



The Scottish
Government
Riaghaltas na h-Alba

.....
**ANNUAL REPORT FOR THE CHILD
POVERTY STRATEGY FOR SCOTLAND**
.....

AUGUST 2014
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NICOLA STURGEON MSP
DEPUTY FIRST MINISTER

A handwritten signature in black ink that reads "Nicola Sturgeon". The signature is written in a cursive, flowing style.

In March I launched the revised Child Poverty Strategy for Scotland, setting out the Government's approach over the next three years. As I stated then, I believe tackling child poverty remains of fundamental importance to the success of our country. Scotland is one of the richest countries in the world and there is no reason for children to be living in poverty in our society.

The Child Poverty Act 2010¹ requires Scottish Ministers to publish a child poverty strategy and to lay an annual report in the Scottish Parliament outlining measures it has taken to progress the strategy. This is the third annual report and the first since the revised strategy was published. As with previous reports, this document reflects not only what the Scottish Government is doing to tackle child poverty but also highlights the excellent work that is being undertaken by local government, the third sector and business.

As a government, we will spend around a quarter of a billion pounds over a three-year period on fuel poverty and energy efficiency, we are delivering 25,000 Modern Apprenticeships every

year and we have outlined a whole range of actions on educational attainment. We have also legislated in key areas.

The Children and Young People Act increases the flexibility and amount of funded early learning and childcare; the Procurement Reform Act will promote good employment practice in relevant contracts, including payment of a living wage; and the Community Empowerment Bill will help communities to better shape services that affect them and take their own independent action.

For the first time this report sets out a full measurement framework for child poverty in Scotland, developed with the Ministerial Advisory Group on Child Poverty. The data presented here provides an overview of the current position on key outcomes, against which progress in tackling child poverty across Scotland will be measured in future annual reports.

This report highlights actions we are taking across government to tackle child poverty, but we must continue to do more.

¹ <http://www.legislation.gov.uk/ukpga/2010/9/contents>

This is made clear in our most recently-published statistics which show that 19 per cent of children were living in relative poverty in 2012/13, meaning that 30,000 more children were in poverty than in 2011/12. The fact is that the reduction in poverty seen in recent years is now being reversed and I am concerned that decisions taken elsewhere are hindering our progress.

Westminster welfare reforms, such as the reduction of in-work tax credits, are reducing incomes for some of our poorest households. Seventy per cent of the UK Government's welfare cuts are still to come – Scotland will see its welfare budget reduced by around £6 billion by 2015/16. Furthermore, the Institute for Fiscal Studies has estimated that an additional 50,000 Scottish children will be living in poverty by 2020 and when housing costs are taken into account, the figure could be as high as 100,000, if we continue with Westminster policies. These estimates alone suggest that this unacceptable increase in the number of children living in poverty could be just the tip of the iceberg.

Whilst the Scottish Government has focused on doing everything we can to mitigate the effects of welfare changes – and will continue to do so – the impact is still being felt by the most vulnerable in our society.

In an independent Scotland we would have the powers to provide one of the most comprehensive childcare packages in Europe which would allow more parents to work. We would also be able to set up a commission to consider a new 'Scottish Minimum Wage' – which would at least rise in line with inflation – and ensure that benefits, allowances and tax credits keep rising with the cost of living. We could create a different approach – one that supports our most vulnerable, encourages people into the workplace and enables much more significant progress towards our ambition of eradicating child poverty.

ACKNOWLEDGEMENTS

The Scottish Government would like to thank everyone who provided us with information about their activities. This information has enabled us to prepare a report that recognises the contribution being made across Scotland to tackle poverty. In particular we would like to thank those who provided case studies.

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CHILD POVERTY IN SCOTLAND

05

This chapter details progress against the targets set out in the Child Poverty Act, and considers new evidence about the extent and character of child poverty in Scotland.

Section 1: Progress against targets

The Child Poverty Act 2010

The Child Poverty Act 2010 ('the Act') sets out UK-wide targets relating to the eradication of child poverty. It provides that it is the duty of the UK Government to ensure that the child poverty targets are met in relation to the year commencing 1 April 2020. The [Act](#) defines the four child poverty targets for 2020:

- **Relative poverty** – to reduce the proportion of children who live in relative low income, Before Housing Costs (BHC), to less than 10 per cent.
- **Absolute poverty** – to reduce the proportion of children who live in absolute poverty, before housing costs, to less than 5 per cent.
- **Combined low income and material deprivation** – to reduce the proportion of children who live in material deprivation and have a low income, before housing costs, to less than 5 per cent; and
- **Persistent poverty** – to reduce the proportion of children that experience long periods of relative poverty, with the specific target to be set by December 2014.

These targets are detailed in Section 4 of the Act. Child poverty in Scotland is affected by a mix of devolved and reserved policy measures. The Act requires that the UK Government produces a UK-wide Child Poverty Strategy and reports on it annually. This will be relevant to tackling child poverty in Scotland in so far as it covers reserved policy measures which apply to, and impact on, Scotland, such as policy on personal taxation and benefits. The Act also requires Scottish Ministers to produce a Scottish Strategy, review and revise it every three years, and report annually. This Strategy must focus on policy matters that are devolved to the Scottish Parliament and Scottish Ministers.

Scottish Ministers published the revised Child Poverty Strategy for Scotland in March 2014, which builds upon the original Strategy published in 2011.

Progress against targets

Child poverty in 2012/13

Three of the four child poverty targets have been defined and progress on meeting these is set out below. The fourth target, on persistent poverty, has not been defined or reported on previously. The Act allows the persistent poverty target, and if necessary an alternative measure, to be prescribed in the regulations before 2015. As part of setting this target, the UK Government is currently consulting on what level the target should be set at. The Act defines persistent child poverty as the proportion of children living in a household in relative low income for at least three out of four years (before housing costs).²

Between 2011/12 and 2012/13, all three defined child poverty indicators reported an increase in the child poverty rate:

² https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/323979/Persistent_child_poverty_consultation_-_print-ready_version.pdf

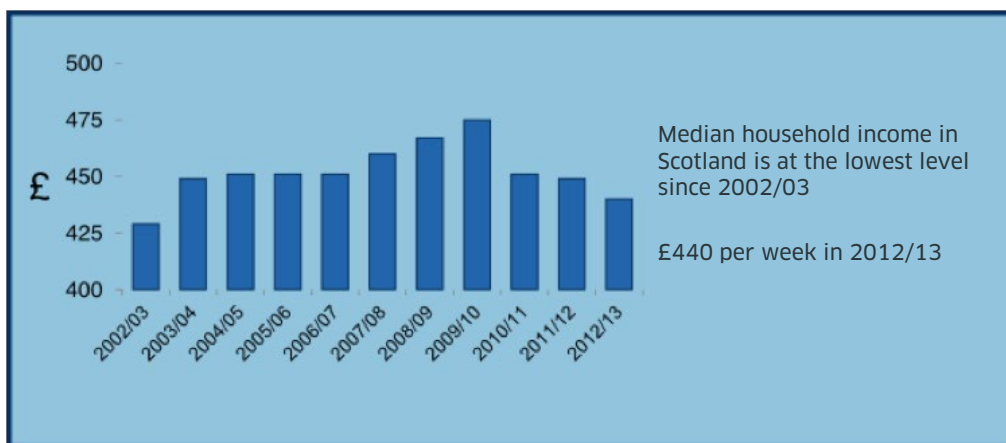
- The percentage of children in **relative poverty** (Before Housing Costs (BHC)) **increased** from 15 per cent to **19 per cent**, an additional 30,000 children living in relative poverty. 180,000 children were living in relative poverty in Scotland in 2012/13.
- The proportion of children in **absolute poverty** (BHC) **increased** from 17 per cent to **20 per cent**, an additional 30,000 children living in absolute poverty. 200,000 children were living in absolute poverty in Scotland in 2012/13.
- The percentage of children in **combined material deprivation and low income increased** from 9 per cent to **11 per cent**, an additional 20,000 children living in combined low income and material deprivation. In 2012/13, 110,000 children in Scotland were living in combined low income and material deprivation.

In 2012/13, median household income in Scotland fell for the third consecutive year, and was at its lowest level since 2002/03. There were a number of factors influencing the continued fall in real earnings, including changes in hours worked, low wage growth, changes in the labour market, behavioural changes in response to tightening eligibility and conditionality under welfare reform, and behavioural changes in response to the increase in the personal tax allowance. In 2012/13, median earnings increased by 2.8 per cent in Scotland and most benefits were uprated by 5.2 per cent. While benefit and tax credit income increased in real terms, eligibility and conditionality have been tightened under welfare reform, meaning fewer families, especially those in employment, were in receipt of benefits and tax credits.

Other changes to benefits and tax credits introduced in April 2012 have affected household income for families with children, including freezing the basic element of working tax credits; increasing the minimum number of hours worked from 16 to 24 to qualify for tax credits for couple families; freezing the income threshold for child tax credits at 2011 levels; abolishing the second income threshold for child tax credits; and the introduction of the income disregard for tax credits, affecting those whose income was falling.

In 2012/13, there was a fall in household income for working families with children. For families with children in employment, the reduced entitlement to tax credits has contributed to a fall in household incomes for those with lower earnings who were unable to increase the number of hours worked, along with low wage growth. At April 2013, there were significantly fewer children in families in Scotland in receipt of in-work tax credits, compared with April 2012.

Median weekly income over the last 10 years



Child poverty trends since 2008/09

Between 2008/09 and 2011/12, child poverty in Scotland had been decreasing on all three measures. However, as noted above, the latest year has seen an increase in all three measures.

Relative child poverty decreased from 21 per cent in 2008/09 to 15 per cent in 2011/12, before increasing to 19 per cent in 2012/13. Relative poverty is a measure of whether income for the lowest income households is increasing compared with the average income in the current year. Scottish median income over this period increased annually to £475 per week in 2009/10, before falling in each of the three years to 2012/13. Median income in Scotland has generally followed the same pattern as the UK. However, in 2008/09 and 2009/10, median income in Scotland increased at a faster rate than for the UK. In 2010/11 the fall in median income in Scotland was greater than that for the UK, as it was in 2012/13.

The number of children in absolute poverty decreased from 20 per cent in 2008/09 to 17 per cent in 2011/12, before increasing back to 20 per cent in the latest year. Absolute poverty is a measure of whether income for the lowest income households is keeping pace with inflation. Up to 2010/11, some benefits relating to families with children were uprated at a faster rate than other benefits. However in 2011/12 and 2012/13, inflation increased faster than household income, driven by low wage growth and tightened eligibility and conditionality for benefits and tax credits, meaning that incomes for the lowest income households has not kept up with inflation in the latest year.

The number of children living in combined low income and material deprivation³ in Scotland fell by 3 percentage points to 9 per cent between 2010/11 and 2011/12, but increased to 11 per cent in 2012/13. This indicator aims to provide a measure of children's living standards which, unlike relative and absolute poverty, is not solely based on income. In 2010/11, 12 per cent of children in Scotland were living in material deprivation. This fell to 9 per cent in 2011/12, before increasing to 11 per cent in 2012/13.

³ Changes in the material deprivation questions in 2010/11 created a break in the series. Data for 2010/11 onwards is not directly comparable with that prior to 2010/11.

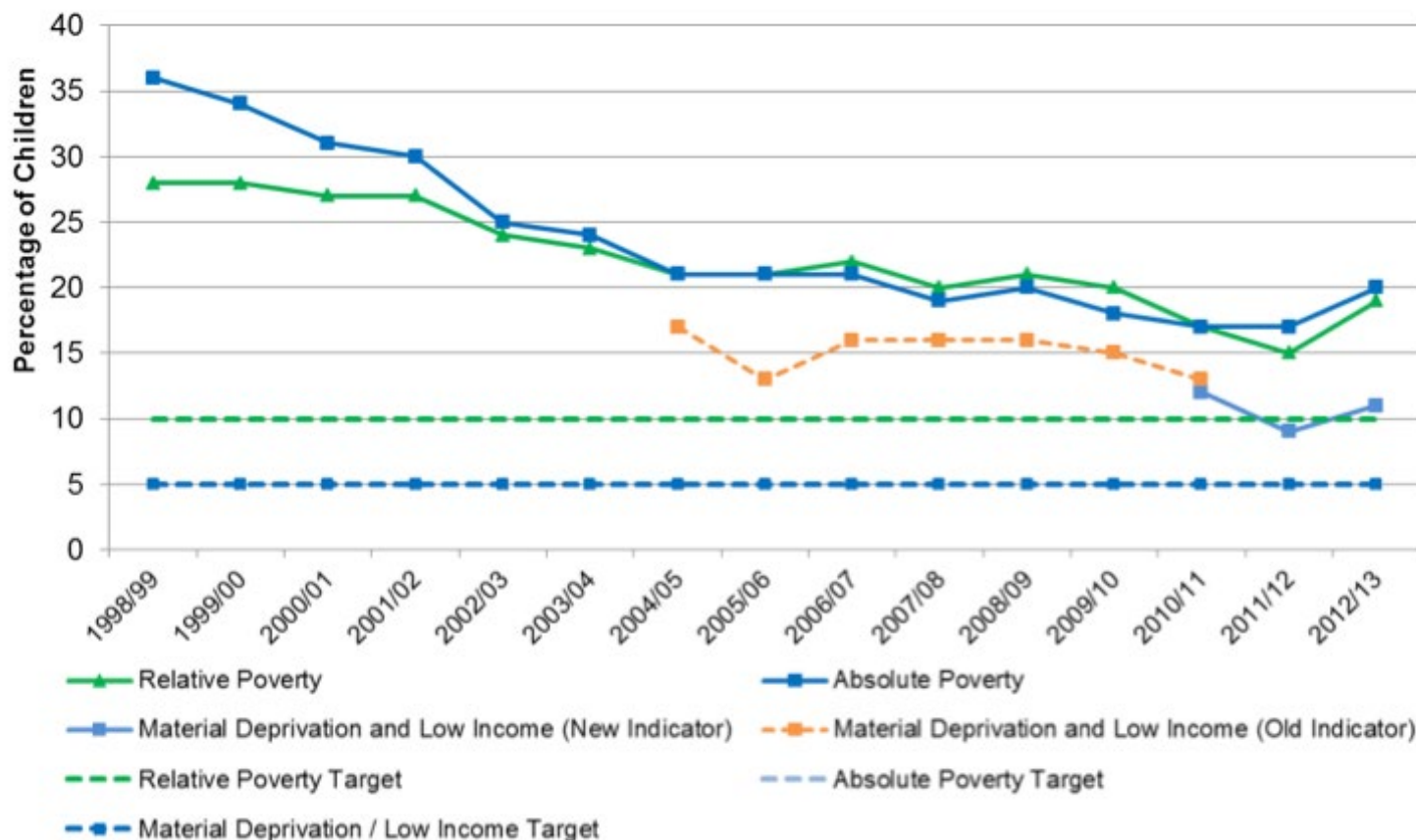
Child poverty over the last decade

Over the last decade, child poverty in Scotland had been decreasing. The most significant reductions in child poverty occurred between 2001/02 and 2004/05, with much of this reduction having been driven by increased entitlements to state support, such as the introduction of child tax credits and working tax credits in 2003. The decreases in child poverty in Scotland have been greater than those seen in the rest of the UK. Much of the fall in child poverty between 2001/02 and 2011/12 in Scotland was due to a fall in the poverty rate among lone parent families, as more lone parents in Scotland moved into employment.⁴ Scotland has also seen a fall in child poverty among couple parents. This was partly due to an increase in 'full' employment where both adults are in employment, with at least one in full-time employment. Child poverty in families where no adults are in employment remains high.

