



Best Start, Bright Futures

Tackling Child Poverty
Delivery Plan: progress
report 2022-2023



Scottish Government
Riaghaltas na h-Alba

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Ministerial foreword

Cabinet Secretary for Social Justice

Shirley-Anne Somerville



Tackling poverty and protecting people from harm is one of three critical and interdependent missions for the Scottish Government – alongside our focus on the economy and strengthening and delivering effective public services. We remain committed to driving forward the action needed to substantially reduce levels of child poverty in Scotland at the pace and scale required to meet the statutory targets.

As our second Tackling Child Poverty Delivery Plan, 'Best Start, Bright Futures', was being published in March 2022, the first signs of the cost of living crisis were emerging. Across 2022-23 we have faced some of the most challenging economic conditions in living memory. The soaring cost of essentials, including energy and food, has impacted on all households across the country, with a severe and disproportionate impact on those on the lowest incomes. Whilst, at the same time, recovery from COVID-19, Russia's illegal invasion of Ukraine and continual increasing costs due to the UK Government's decisions, including the £100 billion cost to the UK economy of Brexit and the ongoing impact of a decade of UK Government austerity has placed ever greater pressure on household budgets and public service finances.

Despite these most challenging of circumstances, the Scottish Government has continued to deliver on actions which have provided immediate and meaningful support to low income households and, in particular, the six priority family types that we know are more likely to experience child poverty.

This progress report highlights that 40 of the 101 actions set out in 'Best Start, Bright Futures' are complete or delivery is ongoing. We estimate that £3 billion was invested across a range of programmes targeted at low income households, with £1.25 billion directly benefitting children.

For low income families this includes delivering the planned expansion and further increase in the value of our Scottish Child Payment in what anti-poverty campaigners described as a 'water-shed moment for tackling child poverty in Scotland'. In 2022 we increased the Scottish Child Payment by 150% from £10 per week per eligible child to £25 and extended it to under 16s. In the year ahead, around 370,000 Scottish children will be eligible for this Scottish Government benefit which is unique to Scotland, with the payment estimated to lift 50,000 children out of relative poverty.

We have also raised the incomes of thousands of families hardest hit by UK Government welfare changes and cuts, working with local authorities we invested around £84 million in Discretionary Housing Payments to support people with housing costs and mitigate the UK Government's bedroom tax, this included £2.6 million to mitigate the UK Government's Benefit Cap as fully as is possible within the scope of devolved powers. We also introduced legislation to freeze rents in the private and social rented sector and increase protections for tenants in response to the cost of living crisis.

Over the past year we have also strengthened the protections for the lowest income households in the face of the cost of living crisis, allocating almost £3 billion to support policies which tackle poverty and protect people as far as possible.

This includes taking decisive action to double investment in our Fuel Insecurity Fund to £20 million in 2022-23 and tripling investment to £30 million this year. We doubled the final December Bridging Payment made to low income families with school age children to £260 per child meaning that ahead of the extension of Scottish Child Payment our bridging payments provided almost £170 million in direct financial support over two years to families.

In large part due to the actions we have taken to date, together with those we will continue to take forward under ‘Best Start, Bright Futures’, based on current projections we anticipate both levels of relative and absolute poverty being around 9 percentage points lower than they would have been by 2023-24 in the absence of Scottish Government policies.

We recognise that transformational change is needed to meet our statutory child poverty targets. We have taken key steps necessary to deliver this change, including making the first Whole Family Wellbeing Funding investment, working with Children’s Services Planning Partnerships to support earlier intervention with families, ensuring families get access to the right support at the right time, moving towards prevention and reducing the need for crisis intervention. We are further investing in systems transformation by commencing work on new pathfinder approaches focused on delivering whole system change, bringing services together to provide more holistic support and build more trusting relationships between services and those who need them most.

Whilst we have made significant progress in a number of areas, challenging economic conditions have meant that it has not been possible to commence delivery of other key actions at the scale we had originally envisaged. This includes making the difficult decision to reallocate the additional in-year investment planned for employability services in order to enable the government to respond to the cost of living crisis in the immediate term.

The Scottish Budget for 2023-24 rightly continues to prioritise child poverty and will continue to see the lowest income households paying less tax than anywhere else in the UK. Due to the progressive Scottish Income Tax policy choices we have made, an additional £0.5 billion will be raised for our public services this year.

Whilst child poverty levels in Scotland are consistently below that of the UK as a whole, we fully recognise that tough choices will need to be made about existing budgets in order to drive the progress needed. We will not shy away from the hard choices and decisions that will be needed to reduce poverty. We know that after the past year of soaring costs of living and reducing budgets, this will be all the harder, and all the more necessary.

In the year ahead we will make further progress with implementing ‘Best Start, Bright Futures’. And we will continue to focus on how we strengthen our partnerships across the public, private and third sectors, including through our new deals for local government and business, in order to maximise our collective impacts on child poverty.

At the First Minister's Anti-Poverty Summit, convened in May 2023, our stakeholders, partners and those with lived experience reinforced that the approach we are taking through 'Best Start, Bright Futures' is the right one and that we must continue to deliver with the urgency, pace and scale required. Tackling child poverty is a national mission, and it will take all of us, working together across society, to make the change needed.

Over the coming year we will continue to focus on long term prevention of child poverty as well as mitigating the impacts of the ongoing cost of living crisis. We will retain a sharp focus on emergent challenges, whilst retaining a focus on delivery. Working together with our key partners, we will drive forward the action needed at a scale and pace that provides support to those who need it most and takes the action needed to reach our child poverty targets.

Only with the full economic and fiscal powers of an independent nation can we use all of the levers required to truly eradicate inequality and poverty. However, in the meantime, we will continue to use our fixed budget and all the powers we have to substantially reduce child poverty in Scotland and to protect families as far as possible from the harm inflicted by UK Government policies and the ongoing cost of living crisis.



Shirley-Anne Somerville
Cabinet Secretary for Social Justice

Executive Summary

This progress report captures the range of activity taken forward in 2022-23 by the Scottish Government, reflecting the initial implementation of actions set out in 'Best Start, Bright Futures', the Tackling Child Poverty Delivery Plan for the period 2022-26.

Over the past year the cost of living crisis, combined with soaring inflation and spiralling energy bills, have had a major negative impact on households across the country and placed significantly increased pressure on household budgets as well as the finances of public services and the Scottish Government budget.

In the face of these challenges we have made difficult decisions and political choices in order to strengthen the immediate support available to the people and families who need it most. Whilst key progress has been delivered, these challenging circumstances have necessitated the delayed implementation of some commitments made when we published the Plan in March 2022.

Key steps delivered in 2022-23 to provide immediate support to families impacted by the cost of living crisis and to drive forward progress toward the ambitious targets set by the Child Poverty (Scotland) Act 2017 include:

- Doubling the value of the **Scottish Child Payment** to £20 per week from 1 April 2022 and further increasing the value of the payment to £25 per week from 14 November at the same time as expanding the payment to all eligible children under 16. By the end of March 2023, 303,000 children were in receipt of the Payment and £190 million had been paid to families in 2022-23.
- Continuing delivery of **Bridging Payments** for school age children from low-income households and doubling the final payment in December 2022 to £260 per child in recognition of the significant pressure facing families – awarding over £92 million to low-income families in 2022.
- Working with our local authority partners in order to **mitigate the UK Government Benefit Cap** as fully as possible within devolved powers, making available an additional £2.6 million from 1 January 2023, expected to help up to 4,000 families, many of them lone parent households, with around 14,000 children, as part of around £84 million invested in Discretionary Housing Payments to support people with housing costs and to maintain tenancies.
- Introducing **emergency legislation to protect tenants**, putting in place a temporary cap on in-tenancy rent increases, initially set at 0%, and a moratorium on evictions until 31 March 2023.
- Delivering a **£150 payment to all households in receipt of Council Tax Reduction and those in Council Tax Bands A-D**, providing relief worth over £273 million to an estimated 1.85 million households.
- **Increasing the value of eight Scottish Government benefits by 6%** from 1 April 2022, including all three Best Start Grants - almost double the planned rate.
- Delivering our new **Winter Heating Payment**, replacing the Department for Work and Pension's (DWP) Cold Weather Payment, providing a stable, reliable annual payment of £50 which supported 394,135 low-income households in winter 2022-23 with a total investment of £19.7 million.

- Doubling investment in our **Fuel Insecurity Fund** to £20 million, helping tens of thousands of people to meet their energy costs.
- Investing in **Welfare Advice and Health Partnerships**, placing advice workers in 180 GP surgeries in Scotland's most deprived areas, 30 of which were in remote and island GP surgeries.
- Beginning the early phasing-in of **community-level systems of school age childcare** targeted to support families from low-income households.
- Successfully completing the pilot phase of 9 projects focused on supporting access to **free bikes for children** whose families cannot afford them.

Alongside these immediate actions, we have also taken positive steps to develop areas of future support, in particular:

- Continuing to implement **Whole Family Wellbeing Funding** backed by initial investment of £32 million, driving whole system change to deliver a long term shift towards earlier, preventative intervention and ensuring families get the support they need before they reach crisis point.
 - Commencing work on a **new phased approach to whole system change** in Dundee and Glasgow, bringing together partners and services to deliver more holistic support, use resources more efficiently and build people's trust that public services will deliver the support they need.
 - Setting out the action we will take to meet our aim for Scotland to be a leading Fair Work Nation by 2025 with the publication of our new **Anti-Racist Employment Strategy and refreshed Fair Work Action Plan**.
 - Publishing our **Strategic early learning and school age childcare plan for Scotland**, setting out our approach to expanding our childcare offer over the rest of this Parliament.
- In the coming year we will continue to focus on strengthening the support available to families in order to mitigate the ongoing cost of living crisis and to break the cycle of child poverty in Scotland. Particular areas of focus in 2023-24 include:
- Tripling the **Fuel Insecurity Fund** to £30 million, in order to extend immediate crisis funding to those households most in need, as well as building in a more sustainable and holistic approach towards tackling fuel poverty.
 - **Up-rating all devolved benefits** in April 2023 by the September rate of the CPI (10.1%) at a cost of around £430 million, except for Scottish Child Payment (SCP), which was uprated early.
 - Changing regulations to remove income thresholds from **Best Start Foods**, increasing eligibility to an additional 20,000 pregnant mums and children under three from February 2024.
 - Rolling out **Carer Support Payment** in pilot areas by the end of 2023, with full national introduction in Spring 2024.

- Investing a further £15 million to continue to design an all-year-round system of school age childcare, and a further £4.5 million of capital funding to help local authorities provide **school age childcare** and holiday clubs, targeted to help those from low-income households.
- We will continue to implement **Whole Family Wellbeing Funding**, including establishing a national learning into action network and working with a smaller number of Children's Services Planning Partnerships to provide intensive support to drive whole system change.
- Delivering the actions set out in the refreshed **Fair Work Action Plan** and publishing an evidence plan in late 2023 along with an accompanying measurement framework to monitor the fair work context and progress we are making over time.
- Working with business leaders to agree a set of actions that business can take to support the transition to a wellbeing economy within the frame of the **New Deal for Business**.
- Building on emerging evidence to support targeted scale up and sharing of learning around **place based transformation**.

Introduction

This is the first annual report for ‘Best Start, Bright Futures’, the Scottish Government’s second Tackling Child Poverty Delivery Plan for the period 2022-26. Across the reporting period of April 2022 to March 2023, the UK has faced the worst cost of living crisis in living memory, with increases in the price of essentials including food and energy disproportionately impacting on those living on the lowest incomes, and soaring inflation placing ever greater pressure on public finances.

The Scottish Government acted decisively through the [Emergency Budget Review](#) to enhance the immediate support available for people and businesses impacted by the cost crisis and to rebalance the Scottish Budget - which was estimated to be worth £1.7 billion less in November 2022 than when it was introduced to Parliament in December 2021.

These challenging circumstances have meant that it has not been possible to deliver the levels of investment in key measures anticipated when ‘Best Start, Bright Futures’ was published in March 2022. However, as reinforced at the First Minister’s Anti-Poverty Summit in May 2023, there is broad support for the approach set out and for the continued need to focus on both those actions which provide immediate support to families and those which will deliver positive impact in the medium to longer term.

The way that actions are delivered are key to the Plan’s success. Therefore, in 2022-23 we have taken a new approach to delivery. We established robust governance arrangements to oversee implementation of the Plan, including the creation of a new Tackling Child Poverty Programme Board. The approach we have taken is one of the first transformational change programme of this size in the Scottish Government, driving collective leadership, collaboration and accountability for improving the lives of children and families most affected by poverty.

Following the first year of this governance approach, we undertook a review of the Tackling Child Poverty Programme Board to assess its impact and to understand what lessons could be taken into year two of the Plan. Findings from the review suggest that the Board has improved cross-government accountability and ownership of actions in the Plan, with the Board implementing recommendations to further strengthen governance in the year ahead in order to support greater cross government working to deliver on commitments at the pace and scale required.

As we take forward actions in the next year, we will give consideration to the recommendations made by the Minimum Income Guarantee Expert Group in their interim report – including in areas such as support for childcare costs, automating benefit entitlement and promoting fair work practices – and look forward to receiving their full report in 2024.

It is important to note that ‘Best Start, Bright Futures’ was published alongside our [Keeping The Promise Implementation Plan](#), which sets out the actions and commitments that will be taken across government as part of our commitment to Keeping The Promise by 2030. There is a clear relationship between poverty and the care system, and The Promise tells us that it is impossible to review Scotland’s care system without properly considering the pervasive impact of poverty. The stabilisation of family circumstances through effective whole family support is providing a platform for income maximisation and employability within families that are receiving it, and evidence from The Promise tells us that meeting our child poverty targets is likely to help us keep more children at home and keep The Promise.

As set out in the [Medium Term Financial Strategy](#), the Scottish Government will prioritise the programmes which have the greatest impact on delivery of the three missions set out in our [policy prospectus](#). Tough choices and

targeting will be needed to ensure we reduce levels of child poverty.

The first section of this report details key progress in implementing the actions set out in ‘Best Start, Bright Futures’ and additional action taken during the reporting year to strengthen protections in response to the cost of living crisis.

Updates are set out under the thematic areas of focus for the first year of our new programme approach to delivery, with a focus on the impact of actions and key developments over the reporting period. In this section we also respond to observations made by the Poverty and Inequality Commission in relation to specific policies, and detail how we will work to address these through our next steps.

Brief updates on actions committed within the Plan which have not been incorporated within this section can be found within the ‘at a glance’ table later in this report.

Section two of this report sets out our latest assessment of progress toward the targets set in statute by the Child Poverty (Scotland) Act 2017, including for each of the six priority family types¹ identified in ‘Best Start, Bright Futures’, and considers trends in the drivers of child poverty reductions.

This section includes the first data (2021-22) reflective of the impact of the COVID-19 pandemic on levels of child poverty in Scotland. Whilst the most recent single year data shows a slight drop in relative and absolute poverty, alongside low income and material deprivation, longer term data shows that levels of poverty are broadly stable. In relation to persistent poverty, data shows a slow upward trend.

However it is important to note that these levels do not yet capture the impact of the expansion and increase in value of the Scottish Child Payment, alongside other measures implemented in 2022-23.

The full impact of the ongoing cost of living crisis is not yet known. However, available evidence shows that low income households are entering this crisis with less resources and tools at their disposal. Increasing income through paid employment is an important tool. However, there remain challenges for many to increase the amount they work. Importantly, many people struggle to find work that matches their skills, which may pay better. In addition, for many families, the real value of benefits is sharply eroded by high inflation.

Whilst economic modelling cannot precisely account for what may happen, particularly in the context of the cost of living crisis, inflation rises and ongoing international instability, we anticipate on the basis of current information that around 90,000 fewer children are expected to live in relative and absolute poverty as a result of Scottish Government policies, with around 19% of children projected to live in relative poverty, and around 16% of children projected to live in absolute poverty in 2023-24. However, as the economic situation evolves and the actual impact of our policies becomes clearer, this Government will continue to consider further actions required over the lifetime of the Plan to achieve our statutory targets, to support families, and break the cycle of child poverty.

¹ Priority family types include: Lone parent Families, the large majority of which are headed by women; Families which include a disabled adult or child; Families with three or more children; Minority ethnic families; Families with a child under one year old; Families where the mother is under 25 years of age.

The third section of this report includes a series of ‘at a glance summaries’ providing quick reference to key information regarding progress and action in relation to child poverty.

This includes: an overview of progress on each action committed in ‘Best Start, Bright Futures’; a short progress update on actions not included within the main body of this report; detail of investment through our Tackling Child Poverty Fund; the latest estimates of spend targeted toward low income households and children; and details of how this report meets the requirements of the Child Poverty (Scotland) Act 2017, including the Scottish Government’s response to the recommendations of the Poverty and Inequality Commission.

As in previous years, this report is accompanied by a series of annexes with further technical information.

At [Annex A](#) we provide updated data and trends in relation to each of the 26 indicators included within our updated [Child Poverty Measurement Framework](#). This annex is discussed in the second section of this report.

[Annex B](#) provides an update of the Cumulative Impact Assessment. This presents updated modelling of the projected relative and absolute poverty rates in Scotland.

[Annex C](#) sets out our approach to reporting evidence by each of the six priority family types identified, and sets out how best to utilise the priority family concept to inform development and delivery of effective policy.

We will also shortly publish an additional annex detailing an evidence review in relation to the impact of the cost of living crisis for families living in poverty.

Reporting on Progress 2022-23

Within this section we report progress on actions under nine thematic areas, which align with our new approach to programme delivery and our underpinning governance to deliver Scotland's offer to families, set out within 'Best Start, Bright Futures'. Updates focus on:

- A. Strengthening our employment offer to parents
- B. Transforming our economy
- C. Improving access and the availability of childcare
- D. Enhancing access to and the affordability of public transport
- E. Person centred support
- F. Enhancing support through Social Security
- G. Ensuring access to warm, affordable homes
- H. Maximising income
- I. Place based transformation

Brief summary updates on actions which are not included in these thematic areas are included in the 'at a glance summaries' section later in this report.

A. Supporting parents to increase their earned incomes



Despite the impact of the cost of living crisis, including the need to reprioritise limited budgets to support those most affected, we protected our core investment to continue delivery of employability support through No One Left Behind and Fair Start Scotland across 2022-23. We continue to see the number of parents accessing support under the No One Left Behind approach increase year on year, and we have extended new referrals to Fair Start Scotland until the end of March 2024, ensuring that we continue to provide employability support to disabled people and those at risk of long-term unemployment across 2023-24.

