



OFFICIAL REPORT
AITHISG OIFIGEIL

Social Justice and Social Security Committee

Thursday 21 April 2022

Session 6



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Pàrlamaid na h-Alba

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Thursday 21 April 2022

CONTENTS

	Col.
INTERESTS.....	1
DECISION ON TAKING BUSINESS IN PRIVATE	2
TACKLING CHILD POVERTY DELIVERY PLAN 2022 TO 2026.....	3

SOCIAL JUSTICE AND SOCIAL SECURITY COMMITTEE
13th Meeting 2022, Session 6

CONVENER

*Elena Whitham (Carrick, Cumnock and Doon Valley) (SNP)

DEPUTY CONVENER

*Natalie Don (Renfrewshire North and West) (SNP)

COMMITTEE MEMBERS

Jeremy Balfour (Lothian) (Con)

*Miles Briggs (Lothian) (Con)

Foyso Choudhury (Lothian) (Lab)

*Pam Duncan-Glancy (Glasgow) (Lab)

*Paul McLennan (East Lothian) (SNP)

*Emma Roddick (Highlands and Islands) (SNP)

*attended

THE FOLLOWING ALSO PARTICIPATED:

Emma Congreve (Fraser of Allander Institute)

Marion Davies (One Parent Families Scotland)

Jack Evans (Joseph Rowntree Foundation)

Peter Kelly (The Poverty Alliance)

Bill Scott (Poverty and Inequality Commission)

Claire Telfer (Save the Children)

Alison Watson (Shelter Scotland)

Philip Whyte (Institute for Public Policy Research Scotland)

CLERK TO THE COMMITTEE

Claire Menzies

LOCATION

The Mary Fairfax Somerville Room (CR2)

Scottish Parliament
**Social Justice and Social
Security Committee**

Thursday 21 April 2022

[The Convener opened the meeting at 08:45]

Interests

The Convener (Elena Whitham): Good morning and welcome to the 13th meeting in 2022 of the Social Justice and Social Security Committee.

I should say first of all that we have had a change of committee membership, and I want to welcome to the committee Paul McLennan. He replaces Marie McNair, whom I thank for her valued contribution to the committee since its establishment.

Agenda item 1, therefore, is a declaration of interests. I invite Paul McLennan to declare any relevant interests.

Paul McLennan (East Lothian) (SNP): I refer members to my entry in the register of members' interests. I am—at least for the next two weeks—a serving councillor, and I am also the owner of a rental property in East Lothian.

The Convener: Thank you very much for that, and welcome on board.

**Decision on Taking Business in
Private**

08:45

The Convener: Agenda item 2 is a decision on taking business in private. Do members agree to take item 4 in private?

Members *indicated agreement.*

Tackling Child Poverty Delivery Plan 2022 to 2026

08:45

The Convener: Agenda item 3 is evidence taking from two panels of witnesses on the Scottish Government's "Best Start, Bright Futures—Tackling Child Poverty Delivery Plan 2022-2026".

With our first panel, the members of which all join us remotely, we will focus on evidence from anti-poverty groups. I welcome to the meeting Marion Davies, who is director of policy, communication and strategy at One Parent Families Scotland; Peter Kelly, who is director of the Poverty Alliance; Claire Telfer, who is head of Scotland at Save the Children; Alison Watson, who is director of Shelter Scotland; and Bill Scott, who is chair of the Poverty and Inequality Commission. Thank you very much for joining us this morning.

Before we kick off, I want to mention a few housekeeping points. Please type an R in the chat function if you would like to come in on a topic, and I ask my colleagues in the room to direct questions to specific witnesses. We will be tight for time, as we have two panels, but we want to hear as much from you as possible, so I ask you not to endeavour to get everything you want to say into your first answer. You will have several opportunities to speak. Please bear that in mind.

I invite Pam Duncan-Glancy, who is in the room, to kick us off with questions on our first theme.

Pam Duncan-Glancy (Glasgow) (Lab): Good morning. Thank you for all the evidence that you submitted in advance of the meeting and for all the work that you have done this year and, indeed, in previous years. It has been—and still is—a really tough time for a lot of the people whom you represent.

I want to start with a question for Bill Scott. In its submission, the Poverty and Inequality Commission says that it is looking for "greater pace and scale" and increased investment. How does the delivery plan compare with those expectations? Does it include the stronger focus on evidence that you had wanted, and does it contain enough on social security to address the cost of living crisis at the moment?

Bill Scott (Poverty and Inequality Commission): Good morning, Pam, convener and other committee members.

The commission met last week for its first look as a group at the delivery plan, and we were in some ways quite satisfied that the Scottish

Government has listened to the advice that we provided when the plan was being put together. There is evidence of a greater acknowledgement of the pace and scale that will be required, and the greater investment, particularly in employability, is something that we very much welcome.

There is also evidence of the Scottish Government beginning to understand the intersectionality aspects and how poverty impacts in particular on women, disabled people and black and minority ethnic communities, and to appreciate that those groups are not distinct from one another. For example, 100,000 children are living in households with a disabled person and 90,000 are living in households with a lone parent; however, 30,000 of the children in the latter group are also living in a household with a disabled person. Unless we understand all the barriers that those groups face, it will be impossible to assist them to move out of poverty. We welcome that greater recognition and, indeed, we also greatly welcome the recognition of the importance of lived experience in informing the Government's policies and actions.

We also think that there has been an improvement in the publication of analysis supporting the background policy decisions in the plan, including the cumulative impact assessment modelling, which shows how the Scottish Government thinks that its actions will lead to a reduction in relative poverty to meet the interim targets.

There are, of course, areas where the Scottish Government has not necessarily taken on the commission's advice. We believe that more action will need to be taken on accessible and affordable transport, in particular, to link up all the other policies, because that is still a significant barrier to some people taking up employment opportunities. We would still like the concessionary travel scheme to be extended to more people on low incomes, although I should say that we welcome the extension of the scheme to younger people.

We would also like more action to be taken on affordable housing, and more thought to be given to how it can help to deliver the child poverty targets. Moreover, it remains to be seen whether the actions on employability will be sufficient on their own. We welcome the increased investment in that area, but we think that more work needs to be done with employers, as well as with those who are seeking employment, to deliver on that. I believe that the word "employability" has been coined in that regard, and it is important that employers understand the barriers that people face as they move into work and that they work with people to overcome those barriers before they do so.

All in all, we are quite impressed with the thought that has gone into the delivery plan. It is a good start, but it is certainly not the end of the process, and we think that more action will need to be taken to meet the cost of living crisis that many low-income households are facing. It is something of a contradiction that poverty can be reduced as a result of a fall in the average income, but it is a statistical fact that if average income falls from £30,000 to £29,000 or even £28,000, 60 per cent of median income will also be lower. That means that people whose income has not improved at all can be lifted over the poverty line, which reduces the numbers of those in poverty.

However, that is not what it feels like in one of those households, where poverty might well have deepened, because of the additional costs that people are facing. We have to remember that relative poverty is largely an income measure and that it takes into account only housing costs, not energy or food costs. If we are to really understand poverty, we need to listen much more carefully to people with lived experience and to look at other poverty measures, including material deprivation, in which I think that we will see a large rise over the next couple of years.

I will stop there.

Pam Duncan-Glancy: Thank you for that really comprehensive and helpful answer. How much does the effect of income distribution on poverty rates explain some of the projections in the modelling?

I also have another question, which is for Peter Kelly. The Poverty Alliance noted that social security is not yet adequate—members and others will know that I share its impatience for action on that, in particular on the adult disability payment and carers allowance—so could you talk about how we can start to address that and what we need to do now?

My first question was a short supplementary for Bill Scott, and the second one was for Peter Kelly.

Bill Scott: The issue that you mentioned has definitely affected the poverty figures over the past few years. We will not see last year's figures until next year, because one of the quirks of the system is the delay between the figures being collected and their being published. However, we know that the poverty figures have been affected over the past few years by so many people being on furlough and, therefore, receiving only 80 per cent of their earnings, and because there was the £20 a week top-up to universal credit. That meant that many low-income households who received universal credit had their income boosted, while at the same time many workers had their income reduced to 80 per cent of what it normally was. As furlough was still in place until November 2021,

that will continue to have an impact on the figures when they are published next year.

We need to bear in mind the fact that average income fell slightly during the pandemic and that, at the same time, the incomes of some of the poorest households rose because of the universal credit top-up. Of course, that has now gone, and those households are struggling as a result of the loss of that £1,000 per year.

The Convener: Can we now hear from Peter Kelly, please?

Peter Kelly (The Poverty Alliance): Thank you for your question, Pam. I will go back and answer your original question to Bill Scott, which I had hoped to respond to.

My initial reflections were about the quality and seriousness of the plan. You asked about the pace and scale of action, the use of evidence and so on, and whether all that added up to what could be interpreted as a good tackling child poverty delivery plan. I think that, over the piece, there are some important elements to the plan that we should welcome, in comparison with the approach that has been taken to addressing child poverty in past strategic plans.

It is worth pointing out that the fact that the Scottish Government has retained its approach of addressing the six priority groups and focusing on key drivers is significant. Over the years, when we have spoken about anti-poverty strategies and what we wanted to see in them, we have often spoken about the need for a consistency of approach and, in particular, a consistency of approach across parliamentary sessions. I think that we are seeing the benefits and importance of the Child Poverty (Scotland) Act 2017. It is important for all the different parties in Parliament to maintain the unanimity around that approach, so it is good to see that.

Like Bill Scott, we welcome the publication of the evidence and the attempt to link the evaluation and assessment of the policies that have been introduced to the changes that are being made in delivering on the child poverty targets.

In answer to the question about adequacy, incomes are not adequate. That is self-evident from the fact that we have the levels of poverty that we do. The question is whether we are moving towards adequate incomes and, as we said in our evidence, the doubling of the Scottish child payment at the start of this financial year, and the commitment to increasing it by another £5 before the end of the calendar year, are important, because that will deliver something quite significant. If the modelling is correct, we might well reach the interim targets that have been set, although it is important to say that the Scottish child payment on its own will not get us there.

