

**National Context in Relation to Covid-19 and Child Poverty.**

National context is set out in the table below and shown against the Drivers of Child Poverty

Information is also shown for the nationally identified priority groups at high risk of poverty

<p>Income from Employment</p>	<p>Job Loss</p>	<p>One quarter of adults concerned about providing for their families.</p> <p>One in five households with dependent children reported serious financial difficulty.</p> <p>Lower income households are twice as likely to have increased debts.</p> <p>Ethnic minority groups with high representation in lower paid and high in-work poverty sectors eg accommodation and food services. Single parents, most likely female, more likely work in these sectors, also working part time resulting in higher poverty rates.</p> <p>In-work poverty driven by underemployment ie not working as many hours as would like. Main factor of underemployment is pay, ie low pay adding to the issue.</p> <p>Those in accommodation and food services, retail and health sectors see higher underemployment figures.</p> <p>Families in Scotland pay less for childcare costs but difficulties arise to access childcare in conjunction with working hours.</p> <p>Scotland has one of the lowest provision of childcare for full-time working parents compared to rest of UK.</p> <p>JRF research identifies families on low incomes work atypical hours, resulting in difficulties accessing childcare.</p> <p>Low-paid workers, underemployed workers, women and ethnic minorities impacted by pandemic.</p> <p>Inequality as those on lowest-paid sectors most likely furloughed and made redundant.</p> <p>In May 2020 household incomes had fallen across the UK by 4.5% compared with the previous year.</p> <p>More people now claiming benefits – Nov 2020 count was 210,750 – reason principally of being unemployed.</p> <p>Prior to pandemic in-work poverty in Scotland was 10% in</p>
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		<p>2018-2019, lowest in the UK with those in food and wholesale, and retail faced with highest in-work poverty rates by industry. Over four in ten workers are employed in these sectors.</p> <p>Pre pandemic, underemployment in Scotland was approximately 10%, and more problematic in different geographical areas due to job proportion.</p> <p>From March to June 2020, median hourly pay rate for Scotland was £12.74. Scotland has some of the lowest median hourly pay rates by industry.</p> <p>Family and Childcare Trust – for a part time place at Scottish nursery for children under two costs on average £111.26 per week. This is the lowest rate in the United Kingdom but more than those on low incomes can afford.</p> <p>Number of hours worked in Scotland reduced, as it did in the UK. Mean hours worked per week reduced from 32 at start of 2019 to 25 up to June 2020.</p> <p>By July 2020, UK households with earnings of over £35,000 had increased net bank balances.</p>
Income from Benefits	Benefits	<p>Increase in welfare payments have mitigated falls in income for some lower income households.</p> <p>Increase in welfare payments dampened by policies such as the benefits cap and the two child limit.</p> <p>Wait for Universal Credit can take at least five weeks.</p> <p>Key financial support measures to be reversed in April 2021.</p> <p>Scottish Government introduced Job Retention Scheme (JRS) to support jobs.</p> <p>Scottish Government supplemented policies by extending eligibility for the Self Employed Income Support Scheme.</p> <p>Government increase in Universal Credit of £20 per week.</p> <p>Pre coronavirus half of those in poverty in Scotland lived in families in receipt of income-related benefits.</p> <p>Children living within households in receipt of income-related benefits are three times more likely to live in poverty that those not in receipt.</p> <p>Scottish Government’s Tackling Child Poverty delivery plan – the introduction of the Scottish Child Payment to low-income families with children aged under six.</p> <p>Low quality and precarious jobs, or those living in areas</p>