Impact summary

- 1,874 parents started to receive support through No One Left Behind services between April and September 2022. Available data shows that between April 2020 and September 2022, 1,304 parents accessing support have entered employment and 400 have entered education or training.
- Between April and December 2022, 2,356 parents started to receive support through Fair Start Scotland. 553 job starts were recorded for parents over this period – including 179 for lone parents, 74 for minority ethnic parents and 113 for parents with three or more children.
- 858 women were supported with their route back to work in 2022-23 through the Women Returner's Programme, with 185 progressing into a job, 20 entering self-employment and 33 choosing to build further skills and experience through volunteering.
- 339 employers signed up to the Young Person's Guarantee in 2022-23 providing a total of 12,685 new opportunities this year alone. This brings the total number of employers to over 830 who have provided more than 22,000 additional opportunities for young people aged between 16-24 since November 2020.

Summary of action undertaken in 2022-23

The Scottish Government made almost £83 million of funding available in 2022-23 to support delivery of key employability commitments through our **No One Left Behind approach** (including **Parental Employment Support** and elements of the **Young Person's Guarantee**), and **Fair Start Scotland**. Work has continued with our partners to prepare to scale support for parents across the life of 'Best Start, Bright Futures', and improvements have been made to data collection and reporting processes to ensure a more accurate understanding of the reach and impact of our support for parents.

In 2023-24, we will make over £108 million available for employability support, enabling additional capacity in services for parents who are both out of work and in low-income employment. In recognition of the challenging budgetary context, we have also been working to consolidate wider commitments into our core employability offer. Our desire to drive innovation and improvement, which led to commitments such as the **Challenge Fund** and **Every Contact Counts pledge** has not reduced, and this will now be explored through the wider transformation of the employability system being taken forward through the No One Left Behind approach. This will allow us to continue to prioritise spending on delivery of core, front line services that people rely on, whilst retaining a focus on urgency and scale as set out in the Poverty and Inequality Commission recommendations.

To tackle the financial insecurity parents face when entering employment, we reviewed existing evidence and support available, and engaged with stakeholders to identify what further support a **Parental Transition Fund** could deliver. This engagement highlighted up-front childcare costs for parents in receipt of Universal Credit (UC) as a key barrier to starting work, alongside the need for wider holistic support and action to increase awareness of existing measures. Following exploration of what further support it is possible to deliver within devolved competence, Scottish Ministers wrote to the UK Government in relation to help with upfront childcare costs in early 2023 – with the UK Government announcing the intention to provide support with upfront childcare costs in UC as part of the Spring Statement.

To promote uptake of existing support, we launched the **Parental Employability and Financial Support marketing campaign** in February 2023 and published information on both [ParentClub](#) and [mygov.scot](#) to help people find and access the range of support available to them through local authorities, the Scottish Government, UK Government, and other partners including Scotrail. The campaign was targeted at low income parents. Evaluation found it was delivered to 94% of low income parents, and was remembered by 74% of this target audience, with 25,597 unique visitors following campaign adverts to the dedicated [Money & Work](#) campaign pages.

In partnership with our delivery agents, Skills Development Scotland, we continued delivery of the **Women Returner's Programme**, providing training, skills and peer support to women at a time and pace that best suited their needs. The programme closed on 31 March 2023 having allowed us to fulfil our 2019 Programme for Government commitment to support 2,000 women with their transition back to work. Learning from this programme will inform our wider approach to Scottish Government employability services, which will provide tailored support in future years.

Through our partnership with health boards we provided over 780 funded placements and apprenticeships over the course of 2022-23, including the **Prince's Trust programmes and the NHS Demonstrator Project**.

These benefitted a wide range of groups, including young people at risk of long-term unemployment, care leavers, and lone parents over the age of 25.

We also began progressing our commitments to support adults to develop their skills, including publishing the [Adult Learning Strategy for Scotland \(2022-27\)](#) on 10 May 2022, setting out our actions to increase accredited learning and connect community-based adult learners with employability services to help increase incomes. To guide future action, we undertook and published evaluations of both [Individual Training Accounts](#) and the [Flexible Workforce Development Fund](#), and commissioned an [Independent Review of the Skills Delivery Landscape](#) which was published on 7 June.

Priorities for 2023-24

- Together with our local authority partners we will scale delivery of employability support for parents through No One Left Behind, making available over £108 million for the delivery of employability support in 2023-2024.
- We will continue to work with partners to deliver on the ambition of the Parental Transition Fund and strengthen the support available to parents – this will include working closely with the UK Government to support implementation of changes to upfront childcare costs in UC across Scotland.
- We will continue to build the infrastructure and relationships between employability and NHS boards to ensure wrap around support for service users, and support more parents into employment within the NHS across Scotland.
- We will develop our lifetime skills offer, integrating this work within wider reforms across the post-school education and skills landscape, ensuring that child poverty remains central to its development.

B. Transforming our economy



Following publication of the National Strategy for Economic Transformation (NSET), the Scottish Government published delivery plans in October 2022 setting out how we would work together with partners, as 'Team Scotland', to deliver the actions needed to transform the Scottish economy, including action focused on driving forward a culture of delivery, tackling poverty through fair pay and conditions, and eradicating structural barriers to participation in the labour market. The policy prospectus reiterated the Scottish Government's commitment to delivering NSET, with a sharp focus on the policies and actions with the greatest potential to grow and transform Scotland's economy.

Impact Summary

- In 2022-23 over 9,000 workers have been uplifted to payment of, at least, the real Living Wage due to employer accreditation.
- 91% of all employees aged 18 and over earned at least the real Living Wage in 2022 in Scotland, an increase from 85.5% in 2021.
- The Scottish Government has attached Fair Work First criteria to some £4 billion of public funding since 2019. This includes criteria to create more diverse and inclusive workplaces.
- Our approach to Public Sector Pay has resulted in Scottish public sector workers receiving between 4% and 6% higher salaries on average over the last 3 financial years.
- The proportion of women (employees aged 18+) earning the real Living Wage or more has increased from 83.9% in 2021 to 89.7% in 2022.
- The Gender Pay Gap for full-time employees is continuing the longer-term downward trend seen prior to the COVID-19 pandemic – reducing to 3.7% in 2022 compared to 7.2% in 2019.
- The Disability Employment Gap was 31.2 percentage points (p.p.) in 2021, the lowest since we set our baseline in 2016, and we are on course to meet the target of halving it to 18.7 p.p. by 2038.

Summary of action undertaken in 2022-23

In line with our focus on improving pay and working conditions through public sector investment, the Scottish Government announced on 6 December 2022 that organisations applying for public sector grants will need to pay at least the real Living Wage and provide channels for staff to have a say in the workplace from July 2023. We published updated [Fair Work First guidance](#) to support the adoption of this new requirement on 24 March 2023, further extending the reach of **fair work conditionality** which we have already applied to some £4 billion of public funds since 2019.

Building on action taken in previous years, we continued to fund the Living Wage Scotland Team (Poverty Alliance) to deliver **Living Wage and Living Hours Accreditation** in Scotland – reaching the milestone of over 3,000 living wage employers in Scotland as of 31 March 2023. We have also increased the number of Living Hours accredited employers in Scotland to 20, helping to drive improvements in pay and conditions for employees across Scotland.

Leading by example, we committed over £700 million through the Emergency Budget Review to fund enhanced pay settlements for public sector employees, and published our new [Public Sector Pay Strategy](#) on 22 March 2023, continuing our policy of no compulsory redundancies and promoting our progressive approach to pay by including cash uplifts for those on low incomes.

To tackle structural inequalities in the workplace, we continued to invest in the **Workplace Equality Fund**, funding 13 projects which supported employers in a range of sectors including social care, construction, legal, IT and financial services. The focus of projects included action to address employment barriers for priority family types, including women, disabled people, the over 50s, including women experiencing the menopause, and racialised minorities.

We also set out the action we will take to meet our aim for Scotland to be a leading Fair Work Nation by 2025 with the publication of our new [Anti-Racist Employment Strategy](#) and refreshed [Fair Work Action Plan](#) on 9 December 2022. The **Fair Work Action Plan** incorporates actions on tackling the gender pay gap, the disability employment gap, and to drive fair work practices for all by making Fair Work the norm across all sectors of Scotland's economy.

In 2022-2023 we have continued to work across government to deliver on the commitments detailed in 'Best Start, Bright Futures', and have strengthened connections between our Tackling Child Poverty Delivery Plan and our plans for economic growth. In 2023-24 this work will be taken forward as part of the First Minister's 'New Deal for Business', with a Wellbeing Subgroup developing a shared appreciation and articulation of how business contributes to a Wellbeing Economy and the Scottish Government's Missions, and agreeing on key areas where we will actively work together in partnership with business to maximise this.

We are working with employers and trade unions in sectors where low pay and precarious work can be most prevalent to promote **sectoral fair work agreements**, concordats and charters, and collective bargaining to achieve higher standards of pay, better security of work, and greater union representation. Existing commitments to sectoral agreements are being pursued in a range of areas, including: Social Care and National Care Service; Construction including responding to the Fair Work Convention's inquiry recommendations; and through the Retail Strategy.

In recognition of the transformational potential of **Community Wealth Building** (CWB), we have taken action to support local authorities to develop CWB action plans, as part of their economic recovery plans, and supported the launch of the Community Wealth Building Guide. We launched a public consultation to inform a Community Wealth Building Bill on 31 January 2023, with the consultation closing on 9 May 2023.

Priorities for 2023-24

- From 1 July 2023, as part of our Fair Work First approach, recipients of public sector grants will be required to pay at least the real Living Wage and to provide appropriate channels for effective voice, for example, trade union recognition.
- We will deliver the actions set out in the refreshed Fair Work Action Plan and publish an evidence plan in late 2023 along with an accompanying measurement framework to monitor the fair work context and progress we are making.
- We will continue to support adoption of the Community Wealth Building approach across public sector bodies including key areas such as health, planning and housing, embracing their role as 'anchors' and the wider contribution they can make reducing poverty and inequalities, including child poverty, by taking a progressive approach to economic development.
- By Summer 2023 we will have worked with business leaders to agree a set of actions that business can take to support the transition to a wellbeing economy within the frame of the New Deal for Business. This is likely to include making work accessible through job quality, job design, flexible working and occupational health support, with a particular focus on parents and stemming the flow of people leaving the workforce prematurely due to ill-health.

Case study: No One Left Behind - Parental employment support

Amy (24), is a lone parent to two children, one who attends nursery and one in Primary school. They live in the rural community of Blairgowrie, where employment options were limited.

Amy left school at 16 and entered full time employment, whilst this provided security it did not offer any training or progression opportunities. She also struggled due to lack of confidence and no real training opportunities in the workplace, and found that her mental wellbeing had a huge impact on her overall health and ability to progress in the workplace.

After losing her job, Amy received support from Perth and Kinross Council under their Futures for Families project – delivered as part of the No One Left Behind approach. Amy worked closely with her key worker across a period of 6 months to progress toward her long-term goal of helping young people with mental health problems.

With this support, Amy successfully gained employment with a Dundee based organisation called Front Lounge, building a project called Kindred Clothing and teaching young people how to sew using a machine.



Due to Amy's family commitments, Amy needed help with travel costs to and from work. The Council was able to fund the cost of travel for the first month of employment until she received her first payslip. Amy was delighted that she would be able to begin her employment without the financial burden of fuel costs.

Amy is loving her employment. Realistically it's a juggle managing work and family life; however, her employer is delighted with her progress.

The Council will continue to support Amy through regular contact, including providing help to navigate any mental health issues and working with her employer around any training that would benefit going forward.

Case study: West Lothian College's TRUST (Trauma Responsive Unique Support Tailor-made) Project

Established with funding from the Scottish Funding Council, TRUST supports students who have experience of trauma, including poverty. The Project works to break down barriers and widen access to education.

Learners benefit from a personalised approach, and they are welcomed into a dedicated safe space, known as The Den, where they work with trained specialist staff. Once ready, they are supported into courses or assisted into employment.

As a significant proportion of students traditionally come from the lowest socio-economic backgrounds, initiatives have been put in place to provide free food, laundry facilities and personal care products for students and their families, ensuring basic needs do not become barriers to education.

“

Student: “I felt trapped before joining the project I didn't know where to go for support. The project has been very helpful when I was under pressure for food and clothes, and I couldn't believe how much support I received. I am more confident as I have been mixing with new people when I normally find it hard to open up”



The TRUST Project also engages with people in the justice system and will support young people with court appearances and whilst in custody to help them to re-engage with positive pathways once they are released.

As the TRUST has become more well known, it has been recently cited in court by judges directly. If an offender in court has engaged with the TRUST project, they could expect a possible 30 hours off a Community Payback Order. This acknowledges the work done by the TRUST to support and assist young people.

The TRUST Project is demonstrating an approach to learning that can tackle the destabilising and debilitating impact of trauma and poverty, and in doing so, support more learners and their families to go on to positive destinations.

C. Improving access and availability of childcare



The Scottish Government published [Best Start: Strategic early learning and school age childcare plan](#) in October 2022, setting out our vision for embedding the benefits of the investment in early learning and school age childcare and explaining our approach to expanding our childcare programme over the rest of this Parliament. We continue to fully fund local authorities to deliver 1140 hours of high quality funded early learning and childcare (ELC) for all three and four year olds, and have taken action to increase uptake for eligible two year olds whilst also beginning delivery of our new school age childcare programme.

Impact summary

- In September 2022, 99% of three and four year olds were estimated to be registered for funded ELC - up from 97% in 2021. This saves families around £5,000 per eligible child per year.
- There was an increase in the number of registrations for funded ELC for two year olds, from 6,474 in 2021 to 7,042 in 2022. 14% of all 2 year olds were estimated to be accessing their funded entitlement, a record high since they become eligible in 2014 and up from 13% in 2021.
- 136 families and 178 children were provided with accessible, affordable childcare before and after school in our Early Adopter Communities across Dundee, Clackmannanshire, Glasgow and Inverclyde.
- Our Access to Childcare projects (including our Ayr United Football Academy project and our childminding project with the Scottish Childminding Association, (SCMA)) provided funded school age childcare for over 850 children from low income families.
- At least 158,292 children and young people aged between 5-14 were supported with holiday childcare, food and activities through the Summer 2022 holiday programme, which supplemented existing local holiday food and activity programmes.

Summary of action undertaken in 2022-23

Funded Early Learning and Childcare (ELC)

All three and four year olds in Scotland, and those two year olds who need it most, continue to be eligible for **1140 hours of funded early learning and childcare**. This isn't dependent on the working status of their parent or carer - putting children first.

We recognise that high-quality, affordable, and accessible childcare is an important part of our national mission to tackle child poverty, and we are continuing to work with partners to **maximise uptake of the existing offer of funded ELC for all eligible two year olds**. Whilst we have seen an increase in take up we are committed to going further. This includes finalising the necessary data sharing arrangements to allow us to better identify eligible households to promote uptake.

Early findings from our [programme of evaluation research](#) suggest that the expansion to 1140 hours is supporting parents to work or look for work. Our [ELC parent survey](#), published in 2022, found that 74% of parents agreed that funded ELC had enabled them to work or look for work and 71% said they had time to think about what they may do in the future. It also showed that 97% of parents and carers who had a three to five year old child in funded ELC were satisfied with the quality of provision.

In addition to maximising uptake of our ELC offer, this year we have begun to **review eligibility across both early learning and school age childcare programmes** with the aim of developing a set of principles to guide our approach to eligibility. As part of this process, we will consider approaches for eligibility that ensure a simpler, joined up approach for families across programmes.

School Age Childcare

We know that by removing barriers to accessing affordable school age childcare, particularly for families from low-income households, we can help to tackle poverty and increase incomes by supporting parents and carers to access – and sustain – work, training and education. That is why we remain committed to **designing and delivering a system of school age childcare** that provides care before and after school, all year round, and during the holiday to supports parents, particularly parents on low incomes, to have secure and stable employment.

To ensure this works for children and their families, we are taking a person-centred and place-based approach which means that the system and the services which make up the future school age childcare offer will be co-designed with the people who use them, and the people who deliver and support them. To date this has included a **People Panel** and co-designing a **Children's Charter** to inform decision making, design and delivery of our school age childcare system.

Our policy development work is ongoing and we are continuing to test innovative models of school age childcare which are free for families most at risk of living in poverty through our Access to Childcare Fund and Early Adopting Communities projects.

In 2022-23 we awarded £1 million funding to four **early adopting communities projects** in Clackmannanshire, Dundee City, Glasgow City and Inverclyde Councils to support early delivery of person-centred and community-based school age childcare, designed to meet the needs and deliver to the six priority family types within those communities. The projects are exploring how to deliver multiple supports to families to maximise the benefit of funding

school age childcare – including employability support, family support and transport.

Early indications suggest parents accessing the school age childcare may be able to increase their employment hours or access education opportunities as a result of the services provided.

In 2022-23, eight **access to childcare fund** projects continued to receive support to explore new models of School Age Childcare. These included holiday provision, food support, flexible delivery, specialist services for children with additional support needs, and increasing access to families from the six priority family types.

We also continued to fund two projects with the SCMA and Ayr United Football Academy. The SCMA continued to receive support to develop their, Access 2 Childminding, model, which supported childminders to deliver school age childcare for families on low incomes and supported parents and carers to transition towards employment. Ayr United Football Academy continued to receive support to run an after school and holiday sports club during the Summer, October and Easter holidays for children at four local schools in the most deprived part of South Ayrshire.

Building on the success of the 2021 ‘Get Into Summer’ programme, **we invested £10 million into a targeted holiday programme** delivered during the 2022 school summer holidays targeted at children and young people from low-income families, particularly the six priority family types. Working in partnership with local authorities, this funding provided holiday childcare, food and activities to those children who would benefit most.

The [evaluation report](#) confirms that the funding enabled local authorities and their partner organisations to improve summer provision for children and young people by enhancing existing provision, increasing the

reach of existing activities to the target groups and adding new activities to their summer provision. The programme supported families with balancing the costs and challenges associated with the summer holidays and offered participating children and young people more choice and a varied range of activities, resulting in enhanced wellbeing for families.

