignity and respect***

The Commission endorses the Scottish Government's commitment to creating a social security system based on rights, dignity, respect and fairness. This should be reflected both in the principles underpinning the creation of the new system and the benefits it provides and also in how it is delivered. The Commission recognises the complexities of setting up the new benefits arrangements in Scotland and the initial focus on a successful transfer of responsibilities to the new Social Security Agency to ensure that the experience for recipients is seamless and no-one loses out. Nevertheless it is important that the new Agency and systems must be set up in a way that enables the delivery of new benefits or top up benefits to address child poverty.

The culture within the agency should be one that makes the commitment to dignity and respect real in how services are delivered. Services should be provided in a way that is person-centred, respectful and preserves the dignity of people in poverty. Pre-employment and in-service training can support this, especially if designed and delivered in partnership with people experiencing poverty.

**Recommendations:**

24. The Delivery Plan should commit to ensuring that the new Social Security Agency is established in such a way that it can deliver the top up benefits or new benefits that are needed to tackle child poverty. This does not preclude Scottish Government from topping up current benefits under the existing system.

## 6. Housing

As well as increasing income an important element of addressing child poverty is reducing costs. The Scottish Parliament has chosen to set child poverty targets that are measured after housing costs. This reflects the impact that housing costs can have on disposable income. Income measured before housing costs are taken into account potentially overstates the living standard of individuals with high housing costs.

Housing costs as a percentage of income 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 rapidly. The proportion of Scottish households in the poorest fifth of the population who spend more than a third of their income on housing costs has risen from 24% in 1994/97 to 37% in 2013/16, while there has been little change for households in higher income bands.<sup>36</sup>

**Table 5: Child poverty by tenure**

	<b>Percentage of children in each tenure living in poverty</b>	<b>Percentage of all children living in poverty who live in this tenure</b>
<b>Rented from Council or Housing Association</b>	39%	44%
<b>Rented privately</b>	43%	32%
<b>Owned outright</b>	5%	2%
<b>Owned with a mortgage</b>	11%	23%
<b>All children</b>	23%	100%

*Source: data provided to the Commission by Scottish Government*

Poverty is highest amongst children living in households in rented accommodation. 43% of children living in households that rent privately and 39% of children who live in households who rent from a council or housing association are living in poverty.

Across the period 2012/13 to 2014/15, 40% of private rented households and 32% of social rented households in Scotland spent more than 30% of their net income (a widely used benchmark of housing affordability) on housing costs, compared to 5% of households who own with a mortgage.<sup>37</sup> Over the last 20 years there has been a fall in the proportion of local authority housing in Scotland which has pushed people into the private rented sector and housing association accommodation, where rents are generally higher.<sup>38</sup>

<sup>36</sup> Joseph Rowntree Foundation, *Poverty in Scotland 2017* (Joseph Rowntree Foundation, 2017) <https://www.jrf.org.uk/report/poverty-scotland-2017>

<sup>37</sup> Scottish Government, *Social Tenants in Scotland 2015* (Scottish Government, 2017) <http://www.gov.scot/Publications/2017/02/8350/0>

<sup>38</sup> Joseph Rowntree Foundation, *Poverty in Scotland 2017* (Joseph Rowntree Foundation, 2017) <https://www.jrf.org.uk/report/poverty-scotland-2017>

**Table 6: Percentage of households spending more than 30% of income on housing costs by tenure**

	Social rented households	Private rented households	Households who own with a mortgage	Households who own outright
<b>Percentage of households spending more than 30% of income on housing costs</b>	32%	40%	5%	0%

Source: *Social Tenants in Scotland, 2015*

Where housing benefit covers housing costs in full, housing costs will not have an impact on the child poverty targets. It is where housing benefit does not cover rent, or where families with a change of circumstances cannot get support with mortgage interest that housing costs become a problem. Analysis by the Institute for Fiscal Studies<sup>39</sup> has found that, the proportion of low-income private renters in Scotland (the bottom 40% of the income distribution) whose rent is not fully covered by housing benefit rose from 64% in the mid-1990s to 88% in 2013-15. This increase was greater than any other part of Great Britain. For Great Britain as a whole, working-age households with children have seen the biggest rise in the proportion of households whose rent is not fully covered: 63% received less housing benefit than their rent during the mid-1990s, while 90% had a shortfall by the mid-2010s. This is due in part to more low-income renters being in employment and having their housing benefit entitlement reduced, however, the IFS estimate that around two-thirds of low-income private renters have had their housing benefit cut as a result of housing benefit reforms.<sup>40</sup>

