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Convener
Social Justice and Social Security Committee

Issued by email:
SJSS.committee@parliament.scot

Your ref: Addressing child poverty through parental employment

23 February 2026

Dear Collette,

Thank you for your correspondence of 10 February, requesting an update on progress in relation to addressing child poverty through parental employment and the recommendations made by the Committee in the inquiry report published on 23 November 2023.

Following the update I shared in November 2024, the Scottish Government has continued to work with partners to drive forward action on child poverty including in relation to parental employment. Our focus on delivery has been driven by our governance and accountability processes, and by the First Minister's leadership – including his chairing of the Cabinet Sub-Committee on Child Poverty.

Eradicating child poverty is this government's top priority, and we have put this at the heart of the Scottish Budget for 2026-27 and the Scottish Spending Review which outlines how we will drive continued progress to break the cycle of poverty. This includes investing £111 million in the coming year through our Tackling Child Poverty Fund and a package of Whole Family Support to ensure every child and family can thrive.

We also announced that £10 million originally earmarked in 2025-26 to support the two-child limit mitigation payment in Scotland has been reallocated to tackling child poverty. This includes boosting investment in our Scottish Welfare Fund, allocating funding to third sector organisations to provide financial support to families in a crisis, and additional investment in parental employment support and to tackle homelessness.

The Annex to this letters provides updates in relation to key themes identified in the Committee's report.

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As you know, the Scottish Government will publish the next Tackling Child Poverty Delivery Plan, covering the period 2026-31, by the end of March. This will set out plans to drive further progress in 2026-27 and will provide a robust framework for an incoming Scottish Government to drive continued progress over the life of the next Parliament.

Please do not hesitate to get in touch if you require any further information.

SHIRLEY-ANNE SOMERVILLE

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ANNEX – UPDATE ON KEY THEMES

Employability

Since April 2020, the number of parents supported through the No One Left Behind approach has increased year on year, reaching 8,766 in 2024-25. Our latest statistics show that 30,202 parents (31% of all participants) have received support, with 8,428 (28%) moving into work. We have continued to provide support for priority family groups, with lone parents who are predominantly women, remaining the largest cohort (55%). While female participants account for a lower proportion of all participants (46%), they account for a majority of the parent subgroup (70%).

This reflects the critical role employability support plays in improving outcomes for women who face additional barriers to work and training, including caring responsibilities, access to transport, and flexibility in employment.

The Employability Strategic Plan (2024-2027), sets out our priorities for employability support in Scotland, including tackling child poverty by increasing parental income from employment. Our work to date includes launching a Parental Employability Financial Support marketing campaign in February 2026, combining targeted local activity with national promotion to increase reach of services. This work builds on the successful 2025 Parent Club social media pilot which reached over 1.5 million people across Scotland.

We have committed to investing £90 million in devolved employability services for each year of the Scottish Spending Review to 2028-29. For 2025-26, we have protected over £40 million for Parental Employability Support and made £5 million available for the delivery of Specialist Employability Support for disabled people and those with long-term health conditions. We have also protected an additional £2.5 million to fund Employability Child Poverty Coordinators for a third consecutive year, enabling families to access flexible and responsive wrap-around services. This investment will help to ensure that parents within the priority family groups continue to receive tailored help to move towards, to enter and sustain employment

Childcare provision

We have continued to invest £1 billion annually in the delivery of 1140 hours of funded early learning and childcare (ELC) for all three and four year olds, and eligible two year olds across Scotland. We continue to work with local authorities to reach more younger children through maximising uptake of our ELC offer for eligible 2-year-olds, with a focus on families most at risk of poverty and on areas with some of the lowest take up rates. If families paid for the funded ELC on offer it could cost around £6,000 per year per eligible child and uptake of this offer is almost universal for 3 and 4 year olds.

We have also driven forward improvements in pay in the sector by leveraging the impact of our investment to ensure staff delivering funded hours receive at least the real Living Wage. We are providing a further £11 million each year from 2026-27 to support the continuation of this commitment.

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We know that breakfast clubs can support parents to enter and sustain employment whilst also improving wellbeing for children, which is why our latest draft budget set out a commitment to deliver free breakfast clubs for children in primary school by August 2027. This will give children access to a nutritious breakfast as well as supporting parents to get to work.