Priorities for 2023-24

- We will further develop our funded early learning and childcare offer for one and two year olds, focusing on those who need it most, and engaging with families, colleagues in the sector and academics to build the evidence base for the new offer.
- We will invest a further £15 million to continue to design an all-year-round system of school age childcare, which will be funded for those families on lowest incomes, with a particular focus on reaching the six priority family types.
- This will include continued investment in our Access to Childcare Projects and our four early adopting communities, and will support expanding this work into new areas.
- We will work with the Scottish Football Association to explore how organised activities for children will form part of our future system of school age childcare, to better understand how activities-based clubs can improve outcomes for families on low incomes by supporting parents into work, training, studying or facilitating respite, where it's needed.
- £4.5 million of capital funding will help local authorities provide school age childcare and holiday clubs, targeted to help those from low income household.

Case study: Childcare early adopting communities project – Linlathen

The early adopting communities project in Dundee is situated in Linlathen, one of the most deprived areas in Dundee. Specific school age childcare needs have been identified in the Linlathen area to create opportunities for employment activity and improve outcomes for the whole family.

The project is taking a place-based, person-centred approach to providing funded childcare places before and after school and during the holidays through a range of regulated and activities-based provision. 30 families (who have been identified as one or more of the priority family types) have been supported with fully funded school age childcare places. In addition, holistic family support has been provided through a range of services, to support family wellbeing and to create employability opportunities.

Children and families within the Linlathen area are at the heart of this project, listening to their needs and involving them in co-design activity is integral to the person-centred approach. Children have been central to designing what is on offer in terms of activities during term time and holiday periods, and family journeys have been gathered to understand the impact that this childcare offer has had on their lives.

This Early Adopting Communities Project has been working closely with the Dundee Pathfinder programme, linking up services to work with families who are living in poverty in order to provide tailored support and positive pathways for parents and carers in their readiness for work, training or study or to support respite. This is underlining the need to combine employability support with a more accessible childcare offer for families.

Parents and children who have been accessing school age childcare through this project have recognised the benefits to the whole family. Parents and carers have been able to secure or sustain employment where childcare costs had previously presented major barriers to that. Children have been able to access a wide range of activities including learning new skills and developing social connections. The inclusion of food and healthy snacks has also been welcomed.

Promoting the project across sectors and collaborating with community organisations on the ground has been key to reaching the right families at the right time to provide support with pre-employability, skills development and provision of flexible and accessible childcare which meets their needs.



D. Enhancing access to and the affordability of public transport



In line with the ambitious vision for Scotland's transport system, set out in our National Transport Strategy, we have continued to take a range of actions to improve the access, affordability and sustainability of transport infrastructure in Scotland. This includes continuing to invest in concessionary travel schemes, with over 2.1 million people across Scotland benefitting from free bus travel, including young people under the age of 22; progressing the Fair Fares Review; providing free bikes to school age children; and, investment in the Network Support Grant (NSG) helping to keep bus networks more extensive and fares lower than would otherwise be the case.

Impact summary

- Between January 2022 and March 2023, over 56 million free journeys have been made by under 22s and two-thirds (66%) of eligible young people are already benefitting from concessionary bus travel.
- Almost 75% of 12-15 year olds and 77% of 16-21 year olds have a valid card for concessionary travel.
- Of the journeys made, around 60% were taken by those aged 16-21, showing huge interest and usage of the scheme and representing significant cost savings for young people accessing education and work.
- Analysis from the Child Poverty Action Group estimates this could save families £3,000 by the time each child turns 18 as a result of concessionary travel.
- Our free bike pilots delivered 3,800 bikes and safety equipment, including 51 adapted cycles, to children between August 2021 and August 2022. 3,000 of these were delivered in 2022-23.

Summary of action undertaken in 2022-23

Across the reporting year we have continued to progress the **Fair Fares Review**, considering both the cost and availability of services and the range of discounts and concessionary schemes which are available on all modes including bus, rail and ferry. Building on the wide ranging engagement undertaken with stakeholders, we commissioned the Poverty Alliance to create and deliver a series of eight engagement workshops to ensure that the lived experiences of those experiencing poverty and related issues are captured and inform the outcomes of the review. The Fair Fares Review will report by the end of 2023, recommending a package of measures which can be considered for implementation from 2024-25 and onwards.

Following the launch of the **under 22s concessionary travel scheme** in January 2022, Transport Scotland launched a marketing campaign, in Autumn 2022, to increase awareness, understanding and interest in the scheme. A further “Back to Bus” marketing campaign ran between March and May 2023 to encourage bus travel, with further information on the benefits of bus travel published at [choosethebus.scot](https://www.transport.scot.nhs.uk/choosethebus).

Together with partners, we successfully completed the pilot phase of nine projects focused on **supporting access to free bikes for children whose families cannot afford them**. Transport Scotland completed their assessment of the projects, with the [final evaluation report](#) published in January 2023. The nine pilot projects led by Cycling Scotland have developed a proposal for a national roll out, which has been funded and is now underway.

Our work on the **next generation of digital travel data systems** will help to ensure high quality information is available for users to plan their journey across all public transport, including enhanced fare and real time information. We completed our tender procurement process in February 2023 and the delivery phase will commence in 2023-24.

In relation to **Demand Responsive Transport (DRT)**, Shetland’s Transport Partnership (ZetTrans) initial DRT study would appear to indicate that for some of the more sparsely populated areas it would be challenging to deliver a financially viable DRT project. Highland and Islands Transport Partnership (HITRANS) continue to see positive impacts from the rollout of their DRT software with operators in Highland through their GO-HI Mobility as a Service app. We are also awaiting the outcomes of work carried out by Collaborative Mobility UK (CoMoUK) to complete a wider review of existing and planned DRT services in Scotland which will help to inform future DRT policy.

Priorities for 2023-24

- The Fair Fares Review will report by the end of 2023 and will recommend a package of measures which can be considered for implementation from 2024-25 and onwards. These will provide opportunities to address the wider issues for the cost and availability of public transport services across all modes of public transport.
- Following the freeze of Scotrail fares last year, a pilot for the removal of peak-time rail fares will run for six months starting October 2023, as part of the Fair Fares Review.
- Together with a range of public and private sector organisations and users, we will deliver a '1 year after' review of the under 22 concessionary travel scheme to look at effectiveness of the scheme. A report detailing the findings of the evaluation is due to be published later in the year.
- We will provide £900,000 through the Free Bikes Partnership Fund to issue school age children with free bikes. The fund will be distributed to partners who will launch local interventions aimed at delivering bikes/ access to bikes to young people.
- We are engaging with local authority representatives to develop the Community Bus Fund, providing £0.75 million in resource and £5 million in capital in 2023-24.
- We will commence delivery of the next generation of digital travel data system to enhance journeys planners and travel information, including for Traveline Scotland and third-party journey planners.

E. Person centred support



A key commitment in ‘Best Start, Bright Futures’ is supporting the transformation of services to be more person-centred and joined up to focus on meeting the needs of individuals or families who require support rather than on the needs of the service providing it. This approach is a central theme across the delivery plan with specific activity commenced to accelerate this transformation in, for example, children’s services, problematic substance use and mental health support.

Impact Summary

- Invested £32 million of Whole Family Wellbeing Funding in Children’s Services Planning Partnerships to build local service capacity and transform family support services.
- An additional 720 young people mentored, 539 supported via group work activity and 208 supported with leadership, with 959 volunteer mentors recruited to the Scottish Mentoring and Leadership Programme (SMLP), co-funded with The Hunter Foundation.
- In total over the first two years of delivery SMLP has mentored more than 1,200 young people through the support of over 1,800 volunteer mentors.
- Launched Columba 1400’s young person’s leadership academy in 21 new schools with more than 200 young people taking part in a young person’s leadership academy.
- Between July and December 2022, more than 45,000 children, young people and their family members accessed our community-based mental health support. This was in addition to the over 1,400 grassroots community projects supported in 2022-23 through our Communities Mental Health and Wellbeing Fund for adults.
- Early reporting for the Promise Partnership Fund suggests improvement in capacity and participation of children and young people as part of funded projects.
- Supported more families to stay together during alcohol and drug treatment via the creation of specialist residential rehabilitation services, with 12 women and 13 children supported so far.

Summary of action undertaken in 2022-23

The **Whole Family Wellbeing Funding (WFWF)** is a commitment over the life of this Parliament (2022-2026) to support the whole system transformational change required to reduce the need for crisis intervention, and to shift investment towards prevention and early intervention for families and children in need. Our ambition is that by 2030 at least 5% of all community-based health and social care spend will be on preventative measures.

WFWF has been co-produced with stakeholders, including The Promise Scotland, and focused on provision of support through three distinct strands of activity. This includes provision of **£32 million in each year of the funding directly to local areas**, with each Children's Services Planning Partnership (CSPP) responsible for collectively deciding how to spend this allocation. Guidance was developed to direct CSPPs in how to deliver the intention of the funding, including the need to focus on tackling child poverty.

In addition, we are providing **up to £6 million in each year of the funding to support the work of CSPPs**, including collaborative partnership and support for three CSPPs – East Ayrshire, East Lothian and Glasgow City – to accelerate plans and provide local learning that can be shared nationally. In addition to these CSPP focused activities, we will provide around **£22.7 million over the life of the funding to support new, Scottish Government led national policy delivery** that will help transform how families are supported.

Our programme of evaluation will help assess how this funding contributes to positive outcomes for children, young people and families, how transformation happens and how transformational capacity is built. It will inform the future development of WFWF to ensure it delivers its intended outcomes as well as supporting learning and transformation activity within and across Scottish Government to improve the quality of family support policy design, development and implementation.

We have also continued to invest in programmes that support care experienced people. This includes continued investment in the **Promise Partnership** which provides funding to Keep The Promise and to help drive forward change that matters to children, young people, and families. In 2022-23 seven Scotland-wide and 22 local authority projects were funded. A total investment of just over £5 million was made to explore, test, and implement solutions for: a supportive workforce, supportive school structures and youth justice and rights.

In addition to supporting transformational change in CSPPs, we commenced development of the **Getting it Right For Everyone (GIRFE)** approach, supporting Health and Social Care Partnerships to co-design place-based pathfinders with people with lived experience of issues that can perpetuate ill health and poverty. In 2022-23 we established pathfinders across specific themes – prisons, addiction services, older people and frailty, people registered at deep end GP surgeries and families with multiple and/or complex needs and young people in transition from Getting it Right for Every Child (GIRFEC) to GIRFE. We are testing and developing GIRFE in local areas, with practitioners and with the people the initiative is designed to benefit, to understand how it will be interpreted and implemented in different contexts.

In early 2023, we launched '**Inclusion Health Action in General Practice' (IHAGP)** with funding of £300,000 to 81 general practices serving communities in the NHS Greater Glasgow and Clyde area with the highest levels of poverty and disadvantage. This funding enables practices to take practical action to support their patients and will help reduce pressure on other parts of the health and care system.

We have taken forward action to support five health boards to further integrate their problematic substance use and mental health services to **better join up support for those affected by drug use**. Over this Parliamentary term more than £8.5 million has been made available to support the establishment of Harper House, which can support between 60 and 80 single parent families or couples annually through recovery along with their children, and more than £5.5 million, in conjunction with WFWF, to support the establishment of two houses at Aberlour specifically designed to **support women and their children through recovery**.

In the second year of the Communities Mental Health and Wellbeing Fund for adults, £15 million was made available to over 1,400 community projects, many of which focused on supporting low income groups and responses to the cost of living crisis. This included support on finances and support to deliver combined interventions that addressed both mental health and financial support needs. Funding aimed to support and promote good mental health and wellbeing and increase access to help, advice and support including for those in distress. Of over 1,400 projects funded in 2022-23, around half of these (723 projects) included a focus on addressing poverty and inequality and nearly half also included a specific focus on people facing socio-economic disadvantage. In addition, 24% of funded projects were supporting people from at least one of six priority family types at higher risk of child poverty, with most commonly targeted families being lone parents and families with a disabled family member.

Across all of our work, we recognise the importance of the third sector in delivering person-centred support to people across Scotland. We recognise that the third sector needs stability and the opportunity for longer term planning and development, and are committed to progressing a **Fairer Funding approach for the third sector**. As part of this, in 2023-24 we will continue to develop elements of Fairer Funding including prompt notification of funding, outcome based flexible funding and proportionate administration around applications and reporting.

Priorities for 2023-24

- We will continue to implement WFWF, including establishing a national learning into action network and working with a smaller number of CSPPs to provide intensive support to drive whole system change.
- We will continue to develop the GIRFE approach and develop a National Toolkit that will support wider implementation.
- We will continue to develop plans to best use the resources available to grow community mental health resilience and direct social prescribing.
- Through continuing our investment of £2 million to Health Improvement Scotland (HIS), we will create new models of care for people with co-occurring mental health and substance use conditions by April 2024.
- We have committed £15 million for a third year of funding of the Communities Mental Health and Wellbeing Fund which will have a continued focus on responding to the cost crisis and supporting those facing socio-economic disadvantage.
- We will provide local authorities with a further £15 million to invest in community-based mental health and wellbeing support for children and young people.
- A further round of the Promise Partnership Fund was launched in May and awards will be confirmed in Autumn 2023.
- An additional £1 million in funding will support Inclusion Health Action in General Practice.

Case study – local use of WFWF

Investment of WFWF is supporting CSPPs to take locally tailored approaches which are responsive to the needs of the communities they serve. The examples below focus on three local approaches which build on learning, partnerships and positive action taken in recent years:

Fife – Preventing need for emergency care

A gap analysis of children's services performance in the previous two years informed Fife's decisions about how to use WFWF to improve support to children, young people, and families – with the CSPP agreeing a focus on preventing children and young people being taken into emergency care.

After interrogating available data, it was identified that the absence of qualified staff working out-of-hours was a weakness in current service provision. Backed by investment from WFWF, service managers worked with stakeholders from the police, children's social care, education and Child and Adolescent Mental Health Services (CAMHS) to design a new residential service for families with children over 12. The new service ensures outreach workers are on call 24/7 to deal with emergencies as they arise, helping provide the right support to families at the right time.

North Ayrshire – Family Centred Wellbeing Service

During the pandemic, North Ayrshire hosted community partnership forums to encourage cross-agency conversations about strengthening services for families, with a focus on engaging social workers delivering support in community centres.

Continuing these forums, with a focus on WFWF activity, the CSPP agreed to spend half their WFWF funding on expanding the existing Family Centred Wellbeing Service (previously called Snap) into other rural areas. The Service provides family group work and one-to-one parent intervention based on referrals of disengaged children at school, including for example, children with low school attendance or family relationship concerns.

Delivered in partnership with health and social care, health, education, social work and the third sector, performance monitoring suggests the approach is resulting in fewer referrals into statutory services.

Aberdeen City – single referral system

Aberdeen City aims to minimise duplication and inefficiencies in support provision by developing a single referral system for use across all public services, commissioned services, and third sector partners.

Supported by WFWF, they have contracted an external company to create an online portal that will allow staff across all services to have an overview of all available interventions. This will include how to access support, and to monitor the use of support. The portal is due to launch in summer 2023.

F. Enhancing support through social security



We are committed to delivering an effective, accessible, and compassionate social security system that treats everyone with dignity, fairness and respect. This significant investment in the people of Scotland is key to our national mission to tackle child poverty as it provides vital financial support to households, including those struggling because of the cost of living crisis.

Whilst we are limited in our ability to lift people out of poverty through social security, with key benefits including Universal Credit reserved to the UK Government, we are using the powers we do have to tackle child poverty as far as possible. This includes introducing and rolling out benefits only available in Scotland, including our game-changing Scottish Child Payment, uprating Scottish benefits to ensure they keep their value in the face of rising inflation, and investing in benefit take-up, ensuring people are able to access the support they are entitled to.

Impact Summary

- As of end March 2023, 303,000 children were in receipt of the Scottish Child Payment, with almost £190 million paid to families in 2022-23.
- Over £92 million of Scottish Child Payment Bridging Payments were awarded to families in 2022, with almost 143,000 school age children benefitting from a double Winter payment of £260 made in December 2022.
- Between April and 30 November 2022, £21.3 million has been paid to clients for Best Start Grant and Best Start Foods.
- £150 Cost of Living payment made to an estimated 1.85 million households in receipt of Council Tax Reduction and those in Council Tax Bands A-D, providing overall relief to the value of over £273 million.
- As of 31 March 2023, it is estimated that 62,325 children were in receipt of Child Disability Payment. Between July 2021 and March 2023 £204.9 million of Child Disability Payments were issued.
- As of 31 January 2023, 23,660 people were in receipt of Adult Disability Payment, and between March 2022 and 31 January 2023 £33.3 million of Adult Disability Payment were issued.
- A total of 26,555 Child Winter Heating Assistance payments were issued for winter 2022-23 with a total value of £5.7 million.
- Between April 2022 and March 2023 we made available over £84 million to local authorities to spend on Discretionary Housing Payments, with £2.6 million of this to mitigate the UK Government's benefit cap as fully as possible within devolved powers from 1 January 2023.

- Between 1 April and December 2022, Local Authorities had spent £41.4 million on the Scottish Welfare Fund (SWF). Since the SWF began in 2013, in excess of £380 million has been paid to more than 500,000 households.
- Our package of five family benefits comprising the Scottish Child Payment, three Best Start Grant payments and Best Start Foods could be worth around £10,000 by the time an eligible child turns 6 - compared to less than £2,000 for eligible families in England & Wales - and over £20,000 by the time an eligible child is 16.
- Free school meals were provided to all 280,723 children in primaries 1-5 and in special schools, as well as eligible pupils from P6 through to S6, saving parents an estimated £400 per eligible child per year.
- As of 30 April, 394,135 low income households had received our new Winter Heating Payment, backed by investment of £19.7 million.

Summary of action undertaken in 2022-23

Throughout the year we have continued to take direct action to increase the support available to families through Scottish Government benefits and payments.

We **increased the value of Scottish Child Payment** by 150% in just 8 months, increasing the payment from £10 to £20 in April 2022 and again to £25 in November 2022. In addition to more than doubling the value, we extended eligibility for Scottish Child Payment by increasing the age limit to include those eligible aged 6-15, with an additional 258,000 children becoming eligible for the payment in 2023-24 according to the Scottish Fiscal Commission's May 2023 forecast.

