

## Submission to the Scottish Labour Party Policy Forum's Call for Views: Focus on the Future

January 2025

### 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.

### Introduction

Scotland is undoubtedly a wealthy country, so it cannot be right that one in five people in Scotland (21%) - rising to one in four children - have their life chances restricted by the preventable injustice of poverty. The risk of poverty continues to be particularly high for certain groups including disabled people, Black and minority ethnic people and single parents, over 90% of whom are women.

Poverty is a breach of our human rights, undermining people's ability to meet basic needs such as food, housing and transport, and access opportunities like fair work. This has far-reaching negative consequences for individuals, with implications for their health, wellbeing, educational attainment and broader life chances. It is also bad for our economy, stifling our collective wellbeing as a result of the high cost impact of poverty on our services and social security systems.

The causes of poverty are structural, relating to:

- The high cost of living and services;
- An ineffective social security system; and
- Low wages, insecure jobs and unemployment.

A range of policy areas therefore contribute to ending poverty.

It is within this context that the 2026 Scottish Parliament election takes place. As such, we welcome the opportunity that this Scottish Labour Party Policy Forum call for views provides to explore the interventions necessary to make meaningful progress on poverty. Scotland needs its political leaders to have the bravery and political will necessary to build an economy and society - where all people have an adequate income - through bold action. We will be engaging with all political parties in the run up to the election to ensure that tackling poverty remains a priority.

One of the policy solutions that has emerged in response to the issues outlined above is the **Minimum Income Guarantee (MIG), an idea centred on setting a minimum income level**

**below which people would not be allowed to fall.**<sup>1</sup> The MIG is made-up of three spheres of activity across the labour market, public services, and social security. The Poverty Alliance and our membership view the MIG as a potentially transformational idea that could provide everyone with the ability to have a decent and dignified life and is our overarching policy ask across the policy areas of employment, public services and social security. The policy recommendations that we give in this call for views should be viewed as interim steps on the roadmap to a MIG.

We recognise that there will be a significant cost to delivering a MIG. We also recognise that current delivery of Government policy, and the upcoming election, come in the context of an ever-challenging fiscal environment. To address this, we believe that **utilising Scotland's powers over taxation is a critical tool that the Government can choose to use in building a fairer Scotland through investment in our crucial public services and social security safety net.** Better tax builds better budgets, which builds a better future for all of us. This means that the devolved and local tax systems in Scotland must do significantly more to support a fairer and greener society.

There are encouraging signs that political leaders are responding to the demands and expectations of the public on progressive tax for investment. However, whilst a move in the right direction, we must be clear that there is still a long way to go. We are in agreement with the Poverty and Inequality Commission that the current process of tweaks to existing levers *"is an inadequate response to the scale of the challenges facing public finances."*<sup>2</sup>

A renewed approach to tax for social investment is therefore urgently needed. This should use Scotland's existing tax levers - like Scottish Rate of Income Tax - more progressively, while also using devolved powers to implement new and improved forms of local taxation that target under-taxed wealth. Costed proposals from the Scottish TUC show how this could unlock an annual £1.1bn of extra revenue for social investment in the short-term, and an additional £2.6bn a year through a package of longer-term reforms.<sup>3</sup> Previous proposals by IPPR Scotland projected raising a £1.5bn a year in additional annual public resource.<sup>4</sup>

Therefore, if our political decision makers are to meaningfully deliver a fairer Scotland, they must choose to meet challenging fiscal and social contexts with decisive action, taking a different path to ensure investment in people and our critical public services.

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<sup>1</sup> IPPR Scotland (2021) *Securing a living income in Scotland: Towards a Minimum Income Guarantee*. Available at <https://www.ippr.org/files/2021-03/securing-a-living-income-in-scotland-march21.pdf>

<sup>2</sup> Poverty and Inequality Commission (2023) *How better tax policy can reduce poverty and inequality: Recommendations for an effective and accountable Scotland*. Available at: [https://povertyinequality.scot/wp-content/uploads/2023/10/How\\_better\\_tax\\_policy\\_can\\_reduce\\_poverty\\_and\\_inequality\\_October2023.pdf](https://povertyinequality.scot/wp-content/uploads/2023/10/How_better_tax_policy_can_reduce_poverty_and_inequality_October2023.pdf)

<sup>3</sup> STUC (2023) *Raising taxes to deliver for Scotland*. Available at: <https://www.stuc.org.uk/resources/scottish-tax-options.pdf>

<sup>4</sup> IPPR (2024) *The case for fair tax reform in Scotland*. Available at: [https://oxfamapps.org/scotland/wp-content/uploads/2023/09/The-case-for-fair-tax-reform-in-Scotland-Joint-briefing-FINAL\\_September-2023-1-2.pdf](https://oxfamapps.org/scotland/wp-content/uploads/2023/09/The-case-for-fair-tax-reform-in-Scotland-Joint-briefing-FINAL_September-2023-1-2.pdf)

# Commission 1

## Becoming an Economic Powerhouse to Improve Lives

### Net zero and just transition

***What changes need to take place to enable the retrofit of homes to be undertaken at the pace required, ensuring those on lower incomes are not left behind?***

- Targeted financial support for people on the lowest incomes through grants;
- Jargon free and clear communication from the Scottish Government and local authorities about retrofit schemes, including a proactive approach to promoting available financial support; and
- Policy making and action which effectively addresses the compounded challenges faced by rural communities in accessing home improvement schemes, including that of long delays and loss of skilled workers and training opportunities.

Improvement of Scotland's housing stock is a necessary action that will not only help us meet our climate targets, but also reduce rates of fuel poverty. This is something that we highlighted in our campaign policy asks for Challenge Poverty Week 2024,<sup>5</sup> particularly as the on-going cost of living crisis has highlighted the importance of energy efficiency for reducing bills. Despite this, there remains a significant lack of support for actions that people on low incomes can take to improve the energy efficiency of their homes.

Ensuring that the retrofitting of homes, and transitions to greener technologies in general, don't leave those living on a low income behind is therefore vital. Recognising this, in 2023 we worked with the Scottish Government's Just Transition team to support the engagement of people on low incomes - living in both rural and urban settings - in the development of Scottish Government's policies which progress the just transition in housing and the built environment.<sup>6</sup> Through this process, participants were able to share their experiences of Scotland's housing system and we heard of the changes needed to ensure that the transition to greener technologies is just.

Affordability remains a key barrier to low-income households being able to invest in energy efficiency measures. Existing financial support often requires up-front household investment or taking on loans. This is impossible for many low-income households in Scotland. With poor energy efficiency being one of the four key drivers of fuel poverty - as designated by the Scottish Government - improving access to energy efficiency upgrades for low-income households are critical to addressing fuel poverty and realising our net zero ambitions.

