



Every child, every chance

**Tackling Child Poverty
Delivery Plan**
Third year progress report 2020-21



Scottish Government
Riaghaltas na h-Alba
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Ministerial Foreword



When we published our Tackling Child Poverty Delivery Plan in 2018 we could never have predicted a worldwide pandemic with the scale of impact of COVID-19. Whilst the crisis necessitated the pause of a number of key activities, we mounted an unparalleled response to protect people and communities. This has accelerated work in a number of key areas and shown the capacity and capability to make significant change at pace. We will carry forward this momentum as we focus on our national mission to end child poverty once and for all.

Over the past year we made over £1 billion of additional investment through our Communities Funding Package, working across government to support people and communities and to protect the essential services on which they rely. Work on child poverty to date strongly grounded these efforts, both at a national and local level, and resulted in focused support to mitigate the impacts of the pandemic on children and their families.

Together with our partners in local authorities we strengthened existing mechanisms, including the Scottish Welfare Fund, Council Tax Reduction scheme and Discretionary Housing Payments, and delivered enhanced support through Free School Meals to deliver alternate provision during holidays and school closures and to provide hardship payments to many of the lowest income families in the country. We also provided flexible funding for local authorities to take targeted approaches to tackle food and financial insecurity, supporting innovative action and enabling local needs to be met.

The third sector and community organisations played a key role. Backed by over £100 million of additional investment they worked tirelessly to provide a wide range of support to meet the needs of people across Scotland – supporting wellbeing and tackling both food and financial insecurity.

And, despite the impact of the pandemic, we continued to deliver upon commitments made within our Tackling Child Poverty Delivery Plan, including launching the Scottish Child Payment – which is already supporting thousands of families across Scotland.

However we know that the impacts of COVID-19 risk pushing more children into poverty in Scotland, especially given the UK Government's planned removal of the £20 uplift to Universal Credit which threatens to undermine the benefit of the Scottish Child Payment for families. That is why we have committed strong action within the first 100 days of this new Parliament in order to drive progress at pace, and committed additional longer term action to support recovery and renewal and to help build a fairer and more prosperous Scotland.

These actions are focused across the drivers of poverty reduction – helping families increase their earnings, reduce their essential expenditure and providing increased support through social security – as well as supporting wider wellbeing for children and families.

New commitments reflected within this annual report include our plans to double the value of the Scottish Child Payment to £80 every four weeks by the end of this Parliamentary term, providing even greater support to more children, and to delivering bridging payments – building on the hardship payments made during the pandemic – to deliver support now to children not yet able to benefit.

We have set out our ambitions for the future of affordable housing in Scotland through Scotland's first long-term housing strategy. This includes our commitment to deliver 100,000 affordable homes over the next decade, to tackle high rents and increase stability for those in the private sector and to end homelessness – all of which are supporting our action to tackle child poverty.

We have also set out ambitious plans to explore a new Minimum Income Guarantee and Universal Basic Services, which have the potential to revolutionise our public services and lift thousands of children out of poverty.

Over the coming year we will continue to work with the pace, passion and determination we have shown through our pandemic response in order to drive down levels of child poverty in Scotland.

We will also work closely with our partners, experts by experience and with children and young people themselves in order to prepare our next Tackling Child Poverty Delivery Plan. We will build upon the action taken to date and upon the strong evidence base established, guided by the recommendations and challenge offered by the Poverty and Inequality Commission.

This year's annual progress report highlights that all of the actions we have previously reported on are either in progress or delivered. It also highlights that the scale of our investment targeted at low income families with children continues to grow, rising to nearly £1 billion – including £118 million of targeted investment made through our response to COVID-19. This is part of almost £2.5 billion invested to support all low income households, including over £434 million of additional investment in social protections as a result of COVID-19.

Whilst there are uncertain times ahead, we will deliver upon our national mission to tackle child poverty. The pandemic has demonstrated that working together, with a united focus, we can deliver change at both the pace and scale required.

Shona Robison
Cabinet Secretary for Social Justice, Housing and Local Government

Executive Summary

This progress report captures the range of activity taken forward in 2020/21, the third year of our four year delivery plan period. Despite the considerable impacts of COVID-19, which necessitated the pausing of key activity, we have continued to drive forward progress in implementing the actions committed. As a result, all of the actions reported on last year are now either in progress or being delivered.

We also brought forward a wide range of new and additional support to help people and communities impacted by the pandemic, backed by over £1 billion of investment. Key programmes are reflected within this report and summarised below.

Where planned progress has been delayed due to the pandemic, we have reflected this within the updates provided and given revised timescales for delivery.

Within the reporting year we continued to deliver progress as part of our Tackling Child Poverty Delivery Plan, but also introduced a wide range of additional support to protect people and communities through our response to COVID-19. Key actions taken this year include:

- Introducing the Scottish Child Payment for eligible children aged under 6 on 15 February 2021, with thousands of families already benefitting from this new support worth £40 every 4 weeks
- Investing over £56 million in the continuation of Free School Meal provision for low income families during school closures, periods of online learning and school holidays
- Delivering two £100 hardship payments benefitting around 145,000 children and young people from low income households receiving Free School Meals
- Delivering over 36,000 devices through our Connecting Scotland programme which aims to eradicate digital exclusion in Scotland, with over 17,000 families with children and 4,000 young care leavers supported to date
- Providing over £100 million of additional investment in third sector and community organisations to enable them to respond to local and community need – including to tackle food insecurity and promote wellbeing
- Committing over £375 million in education recovery funding over the course of 2020/21 and 2021/22, supporting a range of work to accelerate learning recovery, support children and young people’s health and wellbeing, targeted youth services and digital devices and connectivity for those who need it
- Allocating considerable resource to local authorities to tackle food and financial insecurity through a cash-first approach, including an additional £22 million for the Scottish Welfare Fund, £8 million for Discretionary Housing Payments, £30 million to tackle food insecurity and £40 million to tackle financial insecurity
- Introducing the Job Start Payment on 17 August, and awarding over £277,000 by the end of March 2021
- Opening our Access to Child Care Fund which is now supporting 15 projects to deliver a range of childcare models

In the coming year we will focus on delivering further progress on our ambition to eradicate child poverty and will support recovery and renewal from COVID-19 by building upon our response. Key actions include:

- Making additional payments for children and young people in receipt of Free School Meals, paying £520 in 2021 and 2022 until the Scottish Child Payment is rolled out in full
- Doubling the value of the Scottish Child Payment to £80 every four weeks by the end of this Parliamentary term
- Commencing the expansion of universal Free School Meal provision in primary schools and delivering alternate Free School Meal support for all eligible children in holiday periods starting with P4s this year
- Completing roll-out of 1,140 hours of funded Early Learning and Childcare
- Increasing the School Clothing Grant to at least £120 per primary school child and £150 per secondary school child
- Continuing delivery of our ambitious Connecting Scotland programme, reaching 60,000 households by the end of 2021
- Rolling out our £20 million summer programme for pupils, helping children socialise, play and reconnect
- Increasing the value of Best Start Foods payments to £4.50 per week from 1 August 2021

We will also work to develop our next Tackling Child Poverty Delivery Plan, undertaking consultation with people with lived experience, including children themselves, and key partners. In developing our plan we will give careful consideration to the learning which has emerged as part of the COVID-19 response in order to maintain the momentum and focus on delivering positive outcomes for the people of Scotland. We will also consider the calls to action of the Social Renewal Advisory Board and the recommendations of our Poverty and Inequality Commission, as we set out a plan to deliver the progress needed on our ambition to eradicate child poverty in Scotland.

Introduction

This is the third annual progress report on our delivery plan. It strengthens our knowledge and understanding of poverty and informs our long term strategy. It covers the period immediately following the country's move into a national lockdown in response to COVID-19 and reflects the progress delivered to 31 March 2021 and the response to the pandemic to support low income families.

Over the course of 2020/21 we made over £1 billion of additional investment to help local communities through the pandemic, and to build resilience in public services. This includes over half a billion through the Communities Funding Package, distributed across councils, local services and initiatives to support those in need. A further £479 million was awarded to local councils in addition to this to meet demand for local services and build resilience across the sector. How this funding has been allocated across local authorities can be found using our Communities Funding Mapping Tool¹ and we estimated over half of the total funding available was focused on supporting low income households.

In total we estimate that around £2.5 billion was invested in support targeted at low income households in 2020/21, including almost £1 billion focused on supporting children in those households.

Our response placed a strong emphasis on protecting children and young people and on mitigating the impacts of poverty, building on the shared knowledge and approach established by our Tackling Child Poverty Delivery Plan. This includes a focus on those at greatest risk, including within our priority families². Our Communities Funding included an additional £56 million to enable the continuation of alternate Free School Meal provision, £32 million to deliver new COVID Hardship Payments to around 145,000 children and young people and almost £5 million of additional funding, to support families through the difficult winter period, through children's charities. We also tackled new and emergent challenges such as digital exclusion through the introduction of our ambitious Connecting Scotland programme.

Despite the challenges presented by the pandemic, we also introduced the Scottish Child Payment, which is now supporting around 79,000 children in over 60,000 families across Scotland. We remain committed to completing the expansion of the Scottish Child Payment for children and young people aged 6 – 15 by the end of 2022 and have committed new bridging payments, delivered through local authorities, to support many families on the lowest incomes immediately.

However, as a result of the restrictions in place to protect people's lives and wellbeing, we were not able to deliver the progress anticipated for key programmes - including our expansion of Early Learning and Childcare, delivery of affordable homes and Parental Employability Support Fund. In recognition of the significant importance of these commitments to our national mission to eradicate child poverty, we have made as much progress as is possible. Where commitments have not already been delivered, we have agreed ambitious and realistic timescales for completion.

¹ [Communities Funding Mapping Tool](#) - Scottish Government

² Priority family types include: Lone parent families, the large majority of which are headed by women; Families which include a disabled adult or child; Larger families; Minority ethnic families; Families with a child under one year old; Families where the mother is under 25 years of age.

In the year ahead we will have a strong focus on recovery and renewal, ensuring that we build back in a fairer way which embeds the learning from our COVID-19 response. We will help to drive this progress through a range of new actions which are reflected in this report. This includes delivering payments, equivalent in value to the Scottish Child Payment, for children and young people in receipt of Free School Meals in low income households, delivering a new £20 million summer programme, and commencing the expansion of universal Free School Meal provision for primary school children.

We are clear that further progress is needed on child poverty and that all in our society have a role to play. Alongside delivering new and existing commitments, we will work collaboratively across government and with key partners, including local authorities, to develop our next Tackling Child Poverty Delivery Plan – setting out further ambitious action to deliver progress on the child poverty targets set.

The first section of the report focuses on the progress we have made in delivering the range of actions set out in our Tackling Child Poverty Delivery Plan and the new actions taken forward through our response to COVID-19. As with our approach in previous years, we have focused on the key developments which will have the most significant impact on the child poverty targets and on the lives of children in poverty.

Updates are organised by the drivers of child poverty reduction with the final sections focussing on helping families in other ways and on our partnership actions. For each grouping of actions in section A-C we include an impact summary setting out how many people have been supported as a result of these policies.

Within this section we respond to the recommendations of the Poverty and Inequality Commission where appropriate, however will consider these more fully in development of our next Tackling Child Poverty Delivery Plan.

This section also includes details of new policy commitments made to help deliver further progress to reduce child poverty, including those to be delivered within the first 100 days of the Parliamentary term.

In section two we provide an overview of key measures around child poverty in Scotland, including overall progress toward the targets and data on child poverty amongst each of the priority families identified in the Tackling Child Poverty Delivery Plan.

This section reflects the position as of 2019/20 which precedes the introduction of major policies and therefore does not reflect their contribution. However the latest available data highlights that, whilst levels of child poverty remain considerably below the UK average, significant progress needs to be achieved over the next Delivery Plan period to meet the child poverty targets.

This section also highlights that some drivers of child poverty were moving in the right direction before COVID-19 - including key employment indicators, skills and childcare availability – and that housing costs and other costs of living remained relatively stable.

The third and final section sets out the latest progress ‘at a glance’, providing quick reference to progress and investment as of 31 March 2021.

This section includes a summary of progress against each of the actions committed, and detail of investment from our Tackling Child Poverty Fund directed at low income households. The final summary sets out how we have met the statutory requirements under the Child Poverty Act, including responding to the Poverty and Inequality Commission's comments and recommendations.

As with previous years we have also published further technical information in an annex.

[Annex A](#) presents details of trend data for the drivers of child poverty, updating on each of the 23 measures included as part of our Child Poverty Measurement Framework. This annex is discussed in the second section of this report.

We will shortly publish an additional annex detailing an evidence review in relation to households with a disabled family member. Informed through engagement with families with a long-term health condition, this annex will also present, where possible, breakdowns of the Child Poverty Measurement Framework by family type.

1. Reporting on progress 2020-21

Introduction

Within this section we provide updates against each of the actions set out within the Tackling Child Poverty Delivery Plan together with actions included in the 2019-20 annual report.

Within the reporting period, we have taken significant action to tackle and mitigate the impacts of the COVID-19 pandemic, backed by over £1 billion of investment through our Communities Funding Package. This activity, together with new actions to support recovery and renewal, is reflected throughout the report.

The actions described below are arranged under the five original chapters set out in 'Every Child, Every Chance':

- A. Increasing income from employment and earnings
- B. Costs of living
- C. Social security
- D. Helping families in other ways
- E. Partnership working

Impact summaries are included for action in sections A-C, aligned to the drivers of poverty reduction.

A. Increasing income from employment and earnings

Introduction

Sustainable, fair work is a long-term route out of poverty for families. Every Child, Every Chance identified 'increasing income from employment' as a main driver of child poverty reduction. However, to be sustainable, employment needs to offer parents decent rates of pay, good training and support, opportunities to progress, a flexible working environment and enough hours in work to provide a wage that, as a minimum, meets basic family needs.

The COVID-19 pandemic has had a significant impact on economies worldwide and many people have experienced the loss of earnings or employment as a result of restrictions necessary to limit the spread of the virus. We know that this has disproportionately impacted those in lower income and front-line service occupations, who have not been able to make the transition to home working, including our priority families.

To aid recovery we have committed to strengthening the support available to parents. We have extended Fair Start Scotland (FSS) delivery for a further two years to 31 March 2023, with the aim of providing stability and continuity for FSS participants. We continue to invest in our employability services, including over £27 million this year (2021/22) for FSS delivery, ensuring we can appropriately manage the anticipated COVID-19-related increase in demand for support and contribute to an inclusive economic recovery. We also announced increased

investment in the Parental Employability Support Fund, providing £6 million of investment specifically to support disabled parents and increasing annual investment to £8.65 million in 2021/22, to help meet demand for this valuable service and will continue to invest in our Flexible Workforce Development Fund and the Workplace Equality Fund, providing support to train and upskill our workforce and tackle inequalities, and in our Women Returners Programme.

Over and above this we announced new support in the form of our Young Person's Guarantee, investing £60 million in 2020/21, and a package of support to enable retraining and upskilling, including a new National Transitions Training Fund to support 10,000 people facing redundancy and unemployment. We have committed £125 million of additional investment for these, and other initiatives, in 2021/22 ensuring the future workforce has the skills needed for a green recovery and supporting those at risk of long term unemployment.

Updates on key actions from our Tackling Child Poverty Delivery Plan are below.

New employment support for parents

As set out in our Tackling Child Poverty Delivery Plan, parents who have to balance work and home responsibilities can find securing good quality jobs challenging. This can be a particular issue for our priority families who face additional barriers. That is why our Tackling Child Poverty Delivery Plan committed new support through Fair Start Scotland and our Parental Employability Support Fund focused on tackling these barriers and providing the help parents need to enter and progress in the labour market.

A summary of action in 2020/21 is set out below, followed by more detailed updates for commitments in the Delivery Plan.

The impacts of COVID-19, both in terms of restrictions on face to face service delivery and on our economy, have meant that our key employability services have not been able to perform as we would have otherwise anticipated. In particular, participation from parents in both pre-employment and in-work support has dropped considerably due to the additional calls on their time such as home schooling, child care commitments and work responsibilities. In addition, furlough and the closure of many services have adversely affected people's ability to participate.

Faced with the restrictions in place, Fair Start Scotland (FSS) providers and local authorities rapidly responded to the crisis and completely changed the way they engage with, and support people accessing their services during this challenging time. This ensured that they were able to maintain support for existing participants, as well as continuing to promote the service and engage with potential new participants.

Impacts:

- 4,973 parents supported over first 3 years of FSS delivery
- 1,539 parents started work through FSS, including 685 lone parents, 180 parents with 3 or more children and 115 minority ethnic parents; early evidence that outcomes for parents are broadly in line with those for non-parents
- FSS investment increased by £5.8 million to over £27 million in 2021/22 to ensure appropriate and adequate support for those at risk of long-term unemployment and those facing the greatest barriers to accessing fair and sustained work
- Our increased investment in the PESF will enable a greater number of parents to access the service in 2021/22
- Focused PESF investment will support young parents to access holistic support to engage in education, training and school
- Focused PESF investment will support parents accessing funded Early Learning and Childcare to enhance their skills and progress into employment

Fair Start Scotland

Building on its success in 2019/20, the Scottish Government made a further investment of £20.5 million available to support FSS participation and outcomes in 2020/21. The service has performed well in the last year, despite the ongoing economic and labour market uncertainty and continued local/national COVID-19 restrictions. We also implemented our pre-COVID-19 policy to extend FSS eligibility for particularly vulnerable groups to “Day 1 unemployed” status³ and would hope to see some evidence of increased participation by these groups in our evaluation reports later this year.

Referrals and starts on the service from April to December 2020 dropped noticeably in comparison to the same period in 2019 - by 25% and 18% respectively. This is due in part to the “pause” in referrals made by the Department for Work and Pensions (DWP) between March to June 2020, as they dealt with an unprecedented volume of Universal Credit claims. All FSS referrals during this period were generated by FSS Providers via digital platforms and social media. Referrals and starts remained at a lower level for the rest of 2020, but the latest statistics show that levels returned to nearer pre-COVID-19 levels in January – March 2021.

Whilst some people disengaged with the service during the course of 2020/21, including due to COVID-19 health concerns, we know that the change in delivery methods has been a positive step for many participants, particularly those who found it more challenging to attend face to face meetings previously. We will actively work with providers to consider how positive changes can be retained to better support those unable to attend physical meetings, including those in rural areas and with mobility or other health issues. Our Year 3 FSS evaluation fieldwork will explore the impacts of COVID-19 on FSS participants in more detail and is due to be published later in the year.

³ Day 1 status includes individuals with a conviction; Care Experienced Young People; Lone Parents; Refugees; Individuals from BAME groups; Individuals who are resident in 15% most deprived SIMD areas; Individuals who are unemployed with a health condition that is a barrier to work.

The latest employability statistics⁴ show that over 32,500 people, including 4,973 parents, have been supported in the three years since the service launched in April 2018, and more than 10,000 people have moved into work, including 1,539 parents.