Further action is still needed on housing costs, particularly given changes in the balance of tenures. Addressing housing costs has to be part of the plan to reach the child poverty targets. The Commission considered analysis and research relating to housing costs and the potential impact of different housing policy options on child poverty. Evidence of the wider benefits of being able to access good quality, affordable housing is clear. Sufficient good quality, affordable housing can reduce overcrowding and homelessness. It is important for health and wellbeing and can improve future life chances for children. The evidence is not clear, however, about which particular housing policies will most effectively reduce housing costs and have a subsequent impact on child poverty rates.

The interaction between housing policy, housing costs and child poverty is complex. From the analysis that has been available to it, the Commission is not able to make a

<sup>39</sup> Robert Joyce, Matthew Mitchell & Agnes Norris Keiller, *The Cost of Housing for Low-income Renters* (Institute for Fiscal Studies, 2017) <https://www.ifs.org.uk/publications/9986>

<sup>40</sup> These reforms include setting local housing allowance at the 30th percentile of local private rents, rather than the 50th percentile; introducing national caps on local housing allowance rates; reducing the entitlement of most single adults aged 25-35 to the amount for a room in shared accommodation; freezing local housing allowance rates and the introduction of the benefit cap.

specific recommendation on the action that is likely to be most effective in reducing housing costs and reducing child poverty. Given the evidence of rising housing costs, however, action to tackle them should be a core component of the approach to reducing child poverty. Existing housing policy has not been designed in order to address child poverty targets and there is scope for additional action on housing costs, particularly in the private and social rented sectors, that could make a significant contribution. The Scottish Government and partners should undertake further work to explore this.

A specific aspect of housing that was raised with the Commission as relevant to child poverty was accessibility. Disabled people may face particular costs and barriers to accessing suitable housing. Evidence suggests that accessible housing can improve quality of life, minimise barriers to independence, increase access to employment and reduce housing costs for disabled people. Research found that disabled people with an unmet need for accessible housing are four times more likely to be unemployed or not seeking work because they are sick or disabled than those whose needs are met or who are disabled but do not need accessible housing.<sup>41</sup> The Scottish Government's work on the contribution of housing to tackling child poverty should include work to look at the accessibility of housing, including for wheelchair users.

**Recommendations:**

25. The Delivery Plan should explore ways of reducing housing costs for families with children living in poverty.
26. The Commission acknowledges the Scottish Government's existing commitment to deliver 35,000 new homes for social rent over the term of this Parliament and recommends that the prioritisation of social housing should be continued.
27. Housing costs and supply of social housing varies significantly across Scotland so the Scottish Government should particularly look at the geographical aspects of supply and demand for households with children and focus action where it is needed most.
28. Work on housing supply should also take account of accessibility, including for wheelchair users, as well as supply, as accessible housing can improve quality of life, increase access to employment and reduce housing costs for disabled people.

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<sup>41</sup> Habinteg & Papworth Trust, *The Hidden Housing Market: A new perspective on the market case for accessible homes*, (Habinteg & Papworth Trust, 2016) <https://www.habinteg.org.uk/reports-and-briefings/the-hidden-housing-market--1043>

## ***Private Residential Tenancy***

The introduction by the Scottish Government of the new Private Residential Tenancy on 1 December 2017 removes fixed term tenancies, requires a longer notice period to end the tenancy, limits rent increases to once every 12 months (with three months' notice) and enables the tenant to refer rent increases that they do not agree with to the local rent officer. From 1 December 2017 local councils can also apply under the Private Housing (Tenancies) (Scotland) Act 2016 to have an area designated as a 'rent pressure zone' and rent rises capped for existing private residential tenancy tenants if they can prove that rents in the area are rising too much and causing problems for tenants, and the local council is coming under pressure to provide housing or subsidise the cost of housing as a result. The Commission welcomes this work to improve security and affordability in the private rented sector and the potential opportunities to respond to different needs in different geographical areas.