Most participants therefore felt that the Government should consider providing financial support for people on the lowest incomes through grants. This should include support for those where the installation of green technology like heat pumps has resulted in short-term increases to their energy bills. For people living in poverty or on a low income, increases to

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<sup>5</sup> The Poverty Alliance (2024) *Challenge Poverty Week 2024 policy briefing 1: A Scotland where we all have safe, secure and sustainable homes*. Available at: <https://www.povertyalliance.org/wp-content/uploads/2024/09/CPW24-Policy-Briefing-1-A-Scotland-where-we-all-have-safe-secure-and-sustainable-homes.pdf>

<sup>6</sup> Poverty Alliance (2023) *Participation of people with experience of poverty in the Just Transition Plan for the Built Environment*. Available at: <https://www.povertyalliance.org/participation-of-people-with-experience-of-poverty-in-the-just-transition-plan-for-the-built-environment/>

bills – however small or temporary - risks further entrenching financial insecurity and discourages buy in for the green transition.

A minority of participants were aware of schemes to support changes to their home. They also questioned whether people on low incomes had benefited from Scottish Government policies on the climate crisis, pointing specifically to worry and confusion about possible plans in the future, particularly around phasing out of gas boilers.

There was therefore consensus among participants that local authorities and the Scottish Government must do more to communicate to people living in poverty about how available schemes could help, facilitating buy-in. Messaging should be simple, clear, easy to understand and free from jargon, with available home improvement schemes proactively promoted in schools, community spaces and healthcare centres, alongside advertising on television and radio. Participants suggested that this could be an aspect of broader income maximisation efforts by local authorities.

For rural participants, a range of barriers to - and frustrations with - access to retrofit schemes was identified. Where they had engaged with schemes, many had experienced long delays and had to advocate strongly for themselves in order to ensure work happened. This directly undermines the necessary pace of delivery for energy efficiency measures. A number of participants told us that they often found it difficult to engage contractors, a problem that is compounded by continued loss of the expertise, experience and skills required to service schemes such as insulation and retrofit in rural and island areas. This made the process of getting support not only stressful and time consuming, but also potentially more expensive, as it was difficult to get multiple quotes.

Loss of skill is connected to broader challenges with the inaccessibility of learning and training for communities in more remote communities. One participant spoke about an insulation company local to the island where they live which had to close, creating job losses. This was because training to upskill staff to meet new standards could only be delivered in person in the central belt, which came with a prohibitive cost. Without such access to training, the barriers to energy efficiency upgrades in rural communities may be exacerbated in the longer-term. Policy making and action around the retrofitting of homes must therefore take this rural experience into account, and consider the compounded barriers that this creates for those living rurally who are in poverty.

## **Models of Ownership**

***How can we expand municipal transport ownership models, such as the successful Lothian Buses in Edinburgh? Are there lessons to learn from combined authorities in England?***

Encourage municipal ownership as the preferred mechanism for delivering bus services through new legislation, and central guidance and financial support for local authorities.

Too many people are currently unable to take the bus, simply because they do not have the fare. For people on low incomes, unaffordable and inaccessible buses restrict their freedom, lessen their opportunities, and impact their health and wellbeing.

That is why we believe that - to get the most impact from that social investment – Scotland must change the ownership model of our bus services, recognising them as an essential

public good and ensuring that services are run to serve the needs of communities, not the need to make excessive profits for private companies.

As members of the Better Buses for Strathclyde campaign,<sup>7</sup> we have supported the work being done by SPT to make franchising a reality. We are disappointed with continued delays to the full implementation of the Transport (Scotland) Act 2019, and believe these highlight fundamental flaws in the legislation. We are also concerned about the lack of financial resource that has been provided to local authorities to enable them to utilise these powers. The UK Government's Department for Transport is currently consulting on a planned Better Buses Act, with the intention to simplify the process of moving to a franchise model and municipal ownership. We are clear that the Scottish Government should follow this example.

Scotland now has the opportunity to forge ahead by supporting transport authorities to go beyond franchising, and to encourage municipal ownership as the preferred mechanism for delivering bus services. We urge political parties to adopt this policy position.

This could be realised with new legislation, and central guidance and financial support for local authorities who go down this route. The example of Lothian Buses will obviously inform that guidance, and any new law, but there are others. Highland Council's decision to pilot its own municipal bus services is resulting in savings of around £1.4 million a year to the authority.<sup>8</sup> It is also allowing the Council to step in and ensure that communities are still served when, as happens far too often, private companies remove routes to prioritise profits over the needs of communities.<sup>9</sup>

Accessible, affordable, and coordinated public transport provision - provided through public ownership - therefore stands to deliver a people's dividend by supporting thriving places, lower living costs, and greater connectivity.

## Infrastructure and Growth

### ***What changes can we make to our transport infrastructure and how it operates to enable economic growth?***

- Expand concessionary travel to under 25s, people in receipt of low-income and disability benefits and unpaid carers and people seeking asylum;
- Integrate our transport systems and expand concessionary travel to include all modes of transport including rail, ferry and tram; and
- Ensure public transport funding is directed towards networks which are affordable, reliable, safe and meet the needs of local people.

We cannot build a strong economy unless we invest in people and public services. That is because the people of Scotland are the economy; it is made up of the sum of everything we do. However, broken systems are costing us all every day. The time, stress and money spent on navigating broken infrastructure like that of transport is making life impossible for people across Scotland, and particularly those living on low incomes. In short, we have a public transport system that is failing to deliver its full potential as a transformative anti-

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<sup>7</sup> Further information on the campaign available here: <https://www.getglasgowmoving.org/campaign/scotparl/>

<sup>8</sup> See here: [https://www.highland.gov.uk/news/article/15036/council\\_s\\_new\\_buses\\_take\\_to\\_the\\_road](https://www.highland.gov.uk/news/article/15036/council_s_new_buses_take_to_the_road)

<sup>9</sup> See here: [https://www.highland.gov.uk/news/article/16425/highland\\_council\\_steps\\_in\\_to\\_provide\\_public\\_bus\\_service](https://www.highland.gov.uk/news/article/16425/highland_council_steps_in_to_provide_public_bus_service)

poverty tool. This has a wider societal impact; when people are unable to support their local communities or access employment, it is a drag on our economy.

Therefore, when thinking about the changes needed to our transport infrastructure, we must frame public transport as a social good that should be available to all. Accessible and affordable transport enables people to access jobs, education, training and services which supports in raising household income and, as a result, strengthen the economy.