For those parents who had started on FSS by December 2019 and therefore had the full time to achieve outcomes, 23% sustained employment for at least 3 months, which is the same proportion as FSS participants overall. 18% of disabled parents sustained employment for three months, compared to 21% of disabled people who were not reported to be parents, and 26% of people who are not disabled and not reported to be parents.

Proportions of other priority parent groups achieving three month job outcomes were similar to those achieved by FSS participants overall, but these figures should be used with caution as some percentages are based on very small numbers. Three months' sustained employment was achieved by 21% of lone parents, 22% of mothers under 25, 28% of parents with three or more children, and 23% of minority ethnic parents.

In response to the statistics and our evaluation recommendations, we have worked closely with FSS Providers in the last year to focus our Continuous Improvement activity on eligibility groups who are currently under-represented across the service, or who have below average outcomes. This has included significant engagement with stakeholders representing minority ethnic communities, women, refugees, people with convictions and people in rural communities. This work will continue into 2021/22.

Parental Employability Support Fund

Due to the impact of COVID-19, local authorities and their delivery partners have had to adapt their delivery, focusing much more intensively on crisis management. This includes the redeployment of local authority staff to enable delivery of crisis grants to parents, the provision of school meals, management of business grants and financial advice. Whilst these challenges have been present, the economic impact of COVID-19 has driven forward local partnership working with increased levels of engagement with community groups, support organisations, parental groups, and employers.

As a result of COVID-19, the needs among the most disadvantaged in our communities have intensified and people who have not traditionally required support may find themselves out of work and reliant on out of work benefits. We know that many female dominated sectors have been hardest hit and that disabled people have seen a disproportionate impact, and the full impact won't be known until the job retention scheme ends and the economy starts to re-open.

In recognition of this challenge we have allocated a further £5 million to boost support for disabled parents, and have confirmed an additional £8.65 million for PESF in 2021/22 to enable support to be made available for more parents. This investment will support enhanced service offerings for young parents and further strengthen the alignment of employability services with our Early Learning and Childcare offer – ensuring more parents can access training and employment support.

⁴[Scotland's Devolved Employment Services: statistical summary](#) – May 2021

Tackling low pay and supporting equality at work

Evidence shows that while having paid work can be an effective route out of poverty, having any job is not always enough. The most recent statistics show that two thirds of children in poverty live in a working household, highlighting the challenge faced by families in securing high quality employment with the number of hours they need to lift themselves and their children out of poverty. That is why, in line with our ambition for Scotland to be a Fair Work Nation by 2025, we are taking action to promote fair, inclusive and flexible employment, to help parents work and earn more, effectively lifting them out of poverty.

The impact of action in 2020/21 is set out below, followed by more detailed updates on action taken.

Impacts:

- 4,541 workers saw an increase in their wages as a result of Living Wage accreditation during 2020/21
- The 2021/22 Public Sector Pay Policy delivers a guaranteed cash underpin of £800 for those earning £25,000 or less
- Fair Work First criteria has been applied to £2.4 billion of funding, promoting security of contracts and payment of the Real Living Wage
- The provision of flexible working arrangements is a key factor for workers with caring responsibilities, and in particular women being able to secure and maintain successful employment and career development.

Building a living wage nation

Payment of the real Living Wage continues to be a key strand of our Fair Work agenda and is being progressed through the Scottish Living Wage Employer Accreditation scheme and our Fair Work First approach. The hourly rate paid, which increased to £9.50 in 2020/21, is estimated by the Living Wage Foundation to increase a full time worker's earnings by more than £1,150 compared to the current UK Government National Living Wage.

The Scottish Government provided £380,000 to the Poverty Alliance in 2020/21 to increase the number of Living Wage Accredited employers across Scotland as a way to drive up the number of workers receiving a real Living Wage. By the end of this period there were over 1,950 accredited living wage employers spanning many sectors of our economy, an increase of 314 over the past year. These accreditations have led to 4,541 additional workers receiving an uplift to the real Living Wage at the end of the financial year. As of 31 March 2021 over 43,000 workers in Scotland will have had a pay rise as a result of accreditation. Scotland remains the best performing of all four UK countries with the highest proportion of employees paid the Living Wage or more (84.8%).

Additionally, through our funding to the Poverty Alliance we will expand the Make Living Wage Places initiative to promote payment of the real Living Wage in localities, including at town, city and regional levels. During this period Aberdeen, Edinburgh and the Scottish Borders are progressing their ambitions to achieve their Living Wage Place accreditation, which will increase the amount of workers receiving a decent wage.

Tackling low pay in the public sector

The Public Sector Pay Policy applies directly to 50 public bodies and covers 10% of the public sector workforce in Scotland. However, the policy sets a benchmark for the wider public sector and informs the decisions they take on pay.

Public sector pay policy continues to focus on targeting higher increases at those in the lower paid brackets as well as requiring all public bodies to pay at least the real Living Wage.

Fair Work First

Through Fair Work First we are driving high quality and fair work across the labour market in Scotland. Our Fair Work First criteria is focused on promoting security of pay and contracts; asking employers to embrace a diverse workforce, not to use zero-hours contracts inappropriately as well as paying the real Living Wage. The Fair Work First criteria seek to address particular challenges in the labour market, and make a real difference to people, businesses and the wider community. It is an agenda for all; even the best employer can do more to strengthen their fair work approach.

We published Fair Work First Guidance⁵ in January 2021 to support all those involved in the implementation and delivery of Fair Work First. The criteria has been attached to £2.4 billion worth of funding so far, and we are looking to continue this expansion across other funding streams. We will review our Fair Work First criteria to also include specific reference to fire and rehire tactics, and promotion of flexible and family friendly working.

New support for flexible working

The COVID-19 pandemic has brought into sharp focus the critical role that childcare plays in supporting the labour market.

Evidence suggests that during periods of lockdown with school and nursery closures, housework and childcare has fallen more on women than men. The provision of flexible working arrangements is a key factor for workers with caring responsibilities, and in particular women, to secure and maintain successful employment and career development. While the impact of the COVID-19 pandemic on working practices saw a surge in enforced working from home that enabled businesses to reconsider previous practices, beyond COVID-19 a strong social case can be made for normalising flexibility in quality jobs. This will allow those who need to balance work and care to access employment and progress at work. It is important to ensure that ongoing advice is provided to employers to support flexible working and to support those looking for work, including our priority families for whom access to better paid flexible work is evidenced to be a key factor in helping them to raise their household earnings.

To capitalise on this change, we supported Timewise through our Tackling Child Poverty Fund to deliver an eight month programme during 2020/21, beginning in September 2020, which included a programme of webinars and guidance to employers across Scotland on how to manage flexible working through the crisis. Alongside this

⁵ [Fair Work First: Guidance to support implementation](#) - Scottish Government, Jan 2021

they provided a four month training programme focusing on those delivering key support including the Parental Employability Support Fund, provided comprehensive guidance and resources for employers and employees, and updated the Flexible Jobs Index for Scotland.

In 2021/22, Timewise will continue efforts to embed and promote the benefits of fair and flexible work. At the end of this year we will review progress made, alongside findings from the evaluation and consultations with partners, and develop an action plan setting out our next steps for this important work.

B. Costs of living

Introduction

Reducing household costs is one of the keys to delivering a reduction in child poverty levels. This covers many unavoidable costs such as flexible and affordable childcare provision; safe, warm and secure housing; fuel, food and day-to-day essentials; and affordable credit – which is often required due to insecure incomes.

Over the past year we have taken significant steps to support families living on low incomes and those negatively impacted by the COVID-19 pandemic, to ensure their basic needs are met and to prevent them from financial crisis and destitution. Key supports, including provision of Free School Meals, have been more important than ever for families ensuring that children are able to access the nutritious food they need. Working together with our partners in local authorities and the third sector, we have made considerable investment to protect the people of Scotland, including over £140 million to tackle food insecurity, £40 million of flexible funding to local authorities to tackle financial insecurity alongside £30 million of funding to support people impact by COVID-19 restrictions and guidance.

Whilst the pandemic has forced a softer launch or delayed introduction/delivery of key commitments, including the expansion of Early Learning and Childcare and the 50,000 affordable homes target, we have taken steps to regain the ground lost and committed to new and ambitious action to further reduce poverty.

This includes new action in relation to childcare, expansion of free school meal provision to all primary school children and free bus travel to all young people aged under 22.

Updates on key actions from our Tackling Child Poverty Delivery Plan are below.

Enhanced support through Early Learning and Childcare

High quality and affordable Early Learning and Childcare and School Age Childcare play a key role in tackling child poverty. For children, it supports their development, helping to tackle the poverty-related attainment gap and improving lifelong outcomes – preventing today’s children from becoming the parents of children in poverty. For parents, it can enable them to gain access to employment and training opportunities by giving them more flexibility and more time – and importantly reducing the costs they face when doing so. Together with our action on parental employability and fair work, our focus on childcare has the potential to move more families out of poverty.

The impact of action in 2020/21 is set out below, followed by more detailed updates on action taken.

Impacts:

- 114,222 children were accessing funded ELC as of the end of February 2021
- 98,474 children (86%) were accessing more than the statutory entitlement of 600 hours, and 74,096 children (65%) were accessing 1,140 hours funded ELC
- The numbers of children accessing an expanded offer has increased since August 2020, with an additional 17,399 children now accessing 1,140 hours funded ELC
- 1,140 hours of funded ELC is estimated to save households on average £4,500 per child each year and gives parents and carers greater opportunities to consider work, training or study

Expanded Early Learning and Childcare (ELC)

Due to the impact of lockdown on required construction and recruitment, and the need for local authorities to focus on supporting the pandemic response, Ministers took the difficult decision to revoke the statutory duty for all entitled children to receive 1,140 hours. However, throughout the pandemic, the Scottish Government, local government and partners across the sector shown shared commitment that where there is potential to deliver expanded hours ahead of that date, this will be delivered to families.

In May 2021, 17 authorities were offering 1,140 hours to all children, and all authorities are offering 1,140 hours to some or most children. Data gathered by the Improvement Service⁶ that the majority of children in Scotland access 1,140 hours.

We are confident that all families will be able to access 1,140 hours by August 2021, when the statutory duty will now come into effect.

Beyond the delivery statutory duty from August 2021, further work will focus on developing the expanded childcare offer, and monitoring to ensure that the benefits of the expansion are fully realised. The National Standard for funded ELC ensures that all

⁶ [Early Learning and Childcare Expansion Delivery Progress Report - March 2021 \(improvementservice.org.uk\)](https://improvementservice.org.uk)

funded ELC providers are inclusive, making adjustments where required to allow children with additional needs and disabilities to receive their funded entitlement in an appropriate setting.

Our evaluation of the impact of the expansion to 1,140 hours per year on improving outcomes for children and on labour market outcomes for parents, particularly women will inform what further action the Scottish Government takes to best support our children and further strengthen access to the labour market.

We have set out the next phase of ELC in Scotland and have committed to expand free early years education to all 1 and 2 year olds, starting with children from low income households in this Parliament. In delivering this commitment we will consider the impact of extended ELC on children's development and behaviour.

School Age Childcare

Beyond our expansion of funded Early Learning and Childcare, we have committed to build a system of 'wraparound' childcare, providing care before and after school, all year round. Those on the lowest incomes will pay nothing, and others will make fair and affordable contributions. We will include those with lived experience of poverty within our public panel of children and young people and parents and carers who will actively participate in the definition, design and delivery of a future school age childcare offer.

The £3 million Access to Childcare Fund is helping to inform the wider policy development in relation to School Age Childcare. Over the last year, we have published our School Age Childcare Draft Framework consultation analysis⁷ and our School Age Childcare Progress Report⁸.

Our consultation analysis showed that the costs of school age childcare can often be significant and/or prohibitive for some families, including those trying to get into work and who have not received their first wage; those with more than one child; those with fluctuating low incomes; or those on low incomes but not claiming benefits. These considerations and others are helping us develop our policy further, including informing the future development and publication of the School Age Childcare Strategic Framework.

In the coming year, we will continue to work collaboratively with a wide range of stakeholders to shape the future system of 'wraparound' childcare and our strategic framework for school age childcare. We will also establish a public panel of parents, carers, children, and young people to ensure our developing policy meets their needs. We will begin work to produce a children's charter for school age childcare to complement our strategic framework and undertake a financial sustainability health check to understand the impacts of COVID-19 on the school age childcare sector, taking account of particular challenges for different service types.

Our 15 Access to Childcare Fund projects will test the changes required to deliver more accessible and affordable school age childcare for families on low incomes. We will continue to work in partnership with the Scottish Childminding Association to deliver a

⁷ [Out of school care - draft framework: consultation analysis](#) - Scottish Government, November 2020

⁸ [School age childcare: progress report](#) – Scottish Government, March 2021

school age childcare project focused on childminder provision, which is offering targeted support for families on low incomes as they enter the labour market.

Family Learning Programme

The Family Learning Scotland (FLS) Programme aims to help parents to improve and enrich the home learning environment, and to support the Tackling Child Poverty Delivery Plan by equipping parents with skills and qualifications which can help them move out of poverty.

As noted in our previous progress report, Peep were commissioned to fulfil the FLS Programme by training and supporting 432 practitioners. Since March 2020, over 300 new practitioners from 28 local authorities have been trained in the Peep Learning Together Pathway (LTP) through the FLS Programme. The remaining Peep LTP training is on track to be completed by the end of June 2021.

Tackling the cost of the school day

Action to tackle the cost of the school day supports children to learn and get the best from their education. This is a key element of the Scottish Attainment Challenge which is covered in more detail in Section D. Within our Delivery Plan we committed to increasing School Clothing Grants to a new national minimum, supporting children to have the school clothing and sports kits they need, alongside wider action to tackle the cost of the school day, food insecurity and encourage access to leisure activities. These actions mean families have more money to spend on essentials and support better lifelong outcomes for children.

The impact of action in 2020/21 is set out below, followed by more detailed updates on action taken – more detail is also provided on our future ambition for housing in Scotland at the end of this section.

Impacts:

- We invested over £140 million to support food insecurity responses between March 2020 and April 2021, including over £56 million to local authorities to provide free school meal replacements
- Free school meal replacements in 2020/21 reached in the region of 156,000 children and young people
- 157,585 school clothing grants issued in 2019/20

Supporting families during the school term

To mitigate the impacts of the pandemic and to support children and families, we made £56 million of additional investment to ensure the continued provision of free school meal replacements during school closures, periods of online learning and school holidays for around 156,000 eligible children and young people. We encouraged local authorities to take a cash-first approach, enabling families to make their own choices about the food they choose to eat. Our 2021/22 Scottish Budget has committed £49 million to continue targeted holiday support this year alongside supporting the expansion of universal Free School lunch provision to primary four and five pupils.

Our planned review of School Clothing Grant levels was delayed due to the pandemic, however we have now committed to increasing the value from £100 for all pupils to new minimum levels of £120 for primary pupils and £150 for secondary pupils. We are working with our local authority partners to implement the increased national minimums which will support an estimated 145,000 children and young people this year.

Through our continued support, Child Poverty Action Group (CPAG) in Scotland has helped provide more strategic leadership and support to more schools and local authorities to identify and overcome barriers that children from low income families face in costs associated with their participation and engagement at school. Over the past year, during the pandemic CPAG have looked at the impact lockdown was having on children and families, conducting two research surveys⁹, helping to direct support and address challenges.

We also continued to support young people to further their school education with £24.7 million invested in Education Maintenance Allowance (EMA) in the 2020/21 academic year. This represents an additional £2 million spend in comparison to 2019/20, reflecting increased participation and eligibility due to the impact of COVID-19.

As well as providing funding to all 32 local authorities, and the Scottish Funding Council to facilitate payment of EMA, we issued updated guidance to organisations on eligibility and participation to ensure EMA continued to be paid during the pandemic including where students were not physically in attendance due to closure or self-isolation.

Supporting families outside the school term

As a result of the outbreak of the COVID-19 pandemic in March 2020, several projects funded to deliver responses and improve policy learning on tackling food insecurity during school holidays were paused or refocused.

We have been piloting and closely evaluating new and different models of food and activity provision alongside wider family support. Investments have had a particular focus on encouraging local authority and third sector partnership working; improving provision to engage secondary school aged young people; and activity to engage whole families through holistic support.

Aligned with developing school age childcare policy, we have also invested in research conducted by the Scottish Poverty and Inequality Unit (SPIRU) to better understand the nature and extent of school age childcare and holiday activity and food provision across a sample of local authorities, and to evaluate different models of provision. A mapping tool will help local authorities to identify and better understand the existing provision in their areas. These reports are due to be published in early summer 2021.

Together with Scottish Attainment Challenge we are supporting Phase 3 of Young Scot's #YSAttain project. This has included continued direct delivery of entitlements to young people in three local authorities, alongside the production of case studies, information and resources, as well as the establishment of a learning community to engage new local authorities in adopting #YSAttain models. One case study of

⁹ [The Cost of Learning in Lockdown: Family experiences of school closures – Jun 2020](#)
[2021 Cost of Learning in Lockdown – Mar 2021](#)

#YSAttain activities in North Lanarkshire highlighted that young people claimed over 220 meals, saving over £1,000, at local cafés during school holiday periods between June 2019 and August 2020. Using their Young Scot NEC as proof of entitlement, they could access a free meal deal whilst their peers were able to access a 20% discount.

£20 million has been committed to deliver a range of activities during the 2021 school summer holidays, recognising the impacts that COVID-19 has had on all children and young people. This will include a particular focus on providing targeted support for children from low-income families and others who may otherwise struggle to access such experiences during the holidays. Targeted support will include the provision of activities, alongside food and wider support for families where needed, building on learning from delivery of Scottish Government funded work on tackling food insecurity during school holidays in recent years.

The summer offer will also be informed by direct feedback from children and young people on what they want, and evaluation of delivery will also involve engagement with participants and their families. This learning will help inform future policy and practice in relation to what is provided for children and young people during school holidays, linking to Scottish Government commitments for lunch and breakfast provision over the holidays.

Delivering warm and affordable homes

Safe, warm and good quality housing plays a significant role in quality of life, providing children and families with a sense of security and wellbeing. It is also one of the most significant costs that many families face each month, which our child poverty targets take into account. That is why we continue to take strong action to deliver affordable homes, tackle homelessness and tackle fuel insecurity.

The impact of action in 2020/21 is set out below, followed by more detailed updates on action taken.