⁴ Joseph Rowntree Foundation 2014 [Referendum Briefing: Child Poverty in Scotland](#)

The chart below presents recent Scottish poverty trends for the three child poverty indicators currently available with an indication of the targets themselves. Further details can be found on the Scottish Government [website](#).

Child Poverty in Scotland 1998/99 to 2012/13



Child poverty after housing costs

While the Act defines the child poverty targets before housing costs, it can be argued that disposable income After Housing Costs (AHC) have been deducted is a better measure of standard of living. This is particularly so when housing costs are higher than average, or changing at a different rate to the average. In Scotland housing costs, as a proportion of income, have remained reasonably unchanged, varying between 11 per cent in 2002/03, slowly decreasing to 8 per cent in 2007/08, before increasing again to 11 per cent in 2012/13.

In 2012/13:

- The percentage of children in **relative poverty AHC increased** from 19 per cent to **22 per cent**, an additional 30,000 children living in relative poverty (AHC). Since 2008/09, the percentage of children in relative poverty (AHC) has decreased from 26 per cent to 22 per cent.
- The proportion of children in **absolute poverty AHC increased** from 22 per cent to **25 per cent**, an additional 30,000 children living in absolute poverty. Since 2008-2009, the percentage of children living in absolute poverty (AHC) increased 1 percentage point to 25 per cent in 2012/13.

Income and earnings

Median incomes for families with children increased in 2002/03 and 2003/04 following the introduction of tax credits. Between 2004/05 and 2008/09, median household incomes for families with children generally increased, in line with median incomes for working age adults in Scotland. Since 2009/10, median incomes for families with children have fallen each year, including in 2012/13. This is similar to the trend for working age adults, whilst pensioner incomes have largely been protected.

In April 2011 and April 2012, a range of benefit reforms were introduced which specifically affected families with children, in addition to other reforms which have affected all households in receipt of benefit and tax credit income.

At April 2013, there were 26 per cent fewer children in families in receipt of in-work tax credits in Scotland, compared with April 2012. Over the same period there was little change in the number of children in families in receipt of out-of-work tax credits, or in the number of families without children in receipt of tax credits. Families with children may not have had the opportunity to increase the number of hours worked, or to work more flexibly, in order to retain their in-work tax credits, compared to families without children. These benefit and tax credit reforms have coincided with low wage growth and changes in the labour market, affecting families' ability to maintain household income.

Families not in employment are largely dependent on benefits as their only source of income. Up to 2010/11 some benefits relating to families with children were uprated at a faster rate than other benefits – however these increases were still not as large as the increases in average earnings in real terms. In 2012/13, as in recent years, low wage growth has meant benefits have increased faster than earned income. However in 2012/13, eligibility and conditionality have been tightened under welfare reform, meaning fewer families with children were in receipt of benefits and tax credits.

For families in employment, increases in earned income were dependent on the employment adults were in. Wage growth over recent years has been low, and lower than inflation. In 2013, while median earnings for all employees in Scotland increased 2.8 per cent compared with the previous year, those in low-paid employment saw little change in hourly pay rates.

Employment is no longer a protection against poverty. The number of children in poverty in Scotland living in families where at least one adult was in employment has been slowly increasing over the last decade. In 2012/13, six in 10 children in poverty were living in families where at least one adult was in employment. In-work poverty is determined by a number of

factors: how much the job pays; the hours available to the individual and others in their household; job security/flexibility – especially when things go wrong outside work; and the ability to progress and be promoted.

While the risk of poverty is significantly higher for families where no adults are in employment, work intensity is also a predictor of poverty, with families in part-time employment facing a higher risk of poverty. The employment characteristics of a household have a strong effect on the risk of poverty but the reasons why a household is not in employment are also important. The household circumstances may present additional barriers to taking up employment, or full-time employment, meaning some families will be in unemployment over a longer period.

Some groups face a significantly higher risk of poverty. These include:

- single parents and families with three or more children
- families containing a disabled person
- families from some ethnic backgrounds
- families containing adults with low qualifications

Welfare Reform and Benefit Changes

Since June 2010, the Department for Work and Pensions (DWP) has announced a number of reductions to the welfare budget, beginning with the June 2010 Emergency Budget and culminating most recently in the 2014 UK Budget. The cuts are spread across different areas of the benefit system with only pensioners being largely exempt from the changes. As a result of these measures the Scottish Government estimates that the Scottish welfare bill in 2015/16 alone will have been reduced by over £2.5 billion.⁵ The cumulative impact of the welfare reforms over the six years from 2010/11 to 2015/16 could result in the Scottish welfare bill being reduced by around £6 billion.

The largest reduction in expenditure is from the changes to how benefits are uprated followed by changes to tax credits. The majority of the total reduction in welfare expenditure in Scotland, nearly 70 per cent, is expected to be in 2014/15 and 2015/16.

Of the expected £6 billion reduction, it is estimated that over £1 billion relates directly to children in Scotland. This includes changes to Tax Credits specifically relating to children, abolishing the Health in Pregnancy Grant, the abolition of the Child Trust Fund and the changes to Income Support and Child Benefit.

⁵ <http://www.scotland.gov.uk/Topics/People/welfarereform/analysis/ukgwelfarecutsbudg2014>

It should also be noted that children are likely to be indirectly affected by other measures such as the housing benefit reforms. The true impact on children is therefore likely to be higher.

Further detail on the impacts of the welfare reform changes on Scottish Households can be found in the Welfare Reform (Further Provision) (Scotland) Act 2012: [2014 Annual Report](#).

Projections for child poverty by the end of the decade⁶

The Institute for Fiscal Studies (IFS) estimates that, following the introduction of the UK welfare reforms, child poverty (BHC) in Scotland will increase to 20 per cent. This is an additional 50,000 children in Scotland living in poverty by 2020. After housing costs have been accounted for, this may increase to an additional 100,000 children living in poverty.

⁶ These estimates were based on the 2011/12 official statistics and do not include the latest child poverty statistics for 2012/13. IFS 2014 <http://www.ifs.org.uk/publications/7054>

National Performance Framework

The Scottish Government's purpose is to create a more successful country with opportunities for all of Scotland to flourish through sustainable economic growth. To achieve this, we need to break the cycles of poverty, deprivation, unemployment, health inequalities and poor educational attainment which have become deeply embedded in part of our society, particularly in our disadvantaged communities.

The focus on poverty and income inequality is reflected in this Government's Economic Strategy, through the Solidarity target: **"To increase overall income and the proportion of income received by the three lowest income deciles as a group by 2017"** and also the Cohesion target designed to reduce inequalities in economic participation across Scotland.

Tackling poverty and income inequality, and improving outcomes for children and young people, are also reflected through the National Outcomes, in particular:

- "We have tackled the significant inequalities in Scottish society"
- "Our children have the best start in life and are ready to succeed"

- "We have improved the life chances for children, young people and families at risk"
- "Our young people are successful learners, confident individuals, effective contributors and responsible citizens"
- "We realise our full economic potential with more and better employment opportunities for our people"

Alongside the targets in the Child Poverty Act, and those set out in the EU2020 strategy on poverty levels, these measures provide further evidence in key areas relating to eradicating child poverty and reducing the impacts of disadvantage on children in Scotland.

Further detail on the National Performance Framework can be found at [Scotland Performs](#) on the Scottish Government website.

Poverty and Social Exclusion Survey

The Poverty and Social Exclusion (PSE) Survey is the latest in a series of major UK poverty surveys that have been running since 1969. The survey is led by academics from five UK universities, including Glasgow and Heriot-Watt, and is funded by the Economic and Social Research Council. The latest survey is the most in-depth study of poverty and social exclusion undertaken in the UK.

The PSE survey provides information on the extent and nature of poverty and social exclusion in Scotland, and the rest of the UK. At its core is a consensual method of measuring poverty, as it is based on a set of items which the majority of the population regards as ‘necessities’ – things which everyone should have or be able to do, and which no one should have to go without. It is a direct measure of poverty since it is based on individual living standards rather than income or other resources.⁷ Analysis of the PSE 2012⁸ shows the ‘necessities of life’ in Scotland are the same as those identified for the rest of the UK. This means the same standard can be used to estimate poverty in Scotland as for the rest of the UK.

PSE analysis showed, in Scotland in 2012:

- **16 per cent of households were in low income before housing costs**, increasing to 20 per cent after housing costs were accounted for. This was around one-fifth lower than in the rest of the UK.
- Families and working age households were **more likely to experience material deprivation in 2012 than in 1999**.
- **27 per cent of children** in Scotland in 2012 **lacked two or more necessities in 2012**.
- **28 per cent of adults** in Scotland **lacked three or more necessities** in 2012.
- This is **nearly double the number of households identified as in poverty**, on income measures alone.

⁷ PSE defines households in poverty as those who lack three or more of the necessities. Children are defined as PSE poor if they lack three or more items.

⁸ Bailey, N., Besemer, K., Bramley, G., and Gannon, M. (2014) *Poverty and social exclusion in Scotland. PSE-UK Working Paper*. Bristol: PSE

The PSE-UK survey was boosted through additional funding from the Scottish Government to permit more detailed analysis of the situation in rural areas in particular. Analysis shows:

- There is in general an urban/rural gradient with urban areas having the highest rates of poverty.
- While a third of households in urban areas were in low income and material deprivation as measured by PSE, this decreased as rurality increased. The exception was remote rural areas, where there was a markedly higher rate of poverty compared with other rural areas.
- There were urban/rural differences identified in access to services. In general, service usage was lower and constraints greater in rural areas, particularly the remote rural areas, although it was far from universal.
- While service usage was significantly less in remote rural areas, and constraints were significantly higher in remote rural areas, accessible rural areas do not suffer from these problems to the same extent.

Introduction

This chapter sets out a full measurement framework for child poverty in Scotland for the first time.

This is a significant development of the **outcomes framework**, which links key areas of policy activity identified in the strategy to the outcomes for children and families in Scotland, set out in the refresh of the Child Poverty Strategy in March 2014. A set of indicators are identified here which will help government, the Scottish Parliament, and stakeholders monitor progress against the outcomes over time.

The new measurement framework sits alongside other measurement tools, which are either focused more narrowly (Child Poverty Act targets, for example, which largely concentrate on income) or more broadly (the National Performance Framework). This framework enables a strong focus on the **three key outcomes** identified in the strategy:

- Maximising financial resources of families on low incomes (Pockets)
- Improved life chances of children in poverty (Prospects)
- Children from low income households live in well-designed, sustainable places (Places).

Within this structure, **indicators** are presented under a set of '**intermediate outcomes**' identified. So, for example, there are four intermediate outcomes under 'Pockets' (around maximising financial entitlements, lowering household spend on essentials, financial management, and quality employment). Under each of these four outcomes indicators are set out which, as data becomes available, will ultimately give a broad picture about how well Scotland is doing in a range of key areas related to maximising financial resources of families on low incomes.

The following pages give outline detail of each of the intermediate outcomes and the related indicators. These will feature in each annual report, with updated data and commentary.

Developing the Measurement Framework

The indicator set was developed using a robust process. This involved mapping out an extensive list of potential indicators from existing data sources and selecting the most appropriate measures for inclusion in the measurement framework, in consultation with internal and external stakeholders. The chosen measures align with indicators in the National Performance Framework and other Scottish Government outcomes frameworks wherever possible.

Data in the measurement framework comes from a variety of data sources, and therefore indicators differ in terms of what year the most recent data is from and the frequency with which they can be updated. There is also some variation in data availability for different indicators from the same data source. This is due to some questions being asked less frequently than others, or being asked of only part of the overall sample, meaning that in some cases it is necessary to combine data from two or more years to achieve robust findings.

While for some particular aspects of intermediate outcomes no data was available, due to budget constraints and the large volume of the existing evidence base, the Scottish Government is not proposing to collect additional data at this point. However, we will monitor developments in data availability and where new findings in key areas become available they may be incorporated into the measurement framework.

All indicators in the measurement framework are presented at national level, and most are not available at local level. Local indicator development will be considered separately at a later date, if required by the Ministerial Advisory Group as part of their periodic reviews of the measurement framework.

Use of the Framework

The indicator data presented in this report provides an overview of the current position on key outcomes, against which progress in tackling child poverty across Scotland will be measured in future annual reports. Going forward, this will inform discussions with all stakeholders about how approaches to tackling child poverty can be developed. The framework will identify where Scotland is proceeding well towards achieving the outcomes in the strategy, and also where further action, or a different type of intervention, is required. It will also help inform decisions about where responsibility for particular actions may lie and where we need to focus our collective attention in future to make the most difference.

The Framework in Detail

Each of the outcomes is now presented, with its intermediate outcomes and a set of relevant indicators. In addition to the most recent findings available for each indicator, the data tables below also indicate the desired direction of travel for each indicator, the data source, and dates for the most recent and next data.

The latter two refer to the dates of data collection, rather than when findings are published.

Note that, due to space limitations, it has not been possible to include an indicator for all aspects of the intermediate outcomes. However, to capture the richness of data available, a separate report is being produced drawing on other findings from the full list of potential indicators. [This will be published on the Scottish Government's poverty research pages.](#)

Outcome 1: Maximising financial resources of families on low incomes (Pockets)

Intermediate outcome 1: Maximised financial entitlement of families on low incomes

Indicator	Finding	Desired direction of travel	Source	Latest data	Next data
1.1. Percentage of working people earning less than Living Wage	17.4%	↓ decrease	Annual Survey of Hours and Earnings (ASHE)	2013	2014

Indicator 1.1 is the percentage of working people who are earning less than the Living Wage. The Living Wage reflects the basic cost of living in the UK, and is higher than the National Minimum Wage. This indicator was chosen in recognition of the crucial role of good quality, paid employment as a route out of poverty, and reflects the Scottish Government's commitment to promoting the Living Wage.

In 2013, 17.4 per cent of employees in Scotland earned less than the Living Wage of £7.45 per hour.⁹ The percentage of employees not earning the Living Wage was substantially higher in the private sector than the public sector and among part-time workers than those employed full time.

It should be noted that this indicator draws on hourly wages data and low pay and poverty may persist for those earning the Living Wage or above, but who work a low number of hours. This indicator should therefore be read in conjunction with the underemployment indicator (Number 4.2).

⁹ The Living Wage at time of survey (April 2013) was £7.45, and was increased later in 2013 to £7.65

Intermediate outcome 2: Reduced household spend of families on low incomes

Indicator	Finding	Desired direction of travel	Source	Latest data	Next data
2.1. Average cost of 25 hour per week private nursery care for children aged 2 or over	£102.06	↓ decrease	Childcare Costs Survey	2013	2014

Indicator 2.1 looks at average private nursery costs. High childcare costs are one of the key issues affecting parents on low incomes in particular, and form a major barrier to taking up employment or increasing hours worked for many parents.

In 2013, the average weekly cost of 25 hours private nursery care for children over 2 was £102.06. Future reporting will consider childcare costs in real terms, i.e. taking into account inflation.

Intermediate outcome 3: Families on low incomes are managing finances appropriately and accessing all financial entitlements

Indicator	Finding	Desired direction of travel	Source	Latest data	Next data
3.1. Percentage of households with children in bottom three income deciles who are not managing well financially	35%	↓ decrease	Scottish Household Survey (SHS)	2012	2014
3.2. Percentage of households with children in bottom three income deciles where someone has a bank account	90%	↑ increase	Scottish Household Survey (SHS)	2011	2012/14 (combined years)

Indicator 3.1 measures general self-perceived ability to manage financially. In 2012, 35 per cent of households with children in the bottom three income deciles reported not managing well financially.