### **Recommendations:**

29. The Delivery Plan should commit to monitoring and evaluating the impact of the changes introduced by the new Private Residential Tenancy and rent pressure zones on child poverty and considering whether further action may be needed to limit rent increases in the private rented sector.

## ***Fuel Poverty***

A child is living in fuel poverty if their family would need to spend more than 10% of their household income on fuel. In 2015 around 31% of households in Scotland were fuel poor. The Scottish Government has just finished consulting on a new fuel poverty strategy and Warm Homes Bill. The Commission welcomes the proposed changes to the definition of fuel poverty to strengthen the relationship with low income. The Scottish Government should continue its work to reduce fuel poverty and ensure that it is focused on supporting those on low incomes.

### **Recommendations:**

30. The Scottish Government should continue its work to reduce fuel poverty. The Commission supports Naomi Eisenstadt's recommendation in *Shifting the Curve* that more should be done to ensure that fuel poverty programmes are focused to support those on low incomes, and do more to tackle the poverty premium in home energy costs.

## 7. Improving Quality of Life and Helping Families Manage the Impacts of Poverty

Poverty puts a considerable strain on families. It can cause stress, damage relationships and limit children's ability to fully participate in the opportunities that other children have, damaging their prospects. In addition to action to make progress towards meeting the child poverty targets the Delivery Plan also needs to include action to improve the quality of life of families living in poverty and to help them manage the impacts of poverty and improve their children's prospects. In some cases these actions will also make a contribution towards meeting the child poverty targets but would not be expected to have a significant impact in the way that employment, social security and housing could.

The actions should be focused particularly on those households at highest risk of poverty, with clarity on how any actions or initiatives will benefit particular groups.

This section of the Commission's advice sets out some of the areas where the Commission considers action could improve quality of life for people living in poverty. The Commission has considered existing and planned Scottish Government activity to address poverty and inequality and highlights some elements of this work that the Commission would hope to see in the Delivery Plan. The Commission has also identified other areas where it considers there are gaps or where more could be done. The Child Poverty (Scotland) Act sets out a number of areas that should be covered in the Delivery Plan, the Commission has not set out to consider all aspects of this. The areas the Commission has focused on in its discussions are:

- Addressing barriers to education
- Income maximisation
- Transitions
- Supporting Families
- Providing public services in a respectful way that preserves dignity

### **Recommendations:**

31. The Delivery Plan should set out specific actions to help families manage the impacts of poverty. It should be clear on what outcomes these actions are expected to deliver, and who is expected to benefit. It should commit to putting appropriate monitoring and evaluation in place.

The Commission was asked to provide advice on the use of the £50 million Tackling Child Poverty Fund. Given the scale of the challenge to meet the targets, it is unlikely that the Fund, by itself, will have a significant impact on meeting the 2030 target. While there may be scope for using the fund to test out new approaches to address issues related to work and earnings, social security or housing costs, the



Commission is of the view that the level of funding available could have a more direct impact by being used to help families manage the impacts of poverty and improve quality of life. In this section of the advice the Commission identifies some areas where this funding could be used.

### **Addressing barriers to education**

Children in Scotland from better off backgrounds achieve better educational outcomes than those from more disadvantaged backgrounds. At age five, children in families in the highest 20% of earners were around 13 months ahead in their knowledge of vocabulary and 10 months ahead in their problem-solving ability compared with children in families in the bottom 20% of earners.<sup>42</sup> By the time they leave school 41% of young people in the 20% most deprived areas of Scotland achieve one or more awards at SCQF level 6 or better (Higher or Advanced Higher) compared with 80% of young people in the 20% least deprived areas of Scotland.<sup>43</sup> Low educational attainment is then linked to future poverty.