Impacts:

- From April 2020 to March 2021, we delivered 6,466 affordable homes, 4,698 of which were homes for social rent
- Keeping social rents lower than market rents benefits approximately 110,000 children in poverty each year
- 87% increase in weekly referrals to Warmer Homes Scotland from low income households living in or at risk of fuel poverty as a result of a marketing campaign from August to November 2020
- £7 million made available to third sector organisations to help households struggling with fuel costs through the Winter Plan for Social Protection
- £6.79 million being made available in 2021/22 to tackle fuel insecurity as part of the Social Renewal Advisory Board Response Fund

Responding to the pandemic

To provide direct financial support to those struggling with housing costs we significantly increased funding available for local authorities to provide Discretionary Housing Payments (DHPs) in 2020/21 from £11 million to £19 million in addition to the approximately £60 million we already spend to mitigate the bedroom tax in full, helping them stay in their homes. In 2021/22, the total funding for DHPs will again be over £80 million to support people with their housing costs. We also launched the £10 million Tenant Hardship Loan Fund in order to support people in financial difficulty who did not otherwise qualify for help with their housing costs.

To protect the Gypsy/Traveller community, we also developed a COVID-19 Framework in partnership with COSLA to help local authorities and their partners support those who are living on sites, and roadside encampments. The framework seeks to limit evictions from unauthorised encampments to enable families and children to access services such as education and health support. We also provided direct support for sanitation to roadside encampments through the two lockdowns.

Our response to the pandemic in supporting people into safe accommodation was also a huge success, and we will do all we can stop anyone returning to rough sleeping. We will work with councils to move everyone in to sustainable settled homes, and to prevent anyone falling into homelessness.

Ensuring housing affordability

The latest quarterly statistics, published on 15 June¹⁰, show that from April 2020 to March 2021, we have delivered 6,466 affordable homes, 4,698 of which were homes for social rent, including 1,784 council homes. This is a reduction of 2,830 on the same period in 2020 (9,296 recorded completions). This means that between April 2016 to March 2021, we have delivered 41,353 affordable homes, 28,154 of which were homes for social rent, including 9,436 council homes – and that, since April 2007, we have delivered 102,055 affordable homes, with 70,866 of these for social rent.

While strands of work were required to be paused as a result of the COVID-19 pandemic, during the course of 2020/21 we continued to compare proposed Registered Social Landlord social rent levels for homes at the point of completion with our published social rent benchmarks when assessing projects for Scottish Government grant funding at tender stage, and we commenced a review of affordable housing investment benchmark levels with the affordable housing sector – maintaining rent affordability being a key consideration in this work.

As part of the continuing evaluation of the impact of private residential tenancy, the Scottish Government is participating in the three year *Rent Better* research programme (2019-2022), funded by the Nationwide Foundation¹¹ as part of its Transforming the Private Rented Sector stream. *Rent Better* aims to understand the impact of the changes on tenants and landlords, and involves both quantitative and qualitative research with a wide range of stakeholders including families with children.

¹⁰ [Housing statistics quarterly update](#) – Scottish Government, June 2021

¹¹ http://www.nationwidefoundation.org.uk/wp-content/uploads/2020/11/Rent-Better-Wave-1-Summary_print.pdf

The full Wave 1 report from this research was published on 10 November 2020, with the second wave set to feature the impact of the COVID-19 pandemic on private renters.

Homelessness

We updated our joint Scottish Government/COSLA Ending Homelessness Together action plan¹² in October 2020, following recommendations from the Homelessness and Rough Sleeping Action Group to guide us out of the pandemic. We now have 98 actions (compared to 49 in the original action plan) and we are due to report to Parliament in October 2021 on progress against these actions.

We are making steady progress in developing prevention pathways for the groups most at risk of homelessness. The care leavers' pathway has already been published and in 2020/21, two more pathways were produced: phase one of the domestic abuse pathway (focusing on social housing) and the youth homelessness pathway. We received and welcomed recommendations from the prevention duty group on changes to the law to prevent homelessness. We also launched a new £1.5 million Homelessness Prevention Fund in August 2020, supporting projects that contribute to tackling child poverty.

Where homelessness cannot be prevented, rapid rehousing is our primary response to homelessness. We have allocated £37.5 million (multi-year funding package) for the delivery of rapid rehousing transition plans (RRTPs) and Housing First. The transition to rapid rehousing in Scotland is well underway- all 32 local authorities have RRTPs in place, and the Housing First pathfinder programme has recently passed the milestone of 500 tenancies (with no evictions).

We are committed to reducing the number of households with children in temporary accommodation. We amended the 2014 Homeless Persons (UAO) (Scotland) Order in May 2020 so that councils can only use unsuitable accommodation for seven days. While temporary exceptions to the order were put in place in response to COVID-19, they are due to end in September 2021.

In 2021/22, we will continue to make progress against the actions in our Ending Homelessness Together action plan. In particular, we will begin work on changes to the law to prevent homelessness and on a new right to adequate housing.

New help with fuel poverty

Key programmes delivering energy efficiency measures to fuel poor households are ongoing. However non-essential works inside people's homes, such as installation of insulation, were paused during the national COVID-19 lockdowns.

To increase the number of applications to the Scottish Government's national fuel poverty scheme, Warmer Homes Scotland, we commissioned a marketing campaign which ran from August to November 2020 and resulted in an 87% increase in weekly referrals from low income households living in or at risk of fuel poverty.

¹² [Ending homelessness together: updated action plan](#) - Scottish Government, October 2020

Through the various funding streams set up to respond to COVID-19, grants have been issued to many third sector organisations who are providing support to those struggling with their energy costs. This includes £432,000 for the Fuel Bank Foundation to expand their existing network of fuel banks in Scotland, increase provision at existing fuel banks and to work in partnership with Home Energy Scotland, ensuring national access to the scheme. We also provided £40 million to local authorities to use flexibly to support people in financial hardship to meet essential needs, including fuel. And, as part of the Winter Plan for Social Protection, we made £7 million available to third sector organisations to help households struggling with fuel costs, including £2 million for Registered Social Landlords to support tenants.

Looking forward to 2021/22, work on the Final Fuel Poverty Strategy has resumed and this will be finalised in 2021. The independent Scottish Fuel Poverty Advisory Panel will also be recruited this year and will provide advice to Ministers on progress in tackling fuel poverty. As part of the Social Renewal Advisory Board Response Fund, £6.79 million is being made available to tackle fuel insecurity.

By the end of 2021, we will have allocated over £1 billion since 2009 to tackling fuel poverty and improving energy efficiency. This investment has already lowered bills and reduced CO2 emissions as well as supported the creation of jobs, training opportunities and innovations.

Focus on our vision for housing to 2040

Scotland's first ever long-term housing strategy Housing to 2040¹³ was published on 15 March, and sets out a vision for how we want homes and communities to look and feel for people over the next twenty years, no matter where they live and what point in their life they are at. It recognises the crucial role that housing plays in meeting other objectives for people in Scotland, such as tackling poverty and inequality, creating and supporting jobs, stemming depopulation, ensuring we meet our energy efficiency and fuel poverty targets and tackling the climate emergency, and making sure we have connected, cohesive communities to live in.

The strategy sets out a range of actions that will help to address child poverty, including an ambition to deliver a further 100,000 affordable homes up to 2032, with at least 70% of these for social rent, once the current 50,000 affordable homes target has been delivered. This will involve bringing more existing homes into the programme, as well as building new.

Housing to 2040 also commits us to developing a new Rented Sector Strategy setting out proposals to address availability, affordability and standards in the private and social rented sectors, and bringing forward a new Housing Bill to take forward aspects of this new strategy and strengthen the rights of tenants with greater protections from unreasonable rent increases and unfair evictions, and improve the rights of people experiencing domestic abuse.

¹³ [Housing to 2040](#) - Scottish Government, March 2021

Supporting financial inclusion

Throughout the pandemic many people have found themselves needing to access advice in order to identify the help and support available to them. To support those in most acute need, we established the National Assistance Helpline, connecting people to their local authority for help in accessing food and other essentials. However, for many more people, accessing sources of trusted help and support through other partners has enabled them to ensure they receive benefits they are entitled to, reduce their household costs and to manage debts.

The updates below focus on key activities within our Tackling Child Poverty Delivery Plan where further progress has been delivered.

Impacts:

- Between 1 May 2020 – 30 April 2021, the Money Talk Team service supported over 4,500 low income families across Scotland and, of those, more than 1,000 clients were better off by over £4 million – an average of around £4,000 per household
- £15 million invested in community lenders to ensure availability of affordable credit
- Between 1 October 2020 and 31 March 2021, 38 tackling problem debt projects covering 29 local authority areas were delivered across Scotland, supporting over 2,000 individual clients

The Money Talk Team service

In 2020/21 we provided further funding of £1.5 million to Citizens Advice Scotland to continue delivery of the Money Talk Team (MTT) service, bringing total investment to £4.8 million since its launch in November 2018. The service, targeted at low-income families and older people, aims to support at least 15,000 households per year and ensure people are receiving all the benefits they are entitled to and are not paying more than they need to for basic goods and services. People can access this free confidential and personalised service in a number of ways including by Freephone, online and by visiting their local Citizens Advice Bureau.

While this local service has been reduced due to lockdown restrictions, where possible, and in line with government guidance, bureaux have provided face to face service for those needing it during the pandemic.

With many families across Scotland facing unexpected financial difficulties as a result of COVID-19 it is particularly important that they claim all the benefits they are entitled to. To raise awareness of the MTT service and the support it provides, we launched a third national marketing campaign on 8 January 2021. This campaign used platforms including TV, radio and social media activity and outdoor marketing to ensure that as many families as possible are aware of the service.

The third campaign also included workshops delivered in partnership with BEMIS, the national Ethnic Minorities led umbrella body supporting the development of the Ethnic Minorities Voluntary Sector in Scotland and the communities that this sector represents. These workshops sought to introduce and increase awareness of the service within the

sector, particularly with community groups, advocacy groups, key workers and family support networks, and encourage sharing of the service and campaign with their users.

In delivering the MTT service, the Citizens Advice network in Scotland continues to create and maintain strategic partnerships with other agencies in their local areas to establish and enhance reach to the priority family groups. These partnerships vary from simple referral routes and training opportunities to co-location, and involve a wide range of stakeholders including food banks, housing associations, local authorities, and health and social care professionals.

Benefit Take Up Strategy for devolved entitlements

Between April 2020 and March 2021 we continued to deliver the interventions as set out in our Benefit Take-up Strategy¹⁴. We provided funding of £600,000 to 26 third sector organisation across our Benefit Take-up and Income Maximisation Funds to prepare staff to support hard to reach groups who will be applying for Scottish benefits, and to ensure people are aware of the financial support available to them. These projects began in April 2020 and were originally scheduled to run until March 2021, although the impact of COVID-19 caused timescales to be extended in some cases.

We will receive Final Learning Reports for the projects funded through our Benefit Take-up and Income Maximisation Funds, which will inform the next Benefit Take-up Strategy to be published in October 2021. Alongside this, we will begin the process of engaging with Seldom Heard Groups prior to the publication of the second strategy.

We have convened a Stakeholder Take-up Reference Group to provide advice and support in the implementation of this strategy, as well as feeding into the development of the next strategy. This group met quarterly in 2020/21. We have also developed stakeholder take-up resources to help existing services to support their clients with Scottish benefits, and – in particular – with issues related to non-take-up. Alongside this we have continued to work on mainstreaming good practice guidance to support third sector organisations and local authorities to borrow from the examples in promoting/supporting benefit take-up within and across those sectors.

In March 2021 we announced that, launching in September, GP practices in some of the most deprived communities will receive £3.17 million to fund dedicated welfare rights advisors to address growing mental health concerns caused by money and housing insecurity. In the coming year, we will also undertake a consultation exercise on our proposals for Mainstreaming Best Practice Work and will begin work to pilot advice in education settings, helping to ensure families are aware of the support available to them.

In addition to the work we have taken forward, we continue to call upon the UK Government to take the action needed in this space. This includes writing jointly with Welsh and Northern Irish Ministers to the Secretary of State for Work and Pensions urging a more strategic approach to maximising the take-up of reserved benefits.

¹⁴ [Social security: benefit take-up strategy](#) – Scottish Government, October 2019

New support for affordable credit

Affordable credit is key to tackling the poverty premium paid by low income households and the Scottish Government is committed to supporting this vital sector. Accessible and affordable credit is often essential to managing money, particularly for those on low incomes, and access to these services has become even more vital as the impact of COVID-19 continues to squeeze household finances.

Our support to date has included investment of £1 million in the Affordable Credit Fund to support social lenders and the £10 million Credit Union Investment Fund, of which £2 million was repurposed into the Credit Union Resilience Fund to support the sector and provide liquidity, allowing organisations to offer support to those in financial insecurity as a direct result of the COVID-19 pandemic.

In February 2021 we announced a new £15 million Scottish Community Lenders Fund to support affordable lending services including both Credit Unions and Community Development Finance Institutions (CDFIs). The funding will support lenders to both promote the availability of affordable credit and strengthen the balance sheet of affordable credit providers. All of the funding has now been distributed with £13.5 million awarded to Credit Unions and the remaining £1.5 million to CDFIs.

In response to an early recommendation from the Social Renewal Advisory Board, the Programme for Government 2020/21 contained a commitment to do more on affordable credit. To help meet this commitment, Carnegie UK Trust held a series of roundtables in November 2020 with a range of affordable credit providers and other stakeholders with an interest in this area to explore the ways in which we might develop the affordable credit sector.

A final report¹⁵ has been presented to the Scottish Government which contains 10 recommendations on how we might bolster the affordable credit sector in Scotland. The Scottish Government welcomed the report and issued a response to Carnegie on 24 March 2021 which outlined that it will be for the incoming Minister and the new Government to take decisions on how the recommendations should be progressed. The recommendations will also be considered in light of the final recommendations from the Social Renewal Advisory Board and the expected Money and Pension Service Scottish Delivery Plan which, together, will help set the direction on affordable credit policy for the future.

Tackling problem debt

In 2020/21 we provided £700,000 to AdviceUK to distribute on our behalf to its members, with a specific focus on providing free debt advice to priority families. Between 1 October 2020 and 31 March 2021, a total of 38 projects covering 29 local authority areas were delivered across Scotland, supporting over 2,000 individual clients with over £3.6 million of debt. While debt advice does not always result in financial gain to have a successful outcome, over £1.1 million of financial gain was also recorded. These projects were particularly successful at targeting support for lone parents and larger families.

¹⁵ [Advancing Affordable Credit](#), Feb 2021

We also allocated over £200,000 to Christians Against Poverty to help expand its service at a time of growing demand, including from priority families. This funding contribution helped Christians Against Poverty to support over 400 households in the last six months of 2020/21 and, despite continuously difficult circumstances, 43 households have gone debt-free. Targeted marketing resulted in a 20% uplift in appointment bookings.

Additional funding was also used to enhance technical capabilities in the sector by piloting videoconferencing software to ensure clients could continue to access high quality debt and money advice online.

Help for basic essentials

Access to basic essentials is fundamental to equality, dignity and rights for all children – and is crucial if we are to tackle poverty successfully. In a society as wealthy as Scotland, no-one should have to suffer the indignity of not having the means to meet their basic needs.

Throughout the pandemic we have taken strong action to ensure that children and families were able to access the essentials needed for a good quality of life. We delivered almost 980,000 free grocery packages to those unable to access food as a result of shielding, when the service ended on 31 July 2020, as part of over £140 million invested to tackle food insecurity during the pandemic. We also provided £40 million to local authorities to tackle financial insecurity and £30 million to support people impacted by COVID-19 restrictions and guidance – enabling a flexible approach to meet local need and meaning fewer people are forced to rely upon charitable aid.

The impact of action taken in 2020/21 as part of our Tackling Child Poverty Delivery Plan is set out below, followed by more detailed updates.

Impacts:

- To date, the Connecting Scotland programme has delivered over 35,000 devices in total
- Over 17,000 families with children, 4,000 young care leavers and 1,500 other vulnerabilities (other family types such as kinship carers) were awarded devices during Phase 2 of the programme

Access to period products

We also continue to fund the provision of free period products for those who are unable to access them, including those who lack the money to purchase the products they need.

In order to ensure products could be accessed during the COVID-19 lockdowns, we asked local authorities and further and higher education institutions to make alternative arrangements. New delivery methods were implemented, such as period products in food boxes and an online order system for individuals to have products delivered directly to their home address. The charity FareShare continued to ensure access to

free period products to those who need them through its network of third sector organisations.

On 18 June 2020, we introduced the Period Products in Schools (Scotland) Regulations 2020 which effectively placed a duty on local authorities and grant-aided schools to provide free products for pupils. The Regulations formalise the provision already put in place by schools and came into force on 19 October 2020.

The Period Products (Free Provision) (Scotland) Bill passed Stage 3 on 24 November 2020. The Bill gained Royal Assent on 12 January 2021 to become the Period Products (Free Provision) (Scotland) Act 2021. The main duties on local authorities and education providers will come into force within two years of that date, but voluntary provision will continue in the meantime backed with £7.3 million of Scottish Government funding.

Over the coming year, we will work with stakeholders, including COSLA, education providers and gender equality organisations, to develop guidance for the Act and to agree reporting obligations, as well as working with our key partners to further develop the policy to ensure provision meets the needs of students as we move towards implementation of the Act.

We will also work in partnership with the social enterprise Hey Girls to develop and launch a period products locator app – which will make identifying locations where products are available easy and dignified, without having to ask anyone – once lockdown restrictions ease.

Eradicating digital exclusion through Connecting Scotland

The Connecting Scotland Programme was launched on 7 May 2020. The COVID-19 outbreak highlighted the digital divide in Scotland: those who are most likely to be digitally excluded are people and families on low incomes and those with additional challenges such as care leavers, people with long term health conditions, disabled people, and older people. People who are digitally excluded are disproportionately disadvantaged due to the extensive role digital plays supporting people to flourish in educational, economic, social, employment, access to services, and wellbeing terms.

Set up in May 2020 in response to the pandemic, Connecting Scotland initially aimed to reach up to 9,000 people at clinical risk from COVID-19 with a device, connection with unlimited data for two years, as well as training and support. Building on the success of the programme, over the past year it has been expanded to reach households with low income families with children, young care leavers, people seeking employment and socially isolated older and disabled people. The programme is one of the most comprehensive national programmes aimed at tackling digital exclusion in the world and unmatched elsewhere in the UK.

In total, the Scottish Government has committed over £48 million to Connecting Scotland so far and is committed to delivering 60,000 devices by the end of the year.

Action on transport strategy, policies and programmes

Transport policy has an important role to play in addressing child poverty, through its impact on both household income – improving access to employment, education, goods and services for parents and carers – and living costs - direct and indirect transport costs are a significant component of many households' expenditure.

The impact of action in 2020/21 is set out below, followed by more detailed updates on action taken.

Impacts:

- Free bus travel for under young people is expected to reduce household outgoings which will aid children and families, particularly those living in poverty
- People from lower income households are more likely to take the bus, with research indicating that 41% of people with an income of less than £10,000 travel by bus once a week or more compared to 16% of those with an income over £40,000

In December 2020 our first annual National Transport Strategy (NTS2) Delivery Plan¹⁶ was published, bringing together the actions the Scottish Government will take to deliver the priorities set out in our NTS2 Strategy. The Delivery Plan sets out how we will reduce inequalities and highlights our commitment to deliver a National Concessionary Travel Scheme for free bus travel to young people under the age of 19.