Indicator 3.2 measures access to essential financial services. In 2011, among low-income households with children, 90 per cent had access to a bank account. Due to changes in sample size for this question in the Scottish Household Survey, future data for this indicator will be based on combined years.

Intermediate outcome 4: Parents are in good quality, sustained employment in line with skills and ambitions

Indicator	Finding	Desired direction of travel	Source	Latest data	Next data
4.1. Employment rate of adults with dependent children	79.3%	↑ increase	Annual Population Survey (APS) Household dataset	2012	2013
4.2. Underemployment rate of adults with dependent children	8.4%	↓ decrease	Annual Population Survey (APS) Household dataset	2012	2013
4.3. Ratio of earnings that go to the top 10 per cent of earners, divided by the earnings of the bottom 10 per cent (S90/S10)	16.3	↓ decrease	Annual Survey of Hours and Earnings (ASHE)	2013	2014
4.4. Percentage of adults with dependent children with low or no qualifications (SCQF level 4 or below)	9.2%	↓ decrease	Annual Population Survey (APS) Household dataset	2012	2013

Indicator 4.1 looks at the percentage of parents who are in employment. The employment rate of parents was 79.3 per cent in 2012. Within that, employment rates were lower for lone parents and disabled parents, and to a lesser extent, parents of larger families.

However, the high employment rate may mask a situation where individuals are working but are not in employment that meets their needs. Indicator 4.2. is therefore the underemployment rate, defined as the percentage of working people looking to increase their hours either in their current job, an additional job, or a different job. In 2012, 8.4 per cent of working parents were underemployed.

Indicator 4.3 looks at earnings inequality and is included as a measure of the quality of employment available at the lower skill/ pay level. This shows that in 2012 the earnings of the top 10 per cent of earners were 16.3 times the earnings of the bottom 10 per cent of earners.

Indicator 4.4 measures whether individuals have the required skills to take up good quality employment. The percentage of parents who had no or low (up to SCQF level 4 - Intermediate 1 or General Standard Grade) qualifications in 2012 was 9.2 per cent.

Outcome 2: Improved life chances of children in poverty (Prospects)

Intermediate outcome 5: Children from low income households have improving levels of physical and mental health

Indicator	Finding	Desired direction of travel	Source	Latest data	Next data
5.1. Percentage of children aged 2-15 from households in bottom three income deciles with good or very good parent assessed health	91.8%	↑ increase	Scottish Health Survey (SHeS)	2010/11 (combined years)	2012/13 (combined years)
5.2. Percentage of 13 and 15 year olds on free school meals with below average scores (14-40) on the Warwick-Edinburgh Mental Wellbeing Scale (WEMWBS)	20.0%	↓ decrease	Scottish Schools Adolescent Lifestyle and Substance Use Survey (SALSUS)	2010	2013
5.3. Percentage of children aged 2-15 from households in bottom three income deciles eating five portions of fruit and veg per day	10.2%	↑ increase	Scottish Health Survey (SHeS)	2010/11 (combined years)	2012/13 (combined years)
5.4. Percentage of children aged 2-15 from households in bottom three income deciles spending 4 or more hours at a screen per day	14.1%	↓ decrease	Scottish Health Survey (SHeS)	2008/10 (combined years)	2012/14 (combined years)

Indicator	Finding	Desired direction of travel	Source	Latest data	Next data
5.5. Percentage of 15-year-old school pupils on free school meals smoking at least one cigarette a week	20.9%	↓ decrease	Scottish Schools Adolescent Lifestyle and Substance Use Survey (SALSUS)	2010	2013

Indicator 5.1 is the main measure of physical health. In 2010 and 2011 (combined years), 91.8 per cent of children in the lowest three income deciles were assessed by their parents as having good or very good health.

Indicator 5.2 measures mental health among young people aged 13 and 15 through the Warwick-Edinburgh Mental Wellbeing Scale (WEMWBS). Respondents are asked to indicate how often they have experienced 14 positive thoughts and feelings related to wellbeing and psychological functioning in the last two weeks. WEMWBS scores are reported on a scale of 14 to 70, with higher numbers indicating better mental wellbeing. In 2010, 20 per cent of 13 and 15 year olds receiving free school meals had a below average WEMWBS score.¹⁰

The remaining indicators for this intermediate outcome measure health behaviours contributing to overall health. Indicator 5.3 looks at diet and shows that only 10.2 per cent of 2 to 15 year olds from households in the lowest three income deciles were

eating the recommended five portions of fruit and vegetables a day in 2010 and 2011 (combined years).

Indicator 5.4 is a recognised measure of sedentary activities. In 2008 and 2010 (combined years) 14.1 per cent of 2 to 15 year olds from households in the lowest three income deciles spent four or more hours a day looking at a screen.

Indicator 5.5 measures adolescent smoking, a health behaviour that displays a strong social gradient. In 2010, 20.9 per cent of 15 year olds receiving free school meals were regular smokers, defined as smoking at least one cigarette a week.

¹⁰ The sample was divided into three groups, on the basis of their combined scores for the constituent items of WEMWBS. The three groups are those with 'above average' mental wellbeing (a score of over one standard deviation above the mean score), those with 'average' mental wellbeing (a score within one standard deviation of the mean) and those with 'below average' mental wellbeing (a score of more than one standard deviation below the mean). This threefold classification has been created solely for the purposes of analysis and is not based on any evidence that an average or below average score is problematic. As a rule, WEMWBS scores are not used as a diagnostic tool.

Intermediate outcome 6: Children from low income households experience social inclusion and display social competence

Indicator	Finding	Desired direction of travel	Source	Latest data	Next data
6.1. Percentage of children aged 2-15 from households in bottom three income deciles who have played sport in the last week	58.2%	↑ increase	Scottish Health Survey (SHeS)	2010/11 (combined years)	2012/13 (combined years)
6.2. Percentage of 11, 13 and 15 year olds from bottom third of family affluence scale that find it easy to talk to mother or stepmother	80.0%	↑ increase	Health Behaviour in School-aged Children (HBSC) Study	2010	2014
6.3. Percentage of 11, 13 and 15 year olds from bottom third of family affluence scale who agree that pupils in class accept them as they are	71.1%	↑ increase	Health Behaviour in School-aged Children (HBSC) Study	2010	2014

Indicator 6.1 is included as a measure of participation in positive activities or hobbies, as well as participation in group activities. In 2010 and 2011 (combined years), 58.2 per cent of children aged 2 to 15 from households in the lowest three income deciles had played sport in the previous week.

Indicator 6.2 measures an aspect of a supportive home environment, which is a key contributor to both the social inclusion outcome and educational attainment as set out below. In 2010, 80 per cent of 11, 13 and 15 year olds from the third least affluent households reported that they find it easy to talk to their mother or stepmother.

Indicator 6.3 focuses on social inclusion within the school context. In 2010, 71.1 per cent of 11, 13 and 15 year olds from the third least affluent households agreed that pupils in their class accepted them as they were.

Intermediate outcome 7: Children from low income households have improving relative levels of educational attainment, achieving their full potential

Indicator	Finding	Desired direction of travel	Source	Latest data	Next data
7.1. Attainment indicator - to be confirmed following discussion with stakeholders and included in next annual report					
7.2. Mean Strength and Difficulties score for children aged 4-12 from households in bottom three income deciles	9.4	↓ decrease	Scottish Health Survey (SHeS)	2010/11 (combined years)	2012/13 (combined years)
7.3. Percentage of adults from households with children in bottom three income deciles that are satisfied with local schools	91%	↑ increase	Scottish Household Survey (SHS)	2012	2013

Indicator 7.1 will measure educational attainment and achievement, which are recognised as key outcomes contributing to the future prospects of Scotland’s children, and which also display a strong social gradient. There are a number of national datasets that could support the monitoring of different aspects of improvement in attainment and achievement across Scotland.¹¹

¹¹ Examples include the average tariff score (SQA qualifications) by SIMD; data from the OECD Programme for International Student Assessment (PISA), including strength of the association between performance and social background, and the gap between advantaged and disadvantaged students; and the Scottish Survey of Literacy and Numeracy (SSLN), percentage performing well or above by low, mid and high deprivation backgrounds.

Recognising the crucial role of attainment and achievement, and the importance of measuring these appropriately at both local and national level, the Scottish Government is currently working with key partners to discuss these issues further. The outcome of this collaborative process will be set out within the next annual child poverty report and an update provided within this measurement framework.

Indicator 7.2 measures the contributory outcome of cognitive and emotional skills through the Strength and Difficulties Questionnaire (SDQ). SDQ results are presented as a difficulty score on a range from 0 to 40, with higher scores indicating higher risk of mental health and behavioural problems. A score up to 13 is considered normal. The mean score for children aged 4 to 12 from households in the bottom three income deciles was 9.4 in 2010 and 2011 (combined years).

Indicator 7.3 measures satisfaction with schools and has been included to provide an overall proxy of school quality. In 2012, 91 per cent of adults with children in their household in the bottom three income deciles were satisfied with local schools. The analysis excludes those who expressed no opinion.

Intermediate outcome 8: Young people from low income backgrounds are in good quality, sustained employment in line with skills and ambitions

Indicator	Finding	Desired direction of travel	Source	Latest data	Next data
8.1. Percentage of school leavers from 15 per cent most deprived areas who are in a positive destination approximately nine months after leaving school	81.9%	↑ increase	Skills Development Scotland	2012/13	2013/14
8.2. Percentage of 15 year olds from bottom third of family affluence scale who think they will be in positive destinations after leaving school	86.4%	↑ increase	Health Behaviour in School-aged Children (HBSC) Study	2010	2014
8.3. Modern Apprenticeship starts	25,284	↑ increase	Skills Development Scotland	2013/14	2014/15
8.4. Modern Apprenticeship completion rate	77%	↑ increase	Skills Development Scotland	2013/14	2014/15

Indicator 8.1 is the main measure of positive outcomes for young people leaving school. 81.9 per cent of pupils from the 15 per cent most deprived areas, who left school during or at the end of the academic year 2012/13, were in learning, training or work in March 2014.

Indicator 8.2 is a measure of school children's aspirations and looks at the expectations of 15 year olds for what they will do after leaving school. In 2010, 86.4 per cent of children from the third least affluent households expected to be in positive destination, defined as being in work, skills training, an apprenticeship, or going to college or university.

The final two indicators for this outcome should be used together. Indicator 8.3 focuses on one aspect of the availability of suitable work for young people.

There were 25,284 Modern Apprenticeship starts in 2013/14. While this indicator measures the availability of opportunities for young people, Indicator 8.4 measures the Modern Apprenticeship completion rate. In 2013/14 this was 77 per cent.

Outcome 3: Children from low income households live in well-designed, sustainable places (Places)

The indicators under the ‘Places’ outcome are intended as measures of the characteristics of the areas in which children grow up, rather than the characteristics of the children or their families themselves. Findings are therefore presented for the 15 per cent most deprived Scottish Index of Multiple Deprivation (SIMD) areas as a whole, and are not narrowed down only to households with children.

Intermediate outcome 9: Children from low income households live in high quality, sustainable housing

Indicator	Finding	Desired direction of travel	Source	Latest data	Next data
9.1. Ratio of housing costs to income	0.098	↓ decrease	Family Resources Survey (FRS)	2011/12	2012/13
9.2. Percentage of adults in 15 per cent most deprived SIMD areas satisfied with condition of home	69%	↑ increase	Scottish House Conditions Survey (SHCS)	2012	2013

Indicator 9.1, the ratio of housing costs to income,¹² was included as a measure of the affordability of housing. This shows that on average, households in Scotland spend 9.8 per cent of their combined post-tax income on housing.

Indicator 9.2 represents a proxy for housing quality. In 2012, 69 per cent of adults living in the 15 per cent most deprived SIMD areas were satisfied with the condition of their home.

¹² The ratio consists of median housing costs for all tenures to median net unequivalised household incomes. This can be understood as what proportion of their income an average household in Scotland spends on housing.

Intermediate outcome 10: Children from low income households grow up in places that are socially sustainable

Indicator	Finding	Desired direction of travel	Source	Latest data	Next data
10.1. Percentage of adults in 15 per cent most deprived SIMD areas who agree they can influence decisions affecting their local area	21%	⬆ increase	Scottish Household Survey (SHS)	2012	2013
10.2. Percentage of 13 and 15 years olds from 15 per cent most deprived areas who agree that people in their area say hello and talk to each other on the street	63.8%	⬆ increase	Health Behaviour in School-aged Children (HBSC) Study	2010	2014
10.3. Percentage of adults in 15 per cent most deprived SIMD areas who have been the victim of one or more crimes in the past year	21.3%	⬇ decrease	Scottish Crime and Justice Survey (SCJS)	2012/13	2014/15
10.4. Percentage of adults in 15 per cent most deprived SIMD areas who say drug misuse or dealing is common in their neighbourhood	34%	⬇ decrease	Scottish Household Survey (SHS)	2012	2013

Indicator 10.1 was included as a measure of one aspect of engaged communities. In 2012, 21 per cent of adults in the 15 per cent most deprived SIMD areas agreed that they could influence decisions affecting their local area. The analysis excludes those who expressed no opinion.

Indicator 10.2 looks at community interaction and supportiveness from the perspective of children. In 2010, 63.8 per cent of 13 and 15 year olds living in in the 15 per cent most deprived SIMD areas¹³ agreed that people in their area say hello and talk to each other in the street.

Indicators 10.3 and 10.4 focus on communities being safe. In 2012/13, 21.3 per cent of adults in the 15 per cent most deprived SIMD areas were victims of one or more crimes, while in 2012, 34 per cent said that drug misuse or dealing was common in their area.

¹³ It should be noted that postcode information required for SIMD is not available for 26 per cent of survey respondents in the HBSC. Findings presented are for the remaining individuals only.

Intermediate outcome 11: Children from low income households grow up in places that are physically sustainable

Indicator	Finding	Desired direction of travel	Source	Latest data	Next data
11.1. Percentage of adults in 15 per cent most deprived SIMD areas who say neighbourhood is a good place to live	80%	↑ increase	Scottish Household Survey (SHS)	2012	2013
11.2. Percentage of households in 15 per cent most deprived SIMD areas satisfied with quality of local public transport	76%	↑ increase	Scottish Household Survey (SHS)	2012	2013
11.3. Percentage of adults in 15 per cent most deprived SIMD areas who can access green space within a 6-minute walk or less	59%	↑ increase	Scottish Household Survey (SHS)	2012	2013

Indicator 11.1 considers general satisfaction with neighbourhoods. In 2012, 80 per cent of adults from the 15 per cent most deprived SIMD areas thought that their neighbourhood was a good place to live.

Indicator 11.2 focuses on public transport as a key public service, which also has an important influence on the economic sustainability outcome through improving physical access to employment opportunities in other areas. In 2012, 76 per cent of adults in the 15 per cent most deprived SIMD areas were satisfied with the quality of local public transport.

Indicator 11.3 measures the environmental quality of public spaces. In 2012, 59 per cent of adults in the 15 per cent most deprived SIMD areas could access green space within a 6-minute walk.

Intermediate outcome 12: Children from low income households grow up in places that are economically sustainable

Indicator	Finding	Desired direction of travel	Source	Latest data	Next data
12.1. Gap in employment rate between 15 per cent most deprived and rest of Scotland	19.6 percentage points	↓ decrease	Annual Population Survey (APS)	2012	2013
12.2. Gap in percentage of adults with low or no qualifications between 15 per cent most deprived and rest of Scotland	15.9 percentage points	↓ decrease	Annual Population Survey (APS)	2012	2013
12.3. Gap in personal internet use between 15 per cent most deprived and rest of Scotland	12 percentage points	↓ decrease	Scottish Household Survey (SHS)	2012	2013

The indicators under this intermediate outcome measure inequality between areas by looking at the gap between the outcomes of all adults living in the 15 per cent most deprived SIMD areas and the outcomes for people in the rest of Scotland.

