

# Briefing for Social Justice and Social Security Committee Debate: Addressing child poverty through parental employment



March 2024

## About us

The Poverty Alliance is Scotland's anti-poverty network. Together with our members, we influence policy and practice, support communities to challenge poverty, provide evidence through research and build public support for the solutions to tackle poverty. Our members include grassroots community groups, academics, large national NGOs, voluntary organisations, statutory organisations, trade unions, and faith groups.

## 1. Introduction

The Poverty Alliance welcomed the Social Justice and Social Security Committee's inquiry into the role of parental employment in tackling child poverty. The final report of the inquiry underlines the importance of good quality, flexible work as a route out of poverty. However, **the Committee also concluded that the Scottish Government "must supercharge its efforts to prioritise policies that tackle child poverty" as "decisive action is needed now" to realise the ambitions of Best Start Bright Futures and meet Scotland's legally binding child poverty targets.** Our briefing provides a summary of the evidence and recommendations we submitted to this inquiry.

**Increases in the Scottish Child Payment have been the main driver of progress against Scotland's interim child poverty targets.** However, this cannot be the case for the final targets which can only be met by a range of actions that work together and are transformative in scale. **The latest scrutiny report from the Poverty and Inequality Commission concluded that, without urgent and concentrated action, the Scottish Government will miss the 2030 child poverty targets.**<sup>1</sup> There remains a critical role for the labour market in our approach to tackling poverty in Scotland. **The Poverty Alliance support the Scottish Government's analysis in Best Start, Bright Futures about what is required in the realm of employability and paid work. However, the implementation gap means that these policy commitments are not yet enabling parents to escape the grip of poverty.**

The labour market is not yet working for everyone, demonstrated by data which shows that **more than two-thirds of children in poverty live in a household where someone is in paid work.**<sup>2</sup> Action from the Scottish Government and employers is required to improve access to fair work with decent wages for all parents, especially those from the priority family groups. We must also consider the

<sup>1</sup> Poverty and Inequality Commission (2023) *Executive Summary: Child Poverty Delivery Plan Progress report 2022-23 Scrutiny report* available at [https://povertyinequality.scot/wp-content/uploads/2023/06/Exec\\_Summary\\_Child\\_Poverty\\_Delivery\\_Plan\\_progress\\_2022-2023\\_Scrutiny\\_Poverty\\_and\\_Inequality\\_Commission.pdf](https://povertyinequality.scot/wp-content/uploads/2023/06/Exec_Summary_Child_Poverty_Delivery_Plan_progress_2022-2023_Scrutiny_Poverty_and_Inequality_Commission.pdf)

<sup>2</sup> Scottish Government (2023) *Poverty and Income Inequality in Scotland 2019-22* available at <https://data.gov.scot/poverty/index.html#Children>

services which function as ‘enablers’ of paid work. **Parents, particularly single parents, continue to experience a range of barriers to entering good quality employment and progressing in the labour market including the prohibitive cost of childcare and public transport.** This is particularly true for women who are more likely to be primary caregivers and account for 91% of single parents.

## 2. Key recommendations

- Further increase the funded childcare entitlement to the equivalent of 50 hours a week, starting with low-income families.
- Greater investment in the delivery of the 1140 hours to ensure the policy meets the stated aims, with a focus on increased flexibility in delivery.
- Extension of concessionary bus travel to everyone receiving Universal Credit and other low-income benefits and young people under 25.
- Expand concessionary travel to include all modes of transport including rail, ferry and tram.
- Investment in targeted employability support that delivers fair work; and considers the particular needs of the priority family groups.
- The delivery of outstanding employability commitments in *Best Start, Bright Futures* including greater investment in parental transitions support at the local level.
- Greater emphasis on Living Hours and high-quality flexible working as core aspects of fair work in Scotland.
- Financial support for low-income families to access training and skills programmes, including support with transport and childcare.