		<p>where furlough is high have contributed to UC claims.</p> <p>Younger workers aged under 30 accounted for a third of all claimants due to sector shut downs or zero hour contracts.</p> <p>Difficulties faced in establishing what support available and entitled to and using multiple systems eg DWP, HMRC, Social Security Scotland and local government.</p> <p>DWP's Great Britain-wide disability benefits system identified as source of anxiety as reluctance to apply due to stressful medical assessments, not being believed, future reviews and benefit disruption.</p> <p>In September's Programme for Government 2020-2021 Scottish Government announced further boost to Discretionary Housing Payments (extra funding up to £8 million) and intention to start a Tenants Hardship Loan Fund worth £10 million. Anticipated to be available from November 2020 to support those not eligible for DHP and SWF as not eligible for UC, JRF to conduct research by consulting tenants to establish if mix of grants and loans are meeting their needs.</p> <p>Emergency protections assist in short term, but long term issues faced include those out of work and redundant, lack of job vacancies, dwindling savings, increased debt, threats of eviction = pulling more households into poverty.</p> <p>Prior to pandemic one million people in Scotland in poverty, crisis will have meant deeper poverty with new poverty experiences for many.</p> <p>Parental Employment Support Fund (PESF) received investment. Provides intensive person centred employability support for low income parents in and out of work, with a focus on equalities. This is small in relation to other commitments in reducing child poverty. PESF includes support for disabled parents should continue to rise and the programme be extended to end of next parliamentary term in 2026.</p> <p>Discretionary Housing Payments, protocols and mediation, tenant loans may not be sufficient in supporting low income households.</p> <p>Gaps in benefits can be filled by Discretionary Housing Payment (DHP) and the Scottish Welfare Fund (SWF).</p> <p>In October 2020 473,500 persons in Scotland receiving Universal Credit, increase of 94% since January 2020, increase of 109% since October 2019.</p> <p>Scottish Welfare Fund crisis grant applications 46% higher in the first quarter of 2020-2021 than in the same quarter of the previous year.</p>
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		<p>Universal Credit applications increased. By May 2020 there was a 65% increase in number of households in receipt of UC compared to start of year.</p> <p>UC claimants in employment increased to 34%.</p> <p>UK Government increased local housing allowance and Scottish Government introduced Discretionary Housing Payments. 47,000 more households claimed support with housing costs in May 2020 than in Feb 2020, increase of 10%.</p>
Costs of living	Impact on Families	<p>Living costs accounts for a large proportion of income.</p> <p>Lower income households to be twice as likely to have increased debts, save less and increased use of credit cards.</p> <p>Entered pandemic with significant numbers of households in temporary or unsuitable accommodation, including families with children.</p> <p>An increase in borrowing creates future problems. As the furlough scheme ends, borrowing levels may increase to plug the gap between income and expenditure. Creates long term debt problems and possible eviction.</p> <p>To reduce risk of eviction, Scottish Government extended emergency protection for renters until March 2021 (subject to Parliamentary approval)</p> <p>Currently limited evidence on level and severity of Private Rental Sector arrears and possession proceedings. PayProp data, source referred to in Scottish Government report, recorded from Jan to May 2020 those in rent arrears increased from 8% to 14% during that period.</p> <p>Scottish Government support directed at supporting jobs and businesses. Supported housebuilders and Registered Social Landlords with loans, decreased regulatory burdens and extra grant funding.</p> <p>Homeless stats from August 2020 showed there were 31,333 households assessed as homeless in 2019-2020. An increase of 4% on previous year. 11,665 households in temporary accommodation on 31 March 2020, increase of 6% including 7,820 children ie 7% more than the previous year.</p> <p>Scotland 2019, 31% of renters had no savings, with 21% with less than £1000. JRF's June poll showed 9% of all PRS had borrowed money.</p>
Costs of living	Housing and household	<p>Direct and immediate economic effects are falling disproportionately.</p>

