Foreword

I was very pleased to read this progress report on the recommendations from ‘Shifting the Curve’. When I was first appointed as Advisor on Poverty and Inequality I was asked by journalists what would happen if my advice was not taken. My response was clear; it is the responsibility of elected politicians to make policy; my responsibility was to advise. I did not expect that all the recommendations I would eventually make would be taken on board. I did hope that some would be taken seriously and acted upon. Otherwise there was no point in taking on the job.

Eighteen months on from publication, it is gratifying to see how much of what I envisioned in the fifteen recommendations from Shifting the Curve is being implemented. Specifically, ensuring that all childcare workers providing the funded entitlement are paid the Scottish Living Wage will not only reduce the chance of in work poverty for childcare workers, but could eventually improve the quality of childcare by attracting a wider group into childcare. Much more is being done on the quality of childcare as well.

Taking on new social security powers was a big challenge, but here again progress is being made to develop a system that is less punitive, more respectful, and appropriately targeted to ensure that those who need the most help, get it in good time. It is fair to say the Scottish Government was already planning to increase the supply of social housing before the report was published, but the progress being made on affordable housing is to be commended.

It is particularly gratifying to see that the socioeconomic duty written in to the UK’s equality legislation in 2010 is being enacted in Scotland. This will mean that all public authorities will need to consider the impact of new policies on their poorest citizens.

All the progress being made in this report is to be commended. I am hopeful that the new Poverty Commission being set up by the Scottish Government will take as part of its remit the continued implementation of these recommendations and those in the Fairer Scotland Action Plan. The experience of acting as the Independent Advisor has left me optimistic that by working collaboratively with Government, the third sector, and local communities, change can happen with relative speed. It has been a privilege to be involved in this work.

Naomi Eisenstadt CB
Response from the Scottish Government

Given below is an update against my recommendations which I commissioned from the Scottish Government. The full set of 15 recommendations is outlined here, with progress to date on meeting them.

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<tr>
<th>RECOMMENDATION</th>
<th>ACTION TAKEN/ PROPOSED</th>
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<tr>
<td><strong>1. Build on Living Wage Accreditation – a focus on larger employers, and on incentives, would be useful</strong></td>
<td>We are already taking a range of action to promote the Living Wage, and we are committed to doing more. Decent wages for all are vital if we are to tackle in-work poverty. We set a new target of 1,000 Accredited Living Wage employers by Autumn 2017 and as of 26 June 2017 there are over 837. We have increased funding for the Scottish Living Wage Accreditation Initiative to £336,000 to achieve this. Following commitments made in social care, we have put fair pay at the heart of our plans to nearly double free early learning and childcare. The First Minister announced in March 2017 that we will provide sufficient additional revenue funding to allow local authorities to agree rates with providers in the private and third sectors that enables them to pay the Scottish Living Wage to all childcare staff delivering the funded entitlement by the end of this parliament. As set out in our Blueprint for 2020 Action Plan, we will work with local authorities and delivery partners through our new Service Models Working Group to take forward this commitment.</td>
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<td><strong>2. Encourage pay ratio disclosure as a way of tackling pay inequality</strong></td>
<td>We encourage pay ratio disclosure as one way of tackling pay inequality. There are enhanced fair pay reporting requirements for annual accounts (via the UK-wide Financial Reporting Manual) and an expectation that public bodies will comply with these for their 2015/16 annual accounts. Public authorities with more than 20 employees now publish their gender pay gap every two years and provide equal pay statements every four. We are engaging with academics to get a thorough understanding of the sectors where pay ratio disclosure will make the biggest difference. We have extended this legal duty to include disability and race pay gap reporting, published as part of our Mainstreaming Report at the end of April 2017. We are exploring how to require further disclosures relating to gender.</td>
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3. **Ensure childcare commitments focus on quality to improve outcomes, and consider providing a limited number of free hours of childcare for primary school aged children**

We have taken a range of action since the Advisor published ‘Shifting the Curve’ on our childcare commitments.

In October 2016, we launched a consultation on the vision and principles for the expansion of early learning and childcare. Following that consultation, we published our Blueprint for 2020 Action Plan in March 2017, to ensure that (among other things) the expansion of early learning and childcare is rooted in a high quality experience for children and supports the vision for excellence and equity in education. The action plan sets out 31 actions that we will take forward by March 2018 as part of the progress towards delivering the expanded early learning and childcare entitlement of 1140 hours by 2020. This includes commitments to: consider the introduction of mandatory minimum qualification for childminders who are delivering the funded entitlement; and to define a national quality standard that funded providers will be expected to meet – responding to the independent advisor’s concerns. A further action plan, focused specifically on what more needs to be done to strengthen quality, will be published by the end of October 2017.