Indicator 12.1 looks at the employment rate. In 2012, the gap between the 15 per cent most deprived SIMD areas and the rest of Scotland was 19.6 percentage points, between 53.8 per cent in the most deprived areas and 73.4 per cent elsewhere.

Indicator 12.2 considers those with low or no qualifications. In 2012, the gap between the most deprived areas and the rest of Scotland was 15.9 percentage points, from 26.7 per cent of people having qualifications at SCQF level 4 or below in the 15 per cent most deprived areas, compared to 10.8 per cent elsewhere.

Indicator 12.3 on personal internet use is included as a proxy for digital infrastructure. In 2012, the gap was 12 percentage points, with 67 per cent in the 15 per cent deprived areas using the internet for personal use, compared to 79 per cent elsewhere.

3

ACTIVITY OVER THE PAST YEAR

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2014 Revision of the Child Poverty Strategy for Scotland

In 2011 the Child Poverty Strategy for Scotland set out two key aims, *Maximising household resources* and *improving children's wellbeing and life chances*. At the same time, *communities and place* were both key to the 2011 Strategy.

These elements remain central to our approach, but there was a change to the way in which the refreshed Strategy – published in March 2014 – presented these, and ultimately, how they are reported on here. The refreshed Strategy reformulates the two overarching aims as outcomes to be achieved, and recognises the increasing emphasis on place-based policy via the introduction of a third outcome. These three outcomes are set out in the box below. Note too that a convenient shorthand has been developed for these three outcomes:

Pockets, Prospects and Places ('the 3Ps').

Box 1: Child Poverty Strategy 2014/17: outcomes

Maximising household resources – Our aim is to reduce income poverty and material deprivation by maximising financial entitlements and reducing pressure on household budgets among low income families, as well as by maximising the potential for parents to increase family incomes through sustained good quality employment, and promoting greater financial inclusion and capability. **(Pockets)**

Improving children's wellbeing and life chances – Our aim is to break inter-generational cycles of poverty, inequality and deprivation. This requires a focus on tackling the underlying social and economic determinants of poverty, and improving the circumstances in which children grow up – recognising the particular importance of improving children's outcomes in the early years. **(Prospects)**

Children from low income households live in well designed sustainable places – We aim to address area-based factors which currently exacerbate the effects of individual poverty for many families by continuing to improve the physical, social and economic environments in local areas, particularly in those areas of multiple deprivation in which child poverty is more prevalent. **(Places)**

Alongside these outcomes, the refreshed strategy continues to emphasise **three principles** underpinning this long-term approach. These are:

- early intervention and prevention
- building on the assets of individuals and communities
- ensuring that children's and families' needs and abilities are at the centre of service design and delivery.

Comments from Parents and Young People

Whilst we are required to report on progress made over the past year, it is vitally important that we continue to reflect on what our approach and activities mean to those living in poverty.

Throughout the report we have included a range of case studies to illustrate activities, and highlight key pieces of legislation, that contribute to the strategic outcomes outlined in the 2014 revision of the Child Poverty Strategy for Scotland.

Below are some quotes which show how poverty affects children and families.

“Raising a child and working full time is very hard, things are very tight and making ends meet is difficult. Over the last number of years, whilst studying, I've made sacrifices for my family and managing on one wage, and even with tax credits and child support payments it isn't easy.”

“When out of work and on benefits I felt as though I didn't have enough support for basic needs, it's the small things like not buying any new clothes, having

family days out, holidays or treats that is the hardest on my daughter. I felt that meeting basic needs was a challenge, never mind anything else.”

KAREN, A 36-YEAR-OLD SINGLE PARENT –
SPEAKING AT THE LAUNCH OF THE REVISED CHILD
POVERTY STRATEGY FOR SCOTLAND: OUR
APPROACH 2014-2017

“The more money you have, the better the childhood you have, in my opinion. Because I’ve got mates that are minted and they’re just loving life. And then you see people like me, who don’t have a lot of money, while they’re walking about with new shoes and everything, and I’m still wearing from 2003.”

SURVEY RESPONDENT – SAVE THE CHILDREN AND
SCOTLAND’S COMMISSIONER FOR CHILDREN AND
YOUNG PEOPLE – LESSONS LEARNED

“Just because your parents aren’t earning as much and they can’t. Like, let you do all the things that other children do.”

SURVEY RESPONDENT – SAVE THE CHILDREN AND
SCOTLAND’S COMMISSIONER FOR CHILDREN AND
YOUNG PEOPLE – LESSONS LEARNED

“...And if people don’t have a lot of money, it’s really hard because they’ll... need to buy it for clothes and like food and that. So, like, you can’t just go spending it on free-time stuff. You’ll have to think about the stuff that matters.”

SURVEY RESPONDENT – SAVE THE CHILDREN AND
SCOTLAND’S COMMISSIONER FOR CHILDREN AND
YOUNG PEOPLE – LESSONS LEARNED

“Even if you can’t afford it you’ll give to your weans before you have for yourself...I put myself down the line to get them more.”

CAROLE-ANNE – OXFAM – OUR ECONOMY:
TOWARDS A NEW PROSPERITY

Local Partnerships

Community planning is at the heart of public service reform in Scotland. Community Planning Partnerships (CPPs) bring all relevant public agencies together (including local government, NHS, police and fire services) with communities and the third and private sectors to better understand local needs and opportunities, agree locally shared priorities and develop and deliver a shared plan to improve local services which make a real difference to people's lives.

The actions undertaken collectively by CPPs are essential in co-ordinating the work between councils and other local partners to address cross cutting agendas such as child poverty. Their efforts to design and deliver services in an integrated and multi-disciplinary way are crucial to the ambition of building sustainable communities that tackle inequalities and help to improve the long-term prospects of people in Scotland.

Pockets

The Scottish Government's purpose is to provide opportunities for all of Scotland to flourish through sustainable economic growth.

The Solidarity target outlines our ambitions to increase incomes and reduce income inequality. Through our commitment to universal entitlements, we have developed policies designed to benefit all of the people of Scotland.

We therefore continue to develop programmes and initiatives designed to maximise the amount of money in the pockets of Scottish families.

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Social Wage

The 'social wage' is the contract between the people of Scotland and the Scottish Government, through which we continue to extend and defend core universal services, rights and benefits in pursuit of reducing pressure on household budgets and putting more money in people's pockets.

This includes:

- free personal care for the elderly
- abolition of tuition fees
- scrapping of bridge tolls and prescription charges
- free eye examinations
- freezing council tax
- provision of concessionary bus passes
- increasing the provision of free early learning and childcare.

Living Wage and Procurement Reform (Scotland) Act - The Scottish Government continues to support the Living Wage Campaign in Scotland by protecting the pay of the lowest earners we have direct responsibility for and ensuring all staff covered by the public sector pay policy are paid the Scottish Living Wage (currently £7.65 p/h).

Our commitment to support the Living Wage in Scotland for the duration of this Parliament is a decisive, long-term commitment to those on the lowest incomes.

Whilst we recognise that this is a matter for individual organisations, we are encouraging employers in the public, private and third sector to ensure all staff on lower incomes receive a fair level of pay. In line with this, the Scottish Government is presently providing funding of over £80,000 for a pilot by the Poverty Alliance to promote the living wage accreditation scheme and increase the number of employers paying the Living Wage in all sectors in Scotland and follow the example we have set. The promotional campaign will roll out over 2014/15.

Furthermore, where it is linked to the quality of contract performance, the Procurement Reform (Scotland) Act 2014 will promote good employment practice, including payment of a Living Wage.

Free School Meals – On 7 January 2014, the First Minister announced that from January 2015 we plan to extend the entitlement to a free school meal to all children in P1 to P3. This policy has a number of clear benefits to both children and families. It will help to encourage healthy eating

habits, remove any possibility that free school meals will be a source of stigma during the first years of a child's schooling, and importantly be worth around £330 per year per child to families across Scotland.

Increased provision of Early Learning and Childcare - Through the Children and Young People (Scotland) Act 2014, which gained Royal Assent on 27 March 2014, we are increasing the flexibility and amount of funded early learning and childcare to a minimum of 600 hours a year for three and four year olds; looked after two year olds; two year olds under a kinship care order and two year olds with a parent appointed guardian, from 1 August 2014. The First Minister announced on 7 January 2014 that we are also extending this entitlement to two year olds with a parent in receipt of out of work benefits - around 15 per cent of two year olds - from August 2014, with a further expansion to 27 per cent of our most disadvantaged two year olds from August 2015.

The Scottish Government and Convention of Scottish Local Authorities (COSLA) have worked hard in partnership to ensure that this ambitious expansion in high quality early learning and childcare is implemented successfully, to support children and families across Scotland.

This represents a significant step towards the Scottish Government's wider ambition to develop a universal system of early learning and childcare for all children, parents and families, to levels commonplace across Europe.

Welfare Reform

The UK Government's welfare reforms continue to have a significant impact on people and families in Scotland. Scottish Government analysis published on 7 April 2014 estimates that the cumulative impact of the reforms over the six years to 2015/16 could result in the Scottish welfare bill being reduced by around £6 billion and it is estimated that over £1 billion relates directly to children in Scotland.

Mitigating the full impact of these cuts will not be possible, however, we are investing at least £260 million over the period 2013/14 to 2015/16 to help those affected.

This includes £68 million in welfare mitigation in each of the next two years, in 2014/15 and 2015/16, including the Scottish Welfare Fund and Council Tax Benefit successor arrangements.

In addition, we have committed £35 million in 2014/15 to meet the estimated £50 million cost of mitigating the impact of the spare room subsidy – the so-called 'bedroom tax' in Scotland.

Other action we are taking includes providing £2.5 million to Citizens Advice Scotland to fund a range of services for local bureaux across Scotland.

Scottish local authorities have invested significantly in improving local support services over and above the measures outlined here. As such, it is vital that the Scottish Government, local government and the third sector work together to develop a collaborative and joined-up expression of our collective efforts to mitigate, as far as possible, the worst impacts of the reforms.

Council Tax Benefit

From April 2013, the UK Government abolished Council Tax Benefit as part of its welfare reform changes, and cut the funding for successor arrangements by 10 per cent. Responsibility for supporting vulnerable individuals in meeting their Council Tax liabilities was then 'localised' to individual councils in England and to the devolved administrations in Scotland and Wales.

The Scottish Government and COSLA worked together closely to mitigate the funding cut and put in place a national Council Tax Reduction (CTR) scheme by committing an additional £40 million in

funding in 2013/14 and again in 2014/15, with the Scottish Government providing £23 million and Scottish local government providing £17 million.

The scheme has protected over half a million vulnerable recipients each month in Scotland throughout 2013/14 in meeting their Council Tax liabilities, including over 208,000 pensioners and 89,000 lone parents.

By working together to mitigate the 10 per cent cut in funding, the Scottish Government and COSLA have ensured that entitlement to support for Council Tax which existed under Council Tax Benefit has been maintained under the new CTR scheme.

‘Bedroom Tax’

The UK Government’s policy of reducing the housing benefit eligibility of those in social rents deemed to be under occupying their property (known as the ‘bedroom tax’) affects more than 70,000 households in Scotland, around 11,100 of which are households containing one or more children. We also know the policy affects parents who do not have usual custody of their children, but keep a spare room for those children to visit. The average loss per household is around £50 a month.

The Scottish Government has provided funding to local authorities to help them mitigate the impact of the ‘bedroom tax’ in Scotland through Discretionary Housing Payments (DHPs).

These are payments that can be made by local authorities to those in receipt of housing benefit who require financial assistance with their housing costs and are the most effective way of providing assistance to households affected by the so-called ‘bedroom tax’ as they are the only legal way of providing regular ongoing assistance to households.

This is why in 2013/14 the Scottish Government made £20 million available to local authorities to make payments in respect of the ‘bedroom tax’ in addition to £13.5 million that DWP had already paid.

In 2014/15 £35 million has been made available in addition to £15.2 million from DWP. This is estimated to be enough to fully mitigate the ‘bedroom tax’ for everyone affected in Scotland in this financial year.

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In May 2014 the UK Government agreed to give the Scottish Government the power to lift the cap which was preventing full mitigation in some local authorities.

The Scottish Government expects that everyone who is affected by the 'bedroom tax' who applies for a DHP to receive one.

Advice Services Funding

The Scottish Government is supporting initiatives with the third sector, Scottish local authorities and others, designed to maximise household resources for vulnerable groups, support the objectives of the revised Child Poverty Strategy, and build resilience in the face of the UK Government's welfare reforms.

Throughout 2013/14, the Making Advice Work Fund, which is administered by the Scottish Legal Aid Board (SLAB) has continued to help organisations provide advice and support to people across Scotland.

On 24 April 2014 we announced a further £2.4 million for the Tackling Money Worries Fund

which SLAB will administer. This fund will focus on improving outcomes for low-income families with children and the projects will run from October 2014 to October 2016.

Emergency Food Aid Action Plan

On 17 December 2013 the Scottish Government published an "Overview of Food Aid Provision in Scotland". This identified 55 providers of food aid across eight locations in Scotland, delivering 36 food parcel services and 38 meals services. Those providers agreed that welfare reform, benefit delays, benefit sanctions and falling incomes have been the main factors driving the recent trend observed of increased demand for food aid.

In April 2014 the Deputy First Minister announced an Emergency Food Aid Action Plan. This includes £500,000 over two years to FareShare to tackle food waste and food poverty. FareShare takes good quality surplus food from the food industry and makes it available to charities and community groups providing vital support for the most vulnerable in Scotland who are suffering from food poverty.

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An Emergency Food Aid Grant Fund opened for applications on 2 June 2014, to respond to immediate demands for emergency food aid, and to help address the underlying causes of food poverty. The Fund will be supported by £500,000 over two years. Foodbanks and organisations working with those who seek emergency food aid were able to apply for funding.

Fuel Poverty

Fuel poverty statistics published in December 2013 show that fewer people are now living in fuel poverty in Scotland. Between October 2011 and mid 2012 there was a 3.4 per cent drop in fuel poverty – this equates to around 74,000 households – with improved energy efficiency contributing two-thirds of the fall.

However, more than a quarter of the population (27.1 per cent or 647,000 households) were still estimated to be fuel poor in 2012, of which 78,000 (around 12 per cent) were households with children (single parents, small families and large families).

The picture is particularly challenging across lone parent households, where 19 per cent are fuel poor.¹⁴

In light of this, the Scottish Government is committed to eradicating fuel poverty – it is tackling fuel poverty head on and is increasing funding to do so:

- Between 2009/10 and 2012/13 we invested £220 million on fuel poverty and energy efficiency programmes, with an estimated net gain in household income of over £1 billion over the lifetime of the measures
- We have created the Home Energy Efficiency Programme for Scotland (HEEPS), which offers a package of support to help all those who are struggling to pay their energy bills and keep themselves warm
- Launched on 1 April 2013, HEEPS uses Scottish Government funding to lever in additional investment to tackle fuel poverty, reduce carbon emissions and support jobs

¹⁴ <http://www.scotland.gov.uk/Resource/0043/00439879.pdf>

- Our budget to tackle fuel poverty is £79 million in the current year (2014/15)
- In total, the Scottish Government will spend around a quarter of a billion pounds over a three year period (2013/14 to 2015/16) on fuel poverty and energy efficiency.