It is also important that the plan sets out how our social security system can be used to address poverty in comparison with what happens in the reserved social security system. That is written into the Social Security (Scotland) Act 2018. The Scottish child payment needs to be progressively increased over the remainder of the parliamentary session. We have called for it to be £40 per week. As others have said, that should be kept under review.

09:00

We have a measure of income adequacy in the minimum income standard. We use that standard in different areas of Scottish Government policy, for example in relation to the real living wage or in the way that we understand fuel poverty in Scotland. We use the minimum income standard to guide our understanding of what is needed. We hope that the development of a minimum income guarantee will be based on the minimum income standard. That should take us towards adequate incomes.

The practical steps that we take are important. The Scottish child payment is really important, as is the mitigation of the benefit cap. We will need to see more practical steps being taken, particularly after 2023-24, if we are to reach the ending child poverty targets.

Pam Duncan-Glancy: Thank you, Peter, for that helpful answer, and I thank Bill Scott for the additional information that he provided.

My final question on this theme is for Claire Telfer. The submission from Save the Children notes that

“Any delay in implementation to the planned increase to the SCP will put meeting the interim targets at risk.”

We can all understand that. Are you worried about that? What should we be doing for the children who are on bridging payments and are not getting the additional money at all?

Claire Telfer (Save the Children): Good morning, and thank you for having me.

It is really welcome that there are additional commitments in the plan to use the Scottish child payment to support families in the short term and to build adequate incomes over time. It is important to focus on delivery if we are to meet the interim targets. More importantly, families need the additional money now. We would like additional action to be taken on the bridging payment to support the cost of living. We would support a short-term doubling of the bridging payment to support families through the current cost of living crisis.

It is important to think about how we build on the Scottish child payment over time. The increases

are welcome. It is such an important tool in tackling poverty that we should consistently review it to ensure that it makes a difference in building adequate incomes and meeting any future minimum income standard. It will be really important to be open to further increasing the Scottish child payment during the course of the plan.

Emma Roddick (Highlands and Islands) (SNP): Good morning. It is good to see you again, Bill. I want to pick up on a comment that you made about the importance of affordable travel. That is obviously a big barrier for many people in the Highlands and Islands. The plan discusses the complexity of rural poverty. I am particularly encouraged by the work that has been done on housing and the fact that evidence has been taken from the Anchor project in Shetland. Are there other aspects of rural poverty that you think need more attention?

Bill Scott: Absolutely. There are definitely areas of rural poverty that will require additional support, over and above what is already in place. For example, energy costs are significantly higher in rural areas, due to colder weather and to the supply mechanisms. Many people in rural areas rely on gas in containers, rather than having a mains supply. For all those reasons, we need to understand rural poverty to a much greater extent.

We are very concerned that there has been a loss of transport services in rural areas in particular. Such services were already pretty scarce, and they have been run down even further. Transport costs continue to rise at a time when the incomes of the poorest households are falling or are stationary. Those costs can be a significant barrier to taking up not only employment opportunities but training and education opportunities. I know that a review is taking place, but targeted action is needed to reduce some of those costs, particularly for people who live in rural areas, where transport services are not as good as they might be in major urban centres.

To an extent, because Scotland is a very successful tourism economy, housing costs are rising in rural areas, as what were formerly people's homes are turned into small businesses and let out to visitors. That makes costs rise for people who continue to live and work in those areas.

We need more affordable housing, and we need transport and energy costs to be addressed. Those are the three big headline issues, but I am sure that more could be added.

The Convener: Our second theme is employability and fair work.

Miles Briggs (Lothian) (Con): Good morning. I thank the witnesses for joining us. I want to kick off with questions on childcare, specifically in relation to barriers to work, because we often get feedback that people cannot go into the world of work due to childcare issues. As it is currently being delivered, to what extent does the policy of providing 1,140 hours of funded childcare maximise the impact on reducing child poverty and people's ability to realise work opportunities? I ask Marion Davies to answer first. Anyone else who wants to come in should put an R in the chat function.

Marion Davies (One Parent Families Scotland): Thank you very much for the invitation to give evidence. Single-parent households make up a quarter of all families in Scotland, and about four in 10 children in poverty live with a single parent, so such families are a key group for the tackling child poverty delivery plan.

As part of our work on the issue, we have consulted parents. We have just completed a huge survey, which 250-odd single parents replied to. They identified key areas of importance—one of the top ones was childcare—and fed back to us their concerns. We have about 110 pages of content in which single parents tell us about their experiences.

Childcare was one of the top issues that single parents raised. Childcare is crucial in allowing them to access further education and employment, given that they are on their own with their children. The new strategy obviously provides 1,140 hours of funded childcare, which is a very positive move, but we need to do more. The feedback from parents is that childcare is not flexible enough and does not match the requirements of the labour market. Official childcare is rigid in its delivery. Our vision is that every child up to the age of 12 should receive a funded childcare entitlement, which should be extended to 50 hours a week. In the meantime, we would like to make sure that what is available is more flexible.

It also came through in the survey that disabled children need more support and more of a focus, and they should have better access to affordable and appropriate childcare.

Childcare should be seen as a vital infrastructure investment and should be key to local economic development strategies. Aside from the official mainstream childcare, we need flexible wraparound childcare, which needs to be available during school holidays. That is a particular time of pressure for single parents who are in work. Even older children who perhaps have just started secondary school need things to do while their parents are at work.

We are moving in the right direction, but there should be an increase in the pace of development

of the availability of childcare. We should also deal with cost. Many parents said that they cannot afford the cost of childcare, and in particular out-of-school care was a big issue that came through in the survey.

Miles Briggs: I want to expand on that and ask about access to training and skills. Many colleges, for example, have put in place additional facilities, although those have been impacted during the pandemic. Do you have anything to add on that flexibility for people to upskill and access college places where they are available?

If no one wants to comment on that, I am happy to move on. I see that Bill Scott has his hand up.

Bill Scott: I want to follow on from what Marion Davies just said. To understand poverty in Scotland, we have to understand its gendered aspects. We talk about the fact that 90,000 children live in lone-parent families who are in poverty. However, actually, 97 per cent of those families are headed by a woman. Therefore, the barriers to employment and increasing skills disproportionately affect women, because of their caring responsibilities.

We need coherence and joined-up policy thinking. I welcome the fact that the plan takes steps towards making linkages across policy areas in Government. However, more could be done. For example, the 20-minute neighbourhood idea is a good one environmentally, but it is also really good for childcare. It is no good for lone parents if childcare is sited well away from where they live so that they have to travel there. As Marion Davies said, the hours are often inflexible, and many people have to travel back to pick up their child. If childcare was within walking distance, it would be much easier for people to fit their working day around it.

The increase in funded childcare is greatly to be welcomed, although we have still to see whether it will have the impact that it could have over a longer period. It will take time to have that sort of impact, but it is to be welcomed. Also, the planned improvements in after-school childcare for children who have reached school age are greatly to be welcomed. The commission wants to have more detail on those plans to see how they will work in practice, but they could be valuable.

09:15

We have to remember that two thirds of the children who live in poverty are in working households. The real barrier for those households is not that they are not in work but that they are not working sufficient hours to lift them over the poverty line, or that they are on such low pay that they are not lifted over it. If we can increase the number of hours that those households can work

by improving childcare we can help to lift those households out of poverty.

Claire Telfer: We welcome the progress that has been made in extending early learning and childcare. It is a hugely complex task to develop a childcare system that meets the needs of all families, and it is great that we are taking great steps towards that. As others have said, it will take time to see how that impacts on parents' ability to take up employment. However, we also need to remember to get the balance right between delivering that childcare in a way that supports children's development, particularly in their early years, and supporting parents to take up work or more hours.

We spoke to a number of parents, particularly to those with young children, about what they thought the priorities should be for the plan. It is fair to say that, for most parents on low incomes, childcare is still seen more as a barrier to work than an enabler. Some of that is perceived, and some of it involves actual challenges. In particular, there are fears about unmanageable costs. Accessing support to pay for childcare is so complex that it becomes inaccessible. Parents are put off, because they do not understand it or are not aware of it. There is a lack of information about places that are available locally and about how parents can be supported to pay for or take up childcare.

There are a number of challenges in how we make sure that support is available. Part of that is about providing holistic family support and tailored approaches to supporting employability. Those come through strongly in the plan and are welcome, as are the promises in the plan to extend free childcare further for younger children and out-of-school care.

In the next steps for building a childcare system that will enable all families to have the choice of working and of balancing that with childcare and that will be flexible enough to meet the needs of parents who work different shifts and meet different family needs, we need to take note of the lessons that we have learned in delivering what has been a complex extension in hours. Delivering that system at scale is a challenge and will take time. We do not have time to waste when it comes to starting to think about the specifics and about how we are going to start delivering.

Although the promises in the plan are welcome, the next steps in setting out what the goals are, how they relate to child poverty and what the timescales are for delivering on that will be very important for parents when it comes to the choices that they can make around work and caring for their children.

Peter Kelly: I will come back just very quickly on a couple of the points, because Bill Scott and Claire Telfer have covered some of them.

In our consultation on the plan, we similarly heard very clearly from community organisations about the importance of childcare and of extending the offer of childcare so that it begins earlier for younger children. That is important.

The offer to parents that is in the plan of connectedness to a dedicated key worker who will help to support access to childcare, taking into account issues such as transport, is welcome. The implementation of that new offer needs to be developed quickly. That is critical.

When it comes to how we do that, we need to draw on lessons of what has worked in the past. We are not starting from zero. We need to look at programmes, such as working for families, that were around quite some time ago—more than 10 or indeed 15 years ago—which offered holistic, integrated support to help parents return to the labour market in a way that worked and was sustainable. We need to draw on those kinds of lessons and not think that we have to start again with the development of new childcare arrangements.

Marion Davies: I wanted to make a general point about single parents' access to further and higher education. It is linked to childcare, as there is not really enough childcare to facilitate that access.