## 3. Affordable, accessible and flexible childcare

### Increased funded hours to 50 hours per week, starting with low income families

While representing a significant increase on the previous offer, 1140 hours still only amounts to the duration of the school day and continues to fall short of full-time working hours. This therefore limits the ability of primary caregivers, typically women, to work full-time.<sup>3</sup> **Part-time work is correlated with low-paid employment<sup>4</sup> and the lack of full-time funded childcare options thus traps mothers in in-work poverty.<sup>5</sup>**

Research by the Scottish Government has found that most parents utilising their funded entitlement combine this with paid and/or informal provision, and this mix of providers is vital in enabling parents to secure the days and hours of childcare they

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<sup>3</sup> Close the Gap (2021) *Briefing for Scottish Government debate – Early Learning and Childcare* <https://www.closesthegap.org.uk/content/resources/Close-the-Gap-briefing-for-Scottish-Government-Debate---Early-Learning-and-Childcare.pdf>

<sup>4</sup> Jones, Gareth (2019) ‘Women benefit from living wage expansion’, *Third Force News*, available at <https://tfn.scot/news/women-benefit-from-living-wage-expansion>

<sup>5</sup> Close the Gap (2021) *Close the Gap briefing for Scottish Government Debate: Early Learning and Childcare – 1140 Hours and Beyond* available at <https://www.closesthegap.org.uk/content/resources/Close-the-Gap-briefing-for-Scottish-Government-Debate---Early-Learning-and-Childcare.pdf>

require.<sup>6</sup> **As a result of the need to top-up funded hours with paid-for provision, childcare costs continue to prevent low-income parents from increasing their working hours and earnings.** This is evidenced by a participant in our research with the Scottish Women’s Budget Group, Adabelle, aged 45-54 with three children, stated *“Even if the Government help me, you have to top up and I’m only doing twenty hours, for three kids, so I just cannot afford it for after school club.”*<sup>7</sup>

An extension in the funded entitlement would reduce the costs for households, reducing the amount of money families require to reach an adequate standard of living, while also bringing benefits of enabling parents to enter employment, education or training. **The Scottish Government should work towards an expanded funded entitlement of 50 hours a week. As an interim measure, and to maximise impact on child poverty, we would support any expanded funded entitlement being initially offered to low-income households.** This would echo current approach for two-year-olds.

### **Increase investment in the 1140 hours and ensure greater flexibility in delivery**

**The delivery of the funded entitlement at the local level is often insufficiently flexible to meet the needs of families.**<sup>8</sup> Recent research by Scottish Government with families utilising the 1140 hours concluded that “it was notable that many of the difficulties or concerns experienced by parents – for example flexibility of hours, accessibility – were raised in the context of using ELC to enable them to work.”<sup>9</sup> **The effectiveness of the 1140 hours as a protection against child poverty has therefore been limited by the lack of flexibility in delivery.**

Last year, **Audit Scotland concluded that budget pressures, alongside risks around workforce and the sustainability of funded providers “risk limiting flexibility and choice for families which are important to achieving the intended policy outcomes”.**<sup>10</sup> There is thus a need for **greater investment in this policy to ensure that it is meeting the intended aims** – including supporting parents into employment. **Within this, there must be greater emphasis on ensuring providers have long-term staffing plans which enable greater flexibility in current and future delivery.**

## **4. Affordable and reliable public transport**

The Committee recognised in its inquiry report that “without the existence of robust and affordable public transport options across the country, access to employment as a lever to address child poverty becomes a moot point.” This aligns with the Poverty

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<sup>6</sup> Scottish Government (2023) *Exploring parents’ views and use of Early Learning and Childcare in Scotland* available at <https://www.gov.scot/binaries/content/documents/govscot/publications/research-and-analysis/2018/08/exploring-parents-views-use-early-learning-childcare-scotland/documents/00538959-pdf/00538959-pdf/govscot%3Adocument/00538959.pdf>

<sup>7</sup> The Poverty Alliance and Scottish Women’s Budget Group (2022) *“It’s hard work being poor” Women’s Experiences of the Cost-of-Living Crisis in Scotland* available at [https://www.povertyalliance.org/wp-content/uploads/2022/11/SWBG\\_PA\\_Cost\\_of\\_Living\\_Report\\_Final.pdf](https://www.povertyalliance.org/wp-content/uploads/2022/11/SWBG_PA_Cost_of_Living_Report_Final.pdf)

<sup>8</sup> Joseph Rowntree Foundation and Save the Children (2022) *Delivering for Families? JRF and Save the Children’s response to Best Start, Bright Futures* available at <http://www.jrf.org.uk/file/59179/download?token=7uqyQuTG&filetype=full-report>

