

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

Income from Employment	Job Loss	<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>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>Full economic effects not fully known – initial impact not evenly spread as dependant on geographical area.</p> <p>Recovery shall require: Vacancies, people faced with competitive job market, lack of skills and experiences, barriers to work lifted, good pay to alleviate in-work poverty; Affordable transport and childcare required to improve labour markets; Increase to funded childcare and early learning which is accessible to low-income families</p> <p>Work offering a secure route out of poverty – Programme for Government responds to jobs lifeline via Modern Apprenticeships, Flexible Workforce Development Fund, Green Jobs Fund, Job Start Grant. National Training Transition Fund announced for up to 10,000 people made redundant or at risk of losing job. These all appear inadequate to meet surge in unemployment.</p> <p>Lower income households – twice as likely to have increased debts.</p> <p>Unemployment expected to rise in medium term.</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>
Income from Benefits	Benefits	<p>Planned changes to benefits in April 2021 result in prediction of increase in numbers in relative poverty in the UK in 2021-2022 by one million. Should the income lifelines of UC and Working Tax Credit continue beyond April 2021 and extend to those receiving legacy benefits ie Jobseekers Allowance, Employment Support Allowance and Income Support, JRF estimate 1.2 million people of all ages in Scotland will benefit from this, with 25,000 fewer children living in</p>

		<p>poverty. A further 100,000 people would benefit if the same measure were extended to legacy benefits such as Jobseekers Allowance, Employment Support Allowance and Income Support. Combining the first phase of the Scottish Child Payment in 2021-2022 JRF estimate 25,000 fewer children would be in poverty.</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. Scottish Child Payment introduction is trade-off against the introduction of new disability and carer benefits ie those in these areas continue to face poverty risks. Scottish Government set clear priority by opening applications for Scottish Child Payments – being an opportunity to turn tide on child poverty, although not open to those with children over age of 6 for a further two years. Interim alternative by building on Free School Meals, School Clothing Grant and Education Maintenance Allowance.</p> <p>Increase in welfare payments have mitigated falls in income for some lower income households but have been 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>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>Barriers to be reduced as Scottish Government and COSLA working to extend automation of local payments, extend legislative principles, develop online benefits checker all of which should reduce barriers to income security.</p> <p>Gaps in benefits can be filled by Discretionary Housing Payment (DHP) and the Scottish Welfare Fund (SWF). Discretionary Housing Payments, protocols and mediation, tenant loans may not be sufficient in supporting low income households.</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>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>Cost of living</p>	<p>Impact on families</p>	<p>Lower income households to be twice as likely to have increased debts, save less and increased use of credit cards.</p> <p>When evictions ban and mortgage holidays end predicted increase debt associated with housing.</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>Scottish Government support directed at supporting jobs and businesses. Supported house builders and Registered Social Landlords with loans, decreased regulatory burdens and extra grant funding.</p> <p>Housing investment should be evaluated by Scottish Government to contribute to reducing child poverty.</p> <p>Ambitions of Housing 2040 (homes not wealth) should be evaluated by scale, impact and geographical distribution of grant subsidies, with planning, tax and land reform considered to improve affordability and equality of access for low income households whilst addressing needs of high risk poverty groups ie lone parents, disabled people, BME and gypsy traveller communities.</p>
<p>Cost of living</p>	<p>Housing and household costs</p>	<p>Direct and immediate economic effects are falling disproportionately.</p> <p>Scotland has lower social rents than England and Wales and a larger social housing sector, boosted by £3 billion of public investments to build 50,000 affordable homes including 35,000 new social homes during the current Parliamentary term. This is key to ensure housing costs, especially for children are lower. JRF concluded to achieve child poverty reduction targets, housing needs to have manageable rents, housing supply increased, improved access to high quality social housing for low income families with children. Affordability challenges continue as the proportion of new households requiring below market rent has increased from 46% in 2015 to 62%. A further 10,600 affordable homes would be required every year from 2021-2026 (53,000 in total) with public investment of £3.4 billion needed. Coronavirus halted construction, resulting in the 50,000 affordable homes (incl 35,000 social homes) becoming unachievable by May 2021.</p> <p>Poverty rates in Social Rental Sector and Private Rental Sector in Scotland are high although lower than England and Wales.</p> <p>Scotland has smaller proportion living in PRS, 14% than England and a larger proportion in SRS, 24%.</p> <p>Greater availability of SRS in Scotland assists in lower poverty rates in Scotland.</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>Not known if Discretionary Housing Payments are meeting the needs of those under financial pressure.</p> <p>To reduce child poverty in next three years Governments need to increase level of ambition and bring forward solutions to match the scale of the task. Bold action needed where 150,000 children are in families experiencing in-work poverty. Housing needs gaps closed</p>

		between Before Housing Costs and After Housing Costs as additional 30,000 children in Scotland are in poverty due to housing costs.
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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.</p> <p>Women, single parents and ethnic minorities more likely to work in high poverty sectors.</p> <p>Ambitions of Housing 2040 (homes not wealth) should be evaluated by scale, impact and geographical distribution of grant subsidies, with planning, tax and land reform considered to improve affordability and equality of access for low income households whilst addressing needs of high risk poverty groups ie lone parents, disabled people, BME and gypsy traveller communities.</p>
Disabled	<p>No progress in reducing poverty rate for those with a disability in recent years.</p> <p>Scottish Child Payment introduction is trade-off against the introduction of new disability and carer benefits ie those in these areas continue to face poverty risks.</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>Poverty amongst disabled people – rate is higher in Scotland than UK.</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>
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>