This is in addition to supporting over 7,000 children and families most at risk of living in poverty through our existing school age childcare programme, including our Early Adopter Communities and Extra Time partnership with the Scottish Football Association.

Access to skills and training

As part of our action to Tackle Child Poverty, the Scottish Budget 2026-27 commits £8 million to strengthen skills provision through targeted, person-centred support, through the Colleges RISE (Raising Income through Skills and Education) initiative. Colleges RISE will expand provision for adult learners from the six priority family groups, offering upskilling and retraining alongside practical support such as childcare, travel costs and bursaries, enabling low-income parents and carers from the six priority family groups to participate fully and complete their studies.

We have provided £150,000 of financial support in 2025-26 to deliver a community learning pilot that provides early intervention to parents and young adults. The pilot has identified communities in eight local authority areas where travel is considered to be a barrier to learning and work. Learning opportunities are tailored to the needs of individual communities and provided via mobile learning facilities, offering a structured course for parents to develop confidence, understand financial systems and build skills to help enable progression to paid employment.

Transport

We know affordable and accessible public transport reduces barriers to work, education, training and community services for families across Scotland. This is why we spend over £2 billion annually to support public transport, including providing over 2.4 million children, young people, disabled and older people in Scotland with access to free bus travel. In 2026-27, we are increasing funding for concessionary travel from £465 million in 2025-26 to almost £473 million. We will also provide up to £46.5 million to support bus services so that operators can continue providing access to affordable transport, particularly in rural areas.

In addition, we have allocated £10 million for a 12-month £2 bus fare cap pilot to encourage more people to choose to travel by bus for work, study and leisure, with a phased launch started on 30 January 2026 in Shetland. The pilot is being rolled out across the Highlands and Islands at a later date.

We removed ScotRail peak fares for good on 1 September 2025, delivering substantial savings to commuters and helping people with ongoing cost of living pressures. We also concluded our evaluation of projects to test Mobility as a Service in Scotland, with the results published on 24 February 2025. The programme of investment delivered a total of five apps and two websites, across five pilot projects which integrated multiple modes of transport including buses, community transport, trains, ferries and Demand Responsive Transport with functions such as journey planning, real-time travel information, payments and booking. This

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has allowed Mobility as a Service to be tested as a potential solution to a wide variety of transport issues facing Scotland today, and the lessons learned from these projects are helping to inform future legislation and policy development.

Fair work

Our wider action, including in increasing pay for childcare workers and improving access to transport are all helping to drive our focus on delivering fair work for families. In addition, in the absence of devolved employment powers, we have continued to apply Fair Work First criteria in procurement and grants to raise employment standards for secure, fair and flexible work in Scotland and to promote more diverse workforces. We have also continued to support Poverty Alliance to promote the accreditation of Real Living Wage employers. Through our focus on fair work, Scotland remains the highest real Living Wage paying nation by rates across the UK, with 88.7% of workers over 18 earning this in 2025, including 88% of women.

Since 2020-21, we have provided over £1.5 million in funding, through the Fair Work, Tackling Child Poverty and Social Innovation Partnership budgets, to help promote the benefits of flexible and hybrid working and support employers across Scotland to adopt flexible workplaces. Funding in 2025-26 has also been given to three projects aimed at preventing economic inactivity by helping people into work, to remain in work and to progress in work by providing support to public and private sector employers on the use of flexible working, to improve the workplace for disabled people/those with long term health conditions, and to embed inclusive recruitment and progression, and upskill people managers. Through our reinvestment of two-child limit funding, we have also funded a short programme, delivered by the Challenges Group, to support women back into the workforce following time out to care for children.

Building on this action, we are funding Scotland's first Flexible Working Summit to showcase employers who successfully adopted flexible working in sectors where flexibility is harder to embed. Taking place on 25 March, this will open opportunities for mothers especially in industries where they have been typically underrepresented. This complements our Fair Work resource hub for employers launched in April 2025 which provides case studies, that set out the business benefits of Fair Work, and contains advice and guidance on implementing fair work practices.

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