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DELIVERING FOR FAMILIES?

JRF and Save the Children's response to
Best Start, Bright Futures the Scottish Government's
second Tackling Child Poverty Delivery Plan



ACKNOWLEDGMENTS

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As part of this project we commissioned the Fraser of Allander Institute at the University of Strathclyde to undertake the economic modelling that is presented in parts of this report. We are particularly grateful to Emma Congreve for invaluable input.

Cover image is a still from one of three animations created by Braw Talent (www.brawtalent.org) based on the lived experiences of 49 parents involved in the production of this report. We are grateful to the parents for sharing their experiences and also for providing the voice overs.

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FOREWORD

People in Scotland, as they are across the UK, are facing one of the most severe attacks on their standard of living that most can remember. Spiralling energy prices have driven inflation close to 10% and families who were already surviving on very low incomes face devastating struggles to make ends meet.

The Scottish Government published Best Start, Bright Futures (Scottish Government 2022(a))¹ their second Tackling Child Poverty Delivery Plan in this context. The Plan, understandably, is not intended as a short-term response to the current cost of living crisis, it is designed to commit the Scottish Government to actions that will put child poverty on a downward trajectory towards the statutory child poverty targets.

In starting this project we planned to analyse the Delivery Plan from three perspectives. Firstly, and most crucially, from the perspective of parents² living in poverty. Secondly, through projecting what we thought the impact the interventions in the plan would have on overall child poverty rates and lastly, to use our combined expertise to assess where we think the plan succeeds and where more action may be needed.

This report does so but it is impossible to ignore the immediate and crushing hardship that the parents who spoke with us face. In essence, meeting the Scottish Parliament's child poverty targets should make the scale of the current cost of living crisis a thing of the past. That any parent should have to go hungry themselves to feed their child in a country as wealthy as ours is shameful, that so many have, surely has to make us stop and wonder whether we are getting things right.

Within the context of the Delivery Plan we heard parents' struggles to access employment that paid enough to get by, never mind that is rewarding and engenders the self-worth that good jobs can. We also heard the role that the inflexibility, inaccessibility and cost of childcare has in locking parents away from job opportunities. We heard how services designed, in theory, to support people are often a faceless "system" that increases the anxiety that people live under, rather than helping them to manage it. And a social security system full of complexity, stigma and perverse incentives.

Most concerningly, we heard of the impact that this was having on people's mental health. The constant worry of paying bills, putting food on the table or a phonecall from the Job Centre, matched with the scarcity of services to both avoid and treat mental ill-health is a toxic brew that is already holding people back.

As a result, the success of Best Start, Bright Futures will not just be measured on whether the child poverty targets are met, but also on whether we can build a society where the unacceptable conditions that parents and their children face today are a thing of the past.

We know this is the Scottish Government's ambition too and we hope this report is a helpful contribution to their efforts to do so.

¹ Referred to throughout this report as "the Plan".

² Throughout this report where we talk about "parents" we are using this as a shorthand for parents and carers.

EXECUTIVE SUMMARY

Overall, the Plan is a strong diagnosis of the struggle that many families currently experiencing poverty face. In many respects the Plan also correctly identifies the areas where additional action is needed. But it is hard to conclude that the Plan fully delivers a comprehensive set of activity that will meet its lofty ambitions. A stronger prescription is needed to meet the diagnosis.

Chiming with that, we warn, based on modelling provided by the Fraser of Allander Institute, that the actions within the Plan may not be enough to meet the interim child poverty targets – falling just short at 19% relative child poverty.

The diagnosis of the problem

The Plan targets many of the right areas of concern – echoing what parents have told us in producing this report. Worries about childcare, skills, inflexibility of work, transport, healthcare, not least mental health, and general difficulties in accessing services that people require. That this continues to be recognised by the Scottish Government is welcome and means we start from a positive foundation with a Government that is listening.

This continues the strong foundation set by the first Tackling Child Poverty Delivery Plan which, again, successfully identified the main drivers of poverty and the broad areas of action required to help.

But identifying and diagnosing the problem is only a crucial first step, and this report looks at the extent to which the Plan builds on that with “policies that will deliver transformational change” as committed to in its Ministerial Foreword.

How this report works

We report on the concerns and ideas of parents with lived experience of poverty and complement those with our own analysis of the potential impacts of the plans.

We also commissioned the Fraser of Allander Institute to provide us with projections of what they believe the impact on child poverty levels will be as a result of the Plan.

What did parents tell us?

The 49 parents we spoke to in preparing this report paint a picture of deep hardship driven by fear for their children, poor mental health, lack of even the most basic needs like food and warmth and of public services that were often difficult to access and that compounded the general anxiety of trying to get by on a low income. Their concerns focussed around a few main themes which this report focusses on:

- **Childcare** – its cost, its inflexibility and its inaccessibility. Time and again, the cost and relative inaccessibility of childcare to parents experiencing low incomes was brought up. The complex system of support that is available to access it and the struggles for parents, particularly women, to balance the needs of their children and maintaining a decent income are often overwhelming.

- **Work** – if parents were able to secure childcare, they faced a workplace that was inflexible and often discriminated against those with caring responsibilities. It is also blighted by low-pay, low security and low job satisfaction. Meaning that parents were stuck between difficult lives with very low incomes through work or difficult lives with very low incomes through social security.
- **Social security** – the UK Government’s social security system continues to be a source of enormous stress in families’ lives. Through the meagre support that it provides to the way in which it bullies and cajoles parents who are often facing overwhelming pressures on both their and their children’s wellbeing. Furthermore, its unpredictability, coupled with high childcare costs is forcing parents to consider surviving on a completely inadequate but comparatively secure low income through social security, rather than the riskier prospect of work. They are being locked in deep poverty by the social security system.
- **Mental health** – the constant anxiety of struggling to make ends meet, on top of worries about their children, on top of pressure from the DWP, on top of mounting debts, on top of difficult to access services is creating chronic mental health struggles. Parents told us how the lack of emotional support as well as mental health support when they needed it, was locking them in a desperate cycle of poverty.
- **Access to services** – across the piece, services were often very difficult to access and, at worst, could be stressful to access – exacerbating already overwhelming problems.
- **The cost of living** – we have titled this part of the report “freeze or eat” which sums up the situation many people are facing due to the precipitous rise in inflation driven by energy prices.

How does the Plan respond to the needs of parents?

The Plan’s commitment to a £25 per week per child Scottish Child Payment will be a crucial lifeline to many with young children now and to all eligible children under 16 by the end of the year. That £1,300 per year per child boost to family incomes in Scotland is not available elsewhere in the UK and is a significant commitment from the Scottish Government to reducing child poverty in Scotland. When coupled with the commitment to mitigating the benefit cap for those families, mainly single mothers, impacted by it – it shows a major commitment to action by the Scottish Government. Crucially the parents we spoke to who receive the Scottish Child Payment recognised, and welcomed, the different approach taken by Social Security Scotland.

But there are other elements within the Plan that are concerningly short on either action, scale or urgency.

- **Economic transformation** – while there were welcome commitments to strengthening employability support to parents, that is only one side of the coin. Parents told us about the difficulties they faced accessing the workplace where employers were often unable to flex to needs of looking after a family. This Plan takes some steps to help parents get closer to jobs but does little to bring jobs closer to them.
- **Employability** – parents told us about the need for holistic support to get into, or stay in, work i.e. services designed around them, and their family, as individuals – whether providing mental health or emotional support, logistical and financial help in accessing childcare or more traditional employability support. While the Plan welcome commits to doing more, we hope the lack of specificity in that offer can mean delivery is designed with and for parents in the priority groups³, coupled with greater efforts to work with employers to reduce barriers to work for parents.

- **Mental health** – as noted above, parents’ mental health struggles were numerous but there is little in the Plan to suggest there is significant action in place, for parents and children, to reduce waiting times, increase community services and support general mental wellbeing.
- **Housing** – the Plan was surprisingly light on commitments around housing, particularly given its primary importance to parents. Parents we spoke with often raised concerns about very high housing costs and in many cases, the lack of any permanent home at all. More needs to be done to align affordable and social housing delivery with child poverty reduction priorities.

In conclusion

As the Plan itself notes, meeting the child poverty targets will require some hard choices but the Plan does not seem to address what many of those choices are – either leaving them to other strategies or plans or remaining silent on them. The purpose of this report is to voice some of those issues and suggest solutions to them. It is not to dismiss the Plan nor suggest an alternative one but to encourage the Government to either raise their ambition on certain elements of it or ensure delivery is focussed on the most important issues to parents.

We believe the issues that parents have raised with us alongside our analysis provides a helpful route map for how progress can be secured. That progress will only be possible if the Scottish Government continue to, and deepen, its engagement with parents and children. The time for pilots has passed, the “national mission” to end child poverty needs more urgency. If public service reform will be part of the Plan over the next few years, parents and their children need to be at its heart.

Like the Scottish Government, we believe a Scotland without child poverty is possible and *Best Start, Bright Futures* does paint a picture of how that might be achieved. Setting out that vision and the path to get there is welcome, but parents and children do not need to be told what the future might look like, they need to see it changing now.

³ The Scottish Government has identified 6 priority group family types who are at a higher risk of experiencing child poverty; they are: lone parent families, minority ethnic families, families with a disabled adult or child, families with a younger mother (under 25), families with a child under 1, and larger families (3+ children).

The hard choices facing the government and Parliament to meet these targets are nothing compared to the hard choices that families are making on a day-to-day basis just to get by, as one parent put it:

"Sometimes I just run out of money. I can't do things that I need to do for my kids and for myself. It's like I don't really care about myself. It's more for my kids, to be honest."

No-one should feel this way. Poverty is a human-made concept and it is one that we can deconstruct, just as we have constructed it. With two national crises in a row, the imperative to build a fairer Scotland where no-one reaches the desperation that far too many people face today could not be stronger and more urgent.

Key recommendations

This report has a detailed list of recommendations at the end of each section to help shape and progress delivery of the Plan. The recommendations below represent the fundamental shifts we believe need to be taken and are grounded in the priorities we heard from parents.

The Scottish Government should:

- Bring the urgency of the response to the pandemic to the 'national mission' to end child poverty, due to the urgent struggles that families face, many of which predate high inflation and Covid-19.
- Increase the Scottish Child Payment by above inflation in 2023/24 to ensure the interim targets are met and to help ease the cost of living for families. In light of the Fraser of Allander's forecast that the interim targets will be missed, and the ongoing cost of living crisis, commit to a further increase to the Scottish Child Payment in the lifetime of this parliament.
- Move immediately from piloting a "no wrong door" approach and start working with partners across Scotland to delivering it now, building on existing services and good practice examples across the country.
- Refocus efforts from bringing parents closer to the labour market, to bringing the labour market closer to parents.
- In delivering the actions set out in this Plan, do far more to explicitly target actions at the priority families – not least in areas like employability.
- Make restoring and improving mental health services a key plank of efforts to reduce poverty.