Ahead of the expansion of the Scottish Child Payment, we continued to deliver immediate support to low incomes families with school age children through Bridging Payments,

and worked with our local authority partners to direct recipients to claim the Scottish Child Payment when applications opened. Recognising the intense financial pressure families, and in particular low income families, were facing as a result of the cost of living crisis we **doubled the final Bridging Payment to £260** in December 2022, with up to £650 paid per child in 2022.

To provide immediate, direct support to households during the cost of living crisis, we delivered a **£150 payment to all households in receipt of Council Tax Reduction and those in Council Tax Bands A-D**, across all 32 local authorities, estimated to have helped 1.85 million households and provided overall relief to the value of over £273 million.

We are delivering on our 2021-22 Programme for Government commitment to **explore ways to automate payment for Scottish Government social security benefits**.

Regulation changes have enabled us, from 28 November, to award Best Start Grant Early Learning Payment and School Age Payment automatically to eligible families in receipt of Scottish Child Payment, without the need to apply. Not only has this action made it easier for families but it also helps us to maximise take-up. We are continuing to explore opportunities to further automate our five family payments.

We are making significant changes to **Best Start Foods** and from February 2024 we will remove all income thresholds, increasing eligibility for this Scottish Government benefit to an additional 20,000 pregnant mums and children under three. We made a commitment in 'Best Start, Bright Futures' to move to a cash payment for Best Start Foods, however, operating under an increasingly challenging programme of delivery which will see us deliver several new benefits, including Carer Support Payment, in the coming years we will not be able to move to a cash payment in 2023-24. Ongoing work in this area is

complex and remains a priority within our ambitious benefit delivery programme. We remain committed to moving to a cash payment, we are currently scoping when this can be done and are confident we will be able to make this change in the future. Best Start Foods continues to remove the stigma associated with the Healthy Start Voucher scheme by using a pre-loaded payment card that works like a regular bank card.

We know that our five family payments are making a difference for families with children. The evaluations of each of the payments in this package of support have shown they are all having a positive impact on the drivers of child poverty reduction, preventing respondents from going into debt or having to cut down on other essential household spending, such as for food and bills.

Through our evaluations we heard that Best Start Grant was easing financial strain on low-income families at key transitional stages for their children, Scottish Child Payment led to more money being spent on children, including for essentials like food, family day trips, and medical items for families with disabled children. Best Start Foods guarantees that recipients can afford essential foods even when money is tight and has freed up money for other costs such as household bills. We can be confident that this package of payments has led to positive outcomes for children and their parents and carers alike and will continue to do so.

Replacing Personal Independence Payments (PIP), the new **Adult Disability Payment** (ADP) was launched in pilot areas in March 2022 and, as of 29 August 2022, is now being delivered nationally. The case transfer process to **Child Disability Payment** (CDP) for those getting Disability Living Allowance for children is on track and we aim to have the transfer process completed for over 99% of those in receipt of Disability Living Allowance for children by Spring 2023. Recent Client Survey data indicates that recipients of Child Disability

Payment found it helped to control their finances and to pay for what they need. We will continue to evaluate Scottish Government disability benefits to understand what is going well and identify next steps, and are planning draft amendment regulations which will come into force in November 2023 to further improve the journey from CDP to ADP.

In February 2023 we started delivery of our new **Winter Heating Payment**, replacing the DWPs Cold Weather Payment, providing a stable, reliable annual payment which will help low-income households with their heating expenses each winter. In 2022-23 this had a value of £50, next winter the payment rate will be £55.05. Where DWP provided £25 to individuals per cold spell, reaching an average of 185,000 people and investing an average of £8.48 million across each of the past 7 years, our new benefit is expected to reach more than twice the number of people and will be backed by an investment of over £20 million each year – providing vital support toward energy costs.

We want to ensure the **Scottish Welfare Fund (SWF)** continues to deliver for people in the best way possible. This is why the Scottish Government commissioned an Independent Review into the SWF, which published in March 2023. After a decade in place, it is time to make improvements to ensure the SWF remains a robust and reliable service. An Action Plan is being developed in partnership with stakeholders and is on track to publish by the end of Spring 2023. This will set out key improvements to ensure grants are delivered consistently, effectively and efficiently.

In partnership with local authorities, we have worked to mitigate the benefit cap through **Discretionary Housing Payments (DHPs)**. Throughout the year we have worked in partnership to agree new guidance, which has now been issued to support local authorities to use DHP payments to mitigate the UK Government's benefit cap as fully as possible within devolved powers.

During 2022-23 this was expected to help up to 4,000 families, many of them lone parent households, with around 14,000 children who are disproportionately impacted by the cap, to meet their housing costs.

In addition, we have continued to provide free school meals to all children in primaries 1-5 and in special schools, as well as eligible pupils from P6 through to S6. We also remained committed to the **expansion of free school meals** through providing £30 million of capital funding to local authorities to support expansion of term time free school meals and £21.75 million to support maintenance of **free school meal holiday support** for eligible families across 2022-2023.

Priorities for 2023-24

- We will invest £5.3 billion in social security benefits in 2023-24, over £750 million more than the level of funding we expect to receive from the UK Government.
- We will invest £1.3 billion in our game-changing Scottish Child Payment over the remainder of this Parliament – which is forecast to lift 50,000 children out of poverty this year.
- In 2023-24 we will invest £2.7 billion in Adult Disability Payment, enabling disabled people to live full and independent lives.
- Following the publication of [our response to the public consultation](#), we will build on the progress we have made in developing Carer Support Payment (formerly Scottish Carer's Assistance) policy in consultation with our lived experience panel and launch in pilot areas by the end of 2023, with full national introduction planned for Spring 2024. We are also committed to using the introduction of Carer Support Payment to help carers find out about wider support which they are entitled to.
- We will progress the introduction of a Care Leaver Payment in Summer 2023 to inform its interim and long-term delivery and will draft legislation to enable the payment.
- We updated all devolved benefits in April 2023 by the September rate of the CPI (10.1%) at a cost of around £430 million, except for Scottish Child Payment, which was updated early.
- We will maintain the Scottish Welfare Fund at £41 million and publish an Action Plan responding to the Independent Review by the end of Spring 2023 and take forward improvements in partnership with stakeholders including COSLA, local authority delivery partners, public and third sector bodies.
- In 2023-24 we are making £83.7 million available to local authorities to spend on Discretionary Housing Payment, this includes £69.7 million to fully mitigate the bedroom tax, helping over 91,000 households in Scotland to sustain their tenancies; £6.2 million to mitigate the UK Government's unfair benefit cap as fully as possible within devolved powers; and investment to mitigate against the damaging impact of other UK Government welfare cuts, including the ongoing freeze to Local Housing Allowance rates.
- We will continue to explore further opportunities for automation – including further appropriate and proportionate data sharing with partners across the range of systems that support Scotland's population, such as Local Authorities – and will assess the most impactful options for signposting activity to maximise opportunities for benefit take-up, minimising barriers to access and ensuring that support available reaches those who need it most.

G. Ensuring access to warm and affordable homes



Ensuring everyone has access to a warm, safe, affordable home is a critical element of our approach to tackling child poverty, and in the context of the cost of living crisis this has become even more vital, with ever greater pressures being placed on already stretched household finances. We acted across 2022-23 to reduce household costs for those most affected by the cost of living crisis, using the Emergency Budget Review to reallocate resources to provide immediate, direct support those who needed it most and have provided support for security for tenants in terms of rent caps, homelessness support and the provision of affordable homes.

Impact Summary

- Between April and December 2022, an estimated 2,127 households with children have been helped into affordable housing through the Affordable Housing Supply Programme.
- In the same period, we delivered 6,381 affordable homes, of which 5,124 were for social rent. We also commenced work on 4,358 site starts and approved 3,323 homes.
- Early estimates suggest that the £20 million Fuel Insecurity Fund has supported tens of thousands of households with fuel costs, many including children, full analysis will be available in Summer 2023.
- We increased capacity of Home Energy Scotland to support 130,000 households across Scotland with home energy advice, including 71,000 vulnerable households, with in-depth energy advice tailored to their needs.
- Over 5,000 households were helped to have a warmer and more affordable means to heat homes following the installation of heating and insulation measures through Warmer Homes Scotland - saving an average of £160 per year on their energy bills.
- Over 450,000 households received support through Council Tax Reduction (CTR), saving recipients on average over £750 a year. Latest estimates suggest 98,390 households with child dependents received CTR as of March 2023.

Summary of action undertaken in 2022-23

In October 2022, to protect those living in rented accommodation, the Scottish Parliament passed **emergency legislation to introduce a rent cap, initially set at 0% rent increase** and a moratorium on evictions until 31 March 2023, which was extended until 30 September 2023 due to the ongoing cost of living crisis. On 1 June 2023 we laid regulations for the next phase of the Cost of Living (Tenant Protection) Act that, if passed, will see the emergency measures extended until 31 March 2024.

In addition to emergency action on housing, we have continued to prioritise the supply of affordable homes and action to tackle homelessness, recognising that warm, affordable housing is essential, not just in its own right, but also as a platform from which poverty can be more sustainably tackled.

In line with our commitment to deliver **110,000 affordable energy efficient homes** by 2032, we have continued to focus on delivery, working in partnership with local authorities and others to ensure identified housing priorities are met including **the delivery of larger family homes where they are needed**. The current difficult tendering climate, due to inflation and high costs, has led to a slowing of approvals and starts. We continue to work closely with partners to progress as many approvals and starts as quickly as is practically possible. This includes supporting local authorities and registered social landlords to acquire existing properties to support identified needs in terms of house type, tenure and location.

We have **invested almost £10 million in 2022-23 on preventing and responding to homelessness**. This includes £8 million across all local authorities to support the implementation of Rapid Rehousing Transition Plans (RRTPs), over £1 million through the Third Sector Homelessness Fund, almost £0.5 million for the Homelessness Prevention Fund as well as various grants to other third sector organisations working to tackle homelessness.

We have continued to scale up **Housing First programmes** to break the cycle of homelessness and we are making steady progress in developing prevention pathways for the groups most at risk of homelessness. Where homelessness cannot be prevented, rapid rehousing is our primary response to homelessness. We have allocated £52.5 million as part of a multi-year funding package for the delivery of RRTPs and Housing First. The transition to rapid rehousing in Scotland is well underway – all 32 local authorities have RRTPs in place, and more than 1,400 Housing First tenancies have started across 26 local authorities.

We continued to **develop Scottish Discretionary Housing Payment (DHP) guidance**, recognising the potential for DHPs to be a more powerful tool to reduce poverty-related homelessness, and we plan to publish the first draft for consultation with local authorities in 2023.

The **Council Tax Reduction Scheme** continues to ensure that nobody in Scotland should have to meet a council tax liability they cannot be expected to afford. Over 450,000 households receive some level of Council Tax Reduction, and on average recipients save over £750 a year. A reduction can be anything up to and including 100% reduction, and data from March 2022 shows that 371,410 households received a 100% reduction and so did not have to pay any council tax.

Recognising the specific needs of different communities, we have continued to work with Aberdeen City, Clackmannanshire and Fife Councils and have identified new projects in Highland, Perth and Kinross and South Lanarkshire, to **improve housing provision for our Gypsy/Traveller communities**. We have also developed our Remote, Rural and Islands Housing Action Plan to ensure that we meet the housing needs of these communities, and will publish the plan in Summer 2023.

As set out in 'Best Start, Bright Futures', we acknowledge that renters tend to have lower household incomes, higher levels of poverty and are more vulnerable to economic shocks. We remain committed to taking action to reduce costs for families in the private rented sector. Whilst the focus in the past year has been on emergency legislation, longer term reforms will be progressed in the coming year.

Alongside our focus on affordable homes and preventing homelessness, we have increased our action to reduce energy costs and tackle fuel poverty. Our Fuel Insecurity Fund (FIF) provided a critical lifeline to thousands of households who were at risk of self-rationing their energy use, self-disconnecting entirely, or who could not afford their energy bills. Recognising the acute pressure low income households were facing with rising energy bills, we initially **doubled our investment in the FIF from £10 million at the start of 2022-23 to £20 million** through the Emergency Budget Review. To date tens of thousands of people have been helped through support from the FIF delivered by our trusted third sector partner network, including Fuel Bank Foundation, Scottish Federation of Housing Associations, and Advice Direct Scotland.

We provided **£42 million for the Home Energy Scotland (HES) Loans and Grants scheme**, doubling the 2021-22 investment and we have **expanded HES advice services** to provide more free, impartial advice on how to save money on energy bills. Through this investment we increased the reach of the HES Service, resulting in support for over 130,000 households across Scotland last year. As part of this, we doubled the specialist in-depth advice offered by the service for vulnerable households, helping 71,000 vulnerable households with energy advice tailored to their needs. Energy cost saving training was also provided to 200 local advice providers and Citizens Advice Bureau staff.

In addition, **Warmer Homes Scotland** has helped around 5,000 households, including those with a pregnant women or child under 16 in receipt of an income-based benefit, to have warmer and more affordable means to heat homes following the installation of heating and insulation measures - saving an average of £160 per year on their energy bills.

Priorities for 2023-24

- We have tripled the FIF to £30 million for 2023-24, in order to extend immediate crisis funding to those households most in need, as well as building in a more sustainable and holistic approach towards tackling fuel poverty and wider poverty in general.
- Up to £25 million will be made available from our Affordable Housing Supply Programme budget 2023-2028 to support local authorities and registered social landlords to identify properties in rural areas to help meet the housing requirements of key workers.
- We will extend our Gypsy/Traveller accommodation support by beginning work with Highland and Perth and Kinross and publishing a Toolkit to support other local authorities deliver housing that responds to the needs of their Gypsy/Traveller communities.
- Guided by recommendations made by an expert working group, we are committed to taking urgent action to reduce the number of households in temporary accommodation and the length of time they stay there. We will set out our plans before the end of June 2023.
- We will continue work on a New Deal for Tenants and private rented sector reforms, including a Housing Bill to progress rent control, and to introduce new public sector homelessness duties.

H. Maximising income



In the face of the cost of living crisis, demand for income maximisation services has grown across the country. We have sought to meet this increasing demand and ensure that the people who most need support are able to access it, in a time and place that suits them, and that help provided ensures people receive all the support they are entitled to. In particular, we have continued to implement our benefit take-up strategy and invest in debt and welfare advice services to enhance the support available to families to maximise their income.

Impact summary

- Over 20,000 people directly benefitted from nearly £1.8 million invested in additional food insecurity responses.
- Over 30,000 clients, of which 6,000 were priority family groups, were supported by the Money Talk Team Service. 7,000 of these client achieved financial gains totalling £20.7 million, 1,700 priority family clients recorded financial gains totalling more than £5.2 million.
- Since the Money Talk Team service began in November 2018 until March 2023, more than 84,000 clients have been supported. Of those, more than 27,000 are better off by over £64 million.
- Approximately 3,000 clients were supported with unmanageable debt of over £8 million, through debt advice provided by the Money Talk Team - over £2 million in financial gains were achieved for these clients.
- Over 60,000 people were helped to manage over £380 million in debt, with over £16 million in debt written off.
- Over 1,200 disabled people were supported to access and apply for Social Security via our Social Security Independent Advocacy Service.
- 180 young mothers aged 20-25 were enrolled through expanding the Family Nurse Partnership.

Summary of action undertaken in 2022-23

In 2022-23, we provided Citizens Advice Scotland with £2.65 million to deliver the refreshed **Money Talk Team service**. This amalgamated the Specialist Debt Service, Welfare Reform Mitigation Service and Money Talk Team, and from October 2022 provides income maximisation, welfare and specialist debt advice for clients across Scotland. The new delivery model maximises return on investment and improves outcomes for clients by delivering the service within a holistic advice model.

We continued to fund the provision of **free debt advice**, through our investment of £6.5 million from debt advice levy funding, and continued to fund the Child Poverty Action Group's (CPAG) second tier advice line, supporting advisers from other organisations with the most complex advice queries.

We understand how important it is to simplify access to advice services, and proactively reach families through services they already use and trust. That is why in 2022-23 we continued to embed advice into existing services used by families, in particular for families with new babies and young children.

Our continued investment in the **Universal Health Visiting Pathway (UHVP)** and **Family Nurse Partnership (FNP)** programme is embedding routine enquiry around money and household income as standard into both these services that support families with a new baby. We have begun the process of **expanding the FNP local pathways** to all first-time mothers aged 21 and under, and to first time mothers aged 25 and under who are care experienced or from the most deprived communities. As a result, between April 2022 and March 2023 180 clients aged 20-25 were enrolled into the programme, and we expect to support up to an additional 500 clients by the time the

expansion is complete in 2025. Around 1 in 5 mothers who participate in the programme are care experienced, and evaluation has found that only around half of the mothers are receiving welfare support when they enter the programme. This increases over the duration of the programme, suggesting that the support improves awareness and provides mothers with information needed to take up benefits they are entitled to.

To further increase access to advice in accessible settings, we invested £1.76 million in **Welfare Advice and Health Partnerships (WAHP)**, placing advice workers in 180 GP surgeries in Scotland's most deprived areas, including 30 in remote and island communities. This has expanded access to professional advice provided by a dedicated Welfare Rights Advisor, ensuring access to money advice is increased within services that people already attend, and that it is in a safe and non-stigmatising environment.

Beyond access to advice, we have continued to take action to promote the uptake of Scottish Government benefits. The **Social Security Independent Advocacy Service** has continued to support disabled people to engage with Social Security Scotland. This free and independent service is delivered by VoiceAbility and to date they have supported over 1,200 people to access and apply for Scottish social security support.

To make it easier for people to apply for Scottish Government benefits, we have **improved the accessibility of our digital applications**, making it easier for those using assistive technology, and we have continued to embed our local delivery service, across all 32 local authorities, to provide **in person support for applicants to complete both paper and digital applications**. We have also

implemented earlier signposting on a number of our benefit applications, meaning people know their eligibility much sooner, which enables social security advisors to provide earlier signposting and support for those who may be ineligible and suggest alternatives.

To explore how we can further improve benefit take up, we are progressing work to develop and improve approaches to **Signposting, Referral and Automation** to ensure people are able to access the full range of support available to them with minimal burden.

Alongside material changes to the administration of payments we are placing an enhanced focus on strategic communication, with greater action to ensure households across Scotland are accessing the support they are entitled to.