	costs	<p>Prior to pandemic, poverty rates in private sector (PRS) had fallen from 36% in 2011-2014 to 33% in 2016-2019.</p> <p>50,000 fewer people in private renting were in poverty by 2016-2019 compared to 5 years previously. This was due to real terms fall in housing costs. The income spent on rent in the private sector increased marginally from 28% to 29% between 2014-2019.</p> <p>JRF believe lower income households are spending in excess of 30% of incomes on rent, cutting back on essentials.</p> <p>40,000 social renters in poverty by 2016-2019 due to policies such as benefit freeze, benefit cap and two-child limit.</p> <p>Poverty rates in Social Rental Sector and Private Rental Sectors in Scotland are high although lower than England and Wales.</p> <p>Greater availability of Social Rental Sector housing assists in lower poverty rates in Scotland.</p> <p>Steps taken by Scottish Government and housing providers to accommodate homeless and implemented the Homelessness and Rough Sleeping Action Group recommendations.</p> <p>Coronavirus halted construction, resulting in the 50,000 affordable homes (incl 35,000 social homes) becoming unachievable by May 2021.</p> <p>Constraints on supply of housing results in further demands placed on local housing and homelessness services. Ways to ensure tenants experiencing financial difficulties required and challenges in accessing lower cost housing for families with children living in unaffordable accommodation.</p> <p>Discretionary Housing Payments increased by 13% between June 2019 and June 2020.</p> <p>Not known if Discretionary Housing Payments are meeting the needs of those under financial pressure.</p> <p>Lack of money increases family's inability to purchase materials. Living in overcrowded households, cold or damp, disadvantaged neighbourhood, difficulties in accessing food.</p> <p>48% of households using more fuel since social distancing introduced.</p> <p>A third of households in Scotland, 34%, were financially vulnerable in 2016-2018 ie not enough savings to cover basic living costs for three months. This increased to 55% of households in the lowest 10% income grouping and just 12% of those in the highest income group.</p>
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		<p>In July 2020 58% of Scottish adults agreed pandemic would have financial impact on selves and family with a quarter concerned about paying bills.</p> <p>Social Rented Sector (SRS) rent arrears from £150 million in April 2020 to £163 million by July 2020.</p> <p>In June 2020 26% renters surveyed by Citizens Advice Bureau concerned re making payments, compared to 19% of mortgage holders.</p> <p>Poverty rates in social renting sector (SRS) increased from 35% in 2012-2015 to 40% in 2016-2019, mostly due to rising rents, with housing costs rising by 9%.</p> <p>In August 2020 social landlords issued 647 notice of proceedings for rent arrears, recovering 30 properties.</p> <p>Lower housing costs in Scotland has lessened the shortfall between income and expenditure. By June 2020 5% of households in Scotland were behind on their housing costs compared to 5% in Northern Ireland, 6% in England and 8% in Wales.</p> <p>Cheaper SRS rents in Scotland (20% lower than in England over the last decade) have assisted families to stay afloat. Income reductions have resulted in 32% of SRS fallen into arrears, 15% council tax, 12% rent (YouGov poll conducted by JRF in June 2020).</p> <p>Scotland has smaller proportion living in Private Rental Sector of 14% than compared to England and a larger proportion in Social Rental Sector of 24%.</p> <p>Scottish Housing Regulator depicted by August 2020 total arrears in SRS increased to over £165 million, averaging 6.37% compared to £137.3 million for the full year to March 2019. 48% of SRS tenants have seen income drop during pandemic.</p> <p>PRS been hit hard – JRF’s June poll concluded 45% of PRS tenants had drop in incomes since March, much higher proportion than those with a mortgage 36% or rented through a housing association or local authority 27%. Although on 3% of PRS renters fell behind on rent, a quarter of these households fell behind on bills.</p>
Costs of living	Food insecurity	<p>One quarter of adults reported being very or somewhat worried about affording enough food for themselves or households.</p> <p>Scottish Government financial support contributed to a further 53,000 children becoming eligible for free school meals (FSM) during pandemic. With additional £12.6 million available to provide support during summer holidays.</p>