INTRODUCTION

The Child Poverty (Scotland) Act 2017 set both interim and final targets for the reduction of child poverty (see box 1) that were agreed unanimously by the Scottish Parliament at the time and committed to in each of the parties manifestos in 2021.

Fewer than 18% of children living in families in relative poverty in 2023-24, reducing to fewer than 10% by 2030.

This means fewer than one in ten children living in households on low incomes by 2030, compared to the average UK household.

Fewer than 14% of children living in families in absolute poverty in 2023-24, reducing to fewer than 5% by 2030.

This means fewer than one in twenty children living in low income households where living standards are not increasing by 2030.

Fewer than 8% of children living in families living in combined low income and material deprivation in 2023-24, reducing to fewer than 5% by 2030.

This means fewer than one in twenty children living in low income households who can't afford basic essential goods and services by 2030.

Fewer than 8% of children living in families in persistent poverty in 2023-24, reducing to fewer than 5% by 2030.

This means fewer than one in twenty children living in households in poverty for three years out of four by 2030.

Box 1 – Statutory Child Poverty Targets

The Act also obliges the Scottish Government to publish delivery plans to show how they will achieve these targets and Best Start, Bright Futures is the second of those covering the period 2022-26⁴.

The Plan aims to set out the “bold and ambitious action” that will be taken to meet the interim targets and make progress towards the 2030 targets and models the impact of actions within it; concluding that the actions in the Plan will put child poverty on a downward trajectory and meet the interim relative poverty target (with relative child poverty of 17% in 2023/24), although Scottish Government do note that given current economic instability those projections will have to be kept under review.

The main actions in the Plan fall under three broad headlines:

- **Supporting parents into work;**
- **“Maximising the support available for families”;** and
- **“Supporting the next generation to thrive” – which focuses on actions intended to support children experiencing poverty today.**

⁴Following on from the first *Every Child, Every Chance* – Scottish Government (2018)

Every Child, Every Chance: tackling child poverty delivery plan 2018-2022 - <https://www.gov.scot/publications/child-chance-tackling-child-poverty-delivery-plan-2018-22/>

This report focuses on the measures in the Plan to reduce child poverty and meet the targets.

The headline announcements on the day of publication were:

- **Increasing the Scottish Child Payment to £20 per week per child from 1st April for children under 6 and then to £25 for all eligible children under 16 once it is fully rolled out.**
- **Aiming to support up to 12,000 parents into, or to sustain, work, including an increase in funding to support that.**
- **Supported by a £15m Parental Transition Fund that will allow employability services to reduce barriers to employment for parents.**
- **Providing £10m to councils for Discretionary Housing Payments to mitigate the impact of the UK Government's benefit cap.**

OUR APPROACH

The analysis in this report brings together parents' experiences and views, with economic modelling and our own analysis. The experiences and views of parents have informed the priorities drawn out in this report. Working with community based partners, Save the Children spoke with 49 parents, through a mix of focus groups and one-to-one conversations in April and May 2022, facilitating conversations on the key themes in the Plan. Parents from all the Scottish Government's priority groups were consulted, including:

- **At least 14 parents that had a child under 1.**
- **16 parents that had 3 or more children.**
- **13 parents who were young mothers (10 of these had their first child when they were 21 or younger).**
- **12 parents who considered themselves to be Black or Minority Ethnic.**
- **23 families that had at least one disabled family member.**
- **27 parents who were single parents.**
- **And 37 mothers and 12 fathers were consulted, ensuring that the views of both mothers and fathers were represented.**

To complement the insight from parents and our own analysis, we have worked with the Fraser of Allander Institute at the University of Strathclyde to understand the anticipated impact of the actions of the Plan on relative poverty.

WORKING THROUGH THE NUMBERS

As a welcome part of the Plan, the Scottish Government have conducted modelling that provides insight on expected impact that was missing from the previous “Every Child, Every Chance” delivery plan in 2018. This analysis provides useful context to the report, and shows that a lot of progress is expected to be made over the period of the Plan.

In many places, the levels of transparency and quality of the analysis are high. However, this level is not consistent in every area across the whole Plan.

There is a lot of uncertainty to deal with – some of it avoidable. The ability to model policies depends on there being a sufficient level of detail available on the action that will take place, and it is clear that many actions in the Plan are not yet developed enough for this to happen.

Where enough detail is available, and the policies in question are within the timescale of this delivery plan, there have been attempts to provide an estimate of impact. Overall, in making these estimates there seems to be a tendency to use optimistic assumptions – in many places this optimism is admitted by the Scottish Government analysts in the Plan.

To be an effective tool for policy making, only considering the optimistic scenario is problematic and we would have expected more sensitivity in the analysis in an attempt to develop a central scenario that does not have an explicit optimism bias.

The optimism is most apparent in the work policies where the Scottish Government describe the assumptions as ‘highly optimistic’. Even with these highly optimistic figures, the poverty reducing potential of the work policies is marginal. It is the Scottish Child Payment that is primarily responsible for driving down poverty in the Scottish Government’s analysis.

In terms of how the final modelled poverty rate of 17%⁵ has been arrived at, there are questions over how the modelled results have been translated into poverty estimates and whether they are, again, on the optimistic side.

Whether or not the Scottish Government will meet the interim target that is due within the lifetime of this plan remains uncertain. On balance, it is likely that even the Scottish Government would have to concede that their modelling represents something of a best-case-scenario and as such there is a fair likelihood that the interim targets will be missed.

The Fraser of Allander’s attempt to replicate the same policies as the Scottish Government found results within 2 percentage points of the Scottish Government. This modelling implies that the interim targets are likely to be missed, albeit only just.

What it does show is a huge turnaround for child poverty in Scotland and interim targets within touching distance although much more will be required to move close to the final 2030 targets.

⁵ 17% relative child poverty rate in 2023.

MORE SUPPORT TO GET PEOPLE INTO WORK

Work can and should be a sustainable and successful route out of poverty. Parents who are able to secure an income from work are less likely to be in poverty and will see the other rewards that work can bring – friendship, achievement and self-worth.

But this is not the reality for many families in Scotland who are in work, and there are far too many families who would like to get work but cannot, or who cannot get enough work to secure a decent income. The Plan rightly recognises this and sets out to reverse it. It outlines an expanded offer for employability services and a need for a transformed economy. They are two sides of the same coin. But does the Plan get the balance right between action that focusses on helping parents to reduce barriers and in driving changes in the workplace, economy and public services that will lower those barriers for parents?

ECONOMIC TRANSFORMATION - THE SEPARATION OF TACKLING INEQUALITIES FROM ECONOMIC STRATEGY

Employability and removing barriers to employment can only do so much if parents are going into an economy that does not work for them. We need to move away from an assumption that it is parents who have to bridge all the gaps between themselves and good work – and move to an economy that brings good work closer to them.

The Plan mirrors much of the language of the Scottish Government's recent National Strategy for Economic Transformation (NSET) and like this, many of the diagnoses shared across these publications are sound.

But the Plan, like the NSET, struggles to address the transformational change needed within our economy. It is impossible to picture a prosperous Scotland free from child poverty without a vastly different economy to the one we have today. One which distributes the gains from enterprise more evenly across society – whether simply via more fairly distributed income or to a more fair distribution by gender, ethnicity and disability.

Both the Plan and NSET park these significant issues of inequality in our society in other strategies, most

notably regarding the disability employment gap, the minority ethnic employment gap and action to support lone parents into work. These three groups combined represent 150,000 children in poverty which is 68% of all children in poverty and 84% of children in a priority group in poverty.

By allowing the issues of equality in the labour market to become potentially detached in this way, policy related to economic development appears to treat them as separate from the main goal and as relatively niche issues. Instead, the reverse is true. Resolving these inequalities, with gender inequality running through their core, is the transformation the economy needs. Of course there are challenges around innovation and internationalisation but by wasting the resources of our people in low-paid, unrewarding and insecure work we are stifling our own international competitiveness.

There is often a caricature of views that business and the economy is not interested in social issues and that the public sector is not interested in business. Like all caricatures there may be truth at the extremes but the reality is far more complex and hopeful. Businesses today are feeling the impact of failures of social policy, with a tight labour market,

long term ill-health and shortages of particular skills. Public services are suffering because of lower tax revenues and a lack of innovative responses to societal challenges. It is in their collective interest to work together to fix these issues.

For example, in 2015 the Scottish Government became the first government to become Living Wage accredited⁶ and this accreditation saw all directly employed staff and contracted workers, where possible by law, paid the real Living Wage (rLW). This was a genuine watershed moment for fair work and fair pay in the UK. It saw Scottish Government lead from the front on decent pay and is a key part of why Scotland has such a strong community of Living Wage employers and the highest rate of employees on at least rLW out of all the UK nations, almost 5 percentage points more than the UK average (Finnigan, K 2021). Through their funding of the Poverty Alliance's Living Wage Scotland project and the commitment of businesses to their employees, over 50,000 workers have moved onto the rLW since 2014.

The power that employers can wield to change child poverty rates in Scotland is enormous and understated in this Plan. Last year JRF modelled what impact moving people to the rLW could have on child poverty⁷ (Birt, C and Milne, B, 2021), for the individual this means more money in their pocket, for the Scottish Government it means lower social security costs, for the employer it means lower staff turnover and good branding for their business. The same modelling showed that a combination of decent hours and rLW is what is needed to move people out of poverty. It was therefore welcome to see mention of the Living Hours scheme in the Plan but disappointing to see no detail on implementation, scale or ambition of the roll out. It is a voluntary scheme designed to combat one sided flexibility and promote predictable and reliable hours for workers, but it is in its infancy as an initiative with only 19 employers in the UK signed up, 8 of which are based in Scotland.

Pay and hours are just two areas where working with employers will be integral to success. But employers in the third and private sectors do need to become more invested members of the national mission to end child poverty. This is particularly

true of sectors such as care and hospitality that are dominated by women and by low-pay, insecurity of tenure and unsociable hours. Further action should be mindful of the risk of a "two tier" workforce, where some jobs can be done flexibly from home to fit in with caring responsibilities, and others (often those less well paid and less secure) not offering this flexibility. Therefore it will be important to consider more flexible working rights for all workers.

Businesses, like local third sector or public sector services, can understandably be reluctant to bend to government edict on how to run their business. But businesses do not need the Scottish Government, or anyone else, to tell them how their operating model can help tackle poverty – the best advice they can get on how to do so is far closer to home, their employees. By actively seeking out insights and listening to their employees, there will often be straightforward ways, that do not cost the earth, for employers to fundamentally improve the quality of life of their employees.