September 2022 saw the launch of our [Cost of Living portal](#), bringing together information on benefits, grants, and support services in one place. An integrated marketing campaign ran to increase awareness of the support available, motivating action amongst low income households with little or no savings to take up this support and help tackle the stigma that still serves as a barrier to benefit uptake for many. 66% of the target audience reported being aware of the campaign and 59% claimed to have taken an action as a result. This action included going to the cost of living portal, with 316,261 visits made from launch to 31 March 2023, directing people to support with money, fuel and food costs.

Despite these efforts, we recognised that the cost of living crisis resulted in unmanageable pressure on many households, particularly due to inflation increasing food costs to unseen levels. That is why in this reporting year, we **invested nearly £1.8 million in additional food insecurity responses** with an emphasis on cash grants and shopping cards, so that

dignity and choice remain key to our approach. Interim reporting indicates that over 20,000 people benefited directly, and that the funds supported a further 570 organisations.

Priorities for 2023-24

- We will invest at least £11.7 million in free income maximisation, debt and welfare advice so that people, including the priority families, have access to advice that meets their needs and through the channel that they prefer.
- As part of this we will further increase advice delivery in health, education and community settings through a new funding programme with Advice UK. We will invest up to £1 million in this programme in 2023-24 and will also explore further expansion of advice provision in accessible settings over the next two years.
- We will continue to expand access to the FNP pathway, in line with our ambition to expand to all young first-time mothers aged 21 and under, and to first time mothers aged 25 and under who are care experienced or from the most deprived communities.
- We will provide additional professional learning opportunities to health visitors and Family Nurses to ensure they are well placed to support the families they serve to maximise household income.
- Following publication of our plan towards ending the need for food banks, which set out our human rights approach to responding to food insecurity, we will work together with partners to take forward the actions and improve the response to crisis.

Case study: Supporting care experienced parents

A collaboration of Care Visions, Scottish Attainment in Action, and Early Years Scotland received investment to establish a completely new approach to supporting families with care experience. From this the Village was born.

The Village is an accessible, independent, online community which provides knowledge and support to care experienced parents and parents-to-be. Designed to break down stigma, with parents choosing to join with no referrals needed. Once joined, they are linked with a Village team member who can offer a listening ear, specific advice, or general support.

Parents are welcomed into a trauma-informed, safe, and confidential space where support and guidance are made available in a manner which best suits those accessing it. As well as the advice and information, the provision of practical support has made a significant difference to families. Ensuring that families are accessing financial support they are eligible for has helped to maximise their incomes. Some Villagers have noted that without this, they would have had to seek to borrow money from friends or family, which can be embarrassing and can cause fractious relationships, or take out pay day loans, causing more financial damage overall.

Members of the village said:

“

“It’s a relief some days, knowing there’s someone there who cares. The best thing is that the girls check in on me, just to make sure I’m ok.”

“

“The support I’ve had has been incredible. The girls have answered questions I’ve had at random times - that maybe doesn’t seem like much but to me it’s huge.”

“

“The team actually help and make you feel like part of a family. I’m a single mum with barely any support at all. I’m so grateful for the ladies who are there when I need a chat or a rant! Nothing is too big or too small and I love that about them.”

I. Place based transformation



'Best Start, Bright Futures' recognised that, alongside the individual policies that form the building blocks for tackling poverty, more work is needed to transform systems, to make support easier to access and to deliver whole system, person-centred support that is responsive to local needs and achieves better outcomes. Throughout 2022-23 we have continued to build on the work of the Social Innovation Partnership (SIP); established new and innovative place based partnerships in Dundee and Glasgow and within our rural and island communities, to robustly test, evaluate and learn what it takes to achieve the transformational change required. The Pathfinders are underpinned by ongoing [evaluation](#) to generate evidence and learning to inform and improve our delivery approach.

Updates below focus on the four distinct elements of this work in 2022-23.

Impact Summary

- SIP delivery partners provided a wide range of support to around 3,000 people, with external [evaluation](#) finding a positive impact on people's mental health; emotional wellbeing and social connection with evidence of improvement in their material circumstances.
- Since October 2022, 528 people have received person centred support through the key worker network established by the Dundee Pathfinder partnership. Of these 135 people have benefitted from tailored employability and/or upskilling support, and of those supported, 20% have either gained employment, sought to start a business or entered further education. In addition over £155,500 in financial gains have been reported for people supported, including over £48,500 in benefit uptake and over £78,000 in fuel support.
- In Glasgow, between May 2022 and the end of April 2023, 1,342 people were supported through ongoing full holistic case management support. Thousands more families who did not require full case management were supported and referred to services by the pathfinder. 90% of service users felt their situation had improved and were better able to cope as a result of the support received.
- Over 380 community led projects funded through the Rural Community Led Local Development (CLLD) Funding are leveraging a Social Return on Investment value of over £6.5 million against the UN (United Nations) Sustainable Development goal of 'No Poverty', 'Zero Hunger' and 'Decent Work and Economic Growth'.

Summary of action undertaken in 2022-23

Social Innovation Partnership

Building on the existing work of the SIP, our delivery partners reached around 3,000 people in 2022-23. This included a range of support such as creating welcoming community spaces where people can develop new relationships and providing much deeper person-centred support that includes advice and advocacy, childcare, employability and wellbeing.

Through our Family Wellbeing Partnership with Clackmannanshire Council, we have continued to support work to **create the enabling conditions to support transformation**. In the past year, a further 64 colleagues have taken part in a programme of values-based leadership to explore the barriers to change and their role in overcoming them, taking the total number to 150 over 2 years.

This is **supporting service redesign and delivery** in a number of key areas in Clackmannanshire including employability, multi-agency support and enhanced collaborations and partnership working to create deep, holistic support pathways for people.

Dundee

Working across organisational boundaries, the Scottish Government, DWP and Dundee City Council are testing out different ways of working and improving services which support a whole person and **whole family support model** for low income families in Dundee.

Early learning from a **test and learn support pilot for 97 lone parents across the city** quickly confirmed that, for many families, employability can be too narrow a focus for support. As a result, the Pathfinder adopted a more person-centred approach, targeted at families within the Linlathen area of the city.

Partners adopted a relational keyworker model which provides a **long-term trusted support network for families**, in their homes or at a weekly drop-in where they can engage with a number of partners and services depending on their needs and what matters to them. As the pathfinder's reputation grows through word-of-mouth there has been increasing engagement with residents outside the targeted group and families beyond the Linlathen area.

As relationships deepen and whole family supports are built, the pathfinder is extending its reach to meet those needs, using the partnership's networks to strengthen connections to broader employability support, working with the Local Employability Partnership in Dundee and third sector consortium, specifically for the long term economically inactive and bringing in health and social care partners to support with mental health needs.

Glasgow

The Scottish Government is working with Glasgow City Council, COSLA and the Improvement Service on a city-wide pathfinder that is integrating child poverty interventions and bringing services together. By connecting citizens to holistic, person-centred, case management support, significant benefits can be delivered.

Key to the approach taken with the Glasgow pathfinder is system change, as well as helping individuals navigate the current system. The pathfinder includes testing at scale a **'No Wrong Door'** model that will ensure that wherever a person presents themselves to the system, they are provided with holistic support.

The pathfinder team continue to work with a growing range of partners, including colleagues in health and social care to ensure there are clear referral pathways for citizens.

The partnership is continuing to grow and recently secured an Information Sharing Agreement with Police Scotland that will underpin a unique partnership that connects citizens directly from Police Scotland's Concern Hub with person centred case management support.

Work on reducing systemic barriers to change, including organisational culture, data sharing, and flexibility of funding, is ongoing.

Rural and Islands

In addition to work in Glasgow and Dundee, building on work we commissioned to ['improve our understanding of child poverty in rural and island Scotland'](#) we explored more innovative use of data to target support. Ongoing partnership work between the Scottish Rural Network and the Improvement Service on a ['A Design Based Approach to Understanding and Tackling Rural Child Poverty'](#) is further developing data sharing work in rural areas.

In December 2022 we launched the £1.4 million **Islands Cost Crisis Emergency Fund** to support urgent action to help households through the cost of living crisis. The fund has been used in a range of ways to meet local need, including trailing free breakfasts for school children, free school meal top ups, providing Scotland Loves Local cards to spend in local businesses and supporting third sector organisations with the impact of high electricity costs.

The Rural Community Led Local Development (CLLD) Fund invested £11.6 million in 2022-23 to **strengthen the resilience and sustainability of grassroots rural community groups** and businesses. Working in partnership with the Poverty Alliance, we strengthened capacity and increased awareness of poverty amongst Local Action Groups allocating this funding to ensure it helped tackle poverty and the cost crisis effectively. Funded projects prioritised local actions to address poverty, support recovery from the COVID-19 pandemic, advance equality and inclusion and support a just transition to net zero.

Through research commissioned into the **'Anchor Project' on Shetland**, we are deepening our understanding of this highly successful, multi-agency, rural child poverty initiative. The Anchor Project wraps support from existing frontline services around the needs of families to directly tackle poverty and inequality, while avoiding the stigma sometimes associated with support provided through other services. By assessing the design and delivery of holistic services at an island-level we aim to highlight how aspects of the process could be applied elsewhere, whether this is on another island, or in rural or urban areas.

Priorities for 2023-24

- Continue to support the development of holistic, person-centred support by working closely with a range of partners to align and improve public services through reform and to addressing barriers to ensure families flourish.
- Create further opportunities to learn from the third sector as we develop our unique Scottish approach to place based transformation, building on community based assets and the experience of the sector.
- We will build on emerging evidence to support targeted scale up to localities who have created enabling conditions for change and share learning through a national collaborative learning network with Improvement Service support.
- With partners, develop monitoring frameworks and commence the next phase of evaluation by September 2023 focusing on impact, process and value for money.
- In pursuit of a holistic “*tell us once approach*”, we will develop solutions for appropriate data sharing arrangements across service providers, while taking all necessary precautions with the security and integrity of the data.
- We will explore options for supporting more local authorities and health boards to test and scale innovative approaches to tackling child poverty.



Case Studies: Pathfinder approaches in Glasgow and Dundee

Glasgow Helps, a key delivery mechanism of the pathfinder, has supported thousands of people across Glasgow and received positive feedback about the difference it is making.

The work in Glasgow is highlighting practical lessons about characteristics of what works in terms of integrated, person-centred and outcome focussed service provision. It also presents an opportunity for government and partners to resolve issues which have arisen in Glasgow, but also exist elsewhere. These are not simple barriers to overcome, but addressing them will help improve the lives of the people of Scotland.

One parent supported through the service said:

“

I didn't know where to go back in June and when Glasgow Helps reached out it changed everything. My eldest son has employment thanks to your support and he is now taking driving lessons, working all sorts of overtime, and saving for a car!

I can't quite believe it

In **Dundee**, families access Pathfinder support directly through targeted outreach or through a bespoke community hub 'Brooksbank' that houses different support services.

Jennifer, a single parent with three children, accessed the service and was directed to financial support available to her, much of which she was previously unaware of. She was supported to make applications for the likes of Dundee City Council's Fuel Well Scheme and the Home Heating Fund, which resulted in gains of £1,380.

Over time, keyworkers built a trusted relationship with Jennifer and she felt comfortable speaking about other family needs, including concerns about her 18-year-old son who was not in education or employment. This allowed keyworkers to link Jennifer's son with a Youth Employability Keyworker to discuss his career ambitions – enabling him to participate in a construction and employability programme to secure qualifications and helping him to secure full time work in the sector, with additional support provided to help meet the cost of interview clothes and to cover the cost of lunches until his first wage.



Assessing progress against the targets

While the rest of this report looks at progress from April 2022 to March 2023, including in relation to the implementation and impact of actions, this chapter, drawing on available survey data covers up to March 2022. It builds on the [previous progress report](#) which looked at the period April 2020 to March 2021. This report is framed by the [evaluation strategy](#) and the [updated measurement framework](#).

Specifically, this chapter includes:

- overall progress towards the child poverty targets.
- updated child poverty data amongst priority family types.
- trends on child poverty drivers (income from employment, cost of living and income from social security and benefits in-kind).

Child poverty rates

Overall, child poverty rates appear stable after a recent gradual rise. Still, too many people are living in poverty in Scotland, at a level above our statutory targets. Updated modelling [Annex B](#) suggests that relative poverty is expected to be around 9 percentage points lower than it would have been in 2023-24 in the absence of Scottish Government policies.

Progress towards child poverty targets needs to be framed in the context of the wider social, political and economic climate of recent years. More specifically, that is the impact that EU exit and the COVID-19 pandemic has had, and continues to have, on the wider society and low income families in particular.

The latest figures (2021-22) are the first usable data collected during the COVID-19 pandemic years. [Evidence](#) showed that the pandemic inevitably had a significant economic and social impact. The negative impact of the pandemic was more acute amongst low income households, including those in or at risk of child poverty. Furthermore, the latest statistics do not yet reflect the full impact of the increases to and expansion of the Scottish Child Payment from November 2022.

What is the latest progress against child poverty targets?

The child poverty targets are set on single-year rates. When looking at single-year estimates, data shows a slight drop in **relative and absolute poverty** (see Figure 1). However, the recent gradual fall is small and needs to be viewed cautiously. This is because when accounting for confidence intervals of the sample data, we need repeated data to confirm the trend is established. Taking this approach, our assessment is that child poverty rates are broadly stable.

A similar trend is also evident for the target on **low income and material deprivation**. At a first glance, single year estimates for 2021-22 show a decrease. However, the latest estimate cannot be directly compared to previous estimates because the latest period covers a time when families were less able to undertake certain activities due to the pandemic, and it is yet unclear what sort of effect this had on how people answered the material deprivation questions.

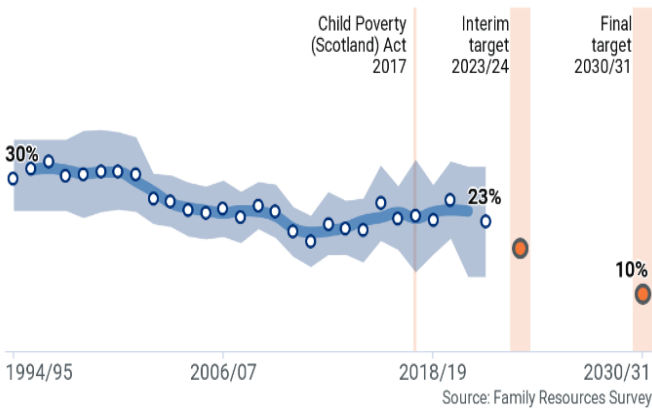
Persistent poverty statistics have been significantly revised, showing now a slow upward trend. This means that the proportion of households in relative poverty for three out of the last four years have increased slowly in recent years.

Detailed information on [trends for all of the child poverty targets](#) is shown in Figure 1. The dots and labels show single-year estimates, the shaded areas show indicative 95% confidence intervals around the single-year estimates, and the lines show three-year averages. The single-year figures give the latest estimate on poverty rates for the four measures in the Child Poverty (Scotland) Act 2017. The charts include three-year averages as they portray underlying trends more accurately.

Figure 1: Child Poverty targets

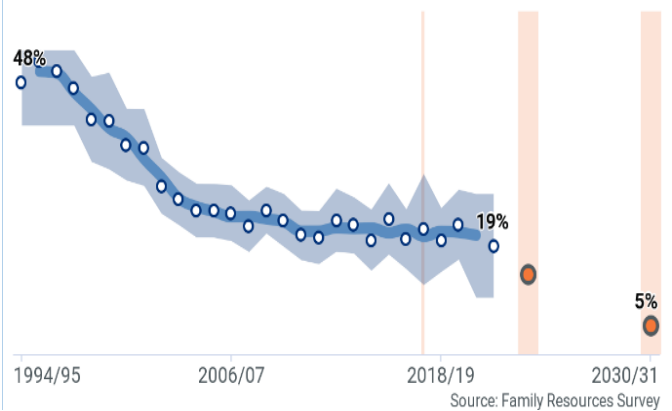
Relative poverty

Measures low income relative to the rest of society



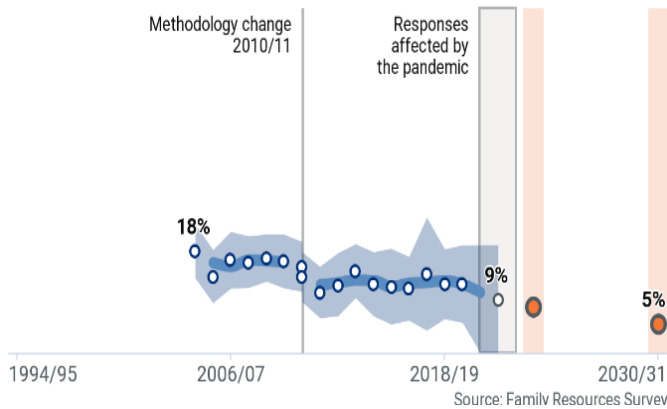
Absolute poverty

Measures low living standards relative to 2010/11



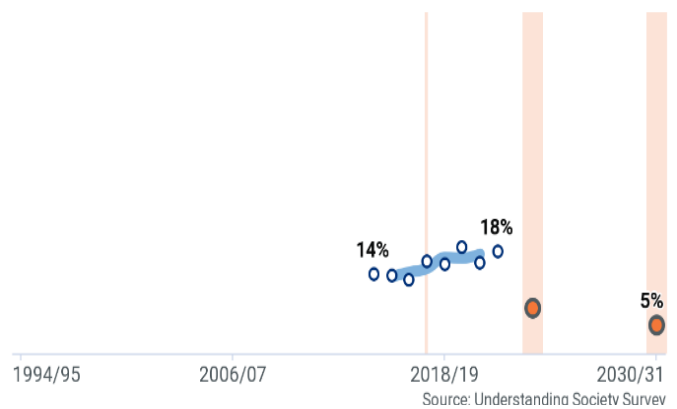
Low income and material deprivation

Measures if unable to afford basic necessities



Persistent poverty

Measures if in poverty for several years



In order to understand whether this is likely to be a real pattern, we also look at [trends of the measurement framework indicators](#), [modelling of the cumulative impact of policies](#) and [evaluation findings of individual policies](#) and [local action](#). The assessment is provided in detail in the sections that follow. But before we go into that level of detail, it is also relevant to show child poverty rates amongst those family types known to be a higher risk of poverty.

