



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

One in four children in Scotland live in poverty. [1] This is simply not acceptable. **Last year, the Poverty and Inequality Commission's scrutiny report concluded that - without urgent and concentrated action - the Scottish Government will miss its 2030 child poverty targets. In the 12 months following the publication of this scrutiny report, we do not believe we have seen the urgent or concentrated action necessary to change this trajectory.**

This is reflected in the Social Justice and Social Security Committee's report into the role of parental employment in tackling child poverty which stated that the Scottish Government "must supercharge its efforts to prioritise policies that tackle child poverty" as "decisive action is needed" to realise the ambitions of 'Best Start, Bright Futures' and meet legally binding targets.

It is in this context that we welcome the Minister's statement on the progress of the Tackling Child Poverty Delivery Plan. Scotland's 2030 child poverty targets are necessary, ensuring that efforts to eradicate child poverty are both focused and able to be held to account. However, ambitious commitments must be matched with bold, immediate action.

No single policy will deliver the progress needed to meet the Scottish Government's 2030 targets. Rather, these **targets can only be met through a range of actions that work together and are transformative in scale.** As such, there must be scaled up and

[1] Scottish Government (2024) Poverty and Income Inequality in Scotland 2020-23. Available at: <https://data.gov.scot/poverty/#Children>

accelerated investment in all ‘Best Start, Bright Futures’ commitments through the Tackling Child Poverty Delivery Plan to close the policy implementation gap that is currently making the 2030 child poverty targets unachievable.

Child poverty does not happen in isolation and is inextricably linked to the financial wellbeing of those that look after them. That means that, along with increased protection through social security interventions like the Scottish Child Payment, there remains a critical role for the labour market and our vital public services in our approach to tackling child poverty in Scotland.

The Scottish Child Payment

Increases in the Scottish Child Payment have been the main driver of progress against Scotland’s interim child poverty targets, [2] 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 Scottish Child Payment. [3] This highlights the payments significance as a targeted intervention to reduce child poverty.

The importance of the payment to children and families should not be underestimated; this is evidenced in our engagement with people living on low incomes who highlight the benefit of the payment to their household budgets and the ability to purchase essentials. In the Child Poverty Action Group’s submission to the Social Justice and Social Security Committee’s inquiry into the effectiveness of Scottish Child payment, they further highlighted an example of a parent who had been able to utilise the payment to spend valuable time with their children:

*“The Scottish Child Payment helps me monthly to make things a bit easier. It is helpful for my children as it’s a small way for me to meet their needs. I find it helps me on some weekends - we can spend quality time together and do some cheap activities like the play centre. **Even if we don’t have much money, I want them to be happy and have fun.**”*

The Scottish Child Payment is a bold policy, with demonstrably positive impacts for children and families. **However, it needs to be bolder still.** IPPR Scotland’s modelling shows that an increase of the payment to at least £40 per week would lift a further 20,000

[2] Poverty and Inequality Commission (2023) *Child Poverty Delivery Plan progress 2022-2023*. Available at: https://povertyinequality.scot/wp-content/uploads/2023/06/Exec_Summary_Child_Poverty_Delivery_Plan_progress_2022-2023_Scrutiny_Poverty_and_Inequality_Commission.pdf

[3] Poverty and Inequality Commission (2023) *Child Poverty Delivery Plan progress 2022-2023*. Available at: https://povertyinequality.scot/wp-content/uploads/2023/06/Exec_Summary_Child_Poverty_Delivery_Plan_progress_2022-2023_Scrutiny_Poverty_and_Inequality_Commission.pdf

children out of poverty, over and above the 40,000 children expected to be lifted out by existing payments. **Increasing the Scottish Child Payment to £40 per week is necessary to reach our interim targets, while also making good progress towards the 2030 goal.** [4] Further increases in value is particularly important in the context of the ongoing cost of living crisis, with parents who engaged in research by Save the Children highlighting that the payment does not go far enough. One parent stated, “*you can use it [the Scottish Child Payment] towards taking the kids out for the day [but] you are not getting its intended use because you are cutting back on so many things*”. [5]

Further to this, in our response to the Social Justice and Social Security Committee’s consultation on the Social Security (Amendment) (Scotland) Bill, [6] we signalled our support for changing the legislative underpinning of the Scottish Child Payment. Redefining this as a stand-alone ‘childhood assistance’ payment rather than a ‘top-up’ benefit would allow greater flexibility in the design and delivery of SCP, helping to free more households from the grip of poverty.