That being said, ultimately we are more likely to transform the lives of those on low incomes in Scotland if employers and the government recognise that working more closely together to drive down poverty in Scotland will be to everyone's benefit.

⁶https://archive2021.parliament.scot/ResearchBriefingsAndFactsheets/S5/SB_16-94_The_Living_Wage_facts_and_figures.pdf

⁷In that briefing, JRF showed, as an example, that lifting all parents onto the real Living Wage by 2023/24 would reduce potential Scottish Government expenditure by over £100 million (compared to a £40-per-week per-child payment).

GETTING INTO GOOD JOBS - WHERE WE ARE NOW

The evolution of employment support in Scotland since devolution has been towards a more compassionate and person centred approach. The ambition of Scottish Government for employability, via the No One Left Behind strategy, has been clear and consistent in this aim.

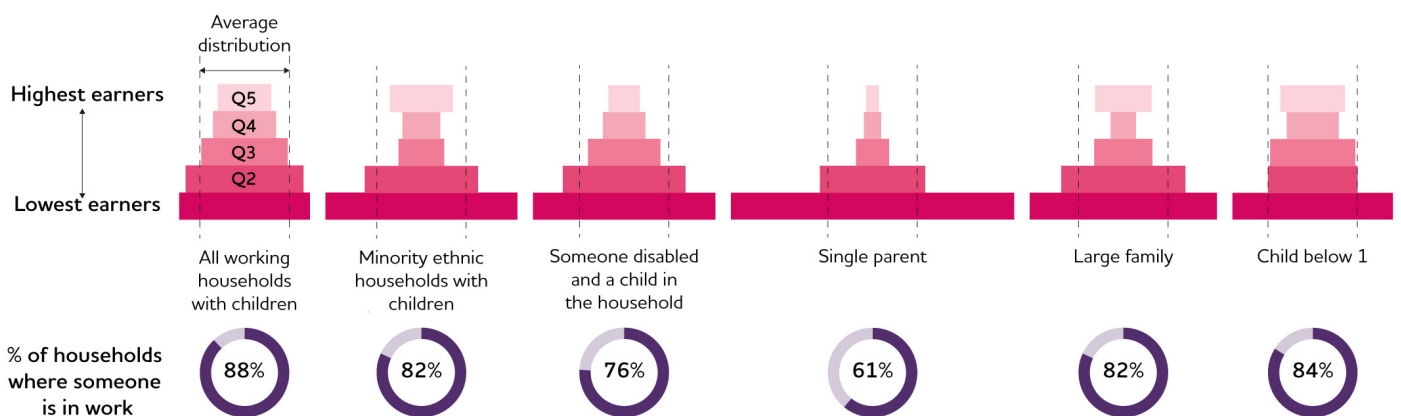
"A person-centred system that is more flexible and responsive to the changing labour market, tackles inequalities and grows Scotland's economy" (COSLA et al 2020).

Programmes to support people into work are delivered by dedicated and passionate teams from local and national government, social enterprises, the third sector and private contractors. Despite this there remains a clear pattern of parents being locked out of the labour market. If they are able to secure work, too often it is poorly paid,

inflexible and insecure. As JRF have highlighted previously (Cebula et al 2021) this manifests differently in each of the priority groups.

This is shown in the charts below. The circular charts show the proportion of households in each group where someone works. The other charts show just how much being in one of these priority groups suppresses your income from work (earnings). For all priority groups a far greater proportion of families are in the lowest earnings quintile – their triangular shape, where they should be a column, highlights the problem.

Labour market participation and income for priority family types



Source: JRF analysis of Households Below Average Income

Note: The income from employment quintiles are created using only working households in Scotland. The chart shows the distribution of households with children and in the priority groups within these quintiles. The bar chart uses data on all households in Scotland in the stated group, including inactive and unemployed households.

This also chimed with what parents told us in our discussions with them. A story of hurdle after hurdle being put in parents' way to securing work and/or decent pay. We will come back to childcare but the other main barriers to work were:

- A lack of reasonably paid employment.
- Inflexibility of employers.
- Little opportunity to take on work that was enjoyable and garnered a sense of purpose.
- The interaction with the social security system.
- Inability to access training opportunities due to lack of financial support.
- Caring responsibilities in the broadest sense – for example supporting a disabled child to attend appointments, caring for other disabled family members.
- The mental health impacts of being out of work and the lack of support to overcome those – often made worse by the threat of sanctions from Job Centre Plus.

All in all, parents report a precarious financial position whether in work or not. With an impossible choice between low-paid, insecure work and very low, but more secure, social security payments.

"Universal Credit is not enough, given the crowd I have at home and the bills I have to clear, and the transport here and there. It's just not enough."

"You need certain finances to get the kids to school, you need certain finances to get the baby to nursery, you need certain finances to get to work and back, you need all these things, you need financial support in a big way to be able to do the things you need to do for your children's education and health. That's the big thing and without that, you can't really do anything."

"I feel for so many years I've just tried to get by and I'm like I've worked all my days, I've worked since I was 12 years old and paying tax and national insurance since I was 16 but see now over the last 3 years, it's been such a hard and crucial time and prices keep going up."

While each parent's situation will be different the amount of barriers that many faced trying to return to work was reported to be, at times, overwhelming. So much so, that even if work was desired, it was felt that the hurdles to get there were insurmountable. This is why it is so vital that action focusses not just on how parents can be helped to reduce those barriers but how employers can remove those barriers in the first place.

One case study sums up the numerous hurdles that people face but also how every family's situation is unique:

“I AM BEING CAGED”

Adam* is lone parent to four children of primary and secondary school age. He is not currently working. His partner died a few years ago and he has raised his children on his own and had to give up his work to care for them. One of his children is disabled and has mobility issues. He relies on a car to transport his disabled child and to manage the appointments of the other children too. Buses aren't accessible or convenient, and taxis are outwith budget.

Adam is worried about the cost of transport and the cost of food. He tried to apply for the free bus travel but his application has been rejected a few times already and he has for now given up – but his children are asking him to try it again.

It is difficult to encourage his children to eat free school meals because they want to go and get lunch with their friends. As the children get older, they are more aware of what other families do

*name changed

and want to have the same experiences, which is putting pressure on the family purse. Adam wants to go back to work but is finding it difficult.

"How can I go back to work, what will I be able to have that will be good childcare. I have the older one with disability and younger one in primary. I am being caged. I am a lone parent, I am helping them - dropping them off and picking them up, attending appointments so this is a really hard task."

Adam is concerned about the wide gap in his CV having been out of work for seven years and how this will affect his employment opportunities.

He thinks that increasing the Scottish Child Payment and rolling it out to all children under 16 will be a big help for him to manage until he is able to return to work.

A recognition of the need for specialised employment support to reduce child poverty is not new. The previous delivery plan in 2018 articulated this need and announced The Parental Employment Support Fund (PESF). It was to be targeted employment support, delivered by local authorities. It set out to support parents into work and to support them once in work to enable their progression.

While being underfunded in comparison to the scale of the challenge (£5m, then £12m of funding), the fundamental elements seemed to be the right ones. As the charts above show, the priority groups relationship with the labour market is not consistent and the challenges and barriers to success vary. Recognising this and shaping delivery of PESF accordingly was an important moment for employment support in Scotland.

Judging PESF a success or failure, however, is not simple as there is no specific available data on the programmes that have been funded. This is frustrating and does not fit with the principles of evidence-based decision making that should be at the heart of PESF. For the moment, then, the best measure of the success or otherwise of targeted support for priority families are the labour market outcomes for these families and their lived experience of the support, journey into work and the experience of being in work. By these measures the employability offer for priority group parents needs to be re-thought and a new offer delivered at pace with far greater resources and understanding of what works for parents.

HOW THE PLAN RESPONDS TO THESE CHALLENGES

It is clear in the Plan that the Scottish Government recognises something has to change. What is less clear is whether they are proposing a change of scale, a change of approach or both. As JRF argued in *Poverty in Scotland 2021* (Cebula et al 2021) employability support needs to be tailored to different individuals and family needs, particularly amongst the priority groups. While the Plan states that the type of support will adapt to the priority families it is unclear how that will happen in practice.

Annex 5 to the Plan sheds some light on delivery of the employability offer to parents and it is clear that the plan is for this be done via the same structure that delivers current support. The offer itself is described as a “menu that would be the same for every parent but applied based on the need and circumstances of the individual parent or family unit” (Scottish Government 2022(a), page 35). This points to a ‘business as usual approach’.

More promisingly the Plan suggests that the Scottish Government are reacting to the findings of the evaluation of the wider Fair Start Scotland Programme, including:

"Also in-keeping with previous year's evaluation findings, the forms of support rated highest in terms of usefulness were not conventional forms of employability support but specialist support such as help with an addiction, help managing finances or debt and support for a physical health condition." (Scottish Government 2021)

Suggesting that often the “wraparound” service provided by Employability Services is one of the most welcome and important parts. This also chimes with what parents have told us in discussing the Plan and previous JRF work (Yaqoob et al 2021).

In this context the new £15 million Parental Transitions Fund is encouraging. Our work with parents and with those delivering PESF shows that

when support is needed for upfront costs associated with starting a new job, Parental Employability Support Funding was very slow to react. This does not reflect the nature of entering the labour market and the prevalence of employers paying in arrears. The transition into work is a defining period for many, efforts to make it as smooth as possible are very positive. For the fund to be a success it will need to be able to react to requests within days and that will require funding to be allocated to local government with less constraints than normal and will require local government to be live to the immediate needs of parents accessing the fund. This task of designing the delivery mechanism for this type of agile support will need to be done hand-in-hand with people likely to receive the support.

The Plan also mentions a number of smaller scale plans that aim to support priority families into employment such as the £2 million Challenge Fund. Almost undoubtedly there will be positive impacts provided by these funds but they are not the solution to the significance of the problem.

Firstly, they could continue to encourage a deficit model of helping parents secure work. With parents treated as being “far from the labour market” rather than the labour market being far from them. Employer behaviour, attitude and policy is often cited by parents as a reason that they have to leave a job or are unable to take a job in the first place. This lived experience evidence has been consistently available to Scottish Government and was in the Poverty and Inequality Commission’s (*Poverty and Inequality Commission 2022*) advice to Government prior to the Plan’s publication yet does not feature strongly.

Secondly, as with JRF’s work with single parents from last year (Yaqoob et al 2021) and our work with parents in producing this report – the barriers that they face are very well documented. Parents are getting tired of repeating the same stories.