Due to the COVID-19 pandemic, the second Strategic Transport Project Review (STPR2) is now taking a two Phased approach. Phase 1 recommendations, which were published on 3 February 2021, identify short-term investment priorities over the next five years, help 'lock in' the sustainable travel choices observed over the past year, and provide a step change in investment which supports the priorities and outcomes of NTS2.

The National Bus Travel Concession Scheme for Young Persons (Scotland) Order 2021 was approved by the Scottish Parliament in March this year. This enables the creation of a new scheme to provide free bus travel to all Scottish residents aged under 19. Work is progressing to launch the scheme as soon as is practicable in the financial year 2021/22.

Further, in March 2021 the Scottish Government announced that the new free bus travel scheme for young persons would be extended to include 19 to 21 year olds and committed to make as much progress as possible to implementing this scheme during financial year 2021/22.

Over the past year, Transport Scotland has worked in tandem with the Poverty Alliance to gather lived experience research of the six priority groups identified in the Scottish Government's Tackling Child Poverty Delivery Plan 2018-22. The research highlighted how families living in poverty were disproportionately affected by transport related

¹⁶ [National Transport Strategy, Delivery Plan 2020-22](#) - Transport Scotland, December 2020

issues including availability, cost, service timing, and frequency of services; all challenges that were exacerbated due to individuals and families often being exclusively reliant on public transport for access to key services. The research also showed that while entitlement cards for free travel removed cost as a barrier for families who were eligible, other barriers, e.g. poor availability, remained an issue. Policy interventions such as discounted travel, combined ticketing, and staff training on accessibility and discrimination were also identified.

We intend to publish the research conducted by the Poverty Alliance in early June. We will consider how the findings of this research can be used to support effective interventions and targeted policy actions in the future. We are also working collaboratively with the Poverty Alliance to continue engagement with research participants to ensure lived experiences are central to transport policy making.

We have also worked with the Transport Equality Network and liaised closely with stakeholders including Young Scot, the Scottish Youth Parliament, the Poverty Alliance, and the Poverty and Inequality Commission to develop an understanding of how young people have been impacted by restrictions relating to transport and travel over the past year, alongside discussions relating to future use of public transport and concessionary travel.

The Transport Equality Network (virtually) reconvened at the end April 2021. The Tackling Child Poverty Delivery Plan recognises the importance of ensuring those with lived experience of poverty are involved in the decision making process. By working closely with stakeholders we continue to ensure that, where data exists, our data is current and our evidence is therefore reflective of the lived experiences of users of the current transport system. With this, we can improve our approach and fulfil our commitment to taking a rights-based approach to the National Transport Strategy recognising that access to suitable transport facilitates fulfilment of other human rights

Further action beyond June will be considered in the context of NTS2 and the Poverty Alliance research.

C. Social security

Introduction

Social security has a key role to play in tackling child poverty, putting money directly in the pockets of those in need. Because the six priority groups are more likely to be excluded from the paid labour market, they are often more reliant on the social security system. Therefore, the impact of UK Government welfare cuts is even more apparent and, as noted by the Children and Young People's Commissioners of the devolved nations, risks undermining action to tackle child poverty. However, while social security has the ability to lift significant numbers of children out of poverty, we are clear that reaching our child poverty targets cannot be achieved through this measure alone and long lasting change is needed.

Over the course of the past year more people than ever have found themselves in need of support through the social security system as a result of the COVID-19

pandemic. In Scotland we acted quickly and strengthened key supports including our Scottish Welfare Fund, Council Tax Reduction Scheme and help through Discretionary Housing Payments – ensuring the demand was able to be met for these sources of essential help. We also developed and delivered the new Self-Isolation Support Grant of £500, offered through the Scottish Welfare Fund, to ensure that people who are self-isolating don't have to choose between this and supporting themselves and their families financially, and extended eligibility to include parents on low incomes whose children are asked to self-isolate.

We have also made strong representation to the UK Government, calling on them to retain the £20-per-week uplift to Universal Credit whilst extending these to legacy benefits, and to abolish policies which push more children into poverty in Scotland – including the two-child-limit and benefit cap.

Looking toward our child poverty targets, and the role which social security can play in helping us to drive down levels of poverty and inequality, we will explore ambitious proposals for a Minimum Income Guarantee and Universal Basic Services in Scotland – ensuring that the support everyone needs to live a happy and healthy life is in place when they need it.

The updates below focus on key actions from our Tackling Child Poverty Delivery Plan and new Pandemic Payments delivered to support families who may be struggling financially due to COVID-19 – more detail is also provided on how we are promoting uptake across the range of benefits we deliver at the end of this section.

[New] Pandemic Payments

Impacts:

- The COVID Winter Hardship Payment of £100 reached 144,500 children and young people in December 2020, with two further £100 payments to be made to this group in 2021
- Up to 168,000 children and young people benefitted from the COVID Spring Hardship Payment as this was also available for younger children
- Around 500,000 households will benefit from the Low Income Pandemic Payment of £130, including around 75,000 lone parent families

Supporting low income families through the pandemic was a key priority for Scottish Government. Building on the approach taken to Free School Meal provision during school closures and holiday periods, we allocated an extra £31.2 million to local authorities to deliver two rounds of COVID Hardship Payments to support low income families. The COVID Winter Hardship Payment reached over 144,000 eligible children and young people. A few months later, the COVID Spring Hardship Payment supported up to 168,000 children and young people.

To ensure that support was available quickly, payments were made based on receipt of Free School Meals with no further application required. Eligible families received the payment directly into their bank account where possible.

Two additional Family Pandemic Payments for children receiving Free School Meals on the basis of low income in both primary and secondary school settings have been

announced. These £100 payments will reach around 144,000 children and young people.

Additionally, we will deliver a Low Income Pandemic Payment of £130 for all households in receipt of Council Tax Reduction in April 2021 and for other households who are exempt or who have no liability – including those in temporary accommodation. The payments will be made by local authorities by the end of October 2021 and will reach around 500,000 low income households in Scotland.

In delivering each of these payments we have engaged with the UK Government, seeking to ensure families are not taxed and that this support does not take away from other benefits to ensure it has the maximum impact for families.

Under our existing plans, families will receive £300 for each child in receipt of Free School Meals on the basis of low income in 2021 – reaching an estimated 144,500 children and young people. We will increase this support to pay £520 in both 2021 and 2022 – providing cash support equivalent to the Scottish Child Payment until it is rolled out in full.

Scottish Child Payment

Impacts:

- At the end of March, we had received over 104,000 applications with over 81,000 of those applications having been processed and cleared
- As of 31 March we had made awards totalling £3.6 million, which are estimated to have benefitted 78,775 children
- Up to 163,000 children, in 134,000 households are expected to be eligible for Scottish Child Payment in 2021/22

The significant impacts of the COVID-19 pandemic on the operations of Social Security Scotland meant difficult decisions on future roll out had to be made. The Scottish Child Payment was prioritised as a key way of tackling child poverty. The new benefit opened for applications on 9 November 2020 and started on 15 February 2021 with the first payments arriving within that month.

The decision to open applications early allowed Social Security Scotland to process and start making payments as quickly as possible. It also provided a greater opportunity to promote take-up, with an extensive communications and marketing campaign encouraging people to access their entitlements.

Even with the significant operational challenges of the COVID-19 pandemic, the Scottish Child Payment opened for applications by the end of 2020 and made the first payments in February 2021. By the end of March 2021, we had received over 104,000 applications, with over 81,000 of those applications having been processed and cleared, and had made awards totalling £3.6 million, estimated to have benefitted 78,775 children.

In addition to the wider action to promote uptake of Scottish benefits, which we say more on below, we took additional steps to raise awareness of the payment. This included promotion on commercial radio in November and December 2020, a toolkit of marketing materials, and 18 online Scottish Child Payment Stakeholder Roadshows

held in late 2020 attended by over 1,600 individuals representing the third sector and local authorities.

We are continuing to develop phase 2 of the payment for under 16s to meet our ambition for roll out by the end of 2022. In order to deliver this top up payment in time we are dependent on DWP to give us the data we need for 6-16 year olds.

Best Start Grant

Impacts:

- From 1 April 2020 to 28 February 2021, around £16.9 million was made in awards of Best Start Grant
- This includes over £6.4 million in Pregnancy and Baby Payments, £4.9 million in Early Learning Payments and £5.6 million in School Age Payments
- Payments of Best Start Grant increased in value by 1% from 1 April 2021
- The Best Start Grant takes provision for the first child from £500 under the UK Sure Start Maternity Grant up to a total of £1,111, over 3 payments
- We do not put a cap on the number of children we help, so subsequent children, who receive nothing from the UK Government, receive up to a total of £808
- A 2 child family will receive Best Start Grant payments totalling £1,919 in their children's early years. This is £1,419 more than the Sure Start Maternity Grant it replaces.

We continued to deliver Best Start Grant to support low income families across the early years, and have awarded over £40 million to families from the time the first payments started, in December 2018, to the end of February 2021.

We conducted an interim evaluation of Best Start Grant in 2021¹⁷ that looked at the impact of the payments. This highlighted that Best Start Grant had eased the financial strain on low income families, preventing clients from going into debt or having to cut down on other essential household spending, such as for food and bills. Clients also thought that the Best Start Grant had a positive impact on the health and wellbeing of both them as parents or carers and for the children. They were proud that they were able to provide for their child rather than being dependent on others, and also as they could buy the items they wanted without having to compromise due to cost. Some purchases, such as social outings, provided opportunities for parents, carers and the children to bond as a family.

Due to the additional stresses that low income households are experiencing as a result of the COVID-19 pandemic, the payments of Best Start Grant have been increased by 1% from 1 April 2021, which is 0.5% higher than the inflation-adjusted level of assistance, providing £1,111 across the three payments.

¹⁷ [Best Start Grant: interim evaluation](#) – Scottish Government, Dec 2020

Best Start Foods

Impact

- From 1 April 2020 to 28 Feb 2021, over £10.3 million was provided to families who need it most
- £17 every 4 weeks paid during pregnancy and between the ages of 1 and 3
- £34 every 4 weeks paid from when a child is born up until they're a 1 year old

Best Start Foods payments continue to be delivered by Social Security Scotland, providing support to families across the early years. Between launching on 12 August 2019 and 28 February 2021, more than 72,000 applications had been authorised for Best Start Foods with over £13.5 million provided to those families who need it most.

Payments in 2020/21 were made at a higher value than comparative schemes offered by the UK Government and delivered through a pre-loaded payment card to tackle stigma. Uptake for this support has been high due to the simple eligibility criteria and linked application to Best Start Grant.

We have committed to increasing the value of support provided through Best Start Foods, with regulations due to come into effect on 1 August 2021 and the first increased payments due to be received by clients in mid-August. Additionally, to maximise the support available to families, these regulations will increase income thresholds which apply to certain qualifying benefits.

Once the regulations come into force, payments will increase to: £18 every 4 weeks throughout pregnancy; £36 every 4 weeks from birth until a child turns one; and, £18 every 4 weeks from one until a child turns three. We will widen eligibility by around 50% to all families in receipt of Universal Credit later in this Parliamentary term.

Increased support for carers

Impacts:

- Through Carer's Allowance Supplement and the Coronavirus Carer's Allowance Supplement, carers in Scotland received £690.30 more than carers south of the border in 2020/21
- Our total investment in carers through Carer's Allowance and these supplements was almost £350 million in 2020/21
- Benefitted more than 83,000 unpaid carers, with some of the most intense caring roles and usually on lower than average incomes

In recognition of the impacts of the pandemic on unpaid carers, we made an additional Coronavirus Carer's Allowance Supplement of £230.10 to over 83,000 unpaid carers following the April 2020 qualifying date, in addition to planned payments.

The recent evaluation of the Carer's Allowance Supplement (CAS)¹⁸ indicated that it impacted positively on carer finances and quality of life and that it has provided greater recognition of the essential societal contribution that carers make. In exceptional cases, the research suggested that CAS had a transformative impact on carer mental health and wellbeing.

¹⁸ [Evaluation of Carer's Allowance Supplement](#) – Scottish Government, Dec 2020

We are extending our commitment to providing additional support to people who are receiving Carer's Allowance and caring for more than one disabled child, to people providing carer to more than one disabled person of any age. This will put an extra £10 a week into the pockets of those carers, and like CAS, is unique to Scotland. This December we will also pay a further Coronavirus Carer's Allowance Supplement in recognition of the added pressures, including financial pressures, that carers have had to deal with as a result of the COVID-19 pandemic. This is a further investment of £21 million, paying an extra £231.40 each to around 91,000 carers.

Further support is also in place for carers during the pandemic, specifically additional funding to enable carer centres to provide support remotely and an extra £750,000 in the Time to Live scheme, to allow for carers to take short breaks away from caring, usually virtually.

We will continue to use evidence to inform improvement going forwards, specifically the next review point will be the Young Carer Grant Interim evaluation to be published in Summer 2021

Job Start Payment

Impacts:

- Over 1,000 young people had a Job Start Payment application approved between August 2020 and March 2021, with over £277,000 issued in payments
- Payments worth £95,200, were made to young people with responsibility for a child
- 55 applications from young people identified as Care Leavers were authorised
- £400 is paid to young parents, £250 paid to young Care Leavers

The Job Start Payment was introduced on 17 August 2020 to help young people with the costs associated with the transition into employment, after a period of time out of paid work.

It delivers a cash payment to eligible 16 to 24 year olds who have been out of paid work and receiving a low income benefit for six months prior to finding employment. The one-off payment is £250, or £400 for applicants with children. In recognition of additional challenges faced by young Care Leavers in entering the labour market, they are not required to have been out of paid work for six months, and will be eligible for a year longer – until their 26th birthday.

High level statistics published in May¹⁹ show that applications from more than 1,000 young people were approved between the launch of the benefit and 31 March 2021. That represents an investment of more than £277,000 in helping young people into employment, with over a third of the total awarded paid to young people with responsibility for a child.

¹⁹ [Job Start Payment: High Level Statistics](#), Scottish Government, May 2021

Funeral Support Payment

Impact:

- In 2020/21, almost £11 million was issued through 6,120 payments to support bereaved families with an average award of £1,791

Funeral Support Payment (FSP) continues to be delivered for all eligible clients across Scotland to help reduce funeral poverty; this support is especially key for families that have children, and those impacted by the COVID-19 pandemic.

We increased the value of the flat rate payment from £700 to £1,000 in April 2020, and from 1 April 2021 FSP has been uprated by 1% – which is double the rate of inflation – to ease financial pressures and help people avoid funeral poverty. We are undertaking an evaluation of FSP this year, to be published by Spring 2022.

Child Winter Heating Assistance

Impacts:

- 14,015 payments made in 2020/21 for severely disabled children and young people, with a total value of £2.8 million
- 105 payments, with a value of £21,000, were paid for children aged less than one year old
- 690 payments were made in respect of multiple children or young people in the same household
- £200 paid per child

Our brand new Child Winter Heating Assistance started in November 2020 to help ease financial pressures caused by winter fuel costs for families of the most severely disabled children – one of the priority families identified in our Tackling Child Poverty Delivery Plan.

Not available anywhere else in the UK, Child Winter Heating Assistance is an automatic payment of £200 for children and young people aged 18 and under who get the highest rate of the care component of Disability Living Allowance for children on any one day in the qualifying week. The qualifying week is the third week in September each year.

We have prioritised families because they will generally need to heat the home to a consistent temperature throughout the day and at night, in line with World Health Organization (WHO) Guidance on room temperatures for vulnerable people. This has delivered £2.8 million of assistance at a time of significant financial pressures on families in Scotland.

In limited circumstances clients may also apply for Child Winter Heating Assistance. This could apply for example when clients receive a backdated Disability Living Allowance award for the qualifying week. In these circumstances, clients may apply by phone or by completing a paper form.

If a child or young person usually gets the highest rate of the care component of Disability Living Allowance but was not being paid in the qualifying week due to staying in residential care, they will still get Child Winter Heating Assistance. If there is more than one child or young person in a household who qualifies, there will be a payment for each of them.

Focus on maximising take up of devolved benefits

Driving the take-up of benefits is a legal and moral imperative, and a fundamental priority for the Scottish Government. It is clear that maximising household incomes is crucial to tackling poverty, and we are committed to supporting this through accessible design and effective promotion of Scottish benefits.

To make sure families in Scotland on tax credits or certain benefits with children under 6 understand what additional financial support is available, Social Security Scotland has been proactively promoting each payment including writing to everyone on the Universal Credit and HMRC tax credit databases who may be eligible to invite them to apply.

We have also simplified the application process so families can apply for Scottish Child Payment, Best Start Grant and Best Start Foods using a single application form in order to reduce the administrative burden on applicants, and to increase awareness all payments.

Further to this a major awareness-raising campaign was launched in March 2021 based around the Five Family Payments:

- Scottish Child Payment
- Best Start Grant Pregnancy and Baby Payment
- Best Start Early Learning Payment
- Best Start Grant School Age Payment
- Best Start Foods

The £300k year-long campaign includes TV, radio, digital and social media ads and encourages parents and carers to check if they are eligible for any of the payments.

Social Security Scotland is also working closely with key organisations who work with families to ensure they have the information they need and to provide them with information to give to the parents they work with/support. Marketing materials will continue to be included in the baby box, NHS midwife and health visitor packs, and these will be available to school, nurseries, food banks and other family support organisations.

As noted in our update on the Benefit Take Up Strategy, we will also take action in the coming year to deliver welfare rights support in 150 GP surgeries in deprived areas and invest to pilot advice in education settings, helping ensure families get the support available to them.

D. Helping families in other ways

Introduction

The importance of supporting the wellbeing of children and their families has been highlighted throughout the pandemic, demonstrating the need for a continued focus on improving the lives and outcomes of children and protecting their rights.

Working together with our partners, and with children and young people, we have put in place the support needed throughout the pandemic, including through our £375 million investment in education recovery over the course of 2020/21 and 2021/22. We also provided £23.5 million of additional funding to support vulnerable children and young people as part of our Winter Plan for Social Protection. This included £9 million allocated to Secure Care, Third Sector and Local Authority providers, an additional £6 million for local authority support services including for Social Work direct aid budgets and £8.5 million to support recovery of the Children's Hearing system.

Whilst responding to the pandemic has been a key area of focus, we have also made considerable progress in our commitment to fulfil The Promise and introduced the landmark United Nations Convention on the Rights of the Child (Incorporation) (Scotland) Bill, which was unanimously supported by the Scottish Parliament.

Ensuring children are supported to reach their full potential, protecting their rights and ensuring they have a voice in decision making, will help us to end child poverty.

Updates on key actions from our Tackling Child Poverty Delivery Plan are below.

Working to deliver the best start to life

We continue to take wide ranging action to support children's health, wellbeing and development, including through our Family Nurse Partnership programme and Universal Health Visiting Pathway.