Child poverty priority family types

There are some households which have a higher than average risk of being in poverty. We refer to these as ‘priority family types’. These are households with a disabled person, three or more children, a baby aged under 1, minority ethnic households, mothers aged under 25, and lone parent families.

The latest available child poverty rates continue to show that those in priority family types are more at risk of being in poverty. The latest figures are shown in tables 1 and 2 below. Further details on [poverty rates among priority family types over time](#) are published online.

Table 1: Percentage of children in poverty after housing costs 2019-22

	Relative poverty	Absolute poverty	Low income and material deprivation
All children	24%	21%	11%
Lone parent household	38%	36%	23%
Minority ethnic household	39%	34%	16%
3+ children in household	34%	32%	18%
Disabled person in household	28%	24%	18%
Baby aged under 1 in household (data from 2017-20)	34%	30%	13%
Mothers aged 25 or under (data from 2015-18)	55%	49%	26%

Source: Family Resources Survey.

Persistent poverty data is available for two priority family types; that is households with a disabled person and families with children under 5.² Data for other priority family types is not available due to limited sample sizes. However, amongst the data available, it is clear that persistent poverty remains higher amongst priority family types when compared to levels for all children.

Table 2: Percentage of children in persistent poverty after housing costs 2017-21

	Persistent poverty
All children	18%
Disabled adult in benefit unit	28%
Children under 5 in benefit unit (note: there is no data for baby under 1)	22%

Source: Understanding Society.

² To note that the priority family type most at risk of child poverty is households with a baby aged under 1. However, due to limited sample sizes, the persistent poverty measure was expanded to include children under 5 as a proxy.

In addition, we continue to deepen our understanding of the priority family types around the drivers of poverty and what works for them. In the past year we have published:

- An updated [summary slide pack on latest evidence for the priority family types](#). The pack was originally developed to inform policies and programmes to reduce child poverty in development of '[Best Start, Bright Futures](#)'. Since its publication it has proven a useful source of relevant information on priority family types. Therefore, we have updated the pack to reflect the most recent statistics and key information for each priority family type on: key demographics, drivers of poverty and key issues to consider.
- A [review of our approach to reporting evidence](#) of impacts in groups and how to make best use of this evidence.
- An [evaluation framework](#) with guidance on how to assess the impact of policies on child poverty, including a section on who are the priority family types and how best to identify them from an evaluation perspective.

A detailed report for each priority family type has been published. These focus reports look at child poverty rates, progress in each of the three drivers of poverty alongside wider evidence. Scottish Government has published focus reports for: [minority ethnic families](#), [lone parent families](#), [families with a disabled adult or child](#), [families with mothers aged 25 or under](#), and [families with a baby](#). In addition, Public Health Scotland, has published a focus report for [families with three or more children](#).

Although survey statistics do not yet cover the period since the cost of living crisis started, this year's focus report will summarise key available evidence in this respect. The focus report pulls key findings together around the impact of the cost of living crisis amongst low income families and priority family types in particular. The cost of living focus report will be published shortly.

The drivers of child poverty

In order to better understand changes in the target measures of child poverty, we look at the three drivers of poverty. That is: income from employment, cost of living, and income from social security and benefits in-kind. The [measurement framework](#) provides a range of indicators for each of the drivers that can be tracked over time.

Due to the impact of COVID-19 restrictions on the data collection of many national surveys, some indicators on the measurement framework could not be updated during the pandemic years (2020-22). Where the data is available and can be trusted to be reliable and robust, data and trends have been added.

In the [year four report](#), it was evident the pandemic had an impact on many aspects of the Scottish economy, the labour market and in turn, people's lives. It exacerbated inequalities which already existed. At that point, the impact on the drivers of poverty, primarily income from employment and cost of living was acute. Since then, latest evidence showed that:

- The cost of living crisis has been an ongoing challenge for all, but in particular for those already on low incomes. They are entering this latest crisis with less resources and tools at their disposal after economic difficulties extending back to 2008.
- Increasing income through paid employment is an important tool. However, while hourly pay appears to be increasing, there remain challenges for many to increase the amount they work, such as childcare availability and family commitments. Importantly, many people struggle to find work that matches their skills, which may pay better.
- Despite most elements of Universal Credit being updated from 2020-21 for households with a housing element the real value of awards is still being eroded by inflation.

Looking now at each driver of poverty in detail.

Income from employment

It is well known that being in work can have a positive impact on poverty outcomes. However, evidence shows that it is not only a matter of having a job. Many families living in poverty are already working. Instead, what is needed, is well-paid, stable and secure contracts that allow families to not live in poverty.

Positively, hourly pay continues to show a slight upward trend over the year to 2021. Increases are greater for low income households, which should support decreases in poverty rates. However, barriers still exist to further increase income from employment. Low income households with children tend to work less hours. At the same time, the proportion who would like to work more hours (i.e. the rate of ‘under-employment’) is decreasing. This means, that less people would like to work more. There will be a range of reasons for this, that can include, unpaid caring, unpaid work, health or costs associated with work (such as transport or childcare) or simply that they are already working the amount of hours that they want to work.

Improving the level of education, has long been seen as a tool for ensuring better paid jobs. Positively, the level of parental qualifications has been improving over time. But these degrees or higher qualifications are not bringing better paid jobs. Underutilisation of skills is, albeit slightly, increasing. This means, that while parents are more likely to have degrees they are still working in low or medium skilled occupations.

Cost of living

The cost of living is the term used when referring to the prices of day-to-day goods and services. Price increases, such as the recent spikes seen during the cost of living crisis, impact on low income households more acutely.³ This is because they spend a higher proportion of their income on essential goods and services. Moreover, families on low incomes have been living in a constant financial crisis since the 2008 crash, the decade of austerity that followed, and the impacts of the COVID-19 pandemic.⁴ This means, that they entered the cost of living crisis in a highly vulnerable position. They have very limited, or no options, left to reduce their household costs. Full detail will be provided in the upcoming focus report on the cost of living crisis.

The Scottish Government has provided significant support across a wide range of areas to help families with the cost of living. Policies covered transport, childcare, housing, energy and food amongst others. There is some indication of positive trends in the indicators around cost of living. Some progress is evident on housing, childcare and transport. However, the combined UK and Scottish Government packages have not entirely replaced rising costs to minimise food insecurity and fuel poverty. With financial stability weakening recently, further support in this area will be beneficial in the longer term too.

In terms of **housing**, the most recent data (2019-22) shows a slight decrease in the proportion of household income spent on housing for low income families with children. However, due to small sample sizes of this group and issues relating to data quality during the period of the COVID-19 pandemic, this change should be treated with caution. In the year ending March 2022 a total of

3 [The Cost of Living Crisis in Scotland: analytical report - gov.scot \(www.gov.scot\)](https://www.gov.scot/resources/consultations-petitions/Publications/2022/01/220101-Cost-of-Living-Crisis-in-Scotland-analytical-report.pdf).

4 [Poverty in Scotland 2022 | JRF](https://www.jrf.org.uk/our-work/our-reports/poverty-in-scotland-2022).

9,757 affordable homes were completed.⁵ An estimated 3,220 households with children have been helped into affordable housing in the year ending March 2022.⁶ It is estimated that keeping social rents substantially lower than market rents benefits approximately 140,000 children in poverty each year.⁷

Childcare availability has continued to increase over time. Despite positive trends seen, this data does not yet cover the period since the extension of the Early Learning and Childcare provision. But early evidence from the policy evaluation already demonstrates the positive impact ELC is having on families with pre-school age children. For many (61%) the funded provision allows them to work or look for paid work. Some stated that the funded hours enabled them to increase the number of hours they work. Two parent households, or those already in work, were more likely to use funded ELC as a way of further increasing their income from employment. Those in deprived areas, lone parents or one earner households, were generally more likely than others to say that they were using their hours to study/develop skills, to care for others, and to look after themselves better and have been feeling happier and less stressed.⁸

The proportion of household income spent on transport is higher for low income families with children. Equally, perceived affordability of transport is lower for low income families with children. However, data precedes the introduction of free bus travel for under 22s, which is anticipated to significantly help low income families around both cost and affordability of transport.

Still, there are some areas for concern. The proportion of households with children who are in low or very low food security is too high (at 13% for Scotland, 27% amongst low income households with children). Moreover, around a third of households with children (34%) are modelled to be in fuel poverty from April to June 2023 despite the range of policies in place to support with ongoing increases to energy prices.

Financial health seems to have weakened slightly. The [measurement framework](#) shows that debt has increased and access to affordable credit is lower. While the vast majority of households have internet access, the rate of access decreases with income.⁹ Moreover, the ways in which people access and use digital technology may be limited by income.

Income from social security and benefits in-kind

Social security is designed to supplement the income that households receive from other sources, primarily employment. As such, income from social security and benefits in-kind can play a significant role in supporting parents out of poverty.

The provision of the majority of social security and benefits in-kind for families in Scotland is delivered by DWP including most out-of-work or low pay benefits such as Universal Credit. It is estimated that around 80% of benefit spend remains reserved to the UK Government, with the rest being devolved to the Scottish Government.¹⁰

5 [Housing statistics quarterly update: new housebuilding and affordable housing supply - gov.scot \(www.gov.scot\)](#).

6 [Supporting documents - Tackling child poverty delivery plan: fourth year progress report 2021 to 2022 - gov.scot \(www.gov.scot\)](#).

7 This data is available in the yearly AHSP Out-turn report from 2020-2021 which is available on: [Affordable Housing Supply Programme: out-turn report 2020-2021 - gov.scot \(www.gov.scot\)](#). The estimate for number of households with children is based on assumption of approximately a third of households going into affordable housing having children.

8 [Early learning and childcare - parents' views and use: survey findings 2022 - gov.scot \(www.gov.scot\) // Decisions influencing early learning and childcare use: understanding social policies and social contexts - gov.scot \(www.gov.scot\)](#).

9 [Scottish Household Survey 2021 - telephone survey: key findings - gov.scot \(www.gov.scot\)](#).

10 [Building a New Scotland - gov.scot \(www.gov.scot\)](#). Scottish Government calculation based on forecasts from Scottish Fiscal Commission and Office for Budget Responsibility.

The majority of this spend is delivered by Social Security Scotland with the Scottish Welfare Fund and Discretionary Housing Payments administered by local authorities.

The social security indicators have been updated to better reflect the current system as the rollout of Universal Credit continues to progress. Consequently, the data series for the proportion of children who are estimated to be eligible for Universal Credit and Scottish Child Payment are at an early stage.

The analysis shows that the real value of both out-of-work and in-work benefits have been declining over time with the exception of the year the Universal Credit uplift was introduced. The main reason for the declining trend in recent years is due to inflation decreasing the real value of the housing element of Universal Credit.

The real value of in-work benefits experienced a slightly sharper decrease over time due to higher earnings resulting in larger deductions from the benefit. Work allowances and changes to the taper rate also have an impact but trends in the series are otherwise similar to the out-of-work benefits. The drop recorded in recent years is again due to inflation decreasing the real value of the housing element.

The last welfare reform report considered the impact of reversing UK Government welfare reforms since 2015, estimating that this would lift 70,000 people out of poverty in Scotland, including 30,000 children in 2023-24.¹¹ These series show the magnitude of the impact of the £20 uplift in the context of the benefit freeze.

In contrast since its launch towards the end of 2020-21 at the value of £10 per week the Scottish Child Payment has increased sharply in real terms to its current rate of £25.

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

Evaluating our policies

As set out in the [updated evaluation strategy](#), our evaluation efforts have been focused on those actions likely to have the biggest impact on the child poverty targets.

The package of policies included in 'Best Start, Bright Futures' was informed by a cumulative impact assessment. Previously the policy package was estimated to contribute a 10 percentage point reduction in child poverty on both the relative and absolute measures, resulting in a relative poverty rate of around 17% and an absolute poverty rate of 16% in 2023-24.

Updated modelling, based on measures announced to date and included within the delivery plan, estimates that child poverty is expected to be 9 percentage points lower on both measures as a result of the policy package in 2023-24. Due in large part to the deterioration in the macroeconomic situation, this now means that around 19% of children could be living in relative poverty and 16% of children could be living in absolute poverty in 2023-24.

Both sets of results are subject to a degree of uncertainty as is the case with any economic modelling.

11 [Executive Summary - Welfare reform - impact on households with children: report - gov.scot \(www.gov.scot\)](#).

Economic modelling can provide us with an indication of the impact policies may have on child poverty but we cannot precisely account for what may or may not happen, particularly in light of recent macroeconomic volatility. As noted in 'Best Start, Bright Futures', the modelled policy package is not exhaustive due to limitations of what can be included.

The current cost of living crisis poses a challenge to progress against both the interim and final targets, at least until increases in wages and benefit rates offset the current high inflation rates. This issue is particularly relevant for the absolute poverty and material deprivation targets. The absolute poverty line is updated each year for inflation. This means that increases in the cost of living will have a direct impact on absolute child poverty rates, if household incomes do not increase at the same rate. It is also likely that families will report higher levels of material deprivation while inflation rates remain high – particularly for essential items like energy and food which are currently driving high inflation. On the other hand, relative poverty (and therefore persistent poverty) is not directly adjusted for the cost of living. This underscores the importance of having four targets of child poverty and using a basket of indicators to track progress.

Local action

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. A recently published report summarised evidence from 16 reports covering the period April 2021 to March 2022. The [thematic report](#) analysis showed that:

- **Collaboration** was a key feature across most local areas at different levels of governance and between different partners and agencies. This ranged from inter-departmental collaboration on a single service to collaboration between sectors and between local authorities on the governance level.
- The **national mission** and actions set out in the delivery plans have cut through well with local authorities and health boards in their child poverty reduction efforts.
- **Data collection** was widespread and used most often to describe poverty within local areas. However, data and evidence was used less effectively in a strategic context, that is to inform planning and delivery processes. For example, there was less evidence of local areas using information on what works (and does not work) to inform actions to address local priorities.
- The reports are not very clear as to how local interventions are being **targeted**. Sometimes, local areas used the six priority family lenses as a way of ensuring that their actions did reach those most at risk of poverty. Where targeting did occur the ways this was approached differed between areas and depended on the type of action taken. In many cases, local authorities and health boards developed their own localised targeting strategies, which focused on groups outside of the six priority family types based on their own assessments of local need.

At a glance summaries

Introduction

The following section provides a series of ‘at a glance’ tables providing a summary overview of activity in 2022-23.

The first table provides overall progress on each of the actions committed and how each action is expected to contribute toward our national mission to tackle child poverty.

Table two sets out a short progress update against each of the actions committed which have not been reported against in each of the nine workstreams earlier in this report.

Table three sets out what has been spent from the Tackling Child Poverty Fund across 2022-23.

Table four sets out an estimate of Scottish Government investment in 2022-23 directed at low income households with children and investment targeted at low income households more generally – where children are also expected to benefit.

The final table outlines the requirements of the Child Poverty Scotland (Act) 2017, and how we have addressed each within this report. Responses to the eight recommendations of the Poverty and Inequality Commission are also noted here.

Overview of progress

The following table provides an at a glance update on the status of all actions in ‘Best Start, Bright Futures’ as of 31 March 2023. The table also summarises how each action will help us to tackle child poverty.

Of the 101 actions set out in the delivery plan, 40 are complete or delivering is ongoing, 39 are in progress, 19 are in the early stages of development. Work on two of the actions in the delivery plan has not yet started, and one action has been aligned with other commitments and will be delivered through them.

Table 1 – Summary of action status

Key:

- ✓ - complete / delivery ongoing
- ◆ - in progress
- ▲ - early stages of development
- - work not yet started
- - aligned with other action

Expected outcome:

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	Expected outcome	Status
Commence work in local pathfinder areas	LC, EMP, SS, OC, HC	✓
Act on findings of Rural and Islands Child Poverty Research	LC, EMP, SS, OC, HC	◆
Social Innovation Partnership – Flourishing Lives	LC, EMP, SS, OC, HC	◆
Increase scale of employment support	EMP	▲
Test and Learn Pilot for lone parents	EMP, LC, SS, OC, HC	✓
Challenge Fund	EMP	●
Parental Transition Fund	EMP	▲
Increasing awareness and uptake of employment support	EMP	◆
Lifetime Skills Offer	EMP	▲
Adult upskilling and reskilling offer	EMP	▲
Adult Learning Strategy for Scotland	EMP	✓
NHS Demonstrator Project and apprenticeship opportunities	EMP	✓
Just Transition Fund	LC, OC	◆
Strategic plan for childcare	EMP, OC	✓
Further develop funded early learning childcare for children aged one and two	EMP, OC	▲
Maximise uptake of existing funded early learning childcare for eligible two year olds	EMP, OC	◆
Build a system of school age childcare	EMP, OC	▲
Summer 2022 holiday programme	EMP, OC	✓
Eligibility review for funded childcare	EMP, OC	▲
Deliver concessionary fares for eligible groups	EMP, OC, LC	◆
Fair Fares Review	EMP, OC, LC	◆
Next generation of digital travel systems	EMP, OC, LC	◆
Community Bus Fund	EMP, OC, LC	■
Review of Demand Responsive Transport	EMP, OC, LC	◆
Connecting Scotland	EMP, HC, OC, SS, LC	▲
Shared vision for tackling child poverty in partnership with business and employers	EMP	▲
Refreshed Fair Work Action Plan	EMP	✓
Workplace Equality Fund	EMP	✓

ACTION	Expected outcome	Status
Women Returners Programme	EMP	✓
Public sector grant recipients to pay at least the real living Wage to all employees	EMP	◆
Community Wealth Building	EMP	▲
Build child poverty into major Scottish Government events	LC	◆
Public Sector Pay Policy	EMP	✓
Supported Business	EMP	✓
Expand the number of employers paying at least the real Living Wage and offering Living Hours	EMP	✓
Whole Family Wellbeing Funding	EMP, OC, LC, SS, HC	◆
Bail and Release from Custody (Scotland) Bill - to reform the law governing bail decisions and the mechanisms around prison release	LC	◆
Barnahaus model	LC	◆
CashBack for Communities	LC	✓
Strengthen immediate protections for the victims of abuse	LC	◆
Prison Visitor Centres	LC, HC	✓
Getting it Right Together (renamed GIRFE)	LC	▲
Family focused services for people with alcohol and drug problems	LC	◆
Communities Mental Health and Wellbeing Fund for adults	LC, OC, EMP	✓
Community mental health resilience and social prescribing	LC	◆
Fairer Funding Programme	LC	▲
Third Sector Fund	LC, OC, HC, SS	✓
STV Children's Appeal	EMP, HC, OC, SS, LC	✓
Family Fund	LC, OC, SS	✓
Equality and Human Rights Fund	LC	✓
Place Based Investment Programme	EMP	✓
Empowering Communities Programme	EMP	◆
Increase 8 social security payments by 6%	SS	✓
Scottish Child Payment	SS	✓
Bridging Payments	SS	✓