MODELLED IMPACTS AND REACH OF THE PLAN

We have also worked with the Fraser of Allander Institute at the University of Strathclyde to understand the anticipated impact of the work elements of the Plan.

As noted in an earlier section, where modelling of work policies has been attempted, the assumptions are described by the Scottish Government as “highly optimistic”. Here we explore this in a bit more detail.

Reach

The aim to reach 50,000 parents in the “Employability Offer to Parents” is ambitious, especially considering that in the first four years of Fair Start Scotland (the national employability programme) around 40,000 people have started on the programme, of which fewer than 10,000 were parents (Scottish Government 2022(e)).

Sustained Job Outcomes

For the “out-of-work” package, a key assumption is that 20% of those who are reached by the programme will gain sustained employment as a result of the programme. This is higher than the observed success rate in the current Scottish Government employability programme which the Scottish Government cite to be between 8 and 16%⁸. Whilst striving for a higher success rate is understandable, the 20% figure chosen is difficult to reconcile with the evidence available.

The modelling also assumes that every parent who enters the programme will be in poverty. Given what we know about the links between employment and poverty, this is unlikely to be the case. Having one parent out of work does not necessarily mean a family will be in poverty if there is a second, earning, parent also present.

The modelling does take into account the lag between employability support being given and a ‘sustained’ job outcome being achieved. Therefore, out of a total of 10,000 people that the ‘out-of-work’ package will help in to sustained work, only around 7,000 of them will see an impact within the timescale of this plan and are therefore included in the modelling. There is no inclusion of the “stretch-aim” of 12,000 parents into sustained work in the modelling.

The “in-work-package” also assumes a time lag and an optimistic success rate, upping the 6% that is referred to as the success rate from a similar UK programme⁹ to 10% in this modelling.

It is important to note that the modelling methodology does not explain the 2 percentage point reduction in child poverty referenced on page 9 of the main report. The 2 percentage point figure may apply to the impact beyond the lifetime of this delivery plan or other assumptions may have been used. More explanation around how this figure has been reached would be welcome.

⁸ We understand from the Scottish Government that this range represent the 12 month outcomes for different strands, representing closeness to the labour market.

⁹ The document referenced again does not explicitly provide the 6% figure, and we understand from the Scottish Government that in error the wrong document was referenced. The correct reference is https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/425081/rr892.pdf.

WHAT DO PARENTS WANT TO SEE NEXT

In our discussions with parents about this Plan there were several key asks that parents had. The Scottish Government, their delivery partners and businesses must grasp these if they are to be successful in work playing a much more effective role in reducing poverty:

1. For employability to become an adaptive and flexible service that can flex depending on what an individual needs.

This ranges from “core” employability skills, to emotional and practical support in managing the transition, mental health advice, debt management and childcare support. These issues cannot be viewed separately to providing a successful service.

2. Personalised support.

Linked to the first priority, services must be mindful of the individual that is accessing their service and the needs of them and their family. This intensive relationship-based approach is key to building trust and achieve positive outcomes. One size fits all employability support is unfit for purpose.

3. The ability to access affordable, flexible and high-quality childcare.

We cover this in more detail below, but it is a huge and time-old barrier to parents, particularly mothers, who want to work get into work.

4. Jobs that are designed for parents.

Employers must do more to understand and adapt to the caring responsibilities of parents. Stories abound of parents – mostly mothers – losing income, hours and jobs because of the pressures of balancing work with parenting. Both parents, and employers, are suffering as a result.

5. Fair work and good jobs.

Decent wages, reliable hours and rewarding work are often absent in low-paid jobs, meaning life is precarious for parents on low incomes whether they are in or out of work.

6. Localism.

This is summed up by the Scottish Government in the concept of 20-minute neighbourhoods. Parents cannot be in three places at the same time and the increased burden of travel for work, caring or anything else can lock them out of employment opportunities.

7. Access to mental health support.

Again something we will return to but often a barrier to returning to work is mental ill-health caused by the negative impacts of not working and the trauma of experiencing poverty. This viscous cycle needs to be broken.

While much of the Plan’s commitments on helping parents into work are lacking detail, this does have the advantage of allowing them to flex to the things that parents are telling us that they need.

RECOMMENDATIONS FOR THE SECTIONS ON EMPLOYABILITY AND ECONOMIC TRANSFORMATION

- For employability services for parents to move beyond a traditional approach to employability. While some parents will need job search or CV writing help, just as many, if not more, need far broader support. The additional funding for employability should finance different tailored approaches for priority groups that must be linked to income maximisation services, childcare expertise, financial, emotional and practical support, and mental health support.
- Connected to that – the Parental Transition Fund should be available at the discretion of people working directly with parents. Prescriptive limits on how it can be used can only fail to recognise the myriad of barrier parents face to work.
- The Scottish Government need to recommit to how tackling inequalities within our economy is as important to economic sustainability as other priorities such as innovation and internationalisation.
- Businesses must consult and work with their employees, particularly parents, to assess how they can adjust their working conditions to allow parents to maintain employment and work enough hours to make ends meet.
- The Scottish Government should consider ways to work with employers to incentivise or encourage working in a family-friendly, flexible way. Part of this could be about promoting the multiple benefits to employer, employee and wider economy.

CHILDCARE – BIG INVESTMENT, BIG RETURN?

Affordable, high quality and flexible childcare (for young children and out of school care) is time-and-again the key ask of parents who are unable to access work. Most of the parents we spoke to had young children and therefore our analysis focusses on childcare for 0-5 year olds. We recognise that out of school care for primary school children is also a significant issue.

The fundamental purpose of expanding the provision of funded early learning and childcare was to improve children's early learning and development and is of significant benefit to young children living in low income households. An additional aim of the expansion was to enable parents to return to work or increase their working hours. How well this policy has achieved this is the focus of this section but it needs further evaluation.

While the Scottish Government now have one of the most generous universal offers in the UK of funded early learning and childcare for some 2 year olds and all 3 and 4 year olds it is clear that parents are struggling to access it in ways that will allow them to work as well.

This is, as recognised in the Plan, acutely so for the 2 year old offer where take up continues to be of significant concern, with the most recent figures showing a welcome increase but only to 13% of all two year olds (out of an estimated 25% eligibility). But that national figure masks significant local variation with some councils achieving what is likely to be very high take-up such as East Ayrshire (27%), Inverclyde (22%) and Clackmannanshire (21%) whereas Aberdeen City and East Lothian councils show only 5% take-up. Showing the potential for councils to work with parents to ensure that early learning and childcare is available in their area.

Of course, good quality early learning and childcare can be of significant benefit to young children, particularly so given the isolation caused by repeated lockdowns for Covid-19. Low take up is not just potentially preventing parents from going to work but means children may be missing out on this enriching, vital, and fun, early life experience.

But at all ages the following reflections given to us by parents are commonplace.

"They only take her down for three hours. That's not good enough for any work. [...]The government could extend this a little bit."

"I've even offered the nursery to pay extra hours but they don't have the space "

"Council-run nurseries, they either do AM or PM, Monday to Friday. So, if I wanted to work, that wouldn't work for me because there's no job that gives you nine to 12 in the morning."

Unfortunately the Plan does little to address concerns such as these other than to acknowledge them and to commit to publishing a strategic plan following the outcome of the Resource Spending Review. Undoubtedly there have been improvements in the childcare offer available in Scotland – with, on paper, a large number of free hours available and high-quality childcare available where and when it can be accessed.

That being said, parents still see significant barriers to accessing that childcare and had the following priorities that the Scottish Government should consider in their strategic plan for childcare.

¹⁰ Eligibility for the 2 year old offer is limited to parents or children with experience of care and parents in receipt of most common benefits (up to certain income limits for those on Universal Credit or in receipt of tax credits) – this is estimated to be about 25% of all children by the Scottish Government. <https://www.gov.scot/publications/summary-statistics-schools-scotland/pages/6/>

THE BARRIERS TO ACCESSING CHILDCARE

The quotes from parents above capture the lack of flexibility in the current offer that would support parents to take up work. Nearly all parents reported an inability to flex how they accessed their funded hours – meaning that parents would take up offers, where available, so their child could benefit from the service but that they were unlikely to be able to get a job as a result.

Another major blocker is the *complexity of the system*. There is, by any measure, a lot of support available for parents to reduce the costs of childcare. It is, however, a mindbogglingly complex system for parents to navigate – and this shows up in different ways depending on where you receive that support from:

- From Universal Credit – while not the responsibility of the Scottish Government, the impact of the Universal Credit system on parents cannot be ignored. Parents told us that it was very difficult to know what support was available via Universal Credit and that the amount could vary depending on income levels and assessment periods. It is also worth noting that much of the support will fall significantly short of the cost of private nursery costs, particularly for parents of babies under the age of 1 and some 2 year olds who are not eligible for funded hours.

"Universal Credit messed me up big time, I was a single parent with two children on my own. And Universal Credit stopped paying me for my childcare costs and I got £1,100 debt that I've just finished paying. They said that I was not entitled to it. They paid for like, six months. Imagine that: the kids got suspended from nursery because I wasn't able to pay the nursery fees and then they charged me an extra month on top of it and they weren't even there. [They said] you're not entitled to it because you work full time. I was like, but I'm not getting as much money as what you think I am."

- In education/training settings – again parents told us that childcare support was complex and confusing to access and also had a difficult to navigate eligibility criteria depending on household income and level of qualification that was being studied.
- Accessing Scottish Government funded hours – parents find it difficult to know where and when children will be able to access their funded hours. In many places only particular nurseries will provide the offer to 2 year olds. Many public sector intakes are limited to “term” starts meaning that parents have to balance work opportunities with when it will actually be possible for a child to start childcare which does not reflect the reality of the jobs market.

It is clear that *parents of young children are caught in a trap:*

- Maternity pay is inadequate in terms of level and the time it allows parents to spend with their young children, often pushing mothers out of work.
- The social security system that they transfer onto is inadequate to provide a decent standard of living for the parent, principally mothers, and their child.
- Any income secured through employment is likely to be largely swallowed by childcare costs.
- The upfront costs for childcare when entering employment act as an insurmountable barrier for many when salaries are paid in arrears.

The first years of any child’s life are the most important. They require the nurture and love of their parent. For parents this can be the most challenging part of parenthood where difficult trade-offs are required between caring for your child and maintaining household incomes. At the moment, low income parents, again principally women, are stuck in a position, driven by extremely low incomes and very expensive childcare, where they can feel that they are getting neither side of the balance right – struggling

to provide the support that their child needs due to anxiety and low income and unable to secure a decent income through work or an adequate social security system. For those who do choose to work, they are likely to lose a significant amount of their income to childcare costs and the additional ‘costs’ in terms of time, stress and cost of transport for pick/up drop off all added up to a net loss for many employment opportunities. This was summed up by one parent:

"What's the point of applying as soon as she turned one, because all of my money would be towards childcare. There would be nothing."