This would include those currently unable to apply for current qualifying benefits and spotlight the reality that some groups are still experiencing significant rates of poverty compared to others, such as those with no recourse to public funds and young parents. Changing the legislative footing of the payment would also function as an interim step towards a Minimum Income Guarantee - an idea which has transformational potential for tackling poverty in Scotland.

Parental employability

There remains a critical role for the labour market in our approach to tackling poverty in Scotland. **The Poverty Alliance support the Scottish Government’s analysis in Best Start, Bright Futures about what is required in the realm of employability and paid work. However, the implementation gap means that these policy commitments are not yet enabling parents to escape the grip of poverty.** This is demonstrated by data which shows that **70% of children in poverty live in a household where someone is in paid work**, [7] a clear demonstration that the labour market is not yet working for everyone. We urge the Scottish Government to provide sufficient funding for the

[4] Institute for Public Policy Research (2023) *Poverty doesn’t have to be inevitable – it needs political will and investment to eradicate*. Available at: <https://www.ippr.org/blog/poverty-doesn-t-have-to-be-inevitable-it-needs-political-will-and-investment-to-eradicate>

[5] Save the Children (2023) *Scottish Government Budget Briefing*. Available at: https://www.savethechildren.org.uk/content/dam/gb/reports/scotland/save_the_children_budget_briefing_dec_2023.pdf

[6] The Poverty Alliance (2024) *Response to Social Security and Social Justice Committee: Social Security (Amendment)(Scotland) Bill*. Available at: <https://www.povertyalliance.org/consultation-response-social-security-amendment-bill/>

[7] Scottish Government (2023) *Poverty and Income Inequality in Scotland 2020-2023*. Available at: <https://data.gov.scot/poverty/index.html#Children>

implementation of the employability commitments in the Tackling Child Poverty Delivery Plan.

Mainstream employability programmes routinely do not account for caring responsibilities, and in particular fail to acknowledge that women's readiness to work will be impacted by these caring roles. [8] The Poverty Alliance welcomed the introduction of the Parental Employability Support Fund. However, to date, there has been insufficient data on outcomes to assess the extent to which this was meeting parents needs or making progress towards Scotland's child poverty targets. Moreover, as this funding has now been combined with that of No One Left Behind in the 2024/25 budget, [9] it is imperative that robust evaluation processes are embedded to measure how the programme is supporting parents to escape poverty.

Additionally, upskilling and reskilling support is vital for increasing opportunities for employment. Our lived experience work highlighted that cost continues to function as the biggest barrier to upskilling and reskilling, including the costs of broadband services which were often essential to find out about training opportunities, and to undertake skills support. [10] **Within our employability support, we must expand our focus beyond a singular focus on getting parents into paid work, and ensure we also place emphasis on progression.** This is particularly important for parents from the six priority families who are more likely to be concentrated in low-paid and insecure work.

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

[8] 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>

[9] Scottish Government (2024) *Scottish Budget: 2024-25*. Available at: <https://www.gov.scot/binaries/content/documents/govscot/publications/corporate-report/2023/12/scottish-budget-2024-25/documents/scottish-budget-2024-25/scottish-budget-2024-25/govscot%3Adocument/scottish-budget-2024-25.pdf> (

[10] The Poverty Alliance (2023) *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/wp-content/uploads/2023/10/COMBINED-Get-Heard-Scotland-Lifetime-skills-offer-June-2023.pdf>

Expansion of affordable and flexible childcare

To support parents into work, services such as childcare must be affordable and accessible. The Poverty Alliance have welcomed the introduction of the 1140 hours of funded childcare as a positive step in the provision of affordable and flexible childcare. However, while representing a significant increase on the previous offer, 1140 hours still only amounts to the duration of the school day and continues to fall short of full-time working hours. This limits the ability of primary caregivers, typically women, to work full-time. [11] Part-time work is correlated with low-paid employment [12] and the lack of full-time funded childcare options thus traps mothers in in-work poverty.