Action on education needs to have a two pronged approach: addressing the poverty-related barriers that prevent children from fully accessing education, and raising educational attainment in order to reduce the likelihood of poverty in adulthood.

The Commission welcomes the Scottish Government's commitment to closing the poverty related attainment gap. In order to make a difference funding should be explicitly directed towards the interventions which show the strongest evidence that they will make a difference. Given the gap that has already opened up between children from the most well off and the poorest households by the time they start school, stronger links should be made to the importance of quality in early learning and child care in order to close the attainment gap.

Costs of the school day was an issue that was raised with the Commission as a high priority for those with experience of living in poverty. The costs associated with education can both increase the stress on families and impact on children's ability to fully engage with education. These include obvious costs like school uniform, school trips, book fairs and non-uniform days. The Commission also heard, however, about examples of other costs being shifted from schools to families, for example as expectations that all families will have access to a computer and printer and be able to print out material that is a core part of learning.

Under the 1980 Education Act local authorities must make provision for school clothing for pupils who would otherwise not be able to afford it. The eligibility for and

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<sup>42</sup> Scottish Government, *Tackling Inequalities in the Early Years: Key messages from 10 years of the Growing Up in Scotland Study* (Scottish Government, 2015) <http://www.gov.scot/Publications/2015/10/7513/1>

<sup>43</sup> Scottish Government, *Summary Statistics for Attainment, Leaver Destinations and Healthy Living, No.6: 2016 Edition* (Scottish Government, 2016) <http://www.gov.scot/Publications/2016/06/4523/4>

amount of school clothing grant is decided by each individual authority and currently varies from £40 to £110 across Scotland. A short life working group looking at school clothing grant provision across Scotland reported in 2009. The group recommended that Scottish Government and COSLA should produce joint guidance for local authorities setting the minimum level of school clothing grant at £70 per pupil per annum and should consider how this amount could be increased to make a more proportionate contribution to the costs for parents on low incomes.

Despite the Scottish Government securing power under the Education (Scotland) Act 2016 to introduce a minimum school clothing grant, a minimum grant has not yet been set. According to research undertaken by the Child Poverty Action Group in Scotland (CPAG), One Parent Families Scotland and The Poverty Truth Commission, 23 out of 32 local authorities still pay less than the minimum amount recommended in 2009.<sup>44</sup> Research for the UK government in 2015 found that the average total expenditure on uniform was £212.88 (£188.82 where uniform could be purchased from any shop).<sup>45</sup> The research by CPAG, One Parent Families Scotland and The Poverty Truth Commission estimated that the cost of buying base components of a school uniform amounted to £129.50. This is a specific area where the Scottish Government could act now to make a difference to children living in poverty.

Delays and difficulties with payment of Education Maintenance Allowance were identified as a risk in supporting young people to continue in education. Young people may struggle to pay for transport and school or college equipment until they receive their payment and the delay make the difference in whether a young person is able to sustain further education. The Commission heard an example of a school acting to bridge the gap by providing a free bus pass until education maintenance allowance was received. The Scottish Government should work with local authorities to find ways of making the application process easier and quicker, and providing free transport to school until payment has been processed.

**Recommendations:**

32. The Commission welcomes the Scottish Government's commitment to closing the poverty related attainment gap. The Scottish Government should ensure that local authorities and schools have access to the best evidence about what works and that this informs the use of the attainment funding they receive. The impact of the £750m attainment funding should be monitored and evaluated.

<sup>44</sup> Child Poverty Action Group in Scotland, One Parent Families Scotland, and The Poverty Truth Commission, *Findings from 2017 School Clothing Grants Survey*, issued November 2017

<sup>45</sup> Elizabeth Davies, *Cost of School Uniform 2015* (Department for Education, 2015)  
<https://www.gov.uk/government/publications/cost-of-school-uniform-2015>

**Recommendations:**

33. The Scottish Government should establish a minimum rate for school clothing grants. The Tackling Child Poverty Fund could be used to help fund the additional cost.
34. The Scottish Government should work with local authorities to find ways of making the application process for Educational Maintenance Allowance easier and quicker, and providing free transport to school until payment has been processed.