CASE STUDY

Comments from participant:

“I was able to give the kids the same things as their friends which made them feel better and more part of the crowd this in turn made me feel good.”

One Parent Families Scotland (OPFS) – Choices Glasgow

Lone Parent Support and Advice Network, Glasgow

The project provides money, debt and welfare advice to lone parent families, both one-to-one and through groups, enabling lone parents to make informed choices and improve their own and their children’s life chances.

For example, a client who is a lone parent with children aged between 1 and 11 years old. Her son, aged 11, suffers from a chronic condition. She had applied for Disability Living Allowance (DLA) which had been refused. The client was in financial difficulty and was unable to buy furniture for the children’s rooms and was just covering the costs of essential outgoings each week.

Results

At tribunal the decision had been over turned and DLA was awarded at the lower rate for care, back dated to 19 April 2013.

OPFS contacted the client’s local DWP to have the claim treated urgently and client was sent a back dated award of £1092.00 and an ongoing amount of £21.00 per week.

OPFS then contacted the Tax Credit office to report the change of circumstances and requested that a Disabled Child Allowance be awarded from the date of award of DLA (19 April 2013). This resulted in a further back date award of £3099.72 and an ongoing award of £59.61 per week.

This will allow the client to buy furniture and carpets for the children’s room and will increase the weekly income by £80.61.

Working in partnership with Scottish Business

We recognise that the Scottish Government cannot mitigate the full impact of all the UK changes and where we can mitigate, we cannot do so alone. We are working with Scottish Business in the Community (SBC) over 2014/15 to facilitate a programme of work to raise awareness of the impact of welfare reforms and in-work poverty with the Scottish business community.

This programme of work builds on the previous Scottish Government supported programme begun in 2013/14 and will continue to engage with businesses across a number of areas:

- To recognise and support employers who want to support their employees who may be affected by the UK welfare changes. Awareness raising sessions will be delivered on a regional basis between June 2014 and March 2015
- Contribute to the development of a toolkit (along with partners Child Poverty Action Group) that will allow employers to identify whether they have staff affected by welfare reform or impacted by in work poverty

- To encourage businesses to align their corporate social responsibility towards our national and local mitigation efforts
- To develop and disseminate good practice case studies on an ongoing basis over 2014/15.

This work builds on the success of SBC's business-led hubs and Regional Leadership Groups and their range of programmes and activities that enable businesses to engage in social and workplace issues.

Financial Health Service

The Scottish Government introduced the Bankruptcy and Debt Advice (Scotland) Bill in June 2013, which included measures to help those people in Scotland who are struggling under the burden of debt. The [Bill](#) was passed on 20 March 2014 and provides a framework on which to build Scotland's Financial Health Service.

The Financial Health Service will bring together different strands and sources of information and advice, so that anybody with a concern or an issue to do with debt or borrowing can find, in one place, the help and assistance that they need.

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Financial education is a key part of the Financial Health Service. The Scottish Government has worked in partnership with Money Advice Scotland and the Money Advice Service to develop a financial education module to help individuals develop their financial capability skills. The module includes information on budgeting, financial planning, saving, borrowing, tax and welfare benefits and will be hosted on the Financial Health Service website. The module is currently being piloted and will be available to all later this year. The Scottish Government has awarded £200,000 to Money Advice Scotland to support the roll out of financial education.

Scottish Welfare Fund

The Scottish Welfare Fund (SWF) was established in April 2013 by the Scottish Government, to replace elements of the DWP abolished Social Fund scheme, and has now been running successfully for more than a year.

The SWF is a national scheme delivered by local authorities, based on guidance from Scottish Ministers. The guidance has been developed in partnership with COSLA, local authorities and other stakeholders.

The SWF provides two types of grant:

- Crisis Grants – to provide a safety net in the event of a disaster or emergency
- Community Care Grants – to enable independent living, or continued independent living, preventing the need for institutional care.

The Scottish Government provided an extra £9.2 million for the SWF to give a total fund of £33 million for its first year. We have committed to the same level of funding until the end of the current spending review period.

We intend to put the SWF on a secure and permanent footing in legislation through the Welfare Funds (Scotland) Bill. The Bill was introduced to the Scottish Parliament on 10 June 2014.

We have included several references to children in the factors that may increase the vulnerability of an applicant. This will help to ensure that applications for Crisis Grants or Community Care Grants from families with children are given a high priority, increasing the likelihood of their success.

Additionally, capital for expenses relating to supporting children, for example child maintenance, is fully disregarded under the Scottish Welfare Fund's guidance.

CASE STUDY

Community Care Grants

Community Care Grants and Crisis Grants can be awarded to those on a low income to support independent living or to help in an emergency or disaster.

The Fund is available to many vulnerable groups; however, to help tackle child poverty we specified that one of the eligibility criteria is to “help families facing exceptional pressures and who lack the resources to meet irregular costs to provide a safe and secure environment for their children”.

Scottish Welfare Fund Community Care Grants provide support, sometimes in the form of items such as a cooker, or furniture, to help people stay or move into their own home, and can also be awarded to families under exceptional pressure.

Community Care Grant

Allison (34) who has three young children and is in receipt of Income Support, Child Benefit and Child Tax Credit submitted a Scottish Welfare Fund application with assistance from her local Women’s Aid.

Allison had been in homeless accommodation for 18 months following severe domestic abuse at the hands of her ex-partner. Allison and her eldest son have in the past suffered physical abuse and a restraining order remains in place as the threat of violence and harassment continues.

With support from the local authority Homelessness Officer, Allison has managed to secure unfurnished private rented accommodation which the landlord agreed to allow safety alarms to be fitted in. Allison was unable to take any belongings when she fled the marital home and has lived in furnished homeless accommodation since, meaning the family required all the basic items to furnish their new tenancy.

Allison received assistance via a Community Care Grant from the Scottish Welfare Fund and was awarded the items listed:

- Sofa
- Chest of drawers
- Blinds
- Decoration costs

- Beds
- Bedding
- Pots and pans
- Table and chairs
- Towels
- Cooker
- Washing machine

The items of furniture were supplied within two days as a priority delivery through the council's contract with the furniture company.

The family have been able to leave homeless accommodation two weeks earlier than planned, their new tenancy has been furnished and the security alarms fitted. The family have settled in well to their new accommodation and continue to be supported by the Homelessness Officer and Women's Aid.

Independent review of the Scottish Welfare Fund

Heriot-Watt University have undertaken an independent review of the SWF which is feeding into the ongoing improvement of the interim scheme and the development of the permanent arrangements.

One of the authors of the report said this at the Welfare Reform Committee on 27 May 2014:

“Broadly, I would say that, given the time that the scheme took to get up and running and the time for which it has been running, it has made a very good start, and we must commend staff for that. They come across well to the users. People feel that they are dealt with well and that the staff empathise with their situation. People do not always get the outcome that they want but, by and large, they understand; they realise that not everybody can get access to the moneys”.

Mandy Littlewood (Heriot-Watt University)

Results

The official SWF statistics published on 15 April 2014 show that between 1 April 2013 and 31 December 2013, a total of £18 million was allocated to over 56,000 households.

Of those almost 32,000 were single people and nearly 16,000 were families with children. The figures also show that the Fund is helping those in the most deprived areas of Scotland, with around 50 per cent of the funding being awarded to people living in the 20 per cent most deprived areas in Scotland.

The full report can be found on the Scottish Government [website](#).

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Prospects

The Scottish Government believes that Scotland can and should be the best place in the world for children to grow up and that our children deserve the best possible start in life. We do not want to see any child being born into or condemned to live a life of poverty and we understand that poverty undermines our best efforts to support parents.

Early Years

Improving the early years experience in Scotland is key to enabling us to address some of our most entrenched problems in terms of poverty, poor health, poor attainment and antisocial behaviour. That is why we published our Early Years Framework in December 2008. That set the direction for our early years policy. In order to drive this agenda forward, Scottish Ministers established the Early Years Taskforce, who oversee the Early Years Collaborative (EYC).

The EYC is a good example of joint working between government, local authorities and health boards, based around local CPPs. It breaks

traditional approaches, enabling professionals from all disciplines and agencies, including the third sector, as well as children and families to test ideas for improvement that will lead to transformational change. Driven by those receiving or closest to the service delivery, changes are rigorously tested using rapid small-scale tests of change before implementing and spreading across local and national areas.

The ambition of the EYC is:

To make Scotland the best place in the world to grow up in by improving outcomes, and reducing inequalities, for all babies, children, mothers, fathers and families across Scotland to ensure that all children have the best start in life and are ready to succeed.

The EYC is currently structured around four age related workstreams, all geared towards delivering this ambition:

- 1 - covers pre-birth to one year
- 2 - covers one year to 30 months

- 3 – covers 30 months to start of primary school
- 4 – covers children from the start of primary school to the end of P4 (aged five to eight years).

There is a clear link between the work of these workstreams and the recently established Raising Attainment for All Collaborative, with its focus on schools.

The Collaborative approach requires strong leadership and the leadership strand takes a strategic overview of all workstream activity and provides direction. The Early Years Taskforce fulfils this role at a national level, but there is also a need for this at a local level.

The focus of the EYC is on Key Changes – those interventions which research and practice tell us that, if delivered for every child every time would lead to transformational change and improved outcomes for children and families. Identifying Key Changes will help CPPs to determine where they should direct their improvement efforts and tests of change to achieve the greatest impact.

The Key Changes are:

- early support for pregnancy and beyond
- attachment and child development
- 27-30 month review
- family engagement to support learning
- continuity of care in transitions
- developing parenting skills
- addressing child poverty (income maximisation).

‘Pioneer sites’ have now been established taking forward one or more of these Key Changes. These sites focus activity in one geographic location to achieve sustained improvement. These approaches could then be scaled up and spread across the CPP and the rest of Scotland.

CASE STUDY

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Early Years Collaborative - Healthy Start (Food Vouchers and Vitamins)

Healthy Start is a UK-wide programme that provides food vouchers and vitamin vouchers primarily to families receiving benefits. It is focused on helping people to maximise their income and giving their family a healthy start in life. A family qualifies for Healthy Start once the woman is 10 weeks pregnant or has a child under four years old and she, or the family, receives:

- Income Support, or
- Income-based Jobseeker's Allowance, or
- Income-related Employment and Support Allowance, or Child Tax Credit
- All pregnant women under 18 years old qualify, even if not receiving any of the above benefits or tax credits.

As an Early Years Collaborative pioneer site, Edinburgh has been working to improve uptake of Healthy Start to 90 per cent of eligible participants (benefits recipients, families in receipt of tax credits, pregnant women under 18 years old) in

selected areas of Edinburgh (initially north east Edinburgh) by March 2015. The work started on 3 March 2014.

As part of the improvement work, a number of small tests of change have been undertaken to improve the uptake of Healthy Start vouchers, including:

- a letter and application form in the antenatal booking pack
- information sharing and poster in antenatal booking call centre
- routine enquiries about Healthy Start status at all appointments by midwife
- change to the application form process for midwives (no need for ultrasound to prove pregnancy, form can be completed at booking appointment)
- referral of new parents to income rights advisor by Health Visitors
- postnatal reminder about calling help line.

CASE STUDY

Why is it important to work on now?

- Very substantial variation in uptake among eligible families across the city
- Major changes to the benefits system in the UK.

Improved sign up to Healthy Start will have benefits for the participants themselves (pregnant women and families with children) in terms of income maximisation and access to vitamins. If the food vouchers are used appropriately (fruit and veg, milk and formula feed) this will improve maternal and child nutrition with benefits for the NHS and local authority.

There are four components to the work:

1. Sign up to Healthy Start as early as possible
2. Catch up with those families who missed initial sign up to Healthy Start, or whose circumstances have changed
3. Assessment of wider benefits entitlement/ advice and support around employments rights etc. by referral to a welfare rights advisor

4. Support for wider skills (literacy, cooking, budgeting) with the local Community Learning and Development team to support the sign-up and utilisation of Healthy Start.

Such impacts are difficult to measure, but there is support (e.g. Community Learning and Development input around cooking, budgeting and accessing local services) that will maximise the impact.

Results

- This work is having a positive impact on the number of families signing up for Healthy Start in the Leith area through very simple changes to the sign-up process.
- The team has started to spread the changes (e.g. to the rest of the Leith team, then to another part of Lothian). The team is also sharing information with colleagues in other parts of Scotland through the EYC and through the NHS Board Healthy Start leads. Through community midwife surveys in Lothian and discussion with colleagues in other areas it is recognised that the improvements identified by the Leith team are relevant to teams across Scotland.

- In Leith the sign up for vouchers has increased from 11 per cent prior to 3 March to 25 per cent since 3 March. The documentation of Healthy Start eligibility on the maternity electronic record has also increased (from 75 per cent to 97 per cent) which is also important as this is the only record of child and family poverty routinely held by the NHS. The team is currently monitoring the impact of this work on receipt of vouchers by the 16 week midwife appointment.
- Families from the area have reported that they regard the Healthy Start vouchers as a lifeline and that without them, they would struggle.
- [Leith Healthy Start Vouchers video](#)

The Children and Young People (Scotland) Act 2014

The Act was passed by the Parliament on 19 February 2014, and received Royal Assent on 27 March 2014. The Act is central to the Scottish Government's aim of making Scotland the best place in the world to grow up. It will do this by putting children and young people at the heart of planning and delivery of services and ensuring their rights are respected across the public sector. As a whole, the Act will improve the focus of services around all children and young people while providing targeted improvements for specific groups.

The Act supports principles of early intervention and increases support for children, young people and their families. Through its varied provisions, the Act will improve the life chances of many of Scotland's children and young people.

By enshrining elements of the Getting it Right for Every Child approach in law, the Act will ensure there is a single planning approach for children who need additional support from services, create a single point of contact for every child and provide a holistic understanding of wellbeing.

Other provisions focus on children in the early years, defining Corporate Parents and their duties and extending support for care leavers.

The Act increases free early learning and childcare as set out in the Pockets section of this report.

The Act puts into legislation a holistic definition of 'wellbeing' in relation to children and young people, which will underpin various duties. 'Wellbeing' is a term commonly used about an individual's development. It can mean different things, ranging from mental health to a wider vision of happiness. It captures the idea that a child or young person's condition depends on a range of different factors. The Act provides for a number of duties that seek to promote, support and safeguard the wellbeing of children and young people. The eight indicators: Safe, Healthy, Achieving, Nurtured, Active, Respected, Responsible, and Included, are sometimes referred to using the acronym 'SHANARRI'.

The Scottish Government is clear that looked-after children and young people should be supported to make a successful transition to independent living

when they are ready to do so. Therefore, the Act extends the age for support while in care and aftercare from 21 years old up to 26 years of age.

In addition, looked-after children and young people will have the right to remain in their care placement until 21 years of age enabling them to make a successful transition to independent living at a time and pace that suits their individual needs. This increased support set out in the Act is to be funded by Scottish Government at a cost of £5 million a year (up to 2020).

In January 2014, the Scottish Government also announced plans to enable care leavers (i.e. those who have already moved to some level of independent living and are less than 21 years old) to return to their previous care setting. An expert group, including young people with care experience and representatives from the care sector, will look into how to deliver this extended long-term ambition and how to manage the availability of places, affordability and suitability of care provision going forward.