ACTION	Expected outcome	Status
Remove income thresholds from Best Start Foods	SS	◆
Explore systems of automated payment for Social Security benefits	SS	◆
Carer Support Payment	SS	▲
Extra payment for carer's of more than one disabled person	SS	▲
Scotland's Child Disability Payment case transfer	SS	◆
Adult Disability Payment (ADP)	SS	✓
Winter Heating Payment	SS	✓
National guidance on school uniforms	HC	◆
Further expand Free School Meal provision	HC, SS	◆
Publish Scottish guidance for Discretionary Housing Payment	HC	▲
Independent review of the Scottish Welfare Fund	SS	✓
Mitigate the Benefit Cap as fully as possible	SS	✓
£150 Cost of Living Payment	SS	✓
Benefit take up strategy	SS	✓
Social Security Advocacy Service	SS	✓
Expand the Family Nurse Partnership	LC, HC, OC	◆
Enhance financial advice from Health Visitors	LC, HC, OC	◆
Welfare Advice and Health Partnerships	LC, HC, OC	◆
Free debt advice	SS, OC, HC	✓
Strategic approach to communications – income maximisation	LC, HC, OC, SS, EMP	✓
Plan for ending the need for food banks	SS	◆
Affordable Housing Supply Programme	HC, LC	◆
Remote, Rural and Islands Housing Action Plan	HC	▲
Private rented housing sector reforms	HC	■
Gypsy/Traveller accommodation	HC	◆
Home Energy Scotland Loans and Grants scheme	HC	◆
Fuel Insecurity Fund	HC, SS	✓
Successor to Warmer Homes Scotland	HC	◆
Ending Homelessness Together	HC, LC	◆
Scale up Housing First	HC, LC	◆

ACTION	Expected outcome	Status
Play Park renewal	LC	◆
Refreshed GIRFEC resources	LC	✓
The Promise Partnership Fund	LC	✓
Scottish Attainment Challenge	EMP, LC	✓
Removal of charges for core curriculum subjects	OC, LC	◆
Improve digital access for school age children	LC, SS	▲
Scottish Mentoring and Leadership Programme	EMP, LC	◆
Pilot of free bikes for children whose parent/guardian cannot afford to buy a bike	OC, LC	✓
Investment in sport, active living, and Active Schools programmes	LC	◆
Youth Work Strategy	EMP, LC	◆
School Leavers' Toolkit	LC	✓
Tackling the digital divide in further and higher education	EMP, LC	✓
Enhance the total student support package	EMP, LC	◆
Young Person's Guarantee	EMP, LC	✓
Care Experience Grant	SS	▲
Legislate to exempt under 22s from Council Tax	HC, LC	▲

Updates on other actions

The following table provides brief updates on actions committed within 'Best Start, Bright Futures' which have not otherwise been incorporated within the body of this report. As set out within the Plan, a balanced approach is needed to tackle child poverty effectively, and the following actions remain central to our overall child poverty strategy.

Table 2 – Progress on other actions

ACTION	ACTIVITY
Just Transition Fund	<p>Since 2022, £75 million of support has been announced from the Just Transition Fund (JTF). £50 million has been allocated to a multi-year capital grant programme supporting 24 projects running to 2025-26, which includes £1 million per year ringfenced for community projects via Participatory Budgeting (PB). £25 million has also been allocated to the Scottish National Investment Bank to be invested on a commercial basis in 2023-24.</p> <p>Community support includes the setup of an Advanced Manufacturing Skills Hub, which provides training to facilitate and upskill members of the community, particularly those in nearby areas of deprivation. In addition, 45 local projects have been funded through PB and funding provided to North East Adventure Tourism will help to support young people in deprived areas.</p>
Supported businesses	<p>In 2022-23 the Supported Businesses framework agreement was extended until July 2023 to utilise the power of public procurement to support the integration of disadvantaged and disabled citizens into the workforce.</p>
Connecting Scotland	<p>In this reporting year, Connecting Scotland has continued to provide low-income households with digital support and we plan to relaunch the programme later this year and we will work with key partners across the public and third sector to reach those who need it most.</p>
Build child poverty into major Scottish Government events	<p>In this reporting year, we have worked to produce a consultation on our National Event Strategy, which launched on 24 March and will close on 30 June 2023, where we are asking what aims should be prioritised as part of aligning our strategic major events to policy priorities, including child poverty. Later this Summer we will review consultation responses and progress next steps to improve major event alignment to policy objectives.</p>

ACTION	ACTIVITY
Bail and Release from Custody (Scotland) Bill - to reform the law governing bail decisions and the mechanisms around prison release	Informed by a 12-week public consultation in early 2022, the Bill looks to reduce child poverty and deliver The Promise through recognition of the negative impact that periods of imprisonment can have on the individual and their family and the negative impact of parental imprisonment on outcomes for children. Over this reporting year, the Bill has progressed through the Scottish Parliament and is currently at Stage 3. In the next reporting year, we will work with partners to begin to implement the Bill (if passed).
Barnahaus model	The Barnahaus Model provides Scotland with an opportunity to provide a genuinely child-centred approach to delivering justice, care and recovery. In August 2022 we published our draft Bairns' Hoose Standards and have continued to refine these over this reporting year. In the forthcoming year we will look to publish Bairns' Hoose National Standards and develop work to scope and progress a range of Pathfinders that will test the model.
CashBack for Communities	To date, up to £130 million from proceeds of crime has been committed to support young people. In this reporting year, the fund developed its 6th phase of funding and announced in March 2023 that the Phase 6 programme will run from 1 April 2023 to 31 March 2026 with an increased overall budget of up to £20 million, with a total of 29 organisations to benefit.
Strengthen immediate protections for the victims of abuse	<p>Since passing The Domestic Abuse (Protection) (Scotland) Act 2021, we have worked with key stakeholders to implement additional protection for people who are at risk of domestic abuse, particularly where they are living with their abuser.</p> <p>In the year under review, we established an operational working group comprised of justice stakeholders to work through the practicalities of how the legislation will operate in practice, including how Scottish Government ensures that the views of children are incorporated into operationalising the legislation. In the forthcoming year, we will continue to progress this work with our Implementation Board and the Operational Working Group.</p>
Prison Visitor Centres	<p>In 2022-23 funding of around £800,000 supported 12 Prison Visitor Centres to deliver tailored support for families impacted by imprisonment across Scotland. The approach aims to help families maintain relationships, especially parental bonds when a member of the family is in prison.</p> <p>The Centres provide a range of practical and emotional support, including voicing the needs of families to prison staff and referring families to financial, housing, and mental health support.</p> <p>For the forthcoming year, £807,000 has been approved to continue delivery, and the Funding Advisory Group and Strategic Steering Group will continue to further enhance delivery of supports through this project.</p>

ACTION	ACTIVITY
Third Sector Fund	<p>We have extended the existing Children, Young People and Families Early Intervention & Adult Learning & Empowering Communities third sector fund for a further 2 years and introduced the Children Young People Families and Adult Learners third sector fund from July 2023 until March 2025.</p> <p>The funds will support 137 third sector organisations with £35 million in core funding over the 2 financial years.</p>
STV Children's Appeal	<p>Through funding of £1 million, the Appeal supported projects across all 32 local authority areas, with more than 10,000 people reached. The Appeal also distributed an additional £500,000 to support responses to the cost-of-living crisis, with more than 100 organisations receiving funding to allow them to support families' needs around energy costs, food and clothing.</p>
Family Fund	<p>Family Fund provides a wide range of grants to families living in Scotland raising a disabled, or seriously ill, child or young adult on a low income. In 2022-23 Scottish Government provided £2.974 million of grant funding to the Family Fund.</p> <p>This funding has enabled 6,593 families raising disabled or seriously ill children on a low income in Scotland to receive a grant for items they would not have otherwise been able to afford. Items received by families have included computers and tablets, family breaks, outdoor play equipment, sensory toys, kitchen appliances and furniture.</p>
Equality and Human Rights Fund	<p>In this reporting year, the fund continued to support 48 organisations, including the Poverty Alliance, to deliver work focused on tackling inequality and discrimination. The forthcoming year will see the third year of this programme.</p>
Place Based Investment Programme (PBIP)	<p>Through our Place Based Investment Programme (PBIP), we are investing funding to support community-led regeneration and town-centre revitalisation.</p> <p>In 2022-23 we allocated £74 million through PBIP in support of numerous regeneration projects across Scotland.</p> <p>This investment supports regeneration specifically designed to create the local conditions and infrastructure for tackling the wellbeing, inequality and disadvantage issues which contribute to child poverty, enabling families to live well locally.</p> <p>We monitor and learn from investment to date and in 2023-24 we will continue to invest in projects across Scotland and deliver this Programme for the remainder of this parliament as part of our five-year Infrastructure Investment Plan.</p>

ACTION	ACTIVITY
Empowering Communities Programme	<p>The Empowering Communities Programme (ECP) invested £15.4 million in support of over 274 communities in 2022-23.</p> <p>We will provide investment of up to £14 million in 2023-24 through a range of strategic partnerships and community funds. These will support communityled regeneration, enabling communities to tackle poverty and inequality on their own terms – strengthening communities and families and driving local action and opportunities to improve lives and tackle child poverty.</p> <p>In addition, we are delivering the next round of the Investing in Communities Fund with funding up to £9.2 million, with the fund prioritising projects in areas of poverty, child poverty, inequality and disadvantage – addressing local identified challenges such as food insecurity and affordable childcare.</p>
Extra payment for carer's of more than one disabled person	<p>We have continued to scope how we can enhance existing support for carers, over 2022-23 we have continued to explore options to deliver on this commitment.</p>
National guidance on school uniforms	<p>The Consultation on school uniform policy closed on 14 October 2022 with 2,751 responses received, Scottish Government continues to analyse responses, and in the next reporting year will consider next steps, which may include progressing to publish guidance.</p>
Play Park renewal	<p>In 2022-23, £5 million was invested to refurbish children's play parks, ensuring that children across Scotland have access to free high quality play areas. We will know the impact of this investment later this year. To date, 185 play parks renewals have commenced or been completed due to funding from 2021-22.</p> <p>In August 2022 the Scottish Government and COSLA agreed the allocation and distribution of £50 million in capital funding to local authorities over the remainder of this parliament for play park refurbishment.</p>
Refreshed GIRFEC resources	<p>In September 2022, following consultation and engagement with stakeholders, we published refreshed GIRFEC practice materials to support practitioners in their approach to improving wellbeing outcomes for children and young people.</p>

ACTION	ACTIVITY
Scottish Attainment Challenge	<p>The Cabinet Secretary for Education and Skills set out to Parliament on 23 November 2021 plans for the Scottish Attainment Challenge (SAC) for 2022-23 to 2025-26, to support recovery from the pandemic and accelerate progress in closing the gap.</p> <p>In this reporting year we have worked on implementing the refresh of SAC, in November 2022 we published our revised logic model and an evaluation strategy for the remainder of this parliament.</p> <p>In the coming year, local authorities across Scotland are well placed to make further progress, as set out in the local stretch aims for tackling the attainment gap that were announced in December 2022.</p> <p>The latest achievement of curriculum for excellence levels data, published in December 2022, demonstrated the biggest single-year decrease in the poverty-related gap in primary numeracy and literacy levels since records began.</p>
Removal of charges for core curriculum subjects	<p>The Scottish Government continues to support the removal of core curriculum costs for all primary and secondary pupils. This ensures that carers and families do not have to meet the costs of resources and materials for practical lessons and removes cost as a factor when young people are making choices about their education. Work has continued to develop guidance over this reporting year to support schools in delivering this commitment, and in the forthcoming year we will continue to develop guidance in collaboration with COSLA.</p>
Improve digital access for school age children	<p>We are committed to improving digital access for learners during the remainder of this parliament. In the year under review, we have worked with local authorities to scope the current picture of digital devices and infrastructure in schools. We are now using these findings to assess delivery models to begin a first phase of rollout for devices. We will continue to evaluate delivery options in the forthcoming year to ensure delivery provides maximum value for money.</p>

ACTION	ACTIVITY
Investment in sport, active living, and Active Schools programmes	<p>Sport Scotland works in partnership with all 32 local authorities to invest in and support the Active Schools Network. Active Schools aims to provide more and higher quality opportunities to take part in sport and physical activity before school, during lunchtime and after school, and to develop effective pathways between schools and sports clubs in the local community.</p> <p>During 2022-23, Sports Scotland worked with all local authorities to ensure there is a full understanding of the policy that all Active Schools activity should be free to participants. The 2022-23 report will be published later this year.</p> <p>Going forward Scottish Government and Sports Scotland will continue to ensure that free sport and physical activity opportunities are available to children and young people through the Active Schools programme in all areas of the country. We have also asked local Active Schools teams to collect postcode data from participants so that an analysis by SIMD area can be undertaken. This data is currently being processed and will be published during 2023-24.</p>
Youth Work Strategy	<p>In 2022-23 we convened a short-life working group - The Youth Work Strategy Equalities Review Group - to ensure that equality, diversity and inclusion and anti-discrimination are fully embedded and become central components of our developing Youth Work Strategy. We aim to publish the Strategy in the coming months.</p>
School Leavers' Toolkit	<p>In 2022-23, we developed and published a School Leavers Toolkit which can be accessed by young people via Skills Development Scotland's website: School Leavers Toolkit My World of Work. We will continue to monitor the number of visits to the Toolkit and ensure it is promoted. We have also asked that Skills Development Scotland maintain and further develop the Toolkit where required.</p>
Tackling the digital divide in further and higher education	<p>Aligned with our Programme for Government commitment, in 2022-23 we invested £2.9 million in colleges, £1.6 million in universities and £500,000 in community learning and development to support further and higher education providers to purchase digital equipment and provide access to Wi-Fi to enable students who, owing to low incomes, cannot otherwise access online learning.</p> <p>To date the fund has supported almost 11,000 learners across colleges, universities and within community learning settings. We anticipate this number will increase on receipt of final reporting on the investment for 2022-23, which is expected by the end of this academic year. Moving into 2023-24 we plan to invest a further £5 million in capital to support this commitment.</p>

ACTION	ACTIVITY
<p>Enhance the total student support package</p>	<p>In this reporting year, we have worked to increase support for a range of students. On 14 March 2023, we announced an uplift in bursaries and loan packages, meaning that financial support available to undergraduate students will rise by £900 from the start of the 2023-24 academic year.</p> <p>In this reporting year, we have worked to increase support for a range of students. On 14 March 2023, we announced an uplift in bursaries and loan packages, meaning that financial support available to undergraduate students will rise by £900 from the start of the 2023-24 academic year.</p> <p>For estranged students in higher education and other undergraduate learners with the lowest household income, their maximum support package will increase from £8,100 to £9,000 per year, and the annual non-repayable Care Experienced Bursary for eligible higher education students will also increase to £9,000.</p> <p>In further education, a £900 increase will also be applied to the maximum bursary rate available to care experienced students. These increases will be available to students already at college and university and for new students beginning their studies from Autumn 2023.</p>

Investment through the Tackling Child Poverty Fund

'Best Start, Bright Futures' is backed by a £50 million Tackling Child Poverty Fund for the period 2022-2026. Recognising the particular pressures low income families faced as a result of the cost of living crisis, investment from this fund was front loaded in 2022-23 to enable the doubling of the final Scottish Child Payment Bridging Payment and provision of emergency food insecurity support.

The table below sets out what has been spent from the Tackling Child Poverty Fund in 2022-23.

In the year ahead, investment from the fund will continue to support the scaling up of Pathfinder approaches in Glasgow, Dundee and elsewhere, enhanced support for local child poverty action and embedding lived experience in the design and implementation of policies contained within the delivery plan, amongst others.

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

Table 3 – Summary of Tackling Child Poverty Fund investment

Summary of Tackling Child Poverty Investment 2022-23 (£m)	
Doubling the Winter 2022 Scottish Child Payment Bridging Payment	19.000
Emergency food insecurity funding to respond to the cost of living crisis	1.775
Pathfinders, including evaluation	0.699
Low income family targeted strategic communications	0.654
Enhancing local tackling child poverty action	0.112
Programme Delivery Costs	1.527
TOTAL	23.767

Investment to support children in poverty

In the 2022-23 financial year, it is estimated that £3 billion was invested across a range of programmes targeted at low-income households. Of this, we estimate that £1.25 billion benefited children. These totals, along with the breakdown of estimated spend on individual programmes, can be seen in table 4 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 in previous progress reports, inconsistencies could remain. For policies targeted at all people on a low income, we have given consideration to any additional evidence which would enable us to produce a better estimate and have included footnotes to indicate the methodology used. In the absence of this information we have continued to use the latest statistics on the proportion of people in poverty who are children as in previous years (20% in 2021-22) to derive an estimated spend on children in poverty. We have excluded administration costs where possible.

As in previous years, 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 universal Free School Meal provision in primary schools, or wider support including free prescriptions, healthcare or free tuition. Disability benefits have also been excluded from the calculations, these are non-means tested and their purpose is to provide support to help with the additional costs associated with having a disability or long-term health condition. Wider investments such as these are important aspects of our overall strategy to reducing child poverty.

In 2021, we set out a feasibility study looking at how we could improve our modelling of the distributional impacts of our policies, including by integrating the effects of more public spending. We are continuing to look to build on these ambitions, and alongside our Medium Term Financial Strategy published distributional analysis of the combined impact of our tax and social care policies for the first time. We are also evaluating key policies - like No One Left Behind and the Child Poverty Pathfinders - to ensure actions are having the desired impact on child poverty and represent value for money.

Comparative to 2021-22 estimates, this represents an increase of £0.43 billion in spend targeted to low income households in 2022-23, and an increase of £0.15 billion in spend which benefited children.