We have also previously committed to ensuring that nurseries in our most deprived areas will benefit from an additional teacher or childcare graduate by 2018; publishing good practice design guidance for the building work required for the early learning and childcare expansion by summer 2017; and publishing a new induction and professional learning framework for child-minders to deliver best practice in the profession by autumn 2017.

Finally, a programme of early learning and childcare trials began in January 2017, supported by £1 million of Scottish Government investment, to test different delivery models for delivering the expansion to 1140 hours. These trials are essential to making sure that the expansion delivers the best possible outcomes for children, as per the advisor’s recommendation.

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

In May 2016, information on family friendly and flexible working (and in particular the Family Friendly Working Scotland partnership) was added to the ‘Workforce Engagement’ and ‘Balanced Workforce’ sections of the Business Pledge specifically as a response to the advisor’s recommendation.

In addition, a range of activity has been taken forward to promote family friendly working in relation to the Business Pledge. For example, a ‘Scottish Business Pledge: One Year On’ event was held on 2 June 2016, hosted by the Cabinet Secretary for Economy, Jobs and Fair Work and the Minister for Business, Innovation and Energy. It featured a company which made a commitment to the Business Pledge in June 2015 and won the Small Employer Category of the Scottish Top Employers for Working Families Awards 2016.
Similarly, a joint Scottish Business Pledge/Family Friendly Working Scotland event was held during National Work Life Week in October 2016. And a further joint event took place on 12 May 2017 in Inverness as a precursor to the National Economic Forum.

As part of the Fairer Scotland Action Plan, we commissioned Timewise to produce a Flexible Jobs Index for Scotland in a direct response to the recommendation on the adviser. Timewise analysed 230,000 job adverts in Scotland, in the period September to December 2016. Timewise have produced a report with implications and recommendations for employers, the Scottish Government and the UK Government. The report includes: the percentage of jobs in Scotland advertised with flexible working options; as well percentages by region, by role and by level of qualification. The report also sets out the potential of flexible working for raising living standards in Scotland. We expect the report to be published in summer 2017.

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

As the advisor noted in her report, if people claimed all the benefits they were entitled to, they would be better off and poverty rates would be lower. We have therefore responded to the advisor’s recommendation on benefit uptake in a number of ways.

In March 2017, the Scottish Government launched a first phase of activity on benefits take up, working with Citizens Advice Scotland to provide a dedicated phone line and web support. We have three further approaches to this activity planned. The first will be audience-led, focusing on young carers over the summer and older people in the autumn, raising awareness of the different benefits and entitlements people are eligible for and encouraging them to take up what they are entitled to. In between these two pieces of activity, we will apply a wider all-Scotland approach to increase uptake of social security by encouraging everyone to claim the benefits and support to which they are entitled.

In addition, we will continue to work with a range of advice and support services and other stakeholders to better understand the barriers that prevent people from claiming benefits and making sure we take every reasonable step to encourage people to take up their full benefit entitlement.

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

Ministers appreciate the advisor’s considered and rightly cautious approach to the new social security powers. Our overriding priority is the safe and secure delivery of the benefits we are inheriting. We are therefore taking a staged approach to developments to ensure an effective system going forward.
Crucial to setting up an effective social security system is drawing on user perspectives, and we are doing this in a range of ways. First, in July 2016, we published a consultation on a Social Security Bill which gathered 521 responses and included over 120 events as part of the engagement around the consultation. The independent analysis of the consultation was published in February 2017 along with the Scottish Government’s response. The Scottish Government response set out that human rights would be embedded within the Social Security Bill legislation and that a Charter would be developed that will create a contract between the system and those who use it. *The Social Security (Scotland) Bill 2017 was introduced to the Scottish Parliament on 20 June, representing the latest significant milestone in delivering the eleven benefits devolved as part of the Scotland Act 2016.*

Second, we announced that we would establish ‘Experience Panels’ to ensure that the new social security system in Scotland is genuinely built on the voices and experiences of people who have used the previous system. Over 2,400 volunteers from across Scotland have signed up to work with us as part of the Experience Panels.