Beyond that, it is very hard for single parents to move into further and higher education now, because when their child is three, if the parent is in receipt of benefit, they are required to look for work. That means that any lone parent who wishes to take up further education is left with a very difficult decision, because they are still required to be available for work. If there were research that looked at the number of single parents who went into further and higher education, I think that it would find that there has been a catastrophic drop in those numbers. That is very important, because most single parents work in areas of the economy that are low paid, and that plays a part in the poverty that single parents face. To help tackle that, single parents need to be able to improve their qualifications so that they can move into better-paid work. All those things are connected.

Lastly, childcare and transport are crucially connected. If a single parent is in work and has a couple of children, with maybe one child going to nursery and one going to school, the connectivity of transport is crucial for them to get to all those places before they start work—perhaps at 9 o'clock in the morning—and later in the day when they do pick-ups. I would just go back to the issue

of transport and the points that Bill Scott made about how important it is.

The Convener: We move to questions from Natalie Don and then Pam Duncan-Glancy.

Natalie Don (Renfrewshire North and West) (SNP): Thanks, convener, and thank you to the panel—it is good to have you with us. I have a couple of questions.

We have touched on some of the priority groups already, such as single-parent families. Do you feel that the delivery plan has done enough to support employment for the priority groups? Do you feel that the Scottish Government has utilised its devolved powers fully in the plan? In your view, could efforts be enhanced further with the devolution of employment law? I put those questions to Bill Scott.

Bill Scott: Those are good questions. Whether enough has been done, only time will tell. The commission's point of view on the increased investment and employability is that it looks good. It looks as though it is addressing some of the issues for those priority families by providing both targeted and holistic support to assist them to overcome some of the barriers.

However, some of those barriers are structural, and we need to see more action taken on the structural barriers to taking up employment. We have to say that we still have far too many low-paid jobs. People become stuck in those jobs for some of the reasons that Marion Davies has pointed out, so improving skills is an important aspect in moving up the career ladder.

We would like to see more support for disabled people and their families in particular, because the largest single group of children living in poverty are those in households with either a disabled parent or a disabled child. Therefore, it is very important that childcare addresses the additional needs of disabled children.

It is also important that the employability service that is offered is more along the lines of individual placement and support. That approach has been very successful in moving people with medium to severe mental health difficulties into work—it has a very high success rate, and it works with both disabled people and employers to address barriers. For employers, it works to address barriers in both the recruitment process and the workplace that they might not even be aware are there, in order to ensure that those aspects are truly accessible. It then tries to place disabled people with those employers.

We need to see a holistic approach to employability that also addresses benefit take-up, access to work support and so on. We have yet to see how exactly the new employability funding will

work, but we hope that it will be more along those lines.

I also welcome the new parental transition fund of £15 million per year, which is there to address some of the financial barriers to work. It is aimed at tackling some of the issues that Marion Davies identified. People often have to pay childcare costs up front, but they get support with those costs only in arrears. During their first month of work, they are paying their childcare costs but they have no income. If the fund can begin to address some of those issues, that will help to enable many families to make the decision to take up work opportunities. At present, they look at the situation and say, "Well, I'm not going to be able to feed the children if I take up that job, because I just can't afford both the childcare and putting food on the table." I, and the commission, hope that the new parental transition fund will be able to address some of those barriers.

Natalie Don: That touches on one of my supplementary questions. You mentioned that employers are becoming a little bit more flexible in accommodating employees who might have childcare commitments or other issues—for example, by ensuring that people in poverty have financial support to enable them to afford the tools or clothes that they might need in their workplace or to get to work.

Can you reaffirm whether you feel that that is happening just now? Are employers giving that extra support and coming round to opening up those barriers for people?

Bill Scott: I do not know. We definitely need to see more work done with employers to alert them to the need for removal of some of the barriers. There is probably a role for the Fair Work Convention and others in that area.

One thing that has absolutely been proven during the past two years of the pandemic is that people can work very successfully from home. That removes one of the barriers for a lot of disabled people, who may find it difficult to get accessible transport to and from work or find that the journey saps their energy. A lot of people who have myalgic encephalomyelitis and so on find the journey to work a barrier—not just the cost, but the physical effort that is involved. If they can remain at home and work successfully—and they can—we need to get that message across to employers.

Hybrid forms of working are now much easier to achieve for many types of jobs, and that should open up employment to more disabled people than was previously the case. Let us hope that employers have learned some of the lessons of the pandemic and that they begin to open up more opportunities to disabled people.

Natalie Don: Thank you, Bill—you are pre-empting my questions, because my next question is about hybrid working. I absolutely agree with you. There are issues with different types of employment. Retail, for example, can be quite inflexible. We need to focus on covering all areas of employment so that there is flexibility across the board.

09:30

Peter Kelly: I want to talk about the role of employers. For the past eight years or so, the Poverty Alliance has been delivering the living wage accreditation scheme, and we have seen 2,500 employers sign up to become accredited living wage employers. There is definitely a desire on the part of employers to do more and to be actively involved in initiatives and efforts to address poverty, but we need to go further than that. The restatements and commitments around the expansion of the living hours programme are welcome—we deliver that programme, so we are probably bound to welcome that.

The references in the plan to engagement with employers are important. Employment is absolutely central to tackling poverty. We spend a lot of our time talking about how employment is not providing a route out of poverty for enough people, but we know that, when employment works, it is people's key route out of poverty—for most people, it is the thing that keeps them out of poverty. We need to do much more to engage employers in discussions about their role in addressing child poverty. If the ambitions of the plan are to be realised, employers need to be much more central to the discussion. It can be difficult to do that, though. Over the past few years, the Scottish Leaders Forum, ourselves and others have tried to actively engage employers in that, and it is not a simple or straightforward task. However, we need to do more and we need to take a much more focused approach to that.

You asked about the devolution of employment legislation. As we have said in the past, that would undoubtedly help, but I think that it is important to build on the really good work that has been done on engagement with employers through things such as the Scottish business pledge, living wage accreditation and so on.

The Convener: Pam Duncan-Glancy has some questions on this theme, and following those she will take us on to our third theme, which concerns meeting the targets.

Pam Duncan-Glancy: I thank everyone for their answers so far.

Following on from the themes that we have been discussing concerning intersectionality, you might be aware that Close the Gap published a

blog post this week that highlights some concerns, which I share, about the delivery plan. It says:

“This was a time for building on the actions in the previous Child Poverty Delivery Plan and applying increasing focus on women's poverty. Instead, the sharp focus on women's poverty is diluted within this Plan.”

It also says that

“there are no actions explicitly designed to address this beyond a vague commitment to continue taking targeted action on the gender pay gap”

and that there is instead

“a continued reliance on pre-existing strategies and interventions which are not well-gendered including No One Left Behind, Individual Training Accounts and the Flexible Workforce Development Fund.”

That is, obviously, quite concerning, given what we have heard about this morning about the need to focus on addressing women's equality in the workplace, in particular. I think that everyone in this discussion today agrees about how important that is.

What could we do specifically to redress that imbalance and ensure that we progress the work that the previous plan started on women's equality in the workplace? I direct that question to Bill Scott and Marion Davies.

Bill Scott: We could definitely do more. One of the things that has been floated in the plan is collective bargaining for social care and childcare providers, in order to try to raise wages in those sectors. As the workforce in those sectors is predominantly female, that could be helpful.

As I said, it is not only the number of hours that are in question, but low pay. In both those sectors, low pay is a factor in women continuing to be in poverty even though they are in work. As we have seen, those areas are absolutely essential to the functioning of a modern economy, and those workers should be rewarded for that. Of course, that approach costs money, and, ultimately, the Scottish Government provides the funding to the social care and childcare providers, through local authorities, which means that the money has to come out of the block grant.

There has to be some acknowledgement that there will be costs involved in that, just as there are in ensuring that every employer that secures a Scottish Government contract through the procurement process is a living wage employer. That commitment is in the delivery plan as well.

There are commitments in the plan that will help to raise the wages of some women workers, but of course we would like to see more. As I said, there is a welcome acknowledgement in the plan of some of the intersectional aspects of poverty, but we would always look for more. We agree with Close the Gap that a gendered analysis is

important, as is one that takes disability into account, given how large a proportion of children living in poverty are from households that contain a disabled parent or child.

We need more work to analyse the figures that we have in order to ensure that the actions that are being taken around employability are actually meeting the needs of the target groups and assisting them to move out of poverty. We called for that greater analysis and we have begun to see it, but we need to see more, with quicker analysis of whether the policies that are being rolled out are working in practice and assisting the groups.

The proof is in the pudding. If we begin to see more lone parents being able to take up employment opportunities, that will have a gendered impact. We will see.

Marion Davies: This is a really important area for us. As Bill Scott mentioned, most single parents are women in their mid-30s. They could be classed as women returners, which is a term that was used a lot in the past. I absolutely agree that the employability strategy in particular has to have a gendered focus, which has been lacking. The pieces of research that we have done with Oxfam and the Joseph Rowntree Foundation both found that mainstream employability programmes are gender blind and do not focus on the particular needs of single parents. We need some big changes there.

There are some welcome parts of the delivery plan that have a particular focus on single parents, but I agree that we need to strengthen the focus on gender across our whole approach to child poverty. We talk about child poverty, but to actually tackle it, we must tackle women's poverty. Children live with parents, and most of the children in the target groups live with one parent—that parent being a woman. We need an intersectional approach that covers gender, disability and ethnic minority groups. We particularly need a gendered approach in relation to social security and reducing the cost of living.

There is also a whole area around women and poverty to do with domestic abuse. A high percentage of the single parents whom we work with have been affected by domestic abuse or financial controlling behaviour. That sets the context of where they are at the moment, and it links into women's homelessness as well. I absolutely agree that we need to keep a strong focus and concentrate on women and poverty, which will then contribute to reducing child poverty.

Pam Duncan-Glancy: Thanks for those answers. I will move on to the next theme. Some of the submissions say that, even if we reach the targets, we will only just reach the relative poverty

target and we will miss—obviously—the absolute poverty target. There are concerns about standards of living and the targets on destitution.

