

## ANNEX A

### Meeting Child Poverty Targets

#### Committee

1. There are arguably many other budget lines that contribute to poverty reduction. The Committee would find it helpful to know what the Scottish Government understands to be the key budget lines relevant to the Committee's remit. We would also appreciate an overview of how you work across government to poverty proof policy decisions across portfolios.

#### Response:

Tackling poverty is a key priority of the Scottish Government, and elements of budgets across a number of portfolios will contribute to this, as well as to the key themes of tackling child poverty, climate change and economic recovery. Given this Committee's remit, we have focused primarily on the contributions of the Social Justice Housing and Local Government portfolio.

In driving forward our national mission to end child poverty, we recognise the need for urgent and targeted action which is underpinned by work across the Scottish Government. In 2020-21 we invested around £2.5 billion to support low income households, including nearly £1 billion to directly support children from across government portfolios. The ['Tackling child poverty: third year progress report 2020-2021'](#) details those policies and areas of spend which are of particular note, for example Fairer Scotland and Early Learning and Childcare.

We are currently working to develop the next Tackling Child Poverty Delivery plan - which will set out a cross government approach to tackling child poverty. This will include maximising outcomes from a range of portfolios including my own, Employability, Early Learning and Childcare, Transport, and Health.

As part of the Resource Spending Review (RSR) all portfolio areas will be supported to review and challenge budgets in priority including child poverty. Cross portfolio working will underpin the RSR, supporting analysis of the effectiveness of policy interventions and providing options on how to best use our limited funding envelope to maximise outcomes and deliver the PfG and Bute House Agreement commitments over the remainder of the parliamentary term.

2. The Committee calls on the Scottish Government to double the Scottish Child Payment as soon as possible and looks forward to discussing the Scottish Government's proposals for this once the budget is published.

#### Response:

As you will know we have prioritised our commitment to doubling the Scottish Child Payment to £20. This will be from April 2022, investing an extra £103 million in the financial year 2022/23 and a total of £197 million. This substantial investment will immediately benefit around 111,000 children living in low income households, and around 400,000 children will be eligible when SCP is extended to under 16s at the end of 2022.

3. The Committee asks the Scottish Government to look at what support could be provided to families who are in receipt of Universal Credit, but whose children do not qualify for free school meals.

**Response:**

Building on the innovative approach taken in response to the COVID pandemic, our Bridging Payments are supporting as many children and young people as possible in advance of the full roll out of the Scottish Child Payment – reaching in the region of 150,000 children and young people with payments worth £520 in both 2021 and 2022. These payments, delivered by local authorities, utilise Free School Meal data to passport entitlement as this data is readily available to councils.

We remain committed to delivering the Scottish Child Payment in full by the end of 2022, dependent on the necessary data being received from DWP in order to make payments of this new benefit. Without this data, it is not possible for us to deliver the Scottish Child Payment or an interim solution with the same eligibility criteria as the required data is not available. The Scottish Child Payment remains the best route for us to provide support to those who need it most, including families both in and out of work – we will continue our focus on delivering this new benefit for older children as soon as we are able.

4. The Committee would like further detail on the Scottish Government’s employment plans and to know what you are doing to ensure these have maximum impact on child poverty.

**Response:**

Labour market interventions can support parents towards, into and within work, delivering a sustainable route out of poverty for many families. No One Left Behind, our strategic approach to employability, including investment through the Parental Employability Support Fund and Young Person’s Guarantee, aims to deliver on our shared ambitions in this area by delivering flexible, personalised and holistic support aligned with local labour markets and opportunities. Support is also available through Fair Start Scotland and we are refreshing our continuous improvement action plans to drive increased targeting of priority family groups – pilots underway focussing on lone parents and supporting females out of the sex industry.

Through the Scottish approach to employability, individuals are supported by Employability Key Workers facilitating access to a broad range of support services, for example housing, health and debt advice, alongside core employability and skills interventions. This approach ensures that barriers are not addressed in silos and that individuals receive the one-on-one support needed to sustain service engagement.