***Income Maximisation***

Action to ensure that families are claiming all the benefits that they are entitled to and securing the best deals on services and products can have an immediate impact on quality of life for children and families.

The Commission welcomes the Scottish Government's introduction of a Family Financial Health Check Guarantee aimed at those on low incomes to support income maximisation. The service will advise on establishing eligibility for and claiming financial entitlements and securing the best deals on financial products, services, utilities and managing money. Delivery of the Family Financial Health Check must learn from what has and has not worked for other, similar, interventions such as the Building Connections programme in Glasgow where financial advice and other services were embedded in GP services and job centres.<sup>46</sup> The Universal Health Visiting Pathway, which includes regular routine enquiry about family finances and the potential to refer families to advice services, could also offer a route to support families to maximise their income, depending on how successfully this aspect is implemented.

**Recommendations:**

35. The Commission welcomes the roll-out of a Family Financial Health Check Guarantee aimed at those on low incomes to support income maximisation. The Scottish Government should monitor who is being reached by the Health Check and consider what action is needed to ensure that it is accessible to all those who might benefit.

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<sup>46</sup> Jamie Sinclair, *Building Connections: Co-locating Advice Services in GPs and Job Centres* (Glasgow Centre for Population Health & Joseph Rowntree Foundation, 2017) [http://www.gcph.co.uk/publications/745\\_building\\_connections\\_co-locating\\_advice\\_services\\_in\\_gps\\_and\\_job\\_centres](http://www.gcph.co.uk/publications/745_building_connections_co-locating_advice_services_in_gps_and_job_centres)

## **Transitions**

Research exploring transitions into and out of poverty for children found that two-thirds of children who entered poverty were previously living in a household with an income between the poverty line and median income, and were therefore already relatively close to the poverty line. Moving from working to worklessness was a key factor in entering poverty. Household events such as having a new baby (and particularly a first child) or parental separation can also push some families into poverty.<sup>47</sup>

The Commission identified transition points as important risk points for entering poverty. These include both life stage transitions, such as having a baby, a child starting primary or secondary school, or transitions to adulthood for young people; and other kinds of transition points related to life changes, such as relationship breakdown, losing a job or getting reduced hours, illness or end of tenancy.

The Commission welcomes the introduction of the Best Start Grant which replaces and expands on the Sure Start Maternity Grant, introducing two additional payments at key transition points in the early years (starting nursery and starting school). In addition to support in the early years the Scottish Government is also taking action to support young people in the transition to adulthood. The Job Grant for Young People Aged 16-24 is being introduced, which is aimed at young people who have been out of work for six months and the Scottish Government also plans to pilot free bus travel for young modern apprentices. These grants can provide important support at crucial transition points. The extension of aftercare for looked after young people up to the age of 26 which includes financial support towards education and training, is also an important support at a crucial time.

There may be scope for the Scottish Government to provide more support to reduce the impact on children of life changes that carry a risk of poverty. Changes in circumstances can quickly drive families into poverty and debt. The Commission discussed the potential for a transitions fund that could make financial support available to families to enable them to manage or reduce the impact of transitions such as relationship breakdown, move into/loss of employment, acquiring a health condition/impairment, relocation, or a tenancy ending. Any new fund should complement the crisis grants and community care grants available through the Scottish Welfare Fund.

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<sup>47</sup> Department for Work and Pensions, *Child Poverty Transitions: Exploring the Routes into and out of Poverty 2009-2012* (Department for Work and Pensions, 2015)  
<https://www.gov.uk/government/publications/child-poverty-transitions-exploring-the-routes-into-and-out-of-poverty>

**Recommendations:**

36. The Commission supports the introduction of the Best Start Grant and the Job Grant for young people aged 16-24. The Scottish Government should monitor and evaluate the impact of these grants.
37. The Scottish Government should consider using the Tackling Child Poverty Fund to pilot a transitions fund (potentially modelled on the new Independent Living Fund) to make support available to families at transition points such as relationship breakdown, move into/loss of employment, acquiring a health condition/impairment, or relocation. This could link into existing funds such as the Scottish Welfare Fund.