For many people, it does not feel that we are in an optimistic situation with regard to the economy or the cost of living, so does the modelling still hold? In a year's time, will we still be saying that we will meet the targets? Is there anything that we need to do now to guarantee that we will get there, given that the modelling suggests that we will only just make it?

As has been touched on already, the reductions in poverty do not reflect living standards, so it would be good to hear a little more about what that means for families. In the interests of time, I ask Peter Kelly and Bill Scott to answer those questions. I know that everyone could say something on the issue.

Peter Kelly: I will try to be brief. It is a significant challenge when the statistics tell us that, as Bill alluded to earlier, poverty rates are going down, but the experiences that MSPs, campaigners and grass-roots organisations are hearing about suggest something different. How do we square that?

We need to be cautious about the modelling, because there is a degree of caution in the annexes to the papers that the Scottish Government has published and there are a lot of caveats to the models that have been produced, including the standard caveats that are in any modelling about changes in the external environment, such as the broader economy and so on. I know that, just this week, we are getting predictions that the economy may go into recession later this year. We need to treat those predictions with a degree of caution. I know that you are speaking to the Fraser of Allander Institute, the Joseph Rowntree Foundation and the Institute for Public Policy Research on the next panel, and they will no doubt have more to say on the robustness of the modelling, which I cannot talk about.

The caution around the modelling tells us that we need to listen more consistently to people who have direct experience of poverty. There are some references in the plan to lived experience panels in different areas of the work that is being developed, which is good, but we need a clear sense of how we can take what we are hearing through people's lived experience—which is that things are getting tougher, not easier—and apply that to our policy responses. We need to do that around the new benefits that are coming online in Scotland and think about the value and adequacy of those and the crisis responses that are available, such as the role of the Scottish welfare fund and so on, so that we can have that real-time feedback.

We know that the big data sets that tell us whether we are going to reach our child poverty targets will not be robust for the next little while. They were not robust enough to report on this year, so need to treat those figures with some caution and we need to think about how we use other sources of evidence to tell us whether we are going in the right direction.

Bill Scott: I will be quick, because Peter has said most of what I would say on that.

There is a real danger if we trumpet from the rooftops that the relative poverty target has been achieved while forgetting the other targets. The material deprivation target is the one that will be missed, and probably by quite a large margin. That is a really important target, because during the first year of the pandemic, 50,000 Scottish children went without a basic necessity—either without food on the table, energy to heat their homes or a roof over their heads. We think that that got worse during the second year of the pandemic; we are not sure yet—we are waiting on the figures—but it looks as though it probably got worse. If the rise in energy prices and food costs continues, as well as the even greater rises that are predicted because of the war in Ukraine, the impact on those families will be severe—real destitution will occur.

09:45

For those families, and for the many middle-income families who are feeling the pressure, it will not feel as though things are getting better; it will feel as though things are getting worse. There will be a real dissonance between people's lived experience, which will tell them that things are much worse, and the official figures that tell them that poverty is falling. We need to treat that with more than a pinch of salt.

The modelling may well be correct, or it could be slightly off. We might just hit the target or just miss it, but poverty is deepening for real people at the sharp end. We will probably see people living in poverty for longer. That will have a lifelong impact on those children's health and attainment. Poverty is a cycle and we want to get children out of that cycle.

The Convener: We move to theme 4, which is about warm affordable homes. Before I hand over to my colleague Miles Briggs, I have a question about children in the Gypsy Traveller community. We know that £20 million has been set aside to address their accommodation needs in the next few years, and we know that they experience some of the harshest and most enduring poverty. How can we address the needs of those children, who can experience the harshest poverty?

Bill Scott: That is very difficult. I worked briefly with the Gypsy Traveller community in the 1990s. I know that that poverty is accompanied by the stigma that those children experience at school and in the wider community and by the discrimination that their community faces. Poverty, like old age, does not come alone. The stigma that those children experience is as scarring as the poverty.

We have discussed some aspects of rural poverty, which greatly affects the Traveller community. I am sure that Alison Watson from Shelter can comment more knowledgeably. In the past few years, there have been fewer places for Travellers to settle or to stay temporarily while they travel.

We often concentrate on numbers—I am guilty of that, too. For example, we look at the number of households that include disabled people or are headed by a lone parent. However, the poverty experienced by some smaller groups, such as black and minority ethnic communities or the Travelling community, is even more intense and they are far more likely to experience it. We must concentrate on the need and not just the numbers. The needs of those communities must be addressed. The Travelling community has very specific needs to do with education, housing and energy supply, because of the economic situation and also because of the discrimination that unfortunately still exists towards them in many parts of Scotland.

The Convener: My next question is for Alison Watson. In your estimation, will our rapid rehousing transition plan and ending homelessness together action plan, along with the £20 million to tackle the shortage of accommodation for the Travelling community, get us where we need to be?

Alison Watson (Shelter Scotland): I understand the points that you are making. I agree with Bill Scott about the amount of marginalisation and discrimination that Gypsy Travellers experience. When Shelter Scotland did some work with those communities a few years ago, there was stark evidence that housing costs for some local authority sites were quite high but that standards were pretty poor. As Bill Scott alluded to, supply on those sites is a real issue, so there is a real need for action in that regard.

More generally, in relation to the joint ending homelessness together action plan and the rapid rehousing plan, we are beginning to identify examples of local authorities driving forward good practice, but we are far away from having a coherent programme in which we understand what success looks like, how we build on that, where the gaps and barriers are and what action is required. That is a general point, but it is also true

of parts of the ending homelessness together action plan that relate to specific communities, including care leavers, people who leave prison and so on.

There are pockets of good practice, but we are nowhere close to having a coherent programme that will allow us to reach the targets and that matches the aspirations that were set out in the plan.

The Convener: That takes us full circle to the mainstreaming equalities agenda and the need to embed good practice at every level and in every area of work.

Miles Briggs: My questions, which follow on from the convener's initial questions, are about children in temporary accommodation. I feel that the tackling child poverty delivery plan lacks action on that issue. Today, more than 7,500 children in Scotland live in temporary accommodation, and the time that children spend in temporary accommodation has doubled. Does that issue need to be looked at again in the plan? As an Edinburgh MSP, I have to say that we are in a crisis situation. I will bring Alison Watson back in first.

Alison Watson: Thank you for the opportunity to contribute on that. Shelter Scotland shares your concern. We have a record number of children—7,500, as you said—in temporary accommodation, and we keep adding to that. Every 19 minutes in Scotland, another household becomes homeless. By the end of today, an entire classroom of 32 kids will have become homeless. As you said, the length of stay in temporary accommodation is a real issue. On average, if a family becomes homeless today, it will be 28 March 2023 before the household is offered permanent accommodation.

The fundamental problem is the lack of supply of social homes, which are required to move people effectively and rapidly from temporary accommodation to a permanent offer. As has been said in a number of contributions, action on housing is a key structural change that is needed to end the cycle of child poverty. We need to achieve the housing supply target that the Scottish Government has set out in "Housing to 2040" at pace. That goes back to what Bill Scott said at the beginning of the conversation: pace, scale and investment are key.

I will pick up on what Peter Kelly said about the need for consistency and longevity as we take action on child poverty. The same is needed with our action on the housing emergency. We need long-term cross-party support, because we are very far away from even reaching the previous parliamentary session's affordable housing supply targets. Those targets will not be met before

September, and we were not on target to meet them even before the pandemic.

We need to understand where we have been successful and how we can build on that; to consider what the evidence tells us about the barriers and blockers; and to take consistent and long-term action to ensure that we are truly on target with housing supply.

Miles Briggs: I know that Bill Scott wants to come in but, in the interest of time, I will ask my next question before I bring him in. In relation to the changes that are needed to the affordable housing supply programme, I think that we all agree with some of the steps that have been taken towards preventative models. Those are welcome, but that often goes beyond being able to keep people in their homes. What changes are needed to ensure that those steps have the maximum effect on meeting child poverty targets?

Bill Scott: First, I want to address the previous question, on children and families having to stay in temporary accommodation. I completely agree that we need to massively reduce the numbers of those who are in temporary accommodation for any length of time.

Some of those families have ended up there because of the benefit cap. We need to address the problems that the cap causes, because it leaves families with insufficient funds to pay their full rent, and they then get into arrears and are evicted. Local authorities place those families in temporary accommodation, but they find it quite difficult to rehouse them, often because the families are large. There is now a preventative measure, which I think will feed through and—I hope—prevent families, or at least some families, from ending up in temporary accommodation.

You are absolutely right that we need the housing strategy and affordable housing plans to take into account that lived experience. There is some indication that the needs of larger families in particular will be addressed, but we need to see more spelled out regarding how grants to registered social landlords will be improved so that they can build homes for larger families and build more accessible homes for families with disabled parents or children.

Disabled people are more likely to live in social housing, but a fair proportion of them live in the private rented sector, which is not always suitable for them. If we had more affordable social housing, we could reduce some of their housing costs—we could move some of those families out of poverty and provide them with much more suitable accommodation. I work for a disabled people's organisation in my day job, and we have seen people who come out of hospital as wheelchair users being put into first or second floor flats with

no lift, so they are essentially trapped in their flats. Accommodation that is not only more affordable but accessible is absolutely essential to addressing some of the problems with child poverty.

Poverty in Scotland is around 2 per cent lower than in other parts of the UK, because we have greater social housing supply, but we need it to improve even further. I am sure that Shelter and other organisations are working hard to achieve that.

Miles Briggs: Finally, I want to ask about children in kinship care. Are there any specific asks in that regard? We know, for example, that different councils are providing different support payments. Does any of the witnesses have any views on how children who are living in a kinship care arrangement could be supported?

Does anyone want to come in on that? If not, I am happy to move on, convener.

The Convener: I know that there are issues with regard to housing for children who are in kinship care, especially where they need adaptations to be made or the house is not suitable for them. That probably feeds back into the answers that we have heard to some of the other questions. I recognise that that might be a question that nobody on the panel is currently able to answer, but I thank Miles Briggs for raising the issue, because it is important.