In order to deliver successful labour market interventions we recognise the need to ensure that user voice and stakeholder experience are utilised to deliver better outcomes for service users and we are taking forward a specific programme of activity to identify further proposals to support parents from the priority family groups towards, into and within work under the following themes:

- Going further faster from **existing labour market policies**
- Embedding employability within a range of **wraparound services**

➤ Strengthening **governance and accountability** to drive impact

These themes are supported by a commitment to build and draw upon a strong evidence base.

It's important to note however that employability is often not the initial point of contact for unemployed individuals facing multiple barriers and that education and referral pathways will remain crucial in promoting work as a sustainable route out of poverty,

For our child poverty targets to be met, we don't just require effective employability and skills interventions that help people enter the workplace, we also need people to progress and flourish in employment. Those who work hard to overcome often significant barriers to access employment deserve the opportunity to develop their skills and earn increasingly higher wages. Having people stuck in low wage insecure employment or, worse, forever shifting between low wage work and periods of unemployment will do little to address child poverty.

Employment law is reserved and therefore the Scottish Government, through our Fair Work agenda, has to continue to be creative in finding new mechanisms for helping to improve the quality of jobs in Scotland. We are consulting on the delivery of our vision, shared by the Fair Work Convention for Scotland to be a leading Fair Work nation by 2025. We will continue to do all we can, for instance, through the expansion of the take up across the public sector of our Fair Work First initiative which has recently been expanded to include specific promotion of flexible working practices. We have also committed that we will now require the real Living Wage to be paid to workers on public contracts, where it is proportionate and relevant to do so

5. Also, the Committee would find it helpful to know what impact a National Care Service will have on employment of women, people with disabilities, and carers wanting to enter the labour market.

**Response:**

The National Care Service consultation closed earlier this month, and the responses are being analysed. The Independent Review of Adult Social Care noted that improvements to the experience of the workforce were fundamental to building an improved care service. The Scottish Government has a long-standing commitment to the principles of Fair Work for the social care sector, we can confirm that work on improving employment conditions for workers in the sector is already underway. This includes improvement to pay and conditions, promoting awareness of carers in the workplace and flexibility for them through the Carer Positive scheme and improving the mechanisms available for Effective Voice at a local level.

Since 2016 the Scottish Government has provided funding to ensure all direct care workers are paid at least the Real Living Wage, this year raising pay from £9.30 to £9.50. This year this commitment went further. The recently announced funding package will support an increase in pay from at least £9.50 to at least £10.02 for frontline care workers from December 1<sup>st</sup> 2021. This significant increase in pay (from £9.30 to £10.02), and projected funding this financial year alone of up to £112 million, recognises the incredible contribution that our social care workforce provide and is a significant step towards in delivering our commitment to improve Fair Work in social care.

The National Care Service will allow us to introduce a National Wage for Care staff and enter into national pay bargaining for the sector, based on fair work principles, for the first time.

More generally we remain committed to tackling the Gender Pay Gap and also by 2038 to halve the Disability Employment Gap. We will refresh our Disability Employment Gap and Gender Pay Gap Action Plans in Spring 2022 alongside and aligned with the development of a new Ethnicity Pay Gap Strategy and a refresh of the overarching Fair Work Action Plan.

6. The Committee welcomes this expansion of free childcare places and would like to know more about the Scottish Government's timescales for delivery and the funding to support this goal as we hope this is an area that can be prioritised.

### **Response:**

We are providing £552 million of resource funding to local authorities in 2022-23 to support the delivery of 1140 hours of funded early learning and childcare. This will help to deliver three key benefits that will contribute to reducing child poverty over time: improving children's outcomes and helping to close the poverty-related attainment gap; increasing family resilience through improved health and wellbeing of children and parent; and, supporting parents into work, study or training.

Following the successful delivery of the 1140 hours from August 2021, we are now setting out our ambition to provide funded early learning to all 1 and 2 year olds, starting in the course of this Parliament with children from low-income households

This year we will begin engagement with families, the early learning sector and academic experts to design how the new offer can best support children and families.