Similarly, in May 2017, we outlined that the first phase of benefits to be delivered by Scotland’s new social security system will be: a Carer’s Allowance supplement, the Best Start Grant and the Funeral Expense Assistance. The delivery of Carer’s Allowance will amount to an investment of more than £30 million a year, whilst the Best Start Grant will see a one-off grant of £600 for the first child in low income families – an increase of £100 on the current rate and a re-introduction of £300 for subsequent children and two payments of £250 each during a child’s early years. Both these investments will help many people on low incomes and contribute to our ambitions to reduce child poverty.

Finally, we have also said we will establish a new social security agency to deliver our new devolved benefits. In a statement to Parliament the Minister for Social Security outlined that the private sector will not be involved in the delivery of assessments and that the Agency would have a local presence.

### 7. Build more social housing

We will deliver more affordable homes in this parliament and are committed to meeting our target for this parliamentary term, as per the advisor’s recommendation. During the last parliament, we surpassed our 30,000 target, delivering 33,490 affordable homes, of which 22,523 were for social rent. We have now committed investment of over £3 billion over this Parliamentary term to deliver at least 50,000 affordable homes, of which 35,000 will be for social rent. Housing for social rent already has to meet our accessibility standards, but funding is also available for specialist housing – for example, helping disabled people with more complex needs live independently in their own homes.
Official statistics published on 13 June 2017, show that in the first year of our five year target period, affordable housing approvals are up 29% on the previous year (period to end March 2017), representing the highest levels of activity in the affordable house-building sector in Scotland since the early 1980s. This indicates a positive pipeline is in place, demonstrating the impact of our £3 billion commitment.

We have set the foundations of a strong affordable housing programme, including making over £590 million in funding available in 2017-18, to allow for the sufficient volume of building required. In order to continue this momentum councils across Scotland have now received long term resource planning assumptions amounting to £1.754 billion to March 2021, which will provide the certainty they need to ramp up their plans to deliver our ambitious 50,000 affordable homes target.

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<th>8. Ensure fuel poverty programmes are focused to support those on low incomes, and do more to tackle the poverty premium in home energy costs</th>
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We are investing to tackle fuel poverty and increase energy efficiency. The Scottish Government is delivering the Programme for Government commitment to make half a billion pounds available over the next 4 years and, by the end of 2021, we will have allocated over £1 billion pounds since 2009 on tackling fuel poverty and improving energy efficiency. This money will help install energy efficiency measures in thousands of homes across Scotland, and build on the more than one million measures already delivered through a range of programmes to over one million Scottish households since 2008 – helping to make our homes and buildings warmer and cheaper to heat.

We remain committed to tackling fuel poverty. We have recently published our response to both the Scottish Rural Fuel Poverty Task Force and Fuel Poverty Strategic Working Group reports and launched a pilot which will see 220 rural households offered targeted support to cut their energy bills by Home Energy Scotland (HES).

We also announced an independent panel of four academic experts has been established to review the definition of fuel poverty to ensure help and support is targeted at those who need it most, as recommended by Fuel Poverty Strategic Working Group and mentioned as a concern in the independent advisor’s report. Both the pilot and the review will help inform a new fuel poverty strategy and fuel poverty target, to be taken forward through a Warm Homes Bill, which we expect to introduce in 2018.

In December 2016, we convened a summit of energy companies to address a number of inequalities which exist in the domestic energy market, in particular around the ‘poverty premium’ referenced in the advisor’s report. The Cabinet Secretary for Communities, Social Security and Equalities has written to suppliers to challenge them to identify further action they could take in these areas and we will follow-up with them in a second summit later this year.
### 9. Be bold on local tax reform

The Scottish Government has made a range of changes to council tax that make it fairer from April 2017 ensuring, as far as possible, that those on low incomes are protected. The rates paid by those in the four highest council tax bands (E, F, G and H) have been adjusted, with the average band E household paying around £2 per week more and the average household in the highest band around £10 a week more. The 75 per cent of Scottish households that live in bands A to D are unaffected by this change to the council tax band system and up to 54,000 households living in bands E to H on low incomes – more than one third of which are pensioner households – are entitled to an exemption from the changes through the Council Tax Reduction scheme. We have already invested over £1 billion in the Council Tax Reduction scheme since 2013-14, assisting almost half a million households each year to meet their council tax, and the reforms provide additional support to families on low incomes across all council tax bands by extending the relief available to households with children. This will benefit up to 77,000 low income families by an average of £173 per year, supporting up to 140,000 children. In addition, the Council Tax Reduction scheme will not have a two child cap.