Paying childcare costs in arrears via Universal Credit creates a significant financial barrier to parents accessing work and a financial risk that can disincentivise seeking employment. Between waiting at least one assessment period for payment of childcare costs, coupled with being paid in arrears – parents are being asked to carry a significant burden of costs before they are paid.

Parents with children with additional support needs often struggled to find a nursery that could provide the additional support that their children need. Worsening the already significant barriers of accessing childcare in the first place – such as a suitable nursery provider being nearby to either home or a possible workplace.

WHAT PARENTS WANT TO SEE CHANGE

Many of the issues raised by parents in our discussions with them are not new and have been features of the childcare system for quite some time.

Fundamentally, what parents need is simple. A childcare system that is able to adapt to their needs should they want to seek work. Of course fundamental to that is that employers should also play a role in recognising the current facets of childcare services that impact on their employees.

For children under 1

The fact that 33% of children in families who have a child under 1 live in poverty is a shocking indictment of the support available to families with babies. Given the crucial nature of that time in a child and parent's life this needs to be reversed quickly. Statutory maternity pay is amongst the lowest in the OECD and while this is the responsibility of the UK Government if the Scottish Government's ambition is to bring child poverty down in each of the priority groups to below the targets they will need to take action. While the Best Start Grants and the Scottish Child Payment will benefit families with babies, this group may be a sensible group to target the initial roll out of the proposed minimum income guarantee.

Not even the punitive nature of the Universal Credit conditionality system expects parents with children under 1 to work, so it is up to the government and employers to ensure that parents are able to maintain a good standard of living while they rightly chose to prioritise caring for their young child over work. To do so is to recognise the value in the care and nurture that parents can give to children and to move away from a culture of simply defining someone's self-worth by their ability to work.

Making rolling intakes the standard

Just as children's ability to benefit from childcare does not start on a single day, neither do work opportunities always start at term times. Childcare settings need to be able to offer rolling intakes to recognise the fact that parents are missing out on employment opportunities if they are unable to access childcare within a reasonable timescale.

Provide clarity and reduce the burden on parents

As set out above, support for the costs of childcare are available but it comes in a variety of shapes and sizes and, for many parents, eligibility can feel like a moving target. We heard from parents doing college qualifications that felt the childcare support available was well integrated with the needs of their training and that could be a model for other education and training settings.

Similarly, that sort of service needs to be much more commonplace in employability – where accessing childcare and the impacts of the various options on the disposable income of a family – are a core part of the service. That sort of information cannot be seen as a useful add-on.

As we cover later in this report, the complexity in accessing support is a constant theme of parent's experiences and while the Plan is clear in its rhetoric around a "no wrong door approach" parents will be impatient to see that turned into reality.

Prioritisation

The Plan includes a commitment to review the best approaches to expanding access to funded childcare for more of the priority groups. Future childcare strategies should prioritise the needs of each priority group in the Plan. Changes to childcare provision need to consider how they meet the needs of different family types and circumstances, not least families with additional support needs and single parents who are often disproportionately disadvantaged by the unaffordability and inflexibility of childcare.

Localisation

Childcare needs to be in a convenient location for parents which should include an increase in childcare settings within larger employers. While for some parents it is most convenient to have childcare near their home, for others it may work better to have it near their workplace. Choice in this respect is crucial to accommodate different circumstances. It is often reassuring for parents to know that their child is near their workplace and that they can respond to any emergencies quickly. It appears that different settings have different scope for providing childcare.

"I get frustrated, some nurseries, they only take certain age ranged kids. So if you want your kid to go in younger, you don't have a lot of choice and if you don't have a car it makes it even worse trying to drive a one-year-old to a nursery that's 5 mile away."

Some parents suggested that for parents who are not working, there should be more widely available/advertised choice to take less childcare than the full 1140 entitlement, as some parents feel that 30 hours a week of childcare is too long for their child if it is not needed for work but have not been offered a choice to take fewer hours.

Removal/mitigation of upfront costs of childcare

The paying of childcare costs in arrears via universal credit creates significant financial risk for families. The UK Government should reverse this practice. Assuming that they do not, providers should show flexibility in how bills are paid for people that they know will be relying on universal credit support to pay for childcare. The Scottish Government should also consider mirroring the Northern Irish Executive's decision to offer grants to parents for upfront childcare costs rather than making them wait.

Conclusion on childcare

It is impossible to discuss a parent experiencing low incomes' struggles to achieve a decent income from work without talking about the cost of childcare. In many ways the solution is tantalisingly close. Significant free hours are available from the Scottish Government and the UK Government offers support via universal credit or through tax free childcare. But the reality is that it is extremely challenging for a parent to be able to access all of their free hours and, as a result, to earn enough from work to offset the accompanying loss to childcare costs.

Childcare provided by a parent or guardian or by a childcare provider should be rewarding to both care-giver and child but for too many parents it is racked with anxiety. In many ways, then, it is disappointing that the Plan did not make more significant proposals on childcare provision and parked those until a strategy later in the year when it represents such a vital part of the puzzle. We welcome the commitments in the Plan on early learning and childcare and out of school care. But parents have been sharing many of these insights for sometime and can rightly expect more urgency.

Summary of key recommendations on childcare

The upcoming childcare strategy should:

- Commit to studying the impact that the early learning and childcare expansion is having on child poverty – both through increasing parents', and in particular mothers', access to work but also through children having access to high-quality childcare.
- Further increase the (consistency in) flexibility of early learning and childcare – more parents should be able to flex how they receive their funded hours whether in or out of term time or in full or half-day blocks, while retaining the quality of early learning and childcare for children.
- Commit to making it easier for children to enter early learning and childcare outwith the standard term time start dates.
- Commit to working with partners to simplify the childcare support landscape in common with the “no wrong door” approach mooted in this Plan.
- Maximise localisation of services.
- Increase the supply of childcare places for children with additional support needs.
- The Scottish Government should consider making parents with babies one of the first groups to benefit from the proposed Minimum Income Guarantee.

SOCIAL SECURITY – A MORE HUMAN SYSTEM, BUT MORE ADEQUATE?

THE SCOTTISH ELEMENTS OF SOCIAL SECURITY

The Plan has two particularly welcome commitments on social security policy. The increase in the Scottish Child Payment to £20 per child per week from April for children under 6 and to £25 for all eligible children under 16 once it is fully rolled out. The Plan's commitment to mitigate the impact of the UK Government's benefit cap will also significantly benefit those who are currently capped, not least the single parents who are most likely to be impacted by it.

The parents we spoke to also welcomed the approach that Social Security Scotland had taken to the Scottish Child Payment as well as the policy differences such as the absence of the cruel two child cap that applies to Universal Credit. Dealing with Social Security Scotland was easier and there was more choice in how to interact with the Agency. This is testament to the Scottish Government's decision to prioritise lived experience insight and foregrounding dignity and respect in the new Agency's operation – as well as the approach of those who have established it.

There was concern, however, as to what will happen to children that turn 6 prior to full roll out. The number of children that will be impacted by that gap will obviously be minimised if the full roll out is as soon as possible.

Parents had also been confused by the difference in eligibility for Best Start Grants and Best Start Foods so it is welcome to see the Plan commits to removing the income thresholds for Best Start Foods, making the eligibility for the Best Start suite of grants and the Scottish Child Payment the same.

The Scottish Government's "further exploration" of automating devolved social security support (so those who receive the Child Payment will automatically receive Best Start grants) is also welcome but it is disappointing that this exploration is not a commitment to delivering automation.

"Universal Credit is not enough, given the crowd I have at home and the bills I have to clear, and the transport here and there. It's just not enough."

The interaction of UK Government and Scottish Government social security systems

This speaks to a wider problem in the social security system – its underlying complexity. For a family on low incomes and potentially in crisis they have to navigate the DWP, their council for crisis support, Social Security Scotland, their landlord (which may also be the council but likely a separate department) and anyone they are likely to fall into arrears with (such as utility suppliers or childcare providers). Many of these elements will rely on another, requiring a complex web of interacting timelines, applications and payments. Put on top of what is likely to be a period of stress anyway (such as loss of employment or personal or family ill-health) – the fact that so many people can navigate the system successfully is testament to the resourcefulness of people having to get by on very low incomes and the third sector organisations that strive to help them.

It is encouraging therefore, despite our criticism of the pilot approach later in this report, that the Pathfinder schemes will look at bringing together not just devolved services but also those of the DWP and Job Centre Plus system.

It is incumbent on both the UK and Scottish Governments to deepen this work in the interests of the people they both serve.

The UK Government elements of social security

As the Plan notes, the majority (85%) of the social security system in Scotland is reserved to the UK Government. This covers things like Universal Credit and the legacy benefits that it is increasingly replacing; these have a significant impact on poverty levels in Scotland, both positively and negatively. As a result, it is not possible to ignore the impact the UK Government's social security system has on those on low incomes.

The Universal Credit system, in particular, has a significant impact on the quality of life of people in Scotland who rely on it¹¹. Not just the low level of support that it provides but there are also a number of its design features that impact negatively on people in Scotland (and, of course, England and Wales and to a large extent Northern Ireland) and were reflected in our discussions with parents:

- **The five week wait – waiting five weeks for the first payment to a household is purportedly to prepare a household for the “world of work” but serves to impose destitution for many either at the time or due to advance payments being deducted from future payments.**
- **The “conditionality” system – parents told us they felt pressurised and threatened by Job Centres with the threat of sanctions (i.e. reductions) to their support and forced into work opportunities that they were not ready for.**
- **Complexity of payment levels – Universal Credit is designed to adjust to people's incomes as they earn more or less via work. In some ways this is a positive element of the system in that it can ensure that people do not face “cliff edges” (i.e. a sudden loss of benefits) as their income increases from work or that payments go up as income from work goes down. The negative element is, however, to make it very difficult for parents to budget as it is difficult to work out exactly what you will receive as your circumstances change.**
- **The taper rate – the taper rate (i.e. the rate at which benefits are withdrawn as earnings increase) is not well understood and seen more as a penalty for working than as a means of smoothing someone's exit from the social security system as their income increases from other means.**
- **Complexity of the system as a whole – again it can be very difficult for parents to understand whether they will get support for things like childcare and how that will change as they increase/decrease their hours of work.**
- **Deductions to Universal Credit mean many families aren't getting the amount that they should be.**

Those last three conditions in particular appear, from our discussions with parents, to have introduced unintended negative consequences in terms of people's incentive to work. With the fear of losing significant elements of social security support, coupled with high childcare costs, acting as a disincentive to seek work. This is driven by predictable, if inadequate, payments while being out of work appearing more secure than low income work and high childcare costs.