As set out in this year's Programme for Government, we will also build a system of school age childcare to support children and families during this Parliamentary term. This will deliver 'wraparound' school age childcare providing care before, after school, and in the holidays. Those on the lowest incomes will pay nothing.

By August next year we will publish a 5-year delivery plan which will set out the high level milestones for delivering this commitment including early phasing and targeting which will ensure those families who will benefit most can access this offer at the earliest opportunity. We will engage key stakeholders in drafting this delivery plan and will also work with our people panel - made up of parents and carers and children and young people - to ensure we continue to involve users in the development and design of our future system of school age childcare.

Within the Covid Recovery Strategy we have also committed to beginning the early phasing-in of community level systems of school age childcare in 2022-23. This early phasing work will be targeted to support the six priority groups as outlined in the Tackling Child Poverty Delivery Plan and will be supported by an investment of £3 million in 2022-23. We will build on learning from our Access to Childcare Fund projects and input from our People Panel to help us test and understand how we can design a system of school age childcare to support a community. We will also engage families within those communities to understand the demand for school age childcare, what capacity is required to meet those demands and how best to fund this offer for those target families.

We will also deliver a £10 million summer holiday and activities programme for low income families in 2022, building on learning from the Get Into Summer programme in 2021.

7. The Committee recognises that Scottish Carer's Assistance is currently in development. We would welcome further information on what the Scottish Government anticipates the eligibility criteria and payment levels would be

**Response:**

As detailed in our previous letter from the Minister for Social Security and Local Government to the Committee on the 29 September 2021, work is currently ongoing in the development of Scottish Carer's Assistance (SCA).

We have heard from carers about a number of things they would like to change about Carer's Allowance once we have introduced our replacement benefit, Scottish Carer's Assistance. We are working with carers and the organisations who support them to deliver a benefit that will work better for the people of Scotland and will consult this winter on our proposals. We recognise that the pandemic has identified a need for greater flexibility in how we support carers when society faces significant changing circumstances. That is why the Carer's Allowance Supplement (Scotland) Act 2021 doubled the December 2021 Carer's Allowance Supplement payment.

We are continuing to invest more than £350 million in 2022-23 in supporting carers through Carer's Allowance, Carer's Allowance Supplement, and the Young Carer Grant. This is in addition to wider Government spending on carer policy, including £68 million per year for Carers Act implementation Considerations which are ongoing to consider the potential to use the powers in the Carer's Allowance Supplement (Scotland) Act to increase the amount of Carer's Allowance Supplement which will be paid in future periods.

8. In addition, the Committee asks the Scottish Government whether the budget will include further support for carers, in particular further respite care.

**Response:**

The budget includes £20.4 million to expand local carer support, including short breaks, to meet increasing demand under the Carers Act. Added to similar (baselined) increases in previous years since the Act came into force in April 2018, this brings the total investment in the Carers Act for 2022-23 to £88.4 million per year. In addition, the budget includes £5.0 million to expand short breaks from caring, including a substantial increase to the Short Breaks Fund.

## Homelessness

9. The Committee asks the Scottish Government for an update on local authorities' progress in not using unsuitable temporary accommodation.
10. The Committee would find it helpful to know how the Scottish Government will allocate the remaining £16 million and how the further £50 million resource will be prioritised over the next 5 years.

**Response:**

Temporary accommodation offers an important safety net for anyone who finds themselves homeless but we are clear it should only ever be temporary. Recent engagement has shown

that all local authorities, even those with significant challenges, are making positive progress towards reducing the use of unsuitable accommodation. Measures such as increasing Private Sector Leasing schemes, developing additional long term supported accommodation and working with RSLs to increase the amounts of lets secured have recently been implemented to reduce the number of households in unsuitable temporary accommodation. Local authorities are also increasing the number of properties purchased on the open market, flipping temporary furnished flats into permanent homes if and when stock allows, and recruiting more staff to support a shift to a more prevention focused approach to negate the need for these households to enter temporary accommodation in the first place.