I hand over to Natalie Don.

Natalie Don: Do the witnesses feel that the policies that are included in the “Warm affordable homes” part of the plan have enough of a focus on tackling child poverty? For example, there is funding from Home Energy Scotland, which is going to provide £42 million in grants and loans to help with making homes warmer. However, we are now seeing what appears to be an ever-increasing cost of living and increasing fuel costs. To what extent might the policies be counteracted by those increases? I put that question to Alison Watson.

10:00

Alison Watson: I appreciate and understand the question, which goes back to some of the things that Bill Scott talked about. The general problem is that high housing costs are a major contributing factor to poverty. After housing costs, 170,000 children in the private and social rented sectors are living in poverty.

As Ms Don said, we need to think about housing costs as including rent plus the cost of heating the property. That goes back to my point about the investment that is needed to ensure that we build the right homes in the right places to end the

housing emergency, because a structural change is required to end the cycle of child poverty.

When I talk about “the right homes”, I mean that we have to build homes that meet high standards of energy efficiency, because that will be a major contribution towards tackling fuel poverty. However, we are hearing clear messages that the costs of building such homes are accelerating fast. Therefore, to make sure that we keep up with the targets on housing and on energy efficiency, we need to recognise that the Scottish Government investment that is on the table at the moment will inevitably build fewer homes.

Therefore, with regard to the pace that we want to see homes come on stream and the kind of homes that we want—such as those with high standards of energy efficiency as a contributor towards reducing total housing costs—we will need to look again at the amount of investment that is being offered for social housing providers to build the right homes that will make a difference.

Natalie Don: Thank you, Alison. I do not believe that anybody else wants to come in on that, so I will move on.

Witnesses have mentioned an emphasis on more and warmer social housing and more affordable housing, but are any other measures that could address child poverty missing from the plan for housing? That question goes first to Bill Scott.

Bill Scott: I go back to seeing more joined-up thinking across policy areas. We welcome greater thought being given to how different policy portfolios across Government might contribute to reducing child poverty. Energy costs are one area in which more action definitely needs to be taken. If we are moving towards a just transition to net zero, we do not want the costs of that to fall disproportionately on those with the lowest incomes. In other words, as we try to eliminate carbon, a just transition could mean that energy costs would rise. For example, Alison Watson has already talked about improving the energy standards of the homes that are being built. Unless we improve grants to social housing providers, that will increase rental costs.

However, there are also policy areas where we are talking about energy production through wind farms and other renewable forms of energy. I would like to see greater investment in community ownership of supply and reducing energy costs directly, so that communities own the energy supply and supply themselves first, rather than the National Grid. That happens in Europe, so it is not unheard of and it is not my scheming or anything like that. We are simply saying that, in areas where we can tap into renewable energy through wind, solar or wave power, local communities

should surely be able to benefit from that. Let us see whether some of the land reform policies—where we have set up funds that communities can tap into to buy local assets and land—can be extended to energy production, so that local communities begin to own their energy supply and benefit from that lower cost.

In the longer term, we will have to do something to reduce energy costs. Those costs are not factored in to the relative poverty or absolute poverty figures, but we need them to be addressed, otherwise families will be faced with a choice about not only whether they can put food on the table, but whether they can pay their rent. If they cannot pay their rent, they will be evicted, and the costs then to the families and to the public sector are enormous.

As Miles Briggs will know, the cost of putting up a family in temporary accommodation for a week can run to thousands of pounds. It makes no economic sense to allow families to get into that situation, yet, if rising energy costs are not addressed families will be forced to choose between eating or heating, and between paying the rent or paying the electricity or gas bill. One will go, and if that happens families could end up evicted and homeless, which will cause huge issues for the children.

Natalie Don: I absolutely agree. I have real concerns about people who are on key meters and who do not even have the option not to pay the electricity bill—they will go without completely. It is scary.

My next question was whether the panel feels that it would benefit householders if renewable energy that is generated in Scotland was not sold back to the National Grid but instead remained in Scotland. Again, Bill Scott has just answered that, so I have no further questions.

The Convener: Bill Scott has outlined the stark reality that we face and the need to look at “Housing to 2040” and the outputs from the social renewal advisory board, as well as considering how we decarbonise and the district heating systems that will be in the offing. We also need to consider the draft national planning framework 4 and 20-minute neighbourhoods. We need to think about how all those issues link together to address poverty and specifically child poverty. There is that golden thread that we need to pull together.

I will hand over to Pam Duncan-Glancy.

Pam Duncan-Glancy: Thank you for allowing me to come in again, convener.

On district heating, some people might be aware of the experience of residents in Wyndford in Glasgow, where a system was introduced on their doorstep, which was supposed to benefit them by

reducing fuel costs in heating their homes. However, that has not happened—in fact, some of the costs are now increasing. It would be interesting to hear from Alison Watson about what we can do to ensure that, where community energy systems are put in place, they definitely begin to reduce fuel poverty for households.

While I am speaking, I have another question for Alison. The message that we should build social houses that are the right size, in the right place, with the right amenities around them seems clear, and it is absolutely the answer. What is preventing us from getting there? Why are we not doing that?

Alison Watson: I will start by picking up on some of the points that Bill Scott made so well. We need to understand how acute the situation is. Part of the backdrop that we are now struggling with is the rise in the cost of living. Rent arrears are going up, which, as Bill rightly pointed out, will be a big driver of homelessness. Homelessness is already going up. We know that 57 per cent of families in Scotland are already worried about keeping up with their rental costs, and that situation is only set to get worse.

Bill talked about taking a joined-up approach and the need to understand the very high cost of accommodating families in temporary accommodation. There are also very high costs to local authorities of evicting families. Last year, we did research that showed that the cost of eviction was about £15,000 per family and that was a conservative figure. We spent £28 million evicting families from social accommodation.

There is a legitimate question about the best way to use scarce public resources to drive the greatest positive outcomes, and I do not think that the best way to do that is to evict families.

I think that we have learned a lot about eviction during the pandemic—we took a very progressive approach, for which the Scottish Government should be applauded—but there is the danger that we miss the opportunity to lock in that learning and that progressive approach and to ask ourselves in a very robust way about the circumstances in which a family should ever be evicted from a social rented property, particularly if they are going to be evicted into homelessness.

With regard to the delivery of social housing, we were starting, with the affordable housing supply programme, from a dead stop. We had not been building social housing at anything like scale for decades, and we are still having to make up for those decades of underinvestment. Moreover, the capacity to build had gone; we have built up some momentum in that respect, but, as I said earlier, the affordable housing supply programme of the previous parliamentary session has yet to meet its targets. We have not seen the analysis that will

enable us to understand the question that you are quite rightly asking, which is about where the problems and the barriers are and what we need to do about them.

Critically, we must resource local authorities and social housing providers in delivering these things. I do not think that there is anything wrong with asking social housing providers and local authorities, in particular, to do more with regard to our national mission to end homelessness, but you cannot do more with less. We understand that there are very real challenges with the supply chain and rising costs, but the fact is that, although the cost of building social housing has gone up dramatically, the level of grant has not. As I have said, we are now in a situation in which the amount of investment going in, great though it is, is not good enough, because it is now going to build less housing. The target in "Housing to 2040" of 110,000 affordable homes by 2032, with 70 per cent—or 77,000—for social rent, is good, but we need to understand in detail how we are going to deliver on that to ensure that it does not remain just an aspiration. Families need bricks-and-mortar solutions, not broken promises.

Pam Duncan-Glancy: Thank you.

The Convener: Paul McLennan will ask the final few questions.

Paul McLennan: I want to ask about levels of investment. Which policies are likely to have the greatest impact on child poverty? Given that budgets are tight, where would you prioritise spending?

Those questions are for Claire Telfer, and I should say that I remember meeting Save the Children to discuss its report "It would be nice to just feel secure": Parents' priorities for the next Scottish Government Child Poverty Delivery Plan 2022-2026", which lays out where it thinks the impacts will be felt and what the priorities should be. I know that you mention six or seven different issues in your submission, but what would you prioritise and what do you think will make the greatest impact?

Claire Telfer: As you have said, our report looked at parents' priorities and what they wanted to be included in the action plan. There is a lot to welcome in the plan. Social security is key not only to supporting families' incomes and meeting immediate costs now, but to building adequate incomes in the longer term, and the plan is probably at its strongest in setting out very specific deliverables in that respect. That investment is so important. We know that increasing incomes has a direct impact on children and family wellbeing and outcomes, so we need to ensure that that is a spending priority. Of course, targets will not be

met or families supported through social security alone, but it is still really important.

We are also pleased that the plan recognises the importance of holistic family support, because we know that the linking of practical, emotional and financial support makes a real difference to families. The recognition of that in the plan is important and will be key to how we deliver support for families, but we now need to see how that will be delivered and how the funding will support that activity. We have to focus on delivery and to ensure that it is driven by families getting what they need.

As others have touched on, the investment in the transition fund and the support for employability are important. The clear message from families is that the transition to work is a real crunch time, with a lot of uncertainty and fear, and it is important that they receive not just practical support to reduce barriers and ensure that they can access childcare and transport and so on, but emotional support so that they can cope with the change and the uncertainty as they move from benefits to income from work. That holistic, person-centred, continuous support will be really important and we are pleased about those key areas and drivers.

10:15

We have spoken about childcare already. Investment in delivering further commitments on childcare is key, and we welcome the steps that have been outlined and the promises that have been made on childcare. It needs to be delivered at pace and scale and with the investment that we have discussed.

There are a couple of other areas in the delivery plan that parents mentioned, highlighting where the plan is perhaps not so strong. Debt was one of the areas that consistently came up for families. Given the impact of the cost of living crisis, we will potentially see a significant rise in debt, unfortunately, so it will be important to think about how we support families to manage and prevent that debt. We will want to ensure that we have investment and support available to all families who need it.