***Supporting Families***

Supporting family life and relationships is one of the areas that JRF identifies as important in reducing child poverty. Living in poverty can put a strain on relationships and increase the likelihood of suffering stress, anxiety and depression. This can sometimes make parenting more difficult. Family and parenting support, alongside income maximisation, can support families that are under pressure. Parenting that supports children's development and attainment can also help to prevent poverty in the future. However the evidence of efficacy for parenting support is still weak.

The Scottish Government currently invests in family and relationship support through the Children, Young People and Families Early Intervention and Adult Learning and Empowering Communities Fund. The fund is providing £15m in 2017/18 to support third sector organisations working with children, families and adult learners. One of the key components of the Fund is improving parenting capacity and family support. The Scottish Government should ensure funding is available to deliver parenting support, alongside rigorous evaluation to learn what aspects of support are likely to be most effective in ameliorating the impact of poverty on children.

A relatively small number of children in poverty will live in families with complex needs. These needs could include mental health conditions, homelessness, domestic abuse, substance abuse or involvement in the criminal justice system. Some of these complex needs may have come about in part as a result of poverty or may have been exacerbated by poverty. While the measures to address child poverty for all families are important for these families they are likely to also need additional support to manage the impacts of poverty.

**Recommendations:**

38. The Scottish Government should ensure funding is available to deliver parenting support, alongside rigorous evaluation to learn what aspects of support are likely to be most effective in ameliorating the impact of poverty on children.
39. The Child Poverty Delivery Plan should also consider how families with complex needs can best be supported to manage and reduce the risks and impacts of child poverty.

***Providing public services in a respectful way that preserves dignity***

In order to improve the quality of life of people living in poverty it is not only the services that are provided that matter, but also how they are provided. Everyone has the right to be treated with respect and to receive a service that meets their needs. Naomi Eisenstadt highlighted this in her report *Shifting the Curve*<sup>48</sup>. People living in poverty may be more dependent on a range of public services but may also find them more difficult to access and may receive a poorer service. *Shifting the Curve* notes that people felt ‘ashamed, belittled, and exhausted with the effort required to get basic needs met’. This requires a culture shift in organisations and training for staff on avoiding stigma and providing an inclusive service. The Commission has highlighted this in relation to the new Social Security Agency but it is also important for wider public services and frontline local services.

**Recommendations:**

40. The Commission supports Naomi Eisenstadt’s recommendation that public service delivery should be respectful, person-centred and preserve 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.

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<sup>48</sup> Naomi Eisenstadt, *Independent Advisor on Poverty and Inequality: Shifting the Curve – A Report to the First Minister* (Scottish Government, 2016)

## **Appendix 1: Full list of recommendations**

### ***General principles***

1. In identifying actions to include in the Delivery Plan the Scottish Government must be specific about the expected impact of each action on the statutory targets. It should commit to monitoring and evaluating the impact of these actions.
2. The Delivery Plan should commit the Scottish Government to provide analysis of the likely impact of annual budget decisions on the child poverty targets.
3. The Delivery Plan should take a strategic cross-portfolio approach, making full use of new powers and available policy choices. The Scottish Government should designate a senior person within government with responsibility to ensure this cross-portfolio approach is co-ordinated and delivered on. The plan should also recognise the role that needs to be played by the wider public sector, the private sector and the third sector.
4. The Delivery plan should focus particularly on a core set of actions that are likely to have the biggest impact on reaching the child poverty targets.
5. The Delivery plan should also clearly set out the wider activity that is needed to underpin these actions and the links with other strategies and policies. Every part of government should be clear about its contribution to delivering the outcomes set out in the Delivery Plan.
6. The Scottish Government should consider whether there may be any unintended consequences of the actions they propose, and, where possible, put in place measures that address this.
7. The Delivery Plan should set child poverty in the context of human rights, and particularly the UN Convention on the Rights of the Child.
8. The Delivery Plan should recognise that some households have a much higher risk of poverty than other households. The Delivery Plan should be clear how its proposed actions will support children from high risk households.
9. Some households face additional costs and require a higher income, or other kinds of support, in order to achieve the same living standards as other households. The Delivery Plan should demonstrate awareness that other factors beyond income can impact on experiences of poverty.