Analysis by IPPR Scotland has found that transport costs represent a significant drain on household finances for families with children in Scotland, accounting for over one fifth of household costs after housing and childcare.<sup>10</sup> Our research further spotlights that cost remains one of the key barriers to accessing public transport for those in poverty. For people living in rural Scotland, just getting around puts even more of a squeeze on finances; transport is the most significant additional cost compared to people living in urban areas, amounting to an additional £50 per week.<sup>11</sup>

The impact of increased fares fall disproportionately on people living on low incomes as they are more likely to use the bus and rely on public transport. Around one-quarter (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.<sup>12</sup>

Unaffordable fares can mean a choice between accessing jobs, education or social opportunities or meeting other essential costs. We recognise that Scotland has an already extended concessionary travel offer as compared to elsewhere in the UK. However, there are many people in poverty and on low incomes who do not yet qualify for concessionary travel. Expanding free bus travel would widen access to the world of work, education and leisure. This is a critical starting point for which would be the inclusion of groups at particularly risk of poverty such as people in receipt of low-income and disability benefits, under 25s, and unpaid carers.

Further to this, many people across Scotland rely on multiple forms of transport to get where they need to go. Yet, with each mode of transport owned by a different company who will charge differing amounts for their services, people are forced into purchasing multiple tickets, driving up cost. This is particularly true for women who are more likely to make multi-purpose journeys to balance caring responsibilities and paid work. Also, existing concessionary travel schemes are not integrated. This means that people who rely on multiple modes of transport cannot fully benefit, driving up the cost burden of travel.

The integration of ticketing and concessionary travel schemes is not a new policy, with multiple schemes already in place across the UK, including London and Manchester. We have also seen this in Scotland during COP26, where delegates were given cross-mode transport passes to improve the ease of transport across the city. We know, therefore, that integrated ticket systems are possible when there is the political will to do so.

Finally, as we made clear in our previous answer on the need for public ownership, our transport system is not managed, planned or funded with communities at the centre. The

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<sup>10</sup> IPPR Scotland (2022) *Universal basic services: Building financial security in Scotland*. Available at: <https://www.ippr.org/articles/universal-basic-services-scotland>

<sup>11</sup> Scottish Government (2021) *Poverty in rural Scotland: evidence review*. Available at: <https://www.gov.scot/publications/poverty-rural-scotland-review-evidence/pages/4/>

<sup>12</sup> Transport Scotland (2022) *National Transport Strategy (NTS2): Monitoring and Evaluation 2019 Baseline Report*. Available at: <https://www.transport.gov.scot/publication/monitoring-and-evaluation-2019-baseline-report-may-2022national-transport-strategy-nts2/reduces-inequalities/>

majority of public transport in Scotland is privately owned with routes designed based on their profitability, not how they meet the needs of local people. Therefore, shifting to public ownership models of public transport provision stands to deliver a people's dividend by supporting thriving places, lower living costs, and greater connectivity.

## **Workforce**

### ***Fifty years after Barbara Castle's Equal Pay Act and 14 years after Harriet Harman's Equality Act, women are still fighting for equality in the workplace. What devolved measures can be taken to help close the gender pay gap and ensure women have opportunities across the employment sector?***

Women's inequality in the labour market is a key factor in their greater risk of poverty. Further to this, their propensity to be primary caregivers - and the fact women account for 90% of single parents - means that child poverty is inextricably interlinked with women's poverty and their experiences of employment. Tackling women's labour market inequality is therefore critical to tackling both women's poverty and child poverty.

Most of the causes of the gender pay gap are not unlawful and are therefore outside of the scope of employment law. This means that a number of devolved measures can have a substantial impact on women's labour market equality including:

- Ensuring that the Scottish Government fulfils its legal obligations on gender mainstreaming in policy-making and service design, including more consistent use of critical tools such as the Fairer Scotland Duty and Public Sector Equality Duty;
- Investing in affordable, flexible childcare that enables women to enter, maintain and progress in paid employment, through the delivery of 50 hours per week of funded childcare for low-income households and greater flexibility in the delivery of pre-existing entitlements;
- Addressing the undervaluation of "women's work" in female-dominated sectors such as adult social care and childcare; and
- Adopting a targeted approach to the delivery of fair work in female-dominated sectors, including supporting the greater reach of the real Living Wage and Living Hours across female-dominated sectors.

### ***Can we better use employability programmes and re-training to get people who are economically inactive back into the workforce?***

- Provide access to adequate financial assistance to cover the cost of accessing employability support and training;
- Mainstreaming equalities considerations in programme and support design; and
- Strengthen the provision of services which are 'enablers' of upskilling and reskilling support, including transport and childcare.

At the moment, wages are failing to keep pace with the real cost of living, and rising insecurity in the Scottish labour market are undermining the impact of paid work on poverty rates. This means it is not always the case that employment is the route out of poverty it

should be, exemplified by the reality that 60% of working-age adults living in poverty reside in a household where someone is in paid work.<sup>13</sup>

Change is needed to ensure that people can access good quality, secure and well-paid work, which is appropriate for their circumstances, to making meaningful progress on poverty. There is no doubt that, along with legislation, investment in employability and retraining programmes which offer tailored support is a part of this change.

However, as recognised in the UK Government's 'Get Britain Working White Paper', employability services will not be effective if people are unable to access the surrounding services - like childcare, transport and healthcare - that enable them into work. Our employability support must therefore be both person-centred and understood as part of a package of interventions that could support people into work.

In 2023, the Poverty Alliance were commissioned to recruit, support and facilitate a Citizen's Panel seeking their views on the Scottish Government's Lifetime Skills Offer.<sup>14</sup> Participants identified the cost associated with undertaking retraining - including that of broadband and rising training course prices - as barriers to access. Whilst they welcomed the financial support that was available to people seeking training, they also expressed concerns with limitation of the Individual Training Account (ITA) financial assistance level of £200. At the time, participants recommended that Skills Development Scotland increase the value of ITAs, however, we note that ITA funding was not made available for 2024/25. This is also in the context of substantial funding cuts to the Parental Employability Support Fund. This will have a direct impact on the ability of those living on low incomes to access training, so well-resourced financial support should be a key consideration in thinking about how we can better use employability programmes and re-training.

Also, mainstream employability programmes routinely do not take account of caring responsibilities, and in particular fail to acknowledge that women's readiness to work will be impacted by these caring roles. Analysis from Close the Gap has shown that women are less likely to have access to training generally, and that will enable them to progress or secure a pay rise.<sup>15</sup> Generic employability and skills programmes replicate gendered patterns of skills acquisition and employment, focusing purely on gaining employment rather than progression, ultimately entrenching occupational segregation and women's concentration in low-paid work. Similar experiences of employability programmes, where additional barriers to participation are not accounted for, can be seen for other protected characteristics. Therefore, mainstreaming equalities considerations in the design of employability and retraining programmes is vital.