While the Scottish Government have taken steps to mitigate some of the hardest elements of the system (such as the so-called bedroom tax and the new commitment in the Plan to mitigate the benefit cap) and to reduce some of the other risks in the system (such as the housing element being paid directly to landlords) – these central flaws to Universal Credit are the responsibility of the UK Government. And while the Scottish Government cannot rely on actions of the UK Government to meet the child poverty targets (although they can and do contribute), the overall wellbeing of parents getting by on low incomes will be significantly improved by UK Government efforts to make the social security system both more adequate and more humane in its approach.

¹¹ For more insight into the experience of people in Glasgow in receipt of Universal Credit and those who work on it, see JRF's report *How Well is Universal Credit Supporting People in Glasgow from June 2020* <https://www.jrf.org.uk/report/how-well-universal-credit-supporting-people-glasgow>

SUMMARY OF RECOMMENDATIONS ON SOCIAL SECURITY

- The Scottish Government should roll out the Scottish Child Payment to all eligible children as quickly as possible – both to help families going into a difficult winter but also to minimise the impact on families who currently receive the payment and will lose it as their child turns 6.
- The Scottish Government should commit to an above inflation increase to the Scottish Child Payment in 2023/24 and a further rise to £40 in the lifetime of the parliament to ensure the 2030 targets can be met.
- The Scottish Government should go beyond exploring automation of payments, and commit to doing it.
- The Scottish Government should broaden its commitment to a “no wrong door” approach beyond the Pathfinder areas. Relevant UK Government Departments, not least the DWP, should play their role too.
- It is the UK Government’s responsibility to right many of the wrongs that are baked into the Universal Credit system, such as the five-week wait, conditionality, the two-child cap, childcare support in arrears and the benefit cap. In lieu of action on their part, the Scottish Government should explore the practicalities of the mitigations taken in Northern Ireland to the delivery of Universal Credit – most urgently the grant system for the five-week wait.

The Fraser of Allander reviewed the methodology used for assessing the impact of the social security actions. The Scottish Government’s modelling of social security was more transparent than the work modelling, although there was still a tendency to use assumptions that are on the optimistic side.

The presentation of the modelling showed the impact of all Scottish Government social security policies, including those that are already accounted for in the poverty rate. Although helpful context, it does make it difficult to separate out the impact of policies already in place and the new policies that will drive reductions in child poverty between now and 2023/24 (and beyond).

The Fraser of Allander’s own analysis find that the bulk of the reduction in poverty expected by 2023/24 is as a result of one policy: The Scottish Child Payment. This is driving around 60% of the reduction in the poverty rate.

Another 30% is due to the changes made by the UK Government to Universal Credit in Autumn 2021 when the work allowance and taper rate were made more generous to working families.

The residual 10% (which accounts for less than 1 percentage point of the reduction in child poverty) is made up of other new social security policies that were added into the model, such as the benefit cap mitigation. These results show that both the Scottish and the UK social security system are part of the reason why poverty is expected to decrease in Scotland over the next few years. This does not take anything away from the significance of the Scottish Child Payment which has indeed been game changing in terms of the expected child poverty trajectory.

BIG ISSUES WITH LITTLE BY WAY OF ANSWERS

There are a number of significant areas where the Plan either makes no additional commitments on the Scottish Government's part or suggests little active prioritisation of actions to tackle child poverty as regards these issues. In particular:

- Mental health
- The priority families
- Housing
- Transport
- Children with additional support needs

MENTAL HEALTH – A CRISIS IN AND OF ITSELF

"It becomes a cycle that you can't then get better because you can't access the services without it being a stress."

The impacts of poverty on mental health are well documented and people living in poverty are more likely to suffer from mental illness (Fell and Hewstone 2015). Over the last few years parents and children have faced additional mental strain because of the Covid-19 pandemic – further isolating families experiencing low income from friends, services and work. This is explored in more detail in Save the Children's "Dropped into a Cave" report (Save the Children, 2021 (b)). This is on top of the daily worry about making ends meet and the current increase in the cost of living is making this worse:

"It is a constant worry. I'm not sleeping because of this because I'm worrying about how I'm going to survive the next day. It's a day-to-day survival mode for me and it's probably like that for most parents and for me and the thing is you don't know what's going to happen on that day."

The inability to access support for mental health was a constant feature of our discussions with parents. With many citing poor mental health as preventing them from accessing work and that accessing services was difficult, stressful and included lengthy waits.

Waiting times for psychological services for adults and children continue to miss targets of 90% of people receiving treatment within 18 weeks of referral – with 3 in 10 children waiting over 18 weeks for first treatment (Public Health Scotland 2022(a)) and around 84% of adults waiting over 18 weeks of psychological services (Public Health Scotland 2022(b)).

But these statistics only show the waits for people who have managed successfully to be referred for treatment. Parents told us that:

- They struggled to be referred, with GPs often prescribing stronger prescriptions rather than other treatments.
- They often saw different medical professionals and hence having to repeat their struggles to different people and retraumatising themselves.
- Attempting to access services in and of themselves was stressful – making worse the mental ill-health they were already facing.

In many ways the Plan makes little commitment to action on tackling mental ill-health, again describing the issues that people face well and parking the most significant commitments to a refresh of the Mental Health Strategy later this year. Similarly, the commitment to increasing the availability of community mental health services via GP practices is noted as being contingent on the Resource Spending Review (Scottish Government 2022(c)) but that does not shed any further light for now.

As noted by parents, the priorities in those future commitments must be to:

- **Ease the process of accessing services** – as noted in the section below on access to services – simply trying to access a service should not be so stressful as to put people off using them or, worse still, make the situation worse.
- **Increase the provision and range of community services** – this appears to be the intention of the Plan, and the proposed increase of 1,000 additional mental health professionals in communities should help, but how will this be measured and ensure that services are best where they are needed the most?
- **See mental wellbeing as a crucial part of fitness for work** – separating employability services from mental health support is artificial and ignores the reality that many parents in poverty face.
- **Decrease waiting times for acute services** – as the Scottish Government are committed to, this has to be through a combination of increasing the availability of services and through early-intervention to reduce demand for acute mental health services. Many mental illnesses can be prevented or be much milder if treated early, the alternative is expensive for public services and devastating, and dangerous, for the individual.
- **Fund third sector organisations to provide early intervention services, particularly holistic family support that provides practical, emotional**

and financial support. For some the difference between a mental health crisis and the struggles that everyone experiences from time to time is being able to lean on a friend, family member or local service to help you. These local services are much cheaper than acute psychological support and provide networks and support for families that are highly valued.

Most shockingly, some parents felt that they could not reach out to their social workers as they feared their children being taken into care if they reported struggles with their mental health.

"I'm scared to ask for help because it's also going against my social work and all that. They're like, oh, you've got mental health issues, you can't look after your kids. You ask for help but then they use that against you and then they wonder why parents struggle and don't go for help."

Where a lack of easy to access mental health services is driving anxiety that a parent might lose their children, something fundamental is wrong and must change.

Conclusion on mental health

More fundamentally, it is crucial that public services (of whatever kind) recognise the deep interrelation between poor mental health and poverty and, in particular, that one causes the other and vice-versa. Of course, successful treatment of mental illness should not be a substitute for prevention but we cannot accept that services cannot be improved without reducing poverty more generally. To do so is to fail those who are suffering today and drives demand tomorrow. That being said, those services will be difficult to sustain without doing more to prevent people living in poverty and suffering the symptoms of it as a result.

At the moment parents and children are far too often having to manage this unfairness in their own households. They are left distant from services that are stressful to access and do not react quickly enough.

RECOMMENDATIONS ON MENTAL HEALTH SERVICES

None of these recommendations are necessarily new or not what the Scottish Government would aspire to, but they should also be seen as a vital part of the national mission to reduce child poverty.

- **Ease the process of accessing services for adults and children – whether via GP practices or acute services.**
- **Increase the provision and range of community holistic family support services to reduce demand for acute services.**
- **Embed mental health services within the employability offer.**
- **Decrease waiting times for acute services through increased capacity and increased community services.**
- **And related to the above, ensure funding of local community support groups to divert demand from the healthcare system.**

THE PRIORITY FAMILIES

In identifying the priority families for action on child poverty in the first Delivery Plan the Scottish Government laid strong foundations for action in driving down poverty and taking on many of the underlying inequalities that underpin that poverty.

Yet, as JRF showed in *Poverty in Scotland 2021* (Cebula et al, 2021), progress on the priority families has been limited where it is even possible to measure it. In this context, the commitments in

the Plan to gathering more data and to commit to designing services around priority families is welcome. But specific targeted action is needed to help these families and in some respects the Plan is worryingly short of such action.

This is encapsulated most vividly in Annex 5 to the Plan which analyses the impact of the Plan on child poverty through the Scottish Government's evaluation framework. The framework itself is a helpful means of capturing what the drivers of poverty are and how policy is reacting to those.

The Annex, however, has space for policies to be analysed against the impact on the priority families separately. The majority of the policies analysed there simply relate their impact to priority families on the basis that the policy is targeted either at all households (and therefore includes priority families) or is targeted at low income households so, again, naturally captures priority families. This is concerning as it risks repeating the mistakes of the past in assuming that general services will benefit the priority families in a uniform way.

There is little evidence in the Plan that the priority families are being used to drive policy decisions, rather the Plan treats those families as a measure of success of policies that are not necessarily designed for them. There is also much more scant treatment of the role that gender plays in poverty in this Plan than there was in the first Delivery Plan. Again, there is little analysis to suggest how the actions in the Plan are designed to support women, and we still seem to struggle even to produce reliable data as to the impact of policy, never mind specifically design policy to benefit women.

The Plan does, however, leave a lot of space for varying delivery to ensure the needs of priority families are met and the success or otherwise of the Plan will depend heavily on whether or not that becomes the reality.

RECOMMENDATIONS ON PRIORITY FAMILIES

- In implementing the actions set out in the Plan, the Scottish Government should target actions specifically at and tailor those actions for the priority groups. While the needs of those groups often intersect, it is possible, and necessary, to consider their needs and the solutions that will help them separately.
- The Scottish Government should closely monitor and report on the impact of these policies on the priority groups – with enough specificity to do so for each of the groups.
- Much more should be done to raise awareness of the priority groups, and the underlying reasons for the concentration of poverty amongst them, with delivery partners across the public and third sector in Scotland.