Looked-after Children and Young People

Looked-after children represent a small but significant proportion of the general population of children and young people in Scotland (1.7 per cent of 0-17 years, 2012), with the number and proportion of 0-17 year olds who are looked after increasing over the last 10 years. The outcomes of looked-after children are generally poor relative to the general population. Material deprivation appears to be a major upstream determinant of the need for care and educational attainment tends to be lower for looked-after children compared to their peers. It also appears that being looked after is associated with an increased risk of mental illness and adverse health outcomes.

In summary, looked-after children tend to have poorer outcomes than non-looked-after children who have experienced similar levels of material deprivation. They seem to accumulate additional risk by being looked after and the consequences are significant. It also seems probable that young people leaving care or previously looked after are at greater risk of falling into poverty as they become adults.

The Scottish Government is committed to taking action and supporting interventions to help reduce the risk of looked-after children and young people falling into poverty.

Two good practice guides [Staying Put-Scotland](#) and [Housing Options Protocols for Care Leavers](#) are already in place having been launched in October 2013. The aim of 'Staying Put Scotland' is to assist local authorities and their corporate parenting partners to develop and implement strategies which enable care leavers to remain in stable care placements until such time as they are ready to move on. The 'Housing Options Protocol' has been designed to assist corporate parents and Community Planning Partnerships (CPPs) to implement local arrangements for care leavers to support them through their transition out of care and ensure each area has a range of appropriate and sustainable accommodation options.

Health Inequalities

We are aware that those living in deprived communities have a higher risk of developing preventable ill health due to their life circumstances, and the Scottish Government remains committed to addressing these inequalities.

The latest publication of [Long-term monitoring of Health Inequalities: Headline Indicators](#) shows that progress on reducing absolute inequality is being made in some areas but there are indicators where more work is needed.

One of the first actions this Government took in 2007 was to establish The Ministerial Task force on Health Inequalities. The subsequent strategy is regularly reviewed with the most recent Task Force on Health Inequalities under the Chairmanship of the Minister for Public Health publishing its report in [March 2014](#).

The Task Force was again clear in stating that health inequalities cannot be solved with health solutions alone. They are caused by entrenched problems of poverty, educational under-attainment, worklessness and poor mental wellbeing.

This report identified the following as priorities: the development of 'social capital' to increase the opportunities for people to engage with others in their community as the evidence suggests that building resilience in individuals, families and communities can make a difference; the importance of CPPs in setting local initiatives; in pursuing a life course approach the need to examine and potentially enhance what we do that impacts on the 15-44 age group, who are experiencing many more excess deaths compared with other European countries; and support the development of a Place Standard as a welcome addition in the fight to tackle inequalities.

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The Ministerial Task Force on Health Inequalities has met every two years to examine progress. A desire for a sharper focus in delivery has led to an agreement that the Health and Community Care Delivery Group which meets up to four times a year will consider how best to implement change. The group includes representatives from the Scottish Government, local government, the NHS and the third sector.

In May 2014 the Scottish Government published [Guidance on Health Assessments for Looked After Children and Young People in Scotland](#).

This has been developed to assist NHS Boards and local authorities to provide all children with a health assessment within four weeks of becoming looked after.

Educational Attainment

The Scottish Government and all of its partners have a strong shared commitment to raising attainment and achievement for all and closing the equity gap between children and young people who are most and least advantaged.

We are driving forward improvement with the launch of 'Raising Attainment for All' in June 2014. Twelve local authorities and over 100 schools across Scotland have committed to becoming part of this learning community which will support the implementation of improvement methodology and enable shared learning across the country. This aims to support consistent improvement in attainment and achievement through the development of a collaborative learning system. This improvement activity will make firm links with the continuing work of the EYC outlined earlier in this report, and in particular workstream four which focuses on primary school children aged five to eight.

CASE STUDY

Self-Improving School Pathfinders – Bellshill Academy

The development of 'Raising Attainment for All' was informed by the successful implementation of an improvement methodology in six Self-Improving School Pathfinders, one of which was Bellshill Academy, a secondary school in North Lanarkshire.

Context

In Bellshill Academy, 22.6 per cent of pupils were registered for free school meals in 2012/13 compared to 17.4 per cent of pupils in North Lanarkshire, and in Scotland 15.5 per cent. Pupils' attendance is below the local authority and national average. Examination performances are improving but the school is still below North Lanarkshire and national averages (2012/13).

In this context, Bellshill were supported to use the improvement method to try small tests of change that could impact on the attainment of their pupils. Initially, the Head Teacher established a small, cross-disciplinary Quality Improvement Board within the school to take forward the improvement effort. The team was provided with training to gain a working knowledge of improvement methodology and used this to develop a clear project plan for their work.

What did they do?

The Board chose to test a method to increase attainment for S5 pupils at 1+ level 6 awards, to 70 per cent of targeted pupils by August 2014 as attainment at this level is currently the only measure which is below their comparator schools. The focus for improvement was students and parents in the most deprived areas (data zones one and two) according to the Scottish Index of Multiple Deprivation.

The improvement activity involved testing an approach to engage students, teachers and parents in working together to produce a weekly Pupil Progress Plan to support the individual needs of students while encouraging parental engagement and involvement.

Testing began small scale with one student testing out a template, individualised and completed by them, their parents and their teacher/mentor. The process was refined through a number of tests including feedback and suggestions from more pupils and teachers as the project has developed. This testing has now spread to include a wider population of students working towards at least one higher grade.

CASE STUDY

What was achieved?

The Bellshill pupils have fully engaged in the process and have provided informative and positive feedback. Parents have tested the Progress Report, with feedback including:

“The Progress Report gives me a good focus to discuss school work and studying with my son.”

“The Progress Report allows me to see how my daughter is doing on a weekly basis. I can discuss her targets with her and I can get much more involved in helping her to achieve her targets and to prepare for her exams.”

Feedback from the school on the benefits of adopting the model for Improvement has been very positive with the Head Teacher now working with the team to develop ideas on how to spread and sustain this project and also use the approach for future improvement activity within the school.

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Educational Attainment

Education Scotland is working with local authorities and university researchers to broker and facilitate partnerships within and across schools and local authorities. The School Improvement Partnership Programme (SIPP) adopts a solution-focused approach underpinned by systematic enquiry and the use of evidence to tackle Scotland's attainment issues with a focus on collaboration and innovation to tackle educational inequality.

The [interim report](#) on the evaluation of the programme by The Robert Owen Centre was published in May 2014 and has two key messages. Firstly, during this early phase SIPP has stimulated the imagination and creativity within a number of local authorities and their schools. This is often leading to the development of diverse and complex partnerships designed to tackle inequality in education. Secondly, there is emerging evidence to suggest that some of the partnerships are becoming embedded and putting in place interventions that reflect principles of effective collaborative enquiry and practice.

We are supporting the key principles and purposes of Curriculum for Excellence (CfE) by helping local authorities and schools to focus on understanding and reducing the gap between higher and lower attainers and raising attainment for all through the development of Insight. This is a new online benchmarking tool which will be going live in August 2014 to help bring about improvements for pupils in the senior phase. Insight will be used by secondary schools and local authorities to identify areas of success and where improvements can be made.

The sharing of evidence and best practice between schools within and across local authorities is continuing with the numeracy hubs programme. The funding for numeracy hubs will be increased by over £1 million over three years, to a total of £1.2 million, to allow all parts of the country to benefit from this approach. This follows from the positive evaluation of the literacy hubs approach by members of the Association of Directors of Education (ADES) which highlighted "the decision of the Scottish Government to sponsor this approach was forward-looking and successful".

The National Implementation Board for Teacher Education is continuing to make progress on a number of fronts:

- New Professional Review and Development Guidance has been published
- A range of communications materials have been developed and published on a new Teaching Scotland's Future website
- Partnerships between local authorities and universities are now in place to better support the early phase of teachers' careers
- Education Scotland has published a series of new materials including the aspiring teachers site, mentoring matters and the Scottish Framework for Educational Leadership
- A Scottish Masters Framework has been published and opportunities to learn at masters level have been created for nearly 2000 teachers
- The Scottish College for Educational Leadership (SCEL) has been established and will provide new leadership opportunities for all teachers

- [An Evaluation of Routes to Headship](#) has been completed and SCEL are taking forward the recommendations including developing new qualifications for headship.

The **Commission for Developing Scotland's Young Workforce**, chaired by Sir Ian Wood, published its [final report](#) in June 2014. Within this comprehensive report, considerable attention has been paid to the opportunities offered by the introduction of CfE.

The Scottish Government shares without exception the ambitions set out in the report for young people, employment and prosperity in Scotland. Many partners are involved in acting on the report's recommendations, in particular local government. We will work in close partnership with COSLA to develop detailed plans for implementation. We will publish these in the autumn.

Learning Lessons – Young People’s views on Poverty and Education in Scotland

In June 2014, Save the Children and Scotland’s Commissioner for Children and Young People published Learning Lessons,¹⁵ research conducted by young people that explores the views of secondary school pupils across Scotland. The report reveals the importance that young people attach to education and what is needed for doing well at school. Young people believe that poverty *shouldn’t* make a difference to young people’s chances, but they believe it does have a damaging impact on opportunities to learn.

Two key themes emerged. Firstly, the financial barriers which prevent fair and equal access to opportunities at school such as school trips and the cost of buying additional equipment/materials for school put pressure on family budgets and can limit young people’s ability to fully take part in school life. This suggests a need to examine what more can be done to remove the financial barriers to learning at school. Secondly, young people highlighted the significance of learning outside

school in the home (and the wider community) learning environment, but recognised that the stresses and pressures on families living in poverty can limit support. The findings point to a need to consider what more can be done to enable families to support their children’s learning and the home learning environment.

Speaking at the launch of this report on 13 June 2014, the Cabinet Secretary for Education and Lifelong Learning announced a new Access to Education Fund (£1.5 million). This extra investment is intended to support the attainment of children growing up in poverty by helping reduce the barriers to learning experienced by pupils from disadvantaged backgrounds. Schools can apply to the Access to Education Fund to provide support for pupils and their families for school materials, trips, uniforms, IT, coaching and mentoring and parental engagement programmes. The fund will be administered by Education Scotland and open to applications from schools from the start of the new term (August 2014).

¹⁵ http://www.savethechildren.org.uk/sites/default/files/docs/Learning_Lessons.pdf

CASE STUDY

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Craigroyston Community Project: Scottish Gas and Craigroyston Primary School 12 year partnership.

Let the walk begin

In 2013, Scottish Gas, Waterfront Edinburgh, recognised that there are significant challenges facing young people in their local area, and despite involvement with the High School for several years, the number of students leaving school and going onto positive destinations was still not shifting significantly. They decided to approach the problem in a totally different way, and one which leads the way in which the private sector works collaboratively with public and third sectors to support solutions.

At the local High School (Craigroyston) only 61 per cent of students go on to positive destinations (work or education) after leaving school. A large number leave without any qualifications or vocational skills. There are a number of factors which impact this, including low educational attainment, chaotic home lives, poverty and low aspiration.

In 2013, Scottish Gas designed and launched an innovative long-term partnership with Craigroyston Primary School, committing to supply six to eight volunteers for one hour each week to provide literacy and numeracy support to the P1 class (36 children). This amounts to an additional teaching day per week.

This volunteer group is paired with the class and this is planned to last throughout the children's school journey until they complete High School. The volunteering will flex to the pupils' needs, developing into a mentoring relationship.

Each child is given a book each term to support reading at home and each term they are also funding and developing an activity which involves parents/carers to engage them with their child's education journey.

Scottish Gas also understands that no matter how much support children are given at school, their home life can jeopardise the positive effects of this.

CASE STUDY

“It has been hugely rewarding working with Craigoyston Primary. The teachers have been so positive and the parents have also been very engaged. It is amazing to start to see the difference week to week as the children get to know us and we see them developing their reading skills. I have also found it rewarding to be part of the group co-ordinating the project. I am extremely proud and love bringing that energy back into the business and sharing with my colleagues. I now have a waiting list of people desperate to be involved.”

Rob Connell, Team Leader,
Vulnerable Customer Team

Their Edinburgh office site and Lothian field operations are therefore directing fundraising and volunteering support to community groups within the catchment area, e.g. Muirhouse Youth Development Group, Pilton Youth and Children Project, Circle, Pilton Community Health Partnership. This will help support families and children outside school hours with challenges they may face such as food poverty and chaotic home lives.

Results

The activities so far:

- Six volunteers recruited and started volunteering one hour per week each with the current P1 group – equivalent of one teaching day per week during term time. This is a major resource for the school financially and frees up teachers to concentrate effort of those pupils that require additional support.
- Parent activity – 36 P1 children attended the first parent activity, building Gingerbread houses for Shelter along with 29 parents/carers. This was significantly higher than expected. The children returned a week later with parents to receive a gift from Santa (book and baking kit).
- Two books have now been supplied to every child, plus extras for the school.
- School received a free performance of the Cosy Cosy Challenge to learn about energy, energy efficiency and science of insulation (Generation, Science, Edinburgh International Science Festival) funded by Scottish Gas.
- Six volunteers will commence weekly support of the Fresh Start programme for P5 and P6 children who have fallen behind in their literacy and numeracy to prepare them for High School.
- Recruiting volunteers for the new P1 intake who will start volunteering in May with the current nursery class in preparation. Funded a day trip with transport and lunch to the Science Festival for families of the P1 class during the Easter holidays.
- Funded the shortfall for the school trip to camp for the P6 and P7 classes.

CASE STUDY

Scottish Gas' aspirational target will be to impact the number of children going on to positive destinations after school, and in particular supporting the High School to help keep children in school until age 16 and gaining at least some vocational qualifications. This is in line with the High School who are due to start a new vocational project from Autumn term 2014.

CASE STUDY

Business Class: Network Rail and St Andrews High School

Business Class is a UK-wide, business-led school engagement programme, run in Scotland by Scottish Business in the Community. Businesses who join believe that the most effective way to support young people facing social disadvantage is to form long-term partnerships with the schools those young people attend. Business Class provides a systematic and proven framework for developing those partnerships, rooted in long-term, strategic support and collaborative action. More information is available from the [Business in the Community Website](#).

Supporting education is embedded in Network Rail's culture and their partnership with St Andrews Secondary School in Glasgow focuses on developing projects to raise aspirations and provide inspiring learning opportunities.

Context and Objectives

Network Rail is responsible for the running of Britain's rail infrastructure with a mandate from the Government to improve the safety, reliability and efficiency of the railway. They run, maintain

and develop Britain's rail tracks, signalling, bridges, tunnels, level crossings, viaducts and 17 key stations.

Activity

Together, Network Rail and the school worked in partnership to design a series of curricular enhancement workshops for S1-S3 pupils that would relate to the skills learned within the Faculties of Business/ICT, Technical and Science to the world of work.

The programme of engagement and activities was tailored to complement both the operational requirements of the business and the school calendar – Network Rail's 'CONNECTIONS' programme provided an introduction to rail, its structure, operation, and the contribution the industry makes to a 'Better Scotland'.

Network Rail identified mentors to support/assist with a cross-section of the curriculum and provided opportunities to assist pupils' decision making in relation to careers, whilst also providing a comprehensive insight into an organisation with many functions within it.

Network Rail staff were grouped within link areas and identified what experiences could be provided to enhance the topics within the curriculum. Pupils engaged in this variety of experiences then evaluated their relevance to the learning intentions.

After evaluation, and with pupils input, the partners formalised a programme to be delivered across the curriculum.

Next Steps

As a result of pupil feedback, a number of activities have been identified that will enhance and enrich the curriculum and bring the subjects to life for the pupils.

Results

“The pupils at St Andrews have benefited greatly from this engagement. It has provided them with a different and enjoyable way of learning and given them an insight into the World of Work.”