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

Founded on the views of children and young people, and engaging with senior policy makers, a young people’s symposium was held in April 2016. The symposium helped summarise the data on teenagers and brought together stakeholders to discuss key issues and possible solutions. Learning from the symposium has fed into an in-house review of evidence undertaken to meet this recommendation. The evidence review considers what we know about the life chances of young people in Scotland across the following broad topics: poverty, wealth and financial capability; housing circumstances; employment and labour market outcomes; education and training; and health and wellbeing. The analysis is based on the most recent Scottish Government statistics, alongside relevant academic and grey literature. It will published by the Scottish Government as a social research report on the 3rd of July 2017, alongside the independent advisor’s own report on life chances.

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

In September 2016, the Scottish Government established the 15-24 Learner Journey Review to deliver the First Minister’s programme for Government commitment to: ‘Review education provision for all 16-24 year olds so their learning journey is as efficient and effective as possible and provides stepping stones to success for those needing most support.’ The Review has two main drivers: learner personalisation and choice, and system efficiency.
Through the course of the review we will look to improve the design, alignment and coherence of the 15-24 learning journey, including related employment support such as that provided by the careers sector. This means improving the ease with which all young people move through their learning, regardless of where they are studying. This will include evaluating the opportunities available in and across schools, colleges and community/third sector based learning to identify and consider any unnecessary duplication of learning. We will establish options for removing unnecessary repetition and maximising progression through levels of study in or between school, community, college, training and university.

Stage 1 of the review will run until September 2017 and will gather the evidence, test partner and stakeholder views, build the authorising environment and develop policy options for Ministers to consider. Stage 2 will move towards implementation however we recognise the likely complexity involved in this work and accept its phased implementation, commencing in academic year 2017-18 and stretching over the lifetime of this Parliament until 2021.

In addition to work on the Learner Journey, we have been developing an all-age integration and alignment agenda to support improvements to the employability system in Scotland. We have been working across Government with policy areas that have an employability interest or impact to develop improved links with skills, health (including mental health) and social care, justice and housing provision. We will publish an action plan later this year in which we will set out clear actions to drive forward this approach. Working with partners at a UK, Scottish and Local government level we are seeking to create a more streamlined, straightforward and ultimately effective service for people of all ages, particularly those who are disadvantaged in the labour market, including young people.

In June, we launched a £2.5 m Employability Innovation and Integration Fund seeking bids from bodies within the Community Planning Partnership structure to test collaborative new approaches across the themes of health and social care, justice and housing. We are seeking proposals which can demonstrate integration and/or alignment of employability and skills services with other provision to deliver better outcomes for groups experiencing inequality in the labour market.

Further alignment work is underway with Scottish local authority representatives, focused at this stage on the city region/partnership deals and there is an emerging programme of alignment and integration between devolved employability responsibilities and Jobcentre Plus.
12. Ensure that the new approach to employer engagement in education is having an impact on improving skills for work of young people

Employer-led Developing Young Workforce (DYW) Regional Groups have been established in all 21 regions: Glasgow; North East; Fife; Ayrshire; North Highland; the West Region; Edinburgh, Midlothian and East Lothian; Dumfries and Galloway; Dundee and Angus; West Lothian; Inverness and Central Highland; West Highland; Lanarkshire and East Dunbartonshire; Forth Valley; Outer Hebrides; Shetland; Orkney and Moray.

The Developing Young Workforce Regional Groups report that they have engaged with over 3,500 employers across Scotland. Employers across Scotland are bringing the industry leadership we need to change how employers and education work together to produce more work-ready young people. These employers are now supporting a variety of work inspiration activity ranging from awareness sessions to employer visits and work experience.

The Regional Groups have also reported that they have facilitated at least 100 school / industry partnerships in addition to around 100 teachers having taken part in industry insight placements.

All of this will help our young people make more informed choices and be better prepared for moving from school into work, or further learning. It is also a good example of our determination to bring employers into the heart of the education and skills system.

Skills Development Scotland (SDS) is working with partners to deliver Foundation Apprenticeship (FA) pathfinders. These combine the benefits of school, college and work-based education for senior phase pupils. As part of the drive to improve attainment, Deputy First Minister announced an ambition that by the end of 2019, up to 5,000 young people will start a Foundation Apprenticeship, up from 351 starts during 2016-17 and the 1,500 expected 17/18.