		<p>Based on projections, Food Foundation estimates between 252,000 and 337,000 working aged adults will become food insecure in the six months from September 2020.</p>
<p>Costs of living</p>	<p>Digital exclusion</p>	<p>Young persons are first stage adopters of social media and smart phones, which may be to their advantage.</p> <p>Excessive media coverage of COVID-19 may have negative impacts on children and young people, as does exposure to online predators, cyberbullying and harmful content.</p> <p>Increased screen time can be associated with health issues, eg obesity, snacking.</p> <p>Social media is a vital tool for young persons to have contact.</p> <p>Disadvantages noted by young people include overload of screen time due to schooling, socialising, games.</p> <p>Reliance of technology raises issues with inequalities of access eg equipment, broadband, data packages and mobile phone credit.</p> <p>Low income families disadvantaged.</p> <p>Digital access, or lack of it, impacts on social connection and education.</p> <p>Workshops held in Scotland identified differential access to digital technology as a source of inequality.</p> <p>Barrier to social engagement and educational development.</p> <p>UK wide survey – within secondary schools 54% of pupils had own electronic device, 43% shared one and 3% had no access. Scottish participants reported 47% had own device, 50% shared devices and 3% had no access.</p> <p>69% of young people in UK aged 12-15 years have a social media profile.</p> <p>2018 Health Behaviour in School-aged Children (HSBC) reported 95% of young people owned wi-fi connected smartphones.</p> <p>In households where parents were unemployed, covering all age groups, 9% of students did not have access to device, compared with 3% of those whose parents/carers were employed or employed and furloughed.</p> <p>UK Co-Space survey concluded 42.8% of parents reporting child’s screen time as a main source of stress.</p> <p>Scottish Online in Lockdown Survey – 24% of young people</p>

		<p>experienced bullying online during first lockdown.</p> <p>Survey of parents/carers established 84% of secondary students needed access to a computer.</p> <p>Lack of access impacted on attainment. 30% of teachers and school staff in a Young Minds survey were not confident pupils had appropriate resources for online learning.</p> <p>Office for National Statistics (ONS) reported 9% of parents/carers identified lack of devices as main reason for child struggling with home learning, particularly the case in one-adult households</p>
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Lone Parents	<p>Single parents, most likely female, more likely work in food and wholesale, and retail sectors, also working part time resulting in higher poverty rates as are ethnic minorities.</p> <p>Lack of access impacted on attainment. 30% of teachers and school staff in a Young Minds survey were not confident pupils had appropriate resources for online learning. Office for National Statistics (ONS) reported 9% or parents/carers identified lack of devices as main reason for child struggling with home learning. Particularly the case in one-adult households. Barrier to social engagement and educational development.</p>
Disabled	<p>No progress in reducing poverty rate for those with a disability in recent years.</p> <p>DWP's Great Britain-wide disability benefits system identified as source of anxiety as reluctance to apply due to stressful medical assessments, not being believed, future reviews and benefit disruption.</p> <p>Parental Employment Support Fund (PESF) received investment. Provides intensive person centred employability support for low income parents in and out of work, with a focus on equalities. This is small in relation to other commitments in reducing child poverty. PESF includes support for disabled parents should continue to rise and the programme be extended to end of next parliamentary term in 2026.</p> <p>The shift towards digital learning will impact different groups in different ways. Online learning will be a benefit for students who have fluctuating health conditions, but poses a challenge in making learning accessible for disabled students.</p> <p>Poverty amongst disabled people – rate is higher in Scotland than UK. 23% of people have disability or long-term illness in 2016-2019 compared to UK percentage of 21%.</p>
Ethnic Minority	<p>Ethnic minority groups with high representation in lower paid and high in-work poverty sectors eg accommodation and food services.</p> <p>Women, single parents and ethnic minorities more likely to work in high poverty sectors.</p>

	<p>Low-paid workers, underemployed workers, women and ethnic minorities impacted by pandemic.</p> <p>Home learning where English is an additional language or where children have additional needs have experienced additional barriers. Online survey parents who believed their children would be behind in their learning on return to school increase from 16% in Week 1 to 25% in Week 4.</p>
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