Donna Cunningham, Business Manager,
St Andrew’s Secondary School, Glasgow

Impacts and Outcomes

- Increased pupil knowledge and understanding of the workplace
- Improved pupil sense of direction and self, including changes in self-esteem, confidence and motivation
- All pupils gained transferrable skills, and increased their employability and confidence in a workplace environment
- Increased motivation, social skills and attitude to learning
- Network Rail are supporting the future of the industry’s workforce, spreading the word about careers across its business.

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Employability

Youth unemployment is being tackled in a number of ways.

Over the past year, the Scottish Government has maintained its commitment to delivering a Modern Apprenticeship programme that responds to employer needs. We have delivered 25,284 Modern Apprenticeship starts in 2013/14 and on 15 April 2014 we announced that the target for new Modern Apprenticeship starts would increase year on year from 25,000 to 30,000 by 2020.

Overall, we have exceeded our target to deliver over 25,000 Modern Apprenticeships each year with 77,402 new opportunities delivered over the past three years.

Our Opportunities for All commitment guarantees an offer of a place in learning or training for all 16-19 year olds with a specific focus on those not already engaged in education, training or employment.

Positive school leaver destinations, both initial and sustained, are at an all-time high.

Figures published in June 2014¹⁶ show that the proportion of school leavers staying in employment, training or education up to nine months after leaving school is higher than it has ever been at 90 per cent.

The Commission for Developing Scotland's Young Workforce final report calls for businesses to get more involved in education and for schools to work with young people, colleges and employers to ensure school leavers have the skills they need to succeed in the modern workplace. As stated in the education attainment section of this report, we will work in close partnership with COSLA to develop detailed plans for implementation which will be published in Autumn 2014.

We are already working in partnership with local authorities to utilise their expertise and connections to incentivise job creation for young people who are furthest from the workplace and most at risk of being trapped in benefits or low income. This working partnership is helping employers create up to 10,000 job opportunities for young people by offering an initial wage

¹⁶ <http://www.scotland.gov.uk/Publications/2014/06/9242>

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recruitment incentive. £25 million has been allocated to support the Youth Employment Scotland Fund (YESF); £10 million is from the European Social Fund matched by £15 million of Scottish Government funding. Some local authorities are using the YESF to build on their existing Employer Recruitment Incentive (ERI) and are a strategic employability local partner working with Skills Development Scotland (SDS) and the third sector.

In addition, our investment has led to over 4,500 job training opportunities being created with third sector employers through the Community Jobs Scotland Fund. We are also helping young graduates to kick-start their careers through a range of quality, paid graduate placement programmes to help young graduates gain relevant work experience.

Employer Recruitment Incentive

The Employer Recruitment Incentive (ERI) for Targeted Young People is a Scottish Government initiative to assist vulnerable young people (aged 16-24) facing specific barriers to employment. It can be used as a wage subsidy which is payable if a young person sustains working 13 weeks, 15 hours per week or more.

The ERI aims to:

- encourage employers to assist the transition of young people who have a background as a care leaver, ex-young offender or are a young carer into sustainable employment, including a Modern Apprenticeship
- support these targeted young people with the transition to employment
- contribute to the positive destinations of these young people.

The programme will run until March 2015 and it aims to support 1,000 young people from the target groups into work. Three agencies are contracted to deliver the programme – Action for Children, Barnardo's, and Carers Trust – and they work together to ensure the whole of Scotland is covered.

CASE STUDY

Renfrewshire Young Adult Carers Project

In Spring 2013, ERI Flyers were distributed to local businesses within Renfrewshire, which resulted in a job vacancy with Turning Point (Paisley Office) being identified.

A potential candidate who applied was subsequently offered a job as a full-time Care Worker due to the positive impression she made at the interview.

An initial meeting was held with the employee was arranged to complete an Action Plan and Review Record in addition to appointing a Support Worker to provide any help and support needed.

The Support Workers allow the young person to be more assertive and to identify areas they may find difficult whilst supporting them to overcome any potential barriers.

Contact with the employee is maintained during the initial four-week employment period through review meetings. These were extremely positive

and the employee's enthusiasm for the job was evident in the feedback from supervisors and clients.

At the final review the supervisor indicated that the ERI process had been much easier than anticipated and would not hesitate to use it to hire another Young Adult Carer. Overall, they were pleased with the employee's work and indicated there was a long-term future for her within Turning Point.

The employee is still with Turning Point on a full-time basis and is being given more responsibility and she envisages being there for the foreseeable future.

For Renfrewshire Young Adult Carers Project, the ERI is vital to ensure Young Adult Carers have equal opportunities in employment. The ERI opens doors for many who may otherwise struggle to find employment, and the financial incentive is a big plus for small businesses who otherwise might struggle to employ staff.

CASE STUDY

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Young Adult Carer Quote:

“Taking part in the ERI was really easy, in fact it helped knowing the Young Adult Carers Project was supporting me through it in case I had any problems but I didn’t have any problems at all. I love my job, its great! I want to now work my way up enjoy being in a job where can I make a difference. I always wanted to work in care and so I’m really happy.”

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Maintaining the Education Maintenance Allowance

Education Maintenance Allowance (EMA) support targets young people from low income families to overcome the financial barriers they face and ensures that our least well-off young people can improve their life chances by staying on in post-16 learning.

While the UK Government has withdrawn EMA for students in England, the Scottish Government remains committed to providing EMA support to those who need it most.

The most recent figures available tell us that 35,515 school pupils and college students received EMA payments in Scotland in academic year 2012/13, of whom 9,085 EMA recipients were from deprived areas. Young people benefited from a total spend of £27.8 million. Of this, £19.5 million (70 per cent) was paid out to school pupils, and the remaining £8.3 million (30 per cent) was paid out to young people attending college. The total number of school pupils receiving EMA in 2012/13 is at the highest level since 2008/09.

The numbers of recipients from deprived areas has increased by 0.8 per cent since the previous academic year and 3.8 per cent since 2006/07. The proportion of EMA recipients from the most deprived areas in Scotland has increased every year since academic year 2006/07.

Women and Work

The Strategic Group on Women and Work has been meeting since March 2013 and is continuing its focus on issues that affect women's access to, and participation in, employment.

In general terms, with an employment rate of 69.8 per cent against a UK rate of 67.9 per cent (LFS Feb - April 2014), women in Scotland are doing well in the labour market. While we know that many issues still remain, progress is being made in a number of areas.

Actions include:

Flexible Working

- In its report to the Scottish Parliament on Women and Work in summer 2013, the Equal Opportunities Committee highlighted the importance of flexible and family-friendly working to enable more women to participate fully in the labour market. For parents, the ability for either the father or mother to work flexibly helps women to access, sustain and progress in work. This principle is echoed in the National Parenting Strategy which is why the Scottish Government has awarded £100,000 to Working Families to work in partnership with 'Parenting across Scotland' and 'Fathers Network Scotland' to promote a family-friendly Scotland in employment.

Occupational Segregation

- CareerWise - launched at the Women's Employment Summit - is a £250,000 fund being delivered through Equate. Working collaboratively with employers, schools, colleges, universities and Skills Development Scotland (SDS), it will encourage and support young women into science, technology, engineering and maths learning and jobs. This is in addition to existing funding to Equate (£601,000 between 2012/15) to support the recruitment, retention, return and success of women where they are significantly under-represented; and Close the Gap (£615,000 between 2012/15) to change employment practices and workplace cultures to support gender equality and tackle the pay gap.

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Women in Enterprise

- The Scottish Government facilitated a series of workshops led by stakeholders, in order to address issues of importance to the gender gap in enterprise. These drew together businesswomen with support providers from across the public, private and third sectors.
- The output of these workshops is the '[Women In Enterprise](#)' framework for action. This has built upon the lessons learned and committed partners from across the public, private and third sectors towards a series of actions to address the gender gap. Owned by all partners who participated in the workshops, this was launched by the Cabinet Secretary for Finance, Employment and Sustainable Growth on 4 March 2014.

Training/Access to Skills

- Scottish Government has commissioned the Bridges Project to develop vocational ESOL (English for Speakers of Other Languages) training for women for whom English is not their first language. We expect the courses will be delivered in Dundee and Glasgow in 2014/15.
- Through the Energy Skills Challenge Fund which offers 'transition training' to up-skill those with relevant transferable skills and experience, two of the nine providers this year are specifically targeting women for their courses.

Places

The National Performance Framework sets out National Outcomes that we live in well-designed sustainable places, where we are able to access amenities and services we need; that we have strong, resilient and supportive communities where people take responsibility for their own actions and how they affect others; and that we value and enjoy our natural and built environment and protect and enhance it for future generations.

Added to this is recognition of the crucial role that communities and place must play in addressing issues such as child poverty.

Local government and the wider public and third sectors play a key role in achieving the Scottish Government's purpose by supporting Scotland's communities and in the delivery of public services. We are committed to doing all we can to ensure the third sector continues to flourish during times of economic change.

Local Government Finance

In 2014/15 and 2015/16 the Scottish Government will be providing local authorities with total funding of over £10.6 billion in each of the two years with extra money for new duties.

The vast majority of this funding, including any money provided to combat child poverty, is provided by means of a block grant. It is the responsibility of individual local authorities to manage their own budgets and to allocate the total financial resources available to them on the basis of local needs and priorities, having first fulfilled their statutory obligations and the jointly agreed set of national and local priorities.

Community Planning Partnerships and Single Outcome Agreements

There are 32 CPPs in Scotland, one for each local authority area, with the structure of these varying considerably, depending on the size and geography of the council area, socio-demographic factors, the local economy and local priorities.

Single Outcome Agreements (SOAs) which are agreed between CPPs and the Scottish Government set out local outcomes which community planning partners agree reflect local priorities for their area. Following a review of community planning held in 2012, Ministers and Council Leaders signed off new SOAs in Summer 2013.

These provide a clear 'plan for place' through which CPPs mobilise local assets and resources to improve outcomes for individuals and groups in the local community. The new SOAs have a particular focus on prevention and reducing inequalities, especially around six key policy priorities, (economic recovery and growth; employment; early years; safer and stronger communities and reducing offending; health inequalities and physical activity; and outcomes for older people) where the aim is to achieve transformational, not incremental, performance improvement.

The Scottish Government and our partners are leading efforts to strengthen community planning. The recently published Community Empowerment (Scotland) Bill will introduce new statutory duties

on CPPs and public sector bodies to improve outcomes for local communities through effective partnership working.

The National Community Planning Group is providing national leadership for CPPs to strengthen community planning, with a focus on development priorities including prevention and tackling inequalities, joint resourcing by partners towards shared priority outcomes, and community engagement.

The Scottish Government and the Economic and Social Research Council are investing £3 million in What Works Scotland, an independent centre which will evaluate approaches to public service delivery and reform to support effective practice, for communities and CPPs.

The Accounts Commission and Auditor General for Scotland are undertaking a series of CPP audits, to hold CPPs and their partners to account and support further improvement.

Community Empowerment (Scotland) Bill

The benefits of people, families and communities having a sense of ownership and control over their own lives are now well understood. This sense of a stake in their own futures helps to build community confidence and unlocks the creativity and potential that all of our communities contain.

Our Community Empowerment (Scotland) Bill will help to remove barriers and provide communities with the tools to help them better shape services that affect them and take their own independent action.

The Bill seeks to empower community bodies through the ownership of land and buildings and strengthen their voices in the decisions that matter to them; and support an increase in the pace and scale of public service reform by placing new duties on CPPs and individual partners to work together to improve outcomes.

A consultation on the Bill closed in early 2014 and the [Bill](#) was introduced to Parliament on 11 June 2014.

Third Sector

The third sector is at the centre of our communities – contributing to their empowerment and sustainability and to transforming the lives of the people in them. It also has a vital role to play in the design and delivery of our public services and in shaping the society in which we live. It is essential therefore that we continue to invest in the sector and particularly as we continue to experience the challenges of the current economic climate.

We are using this investment to support the development of a thriving third sector, the growth of social enterprise and entrepreneurship; the building of capacity and leadership, the empowerment of communities and the engagement of the sector as a key social partner in the planning, design and delivery of public services. It enables work to focus on prevention, improvement and community empowerment building on the assets of individuals and communities.

Third Sector Early Intervention Fund

The Third Sector Early Intervention Fund was launched in December 2012 and supports third sector organisations to deliver improved national outcomes relating to children and young people and the families and communities that support them.

Ninety-six awards were made and funding began from April 2013. The scale and diversity of activities supported through this funding is considerable but the first year of funding (April 2013-March 2014) saw approximately £10 million spent on the following:

- Delivery of new and existing services to children, young people and families
- policy development
- publication of information/guidance
- events, support and training
- development of organisational capacity.

While the scope of the Fund extends beyond child poverty, many of the organisations and projects funded will be linked to this, either as a cause or effect of the situation of the families supported.

Overall, in the first year over 3,500 families that face significant challenges have been supported by the funding.

The Fund was originally due to operate until March 2015, but in June 2014, Scottish Government announced an extension until March 2016, signalling a commitment to supporting a capable, sustainable and enterprising third sector.

Enterprise Ready Fund

The Enterprise Ready Fund will distribute £6 million during 2013 to 2015 to help maintain, develop and grow enterprising third sector organisations. Grants of up to £250,000 are available to support new, emerging, developing and established organisations to become more self-sustaining.

The Fund opened in September 2013 until 16 June 2014. In addition to the Fund's role in Scotland's economic recovery, priority was being given to activities that contributed towards the Scottish Government's Prevention and Welfare Reform agendas.

CASE STUDY

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Maryhill Mobile Crèche

Maryhill Mobile Crèche provides childcare for children aged up to 18 years, across Glasgow. It operates the following services:

- mobile crèche throughout Glasgow supporting voluntary organisations that are working with disadvantaged families and communities
- a respite service for vulnerable families in north Glasgow
- Dunard after-school care.

Maryhill Mobile Crèche provides services for around 780 groups and 5,460 children each year. The children come from a diverse range of social, economic and ethnic backgrounds. However, the vast majority are experiencing deprivation and poverty. Maryhill Mobile Crèche works in partnership with professional and community organisations, parents, carers and children to actively promote opportunities for the personal development of children (and their parents/carers). This enables the children to learn, gain confidence and overcome difficulties.

Partnership organisations include NHS Scotland; Maryhill Integration Network, Scottish Refugee Council, Social Work Services and Tara Project.

The organisation has four full-time staff, nine part-time staff, six sessional workers and 11 volunteers.

Scottish Government Enterprise Ready Fund Award

The Enterprise Ready Fund award of £73,931 will be used to rebrand Maryhill Mobile Crèche and to recruit a new member of staff, freeing up time for the Corporate Manager to develop partnerships and promote the organisation's services city-wide.

CASE STUDY

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Impact

This is expected to result in additional weekly crèches within two years, which will provide more than 30 places for children and help to meet the demand for its services. It will generate additional income for the organisation helping to improve their sustainability.

Quotes

“ERF has offered us an invaluable opportunity to expand our services allowing us to support more families and children across Glasgow to become successful learners, confident individuals, responsible people and effective contributors within their own communities and to society at large.”

Regeneration

[Achieving a Sustainable Future: The Regeneration Strategy](#) sets out the Scottish Government's vision of a Scotland where our most disadvantaged communities are supported and where all places are sustainable and promote wellbeing. The strategy also sets out our plans for delivering this vision in partnership with our stakeholders.

The key messages from the strategy are:

- tackling area-based deprivation by reforming how mainstream resources are used and working together more effectively
- stronger focus on community-led regeneration
- realising the economic potential of Scotland's communities through focused funding and other support mechanisms.