We have not talked about part C of the plan, on prevention. When we are thinking about meeting the targets, it is important that we think not just about achieving them in 2030 but about how we will sustain low levels of child poverty from 2030 onwards. What does our society need to look like? I am pleased to see that those preventive elements of poverty are included in part C, and there is a lot to welcome in that, but we must ensure that we have the specifics and the deliverables there. We know that focusing on

income, together with wellbeing and outcomes for children and families, will be critical to preventing poverty in the longer term. We need to think about the longer-term plan, and that requires investment in tackling the attainment gap, taking into account how the delivery plan links with the Promise and with policy on looked-after children. It is great to see those being a bit more connected up in the plan.

On part C, we do not think that the early years are included as strongly as we would like. We need to think more about how we support families with very young children, particularly among some of the priority groups. Families with babies and under-ones have specific needs. A lot has happened, a lot of support is already in place and we have made significant progress, but there are still very high levels of poverty for that group. It is important to think beyond early learning and childcare and to think about how we support parents and families with the youngest children.

That is our top-level analysis, based on what parents said needed to be in the plan.

Paul McLennan: Thank you for that, Claire. You have referred to the first 1,001 days as being vital, and that is key.

Marion Davies, you mentioned a financial inclusion pathway. We have heard about the parental transition fund. What are your thoughts on the priorities and so on? Claire Telfer mentioned debt advice and I want to open up the discussion beyond that. How we deal with debt is vital. One aspect is prevention: people get into debt, but how do we prevent that in the first place? That is incredibly important.

I will ask you first, Marion, about the financial inclusion pathway and the parental transition fund. I would also ask the panel to talk or think about the debt points that Claire Telfer brought up.

Marion Davies: We welcome the particular part of the plan on the transition fund. The research that we have done in this area shows that this is a big issue for single parents: moving into work can actually mean that they are worse off. There are a lot of reasons for that.

Obviously, there is the up-front cost of childcare. However, because we have embedded financial advice in our services, we have done some case studies that show that there are cliff edges relating to the benefits system. When single parents and others move into paid work, they lose some of the help that they had when they were on benefits, such as help with school meals, school clothing grants and sometimes Covid payments. It is worth having a careful look at those impacts.

Our surveys consulted people who sent us information about their lives showing that they are

in crisis. For example, one parent said that her work asked her to return to the office, but she did not have the money to pay for the fuel for her car. She is already choosing between heating her home and being able to eat. Unfortunately, a lot of the messages that we get from parents are that the parents themselves are not eating, except for what their children have left on their plates. They have lost a lot of weight, and they cannot afford to buy new clothes. We talked earlier about people moving into rent arrears. They are struggling to keep their prepayment meters topped up. One parent has five kids and she has to walk them all to school because she does not have money for the bus fares. I think that there is going to be a tsunami of debt, and we already have a huge debt crisis.

We need some emergency action. We need to look at such things as tapers for access to school meals and school clothing grants. We could look at that right away. A lot of parents lose those when they move into work, so their income goes down. I think that we really need to look at the Scottish child payment and at whether it is enough to put food on the table. We would argue that we need emergency action for that to be increased sooner rather than later.

There are things such as the best start grant and the payments to families with younger children that Claire Telfer mentioned. They have been increased by, I think, 6 per cent, but inflation is predicted to be 8 per cent, so even those payments are not keeping pace with inflation.

In relation to debt, it is crucial to have the integrated, embedded-into-the-family approach that Claire talked about and which is mentioned in the delivery plan as "holistic family support". We have to invest more in financial inclusion and benefits support, which should be embedded within that family support.

The survey that we have just had back is incredibly frightening. I have to say that 200-odd of the parents who replied to us are in that very desperate situation. Anything that the Scottish Government can do to reduce costs and to put money into parents' pockets is vital.

Paul McLennan: Thanks. I do not know whether anyone else wants to come in, convener.

The Convener: We need to wrap up.

Marion, that is a very important note on which to wind up this panel. The committee is running an inquiry on problem debt and poverty. I am sure that some of you have already submitted responses to it, but if there is anything on that subject that you would like to follow up with in writing to the committee, that would be most helpful.

Thank you for joining us this morning.

10:24

Meeting suspended.

10:33

On resuming—

The Convener: Welcome back, everyone. Our focus with our second panel will be on public policy research and analysis addressing poverty. I welcome Jack Evans, Scotland policy and partnerships manager at the Joseph Rowntree Foundation; Philip Whyte, director of IPPR Scotland; and Emma Congreve, knowledge exchange fellow at the Fraser of Allander Institute.

I will invite members in turn to ask questions on different themes. Theme 1 is on child poverty trends and the economic context, and I bring in Miles Briggs to ask about that.

Miles Briggs: I thank the witnesses for joining us this morning. Do you think that the delivery plan does enough to drive down cost of living issues? Perhaps Emma Congreve can start.

Emma Congreve (Fraser of Allander Institute): I do not think that the actions in the plan were written to fully address the immediate cost of living issues but to seek ways to meet the interim and final targets. It is potentially a problem that the plan does not include more actions that deal with cost of living issues in the here and now, but, on the other side of the coin, should we expect the plan, with its longer-term focus, to do that?

I do not think that it could be argued that the plan addresses fully the actions that the Government could take to address the issues that are present at the moment. As I said, however, we must remember what the plan is for. The issues that we face will have consequences in the shorter and the longer term, but the plan might not necessarily be the best place for dealing with—*[Inaudible.]*

Miles Briggs: Thank you for that. Does anyone else want to come in?

Jack Evans (Joseph Rowntree Foundation): I agree that the yardstick by which I would measure the plan is probably not its ability to mitigate the cost of living crisis, but we are living against a backdrop of a collision of increases in the cost of really basic things for families, so that is a completely valid question. However, the plan's clear strategy and overarching theme is to increase incomes and to increase resilience to possible future shocks. I would probably judge the plan on that basis. I agree with Emma Congreve that it is not really set up to drive down living costs.

Philip Whyte (Institute for Public Policy Research Scotland): I do not have much to add; Emma and Jack have covered it.

The cost of living crisis is an income or cash crisis, and that is quite different from the longer-term issues around poverty. In fact, there is a risk of the country heading into recession, and we know from previous experience that recessions can do quite strange things to poverty. Perversely, poverty can start to decrease during a recession if everyone's income starts to get pulled down as measured primarily against the headline measure of relative poverty. It is therefore important to keep the two issues separate and focus on the long term.

I absolutely agree that—the IPPR has been clear about this—the short-term measures that the Government has taken, particularly the measures on council tax payments, have definitely not done enough to address the immediate income crisis that the lowest-income households are facing, and there is a real risk that it has spread scant resources far too thinly.

There is an immediate pressure to address, but we know that such immediate pressures can have long-term ripple effects that start to affect poverty, and that is where we would expect to see the measures in the plan start to kick in, rather than necessarily addressing the immediate crisis that is staring us in the face now. Separate measures that are not in the plan are required to be taken in that regard.

Miles Briggs: Thank you for that. The delivery plan includes a welcome focus on employability, so I want to ask about forecasting in the labour market. Philip Whyte has already touched on a potential recession. What prospects are there for parents who are looking to enter employment or seeking to further increase income from work? I will start with Emma Congreve again and then everyone else can come in.

Emma Congreve: As economists like saying, there is a lot of uncertainty around many of the issues. We still do not fully understand what the period of the pandemic has meant for the labour market, other than that things did not turn out to be as bad as we feared in terms of the number of people in employment. There is uncertainty around what that means for quality of work and for working conditions, particularly for people who are on lower incomes, and about how those things will develop in future.

With the cost of living rising so much—the cost of fuel has risen, for example—people who are in constrained financial situations will try to contain that and not take on any additional risk. If they are just about holding on to their situation and are very uncertain about what will happen to costs—

heating, childcare and eating costs, for example—they have less ability to take jumps into the unknown, such as by changing jobs, looking for progression opportunities or going into work after a break. Understandably, people are feeling a bit paralysed because there are so many uncertainties at the moment.

I appreciate that the plan focuses on employability, and it rightly acknowledges that as a very important driver in tackling child poverty, but I do not think that it addresses the day-to-day reality for people who have to knit together issues with commuting, childcare and accessing different employment opportunities, training, skills and development. A lot is mentioned in the plan, but those aspects have not been knitted together in the modelling and, in reality, the plan might not knit together for many parents who would benefit from the things that it talks about. It falls a bit short in providing a comprehensive package that will make a difference on the ground.

Miles Briggs: Thanks. Does Jack Evans want to answer?

Jack Evans: I would not base my assessment of prospects for parents entering employment on economic forecasting; I would probably have a look at the past and current performance of the priority family types in the labour market and at in-work poverty rates.

Overall, I would say that the plan is correct in its analysis of our need to shift some of the weight of responsibility for reaching child poverty targets away from social security and on to work, for those who are able to work. It recognises two sides of that coin: that we need an employability offer that gets people into the labour market and that we need a labour market that works for people.

We can come back to whether the employability offer in the plan does what it says on the tin. If we look at some of the groups, such as minority ethnic communities, and their prospects, we see consistent difference in outcomes for them compared with the rest of the labour market. There is an ethnic minority pay gap; on average, white workers get more hours compared with how many they want; and the general employment rate for white people is higher. The plan should look at how to remove those structural barriers, if they exist, as well as at how to get people into the labour market.

The scenario for ethnic minorities is also true for single parents but in a completely different way. We know that single parents are less likely than other priority families to be in work. That is the reality of having one parent with childcare responsibilities in the household and everything that goes along with that. A different offer needs to

be made for them so that they can be productive and succeed in the labour market.

In answer to your question about the prospects for parents entering employment, the plan recognises that the existing labour market and our existing economy do not offer a huge amount of hope for any different results than those that we already see, such as high levels of in-work poverty and barriers that priority groups face.

10:45

Philip Whyte: On the wider context, particularly post pandemic, as Emma said, it will be a while before we see the true impacts. At a macro, headline level, it has been broadly positive—employment has fared quite well. However, when we dig beneath the detail and drill down in that, we see that the positive trend in the overall rate of employment masks significant inequalities in the labour market.