In addition to the design and cost of support, a number of services were identified as 'enablers' of upskilling and reskilling support. In particular, women participating our Lifetime Skills Offer work identified services which supported their participation. They noted that the

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<sup>13</sup> Scottish Government (2024) *Poverty and Income Inequality in Scotland 2020-23*. Available at: [https://data.gov.scot/poverty/#Working-age\\_adults](https://data.gov.scot/poverty/#Working-age_adults)

<sup>14</sup> The Poverty Alliance (2023) *The Lifetime Skills Offer: Participation of people with experience of poverty and equalities organisations in the development of the Scottish Government's Lifetime Skills Offer*. Available at: <https://www.povertyalliance.org/get-heard-scotland-lifetime-skills-and-equalities/>

<sup>15</sup> Close the Gap (2021) *Response to Scottish Government's Consultation on the Child Poverty Delivery Plan*. Available at <https://www.closesthegap.org.uk/content/resources/Close-the-Gap-Response-to-Scottish-Governments-Consultation-on-Child-Poverty-Delivery-Plan---September-2021-.pdf>



lack of wraparound childcare and the availability and affordability of public transport were key determinants as to whether upskilling and reskilling was feasible or affordable:

*“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.”*

Therefore, our critical public services such as transport and childcare require strengthening to enable participation in education, training and employment.

## Commission 3

# From Cradle to Career: Giving Young People the Best Start

### Childcare

***What would the remit of a review of childcare provision in Scotland need to include?***

***What more can be done in childcare provision and in early years to support those on the lowest incomes and to ensure opportunity for all in the future?***

- Ensure funding allocated to childcare providers enables sufficient flexibility in the delivery of funded hours to meet the needs of families;
- Increase the funded childcare entitlement to 50 hours per week for low-income households;
- Adequately resource childcare to ensure local offers meets demand; and
- Design childcare provision and infrastructure to meet the needs of disabled children, with efforts to reduce the cost of accessible childcare for families.

A recent report by the Joseph Rowntree Foundation concluded that:

*“The current [childcare] system keeps low-income parents locked out of the labour market, stuck in less secure jobs, and childcare eats into household budgets, while child poverty scars the lives of hundreds of thousands of children.”<sup>16</sup>*

Any review of childcare provision must consider hours, flexibility, affordability and accessibility. The impact that these factors have on childcare for families on low-incomes must be a central consideration.

### **Flexibility**

The delivery of the funded entitlement at the local level is often insufficiently flexible to meet the needs of families. Scottish Government analysis has shown that the lack of flexibility in delivery has been a key barrier to parents utilising the 1140 funded hours in a way that allows them to access the labour market:

*“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>17</sup>*

Similarly, analysis by the Scottish Women’s Budget Group found that two-thirds of women with children who were entitled to the 1140 hours reported that the delivery of these hours do not cover their childcare requirements due to a lack of flexibility in delivery, and failure to match work patterns.<sup>18</sup>

The effectiveness of the 1140 hours as a protection against child poverty has therefore been limited by the lack of the flexibility in delivery which is essential for access to work and negating the need for expensive top-up childcare. To meet the needs of low-income families,

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<sup>16</sup> Joseph Rowntree Foundation (2024) *Poverty proofing the future of early years childcare*. Available at: <https://www.jrf.org.uk/sites/default/files/pdfs/poverty-proofing-the-future-of-early-years-childcare-5a9721f453843ef6214d3acde9e60db2.pdf>

<sup>17</sup> Scottish Government (2023) *Exploring parents’ views and use of Early Learning and Childcare in Scotland*. Available at: <https://www.gov.scot/publications/parents-views-use-early-learning-childcare-scotland-2022/>

<sup>18</sup> Scottish Women’s Budget Group (2022) *Women’s experiences of childcare shared through our survey*. Available at: <https://www.swbg.org.uk/news/blog/womens-experiences-of-childcare-shared-through-our-survey/>

the funding allocated to childcare providers must enable sufficient flexibility in the delivery of funded hours to meet the needs of families. Flexibility must be a key principle for the design of our ELC system.

### **Affordability**

Childcare costs present a significant barrier to reaching a living income for families across Scotland.<sup>19</sup> This is acknowledged in the interim report of the Minimum Income Guarantee (MIG) Expert Group with the stipulation that *“increased support and encouraging uptake of entitlements for childcare will be crucial as part of the initial roll-out of a MIG.”*<sup>20</sup> The Expert Group subsequently recommends that the Scottish Government consider how additional support for childcare costs could be provided through existing powers to low-income families with children. We echo these recommendations.

1140 hours has not negated the need for expensive top-up childcare for single parent households, or households where both parents want to work full-time. Recent 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 require.<sup>21</sup> As a result of the need to top-up the funded hours with paid-for provision, childcare costs continue to prevent low-income parents from increasing their working hours and earnings.

Affordability of childcare continues to be a key issue for families. Reducing costs can increase household disposable income, with the biggest impact seen for low-income families. Any expanded offer should be designed and targeted at low-income families. Increasing the funded childcare entitlement to 50 hours per week for low-income households will be a very positive step in reducing costs for low-income households.

### **Accessibility**

For many families, the difficulties finding - or affording - childcare is both a driver of poverty and a source of significant stress and distress for families experiencing poverty who depend on childcare for employment security. These challenges are compounded for those living in rural and island communities. Adequately resourcing childcare systems in local communities to ensure demand is met is therefore vital.

Parents of disabled children face higher than average childcare costs which creates a barrier to employment and contributes to the higher rate of poverty among families with a disabled member. Three quarters of parents and carers of disabled children have reduced their hours or left their job because of difficulties accessing appropriate childcare. Our system of childcare in Scotland does not yet meet the needs of disabled children, thus contributing to the higher rates of poverty in households with a disabled person. Our ELC provision and infrastructure must be designed to meet the needs of disabled children, with efforts to reduce the cost of accessible childcare for families.

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<sup>19</sup> IPPR Scotland (2022) *Universal Basic Services: Building Financial Security in Scotland*. Available at [https://www.ippr.org/files/2022-03/1646753753\\_universal-basic-services-scotland-march-22.pdf](https://www.ippr.org/files/2022-03/1646753753_universal-basic-services-scotland-march-22.pdf)

<sup>20</sup> Minimum Income Guarantee Expert Group (2023) *Interim Report*. Available at <https://www.gov.scot/publications/minimum-income-guarantee-expert-group-interim-report/>

<sup>21</sup> Scottish Government (2023) *Exploring parents' views and use of Early Learning and Childcare in Scotland*. Available at [Early learning and childcare - parents' views and use: survey findings 2022 - gov.scot](https://www.gov.scot/publications/early-learning-and-childcare-parents-views-and-use-survey-findings-2022-gov.scot/)

## Commission 4

### More Equal and Safer Communities Where We Can All Thrive

#### Housing

***Business as usual is not an option, what should a Scottish Labour government do across all government portfolios to tackle the housing emergency?***

Explicitly recognise that Scotland's current housing systems are a principal barrier to tackling poverty across all Government portfolios.