SDS are also working to develop the Graduate Level Apprenticeships in partnership with employers and the University sector. These apprenticeships will enable participants to earn their degree while working and will be delivered in partnership with their employers over the course of four years with initial activity focused on Engineering, Civil Engineering and Digital sectors.

The Minister for Employability and Training announced hundreds of people will have the opportunity to study for degree-level courses while in employment thanks to a significant expansion of Graduate Level Apprenticeships. A total of 379 places will be made available for individuals to study for a degree, up to Masters level, while in work in 2017/18. This builds on the investment that delivered a successful pilot of 27 places in 2016/17.
### 13. Do more to tackle occupational segregation

A range of relevant commitments, responding to the advisor’s recommendation, have been set out in the Fairer Scotland Action Plan. For example, we have committed to establishing an advisory council for women and girls. In April 2017, we launched a ‘Women Returners project’ to encourage women to re-enter STEM type careers and close the gap in the science sector.

In addition, the Modern Apprenticeship Equalities Plan, mentioned in the advisor’s report, is starting to deliver improvements: this five year plan outlines the challenges to be addressed and the actions Skills Development Scotland will undertake with partners to improve the participation of under-represented groups within the Modern Apprenticeship programme. Apprenticeship areas where there are gender imbalances, for example females in science, technology, engineering and maths (STEM) and males in childcare related apprenticeships, are being tackled by the plan. An annual report detailing progress against the plan will be published by SDS shortly.

Furthermore, encouraging diversity in the workforce by tackling gender stereotyping in career options is central to the Developing the Young Workforce programme. Key areas of action on gender include the Institute of Physics Improving Gender Balance Project which is taking action to raise awareness of gender bias in career choices in 6 school clusters in Fife, Glasgow, West Lothian, South and North Ayrshire and to encourage more girls to aspire to STEM studies and careers. Also the on-going work by the Scottish Funding Council to implement their Gender Action Plan.

The draft STEM strategy includes equity as one of the priority themes to encourage diversity across STEM courses, qualifications and careers. The final version is due to be published later in 2017.

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

We are taking a range of action to improve public service to respond to the advisor’s recommendation.

Our principles of dignity and respect will underpin the use of new social security powers, as mentioned above. These are based on a shared understanding that social security is for everyone. The Scottish Government continues to work to ensure that those with lived experience of the system remain at the heart of all that we do in the development of social security. As noted above, we will achieve this through the use and development of Experience Panels which over 2,400 people from across the country who use the current system have volunteered to be a part of. Their views will inform the design of Scotland’s new system and how to build and refine a better model.
General Practice Specialty Training (GPST) is based on the Royal College of General Practitioners (RCGP) curriculum which is the UK educational framework that defines and sets the standards for independent general practice. Training in the preservation of dignity of people in poverty is covered in the Curriculum section Knowing yourself and relating to others; which deals with topics such as Consultation and communication skills, Ethics and values and Promoting equality and valuing diversity. Curriculum module 2 01 The GP Consultation in Practice in summary states ‘As a general practitioner you must show a commitment to patient-centred medicine, displaying a non-judgemental attitude, promoting equality and valuing diversity’. The General Practice Specialty Trainee must demonstrate the core competences and learning outcomes in this module.

As part of work refocusing the Health Visiting role additional work was undertaken to review all educational and continuous professional development programmes for Health Visitors and to support future resource allocation and workforce requirements.

Health Visitor and School Nurse training directs significant attention to the support and approaches required to ensure support for hard to reach groups who may benefit from more flexible services provided in different ways. In addition to formal learning for Health Visitors and School Nurses, NHS Health Scotland launched an eLearning module on child poverty health and wellbeing in 2016.

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

The Fairer Scotland Action Plan committed, as Action 1, to introduce a new socio-economic duty on public authorities in 2017, as per the advisor’s recommendation. This will help ensure that key strategic public sector bodies pay due regard to narrowing the inequalities caused by socio-economic disadvantage whenever they take the big decisions that really matter to people. The new duty will make sure that the public sector is pulling in the same direction towards the same goals. A consultation on the new duty will be published shortly. Once the duty is introduced, Scotland will be the only part of the UK to have commenced this part of the Equality Act (2010).