This asset-based approach to community-led regeneration is being supported via the People and Communities Fund and the Strengthening Communities Programme.

The £25 million Regeneration Capital Grant Fund has been developed in partnership with COSLA and local authorities to support projects that will help to deliver large-scale improvements to deprived areas. It focuses on projects that engage and involve local communities and those that can demonstrate the ability to deliver sustainable regeneration outcomes. The Fund also supports a number of Urban Regeneration Companies such as Irvine Bay, Riverside Inverclyde and Clyde Gateway – all good examples of where councils have used special purpose vehicles to deliver regeneration outcomes.

Strengthening Communities Programme

The main outcome of this test programme is to assist around 150 community organisations (on behalf of the wider community) to achieve greater sustainability and longer-term resilience over 2014/16. This is expected to include communities that will be able to realise significant economic, social and environmental opportunities. The impact of the programme will include more resilient and sustainable community organisations committed to community regeneration objectives.

It will also deliver a pipeline of organisations with their capacity enhanced and ready to advance on to more ambitious initiatives.

A Programme Board was established in 2013/14, with representation from the Scottish Government, Highlands and Islands Enterprise (HIE), Development Trusts Association Scotland (DTAS), Scottish Community Development Centre (SCDC) and Carnegie UK Trust. The Board has responsibility for overseeing successful delivery of both elements of this programme:

Direct Investment Element – to support those community organisations across Scotland considered to have both the capacity to, and characteristics of, a community organisation capable of moving to a position of high level autonomy, enabled by the strategic intervention offered through the programme. Board partners nominated organisations for this portfolio. These organisations then had to satisfy the criteria agreed by the Board.

Supporting Communities Element – SCDC will provide complementary support to community organisations and community groups requiring specific support in order to develop their capacity/expertise and ambition. Organisations make self-referrals to SCDC.

The Minister for Housing and Welfare announced this funding boost of up to £3 million for community-led regeneration projects on 1 April 2014 during a visit to GNH Life Centre in Glenboig.

The programme will be evaluated at the end of the funding period (2015/16), with good practice and learning points being shared more widely.

CASE STUDY

Our Parent Café, Healthy n Happy Community Development Trust

Healthy n Happy is the community development trust for Cambuslang and Rutherglen. Its mission is to empower people to improve their lives and the places where they live, work and play. It is a community-owned organisation, governed by local people and all its work is directed by local priorities.

Cambuslang and Rutherglen is part of the South Lanarkshire local authority area and is characterised by areas of extreme deprivation with high rates of unemployment, alcohol and substance misuse, a range of health inequalities and lower life expectancy. Healthy n Happy plays a key role locally in tackling this disadvantage through a range of initiatives, including its Parent Café programme.

The Parent Cafés in Whitawburn (zero to one babies group and one to two toddlers groups) and Burnhill (zero to three years) offer a gentle atmosphere for parents and babies to interact, make friends and have a wonderful time.

They include a range of different activities and taster sessions at the cafés including Book Bug, baby massage, mental health awareness, money matters, and activities that support child development.

There is an established evidence base that cuddling crying babies could help tackle chronic ill health and violence. Sir Harry Burns, the former Chief Medical Officer for Scotland, highlighted the evidence that the roots of many problems in later life are to be found in early childhood. He cites the example of babies learning to cope with stress. He states: “If a baby is regularly picked up and cuddled when upset it will develop the ability to manage stress because it knows it will be comforted – a baby that is not cuddled or is cuddled sometimes, ignored at other times and verbally or physically abused at others will not learn to manage stress.” That failure to learn an appropriate stress response can lead to physical changes in the body linked to health and emotional problems in later life. “Early exposure to adversity can leave a reduced ability to cope with life’s challenges such as bereavement, job loss and family disputes.”

CASE STUDY

This work contributes to the National Outcomes that:

- we can live longer, healthier lives
- we can improve health and increase physical activity
- we can improve the life chances for children, young people and families at risk
- we can improve lives of vulnerable children, young people and adults.

By improving relationships and bonding and increasing:

- parenting capacity
- information/access to and take up of services and support
- feelings of connectedness to community and social networks
- self-esteem, confidence and resilience
- ability to manage own stress.

A local community member attends the local parent café in Burnhill. She is a young woman, mid-20s with three children under five. The café has enabled her to spend time with each of her children in a setting which allows her to bond with them individually and as a family. There have been numerous times when she has sought the advice of the guest speakers on issues such as weaning, behaviour and other services she is able access. Since attending the parent café this parent and the support worker have noticed a considerable improvement in the behaviour of her oldest child and she is a regular attendee each week. Her confidence has improved and she is increasing her knowledge of partner agencies relevant to her situation as a parent.

“Without the support of HnH, I don’t know how I would have coped in the last nine to twelve months. Just being able to come to the group and know the people there are willing to lend an ear or give me a bit of advice/information has been a lifesaver for me so thank you.”

“As a new mother it has been a fantastic help to learn so much, especially letting my baby play with other babies.”

CASE STUDY

RESULTS (self-reported):

Priority Area	Before attending the Parent Café	After attending the Parent Café for 12 months
Energy Levels and motivation	Low/poor	High/good
Sleeping pattern	Very low/needs lots of improvement	Average/fair
Able to cope and manage emotions	Average/fair	High/good
Self-esteem and confidence levels	Low/poor	Very high/very good
Outlook on life	Low/poor	Very high/very good
Panic attacks/anxiety levels	Low/poor	High/good
Expressing yourself and assertiveness	Very low/needs lots of improvement	High/good
Connected to your community/have friends and social networks	Low/poor	High/good
Calmness/ability to relax	Very low/needs lots of improvement	Very high/very good
Housing and environment	Low/poor	High/good
Parenting confidence and skills	Low/poor	High/good
Learning, volunteering, employment	Very low/needs lots of improvement	High/good

CASE STUDY

“I am now happy and comfortable welcoming new people to the group, giving them information and supporting them in any way I can.”

“I love spending time with my children, I love walking to with my children in the park and would love to do it more.”

“Support in the group has taught me how to try and manage anxiety in my life.”

“My confidence has been raised enough that I don’t doubt myself as much.”

“Since joining the group I have made loads of friends with babies in the area.”

“The housing stock has not changed much but due to the work of the local group, the environment has improved.”

“I have been accessing the services available at the café and now feel like an informal volunteer for the café.”

People and Communities Fund

The main grant element of the [People and Communities Fund](#) (PCF) was launched in May 2012 to support delivery of the Regeneration Strategy '[Achieving a Sustainable Future](#)' via community-led regeneration. The Fund supports robust community anchor organisations to grow and strengthen by delivering outcomes to meet and respond to the aspirations of their communities. PCF is aimed at registered social landlords and other Community Anchor organisations such as Community Development Trusts.

Our commitment to ensuring equality of opportunity and support for the places and people that need it underpins our approach to regeneration. Many of Scotland's people still live in communities suffering the effects of deprivation and disadvantage. The Regeneration Strategy will reinvigorate efforts to change that. There will be at least £6 million available for allocation in each of the years from 2012/13 to 2014/15 for the main grant element. This PCF funding is available to organisations and/or projects that have been identified by the community as helping it achieve its outcomes.

Due to the level of demand for funding PCF was temporarily closed to new applications in June 2013. However, following the Scottish Government's innovative use of financial transactions funding via investment in a Charitable Bond a further 14 projects (£1.435 million) were supported early in 2014. A further funding round will be announced later this year to enable us to consider proposals for support in 2015/16. We are also continuing to explore other funding opportunities to further augment the fund.

Since its launch, 152 projects have already been approved (including the 14 Charitable Bond projects) to support the following range of activities:

- **Employability** – activities or support focused on increasing an individual's chances of entering employment, remaining in employment and/or progressing further in work
- **Preventative Action** – acting now to provide better solutions and outcomes for individuals and communities and averting future costs or negative consequence

As part of the preventative action priority, the Fund can support initiatives to help children and young people that are experiencing poverty in disadvantaged areas.

The range of initiatives supported to date includes:

- bespoke training to assist with the development of interpersonal and communication skills, numeracy and literacy (that also help to strengthen employability skills)
- peer educator, youth mentoring and volunteering programmes (e.g. delivering drugs, alcohol and tobacco awareness sessions for other school pupils)
- intergenerational projects
- healthy eating initiatives for families on a limited household budget
- parenting classes.

CASE STUDY

An example of a successful PCF project is the DRC Generations peer education programme in Glasgow.

Over the period from October 2012 until 31 March 2015 young people aged 11-16 years will be trained to deliver a programme to other P7 and secondary school-age young people. The programme focuses on highlighting the dangers of substance misuse, issues relating to disrupted studies, the transition from primary to secondary school, truancy, sexual health and crime-related activities.

Training is provided through the provision of an annual 48 week extra-curricular and after-school activities programme for young people to enable them to become effective peer educators.

A complementary youth group programme enables young people to participate in activities that improve confidence and enhance social skills, workshops that provide additional support in things such as homework, and events that help build team-working skills. Youth work has shared benefits as participants can be identified as

potential peer educators and peer educators can participate in youth work.

Around 1,000 young people are expected to benefit from the project which won the Young STAND (Scots Tackling Alcohol and Drugs) Award 2013 (Schools Category) as an education programme for young people aimed at tackling alcohol and substance misuse; truancy; sexual health; crime-related activities; and the transition from primary to secondary school. DRC Generations will now receive mentoring/practical consultancy support from SCPHRP (Scottish Collaboration for Public Health Research and Policy) and Mentor Scotland to help develop, share and embed effective practices more widely.

In March 2013, the Scottish Government and the Chartered Institute of Housing Scotland published [Regenerating Our Communities – A snapshot in time](#). This provides details of current regeneration activity based around new or refurbished housing provision. It is a snapshot, taking its material from 13 entries to the 2013 Chartered Institute of Housing Scotland/Scottish Government Excellence in Regeneration Award.

The winning project was 'ng homes', a community-based housing association in North Glasgow which is also receiving PCF grant funding between July 2013 and March 2015 to help provide training and work placement opportunities for 15 local unemployed people living in the North Glasgow area. It is expected that at least 10 beneficiaries will move into long-term employment at the end of their training period, with the initiative becoming more self-sustaining in the longer-term.

Affordable Housing

The supply of new affordable housing remains a high priority for the Scottish Government, which has made clear its commitment to deliver at least 30,000 affordable homes, of which at least two thirds will be for social rent, including 5,000 council houses, during the lifetime of this Parliament.

In 2013/14, the Scottish Government delivered 7,012 affordable homes, 4,368 of these being for social rent. Three years into our target and we have now delivered 19,903 affordable homes, with 14,294 of these being for social rent, representing 71 per cent of our social rent target.

The majority of our target is for social housing. Scottish social housing has always been based on a principle of affordability to tenants in low paid employment without recourse to benefits, a principle which we believe should be upheld.

We have forged strong partnerships with councils and housing associations to ensure we build the right homes in the right places. From 2012/13, a new three-year resource planning approach has been adopted which enables each council to exercise its strategic role more flexibly and to put

forward to the Scottish Government strategic proposals of social and affordable housing developments, based on local needs and demands as identified in their Local Housing Strategy. In the four year period April 2012 to March 2016, we plan to invest £1.3 billion in affordable housing.

The Scottish Government is committed to preserving and expanding its social housing stock, as part of creating a fairer society. That is why we are legislating to abolish the Right to Buy, and why we have put in place a system of funding for new affordable housing which will sustain new developments for the future.

Homelessness

The homelessness legislation was amended in December 2012, so that now all unintentionally homeless households have the right to settled accommodation. The Scottish Government is working closely with local authorities to focus on preventing homelessness happening in the first place.

This is mainly being accomplished by adoption of the housing options approach which seeks to prevent homelessness and to achieve sustainable settled accommodation if homelessness occurs.

Five regional local authority Housing Option Hubs, involving all 32 local authorities, have been established. They work closely with their partners to ensure that the 2012 homelessness commitment continues to be achieved. By focusing efforts on prevention, fewer people are actually reaching the point of homelessness. This benefits homeless households throughout Scotland including households that contain children.

A key measure of the success of the prevention agenda is the reduction in homelessness in Scotland in general (applications were down 8 per cent in 2013/14 from the previous year) and that there were less households in temporary accommodation (mostly waiting for settled accommodation to be offered). Along with this general decrease, there has also been a decrease of 15 per cent in households with children in temporary accommodation and a decrease of 14 per cent of numbers of children in temporary accommodation over the same period.

Transport

Good transport links which support sustainable economic growth are essential to creating and maintaining sustainable places.

The Scottish Government seeks to deliver a safe, efficient, cost-effective and sustainable transport system for the benefit of the people of Scotland. We have allocated an investment of £5.4 billion during 2012/15 in transport infrastructure and services. Our priorities for this investment are connecting Scotland and improving reliability and journey times in order to maximise opportunities for employment, business, leisure and tourism.

We continue to support bus services, the most commonly used and widely available form of public transport. Including reimbursement for operating the national concessionary travel schemes, including for 16-18 year olds, we spend around £250 million on bus services on top of the funding provided by local authorities to secure socially necessary services where the market does not do so. Our Bus Investment and Green Bus Funds are investing in initiatives to improve and grow services to deliver social, environmental and economic benefits. And we are working with local authorities, operators and user representatives to ensure that the regulatory framework is fit for purpose.

4

NEXT STEPS

Working Together

We will continue to work with the Ministerial Advisory Group to develop further actions to take forward the revised Child Poverty Strategy as we look to progress towards achievement of the outcomes.

In particular, we will use the Measurement Framework to inform wider stakeholder discussions. The indicator data presented in this report provides an overview of the current position on key outcomes, against which progress in tackling child poverty across Scotland will be measured in future annual reports. Going forward, this will inform discussions with all stakeholders about how approaches to tackling child poverty can be developed. The framework will identify where Scotland is proceeding well towards achieving the outcomes in the strategy, and also where further action, or a different type of intervention, is required. It will also help inform decisions about where responsibility for particular

actions may lie and where we need to focus our collective attention in future to make the most difference.

Ministers will review the overall approach to tackling child poverty along with the Ministerial Advisory Group on Child Poverty following the Referendum in September 2014.

Further Analytical Work

As well as the Measurement Framework, the Scottish Government will continue to make the most of its own data, research and other analysis, as well as that of stakeholders and partners, in order to understand better how to address child poverty. The Scottish Government's programme of analytical work for 2013/14 includes the following key projects, which we expect to report on in future annual reports:

- analysis into the circumstances of households living in severe poverty

- further consideration of the increasing problem of in-work poverty
- analysis of initial data from a set of questions on child material deprivation, which have been included within the Scottish Household Survey for the first time, enabling a view of the extent to which households have access to basic necessities
- publication of quarterly poverty briefing notes, which consider child poverty
- a review of the international evidence on the effectiveness of particular approaches to addressing child poverty
- a review of the underexplored body of relevant literature on the links between place and poverty
- follow up analytical work with Joseph Rowntree Foundation on addressing the range of issues associated with poverty and ethnicity
- an evidence review of public attitudes towards and perceptions of poverty.

In addition, in August 2014, the Scottish Government will be hosting a conference on findings from the Poverty and Social Exclusion Survey, with particular reference to Scottish data as mentioned in the first chapter.



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First published by the Scottish Government, August 2014
ISBN: 978-1-78412-737-4

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St Andrew's House
Edinburgh
EH1 3DG

Produced for the Scottish Government by APS Group Scotland
DPPAS30394 (08/14)

Published by the Scottish Government, August 2014