10. The Delivery Plan should set out how the Scottish Government will ensure that children and families with direct experience of poverty will continue to be involved in the development and delivery of the actions. It should ensure that this consultation reaches wider communities and not always the same organisations and individuals.
11. The Delivery Plan should also include actions which might not have an impact in time for the 2030 targets but which will improve outcomes and reduce inequalities in the longer term.
12. The Delivery Plan should reflect the geography of poverty across Scotland and ensure that the geographical variations are taken into account in the proposed actions.
13. The Delivery Plan should make sure that there are connections between national and local Child Poverty Delivery Plans. Local plans should be clear on the connections between actions and outcomes.

### ***Work and Earnings***

14. The Child Poverty Delivery Plan should include action to support parents who are able to work, or able to work more, into employment. This action should be developed in response to a clear analysis of the barriers to employment and evidence about what works in supporting people into work.
15. The Delivery Plan needs to particularly recognise the barriers that may be faced by those at greatest risk of poverty, including single parents, households with a disabled member and black and minority ethnic households, and consider how it can address the specific needs these households may have. In doing so the Delivery Plan should consider the recommendations made in *Addressing Race Inequality in Scotland: The Way Forward* and actions to 'reduce by at least half the employment gap' between disabled and non-disabled people set out in *A Fairer Scotland for Disabled People*.
16. The Delivery Plan should consider what further analysis may be needed about access to and outcomes of vocational training for groups at risk of poverty, and what action might be taken in response to this analysis.
17. The Delivery Plan should set out action to support progression in work for families in working poverty. Given the limited evidence about what works in this area, this might include action to test what support works to help people move jobs, undertake training, and work more hours, and what incentives can help deliver this.



18. The Delivery Plan should consider how the Scottish Government can work with employers to improve the quality of part-time work. Employers should consider job design to build in progression at the lower end of the wage spectrum.
19. The Delivery Plan should set out how investment in early years childcare will ensure it is of high quality and also able to support parents into employment.
20. The Scottish Government has committed to developing a strategic framework for after-school and holiday childcare. This should be taken forward as a priority given the potential impact of the availability of out of school care on parents' ability to access and sustain employment.
21. The Delivery Plan should set out how the Inclusive Growth agenda and City Deals will contribute to delivering the child poverty targets.

### ***Social Security***

22. The Commission believes that investment in social security is needed if the targets are to be met. The Delivery Plan should set out the extent to which the Scottish Government intends to use Social Security powers to meet the child poverty targets.
23. The Delivery Plan should set out the options that the Scottish Government will consider over the period to 2030 to top up or create benefits. It should consider the options that are modelled as having the greatest financial impact alongside other relevant factors such as cost and complexity of delivery, take up rates, income security, and potential disincentives to move into work or increase earnings in order to identify the most effective option to impact on child poverty.
24. The Delivery Plan should commit to ensuring that the new Social Security Agency is established in such a way that it can deliver the top up benefits or new benefits that are needed to tackle child poverty. This does not preclude Scottish Government from topping up current benefits under the existing system.

### ***Housing***

25. The Delivery Plan should explore ways of reducing housing costs for families with children living in poverty.
26. The Commission acknowledges the Scottish Government's existing commitment to deliver 35,000 new homes for social rent over the term of this Parliament and recommends that the prioritisation of social housing should be continued.

27. Housing costs and supply of social housing varies significantly across Scotland so the Scottish Government should particularly look at the geographical aspects of supply and demand for households with children and focus action where it is needed most.
28. Work on housing supply should also take account of accessibility, including for wheelchair users, as well as supply as accessible housing can improve quality of life, increase access to employment and reduce housing costs for disabled people.
29. The Delivery Plan should commit to monitoring and evaluating the impact of the changes introduced by the new Private Residential Tenancy and rent pressure zones on child poverty and considering whether further action may be needed to limit rent increases in the private rented sector.
30. The Scottish Government should continue its work to reduce fuel poverty. The Commission supports Naomi Eisenstadt's recommendation in *Shifting the Curve* that more should be done to ensure that fuel poverty programmes are focused to support those on low incomes, and do more to tackle the poverty premium in home energy costs.