A recent study of the Family Nurse Partnership in England, Building Blocks, found that The Family Nurse Partnership improved early childhood development and improved levels of school readiness – highlighting the importance of our continued investment in this approach, linking to our commitment to tackling the attainment gap. At Key Stage 1, the Family Nurse Partnership increased reading scores after taking account of factors such as the child's month of birth. Writing scores improved as a result of the Family Nurse Partnership for boys, and for children of younger mothers and of mothers who were not in employment, education or training when first recruited to the study.

As at 31 December 2020 there are an additional 716.4 Health visitors in post since 2014, ensuring, through implementation of the Universal Health Visiting Pathway, every new baby and family receives a minimum of 11 core contacts before they start school. It includes child developmental reviews and key public health interventions including

income maximisation, to build parenting capacity and strengthen access to wider community supports.

A process and outcomes evaluation of the Universal Health Visiting Pathway is underway, led by Edinburgh University in collaboration with Ipsos MORI, University of Stirling, University of the West of Scotland and National Services Scotland. The evaluation will be conducted over two phases and undertaken over 4-5 years. We expect the first phase report to publish by Summer 2021.

To provide extra support for those who need it, we have committed to build upon the success of our Neonatal Expenses Fund and will expand it to become the Young Patients Family Fund to support families with the costs of visiting children at hospital. More details on the fund will be announced in due course.

Support to Disabled Children and Young People

Over the last year, we have continued to provide clear, accessible information on national policies, entitlements, rights and the different provisions of support available to families with a disabled child through the Supporting Disabled Children, Young People and their Families website²⁰. Early on in the pandemic, we created a COVID-19 Support page within the resource which included information for parents and carers on sources of support, online safety and financial support.

We committed £3.85 million to the Family Fund Scotland grant scheme in 2020/21, which included additional funds of £880,000 to meet the increased demand for support seen by the Family Fund since the onset of the pandemic. This grant enabled the Family Fund to provide support, advice and direct grants to 8,468 families on a low income across Scotland who are raising seriously ill or disabled children and young people. Through the grant scheme each family has choice and control over what grant items they request, based on what they think would best help their own family needs and help improve their quality of life. Items provided have included digital technology, white goods, family breaks, furniture and sensory items.

In 2021/22, the Scottish Government committed funding to ARC Scotland to continue to lead the work of its Scottish Transitions Forum, and to deliver the two year Principles in to Practice trial programme which launched in December 2020 with 10 participating local authority areas. This improvement programme aims to help embed the seven 'Principles of Good Transitions'²¹ into policy, planning and practice. Based on these Principles, Principles into Practice sets out practical steps to be taken locally to coordinate planning and practice to deliver better outcomes for young people who require additional support to make the transition to young adult life, and to measure the difference they are making. By the end of the trial we hope to have a fully developed and tested framework with evaluation resources that will be freely available to every local authority in Scotland.

Improving inclusion and wellbeing

²⁰ [Supporting disabled children, young people and their families: guidance](#) – Scottish Government, April 2019

²¹ ['Principles of Good Transitions' - Scottish Transitions Forum](#)

We remain firmly committed to making Scotland the best place in the world to grow up and to making the changes needed to ensure every child can reach their full potential. This includes delivering the transformative changes needed to implement the outcome of the Independent Care Review - The Promise²², which involves taking a whole system approach to ensure people with care experience can flourish. Provision of holistic family support at all stages in life will be key to keeping The Promise.

As detailed in Section B, to help restore the wellbeing of children and young people during the summer of 2021 and to offer opportunities to reconnect, socialise and play, we have announced a £20 million summer programme to be delivered in 2021. This offer will have children's rights and needs at its heart, and will provide opportunities to socialise across a range of activities, combined with broader support where needed.

Our action to promote inclusion and wellbeing is wide ranging and updates are provided below for those commitments set out in our Tackling Child Poverty Delivery Plan.

Addressing Adverse Childhood Experiences

We continue to work across government and with partners to address adverse childhood experiences (ACEs), including abuse, neglect and a range of difficult household and other experiences which negatively impact healthy development. This includes actions across Ministerial portfolios to help prevent ACEs by supporting parents, carers and families, as well as actions to mitigate the negative impact of such experiences for children, young people and adults. This overarching agenda to address ACEs is very much inter-related with tackling child poverty, UNCRC incorporation, the Getting It Right For Every Child (GIRFEC) approach and the implementation of The Promise.

It includes work being taken forward in partnership between the Scottish Government, NHS Education for Scotland and the Improvement Service to develop a trauma-informed and responsive workforce that can recognise where children, young people and adults are affected by trauma and adversity, and respond in ways that prevent further harm and support recovery.

In 2020/21, the National Trauma Training Programme developed trauma training support for people working with and caring for looked after children, and developed plans for more targeted support for trauma informed justice services, maternity services and the wider health and social care sector. The Programme also supported three local authority delivery trials currently underway in Argyll and Bute, Glasgow and Midlothian testing different approaches to rolling out trauma training across the workforce. The Programme has also funded a network of 'Transforming Psychological Trauma Implementation Coordinators' who are based in Health Boards across Scotland to help facilitate trauma training requirements across every sector.

²² [The Promise - carereview.scot](https://www.carereview.scot)

These areas of activity are all continuing in 2021/22. In addition, the Programme is building capacity in the system through a newly established network of senior 'Trauma Champions' from local authorities, health boards and community planning partnerships across Scotland who are being supported by the Improvement Service to raise awareness, share learning and help influence change in their local areas.

Action on parental imprisonment

Over the last 12 months, we have focused on a range of action to mitigate the impact that COVID-19 has had for those in prison and their families. We have maintained our £700,000 grant funding to each of the 12 Prison Visitor Centres and to Families Outside who provide an oversight function.

In 2020, the suspension of in person visits to prisons as a result of COVID-19 led to Visitors' Centres adapting their offering to provide a remote service for families. Designated helplines were set up so that families affected by imprisonment could continue to access information and advice at a time of particular need. Visitor Centres opened social media accounts, developed newsletters, facilitated peer support groups, and shared contact details with prisons/prisoners to raise awareness of their ongoing availability to provide help and support through a particularly challenging time

To maintain family contact, virtual visits were rolled out by the prison service in all prisons and mobile phones were distributed to all prisoners (apart from Kilmarnock where an in-cell phone option was installed). We also invested over £76,000 of funding through our Winter Plan for Social Protection in two areas: 1) to provide directed support to a number of families disproportionately disadvantaged by the imprisonment of a family member, this included targeted support for a variety of different needs including access to household goods; and 2) to bolster the support available to families to access virtual visits.

In 2021/22, we are again providing £700,000 to Prison Visitor Centres to enable them to continue to support families affected by imprisonment.

Supporting redesign of the care system

Over the last year, our work has focused on recruitment of The Promise team and establishment of The Promise Scotland as an independent entity, the introduction and delivery of the £4 million Promise Partnership Fund to provide funding to organisations to deliver holistic family support, recruitment of the independent oversight board and publication the Plan 21-24²³, which sets out key priorities for the first phase of implementation of The Promise.

The Scottish Government will play a pivotal role in delivering the transformative changes within The Promise and the Plan 21-24, and officials across directorates have worked to develop a response that outlines how the Scottish Government will keep The Promise.

We will take the necessary steps to establish The Promise for success. This includes developing a simplified and more coherent Scottish Government policy and governance

²³ <https://thepromise.scot/plan-21-24-pdf-standard.pdf>

landscape, and taking steps to gather evidence to identify and resolve the unintended impacts of organising around the administrative priorities of the current system. To ensure we put the voice of children and families at the centre of our work, we will apply the Scottish Approach to Service Design to policy development, as well as delivery, support and funding. We will also ensure the UNCRC and the principles of GIRFEC shape all of our work and will further refine our response in partnership with The Promise Scotland and partners across Scotland.

Help for children's neighbourhoods

Driven by the views and involvement of children, young people and their families with lived experience of poverty, Children's Neighbourhoods Scotland (CNS), led by the University of Glasgow and the Glasgow Centre for Population and Health, aims to identify and deliver local priorities for change through a programme of participatory research in six sites across Scotland.²⁴

This year has seen the expansion and development of CNS. The programme has a dedicated Local Coordinator in each of the six sites, with locally tailored work underway in each area. These include a range of different actions such as working with local professional networks to re-develop their approach and plans to work with young people to help them increase the number of volunteers involved in community activism.

CNS had to adapt its approach due to the COVID-19 pandemic. In Spring 2020, a new programme of qualitative research was developed with local partners to capture the impact of COVID-19 on children and families. The research²⁵ presents the pandemic's effects from the perspectives of children and young people, families, frontline workers, refugee and migrant families in Glasgow, and those living and working in rural areas.

To reflect the current context, the CNS team have redesigned the Capabilities research model and approach used with children and young people to identify the capabilities people need to live 'a good life'. This research is again underway in a number of schools across CNS sites with further organisations and youth groups coming on board in the near future. This will generate further local action based on the findings from the research with priority being given to the voice of children and young people making change in their communities.

Targeted opportunities for cultural participation, including access to music education

We fund a range of programmes and projects which increase opportunities and improve access for young people to participate in cultural activities.

In 2020/21 we expanded the out-of-school Youth Music Initiative programmes to wider youth arts through the new £4 million Youth Arts Emergency Fund, to support young people affected by the pandemic. This new funding included a small grants scheme and retained the out-of-school fund focus on targeting specific groups of young people, including those from high areas of multiple deprivation, disabled young people, and

²⁴ Urban sites include Bridgeton and Dalmarnock, Castlemilk and Drumchapel in Glasgow city and Radnor Park, West Dunbartonshire. There are also two sites in South Lanarkshire, the rural village of Rigside and the small town of Lanark.

²⁵ [COVID-19: Capturing Responses - Children's Neighbourhoods Scotland](#)

those from a Black and Minority Ethnic background. Sistema Scotland continue to tackle poverty and support families in Raploch, Govanhill, Torry, and Douglas using music, providing opportunities for cultural participation for children living in poverty through this work.

The Creative Communities programme seeks to support activity where communities are empowered to take the lead to provide sustainable opportunities for more people from areas with limited opportunities and lower levels of cultural engagement. The programme is match-funded by the Justice portfolio to provide support for cultural projects that produce positive outcomes for young people at risk of offending/reoffending. To support projects to adapt to the pandemic restrictions and ensure communities and individuals had access to cultural projects, the programme was boosted with an additional £500,000 from COVID-19 emergency support funds.

In the year ahead, the Scottish Book Trust will deliver the Arts Alive programme as a blended model of in-school (where allowed) and online sessions. This will ensure children still have access to the programmes delivered by the National Performing Companies. The Creative Communities programme began delivery of Phase 2 projects in January 2021, with Phase 2 being complete in March 2022. In 2021/22, projects funded by Youth Arts Emergency Funding will begin or continue, while Sistema Scotland will continue to deliver their core programmes, and test ways to expand their model.

Improving inclusion in sport

The COVID-19 pandemic has had a disruptive impact on sport during 2020/21. Sports facilities have been closed for much of the year, and many sports organisations have had to either suspend or significantly modify activity, with some sport and physical activity provision moving online. However, **sportscotland** and their partners have looked for opportunities to ensure that sport continues to contribute to tackling child poverty and improve inclusion in the sports activity that has taken place.

During summer 2020, 149 childcare hubs – set up for vulnerable children and the children of key workers – were supported by 268 Active Schools staff and 22 Community Sport Hub Officers, providing at least 25,319 hours of support. The Active Schools network undertook a wide range of roles, including hub management, direct delivery of activity, and social media promotion. Working closely with care experienced and vulnerable children allowed Active Schools to gain a better understanding of individual children's challenges, in turn leading to ideas for improved provision moving forward.

Many sports clubs and community organisations responded to the pandemic by contributing to efforts to support their local communities, including activities such as running food banks and food larders, delivering food and prescriptions, engaging their members online in free activity and fundraising for good causes. **sportscotland** used its networks and social media channels to promote this approach to clubs and community organisations that had the capacity to do so, sharing examples of what is working. Webinars were delivered through the Changing Lives through Sport and Physical Activity partnership to support sports organisations to consider their role in their communities and to exchange ideas.

In addition Scottish Sports Futures, with funding from the Scottish Government, will build on their wellbeing support which is a core part of their work through developed training modules in Mental Health & Wellbeing as well as ACEs and Trauma. This support will be a strategic element of the Changing Lives Through Sport and Physical Activity programme and align with wider support through **sportscotland** and Scottish Association for Mental Health (SAMH), ensuring the right people get the right support.

Increased funding for mental health

Since the last progress report, we have been working across sectors to ensure that everyone who needs help can access the right support in the right place at the right time – which has been of even greater importance due to the pandemic. Our Mental Health Transition and Recovery Plan²⁶ outlines our response to the mental health effects of the COVID-19 pandemic containing over 100 actions. The Transition and Recovery Plan is supported by a £120 million Recovery and Renewal fund to transform services, with a renewed focus on prevention and early intervention.

Our £262.2 million programme budget for mental health and autism in 2021/22 – over and above NHS spending – is more than double when compared to the previous year, given the additional £120 million investment in our Recovery and Renewal Fund.

We have agreed early priorities for Recovery and Renewal investment. NHS Board allocations of £34.1 million have already been agreed to deliver: improved community Child and Adolescent Mental Health Services; expansion of community CAMHS (child and adolescent mental health services) from age 18 up to the age of 25 years old for targeted groups and those who wish it; and clearance of any waiting list backlogs for CAMHS and Psychological Therapies – recognising that this may take up to two years.

We will allocate the remainder of the investment over the next few months, with a focus on wider support for mental health and wellbeing including Primary Care and Community Services. The total anticipated spend, including by NHS Scotland on mental health in 2021/22, is estimated to be in excess of £1.2 billion.

Supporting better life long outcomes through education

We want every child to have the same opportunity to succeed in school and to have an equal chance of entering and succeeding in higher education. As a key element of this we are committed to closing the poverty-related attainment gap. Our action on education will help to support today's children and young people to reach their full potential, and help to tackle poverty for the next generation of children.

The updates below focus on the key actions set out in our Tackling Child Poverty Delivery Plan.

²⁶ [Coronavirus \(COVID-19\): mental health - transition and recovery plan](#) – Scottish Government, Oct 2020

Scottish Attainment Challenge and Education Recovery

Our mission to reduce the poverty-related attainment gap remains central to our plans to tackle child poverty. There is a strong body of evidence that shows good progress is being made towards closing the poverty-related attainment gap and that the Scottish Attainment Challenge, supported by the Attainment Scotland Fund, is having a positive impact²⁷.

The impact of COVID-19 has been wide-ranging, not least in the resultant closure of school buildings and delivery of remote learning. This meant efforts to support children and young people from the most disadvantaged backgrounds had to be adapted and additional action taken to provide further support.

We have committed to almost £400 million of new funding over last year and this year (2020/21 and 2021/22) as part of education recovery. Investment has to date secured the recruitment of over 1,400 additional teachers and 200 additional support staff, as well as distributing over 67,000 digital devices and 14,000 connectivity solutions to children and young people who need them.

We are committed to investing £1 billion over the term of this Parliament to close the attainment gap and will pay the first instalment of the expanded Scottish Attainment Fund in the first 100 days of the new Parliament. As part of this, record investment of over £200 million has been announced in 2021/22, including: a £20 million Pupil Equity Funding Premium, increasing the investment in Pupil Equity Funding from almost £127 million to almost £147 million; £50 million in funding for Challenge Authorities and Schools Programmes; and over £11.5 million in Care Experienced Children and Young People funding. All of this funding is focused on ensuring the children and young people who need it most in our schools and communities are supported.

Tailored learning support for Gypsy/Traveller families with children

Whilst challenging, the COVID-19 pandemic has provided an opportunity to highlight how successful flexible learning can be. Young Gypsy/Travellers showed high levels of engagement with Scottish Traveller Education Programme's (STEP) pandemic eLearning programme and further steps will be taken with local authorities to discuss best practise for implementing flexible learning long term.

In addition, the Scottish Government invested £155,000 in COVID-19 response work specific to the Gypsy/Traveller community. This included funding for STEP to mitigate digital exclusion, including the distribution of MiFi units, iPads and online teaching resources for Gypsy/Traveller families.

As we move into 2021/22, Scottish Government officials from Equality, Education, Accommodation and Health are meeting and working with STEP and others to organise and deliver a successful and culturally appropriate programme that benefits the community going forward. This includes targeted support for young carers in the Gypsy/Traveller community, undertaken by Article 12, and research focused on the educational experiences of the Gypsy/Traveller community to further enhance support available in future – supported by our Tackling Child Poverty Fund.

²⁷ [Closing the poverty-related attainment gap: progress report 2016 to 2021](#), Scottish Government, March 2021

Throughout our efforts we are undertaking community consultations to ensure that everything we are doing is fully reflective of the community we are working for, and that their voice is truly heard.

Support to tackle bullying

With around £300,000 of annual investment from the Scottish Government, *respectme*, Scotland's anti-bullying service, continues to provide direct support to local authorities, youth groups and all those working with children and young people to build confidence and capacity to address all types of bullying effectively, aligned to 'Respect for All'. *respectme* adapted quickly at the beginning of the pandemic by moving online and offering virtual training, strengthening the prejudice-based bullying aspect.

We also continue to support Childline to provide a helpline giving confidential advice and information to children and young people affected by any issues including bullying. The service, backed with over £115,000 of Scottish Government funding per year, has provided invaluable support to children and young people throughout the pandemic.

Going forward, a formal evaluation will be carried out in 2021/22 to assess how successfully the new approach for recording and monitoring bullying incidents in schools has been introduced across Scotland.

In 2021/22, *respectme* will deliver online learning seminars on approaches to address prejudice-based bullying for all those working with children and young people.

Support for students and communities from further and higher education

In response to the COVID-19 pandemic, Scottish Government officials and Scottish Ministers have had regular contact with relevant stakeholders including the National Union of Students (NUS) to keep the Scottish Government up to date with issues faced by students during the pandemic, and using their feedback to develop student support action plans.

Ministers established a Student Hardship Taskforce to assess the impact of the pandemic on student hardship and to determine if the mechanisms and measures currently in place are sufficient to mitigate against student hardship in further education and higher education. The National Association of Student Money Advisers (NASMA) and Child Poverty Action Group (CPAG) are both members of this group.

Student Awards Agency Scotland statistics for 2020/21 will not be available until later this year. However, data is available for some of the support measures that were introduced.

Expansion of the Care Experienced Accommodation Grant, providing up to an additional eight weeks' of support for Care Experienced Students, supported 243 students at a cost of approximately £205,000.

Emergency hardship funding for students studying at a private provider of Higher Education or studying at a Higher Education institution via the EU Portability Pilot or

through a historically arranged scheme supported 63 students at a cost of around £20,000.