HOUSING

The Plan is surprisingly light on commitments around how housing can contribute more effectively to prevent poverty in Scotland. Scotland's comparatively affordable housing is one of the reasons that child poverty is lower in Scotland than it is in England and Wales (Congreve, E 2019) but that is of little relief to the 50,000 children in Scotland who live in relative poverty due to their housing costs alone¹².

While the headline commitments to increase affordable housing supply by 110,000 units by 2032 is welcome (70% social homes, and 10% in remote rural areas) and the Plan commits to putting child poverty reduction "at the heart" of the Affordable Housing Supply Programme (AHSP) – there is little further detail suggesting how this will be done. Improvements to planning processes, Private Rented Sector (PRS) reform and providing homes for larger families where they are needed will of course help individual families, but the way the AHSP is designed, delivered and funded at the moment, does not have reducing child poverty at its core.

Ultimately we need to understand in more granular detail how social housing supply in particular can contribute to reducing child poverty and help achieve other related housing policy commitments around ending homelessness and destitution. It needs to be more explicit that the AHSP must not only meet the numerical target but meet the aspiration to reduce housing uncertainty, and increase affordability and choice for families on the lowest incomes and living with the least security.

¹² See *Poverty in Scotland 2021*

This is particularly vital in the current context where housing developers are expressing considerable concern about the deliverability of existing commitments.

Similarly there is no sense of prioritisation of action. There are around 7,500 children condemned to living for long periods in temporary accommodation in Scotland (Scottish Government 2022(d)) and the Plan does little to prioritise action for those children, many of whom will be experiencing poverty but also being exposed to danger and trauma. Being in temporary accommodation can, at best, mean families cannot plan for the future, be certain children will stay in their current school or be confident that they can maintain relationships with public services they are relying on. At worst, temporary accommodation can limit families' freedom, be frightening for both parents and children and put families at risk. There is also evidence¹³ of people who are homeless but who are unable to afford temporary accommodation while in work incentivising either going without a service they are entitled to or leaving work.

In particular, we heard from some parents born outside the UK, most of whom identified as BAME parents, living in insecure housing situations. Most of whom had indefinite leave to remain and were currently in temporary accommodation, finding themselves on long waiting lists which effectively puts their lives and plans on hold. This removed agency, choice and control from parents while their children were growing up in inadequate circumstances for a large part of their young lives. Parents were particularly concerned about the impact on the wellbeing of their children due to their housing situation. They also explained how they felt the needs of their children were not taken into account when alternative accommodation was offered, which would often entail moving schools and other potentially retraumatising changes for children. Some of these families had spent many years in temporary accommodation, which is unacceptable and damaging, particularly for young children.

RECOMMENDATIONS ON HOUSING

- The Scottish Government should commit to a comprehensive review of the evidence on the impact on poverty of the Affordable Housing Supply Programme and, as a result, could be more effectively designed, delivered and resourced to reduce child poverty.
- Work with the relevant councils to immediately target action at areas with high dependence on temporary accommodation.

“NO WRONG DOOR”

"The system traps you in a way. The way the system is designed is that you have to rely on the system to get all of the services that don't work. And then, it keeps putting you back to the very start of where you are. There're no systems in place to get you out of the system, get you back to work."

One of the key themes of the Plan is about making services easier to access and more joined up. This is variously described as holistic, person-centred, whole family or “no wrong door”.

Our discussions with parents reflected previous views from families experiencing low incomes (see Cebula et al 2021 as just one example) that simply accessing the support that you are eligible for can be an enormous stress and that services do not adapt well enough to parents' needs.

"I'm at the point where I don't really reach out to anybody because what's the point, they don't really do anything. The things that they do to help, won't help me."

¹³ See <https://www.scottishhousingnews.com/articles/homeless-action-scotland-over-74-of-people-experiencing-homelessness-told-they-couldnt-afford-accommodation-rents>

The most common comment from parents in our groups was, however, that services were either significantly delayed or unavailable. In discussion with parents, 'services' covered everything from a myriad of health services, through to financial advice and support and educational assessments. While the Covid-19 pandemic will have undoubtedly impacted on this the widespread nature of this issue was such that it runs deeper than the pandemic's impacts.

Health services were often at the core of this. With what should be simple interactions, like getting an appointment with a GP, being stressful and requiring significant perseverance and resilience:

"Aye, phone back at eight o'clock. When you phone back at eight o'clock you're like 48th in the queue and by the time you get through they say there are no more appointments left, and you just go around in circles."

Parents also reported that they felt they had to be at crisis point before they would be able to access services:

"You have to be at that point in crisis when you're going to endanger yourself to get help. That's wrong. You don't want to get to that point. That's where the services should be, right, we need to get to these people before that."

LACK OF ACCESS

In short, parents expressed extreme frustrations at how it could be stressful and belittling to access services and when they are accessed, they often do not provide the support that a parent and/or child needs.

It is clear, though, that many parents rely upon and deeply value services that uphold the principles of being easy to access, designed around the individual and flexible. Services such as third sector parent support groups, often through community based organisations, are a model of a "no wrong door" able to provide a combination of financial, practical and emotional support at a time that works around a family. Similarly, for younger parents the Family Nurse Partnership model was greatly valued and built the kind of personal relationship based service that is needed, along with an effective ability to ensure that parents got the financial, practical and emotional support that is needed.

CASE STUDY

Parents told us time and again that community based support, which is relationship based and considers the needs of a family holistically, builds trust and works best. Parents who felt unheard, who were not provided with adequate support through health services, or who were scared to ask for help for fear of losing the care of their children found that community based third sector organisations such as HomeStart provided a lifeline for them:

"I wouldn't know anywhere to contact if I was nae here [at HomeStart]. If it wasn't for my partner, I wouldn't have come here. I'd waste myself... But we're here. I actually do get help."

Such community based organisations have the local knowledge and networks to signpost families effectively to the services they need, to advocate for them, ensure they receive what they're entitled to and to support families in crisis. Their parent group provide informal peer support

that reduces isolation and builds confidence as well as resilience. Financial advice provided by staff ensures that the impact of poverty is buffered. Local connections enable organisations to access in-kind support that reduces pressure on family finances. Workshops and information build parents' confidence and skills. Parents feel heard and valued and some have gone on to be employed with such organisations to support the next generation of parents.

The strength of such services is that they can combine practical, emotional and financial support, meet the parent where they are and be responsive to their needs and ambitions and provide the networks and connections needed to achieve these. They are flexible and above all, they are trusted by parents because they are not part of a punitive system.

"If it wasn't for HomeStart, I wouldn't be here."

In some ways these models underline why it is disappointing that the Plan provided for two "pathfinder" projects to pilot "no wrong door" or holistic approaches. The concept does not really need to be piloted but to be successful, local services need to be designed with and around parents in a local area with the services that serve that place. It is disappointing that the Plan did not simply commit to such an approach being the universal minimum standard – then leaving it to local areas, through Community Planning or other vehicles, to design and deliver those services with and for the local population. There appears a risk to us that in using two local pathfinders will either tell us things we already know or encourage solutions that worked in those places to be imposed on other areas where they will be less impactful.

RECOMMENDATIONS ON "NO WRONG DOOR"

- **Stop piloting "no wrong door" or holistic approaches and commit to public services being delivered in this way across Scotland immediately. This should be led by local communities, whether by councils or others, and have lived experience of poverty and using those services at its heart.**
- **Social Security Scotland successfully undertook lived experience panels and have embedded dignity and respect at the core of their services. All public services should commit to the same principles.**

TRANSPORT

Many parents shared their concerns about the cost and availability of transport. In terms of availability, parents report problems with getting between their homes, childcare or other caring facilities and potential places of work.

On cost, they have seen increases in bus fares and where help was available, such as with free bus travel for under 21s it was difficult to apply for. As a result, for example, parents told us that they were unable to attend counselling appointments as they could not afford the bus fare and others have to walk everywhere:

"We would only walk, like one hour, two-hour walk to the appointment, walk to the office, walk for the activity for my daughter. Because I can't pay anything for transport, we only walk. If we are tired, we stop and then start to walk again."

The Plan, on the other hand, offers little comfort to families experiencing low income. While the concessionary travel schemes already in place are welcome and better integration of timetabling and cost information is useful, they are only useful if the necessary transport is available. In that context the £1m Community Bus Fund looks meek compared to the £500m being spent on reducing congestion to encourage greater bus use.

RECOMMENDATIONS ON TRANSPORT

- Learn from the early problems with the concessionary travel scheme for young people to make it more accessible in the future.
- People on low incomes are already more likely to rely on public transport so they need to be far more central to the design and delivery of transport services in Scotland.

Children with additional support needs

Parents with children with additional support needs were united in the struggles that they faced across a range of services. The problems they reported were numerous:

- **Accessing childcare and education** – nurseries were often unable or unwilling to provide places for children who required additional support needs, meaning that parents either simply could not access childcare or had to travel longer distances to get an appropriate service.
- **Accessing assessments** – for some parents even getting assessments for their children to get a better understanding of their needs was difficult and often delayed.
- **The additional costs** – for parents on low incomes getting support for their child with additional support needs was more expensive than they could afford and/or was taking all of their personal resilience. Families talked of the cost of travel, including requiring expensive taxi travel due to lack of appropriate public transport. Similarly, the lack of availability of local support often meant parents in work having to use annual leave to support their child, leaving them with little ability to look after themselves.

The myriad of challenges facing parents with children with additional support needs is captured in this case study

CASE STUDY

Anna* is a single parent of a two-year-old. She is not currently working. She has fled domestic violence and currently stays in temporary accommodation. She has recently moved between local authorities. She is not currently working because she can't get affordable childcare or flexible working hours. She would take on any job to help her make ends meet but needs childcare for this.

Anna struggles with the cost of living. She regularly has to borrow money just to stay afloat. She does not receive child maintenance from the father of her child and feels that the child maintenance system does not work well. She feels helpless when she has to take loans from friends.

She suffers from poor mental health and has mobility issues too. However, her main worry is trying to find support for her child's difficulties: Her child struggles to eat, sleep, communicate and can display difficult behaviour. She doesn't know

*name changed

how to help them. She is desperate to get them the support they need, and this takes priority over her own health needs. She struggled to access a prescription for specialised milk for her child from the new GP after her move and was told to get the prescription from her previous doctor, who refused to send it out to another local authority. She went to 6 different GPs that turned her down and her child went hungry for 2 days.

"I was calling everywhere with the problems. I was calling to literally everywhere. Sometimes I'm just sitting on the street and crying and I was so... I don't know what to do."

She wishes for her child to receive support but also would like to feel supported to help her own child. She feels access to family mental health or support services would be best, where both her and her child would benefit but she would also be enabled to better support her child.