### ***Improving Quality of Life***

31. The Delivery Plan should set out specific actions to help families manage the impacts of poverty. It should be clear on what outcomes these actions are expected to deliver, and who is expected to benefit. It should commit to putting appropriate monitoring and evaluation in place.
32. The Commission welcomes the Scottish Government's commitment to closing the poverty related attainment gap. The Scottish Government should ensure that local authorities and schools have access to the best evidence about what works and that this informs the use of the attainment funding they receive. The impact of the £750m attainment funding should be monitored and evaluated.
33. The Scottish Government should establish a minimum rate for school clothing grants. The Tackling Child Poverty Fund could be used to help fund the additional cost.
34. The Scottish Government should work with local authorities to find ways of making the application process for Educational Maintenance Allowance easier and quicker, and providing free transport to school until payment has been processed.
35. The Commission welcomes the roll-out of a Family Financial Health Check Guarantee aimed at those on low incomes to support income maximisation. The Scottish Government should monitor who is being reached by the Health Check and consider what action is needed to ensure that it is accessible to all those who might benefit.

36. The Commission supports the introduction of the Best Start Grant and the Job Grant for young people aged 16-24. The Scottish Government should monitor and evaluate the impact of these grants.
37. The Scottish Government should consider using the Tackling Child Poverty Fund to pilot a transitions fund (potentially modelled on the new Independent Living Fund) to make support available to families at transition points such as relationship breakdown, move into/loss of employment, acquiring a health condition/impairment, or relocation. This could link into existing funds such as the Scottish Welfare Fund.
38. The Scottish Government should ensure funding is available to deliver parenting support, alongside rigorous evaluation to learn what aspects of support are likely to be most effective in ameliorating the impact of poverty on children.
39. The Child Poverty Delivery Plan should also consider how families with complex needs can best be supported to manage and reduce the risks and impacts of child poverty.
40. The Commission supports Naomi Eisenstadt's recommendation that public service delivery should be respectful, person-centred and preserve 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.

## Appendix 2: Children at highest risk of poverty

The data in these tables is drawn from published data<sup>49</sup> and unpublished data provided to the Commission by Scottish Government.

### Household type

	Percentage of children in each family type living in poverty	Percentage of all children living in poverty who live in this family type
<b>Children in single parent families</b>	36%	38%
<b>Children in couple parent families</b>	19%	62%
<b>All children</b>	23%*	100%

*\*The figure for all children used in these tables differs from the 2015/16 overall figure because the analysis of the characteristics of children in poverty uses three years of combined data in order to make the data more robust when considering poverty rates amongst relatively small groups.*

### Age of mother

	Percentage of children in each family type living in poverty	Percentage of all children living in poverty who live in this family type
<b>Children with a mother under the age of 25</b>	44%	11%
<b>Children with a mother aged 25 or over</b>	22%	89%
<b>All children</b>	23%	100%

### Ethnicity of household

	Percentage of children in each family type living in poverty	Percentage of all children living in poverty who live in this family type
<b>Children in Black and Minority Ethnic households*</b>	37%	10%
<b>Children in White Households</b>	22%	90%
<b>All children</b>	23%	100%

*\*Sample sizes are too small to reliably report on individual ethnic groups therefore, although far from ideal, they have been combined into two categories of Black and Minority Ethnic and White so they can be reported.*

<sup>49</sup> Scottish Government, *Overview of characteristics associated with poverty – tables* (Scottish Government, 2017) <http://www.gov.scot/Topics/Statistics/Browse/Social-Welfare/IncomePoverty/povertytable>

**Whether there is a disabled person in the household**

	<b>Percentage of children in each family type living in poverty</b>	<b>Percentage of all children living in poverty who live in this family type</b>
<b>Children living in a household with a disabled person</b>	30%	38%
<b>Children living in a household without a disabled person</b>	20%	62%
<b>All children</b>	23%	100%



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