<sup>9</sup> Scottish Government (2023) *Exploring parents’ views and use of Early Learning and Childcare in Scotland*

<sup>10</sup> Audit Scotland (2023) [https://www.audit-scotland.gov.uk/uploads/docs/report/2023/nr\\_230601\\_early\\_learning\\_childcare.pdf](https://www.audit-scotland.gov.uk/uploads/docs/report/2023/nr_230601_early_learning_childcare.pdf)

Alliance's position that **good, affordable public transport is key to easing the financial pressures on low-income households by unlocking employment, educational and training opportunities.** This would ultimately raise household income and protect people from being swept into poverty or pulled in deeper.<sup>11</sup>

The prohibitive cost and availability of public transport continues to pose a barrier to parents entering, and progressing in, good quality employment. This disproportionately impacts those experiencing poverty and on lower incomes, highlighted by Transport Scotland statistics which show that **24% of people earning up to £15,000 a year use the bus to get to work, compared to just 4% of those earning over £50,000 a year.** There is also a need to consider the needs of particular groups and geographies. Those living in rural communities tend to have less accessible, more expensive public transport networks and are consequently more reliant on cars to access work, education and childcare.<sup>12</sup> Similarly, women account for the majority of public transport users,<sup>13</sup> as they are less likely to drive and own cars than their male counterparts.

We are supportive of commitment's made in *Best Start, Bright Futures* which include improving access to buses through the community bus fund; increasing eligibility for concessionary fares; and ensuring a sustainable and integrated approach to public transport fares and services through the Fair Fares review. However, the implementation gap in delivering these policy commitments means that they are not yet enabling parents to escape the grip of poverty. We therefore **urge the Scottish Government to prioritise the delivery of these actions, whilst supporting the sustainability of other transport options like community transport, to strengthen the infrastructure that will enable parents into employment.**

Between 2022 and 2024, the Poverty Alliance were commissioned by the Scottish Government to deliver and support two citizen's panels on public transport – one focused on a just transition in transport,<sup>14</sup> and another process to contribute to the Scottish Government's Fair Fares review.<sup>15</sup> **These processes emphasised the importance of cost, safety (and particularly compounded issues of safety for Black and minority ethnic women and disabled women), and accessibility as important factors in the ability of our public transport system to meet women's needs.** Key findings from these processes have relevance to parental employment, and should be considered in the delivery of the Tackling Child Poverty Delivery Plan. Participants called for the **expansion of concessionary travel to under 25s and people in receipt of low-income benefits, and to a broader range of transport including rail, ferries and trams.**

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<sup>11</sup> UK Government (2019) Transport and inequality: An evidence review for the Department of Transport. Available at:

[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/953951/Transport\\_and\\_inequality\\_report\\_document.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/953951/Transport_and_inequality_report_document.pdf)

<sup>12</sup> The Poverty Alliance (2023) *Response to the Scottish Affairs Committee Inquiry into Cost of Living: Impact on rural communities in Scotland* available at <https://committees.parliament.uk/writtenevidence/117346/pdf/>

<sup>13</sup> Engender Response to the Scottish Government's consultation on the National Transport Strategy available at <https://www.engender.org.uk/content/publications/Engender-response-to-the-ScottishGovernmentconsultation-on-Scotlands-National-Transport-Strategy.pdf>

<sup>14</sup> Poverty Alliance (2023) Participation of people with experience of poverty in the Just Transition Plan for Transport available at <https://www.povertyalliance.org/a-just-transition-plan-for-transport-views-of-people-on-low-incomes/>

<sup>15</sup> Poverty Alliance (2024) Participation of people with experience of poverty in the development of Scottish Government Fair Fares Review (forthcoming)

## 5. Targeted employability and skills support

### Parental transitions support

We agree with the Scottish Government's analysis in **Best Start Bright Futures** that the removal of upfront costs, such as transport and childcare, is key to enabling parents to enter paid employment. We were therefore disappointed that the Parental Transition Fund, which would have overcome some of these financial barriers, was not implemented due to complications within the devolution settlement.

While the Scottish Government have now announced that parental transitions support will be provided by some local authorities, it is concerning that the guidance for this support states that **“local authorities must meet the cost of payments from available resources.”**<sup>16</sup> These funding arrangements, clearly, restrict the potential of this support to remove upfront costs for low-income parents with a job offer. While UK Government changes around upfront childcare costs and Universal Credit have alleviated some of these concerns, **upfront costs for transport and uniforms remain a key barrier for parents who are often finding themselves in debt just to be able to take-up paid work.** This policy area requires greater consideration and investment.