Table 4 - Estimate of spend to tackle child poverty

Policy	Estimated 2022-23 spend on low income households (£m)	Estimated 2022-23 spend on children in low income households (£m)
Targeted at low income households with children		
Attainment Scotland Fund	70.00	70.00
Benefit Cap Mitigation ¹²	0.77	0.76
Best Start Foods	12.60	12.60
Best Start Grant	20.60	20.60
Bridging Payments ¹³	73.92	73.92
Education Maintenance Allowance ¹⁴	22.00	22.00
Expand Family Nurse Partnerships	11.90	11.90
Family Fund ¹⁵	2.97	2.97
Parental Employability Support Fund	7.60	7.60
Promise Partnership Fund	5.02	5.02
Pupil Equity Funding ¹⁶	130.30	130.30
School Attainment Challenge	11.80	11.80
School Clothing Grant	11.80	11.80
School Meal alternate holiday provision	21.75	21.75
School Meals, including Free School Meals	169.80	169.80
Scottish Child Payment	213.20	213.20
STV Children's Appeal	1.00	1.00
Whole Family Wellbeing Funding ¹⁷	8.05	8.05
Wraparound / School Age Childcare ¹⁸	12.20	11.45
Total	807.28	806.52

12 New policy implemented from 1 Jan 2023, therefore spending covers Q4 2023 only. At the time, 98% of capped households contained children.

13 Projected resource for Spring 2022 payment allocated in 2022-23.

14 Budget was reduced from a budget allocation of £25m in 2022-23 at the Emergency Budget Review.

15 Total grant funding given to the Family Fund in 2022-23 was £2.974m to provide grants, advice and support to low-income families in Scotland raising disabled or seriously ill children.

16 Was invested in early June 2023.

17 The estimate of the policy's spend targeted at children in low income households was calculated as a proportion based on the latest Scottish Government statistics of all children that are in relative poverty after housing costs (23% in 2022).

18 Includes investment in 2022 Summer Programme; Access to Childcare Fund; and Early Adopting Communities.

Policy	Estimated 2022-23 spend on low income households (£m)	Estimated 2022-23 spend on children in low income households (£m)
Targeted at low income households – not necessarily with children		
Advice in an Accessible Setting	1.76	1.19
Advice Services ¹⁹	4.27	1.92
Affordable Homes	713.15	142.63
Carer's Allowance	314.00	62.80
Carer's Allowance Supplement	43.70	8.74
Connecting Scotland ²⁰	1.60	0.32
Council Tax Reduction	351.00	70.20
Cost of Living Payment	274.00	54.80
Discretionary Housing Payments	83.70	13.06
Fair Food Fund	0.85	0.17
Fair Start Scotland	23.78	5.95
Fuel Insecurity Fund	20.00	4.00
Fuel Poverty / Energy Efficiency	194.31	38.86
Funeral Support Payment	9.80	2.00
Island Cost Crisis Emergency Fund	1.40	1.40
Job Start Payment	0.20	0.09
Long term unemployed intermediate labour market opportunities	11.88	2.97
Winter Heating Payment	19.80	3.96
Regeneration Strategy	96.70	19.34
Scottish Welfare Fund	35.50	7.10
Self-Isolation Support Grant	13.30	3.30
Social Innovation Partnership	2.60	2.20
UC Scottish Choices	0.12	0.02
Winter Food Insecurity	1.78	0.36
Total	2219.20	447.38
TOTAL	3026.48	1253.90

19 These figures now combine advice services and the Money Talk Team.

20 £935,000 and a £700,000 underspend.

Child Poverty (Scotland) Act 2017 Requirements

Section 10 of the Child Poverty (Scotland) Act 2017 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.

Table 5: Summary of Child Poverty (Scotland) Act 2017 requirements

<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 fifth progress report due under the Child Poverty (Scotland) Act 2017.</p> <p>Section 2 outlines our approach to assessing progress and presents the most recent data for the four targets.</p> <p>Progress in implementing the delivery plan (2022-26) 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 sets out key progress in implementing ‘Best Start, Bright Futures’, under thematic areas of focus. Brief updates on actions not contained in this section can be found in table 2.</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>Economic Modelling was published alongside the Tackling Child Poverty Delivery Plan 2022-26 setting out anticipated impacts on the targets. An updated Cumulative Impact Assessment is published alongside this report in Annex B.</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 ‘Best Start, Bright Futures’ – including children living in single parent households.</p> <p>This section also links to a suite of documents reflecting our approach to understanding impacts of child poverty and policy measures on the priority families.</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 ‘<i>Every Child, Every Chance</i>’ – including children living in families that include a disabled adult or child, minority ethnic families, families with a child under one year old, families with 3 or more children, lone parent families and families where the mother is under 25 years of age.</p> <p>Annex C sets out our approach to reporting evidence by each of the six priority family types identified, and sets out how best to utilise the priority family concept to inform development and delivery of effective policy.</p> <p>We will also shortly publish an additional annex detailing an evidence review in relation to the impact of the cost of living crisis for families living in poverty.</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>This report recognises that tough choices will need to be made about existing budgets in order to drive the progress needed, and we will not shy away from the decisions needed to reduce poverty.</p> <p>In the year ahead we will push forward with the implementation of ‘Best Start, Bright Futures’, and will continue to focus on how we strengthen our partnerships across the public, private and third sectors in order to maximise our collective impacts on child poverty. Section 1 sets out some of our priority actions for 2023-24.</p>

In preparing a progress report, the Scottish Ministers must -	
<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>The Poverty and Inequality Commission shared their advice with the Scottish Government in May 2023.</p> <p>The scrutiny received from the Commission is reflected in the table below.</p>
<p>The Child Poverty (Scotland) Act 2017 includes requirements for annual progress reports, to be laid by the end of June each year, and both an interim and final report, relating to the 2023-24 and 2030-31 targets respectively.</p> <p>Section 12 of the Act requires that, within the progress report to be published by the end of June 2031, Scottish Ministers must include a statement on the percentage of children living in poverty under each target measure in the year of the final targets (2030-31), confirm if each target measure has been met, and if not provide an explanation why.</p>	<p>Due to the timing of data collation it will not be possible for Ministers to include a statement on the percentage of children living in poverty (in terms of the four target measures in the Act) in 2030-31 in the final report due to be published by end June 2031, or to state whether the final targets have been met.</p> <p>Ministers are currently exploring options to remedy this issue and will look to provide an update in the next progress report.</p>

Responding to the recommendations of the Poverty and Inequality Commission:

In relation to the progress made during the reporting year towards meeting the child poverty targets the report of the Commission notes:	
<p>“The increase in the Scottish Child Payment to £25 per week and its roll out to eligible under-16s during 2022-23 undoubtedly represents significant progress in tackling child poverty. It will make a real difference to the lives of children and families across Scotland.</p> <p>Less progress has been made on some of the other key actions in Best Start, Bright Futures and the Commission is concerned that there does not seem to be the necessary clarity or sense of urgency about delivery of these actions.”</p>	<p>The report recognises the extraordinarily difficult macroeconomic conditions with some of the most challenging economic circumstances in living memory. To that end difficult choices had to be made within a fixed budget to prioritise spending on immediate support for those struggling with the cost of living crisis in 2022-23. As a result, we have made less progress in some areas in this reporting year than intended but overall Scottish Government decisions have prioritised support to those who need it most.</p> <p>The challenging economic climate has meant it has not been possible to commence delivery of some actions at the scale and pace originally envisaged. For example, the current difficult tendering climate, due to inflation and high costs, has led to a slowing of approvals and starts for affordable homes, but section 1 of the report sets out the steps which are being put in place to mitigate these challenges.</p> <p>As reflected in section 1, key steps across 2022-23 have been taken including, amongst others, commencing our Whole Family Wellbeing Funding, establishing our early adopting school age childcare communities and doubling the fuel insecurity fund.</p> <p>Tackling child poverty and protecting people from harm is the Scottish Government’s priority and remains at the heart of this Government’s work and priorities with our partners. This will mean hard choices, and key steps for 2023-24 are set out in section 1 of the report.</p>

<p>In relation to whether it appears to the Commission that such progress is sufficient to meet the child poverty targets the report of the Commission notes:</p>	
<p>“Based on the available data and modelling, the Commission considers that it is unlikely that the Scottish Government will meet the interim targets in 2023-24. Nevertheless, the Commission does expect there to be a substantial reduction in child poverty due to the Scottish Child Payment and the importance of this to children and families should not be underestimated.</p> <p>The Commission’s view is that there is a very high likelihood that the Scottish Government will miss the 2030 child poverty targets, unless it substantially increases the pace and scale of delivery.”</p>	<p>As reflected in section 2, the latest statistics show that child poverty rates are broadly stable. The challenging economic climate has meant it has not been possible to commence delivery of some key actions at the scale we had originally envisaged.</p> <p>In spite of this, the Scottish Government continues to take significant actions toward the targets, including the Scottish Child Payment which is set to help lift 50,000 children out of poverty this year.</p> <p>Our cumulative impact assessment (annex B) estimates that relative and absolute child poverty will be 9 percentage points lower than it would have been in the absence of Scottish Government policies, meaning around 19% of children could be living in poverty in 2023-24. However this modelling is subject to a degree of uncertainty as is the case with any economic modelling.</p> <p>As detailed below, we are committed to doing all we can to deliver at the pace and scale required to ensure meeting the targets, and will not shy away from making difficult choices where needed.</p> <p>Section one of this report outlines plans to increase investment in key actions to tackle the drivers of child poverty, including a further £15 million to continue to design an all-year-round system of school age childcare and over £108 million in employability support in 2023-24.</p>

<p>In relation to what further progress the Commission considers is required to meet the child poverty targets the report of the Commission notes:</p>	
<p>“The Scottish Child Payment is driving most of the progress towards the interim targets, but there will not be any single policy that can deliver the further reduction needed to meet the 2030 targets. The 2030 targets can only be met through delivering a range of actions that work together to transform our economy and deliver fair work, create the conditions to support parents who are able to work, provide adequate social security for those who are not able to work and reduce housing costs.”</p> <p>“The Scottish Government must focus on delivering with urgency and at scale and commit to the funding required to deliver the action needed.”</p>	<p>Tackling poverty and protecting people from harm is one of three critical and interdependent missions for the Scottish Government. As set out in the Medium Term Financial Strategy, the Scottish Government will prioritise the programmes which have the greatest impact on delivery of the three missions set out in our policy prospectus.</p> <p>The Scottish Government will continue to work closely across government and with partners across Scotland toward our national mission to tackle child poverty.</p> <p>As set out in ‘Best Start, Bright Futures’, and reflected in this progress report, we know that action across all three drivers of child poverty is required to meet our ambitious targets. It is clear that action requires to be scaled up to reach more of the six priority families. Section 1 outlines the plans to scale key actions in employability, childcare and holistic support, as well as increasing action on income maximisation and social security.</p> <p>As reflected below, the Scottish Government’s National Strategy for Economic Transformation set out our ambition for a wellbeing economy, thriving across economic, social and environmental dimensions. Specifically, one of the key ambitions is for a fairer Scotland, ensuring that work pays for everyone through better wages and fair work, reducing poverty and improving life chances.</p>

The Commission provided 8 recommendations in relation to further progress required to meet the child poverty targets:

1: The Scottish Government must focus on delivery, and delivering with urgency and at scale.

Scottish Ministers have heard the Commission's call to focus on delivering with the urgency, pace and scale required. This reflects the insight from stakeholders and partners at our recent anti-poverty summit.

The uniquely challenging macroeconomic conditions of this reporting year have meant that it has not been possible to commence delivery of some actions at the scale and pace originally envisaged. As the First Minister has been clear the Scottish Government is driving forward progress and section 1 sets out some of our priorities for 2023-24.

As set out in the introduction, robust governance arrangements have been put in place to oversee the implementation of the delivery plan, including the creation of a new Tackling Child Poverty Programme Board. These structures enable accountability for delivery and progress across the components of 'Best Start, Bright Futures'.

2: The Scottish Government must commit to funding the actions required to meet the child poverty targets.

Table 4 sets out the estimated investment of £3 billion across a range of programmes targeted at low income households, with £1.25 billion directly benefitting children. This includes over £213 million on the Scottish Child Payment and over £169 million on School Meals.

As set out in the [Medium Term Financial Strategy](#), the Scottish Government will prioritise the programmes which have the greatest impact on delivery of the three missions set out in our policy prospectus, including tackling poverty and protecting people from harm.

<p>3: The Scottish Government must be clearer about what it aims to achieve with its actions and how it will know if it is being successful.</p>	<p>The Scottish Government's Child Poverty governance arrangements, established in 2022-23, work to align policies in our focus on impacting child poverty. These structures enable accountability for delivery and progress across the components of 'Best Start, Bright Futures' as well as focusing on performance against outcomes and progress on evaluation.</p> <p>It is important to understand whether and how policies are being successful in supporting families in poverty. In order to maximise consistency of our evaluation approach, an evaluation framework was recently published. The framework is intended as a guide rather than a prescriptive tool. Each individual policy is different, and therefore the framework is intended to be adjusted to policy needs. Work continues across government and partners to build on new evidence to improve and adapt our approach where necessary. To underpin this, a review of progress will be undertaken 18 months following publication of the evaluation framework.</p>
<p>4: The Scottish Government should revisit the National Strategy for Economic Transformation (NSET) to ensure that addressing poverty is a core strand that runs through every aspect of the strategy.</p>	<p>NSET set out our ambition for a wellbeing economy, thriving across economic, social and environmental dimensions. Specifically, one of the key ambitions is for a fairer Scotland, ensuring that work pays for everyone through better wages and fair work, reducing poverty and improving life chances.</p> <p>Progress towards achieving that ambition will be tracked by a range of metrics, set out within the NSET Delivery Plans published in October 2022. As the detail on programme delivery refines or changes, we will be flexible and continue to develop the measures.</p> <p>The policy prospectus reiterated that at the heart of a wellbeing economy is economic growth for a purpose, to drive improved living standards, promote wellbeing, reduce poverty and deliver sustainable high quality public services. Furthermore, in committing to delivering NSET, it highlighted the need for a sharp focus on those policies and actions with the greatest potential to grow and transform Scotland's economy, expand the tax base to fund excellent public services and make people's lives better.</p> <p>The Scottish Government will continue to test and refine the actions within NSET to ensure they have the greatest impact in transforming the Scottish economy, driving significant reduction in child poverty.</p>

5: The Scottish Government must maximise the impact of all its spending by actively pursuing opportunities to join up policies across government.

‘Best Start, Bright Futures’ represents close cross-government working with 101 actions across Scottish Government Directorates.

The Scottish Government’s Child Poverty governance arrangements, established in 2022-23, work to align policies in our focus on impacting child poverty. These structures enable accountability for delivery and progress across the components of the Plan as well as focusing on performance against outcomes and progress on evaluation.

Supported by our governance structures, there is close working across policy teams to identify and forge connections. For example, our person-centred support includes linking a variety of programmes including whole family wellbeing funding, Keeping the Promise, mental health and children’s services. Similarly, our Pathfinders work closely together to share evidence and learning and improve our delivery approach across projects

6: The Scottish Government must improve the way it embeds previous learning and existing knowledge into its policy processes.

The Scottish Government recognises the interest in Pathfinder initiatives, because of the need to find new service delivery models that meet people’s needs, and do so more effectively and efficiently than current approaches. While the support of service users for a holistic approach to delivery is well attested, and confirmed in [Phase 1 of the pathfinder evaluation](#), the overall cost effectiveness of the approach, and its wider replicability requires further investigation. This is particularly necessary if there is an expectation of scaling up. Understanding the sustainability of impacts, and direct and indirect costs will enable a surer foundation for future expansion.

After a thorough exploration of options, supported by the [Evaluation Assessment produced in Phase 1](#), Ministers have agreed to commission further research for Phase 2 of the evaluation, which is set to commence in Autumn 2023. In the interim, we are gathering insights on system change from a range of placebased initiatives and will be publishing the first outputs of this work later in 2023.

7: The Scottish Government must continue to improve the transparency of its reporting on funding allocations.

The Scottish Government continuously works to improve the openness and transparency of the public finances in Scotland, to enable better understanding and scrutiny for all, including the public.

Our annual progress reports detail our spend on tackling child poverty. This report includes summaries of investment through the Tackling Child Poverty Fund (table 3) and investment to support children in poverty (table 4).

The annual Scottish Budget details our funding allocations. Amid challenging economic circumstances, the Emergency Budget Review clearly set out the Government's decisive action to prioritise spend to those who need it most.

The interaction between funding and spending announcements can be complex and multifaceted. To assist both Parliament and the public additional information has been provided in the detailed 'Guides to the Budget Revision' which are prepared as part of the in year budget process. These documents provide detailed analysis of changes to budget allocations and how funding is being utilised. These documents have been praised by the Finance and Public Administration Committee for the increased detail provided and are available online.

8: The Scottish Government must continue to improve the quality and utility of its analytical outputs in relation to child poverty.

Progress towards the four child poverty targets are reported from data available on the Family Resources Survey (for relative poverty, absolute poverty, and low income and material deprivation) and on Understanding Society (for persistent poverty).

Progress towards the targets is reported annually. The Scottish Government has funded a 100% boost to the Scottish Family Resources Survey sample since the early 2000s, which before the pandemic resulted in an achieved sample size of just over 3,000. It should be noted that response rates to surveys have been falling for quite some time now, exacerbated by restrictions imposed during the pandemic, which highlights the importance for an enhanced and effective use of the full range of available sources of evidence to properly assess the impact of actions to reduce levels of child poverty.

Scottish Government analysts will take stock of survey response rates and the full range of evidence as we look forward to reporting on the interim and final child poverty targets. We will also take account of long-term developments in survey methodologies being explored by a range of survey commissioners adapting to declining participation.

From our [overview](#) of the issues facing the priority family types, there is already a good understanding of the structural barriers experienced by these groups, and what needs to be done to mitigate those barriers. The challenge going forward will be to evidence how this knowledge is being implemented in practice at national and local level, and what impact that is having.

This will be complemented by policy specific evidence, for example Social Security Scotland plans to publish a statistical report on equalities by the end of this summer, which will include equalities statistics for all Scottish Government benefits.

The Scottish Government will consider how we can make modelling work more open and accessible. We will aim to continue to publish the annex with updated modelling, as part of the publication of the Child Poverty Progress Report, going forward.

However economic modelling can only provide us with estimates and is subject to a degree of uncertainty.



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