The current five year £50 million ending homelessness together fund covers the same period as our Ending Homelessness Together action plan - 2018/19 to 2022/23 and the remaining funds will be invested in 20/21 and 22/23 to align with the ambitions set out in the plan. The largest part of our allocation each year has gone to local authorities so that they can implement rapid rehousing transition plans, including plans for Housing First. A significant part of the budget was used this year to fund homelessness prevention activity, specifically the new £10m grant for tenants facing rent arrears. We are also supporting the third sector to innovate and transform the services they provide to people experiencing or at risk of homelessness (via the Third Sector Homelessness Fund).

The additional new £50 million fund will be invested over this parliamentary term and will allow us to maintain momentum with partners and focus on the next phase of Ending Homelessness Together. We anticipate that more of our resources will be directed towards homelessness prevention in future years.

11. Meantime, the Committee would welcome the Scottish Government's views on Crisis' [Plan to End Homelessness](#), based on implementing measures in Scotland to prevent homelessness, which would cost £76m over 25 years but generate savings of £207m. The Committee also asks what consideration the Scottish Government has given to the nine recommendations made in the Salvation Army research.

## **Response:**

Crisis' 2018 Plan to End Homelessness (in Great Britain) strongly influenced Scotland's homelessness strategy, Ending Homelessness Together. The Chief Executive of Crisis chaired our Homelessness and Rough Sleeping Action Group, and sits on our homelessness steering group, the Homelessness Prevention and Strategy Group (HPSG). HPSG ensures that our direction of travel is the right one and that we remain on track to deliver against the actions in Ending Homelessness Together.

The Salvation Army's report of March 2021, which looked at whether the ending homelessness together fund would be sufficient to address our plans to end homelessness, was published before Scottish ministers announced plans to invest an additional £50 million to end homelessness and rough sleeping. Officials have met with the Salvation Army and discussed the findings with them. While helpful, the report does not take account of other funds invested by the Scottish Government which contribute to preventing and addressing homelessness, including the £23.5 million homelessness support fund, the £80+ million for discretionary housing payments and the Affordable Housing Supply Programme.

## Affordability, income maximisation and debt

12. The Committee welcomes the Scottish Government's investment in welfare rights advice as we recognise how important these services can be to ensuring benefit take up and income maximisation. We look forward to considering these issues further at our future evidence session on the new Benefit Strategy and within the context of the budget when published. We would hope the Scottish Government can work to clarify the fiscal position between the Scottish Government and the UK Government on benefit take-up campaigns.

### Response:

As set out in our second Benefit Take-up Strategy, the Scottish Government has committed to investing £10 million over the course of this Parliament to increase clients' access to advice services in accessible settings to maximise incomes, tackle the poverty penalty and improve wellbeing. £2.92 million of this is dedicated to expanding Welfare Advice and Health Partnerships over the next three years, which will be used to place money advisors in up to 150 GP practices in some of Scotland's most deprived areas, alongside expanding on pilot work providing advice in education settings. Welfare Advice and Health Partnerships will reduce pressure on GPs and primary care services - allowing them to focus on clinical care and treatment for patients while a dedicated advisor supports them to address their social and economic needs. Evidence has shown that money and welfare advisors in health centres often reach people who do not engage with traditional advice services. This will help us to meet the Social Security (Scotland) Act 2018 duty to 'ensure that individuals are given what they are eligible to be given through the Scottish social security system'.

We will also launch a new £20.4 million independent advocacy service in January 2022 – creating up to 100 new roles, and bringing free advocacy support to disabled people to help them access devolved benefits.

Scottish Government Ministers have made repeated calls on the UK Government to take a more strategic approach to benefit take-up, and would be keen to work more collaboratively with them on this. Scottish Ministers have agreement from the Secretary of State for Work and Pensions that the UK Government would not seek to pursue a spillover claim in certain circumstances - outlined to Committee by the Minister for Social Security and Local Government at your meeting on 11 November. The Fiscal Framework, the agreement between the Scottish and UK Governments which underpins the tax and social security powers devolved through the Scotland Act 2016, is due for review in early 2022. Both governments have recently agreed to commission an independent report on the Block Grant Adjustment arrangements, the changes to Scotland's block grant to reflect the further devolution of tax and social security powers, prior to a broader review of the Fiscal Framework. The Scottish Government will seek to agree further clarity in relation to the spillover provisions, including how they impact on benefit take-up campaigns., as part of that review.