In the year ahead, we will continue to closely monitor students' financial situations as circumstances change as lockdown restrictions ease. We will also continue to engage with NUS Scotland and the sector to monitor the spending of Hardship and Discretionary funds we have made available.

Supporting positive outcomes through Colleges

Supported by investment from our Tackling Child Poverty Fund, a number of colleges are delivering or implementing programmes designed to address various aspects of child poverty. This includes Dundee and Angus College which delivered the Find Your Future project, reaching 48 young people and providing vital skills and increased wellbeing, and the Touchpoint programme, which has engaged 115 new young people not in employment, education or training and 42 young or lone parents. Touchpoints engaged individuals through a range of measures, including online one-to-one meetings and group sessions – with evidence showing the majority of young people who engaged in touchpoints in 2019/20 successfully transitioned into part time or full time learning at the college.

We will continue to support colleges to deliver additional opportunities for training and learning in 2021/22 with increased funding of £500,000 available from the Tackling Child Poverty Fund.

E. Partnership working

Introduction

The importance and power of partnerships has been brought into sharp focus throughout the national response to COVID-19, helping to break down barriers, strengthen approaches and deliver new and enhanced support at great speed. Mitigating the impacts of the pandemic on children and families on low incomes has been a key consideration throughout our collective efforts.

Working closely with national third sector organisations, community anchor organisations and local Third Sector Interfaces, we delivered over £100 million of new funding to third sector and community organisations in order to build resilience and meet the needs of people across Scotland. In 2021/22 we will continue to deliver support through the Community and Third Sector Recovery Programme, making up to £50 million available overall through the Programme.

Our local authority partners have also led on delivery of new and enhanced support for people impacted by the pandemic, including specifically to tackle food and financial insecurity. Working in partnership with local third sector and community organisations, together with volunteers and supported by national guidance, local authorities have played a key role in protecting people and communities impacted.

We have taken steps to secure learning from the unprecedented response to the pandemic, including through the Scottish Leaders Forum and Social Renewal Advisory Board – which made its final report to Scottish Ministers in February 2021. We will continue to consider what more can be done to ensure we continue to build on this momentum in our national mission to eradicate child poverty.

Updates on these and key actions from our Tackling Child Poverty Delivery Plan are below.

Learning from the COVID response

During the response to the COVID-19 pandemic there was a significant amount of work undertaken to support people and communities which was delivered at pace and challenged traditional ways of working, cultures and mind sets. To capture this learning, Scottish Ministers established the Social Renewal Advisory Board (the Board) to consider how we ensure that tackling poverty and inequality, and embedding a human-rights based approach, is central to our recovery from the COVID-19 pandemic.

Supported by the Scottish Government, the Board met 11 times between June 2020 and January 2021 to develop its ideas. Its final report 'If Not Now, When?'²⁸ was published in January 2021 and contains 20 calls to action to transform Scotland. The calls to action were informed by nine policy circles and a wide range of public engagement activity, including community listening events across 31 local authority areas, four discussions with Poverty Truth Commissions, engagement with equality groups, and over 100 responses from organisations to a call for evidence and ideas.

In addition, on behalf of the Scottish Leaders Forum Action Group, the Scottish Government commissioned a review of local learning during the COVID-19 pandemic²⁹. This review focused specifically on the priority attached to child poverty, how local governance has adapted in the face of COVID, future priorities identified and lessons that have been learned.

We have also continued to work closely with partners, including the Children's Sector Strategic and Policy Forum, to challenge our thinking and to provide critical feedback of what more is needed to support children and young people through the pandemic and beyond.

The Scottish Government published its initial response³⁰ to the Board's report in March 2021 and has actively promoted the findings of the review of local learning. We will consider the calls to action and lessons learned in greater detail during the coming year and will work closely with partners to develop the next Tackling Child Poverty Delivery Plan.

²⁸ ['If not now, when?'](#) – Social Renewal Advisory Board report, January 2021

²⁹ [Scottish Leaders Forum: Local Responses to Child Poverty during COVID](#), Feb 2021

³⁰ [Social Renewal Advisory Board: our response](#) – Scottish Government, March 2021

Working with partners to tackle the impacts of COVID-19

In addition to the core actions committed within the Tackling Child Poverty Delivery Plan our response to COVID-19 included a strong focus on supporting children living in low income families, helping to mitigate poverty and increased pressures on household finances caused by the pandemic.

We made almost £38 million of awards through our new Wellbeing Fund. Of this £21.58 million was distributed through an open application process, with analysis published in November 2020³¹ showing that £6.9 million was targeted at supporting children and families and a further £1.88 million at supporting young people. Additionally, £2.57 million was awarded to support people with disabilities and £1.37 million to support minority communities. Projects funded focused on six main areas: mental health; food; physical health; home life/housing; money; and employment.

Further analysis, published in March 2021³², showed that awards were much more likely to be made to organisations working in areas of higher deprivation. Overall, 48% of the amount awarded went to organisations working in SIMD 1 areas (the most deprived 20% of areas), and a further 24% went to organisations working in SIMD 2 areas (the second most deprived quintile).

Evaluation of the Supporting Communities Fund, which made over £20 million in awards to community groups and organisations, has been commissioned and will be published later in 2021. Awards through the Community and Third Sector Recovery Programme are ongoing, with around £50 million expected to be invested by the time the fund closes later this year.

Alongside these funds, considerable investment was directed to children's charities including Aberlour, Barnardo's, Cash for Kids, the Family Fund and others. The additional investment in these and other organisations facilitated cash awards for families in order to access essentials during the pandemic, and delivery of wider support.

This includes £4.8 million through our Winter Plan for Social Protection. Shared among 10 charities, this enhanced the support available during the challenging winter months. Our investment included £1.66 million through the STV Appeal, enabling them to reach up to 12,000 families through their network of grass roots organisations offering a range of support to families, from vouchers and assistance with basic material needs through to in-kind support. We also provided £225,000 to One Parent Families Scotland (OPFS) enabling around 2,000 cash grants to be made to single parent families with pre-school age children, and discretionary cash awards to families who needed it most – OPFS linked these awards with wider advice, ensuring families received other support available to them.

³¹ [Wellbeing Fund: analysis of awards - gov.scot \(www.gov.scot\)](http://www.gov.scot)

³² [Wellbeing Fund - open application process: evaluation - gov.scot \(www.gov.scot\)](http://www.gov.scot)

Investing in innovative action to tackle child poverty

Our partnership approach is supported by investment in innovative projects that respond to local needs. The updates below focus on key commitments within our Tackling Child Poverty Delivery Plan.

Investing in Communities Fund

The Investing in Communities Fund (ICF) in 2020/21 was backed by investment of over £11 million and was the second year of the three year funding round launched in 2019/20. As COVID-19 began, communities were at the forefront of supporting essential activities and services for people in their communities. The ICF provided much needed and welcomed flexibility to help communities tackle the issues the pandemic presented.

The vast majority of community organisations receiving ICF continued to operate, although many re-focused their activity to support the emerging needs, or increase the amount of support for particular existing elements of their ICF project – for example, provision of food and financial support. Projects delivered their activities in different ways utilising online or telephone services instead of face to face services.

Given the impact of COVID, we have decided to delay the launch of the second round of the fund and have agreed to deliver a year of extended funding for round one projects, of which 32 directly address child poverty and 55 are helping to tackle food insecurity.

Innovation Fund

Whilst the COVID-19 pandemic has impacted on the ability of Innovation Fund partners to deliver their core work, many have rapidly adapted their operations to meet the needs of people in their communities – including with food, basic essential needs, wellbeing, mental health and digital access. Innovation-funded projects form part of our wider Social Innovation Partnership (SIP) with The Hunter Foundation.

We are continuing to support projects and scale up activity. Following positive evaluation, we have now announced further investment to allow MCR Pathways to expand its programme to up to a further 300 schools, working in partnership to improve education outcomes, career opportunities and life chances. This investment, over the next six years, will potentially reach 15,000 young people.

Our learning partner, I-SPHERE, has found that the SIP's relational approach supports increased confidence, self-awareness and better mental health which, in turn, allows people to better manage their day-to-day and family lives, improve their social capital, gain new skills and qualifications, and move towards employment.

Investment in the STV Children's Appeal

In addition to the considerable support delivered through the Scottish Government's Winter Plan for Social Protection, we have continued to support the work of the STV Children's Appeal with continued investment of £1 million in 2020/21. STV committed a

total of £3.6 million during 2020, including action to support need arising from the pandemic.

During the year, the Appeal supported 10 larger projects – reaching 2,500 people – and 850 smaller projects reaching thousands of families across the country. Many of these smaller projects use holistic approaches with families, helping parents to build strong relationships with their children and to support the wellbeing of the family unit.

Over the coming year, the Scottish Government will make a further £1 million available to the STV Children’s Appeal to allow it to continue to support children and families across Scotland affected by poverty.

Building stronger links between economic development partnerships and tackling child poverty

Given the significant impact of the pandemic on our economy and particular industries, we allocated more than £3 billion of support to businesses during 2020/21, including through sectoral schemes not available in the rest of the UK, helping businesses to weather restrictions and protect jobs across the country. In the year ahead we have extended 100% non-domestic rates relief for retail, leisure, hospitality and aviation businesses and offered restart grants for retailers and hospitality and leisure businesses, helping them to re-open progressively.

Focusing on our future economic development, the majority of Scotland’s developing network of Regional Economic Partnerships now have economic strategies and COVID economic recovery plans in place. These are built on a strong and shared understanding of the challenges faced, and include reducing child poverty as a key objective.

In the coming year we will continue to support this activity, focusing on how the £1.9 billion of Scottish Government investment over the next decade can help create new jobs, maintain existing jobs, aid recovery, and raise household incomes. Complementing this is specific work focused on stimulating local economies, for which updates are provided below.

Community wealth and localism

Community Wealth Building (CWB) is a practical mechanism to deliver on our ambitions for a wellbeing economy in Scotland. It seeks to deliver a fairer distribution of economic opportunity in local communities and remains an important focus for our work on reducing child poverty. In 2020/21 we selected five areas to pilot the CWB Action Planning process – Clackmannanshire, Glasgow City Region, Tay City Region (Fife Council), South of Scotland, and the Western Isles – all of which have now either published or will soon publish their Action Plans. These look at how the economic system in place can be reformed upstream to improve local economic opportunity that reduces the need for social intervention.

In the coming year we will continue to support these areas to focus on delivery, looking at ways to make best use of public investment and assets. We will also look at ways to

embed CWB principles into capital investment such as the City and Region Growth Deals, the Energy Transition Fund, and the Clyde Mission. We will continue to work with sectors such as health and housing to maximise their roles as economic agents in place.

We have also announced ambitious plans to bring forward a Community Wealth Building Bill to maximise public bodies' impact on local enterprise, resilience and economic wellbeing.

Town Centre Fund and Business Improvement Districts

The £68 million capital Town Centre Fund, together with over £4 million in additional COVID-19 resilience and recovery funding to towns, smaller settlements and Business Improvement Districts, have secured and supported hundreds of local jobs throughout the pandemic. Collaborative local partnership working through these funds has supported thousands of local businesses and their partners, enabling them to decide and direct local improvements, boost local economies and support town centres to meet the needs of their communities. The resilience and recovery funds enabled direct additional support for vulnerable communities and those in poverty, including support to foodbanks and local charities.

A strong partnership with local areas

We have continued to work together with partners to support local action to tackle child poverty, and to ensure that this is a key focus through recovery and renewal from COVID-19. This includes through investment in National Coordinators for both child poverty and the Fairer Scotland Duty, hosted at the Improvement Service, and in the Scottish Poverty and Inequality Research Unit (SPIRU), hosted at Glasgow Caledonian University.

Local Authorities and Health Boards across Scotland jointly produced their second Local Child Poverty Action Reports (LCPAR), articulating their commitment and outlining their activity to reduce child poverty. These reports build on the recommendations made by the Poverty and Inequality Commission following their review of the year 1 reports. The LCPARs represent a significant investment in tackling child poverty locally with a diverse range of policy and practice across the key drivers of poverty.

Through the National Coordinator for child poverty, tailored support was provided to local areas to support them to consider child poverty as part of the COVID response. Detailed individual feedback was given to local areas on their LCPARs supporting their further improvement. An online peer support network for those leading on this work was also established to provide a space to share policy and practice on child poverty across Scotland, and encourage learning exchange on key topics including food insecurity, children's rights, digital inclusion and evaluation practices.

To examine in greater detail how local action is contributing to the objectives and outcomes of the national Tackling Child Poverty Delivery Plan, SPIRU are undertaking a systematic analysis of the second round of LCPARs (2019-20). This analysis will also identify examples of promising and innovative local practice to inform discussion and

development of the next Tackling Child Poverty Delivery Plan, to be published by the end of March 2022.

This work supports the efforts of all national partners³³ to ensure that awareness and strategic consideration of child poverty is at the forefront of recovery and renewal. To ensure the continued success of the Fairer Scotland Duty, we are preparing revised guidance for public bodies to reflect the learning and practice over the last three years, and commenced consultation with relevant bodies and organisations on 24 March 2021. Final revised guidance is expected to be published in Summer 2021.

Working with our partners and people with lived experience

We have continued to support those with experience of poverty and inequality to develop solutions, actions and shape delivery of our policies to reduce poverty at both a local and national level. This includes through continued investment in the Poverty Alliance, supporting delivery of their Get Heard Scotland (GHS) programme focused on engaging communities impacted by poverty in the development of policies aiming to support them. In 2020/21, GHS worked intensively in Inverclyde and Renfrewshire council areas, focusing on embedding the approach to engaging with experts by experience. Poverty Alliance published a report on its findings in Renfrewshire in February³⁴.

In addition, we continued to provide funding to the Glasgow Poverty Community for their ongoing work in this area which has adapted to online meetings as a result of COVID-19, and continues to engage with their community commissioners to discuss the issues affecting them.

At the start of the pandemic, we engaged with each of the five poverty truth commissions across Scotland (in Glasgow, Edinburgh, East Ayrshire, Shetland and Dundee) to help build our understanding of how the pandemic was affecting those on a low income and the possible policy solutions. A summary of these findings was presented to the Cabinet Secretary for Communities and Local Government who subsequently met digitally with participants from each of the groups to discuss the issues. Issues highlighted included digital exclusion, extra costs of heating and access to food, and this learning was used to focus and enhance our response in these areas.

³³ The National Partners Group comprises: Scottish Government, Public Health Scotland, COSLA, Improvement Service, Child Poverty Action Group, Poverty Alliance and Scottish Poverty and Inequality Research Unit.

³⁴ ['Get Heard Scotland Renfrewshire'](#) – Poverty Alliance, February 2021

2. Assessing progress against the targets

This chapter provides an overview of key measures around child poverty in Scotland and includes information on:

- overall progress towards the child poverty targets
- updated child poverty data amongst priority groups
- trends on child poverty drivers
- poverty data in Scotland and the rest of the UK and
- progress towards modelling impact of policies on child poverty

Most of the data used to understand child poverty has a significant time-lag meaning that most of the data in the measurement framework relates to a period before the catastrophic impacts of the COVID-19 pandemic on Scottish society. Given the significance of this, other evidence is used to provide some additional context while we wait for data to become available.

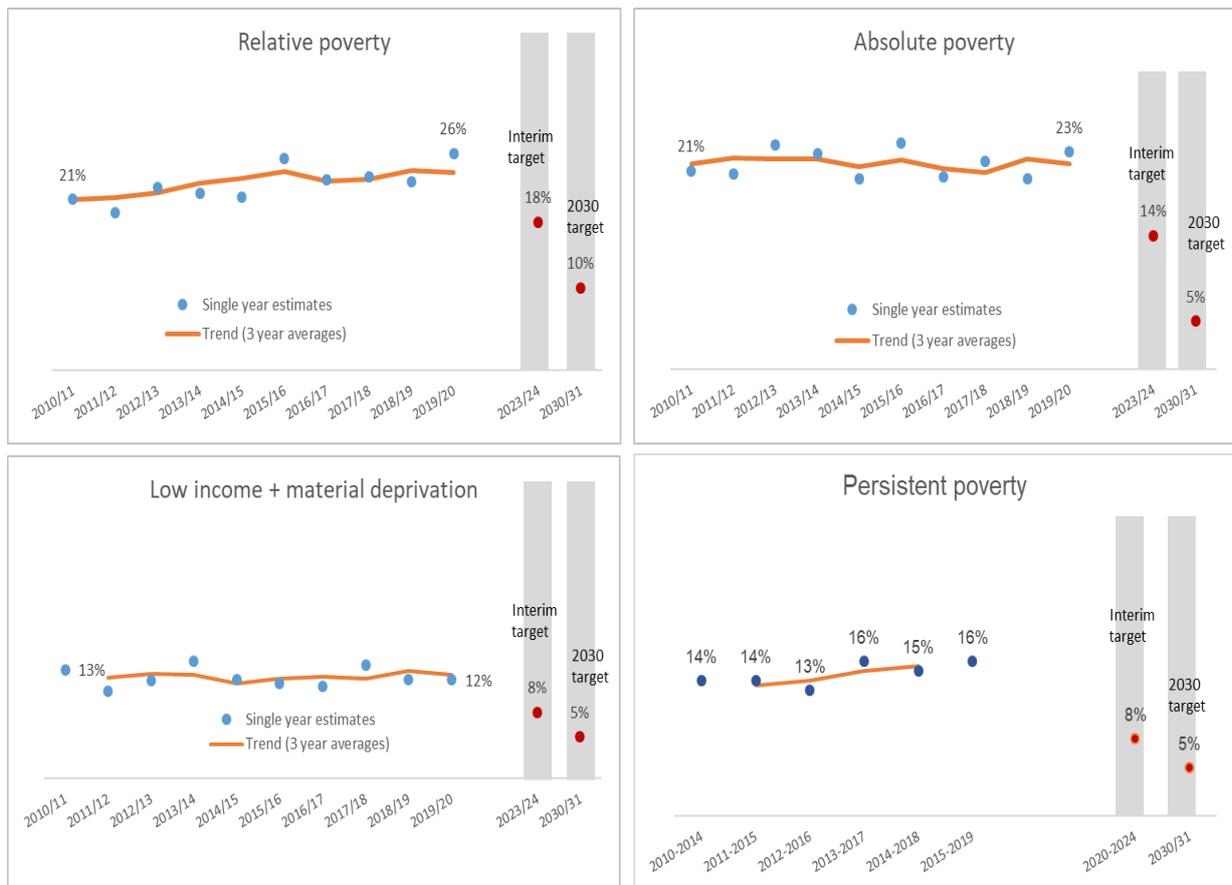
Child poverty levels

Overall, the data indicates that significant progress needs to be achieved in the years ahead to deliver upon the 2030 targets.

Relative poverty has slowly increased while absolute child poverty, persistent poverty and the proportion of children who are in combined low income and material deprivation have remained relatively stable but still well above the targets. The most recent child poverty statistics, published in March 2021, relate to the period from April 2019 to March 2020, as such providing a picture of poverty pre COVID-19.