Wage inequality is higher now than it was four years ago. The nature of work has changed. There are more part-time workers and there has been a big rise in solo self-employment and zero-hours contracts. Most pressingly for poverty, real earnings have stagnated.

It is at that lower level that the battle against poverty will be fought. As we will probably come back to, the feeling is that, although the delivery plan makes positive noises towards that, a level of detail is lacking that shows clearly how we can start to tackle those inequalities in what might on the surface look like a labour market that is going in the right direction.

Miles Briggs: Thank you for that.

Finally, are you aware of regional divergence and differences in Scotland around opportunities or in the ability of parents to access employment? For example, do we have any data specifically on Edinburgh and the south-east, where, even through the pandemic, things have grown continuously? Emma Congreve, I do not know whether you have any data on that. It might be something that we need to look at. If you could write to us, that would be helpful.

Emma Congreve: I am happy to write to you with some facts and figures on that, but it is important to state that poverty is everywhere throughout Scotland. There might be more of it in some areas, due to local dynamics and labour markets, but it is as present in Edinburgh as it is in most parts of Scotland—it is just that experiences are different. I can certainly write to the committee with some more detail on that.

Miles Briggs: Thank you.

The Convener: We move on to questions on theme 2, which is about the evidence base and modelling, and theme 3, which is about coherence and targeting. Pam Duncan-Glancy will start us off.

Pam Duncan-Glancy: Good morning, panel. Thank you for the evidence that you submitted in advance, and for all the information on the issue that you have shared to date with the committee and others.

I take the point that the plan is not written as a cost of living plan. However, it has been written during a cost of living crisis that is—I hope—the biggest that any of us will ever live through. Although the modelling suggests that we will meet the initial relative poverty target—only just, but we will get there, nonetheless—it does not feel like that for people on the ground. Things do not feel optimistic at all. It does not meet the sniff test, I guess; it is just not quite right. Is the modelling optimistic? Given the circumstances that we hear about from people who live in poverty, and their experience right now, will we still be saying, in a year's time, the same thing about possibly meeting the targets?

The Convener: Who would you like to start on that?

Pam Duncan-Glancy: I am sorry; anybody could probably answer; I do not want to target the question specifically.

Philip Whyte: I am happy to start. Potentially, the IPPR Scotland analysis is shared across all three organisations. To say who is optimistic and who is pessimistic—I think that you used those words—might be a bit loaded. However, our analysis has certainly been more pessimistic, whereas the Government's has been more optimistic.

At the end of the day, you have hit the nail on the head: ultimately, a model is only a model. It is a computer simulation of what we think the world will look like—in this case, in three years. It will never be infallible. We would certainly never say that our model is infallible, and I do not think that the Government would say that its model is infallible: I hope that it would not.

We do not know what the world will look like next year or in a couple of years—especially if we hit a recession, which, as I said earlier, can do really weird things to poverty. There can be really negative impacts on the actual rates of poverty, or—as we saw in the 1970s, 80s and 90s—overall, a recession can, perversely, actually bring poverty rates down, if everyone's income comes down.

A model will tell you only so much. It can tell you where you can potentially have the greatest

impact. We know that, whether they are right or wrong, optimistic or pessimistic, the IPPR, the JRF, the Fraser of Allander Institute and the Scottish Government would agree that immediately, in the short term, social security and direct cash transfers will have the biggest impacts. Whether that is four, five or six percentage points, that is where you will get the biggest bang for your buck and that is what will have to do the heaviest lifting to meet the interim targets. In case we do not meet our projections, further increases should not be off the table.

Most important is that the only way a projection ever comes true is if you actually deliver what you said you would deliver at the scale and pace that are required. We need to see more detail in the delivery plan—not least around employability schemes. We need to get the schemes—benefits, payments and services in kind—out to the families who will benefit, at the scale and pace that those families need. Doing that will be absolutely key; if we do not do that, we will never meet the projection, whether it is optimistic or pessimistic.

Emma Congreve: We are doing a lot of work, alongside the JRF and Save the Children, to understand the modelling. We dropped out of it when everyone else did. It takes a while to do the work to recode, but we hope that by June we will have a clear idea.

We would all benefit from much better understanding of what modelling can and cannot do. It is very good at showing the scale of the impact of measures. The Scottish child payment is responsible for most of the projected fall in child poverty, so a lot rests on it. The version of the world that the model is based on does not take account of the lasting impact of the pandemic, which—as was previously mentioned—is still to be fully understood. It also does not include the potential scarring impacts of the cost of living crisis. We know that, by 2023-24, the world will be very different from what has been modelled, so the model is almost a best guess of where we think we are headed. Relying on its accuracy to the last percentage point is not a good idea.

The model probably gives us a good idea of the trajectory, given the policies, such as the Scottish child payment, that have been put in place—as long as nothing else comes along and changes everything. We have just had a pandemic, and the increases in the cost of living could significantly change the trajectory. That could happen not because of Government policy, but things that happen outside it.

Modelling is a useful exercise in understanding the scale of policy, but we cannot rely on it to tell us whether we will definitely meet targets. It just gives us an idea of whether we are heading in the right direction.

Jack Evans: Emma Congreve covered the more technical side of Pam Duncan-Glancy's question and pointed out that the JRF will, by the summer, be responding in some detail with the Fraser of Allander Institute and Save the Children with our opinions on the modelling.

The other part of the question was about a kind of sniff test: what does it really mean if we are saying, "We're going to meet poverty targets," while someone is watching their pre-paid electricity meter plummet as they cook their roast dinner or turn the heating on?

What that speaks to for me is the way that we use data and gather insights. We need to be much more reactive in moments of crisis than we have been over the past couple of years. We have relied on poverty statistics that are obviously, by their very nature, not real-time statistics because there is a lag. That feels less appropriate at a time when inflation is doing what it is doing and the cost of living is increasing.

It is more important than ever for the Scottish Government to speak to organisations that work directly with families that are going through these crises. It needs to understand whether there are spikes in food bank use or demand for homeless accommodation in certain areas. It is really important that we have a collective understanding of what is happening in respect of poverty and destitution, if we are to ensure that the tackling child poverty delivery plan will not just get us to the targets, but will respond to the actual needs of children who live in poverty and families who are in crisis.

The Convener: Pam, do you want to move on to your second theme?

Pam Duncan-Glancy: Yes, please. That was all really helpful. I think that there is a real challenge for us in how we gather information and intelligence then use them to react quickly in times of crisis. As you said, we absolutely need to do that.

I have a question for Jack Evans on the actions that are in the plan. How much action does it contain to address poverty in the priority groups?

Jack Evans: The plan has a welcome focus on the priority groups. Most of the actions that I would focus on are in the first part of the plan, and aim to increase incomes from work. The plan understands that, in order for incomes to be increased for the priority groups, we need a new employability offer, and we need what is referred to as a transformed economy. That is welcome, and it reflects the evidence in annex 6, which points heavily towards such actions.

However, I do not believe that the plan quite matches up to the bold actions that are mentioned

in the foreword. I am not sure what the single offer to parents on employability is. I am not sure whether the £81 million is new money or where it comes from, and I am not sure how the parental transition fund is going to work. Those are the right ideas to have, and the plan has the right diagnosis of the problem, but I am not sure that it outlines the solutions explicitly.

The plan says that the Government will work with others to come up with the offer, but in that regard I will echo something that others have said this morning: that iteration needs to be forthcoming rapidly. We are already halfway through 2022; if the child poverty targets are to be met, the new employability offer that we are creating needs to get off the ground very quickly. It also needs to be targeted appropriately. Previous employability offers have been said to have had appropriate targeting, but we still do not have evidence of whether that worked.

The plan has the right ideas on actions to reduce poverty, but it is probably not quite there on the practical steps to be taken, which are most important. We look forward to working with the Scottish Government and across all the political parties to make that work.

Pam Duncan-Glancy: That is really helpful. As ever, people will be unsurprised to hear that I hope that the pace will be quick and that the actions will follow to meet the ideas in the plan.

On the point about addressing the poverty of the priority groups, I note that Close the Gap published a blog post this week in which it says that the plan represents a regression in relation to gendered analysis and women's poverty. Do the witnesses share that view?

11:00

Jack Evans: I have seen the blog post, and I agree with the majority of it. The previous child poverty delivery plan makes explicit mention of the inextricable link between women's poverty and child poverty; it was peppered throughout the plan. In the new plan, the link is mentioned in the evidence in annex 6 and annex 7, but it is not written into the plan as boldly as it was in the previous one.

For any strategy, if you do not state what you want in the core part of the strategy, you will probably miss it out in the core part of delivery. I was slightly disappointed to see that the issue is not mentioned more explicitly in relation to childcare. The delivery plan talks about parents' access to work being improved by childcare, but we know that around 80 per cent of people who are not accessing the labour market are women, so it is a women's issue. There is less focus on the issue in this plan than there was previously. It

reads like a regression, but I do not know whether that is an oversight or has been done on purpose.

The last thing that I will say is that the delivery plan points to several other strategies that allude to working with women, including the gender pay gap refresh that is coming. Maybe the issues will all be dealt with in that way, but I had hoped that they would be in the plan that was published three weeks ago.

The Convener: I will bring in Emma Congreve and Philip Whyte on that point, but I ask you to be brief, because members still have other questions to ask and we are running out of time.

Emma Congreve: The priority groups have been retained in the analysis but—this links to the point about gendered analysis—there is less that picks up on and directly addresses the specific issues that are faced by those groups. When we address the issues, we quickly understand that they disproportionately affect women, including lone parents, mothers of large families, young mothers, women with babies and so on.

It is good that the priority groups are still recognised, but there could be a greater focus on explicitly addressing the issues. The section on transport, for example, simply says that people in poverty use buses and that, therefore, the suggested action will be good for all the priority groups, because all of them use buses. I am not quoting directly—that is the impression that is given. There is a catch-all approach to the priority groups rather than a focus on what priority groups specifically need. Such a focus would help people to pick up better on some of the gender issues that are prevalent.