13. The Committee asks the Scottish Government what it plans to do to better target poverty measures to take account of intersectionality which can compound people's experience of poverty and how it intends to collect the disaggregated data required.

## Response:

We are fully aware of the importance of an in-depth and nuanced understanding of how different groups are affected by poverty. The 6 priority families have been key to our approach from the first delivery plan and analysis focussing on one of the priority groups supports each of the annual reports on child poverty. A subsequent published slide-pack highlights key barriers and opportunities to help target policies to priority families. Local context is also key to understanding how national policies play out on the ground, and we are committed to working with local stakeholders and investing in place-based programmes of work to ensure that policies are delivered with maximum impact.

We understand that good data to measure service outcomes is important. We are continuing to develop good intersectional data in terms of statistics, qualitative research and evidence from lived experience and have established a new programme, the [Equality Data Improvement Programme](#) (EDIP), which aims to strengthen Scotland's equality evidence base.

In terms of poverty related quantitative data, we are working to get full value from existing data sources and increasing boosts to population surveys where such a boost can provide helpful results. All sample surveys are limited in what they can tell us about small sub-groups, so there is always a balance to be struck. We are currently investing around £650,000 per year to boost the Family Resources Survey so that we can provide sub-group data and publish more detailed analyses. We have also developed a poverty flag in the Scottish Household Survey, which is a larger sample survey, to provide more scope for analysis.

However, an in-depth and nuanced understanding of how different people are affected by child poverty often requires deeper, qualitative work and active participation of stakeholders to shape policy and services. This has already been carried out as part of policy and practice development. For example, key policies needed to tackle poverty such as Early Learning and child care's priority 2s policy and the Parent Employability support package both have tailored approaches to priority families. The funded Get Heard strand of the child poverty delivery plan continues to provide intersectional lived experience, and the child poverty team is currently carrying out a series of deep dives with groups most affected by child poverty to inform the next child poverty delivery plan.

14. The Committee calls for the Scottish Government to consider how it can better provide transparency and financial information that joins up disparate areas of policy that need to work together to tackle poverty.

## Response:

Our annual Tackling Child Poverty Progress report already sets out the resources targeted at reducing poverty and which portfolio/policies these come from.

Our second Tackling Child Poverty Delivery plan will set out a cross government approach to tackling child poverty. This will be clear on the areas of government that need to work collaboratively to set us on the path to achieve the challenging Child Poverty targets.

The approach set out in the Scottish Government's Resource Spending Review Framework outlines that supporting progress towards meeting our Child Poverty targets will be one of the three core priorities by which future spending plans are developed and appraised. The findings of this review will be published by the end of May 2022.



## Adult Disability Payment (ADP)

15. The Committee acknowledges that Adult Disability Payment should not be viewed as a cost, but as an investment in people with disabilities and asks the Scottish Government what plans it has to meet the additional resource implications of the Adult Disability Payment.

### Response:

Adult Disability Payment is a significant investment in the people of Scotland. This includes the additional investment which the Scottish Government is making over and above the level of funding which we receive from the UK Government through the corresponding Block Grant Adjustment. The Scottish Fiscal Commission expect this to be in the region of £15 million in 2022-23 and although the difference only rises to £214 million in 2026-27 due to different judgements taken by the Scottish Fiscal Commission and the Office for Budget Responsibility about the Personal Independence Payment baseline, the additional policy cost is forecast to be over £500 million per year by 2026-27.

We are funding social security to ensure the system can deliver a service based on dignity, fairness and respect, is an investment in the people of Scotland and provides clear value for money for the public purse. Social security expenditure is needs based, and as such is determined by the number of eligible people who apply for assistance.