Having a safe home is one of our most basic needs. It acts as an enabler for the realisation of other human rights. However, with the Scottish Government having declared a housing emergency, it is clear that our current housing systems are not working for Scotland's tenants. This burden is felt most heavily by people living on low incomes.

Therefore, at present, our current housing system is a principal barrier to tackling poverty in Scotland, with rising costs combined with a low supply of social housing pushing people into inadequate homes that they cannot afford. Explicitly recognising this across all government portfolios is a crucial first step in ensuring that action to tackle the housing emergency makes meaningful change for those living in poverty.

***What action is needed to boost the housing supply in Scotland across all tenures, particularly social housing?***

***Housing in rural areas is a particular problem, with young people and key workers unable to get homes, what particular actions are needed when it comes to rural and remote Scotland?***

- Adequately fund new social homes through mechanisms like the Affordable Housing Supply Programme;
- Allocate funding to ensure that existing social homes are well-maintained and suitably adapted to meet people's needs; and
- Target investment in new homes and key services in rural Scotland to tackle both depopulation and challenges around accessibility, cost and quality.

The shortage of housing stock in Scotland is driving people into unaffordable and unsuitable housing. Despite this, the affordable housing budget has seen significant cuts in successive Scottish Government budgets, delaying the provision of urgently needed affordable homes with far reaching consequences.

Simply put, we need to see the adequate funding of new social homes - whether through building new, or acquiring and adapting existing, housing stock – through mechanisms like the Affordable Housing Supply Programme.

We know that low supply is causing issues for certain groups more than others such as disabled households, older people, people with terminal illness, and households with children. All of these groups experience unique risks of poverty. According to Housing Options Scotland, disabled people are struggling more than ever to access homes that meet their needs. They note that disabled people often wait much longer than average to find a home that is suited to their needs, which can contribute to the worsening of existing health

conditions, and negatively impact mental health. Disabled people are more likely to experience poverty than those without a disability. Ensuring that sufficient numbers of accessible homes are built as part of the provision of social housing is therefore critical to ensure that all people are provided with affordable homes that meets their needs and protects them from poverty.

Additionally unique needs around housing generally have been identified in rural areas. Through our rural specific project, Taking Action on Rural Poverty (TARP), we know that rural Scotland has an acute issue with the availability of housing, including a lack of affordable and appropriately sized housing options; dwellings in rural areas are often larger, which is often not appropriate for people's needs or finances, particularly young people. There also remains issues with the quality of private rented accommodation, which we know contributes significantly to rural Scotland's higher rates of fuel poverty.

The delivery of the Scottish Government's commitment of 10% of new social homes being built in rural and remote locations, as well as investment in affordable housing developments, is therefore vital. This targeted investment could help to tackle other issues such as depopulation and demographic change.

Ultimately, any approach to housing in rural must also look at the interconnected factors which drive rural poverty and de-population more broadly, most notably the higher cost of living – the 'rural premium' - which includes inflated energy and food costs, as well as the accessibility of services like transport, social care and childcare.

## **Social Justice**

### ***What immediate devolved actions could a new Labour Scottish government do to reduce poverty and tackle the cost-of-living crisis in Scotland?***

We know that collaboration between the Scottish and UK Governments, as well as local authorities, will be needed to fully deliver a Minimum Income Guarantee and build a Scotland free from poverty. This collaboration is particularly important in the areas of employment, social security and energy.

However, there are a wide range of anti-poverty actions that sit within the devolved powers of the Scottish Parliament across housing, public transport, income maximisation, food security and fair funding for the third sector. These include:

- Adequately funding the delivery of new social homes through building new - or acquiring and adapting existing - housing stock, and allocating funding to ensure that existing social homes are well-maintained and suitably adapted to meet people's needs;
- Ensuring transport funding is directed towards networks which meet the needs of local people; this includes moving towards a public ownership model and expanding Scotland's concessionary travel offer to under 25s, those receiving low-incomes and disability benefits and unpaid carers;
- Allocating sufficient funding to deliver the roadmap to the MIG, including investment in social care; expansion of the funded childcare entitlement to low-income households; and further increases in the Scottish Child Payment;
- Delivering universal free school breakfast and lunch provision to all pupils in Scotland; and

- Providing funding to community and voluntary organisations that fulfils SCVO's definition of fair funding.

***The third sector delivers essential services across a range of social justice priorities, how can the Scottish Government work better with the third sector to help deliver effective services?***

Introduce a fair funding approach to the third sector which fulfils SCVO's definition and provides fair and sustainable funding of three or more years.

In short, delivering a fair funding approach to the third sector – which fulfils SCVO's definition<sup>22</sup> – is a key way that the Scottish Government can and should work better with the sector to help deliver effective services.

Scotland's third sector is an essential sector. Often at the frontline of efforts to challenge poverty, it helps to shape policy and provides vital support to people who are held back from being able to live in decency and dignity. The impacts of the pandemic and the on-going cost-of-living crisis have seen demand for support provided by the third sector soar. This support includes that which is similar to services being delivered by statutory organisations. Yet too many organisations are themselves without the financial security they need to survive and thrive, and therefore deliver vital anti-poverty action.

Delivering a fair funding approach for the third sector is therefore necessary to adequately value the crucial work that our voluntary and community organisations deliver for us all, but particularly for people pushed towards financial crisis by our unjust economy and weakened social security system. SCVO define fair funding as a long-term, flexible, sustainable, and accessible approach to funding. This includes, but is not limited to:

- Longer-term funding of three years or more;
- Flexible unrestricted core funding;
- Timely decision-making and payments;
- Accessible and proportionate application and reporting processes;
- Sustainable funding with inflation-based uplifts; and
- Proportionate, transparent approaches to monitoring and reporting.

This is the definition that the Poverty Alliance utilise in our work, and we recognise delivering this approach as vital part of the package of reform needed to see meaningful progress on poverty. Fair funding is essential for a sustainable third sector which can offer fair work, support volunteers, and deliver high-quality outcomes for people and communities.

In a just and compassionate Scotland, we recognise the invaluable work that our volunteers and community organisations provide invaluable work. This cannot simply be noted with rhetoric and praise. We must match this value with fair, secure, and adequate funding to allow these organisations to continue to deliver lifeline support for Scotland.