The charts below show change over time. Single year estimates help understand the situation at a certain point in time while three year averages show trends more accurately. Further information on historical trends over time can be found in the latest child poverty update³⁵.

³⁵ <https://data.gov.scot/poverty/cpupdate.html>



Recent projections suggest child poverty targets will be even more challenging to achieve given the pandemic and subsequent longer term impact on the economy. The economic effects of COVID-19 are likely to disproportionately affect those on low incomes with limited savings, many of whom work in sectors that have been subject to restrictions: hospitality, tourism, manufacturing, entertainment, non-food retail and wholesale, as well as sectors where working from home is more problematic. People working in these sectors were already much more likely to be in poverty.³⁶

Child poverty priority groups

Every Child, Every Chance identified six priority groups that are at a higher than average risk of poverty. These were households with a disabled person, three or more children, a baby aged under 1, minority ethnic, young mothers aged under 25, and lone parent families.

The priority groups identified remain at a higher than average risk of poverty. Particularly notable is the proportion in poverty amongst lone parents and minority ethnic households, and how persistent poverty continues to be higher amongst households with three or more children.

The tables below provide latest statistics on poverty after housing costs for the most recent periods. Further details on poverty rates among priority groups over time are published online³⁷.

³⁶ [Resolution Foundation. The Living Standards Outlook](#). January 2021

³⁷ [Additional child poverty analysis 2021](#) - Scottish Government, May 2021

Table 1: Percentage of children in poverty after housing costs 2017-20
(Source: Family Resources Survey)

Priority Group	Relative poverty	Absolute poverty	Low income + material deprivation
All children	24%	22%	13%
Lone parent household	38%	35%	26%
Minority ethnic household	38%	34%	17%
Baby aged under 1 in household	34%	30%	13%
3+ children in household	32%	29%	19%
Disabled person in household	29%	26%	20%

Table 2: Percentage of children in persistent poverty after housing costs 2015-19
(Source: Understanding Society)

Priority Group	Persistent poverty
All children	16%
Disabled adult in benefit unit	14%
3+ children in benefit unit	33%
Children under 5 in benefit unit (note: there is no data for baby under 1)	27%

We do not have estimates of poverty levels among all of the priority groups for all four of the child poverty measures. This is because the number of families surveyed in some of the groups is too small to provide a robust estimate of the percentage who are in poverty in this group in the wider population. However, each year, we focus on a specific priority group to better understand specific circumstances and challenges. This year the focus report is on households with a disabled person³⁸. A full report will be published in the coming weeks.

The drivers of child poverty

To help understand what is driving child poverty trends over time, it is important to examine progress in relation to the things that we know influence child poverty levels, including employment, costs of living and social security³⁹. Not all of the levers of change have been devolved to the Scottish Government. For example, the UK Government continues to have responsibility for the key means-tested benefits, including Universal Credit⁴⁰.

The most recent statistics on the drivers of poverty relate to the period up to March 2020. As such, some of the positive indications of progress in the drivers may not be long lasting with many workers being made redundant, furloughed or with working patterns shortened, and many sectors failing after long periods of inactivity as a result of the COVID-19 pandemic.

³⁸ Last year's progress report took a more in-depth look at child poverty and its drivers among [lone parents](#).

³⁹ Details on the drivers of child poverty can be found in the 'Child poverty measurement framework'. [Child poverty strategy documents - gov.scot \(www.gov.scot\)](#)

⁴⁰ [Responsibility for benefits: overview - gov.scot \(www.gov.scot\)](#)

The latest data⁴¹, pre COVID-19, indicated that some drivers of child poverty were moving in the right direction; this included key employment indicators, skills, and childcare availability. Housing costs and other costs of living remained relatively stable and evidence suggests that lower housing costs can be credited with lower poverty rates in Scotland compared to the rest of the UK. Still, lack of affordable childcare appears to remain a barrier, and high levels of food insecurity show the continued deprivation many families faced already pre pandemic.

For school age children, childcare available during the school holidays has remained relatively stable but the availability of childcare outside of school hours is increasing year by year. However, a quarter of the households paying for childcare for a child aged 0 to 11 report that they find it difficult or very difficult to afford childcare. The availability of affordable and accessible childcare can have a significant positive impact on maternal employment rates, particularly those with lower skills and educational attainment⁴².

The COVID-19 pandemic has brought into sharp focus the critical role that childcare plays in supporting the labour market. Evidence suggests that during periods of lockdown with school and nursery closures, housework and childcare has fallen more on women than men. Women are one of the groups on which the economic effects of this crisis are falling disproportionately. In particular, households with only one earner are more exposed to the impacts of earnings reductions or losses and lone parents may be less likely to have someone to share childcare with, making paid work harder. Many more lone parents may be pushed into poverty in coming years.⁴³

The latest data on food affordability (the percentage of income spent on food and non-alcoholic drinks) showed a picture pre pandemic where there had been an improvement for low income households with children. Still, people in poverty in Scotland were less likely to experience high food security than other parts of the UK⁴⁴. More recently, loss of income because of the pandemic left many people struggling to cover the costs of essentials. Food Standards Scotland, through their Consumer Tracking survey⁴⁵, found that worries about being able to afford food peaked at the start of the pandemic (at 25%) and then stabilised at 18%. The research also showed that the proportion of households with children using foodbanks is higher (10%) than amongst all households (5-6% all households).

With regards to housing costs and other costs of living, the indicators suggest that things had, in general, remained relatively stable prior to COVID. The percentage of income spent on housing and food by all households with children in Scotland and low income households with children in Scotland has continued to remain static. However, the figures for Scotland continue to remain lower than for the UK as a whole.

There had also been a decrease in the median ratio of fuel running costs to net household income. This may be positive as families spending a greater percentage of their income on fuel may be less likely to afford other essential goods and services⁴⁶.

⁴¹ [Child poverty measurement framework - indicator updates](#), Scottish Government, May 2021

⁴² [Provision of early learning and childcare and parent's outcomes: an evidence brief](#) – NHS Scotland, 2017

⁴³ [The impacts of COVID-19 on Equality in Scotland](#) – Scottish Government, September 2020

⁴⁴ [Poverty and income inequality in Scotland](#) – Scottish Government, March 2021

⁴⁵ [COVID-19 Consumer tracker wave 5](#) – Food Standards Scotland, September 2020

⁴⁶ [A Scotland without fuel poverty is a fairer Scotland: Four steps to achieving sustainable, affordable and attainable warmth and energy use for all](#) – Scottish Government, October 2016

As previously mentioned, these trends do not take into account the impact of COVID-19 on these indicators and, with winter lockdowns and high levels of home-working, it is highly likely that these figures will increase for the 2020/21 period.

Other issues worth highlighting:

- **Any paid work is not enough.** Having paid work is an effective way out of poverty, and those families where all adults are in full-time work have a low poverty risk. But having a job is not always enough, for example when it does not pay well, or when someone is unable to work enough hours. Two thirds of children in poverty live in a working household.
- **Delayed introduction of major policies.** Some of the key policies aimed at reducing child poverty had a softer or delayed launch due to COVID-19 – including Parental Employability Support Fund and expansion of funded Early Learning and Childcare. Available statistics still precede the introduction of some policies and any impact will take some time to be evident.
- **Slow impact is to be expected.** While some drivers of change have moved in a positive direction, the impact of any of these changes in child poverty targets will take time to be evident. Some of the drivers will require some time to directly impact on financial improvements for households such as housing or childcare availability.
- **The data refers to the pre COVID-19 period.** The impact of the pandemic is predicted to be particularly harsh for some sectors of the population including low income households and priority families.

The most recent comprehensive comparison on poverty rates between the UK and Scotland can be found in the child poverty progress report published in 2020⁴⁷. Updated data on key employment indicators show a modest increase in the average hourly pay which continues to be higher in Scotland than in the UK as a whole⁴⁸. The difference in average number of hours worked per week, a key driver influencing income from employment, continues to be evident between Scotland (24 hours per week) and the UK as a whole (22 hours per week).

Details of trend data for the drivers of child poverty are presented in [Annex A](#).

Evaluating our policies

Updates on individual policy evaluations are provided in chapter 1 of this progress report. As set out in the evaluation strategy⁴⁹, our evaluation efforts have been focused on those actions likely to have the biggest impact on the child poverty targets.

The Scottish Government's Tackling Child Poverty Delivery Plan 2018-2022 also made a commitment to investigate methods to produce a quantitative, cumulative impact assessment of the policies on child poverty.

We are taking forward modelling work on child poverty which falls into two strands. First, we are assessing the cumulative impact of current Scottish Government policies

⁴⁷ [Tackling child poverty: second year progress report - annex B](#) - Scottish Government, August 2020

⁴⁸ [Child poverty measurement framework – indicator updates](#)

⁴⁹ [Child poverty strategy documents](#) – Scottish Government, March 2019

on child poverty. This work was completed for the 2020 Progress Report but was suspended in light of the impacts of COVID-19. We are currently revising the work with additional policies and plan to publish this work in due course. Second, using the same modelling tool, we are carrying out scenario modelling to determine which interventions are required to meet the child poverty targets. This work will be used to help inform strategic decisions and will continue to be refined as we engage with internal and external stakeholders.

Local Child Poverty Action Reports are jointly developed by Local Authorities and Territorial Health Boards to outline activities and commitments to reducing child poverty in local areas. The 2019/2020 reports describe activity between April 2019 and March 2020, and include planned future activity for the year ahead. The Improvement Service analysed each report around commitment, partnership working, and a range of key policy levers.

The Improvement Service found that the reports highlighted strong partnership working and the ability to adapt different policy levers to suit local needs. Collectively, they assessed that while there is a recognition and frustration that local activities may not make significant 'dents' in national child poverty levels, it was clear that activities make a significant contribution locally and to individuals experiencing poverty in local areas.

The pandemic forced local areas to respond urgently with a shift of resource into a humanitarian response. Going forward, local areas will endeavour to return to a more strategic approach ensuring that local policy making is drawn from the voices of those with lived experience. In addition, the Improvement Service noted that local efforts could benefit from a more consistent and targeted approach to priority groups and those with protected characteristics.

3. At a glance summaries

Introduction

The following section provides a series of 'at a glance' tables providing a summary overview of activity in 2020/21.

The first table provides overall progress on each of the actions committed; whether we are delivering, in progress, or at early stages of development. It also sets out which of the priority families are anticipated to benefit and the expected outcome.

Table two sets out what has been spent from the Tackling Child Poverty Fund across 2018-21 and what is committed in 2021/22.

Table three sets out an estimate of Scottish Government investment in 2020/21 directed at low income households with children and investment targeted at low income households more generally – where children are also expected to benefit. This includes additional investment in social protections as a result of the COVID-19 pandemic.

The final table outlines the requirements of the Child Poverty Act, and how we have addressed each within this report. As the Act requires us to respond to the comments and recommendations of the Poverty and Inequality Commission, this is also noted here.

Progress against actions and impact on priority families

The following table provides an at a glance update on the status of all actions in 'Every Child, Every Chance' as of 31 March 2021. The table also summarises which priority group(s) is expected to benefit from the action and how it will help us to tackle child poverty.

We continue to deliver strong progress against the actions committed, with all of the actions reported on last year either in progress or being delivered.

<p>Key:  means early stages of development,  means in progress and  means currently being delivered.</p>			
<p>Priority families:</p>			
LP	Lone Parents	ME	Minority Ethnic
<1	Youngest Child Aged <1	3+	3+ Children
		YM	Mothers Aged <25
		DAC	Disabled Adult or Child
<p>Yellow highlight suggests that a priority family type is particularly expected to benefit</p>			
<p>Expected outcome:</p>			
EMP	Increasing income from employment – relevant to all four targets		
HC	Reducing housing costs – relevant to all four targets		
OC	Reducing other costs of living – relevant to the low income and material deprivation target		
SS	Increasing income from social security and benefits in kind – relevant to all four targets		
LC	Improving children’s life chances in ways that are not about increasing current income or reducing costs of living – potentially relevant to future child poverty levels, when these children become parents themselves		

Action	Priority groups expected to benefit	Expected outcome	Status
Fair Start Scotland	ALL – but especially LP, DAC, ME	EMP	✓
Parental Employability Support Fund	ALL – but especially LP, DAC	EMP	✓
Additional investment to support disabled parents	DAC	EMP	✓
Additional investment to support young parents	YM	EMP	✓
Additional investment – ELC alignment	ALL	EMP	✓
Building a Living Wage Nation	ALL – but especially LP, YM	EMP	✓

Tackling low pay in the public sector	ALL – but especially LP, ME, YM, DAC	EMP	✓
New action on the gender pay gap	ALL – but especially LP, ME, <1, YM	EMP	✓
Flexible Workforce Development Fund	ALL – but especially LP, DAC, ME, YM	EMP	✓
The Workplace Equality Fund	ALL – but especially DAC, ME	EMP	✓
New support for flexible working	ALL – but especially LP, DAC	EMP	●
Expanded Early Learning and Childcare	ALL – but especially LP, 3+	EMP, OC	●
After School and Holiday Childcare	ALL – but especially LP, 3+	EMP, OC	✓
A new Family Learning Programme	ALL	EMP	✓
An increased School Clothing Grant	ALL – but especially 3+	SS	✓
Reducing food insecurity in the school holidays	ALL – but especially 3+	OC, SS	✓
Further support on costs of the school day	ALL – but especially 3+	OC, SS	✓
New support, incentives and rewards with the Young Scot Card	ALL	OC	✓
Making sure young people receive EMA payments	ALL – but especially YM	SS	✓
Work with the social housing sector to agree the best ways to keep rents affordable	ALL	HC	●
Ensure that future affordable housing supply decisions support our objective to achieve a real and sustained impact on child poverty	ALL	HC	✓
Evaluate the impact of the private residential tenancy on families with children	ALL	HC	●
Scottish Housing Regulator	ALL	HC	✓
New action on homelessness	ALL	HC, LC	✓
Increase uptake of our Warmer Homes Scotland programme amongst low income families	ALL	OC	✓
Target fuel poverty and energy efficiency measures on those most in need, including low income families	ALL	OC	✓
Money Talk Team Service	ALL	SS, OC	✓
Health and Income Maximisation	ALL	SS	✓
Benefit Take Up Strategy for devolved benefits	ALL	SS	✓

New support for affordable credit	ALL	OC	✓
Tackling problem debt	ALL	OC	✓
Access to period products	ALL – but especially 3+	OC	✓
Connecting Scotland	ALL	EMP, HC, OC, SS, LC	✓
Action on transport strategy, policies and programmes	ALL	EMP, OC	✓
Scottish Child Payment	ALL	SS	✓
Best Start Grant	ALL – but especially 3+, <1, YM	SS	✓
Enhanced support through Best Start Foods	ALL – but especially 3+, <1, YM	SS	✓
Increased support for carers	ALL	SS	✓
New Job Start Payment	ALL	SS, EMP	✓
Widened Funeral Support Payment eligibility	ALL	SS	✓
Expanded eligibility for Winter Heating Allowance	ALL	SS	✓
Extra help for families with children’s health in the early years	ALL	LC	✓
A new resource for disabled children, young people and their families	ALL	SS, LC	✓
Addressing Adverse Childhood Experiences	ALL	LC	✓
Action on parental imprisonment	ALL	LC	✓
Supporting redesign of the care system	ALL	LC	●
New action on transitions	ALL	LC	✓
Help for children’s neighbourhoods	ALL	LC, EMP	✓
Targeted opportunities for cultural participation	ALL	LC	✓
Facilitating access to music education	ALL	LC	✓
Improving inclusion in sport	ALL	LC	✓
Increased funding for mental health	ALL	LC	✓
Tailored learning support for Gypsy/ Traveller families with children	ME	LC	✓
Support to tackle bullying	ALL	LC	✓
Support for students and communities from further and higher education	ALL – but especially YM	LC, EMP	✓

Innovation Fund with the Hunter Foundation	ALL	LC, EMP, SS, OC	✓
Investment in the STV children's appeal	ALL	EMP, HC, OC, SS, LC	✓
Investing in Communities Fund	ALL	EMP, HC, OC, SS, LC	✓
Partnership between the Scottish Government and Glasgow City Region on inclusive growth and child poverty	ALL	EMP	●
Community Wealth and Localism	ALL	EMP	●
Town Centre Fund and Business Improvement Districts	ALL	EMP	●
A National Child Poverty Co-ordinator	ALL	EMP, HC, OC, SS, LC	✓
A new analytical partnership on local child poverty	ALL	EMP, HC, OC, SS, LC	✓
A new Fairer Scotland duty	ALL	EMP, HC, OC, SS, LC	✓
Bringing the voices of people with experience of poverty into local decision-making	ALL	EMP, HC, OC, SS, LC	✓
New support from the Poverty Alliance	ALL	EMP, HC, OC, SS, LC	✓
A role for the Children's Sector Strategic Forum in monitoring implementation	ALL	EMP, HC, OC, SS, LC	✓

Investments through the Tackling Child Poverty Fund

Investment made across the first three years of the £50 million Tackling Child Poverty Fund is set out below alongside projected spend for 2021/22. The Tackling Child Poverty Fund is intended to support innovation and, as such, this is additional to core portfolio budgets; wider spend targeted at low income households with children is highlighted in the next section.

Further investments will be made in 2021/22 to support priority areas of action, with the full £50 million allocated over the period of the delivery plan.

The table below outlines recorded and provisional levels of investment, correct at the point of publication, all totals expressed are £0.000m:

Programme	Year				Total (2018-22)
	2018-19	2019-20	2020-21	2021-22	
Parent Employability Support Fund (PESF)	£0.050	£2.000	£5.100	£5.050	£12.200
PESF - Support for disabled parents	-	-	£6.000	-	£6.000
PESF - ELC alignment	-	£0.100	£1.000	£3.000	£4.100
PESF - Support for Young Parents	-	-	£0.350	£0.650	£1.000
Timewise	-	£0.026	£0.133	£0.167	£0.326
Homelessness prevention	-	-	£0.250	£0.500	£0.750
Housing affordability	-	-	-	£0.500	£0.500
Family Learning Scotland	-	£0.050	£0.188	£0.148	£0.386
Access to Childcare Fund	-	£0.016	£1.305	£1.679	£3.000
Summer activities programme (contribution)	-	-	-	£7.500	£7.500
Food Insecurity	£0.100	£0.500	-	-	£0.600
Healthier Wealthier Children	£0.250	£0.250	-	-	£0.500
Affordable credit marketing	£0.080	-	-	-	£0.080
Money Talk Team Marketing	-	£0.220	-	-	£0.220
Children's Neighbourhoods Scotland	£0.250	£0.374	£0.727	£0.919	£2.270
Preventative work for low income young people at college	£0.242	£0.308	£0.300	£0.500	£1.350
Gypsy / traveller	-	£0.030	£0.035	£0.150	£0.215
New Innovation Fund	£1.100	£2.534	-	£1.366	£5.000
Social Innovation Partnership	-	-	-	£1.034	£1.034
National Child Poverty Coordinator	£0.069	£0.070	£0.091	£0.089	£0.318
Local analytical partnership	£0.020	£0.020	£0.048	£0.020	£0.108
Local support - first year reporting	£0.190	-	-	-	£0.190
TOTAL INVESTMENT	£2.35	£6.50	£15.53	£23.27⁴⁶	£50.00m⁵⁰

⁵⁰ Proposals under development for balance of investment to £50 million.