RECOMMENDATIONS ON PARENTS WITH CHILDREN WITH ADDITIONAL SUPPORT NEEDS

- Parents with children with additional support needs require additional financial support to cover costs relating to medical or other appointments.
- Public services in particular need to redouble their efforts to meet their responsibilities to children with additional support needs, not least childcare providers.
- Waits for assessments for additional support needs should reduce so parents have a quicker understanding of their and their child's needs and can support their child better.

COST OF LIVING - “FREEZE OR EAT”

"I fear if [the cost of living] goes much higher, don't know what I will do."

As noted in our Foreword, while the aim of our discussions with parents was to focus on the Plan itself, it was not possible to speak about it without reflecting on the current cost of living crisis that is scarring low income households so badly. A sense of both resignation and dread pervaded the discussions.

It is worth noting, however, that these discussions took place prior to the Chancellor's announcement in late May 2022 of additional support for all households and, in particular, the targeted support to those in receipt of means-tested benefits. Of course, that is welcome and it should offset much of the predicted rise in energy bills in October 2022. What our discussions with parents showed us, though, was the extent of the struggles they faced following the increase in energy prices in April and the inflation that was largely driven by it.

Indeed, we are now reaching such a crisis point that parents may not be able to buffer their children from the impact of the cost of living crisis anymore.

"I worry about my children. I don't care if I go without a meal or two. See, as long as my kids have got, that's all I worry about. And there is some nights me and Dad go without dinners, so my children have got."

Struggling to get the essentials

For families living in poverty, it has always been a struggle to afford the things that you need to live a decent life, while also being afraid of an unexpected cost that could break the bank. But more and more, over the period of austerity and this current crisis, families are unable to afford the bare essentials such as food and energy.

"Everything revolves around how I'm going to get by for food. [...] So lately, I'm just eating off of the kiddies plates, but we're all parents and finding it difficult to keep ourselves going."

"We're seeing a big rise in the prices and supermarkets and stuff, but you're not seeing a big rise in your money...I used to pay maybe £40 for 3 people, but now, again, it's like 60, 70, 80. But you're not getting any more for your money."

Parents also told us about how difficult it is to afford healthier foods, with unhealthier options being considerably cheaper and keeping longer.

Some of the families we spoke to use food banks. Yet they are acutely aware of the stigma attached to using a foodbank. Once again, food bank use takes away choice from parents and not being able to manage themselves, which is fuelling feelings of inadequacy, guilt and failure.

"You need to survive, I need to feed my weans. Who wants to go to a foodbank? But needs must. But it's still that, it's the pride."

All of this taken together leaves families in a desperate situation:

"Sometimes I just run out of money. I can't do things that I need to do for my kids and for myself. It's like I don't really care about myself. It's more for my kids, to be honest."

CASE STUDY

Kazia* is a single mother to 3 children. She loves to work but is frustrated and upset about the lack of childcare to facilitate her return to work. She's contemplated working nights just so she can work and look after her children during the day.

Kazia struggles financially to pay for the basics. She relies on a food bank and is working with her social worker to fight for her right to child benefits, having received Universal Credit but having been rejected for child benefit for her 3 children.

*name changed

She accesses free childcare but it only provides 3 hours a day which doesn't allow her to work. She feels stuck; 'You can't do anything if you don't have childcare.'

She wants to study if she can't work but is struggling to find anything to help her juggle this with childcare. She expresses how she feels ashamed because she's relying on benefits and can't get back to work.

"Meanwhile, I've been feeling so bad and I'm like oh, I'm ashamed....So I'm stuck. I can't do a course. I can't do work. And I can't get childcare. I'm just stuck."

Energy bills

As would be expected the sharp rise in energy prices is the most immediately felt impact of the crisis. Considering that the conversations took place at the start of the warmer months, and families are already struggling to pay their electricity and gas bills, this is particularly worrying in anticipation of winter.

As noted above, these discussions took place before the Chancellor's announcement of additional help but while that additional support should be enough to cover the predicted further rise in October it shows the precarity of the situation people will face going into winter. In that context it is welcome he has not ruled out further help.

"Is it getting to a point that we need to start making wee fires?"

"It's getting to the point where it's either freeze or eat."

"I've actually caught myself going [to my child], I don't know if I can give you a bath because I don't know how much money I've got left in the meter"

These pressures are even more acute for families where disability or health conditions mean that they need to heat their homes more and are having to cut down on the bare essentials to ensure their children's health.

"My youngest suffers really badly from asthma and see the minute there's a bit of cold air, he can't breathe, so I don't have any option I have to have my heating on, even now I have it on when it's getting warmer because if not, he's up the whole night coughing. So it doesn't matter how much money I've got, I just have to find the money to have the heating on and if that means we have to go without other things. [...] It's things you would of classed as essential before."

As noted by the following quote, and many others, there is not a way to budget your way out of these price rises.

"You do everything in the right way possible, you turn off all your sockets, unplug the plugs and make sure you put an extra layer on in bed and make sure windows are shut and heating is turned low down, you're doing all [...] that needs to be done and it's still hard."

Overall impact of the cost of living crisis

We have known for a long time that parents are often making sacrifices to ensure that their children do not go without food and clothes and warmth but this crisis is such that it is almost impossible for parents to shelter their children from this storm.

"Just trying to get by on a daily basis is hard. By the time I go out to work- right now I'm on the sick because I'm just struggling mentally, emotionally and physically- by the time I go to work and by the time I get my wages every week and by the time things are deducted off of that and by the time you get your assessment period in your Universal Credit, you're hardly left with anything for that two weeks or that month to survive on."

RECOMMENDATIONS ON THE COST OF LIVING

To complement the Chancellor's announcement last week the Scottish Government, in the budget later this year, should explore options for increasing family incomes or reducing costs for those most in need. Consideration could be given to:

- **Encourage forbearance on all public debts relating to devolved services – now is not the time to be putting further pressure on struggling families.**
- **Bridging payments to be increased to £20 in line with the value of the Scottish Child Payment from April 2022.**
- **The Scottish Government should consider increasing funding for the Scottish Welfare Fund while also acting on the findings of its forthcoming review and recent recommendations for improving the delivery of this vital fund.**

A FINAL COMMENT ON THE NUMBERS

As already mentioned, the Plan was notable in its efforts to quantify the impact of the policies that are contained within it and elements such as the Cumulative Impact Assessment are useful resources for the Government to be held to account on their actions.

The Scottish Government's modelling was used to predict the trajectory for child poverty up to the interim targets in 2023/24, concluding that relative poverty will fall to 17% by then, although absolute poverty will remain above the interim target at 18% vs the less than 16% target (driven by the spike in inflation).

Ultimately, the Fraser of Allander's assessment is that the impact of policies on relative poverty will be slightly less than predicted by the Scottish Government. In short, we project that relative child poverty will be 19% in 2023/24 compared to the Plan's projection of 17%. This will mean that there are significantly fewer children living in poverty due to the actions of the Plan but that the policies in the Plan by themselves are unlikely to lead to the interim poverty targets being met. The Fraser of Allander Institute did not produce an estimate of absolute poverty.

Regardless of the ultimate number of the respective models, both showed a welcome downwards trajectory in child poverty numbers.

What were the reasons for the differences? It has been difficult to fully bottom this out as the Fraser of Allander, along with a number of other charities and think tanks in the UK, use the IPPR Tax Benefit model. The Scottish Government use a modified version of the UKMOD model produced by the University of Essex. Ultimately both are sophisticated estimates and estimates can be wrong and legitimately different.

The modelling that the Scottish Government has undertaken can be replicated. But ultimately we believe that their figures are slightly optimistic.

This is due to some of the policy assumptions, such as assuming full take-up of free school meals and the School Clothing Grant and the admitted highly optimistic assumptions already discussed on the success rate of the employability offer to parents. However, the main reason for the difference is the way in which the models “calibrate” numbers to official statistics.

Calibration is necessary as it recognises that tax benefit microsimulation models tend to overestimate incomes compared to the official figures that the statutory targets are based on. As a result, without calibration, the models would underestimate poverty.

To adjust for this, the IPPR model uses the official statistics from previous years to compare against the modelled outputs and then adjust modelled incomes down to make them more comparable to the official statistics.

The Scottish Government also calibrate their results to better reflect real world figures but the method for doing so is different. There are two significant differences between the approach they have taken and ours:

- **Firstly, the Scottish Government use the official statistics from 2019/20 to calculate their calibration factor whereas the IPPR model uses data from three years from 2017/18 to 2019/20 to calculate the calibration factor. Using three years of combined data is generally seen as better practice in Scotland due to the smaller sample sizes used to generate the official statistics. When looking at the IPPR tax benefit model – 2019/20 shows a smaller difference between modelled outputs and the real world outputs than the position in 2017/18 and 2018/19. This implies that if you use a calibration factor from one year it will be smaller than if you use a three year average**

i.e. a calibration factor based on one year will produce lower poverty than a three year one. We do not know whether this would be the same using the Scottish Government’s model.

- **Secondly, the Scottish Government apply their calibration factor in aggregate (i.e. to the “headline” poverty figure) whereas the IPPR tax benefit model does so at a household level. This is significant as while we know households under report income in the surveys compared to modelled outputs this varies by household type. As a result, the IPPR tax benefit model creates different calibration factors for different household types.**

It is important to note that statistically the difference is minor, and within the margin of error for poverty statistics produced in the UK. Given the uncertainties in calibration, the likelihood is that neither calibration factor will be ‘right’. However, we believe the Scottish Government points to a more optimistic reduction in poverty than an alternative, IPPR, methodology would have produced.

Ideally, the Scottish Government would have produced more sensitive analysis to provide alternative projections to help policy makers make a judgement on whether more actions are required to counter for the fact that the “best-case-scenario” may not come to pass.

RECOMMENDATIONS IN LIGHT OF CHILD POVERTY PROJECTIONS

Before the 2021 election JRF argued that the Scottish Government would have to at least double the child payment along with other actions to meet the interim targets (Birt and Milne 2021). The modelling in this report shows that a £25 per week payment is not going to be sufficient.

Connected to that, earlier this year modelling completed by the Institute of Public Policy Research for Save the Children and The Trussell Trust looked at the impact of increasing the value of the payment to £40 and found that this could lift 30,000 children out of poverty (Statham et al 2022).

As a result, to ensure the interim targets are met the Scottish Government should

- **Commit to an above inflation increase in the Scottish Child Payment in 2023/24 to ensure the interim targets are met and to help families with the cost of living crisis;**
- **To meet the final child poverty targets the Scottish Child Payment will have to rise further and as part of that the Scottish Government should commit to increasing the Scottish Child Payment to £40 in the lifetime of this Parliament.**

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