As part of our work around the Scottish Parliament's Social Justice and Social Security Committee's 2025/26 pre-budget scrutiny - which focused on funding principles for the third sector - we engaged with our members to identify key challenges, and proposed solutions,

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<sup>22</sup> See further information about SCVO's work on fair funding in Scotland here: <https://scvo.scot/policy/fair-funding-procurement/fair-funding>

relating to current funding structures. Full detail of our members experiences can be found in our response to the Committee<sup>23</sup> but, to point to several overarching themes, our members identified:

- Issues with staff retention, recruitment and morale;
- A lack of capacity for future planning and strategic development; and
- Significant challenges around continuity of vital service provision.

As well as significantly impeding vital service delivery, crucially to the Poverty Alliance, short-term funding severely undermines job security across the voluntary sector's 135,000 strong workforce. It results in voluntary organisations frequently issuing redundancy notices, with delayed decisions from the Scottish Government and local authorities - particularly when funding is provided on an annual basis - compounding this issue. Adequate incomes through fair work is one of the key ways in which we will tackle poverty, so it is not right that current funding arrangements result in situations where workers delivering anti-poverty services are themselves living in financial insecurity.

Our members pointed to the potential of a fair funding approach to alleviate the constant time and emotional burden of funding applications and uncertainty about the future. In turn, this would allow for better strategic and future planning, continuity of services and an improved employment offer for the sectors workers, securing the sustainability of the sector.

***Increasing parental employment is a key driver for tackling child poverty, giving families more opportunities into secure, flexible work to support themselves and their children. How can the Scottish Government better work with local communities and employers to increase parental employment and reduce child poverty?***

Work with employers to both address bad practice of pre-existing legal standards and offer support and advice on paying the real Living Wage, delivering Living Hours and offering flexible working and reasonable adjustments.

There is a key role for employers in enabling parents into paid work and tackling poverty more broadly. With statistics showing 334,000 employees being paid less than the National Minimum Wage; 900,000 having no paid holidays; and 1.8m receiving no payslip in 2022, ensuring the adequate enforcement of existing rights is a critical anti-poverty action.

Additionally, IPPR Scotland conclude that simply ensuring everyone already in work is paid the real Living Wage would lift around 70,000 people out of poverty. While good for people, increasing positive employment outcomes is also good for the economy, resulting in higher tax revenues and lower social security payments. Quick progress must be made in offering support and advice to employers so they are able to, amongst other things, pay the real Living Wage, deliver Living Hours and offer flexible working. This would likely require support for employers, as well as regulatory and legal changes.

Continued poor employment outcomes for disabled people, including the disability employment gap and the concentration of disabled people in low-paid and insecure work, are key barriers to addressing disabled people's poverty. Again, employers are key to

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<sup>23</sup> The Poverty Alliance (2024) *Written submission to the Scottish Parliament's Social Justice and Social Security Committee pre-budget scrutiny 2025-26*. Available at: <https://www.parliament.scot/-/media/files/committees/social-justice-and-social-security-committee/correspondence/2024/pre-budget-scrutiny-2025-26/the-poverty-alliance-prebudget-202526-submission.pdf>

addressing these trends, taking action to accommodate reasonable adjustments and address discrimination in recruitment and employment practice.

## **Social Security**

### ***Is there anything you would change about the current social security system in Scotland?***

The development of a Minimum Income Guarantee (MIG) is our overarching policy asks on social security specifically, and anti-poverty action more generally. We need a social security system that supports making an adequate income level possible.

Our social security system is a public service and a basic human right that should secure the wellbeing of everyone in society. However, rather than preventing and reducing poverty, it too often makes it more difficult for people to stay afloat. Strengthening our social safety net by addressing the inadequacies and insecurity of our current social security system must therefore be a priority.

There have been very welcome changes at the Scottish level to build a social security system founded on the principles of dignity and respect, with the introduction of new, Scottish-level payments having furthered the ambition of an adequate system. However, we believe there is a need to go further still to ensure that the social security system functions as a genuine safety net that is there for all of us when we need it.

The Scottish Government has made a welcome commitment to the MIG and has established a Steering Group and Expert Group, of which the Poverty Alliance is a member, to take forward this proposal. It is positive that there is cross-party engagement on the idea of a MIG through the Steering Group. We hope to see political parties making a clear commitment to implementing a roadmap to a MIG in manifestos for the 2026 Scottish Parliament election as evidence points to this being a policy that will enable us to draw a line under poverty.

As we stated in the introduction to our response, the development of a MIG is our overarching policy asks on social security specifically, and anti-poverty action more generally, so our recommendations in this section should be viewed as interim steps on the roadmap to a MIG that ensures that nobody falls below the income level needed to live in decency and dignity.

### ***What is working well about the social security system in Scotland?***

- Delivers vital support for individuals and families;
- Founded on the principles of dignity and respect which creates a less stigmatising experience than interactions with the DWP; and
- Those with of lived experience of accessing social security have been meaningfully consulted in the design of the services.

Scotland's social security system is delivering vital support for families. It was been welcome that Scotland's system of social security was founded on the principles of dignity and respect, and that this is enshrined in legislation.



This includes increases in the Scottish Child Payment (SCP), which have been the main driver of progress against Scotland’s interim child poverty targets,<sup>24</sup> offering a vital lifeline as families continue to struggle to make ends meet. Based on available data, the Poverty and Inequality Commission expect there to be a substantial reduction in child poverty through the SCP.<sup>25</sup> This highlights the payments significance as a targeted intervention to reduce child poverty and, as such, the importance of this to children and families should not be underestimated.

Additionally, in 2023 and 2024, the Poverty Alliance worked with the Scottish Government’s Benefit Take Up team to deliver a Citizen’s Panel - comprised of 16 individuals living on low incomes and with experience of social security in Scotland – which highlighted the impacts of poverty related stigma on benefit take-up. Panel discussions evidenced that stigma around social security is felt keenly and creates powerful barriers to accessing entitlements. Panellists felt that stigma had become more pervasive with austerity and the UK Government level ‘welfare reform’. In contrast to this, they largely agreed that, although not perfect, dealing with Social Security Scotland was a far less stigmatising experience than navigating Department for Work and Pensions processes.

This is as a result of innovations such as the Charter; the founding principles; and practical changes such as the move to white from brown envelopes. Critically, participants welcomed the fact that those with lived experience of accessing social security had been meaningfully consulted in the design of the service.<sup>26</sup>

The delivery of the SCP was highlighted by panel members as a form of support that had been effectively delivered by Social Security Scotland:

*“I noticed something different about the way the SCP was advertised, it was interesting hearing about how the approach from Government has been more modern to remove stigma. The reason I applied for it so quickly was because almost all the local charity organisations - and I was getting emails as well for the government - saying apply for it now – that was really refreshing.”*

It is clear then that our social security system is taking real steps to deliver support that works for people. However, there is room for further development including efforts to further reduce stigma as per the recommendations of our Citizen’s Panel, and to ensure that applications are processed efficiently and effectively. Any changes to the working practices of Social Security Scotland must be informed by the feedback of those accessing support.