Philip Whyte: Last year's statistics show us that there is a 10 per cent chance that someone who is not in a priority group will be in child poverty, and that there is a 30 per cent chance that they will be if they are in one or more priority groups. That huge disparity shows us that our starting point should be to design and embed policy that specifically and explicitly targets the priority groups, and not to develop a generic policy and then, after the fact, to look at its benefits and impacts on priority groups. It sometimes feels as though there is a rush to develop generic policy and to look for the benefits after the fact, which means that there is not enough focus on designing policy at the start that has the specific ability to get to the priority groups. It is incredibly important to ensure that the priority groups are embedded in policy at the start.

Emma Roddick: As always, I am struggling with the contradictions in our hybrid social security system. The Scottish Government wants to give money to parents to tackle child poverty, and it wants to help those same parents into work. The

Government relies on universal credit, which is a reserved income-based benefit, to provide the data to determine who receives the Scottish child payment. Is it possible to do both those things when, under universal credit, a person who is in work might lose their benefits? In essence, can the policies to tackle child poverty be as effective as possible while they are being delivered under a hybrid social security model that is led by two Governments that have fundamentally different ideologies?

That is probably for Philip Whyte and Jack Evans.

Philip Whyte: I think that that is possible. Our starting point will always be to consider not the limits of the devolution settlement here and now, but its abilities and how to test and stretch it as much as possible. That might ultimately lead to reconsidering the devolution settlement and seeking further powers or whatever, but that is not the starting point—it cannot be and I do not think that it should be, for this issue.

With the Scottish child payment, we have seen the ability to use the powers that the Scottish Parliament has. That measure is incredibly important, progressive and welcome, but we know that risks come with it. To an extent, it creates a double cliff edge for families, in that they would, as soon as they lose their UC entitlement, in turn lose their entitlement to the Scottish child payment and to all the other benefits and payments in Scotland that are reliant on UC eligibility.

Obviously, alternative powers are available to the Scottish Parliament, which has the ability to create wholly new benefits in devolved areas. Clearly, that is incredibly complex and difficult, which is why the Scottish child payment was designed as it was. I declare an interest, as one of the civil servants at the time who designed the payment. It was designed to enable available data to be used to get a benefit quickly out the door. However, other powers are available, and are still open.

We have not yet really nailed the approach to people who are in work, as Emma Roddick said. Although fair start Scotland is devolved, it focuses on a specific subset of people who are long-term unemployed and have health conditions. There is a question about what to do about the much larger group of people who might be accessing UC and accessing Department for Work and Pensions jobcentres, but who are essentially shut off from Scottish Government programmes, which cannot get to them the minute they walk through the door.

The starting point has to be to try to get the two Governments to work together much better. We have seen heel dragging and issues with trying to get data from the DWP. A huge fanfare was made

when the powers were devolved, so the UK Government has to ensure that the Scottish Government has everything that it needs to make those powers work. We expect both Governments to work much more closely together to enable that. Data-sharing agreements are dry, techie and boring, but they are incredibly important in enabling identification and pinpointing of the cohort of people to whom you can provide the greatest support. We are still a bit behind the game on that.

Jack Evans: I have a couple of brief points. The settlement on benefits between the two Governments existed when Parliament agreed the targets, and there is no big difference between what was happening then and what is happening now. Therefore, the settlement would never be a reason why the Scottish Government cannot meet the child poverty targets.

That said, there could not have been a clearer contrast when, the day before the plan was announced, the Chancellor of the Exchequer basically abandoned people on low incomes in his spring statement. One day, we had abandonment of people on low incomes, and the next we had the Scottish Government targeting a payment to the people who need it most with the Scottish child payment, which will put child poverty on a downward trajectory.

It is also worth noting that the ministerial forewords to the plan make no mention of the difficulty between the UK Government and the Scottish Government. That is welcome, because there needs to be acceptance that the Scottish Government has significant powers and—as Philip Whyte mentioned—the ability to create new benefits, as it has done already. I completely get the point, because there is such a contrast between the two Governments, but that would not be the focus of the JRF's approach.

The Convener: We move to our last theme. The last set of questions will be from Natalie Don.

Natalie Don: I will keep this brief, because many of my questions have already been answered.

Does meeting the 2030 targets require a radically different approach from the one that has been taken to meet the 2023-24 targets? Would the concepts of a minimum income guarantee or a universal basic income be feasible options, in terms of affordability and effectiveness, that the Government could explore to tackle poverty?

I put that question to Jack Evans first.

Jack Evans: That is quite a big question. I will talk first about the big action that is needed to get to the 2030 targets. The plan probably does not get us to 2030—it gets us scraping towards the

interim targets. For child poverty to be reduced as significantly as is needed to meet the targets, we will need an economy that looks significantly different from the one that we have today. We will need people to be in good jobs that are flexible and well paid; it does not feel like that sort of labour market is open to many people at the moment.

The Scottish Government can do a lot of work to support that, but employers need to do a significant amount of work, too. Decisions that affect people on that side of the issue will be made more in boardrooms than in committee rooms in this Parliament or at Westminster, so getting employers on board with the national mission is a key task; it is referenced in the delivery plan with an £800,000 budget beside it. We cannot overestimate how much that is needed. The national economic transformation strategy was published not so long ago, which also tried to look to that. Some quite big gaps in that strategy were due to be filled in this strategy, but they have been passed over to the fair work nation strategy that is coming in the summer, so we will have to wait and see whether that will deliver a pathway to a transformed economy in order to reach the 2030 targets.

Your questions on a minimum income guarantee might be best directed to Philip Whyte, who sits on some of the working groups in that area. On a universal basic income, I am relatively agnostic about its ability to end poverty. There are some quite terrifying numbers in respect of how much it would cost to implement that at a level that would actually make any difference to those in poverty.

A number of levers could be pulled now that would have a bigger impact on people in poverty immediately, rather than another discussion about universal basic income. In addition, the reality is that Scotland probably could not implement a universal basic income without massive relationship changes between the UK Government and the Scottish Government.

However, the example in Wales of a universal basic income for children who have experienced the care system is a really interesting concept. The same idea could be applied to some of the priority groups for whom we think that work is not the solution to poverty. Families with babies in poverty, for example, could be a cohort of people that it would be interesting to consider with regard to a basic income guarantee.

11:15

Natalie Don: That was helpful. Obviously, there is a real focus on employability, but families in poverty must still be able to see their children, and

a universal basic income would open up a bit more flexibility in that respect.

I ask Philip Whyte and Emma Congreve to answer the same question.

Philip Whyte: Very simply, it will not help us meet the 2030 targets. We need to lift 210,000 children out of poverty between now and 2030 and, according to the Government's own analysis, the decrease between now and the interim targets essentially flatlines in the years thereafter. The Government's analysis goes out to 2025 and 2026, but we have no idea what the world will look like in the rest of this decade, but it is clear that further work will be needed.

Fair work needs to be a really big part of that, and the commitments in the plan might start to deliver that. The stretch aim of getting 12,000 parents into work every year will not achieve that in itself, so things will have to go further and at far greater scale. Obviously, we will at the very least want to see the initial outcomes of the commitments in the plan to find out how we can build off them at scale. Again, we are lacking that detail right now.

Fair work must go hand in hand with a minimum income guarantee. That has certainly been the focus of IPPR Scotland's work, and it is now the focus of the Scottish Government, with the establishment of the expert steering group. That offers an opportunity for a fundamental rethink of the welfare state, because it is all about saying that there is a common standard of living that everyone should be able to reach and providing a standard safety net that will catch everyone.

You are right that a minimum income guarantee is not just a cash transfer or getting everyone to a certain level of income; it has to run alongside rethinking the world of work and ensuring that people have good, secure, stable and well-paid jobs and can find the right balance between home life and work life. As we know, it is the lone parents and single families right at the cutting edge of poverty who are most likely to be in the type of insecure work that leads to that horrendous juggling between home and work life. That is where childcare and wraparound support need to kick in but, again, we are lacking that sort of thing at the necessary scale. Alongside that, we also have to think about universal services.

The potential is there, but it will not be easy by any stretch of the imagination, given the further transfer of powers that would be required and the work that the UK Government would be required to do. However, the Scottish Government has the ambition, and the steering group is looking at the issue in great detail. As we have seen with other issues, things have tailed off once the true scale of costs and complexity becomes apparent, but we

cannot allow that to happen here. This presents a hugely transformative opportunity for our society, and it will need to come to fruition across the rest of the decade if we are to have any hope of meeting the 2030 target.

Emma Congreve: I echo a lot of what Philip Whyte has just said, and we should also look at what those who have written the plan said about meeting the 2030 targets. In annex 4 of the plan, it says that the reduction between 2025-26 and 2030-31

"is unlikely to occur without considerable changes to the drivers of poverty."

There is no question but that a lot needs to change if those targets are to be met.

The options of universal basic income and a minimum income guarantee have their pros and cons, but it strikes me that we should aim to enable choice for parents—that is, their income should not constrain the choices that they can make. If they want to work, they should be able to do so, and their choices should not be constrained by their lack of income.

One issue that we have found in our analysis of universal basic income is that it can put people off; because it provides you with income, you do not need to work. However, that can actually embed poverty, especially if the amount is not enough to give you a good standard of living. Therefore, the focus must be very much on opening up options in the labour market. After all, people on higher incomes can choose how much work they do; they can afford to bring in childcare, and they have choices with regard to travelling and commuting that people on low incomes do not have.

As we have discussed, it feels as if the current plan lacks detail on what the Government is offering to enable that sort of thing, and I think that it is the right focus for the next plan, alongside the cost of living and housing cost issues that were covered in the previous session. As I have said, it is a fundamental area where the current plan does not quite cut it with regard to setting out the full offer that will be required to meet the 2030 target.

The Convener: I thank all our witnesses for their evidence. Next week, the committee will begin taking evidence for its inquiry on low-income and debt advice.

As agreed earlier, we now move into private session.

11:21

Meeting continued in private until 11:40.

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Published in Edinburgh by the Scottish Parliamentary Corporate Body, the Scottish Parliament, Edinburgh, EH99 1SP

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