### Upskilling and reskilling support

To support the delivery of Scotland's lifetime skills offer, **The Poverty Alliance** were commissioned to hold a series of engagement sessions with equalities organisations alongside a citizen's panel of people with experience of living on a low income.<sup>17</sup> These citizen's panels highlighted that **cost continues to function as the biggest barrier to upskilling and reskilling**, including the costs of broadband services which were often essential to find out about training opportunities, and to undertake skills support.

**Participants welcomed the financial support available to people seeking training, however they also noted concerns with limitation of the Individual Training Account (ITA) financial assistance level of £200.** In the wider context of the on-going cost of living crisis, it was noted by those who had utilised the scheme before that the £200 level may no longer be adequate: *“...the £200 has been at that level for quite some time. I think that needs to go up. Everything has gone up so I'm assuming training providers are asking more for courses.”* **Participants recommended that Skills Development Scotland increase the value of ITAs, and enable individuals to 'roll-over' funding when the full value has not been utilised on the first training course.**

In addition to the design and cost of support, **a number of services were identified as 'enablers' of upskilling and reskilling support.** Women participating in this process identified childcare and transport as services which supported their participation in upskilling and training opportunities. At present, however, participants noted that these services were limiting their capacity to engage. The lack

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<sup>16</sup> [Parental Transitions Support: guidance for local authorities - gov.scot \(www.gov.scot\)](https://www.gov.scot/publications/parental-transitions-support/guidance-for-local-authorities/pages/11.aspx)

<sup>17</sup> Poverty Alliance (2023) *Participation of people with experience of poverty and equalities organisations in the development of Scottish Government's Lifetime Skills Offer* available at <https://www.povertyalliance.org/wp-content/uploads/2023/10/COMBINED-Get-Heard-Scotland-Lifetime-skills-offer-June-2023.pdf>



of wraparound childcare and the availability and affordability of public transport were key determinants as to whether upskilling and reskilling was feasible or affordable for parents: *“By the time I get my son away to school, by the time I travel to a place to learn or train by public transport- by the time you find a class that works for those times you have to get home for the school run.”*

While our critical public services such as transport and childcare require strengthening to enable parents into education, training and employment, there is also a need for **more financial support for parents undertaking upskilling and reskilling support, including support to cover transport and childcare costs.**

## **Parental employability and child poverty**

In September 2022, the Scottish Government announced a cut of £53m in proposed employability support spending. **According to analysis by the Fraser of Allander Institute, this cut represents 43% of the amount named in 2022-23 budget.**<sup>18</sup> While the Scottish Government have acknowledged that this budgetary change means fewer parents will be supported, there is no indication of how many parents have been affected.<sup>19</sup> These cuts are concerning in the context of child poverty. Data highlights that mainstream programmes are not delivering for the priority family groups outlined in the Tackling Child Poverty Delivery Plan, or for women who are more likely to be primary caregivers. **We urge the Scottish Government to provide sufficient funding for the implementation of the employability commitments in the Tackling Child Poverty Delivery Plan.**

## **6. The role of employers and fair work**

There is also a key role for employers in enabling parents into paid work, including through the delivery of high-quality flexible and part-time work; the payment of the real Living Wage; and the promotion of working hours that enable families to escape poverty through commitment to Living Hours. **Low pay and insecure forms of work are not distributed evenly, with female-dominated sectors such as care, retail and hospitality more likely to be characterised by low pay and insecurity.** Greater flexibility and security, including through Living Hours, must be core features of Scotland’s approach to Fair Work in order to ensure work is economically viable for families across Scotland. Employers should also consider opportunities to provide support with childcare, including through vouchers and on-site provision.

### **For more information, please contact:**

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<sup>18</sup> Scottish Government (2021) *Scottish Budget 2022 to 2023* available at <https://www.gov.scot/publications/scottish-budget-2022-23/pages/7/>

<sup>19</sup> Fraser of Allander (2022) *First thoughts on the Scottish Emergency Budget Review* available at <https://fraserofallander.org/first-thoughts-on-the-scottish-emergency-budget-review/>