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<sup>24</sup> Poverty and Inequality Commission (2024) *Child Poverty Delivery Plan progress 2023-24*. Available at: [https://povertyinequality.scot/wp-content/uploads/2024/06/Executive\\_Summary\\_Child\\_Poverty\\_Delivery\\_Plan\\_progress\\_2023-2024\\_Scrutiny\\_by\\_the\\_Poverty\\_and\\_Inequality\\_Commission.pdf](https://povertyinequality.scot/wp-content/uploads/2024/06/Executive_Summary_Child_Poverty_Delivery_Plan_progress_2023-2024_Scrutiny_by_the_Poverty_and_Inequality_Commission.pdf)

<sup>25</sup> Ibid.

<sup>26</sup> The Poverty Alliance (2024) *The impact of stigma on benefit take-up*. Available at: <https://www.povertyalliance.org/wp-content/uploads/2024/05/Get-Heard-Scotland-Report-Impact-of-Stigma-on-Benefit-Take-Up-for-Publication-May-2024-1.pdf>

**How do we improve access and advice to financial support to people when they are in financial crisis? What examples are there of successful community and third sector examples?**

- Resource full coverage access to advice services; and
- Ensure collective working between the Scottish Government, UK Government and local authorities to automate social security support to increase uptake and reduce stigma.

Automating entitlement to social security is a critical aspect of work to maximise incomes and improve benefit uptake. Ensuring all households receive the social security support they are entitled to is vital for tackling poverty in Scotland. However, at present, a number of issues act as a barrier to take-up including a lack of automation in applications; the need for multiple applications for support; access to support services; and stigma.

We have detailed in previous answers the powerful barrier to seeking support that is created by fear and stigma. A case study from Citizens Advice Scotland about the experience of two clients applying for Adult Disability Payment (ADP) further spotlights this, and the necessity of accessible, free and impartial advice services for all:

*Caitlin and Brian were advised by their local Citizens Advice Bureau (CAB) that they are eligible for ADP, but they expressed a deep-rooted reluctance to apply, fearful that they might be perceived as “lazy fraudsters, as seen on TV”. Caitlin and Brian both have physical disabilities and learning difficulties. The CAB invested substantial time in what the adviser describes as “gentle persuasion and encouragement”. Both members of the couple were subsequently awarded ADP, but the adviser explains that the anxiety remains about being under surveillance as ‘potential fraudsters’.*

A key finding of the Cross-Party Group (CPG) on Poverty’s report into poverty-related stigma was that language used by politicians to discuss social security is of critical importance in encouraging take-up and overcoming poverty-related stigma.<sup>27</sup> In particular, Glasgow Disability Alliance and The ALLIANCE outlined that negative language used by politicians leads to views towards disabled people as ‘scroungers’ or ‘lazy’. Within the report, there was consensus that politicians should be sending a strong message that social security is an essential public good and a fundamental human right. They should emphasise that poverty is a structural issue and not a personal one, communicating that nobody living in poverty should feel ashamed, but instead should seek out support that is there to help. We have therefore been concerned by the framing of social security as a ‘handout’, as recently used by the leader of the Scottish Labour Party. This language can further entrench stigma and ignores the fact social security is a vital investment in the people of Scotland and our shared economic prosperity.

Further to this, a number of submissions to the CPG on Poverty’s recent inquiry into rural poverty highlighted that challenges to accessing support is intensified for rural communities, where it is often assumed that poverty does not exist or is minimal.<sup>28</sup> Individuals

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<sup>27</sup> Cross-Party Group on Poverty (2023) *Inquiry into poverty-related stigma in Scotland*. Available at: <https://www.povertyalliance.org/wp-content/uploads/2023/02/Report-of-the-inquiry-into-stigma-CPG-on-Poverty.pdf>

<sup>28</sup> Cross-Party Group on Poverty (2024) *Inquiry into poverty in rural Scotland*. Available at : <https://www.povertyalliance.org/report-cross-party-group-on-poverty-inquiry-into-rural-poverty/>

experiencing poverty in these areas often feel a greater sense of shame and pressured into concealing their financial worries, and face additional difficulties in accessing suitable support because of challenges around transport, digital connectivity and service cuts.

Key recommendations for the Scottish Government from the Citizen's Panel included widening the right to advocacy for everyone when claiming social security and linking Scottish Government and local authority entitlements together.

The critical nature of automation can be seen in the context of the UK Government's recent announcement of changes to the Winter Fuel Payment. Support will now only be paid to those in receipt of Pension Credit or certain other means-tested benefits. However, 123,000 pensioners in Scotland who are eligible for pension credit are not claiming it, and these individuals will be some of the people who are going to be worst affected when the payment is withdrawn. With more than 150,000 pensioners living in poverty in Scotland, thousands will now miss out on a payment which could help them heat their homes. This urgent example makes clear that, whilst stigma and complicated application processes continue to create barriers, a move toward automation would be a key step in ensuring maximum take-up of the income that people need to keep them safe. Low take-up of passporting benefits ultimately prevents access to other support and entitlements.

Recently published work from the University of Bath concluded that social security take-up could be increased, and administrative burdens reduced, through auto-enrolment and the automatic passporting of entitlement, as happened with the UK Government's Cost of Living payments.<sup>29</sup> The Scottish and UK Governments should work together, alongside our local authorities, to both ensure that all people have access to advocacy services and simplify and automate processes for applying for financial assistance as a priority.

### ***What evidence does the Scottish Government need to collect to show the impacts of its social security spend?***

Improved official data to demonstrate impact at a population level.

Qualitative data and feedback from those in receipt of social security is critical to this evidence base, but improved official data is needed to demonstrate impact at the population level. The Scottish Child Payment (SCP) provides a good example of what further evidence is needed to fully understand the impact of Scottish Government social security spend.

There is a clash between the demonstrably positive impact of SCP that we are seeing at individual and household level, and the reality of stagnant child poverty levels.

Work by the Poverty Alliance and our members shows that that the payment has assisted in easing the pressure on household budgets, helping to keep families afloat. However, at societal level, there is a lack of data to accurately reflect the impact of the payment on child poverty rates. Modelling by the Scottish Government, Fraser of Allander and IPPR Scotland all point to different numbers of children being lifted out of poverty as a result of the payment.