Investment to support children in poverty

In the 2020/21 financial year, an estimated £2.5 billion was invested across a range of programmes targeted at low-income households. Of this, we estimate that over £978 million directly benefited children. These figures include over £434 million of COVID-related social assistance for low-income households, of which over £206 million was estimated to benefit children. These totals, along with the breakdown of estimated spend on individual programmes, can be seen in the table below.

These figures are estimates. They comprise a mixture of outturn, budgeted, and forecasted figures, depending on what was available at the time. Some of the figures are published, whereas others were sourced internally. Furthermore, although we have attempted to stay consistent with the figures included in the equivalent table for 2019/20, inconsistencies could remain. For policies targeted at all people on a low income, we have used the latest statistics on the proportion of people in poverty who are children (25% in 2019-20) to derive an estimated spend on children in poverty. We have excluded administration costs where possible.

These estimates do not include spend on universal services from which children in poverty will also benefit, including services focused specifically on children such as funded Early Learning and Childcare and Free School Meal provision for primaries 1-3, or wider support including free prescriptions, healthcare or free tuition. Wider investments such as these are key to our overall strategy to reducing child poverty.

Policy	Estimated 2020-21 spend on low income households (£m)	Estimated 2020-21 spend on children in low income households (£m)
Targeted at low income households with children		
Attainment Scotland Fund	66.4	66.4
Pupil Equity Funding	122.5	122.5
School Meals, including Free School Meals ⁵¹	74.7	74.7
Education Maintenance Allowance	23.9	23.9
Best Start Foods / Healthy Start	12.3	12.3
School Clothing Grant	6.0	6.0
Best Start Grant	17.5	17.5
STV Children's Appeal	1.0	1.0
Parental Employability Support Fund	12.4	12.4
Innovation Fund	1.2	1.2
Scottish Child Payment	3.6	3.6
<i>Total</i>	<i>341.5</i>	<i>341.5</i>
Targeted at low income households with children (additional COVID-19 funding)		
Additional Free School Meals (COVID-19)	56.4	56.4
COVID Winter Hardship payment ⁵²	14.4	14.4

⁵¹ Includes funding for all school meals, including resource costs of providing paid meals

⁵² An estimate of £400,000 in administration costs has been subtracted from total

COVID Spring Hardship payment ⁵³	17.8	17.8
Children's charities	4.9	4.9
ELC clothing	0.8	0.8
Vulnerable children ⁵⁴	23.5	23.5
<i>Total</i>	<i>117.8</i>	<i>117.8</i>
Targeted at low income households – not necessarily with children		
Affordable Homes ⁵⁵	660.0	165.0
Council Tax Reduction - revenue foregone	351.0	87.8
Fuel Poverty / Energy Efficiency	151.6	37.9
Winter Fuel Support Programme	3.8	1.0
Discretionary Housing Payments	70.6	17.7
Scottish Welfare Fund	35.5	8.9
Regeneration Strategy ⁵⁶	79.2	19.8
Fair Start Scotland	20.9	5.2
Advice Services (Income max/financial advice)	4.5	1.1
Fair Food Fund ⁵⁷	2.5	0.6
Social Innovation Partnership (non-COVID-19)	0.8	0.2
UC Scottish Choices ⁵⁸	0.3	0.1
Money Talk Team	1.5	0.4
Digital Start Fund	1.0	0.3
Funeral Support Payment	9.2	2.3
Carer's Allowance	291.6	72.9
Carer's Allowance Supplement	38.8	9.7
<i>Total</i>	<i>1722.8</i>	<i>430.9</i>
Targeted at low income households – not necessarily with children (additional COVID-19 funding)		
Council Tax Reduction top-up	25.0	6.3
Scottish Welfare Fund top-up	22.0	5.5
Discretionary Housing Payments top-ups	8.0	2.0
Supporting Communities Fund	20.7	5.2
Wellbeing Fund	37.8	9.4
Communities and Third Sector Recovery Programme	24.7	6.2
Food Fund (national partners)	4.9	1.2
Food Fund (non-FSM)	15.0	3.8
Food and Essentials Funding	15.0	3.8
Financial insecurity (winter)	40.0	10.0

⁵³ An estimate of £400,000 in administration costs has been subtracted from total

⁵⁴ Allocated to LAs and some third sector organisations to support services for vulnerable children and families impacted by COVID-19, including support for residential child care providers and additional social work services

⁵⁵ Capital spend only

⁵⁶ £17.5m Empowering Communities Programme (resource), £38.123 Regeneration Capital Grant Fund (capital), £5m Clyde Gateway (capital), £0.5m Clyde Gateway (resource), £18m Town Centre Fund (capital), £0.079 Business Improvement Districts

⁵⁷ From 2020-21 the former transformation element of the Fund was fully harmonised in to the Investing in Communities Fund, part of the Empowering Communities Programme

⁵⁸ This is a forecasted figure

Connecting Scotland ⁵⁹	24.3	15.0
Coronavirus Carer's Allowance Supplement	19.2	4.8
Credit Union / CDFI Fund	15.0	3.8
Social Innovation Partnership	1.1	0.3
COVID restrictions/guidance funding	30.0	7.5
Fuel costs	3.6	0.9
Strategic food	0.2	0.0
Homelessness	5.2	1.3
Digital Participation Charter Fund	0.3	0.1
Benefit uptake marketing	0.3	0.1
Self-Isolation Support Grant	4.4	1.1
<i>Total</i>	<i>316.7</i>	<i>88.3</i>
Total	2498.8	978.5
of which additional COVID-19 funding	434.5	206.1

⁵⁹ £15 million targeted at supporting low income families with children and young care leavers through Phase 2 of Connecting Scotland, however other children will also have been positively impacted by other phases

Child Poverty (Scotland) Act 2017 requirements

Section 10 of the Child Poverty Act sets out a range of requirements around progress reports. This table explains how we have met those requirements, with directions to the relevant sections or specific pages within the Plan.

<p>The Scottish Ministers must, before the end of the period of 3 months beginning with the last day of each reporting year, prepare a report (a “progress report”) on the progress made during the year—</p> <ul style="list-style-type: none"> • towards meeting the child poverty targets, and • in implementing the relevant delivery plan. 	<p>This is the third progress report due under the Child Poverty Act.</p> <p>Section 2 outlines our approach to assessing progress toward meeting the targets. It presents the most recent data for the four targets. The most recent child poverty statistics available describe the situation in 2019/20, which covers the second year of the Tackling Child Poverty Delivery Plan.</p> <p>Progress in implementing the delivery plan (2018-22) is set out in section 1.</p>
<p>A progress report must in particular describe -</p>	
<p>The measures taken by the Scottish Ministers in accordance with that delivery plan.</p>	<p>Section 1 contains an update on each action committed.</p>
<p>The effect of those measures on progress towards meeting the child poverty targets.</p>	<p>Section 1 provides impact summaries, where appropriate, for actions aligned to the drivers of child poverty reduction.</p> <p>Section 2 sets out plans for evaluation in the longer term.</p>
<p>The effect of those measures on reducing the number of children living in single-parent households against each of the four targets.</p>	<p>Section 2 presents the most recent child poverty statistics for the six priority families identified in ‘Every Child, Every Chance’ – including children living in single parent households.</p> <p>Section 3 sets out which of the actions in the Delivery Plan are intended to benefit these children.</p>

<p>The effect of those measures on children living in households whose income is adversely affected, or whose expenditure is increased, because a member of the household has one or more protected characteristics.</p>	<p>Section 2 presents the most recent child poverty statistics for the six priority families identified in ‘Every Child, Every Chance’ – including children living in families that include a disabled adult or child, minority ethnic families, families with a child under one year old, and families where the mother is under 25 years of age.</p> <p>Section 3 sets out which of the actions in the Delivery Plan are intended to benefit these children.</p>
<p>If, in preparing a progress report -</p>	
<p>Scottish Ministers consider that the measures taken in accordance with the relevant delivery plan have not delivered sufficient progress towards meeting the child poverty targets, the progress report must describe how the Scottish Ministers propose to ensure sufficient progress is delivered in the future.</p>	<p>The single-year statistics published in March 2021 cover the period 2019/20 and show that further progress is required. Section 1 sets out further commitments, including to doubling the value of the Scottish Child Payment. Further action will be set out in the next Tackling Child Poverty Delivery Plan, to be published by 31 March 2022.</p>
<p>In preparing a progress report, the Scottish Ministers must —</p>	
<p>Consult the Commission on;</p> <ul style="list-style-type: none"> • the progress made during the reporting year towards meeting the child poverty targets, • whether it appears to the Commission that such progress is sufficient to meet the child poverty targets, • what further progress the Commission considers is required to meet the child poverty targets. <p>And, include any comments or recommendations made by the Commission on the matters mentioned above.</p>	<p>In line with the process agreed with the Poverty and Inequality Commission, Scottish Ministers wrote to the Commission on 8 April 2021 inviting scrutiny and providing detail inclusive of: key progress delivered over the reporting period; an update on delays to key actions as a result of COVID, and; a summary of key actions to mitigate the impacts of COVID-19 which are of relevance to our child poverty ambitions.</p> <p>The response received from the Commission is reflected below.</p>

Responding to the advice and comments of the Poverty and Inequality Commission:

<p>In relation to the progress made during the reporting year towards meeting the child poverty targets:</p>	
<p>The report of the Commission notes:</p> <p>“The latest child poverty statistics show that child poverty levels are at best stagnating, and may be starting to rise. These statistics refer to the period before COVID-19. We have not yet seen the full impact of the pandemic on poverty and inequality, and it is clear that families on low incomes are likely to have been hit the hardest. This will make reaching the child poverty targets even more challenging.</p> <p>Over the last year much of the focus has been on trying to prevent families on low incomes from being swept more deeply into poverty by the pandemic. The Commission welcomes the action that the Scottish Government has taken to mitigate the impacts of the pandemic; this has provided a lifeline for many families. Overall, however, the pandemic has led to delays in delivery of many of the actions set out in the Tackling Child Poverty Delivery Plan.”</p>	<p>As reflected in Section 1, whilst delays to a number of key programmes have been necessary as a result of the COVID-19 pandemic, Scottish Ministers have also brought forward a number of new supports for families. These include the launch of Connecting Scotland, to tackle the digital divide, providing Free School Meals, alternate provision during school holidays, promoting a cash-first approach, and introducing new COVID Hardship Payments which have benefited around 145,000 children and young people.</p> <p>As set out in Section 1, where programmes have been delayed, we are committed to regaining the ground lost and going further.</p>
<p>In relation to whether it appears to the Commission that such progress is sufficient to meet the child poverty targets:</p>	
<p>The report of the Commission notes:</p> <p>“The Commission’s view is that, based on current progress, the Scottish Government will miss the child poverty targets by a long way. The action being taken by the Scottish Government is not on a scale that is sufficient to meet the interim or final targets.”</p>	<p>‘<i>Every Child, Every Chance</i>’ has laid the foundations for significant change, including the development and launch of the new Scottish Child Payment and Parental Employability Support Fund. We remain firmly committed to tackling and reducing child poverty in line with the ambitious targets set within the Child Poverty (Scotland) Act 2017.</p> <p>Further action, to deliver at the pace and scale required, will be set out within the next Tackling Child Poverty Delivery Plan to be published by the end of March 2022.</p>

<p>In relation to what further progress the Commission considers is required to meet the child poverty targets:</p>	
<p>“The targets can be met, but the Scottish Government must deliver action at a much greater scale and pace, and with significantly higher levels of investment, if it is to meet them. It must act now. The response to the pandemic has shown that when there is a sense of urgency and all partners work together it is possible to take significant action to support families and to do so quickly. Action can be taken that was previously seen as too difficult. This same sense of urgency and partnership needs to be applied to eradicating child poverty.”</p>	<p>We agree with the Commission that further action is needed to deliver at the pace and scale required to tackle child poverty.</p> <p>We will work with the Commission in development of our next Tackling Child Poverty Delivery Plan, to be published by the end of March 2022.</p>
<p>The Commission provided twelve recommendations in relation to further progress required to meet the child poverty targets:</p>	
<p>1. The Scottish Government must deliver action at a much greater scale and pace, and with significantly higher levels of investment, in order to meet the child poverty targets. This requires it to use all the levers available to it, including further action on social security, employment and housing.</p>	<p>We remain firmly committed to tackling and reducing child poverty and have already announced plans to double the Scottish Child Payment to £20 by the end of the Parliamentary term, to invest at least a further £15 in our Parental Employability Support Fund across 2022-24 and set out ambitious plans to deliver 100,000 more affordable homes by 2031/32 through our Housing to 2040 strategy.</p> <p>The government will set out further action to deliver progress toward the targets within the next Tackling Child Poverty Delivery Plan, to be published by the end of March 2022.</p>
<p>2. The Scottish Government should continue to make the case to the UK Government to make the uplift to Universal Credit permanent and to extend this to relevant legacy benefits, and should make the case for single parents under 25 to receive the same rate of Universal Credit standard allowance as older parents.</p>	<p>We have written to the UK Government 7 times making strong representation that they retain the £20 uplift and have written to them prior to this on a number of occasions requesting they make key changes to reserved benefits, including abolishing the two child limit, benefit cap and 5-week wait under Universal Credit (UC).</p>

	<p>We will make further representation on these issues and will further note the unfair treatment of young parents who receive less through the UC standard allowance.</p>
<p>3. The Scottish Government needs to apply the same sense of urgency, pace, and commitment to investment and partnership, to eradicating child poverty, that it has shown in responding to COVID-19.</p>	<p>As above, we agree with the Commission that further action is required to deliver at the pace and scale required to tackle child poverty.</p> <p>We will work with the Commission in development of our next Tackling Child Poverty Delivery Plan, to be published by the end of March 2022.</p>
<p>4. The Scottish Government should commit to making holiday payments, equivalent to free school meals, on a permanent basis.</p>	<p>Through the 2021/22 Scottish Budget we have provided additional funding to local authorities to continue the provision of Free School Meal alternate approaches during holiday periods, this could include the provision of direct payments, vouchers or food parcels. Ministers will be considering future approaches for free school meal delivery during school holidays with local authority partners during 2021/22.</p>
<p>5. The Scottish Government should develop an integrated childcare offer from 0-12 years, which includes 50 hours per week of funded early learning and childcare for children between the age of 6 months and 5 years, and a funded or subsidised out of school care entitlement. This should include provision that meets the needs of disabled children. In the short term more action should be taken to ensure that the existing funded hours can be flexible to meeting parents needs and to change rules that prevent the funding from being used for early learning and childcare in a disabled child's home.</p>	<p>Section 1B sets out our approach to Early Learning and Childcare and out of school childcare.</p> <p>The government will set out further action to deliver progress toward the targets within the next Tackling Child Poverty Delivery Plan, to be published by the end of March 2022.</p>

<p>6. The Scottish Government must ensure that actions are more clearly linked to targets and that it is clear what the impact of the action is expected to be. There should be a culture of continuous learning and improvement where policy makers (not just analysts) consistently demonstrate how evaluation and learning are integral to their on-going decision-making and delivery.</p>	<p>Section 1 provides impact summaries for actions relevant to the drivers of child poverty reduction and highlights evaluation and user feedback. This is integral to policy design and ongoing improvement.</p>
<p>7. The Scottish Government should provide a significant increase in funding for the Parental Employment Support Fund and an equivalent to the 'Youth Guarantee', offering a guarantee of work, funded training or education, for parents from priority families engaging with programmes supported by the Fund, if they have not got a job after engaging with the programme for an agreed period.</p>	<p>We have continued to increase investment in our Parental Employability Support Fund, with over £23 million to be invested since 2019.</p> <p>In development of our next Tackling Child Poverty Delivery Plan we will consider what further steps are needed to support parents to enter and progress within employment.</p>
<p>8. The Scottish Government, and the wider public sector, should attach Fair Work criteria to all grants, contracts and funding as standard, and continue to champion good jobs in the recovery.</p>	<p>Section 1A sets out our approach to Fair Work First and promotion of good jobs</p>
<p>9. The Scottish Government should increase the Scottish Child Payment to £20 per week this year.</p>	<p>The Scottish Government will double the payment to £20 per week by the end of this Parliament and will set out plans to do so in due course.</p>
<p>10. The Scottish Government should look at what impact a £20 per week Scottish Child Payment will have and make a realistic assessment of what further action is needed in order to reach the interim child poverty targets, including whether further increases to the Scottish Child Payment will be needed.</p>	<p>As part of our approach to developing the next Delivery Plan we will consider the cumulative impact of measures announced to date and what further action is needed to deliver the reductions necessary.</p> <p>We will look at all levers available to the Scottish Government to deliver reductions in child poverty levels, including through the Scottish Child Payment.</p> <p>We have also committed to reviewing the effectiveness of the Scottish Child Payment during the course of the next Delivery Plan.</p>

	<p>This is part of our continued ongoing review of the Payment's effectiveness, including via an evaluation that will consider its impact on families.</p>
<p>11. The Scottish Government should take action to implement recommendations from the Social Renewal Advisory Board, and particularly those set out [in the Commission's advice], in order to reduce child poverty. Where action will take some time to be implemented, the Scottish Government should look at what can be delivered in the interim.</p>	<p>The Scottish Government set out its initial response to the Social Renewal Advisory Board in March 2021⁶⁰, committing £25 million of additional resource to drive forward action, including in relation to fuel poverty.</p> <p>We will continue to consider the calls to action from the Social Renewal Advisory Board to inform our approach to tackling child poverty.</p>
<p>12. The Scottish Government should involve people with lived experience of poverty in developing solutions and actions and shaping delivery. This will help ensure that policies and actions are better designed and respond to the reality of people's lives.</p>	<p>The Scottish Government recognise and welcome the benefits of involving people with lived experience of poverty in developing policies.</p> <p>This is clearly demonstrated through key policies, including Fair Start Scotland, our Parental Employability Support Fund and approach to devolved social security.</p> <p>Further we are encouraging this approach with wider partners, including through our continued support of the Poverty Truth Community and Poverty Alliance - as reflected in section E.</p>

⁶⁰ [Social Renewal Advisory Board: our response](#) - Scottish Government, March 2021



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St Andrew's House
Edinburgh
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ISBN: 978-1-80201-078-7 (web only)

Published by The Scottish Government, June 2021

Produced for The Scottish Government by APS Group Scotland, 21 Tennant Street, Edinburgh EH6 5NA
PPDAS867726 (06/21)

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