In addition, the latest poverty statistics published by the Scottish Government paint a troubling and somewhat confusing picture of progress against their legally binding child poverty targets. This data continues to show that almost one in four (24%) of children live in

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<sup>29</sup> Fran Bennet (2023) *Take-up of social security benefits: past present – and future?* Available at: <https://bristoluniversitypressdigital.com/view/journals/jpsi/32/1/article-p2.xml>

relative poverty. Rates of relative poverty, absolute poverty, and low income and material deprivation for children has risen slightly between 2021/22 and 2022/23 to 26%, 23% and 12% respectively.<sup>30</sup> In the context of these statistics, the Fraser of Allander Institute state that “*progress [on child poverty] can be best described as flat*”.<sup>31</sup> There is a significant gap between the Scottish Government’s modelling for and the reality of the child poverty landscape captured in the latest poverty statistics. It appears that the impact of the SCP is not yet being seen in national level data despite positive modelling and individual feedback.

Whilst we understand that this data does not capture the full impact of the SCP, we would have expected a more significant visible impact – which coincides with the reality that we are seeing on the ground - within this data release. While the Scottish Government’s evaluation of the SCP is a positive start, there is a need for robust data collection to ensure we can effectively measure the impact of policy decisions. For example, research by Joesph Roundtree Foundation have pointed to an under-sampling of families in receipt of the SCP within administrative surveys and addressing this problem would expand the evidence base on the impact positive innovations like the SCP are having at population level.

***The bill for social security is on an upward trajectory, how can we ensure that we provide the safety net for those who need it, whilst ensuring that it remains affordable to taxpayers?***

Rhetoric that places greater scrutiny on social security spend to ensure it ‘fairness’ and ‘affordability’ to taxpayers can be harmful, perpetuating stigma. We must be clear that the current rate of social security falls well short of what is needed for a decent and dignified life, ultimately trapping people in poverty. Investment in our social security systems should therefore be framed as an investment in people.

At the Poverty Alliance, we are clear that support provided through our social security systems should be framed not only as a safety net that should be there for all of us when we need it, but also a springboard which provides vital support for accessing suitable educational and employment opportunities, as well as other forms of participation in society. Life can be unpredictable; redundancy, bereavement, illness and caring responsibilities – which can happen to anyone, at any time – are all reasons why someone may need to access social security. It is, therefore, an investment in people and should be framed as such.

Rhetoric that places greater scrutiny on social security spend to ensure it ‘fairness’ and ‘affordability’ to taxpayers can be harmful, perpetuating stigma. This type of framing is of great concern to those who rely on social security to stay afloat. Indeed, many people accessing social security are also in paid work and are the very same taxpayers who fund this financial support.

With more than one million people experiencing poverty in Scotland, now is the time for our political leaders to work together to ensure that people have access to the adequate, secure incomes that enable them to live in decency. As we have detailed in our previous answers to this consultation, as well as reform to our world of work and public services, social security

<sup>30</sup> Scottish Government (2024) Child poverty summary. Available at: [Child poverty summary \(data.gov.scot\)](https://www.data.gov.scot)

<sup>31</sup> The Fraser of Allander Institute (2024) *New child poverty statistics for Scotland: are we on track for the interim targets?* Available at: [Child poverty statistics update scotland 2022/23 | FAI \(fraserofallander.org\)](https://www.fraserofallander.org)

will continue to play a pivotal role in that ambition and, as such, should be adequately resourced. Given the impact of poverty on our public services and economy, this is not only the socially just, but also the economically sensible thing to do. We must be clear that the current rate of social security falls well short of what is needed for a decent and dignified life, ultimately trapping people in poverty.

IPPR Scotland highlight that failure to bolster individuals' financial security through adequate social security systems and fair work holds back Scotland's collective prosperity, adding a significant cost to public services while limiting economic contributions.<sup>32</sup> Estimating just some of these costs, they found that:

- £2.3 billion of Scottish health boards' budget is directed to responding to the impacts of poverty;
- A quarter of a billion pounds may be being spent each year on addressing the consequence of poverty in our schools and working to increase educational attainment – but often coming too late; and
- The lost income due to historic child poverty in Scotland is, at a conservative estimate, between £1.6 and £2.4 billion per year.

Reducing social security will only exacerbate already high costs relating to the impact of poverty.

***Social Security Scotland has been accused in the past of being inflexible and inefficient. Are there more efficient ways to deliver benefits, such as through local authorities?***

Whilst the local delivery of social security could offer greater flexibility, ensuring that local authorities are properly resourced to deliver support – and that support is provided in a timely and adequate way regardless of where you live – should be the central priority to policy-makers

We have already highlighted that, within our work with those with lived experience of accessing social security, the feedback for Social Security Scotland has been predominantly positive, particularly in comparison to the DWP. We also recognise that the delivery of social security support through local authorities can offer greater flexibility and community-specific working. However, this can also result in levels of support that vary significantly depending on where you live, which does not provide those in poverty the security they need.

The delivery of the Scottish Welfare (SWF), which is delivered by local authorities, is a good example of this. The funding allocated to local authorities by the Scottish Government for SWF awards has remained stagnant at £35.5 million since the 2020/21 budget. Despite this, £49.9 million worth of SWF awards were given in the 2023/24 financial year, representing a 129% overspend.<sup>33</sup> Spending on SWF varies significantly by local authority, with Eilean Siar and Highland local authorities only spending 30% and 40% of their SWF budgets respectively compared to Perth and Kinross who spend almost 220%.

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<sup>32</sup> IPPR (2023) *Tipping the scales: The social and economic harm of poverty in Scotland*. Available at: <https://www.ippr.org/articles/tipping-the-scales>

<sup>33</sup> Scottish Government (2024) *Scottish Welfare Fund Statistics: annual update 2023-24*. Available at: [Supporting documents - Scottish Welfare Fund Statistics: annual update 2023-24 - gov.scot \(www.gov.scot\)](https://www.gov.scot/resources/consultation-papers-supporting-documents-scottish-welfare-fund-statistics-annual-update-2023-24)

24 out of 32 local authorities overspent on SWF in 2023/24. This additional funding came from already stretched local authority budgets, and indicates the need for further national level funding. Depending on where you live, this is having visible consequences on the availability of the fund for those in crisis, with the latest statistics from the Scottish Government highlighting that award rates had fallen in most quarters of 2023/24.<sup>34</sup>

Therefore, whilst the local delivery of social security could offer greater flexibility, ensuring that local authorities are properly resourced to deliver support – and that support is provided in a timely and adequate way regardless of where you live – would have to be of central priority to policy-makers.

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<sup>34</sup> Scottish Government (2024) *Scottish Welfare Fund Statistics: annual update 2023-24*. Available at: [Supporting documents - Scottish Welfare Fund Statistics: annual update 2023-24 - gov.scot \(www.gov.scot\)](https://www.gov.scot/resources/documents/2024/03/Scottish-Welfare-Fund-Statistics-annual-update-2023-24/)