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. [13] **As a result of the need to top-up funded hours with paid-for provision, childcare costs continue to prevent low-income parents from increasing their working hours and earnings.** This is evidenced by a participant in our research with the Scottish Women's Budget Group, [14] Adabelle, aged 45-54 with three children, stated:

“Even if the Government help me, you have to top up and I’m only doing twenty hours, for three kids, so I just cannot afford it for after school club.”

An extension in the funded entitlement would reduce the costs for households, reducing the amount of money families require to reach an adequate standard of living, while also bringing benefits of enabling parents to enter employment, education or training. **The Scottish Government should work towards an expanded funded entitlement of 50 hours a week. To maximise impact on child poverty, we would support any expanded funded entitlement being initially offered to low-income households.** While additional commitments relating to childcare were announced in the 2023 Programme for Government, we are disappointed that this is limited to small-scale pilots.

Further to this, the delivery of the funded entitlement at the local level is often insufficiently flexible to meet the needs of families. Recent research by Scottish Government with families utilising the 1140 hours concluded that:

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

[12] Third Force News (2019) *Women benefit from living wage expansion*. Available at: <https://tfn.scot/news/women-benefit-from-living-wage-expansion>

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

[14] The Poverty Alliance and Scottish Women's Budget Group (2022) *“It's hard work being poor” Women's Experiences of the Cost-of-Living Crisis in Scotland*. Available at: https://www.povertyalliance.org/wp-content/uploads/2022/11/SWBG_PA_Cost_of_Living_Report_Final.pdf

“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.” [15]

The 1140 hours' effectiveness as a protection against child poverty has been limited by the lack of flexibility in delivery. This is a particularly significant problem for parents living in rural Scotland. The CPG on Poverty's recent inquiry into rural poverty [16] found that accessing, or affording, childcare is both a driver of poverty and a source of significant stress and distress for families experiencing poverty. In particular, the provision of childcare in rural areas also can be the determinant as to whether women can enter paid work, and how many hours they can work. In this way, **childcare provision traps many women and their children in poverty.**

The Scottish Women's Budget Group (SWBG) 2023 survey into childcare [17] highlighted the particular challenges faced by women who have childcare responsibilities during the cost-of-living crisis. One respondent stated:

“Finding childcare in rural areas is nightmarish and feels very much like an urban/rural inequality. We are entirely reliant on one person in the village, and if (and when) she retires, I have no idea what we are going to do. We don't live near family, so she is our only childcare support... we are still in a financially precarious position because of childcare and the astronomical rise in cost of living”.

Last year, Audit Scotland concluded that budget pressures, alongside risks around workforce and the sustainability of funded providers “risk limiting flexibility and choice for families which are important to achieving the intended policy outcomes”. [18] There is thus a need for greater investment in this policy to ensure that it is meeting the intended aims – including supporting parents into employment. Within this, there must be greater emphasis on ensuring providers have long-term staffing plans which enable greater flexibility in current and future delivery.

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

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

[17] Scottish Women's Budget Group (2023) *Policy Briefing: Childcare Survey 2023*. Available at: <https://www.swbg.org.uk/content/publications/Policy-Briefing---Childcare-Survey-2023.pdf>

[18] Audit Scotland (2023) *Early learning and childcare: Progress on delivery of the 1,140 hours expansion*. Available at: https://www.audit-scotland.gov.uk/uploads/docs/report/2023/nr_230601_early_learning_childcare.pdf

Housing

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, and housing continues to act as a principal barrier to tackling poverty in Scotland.

Child poverty rates after housing costs are generally lower in Scotland compared to other parts of the UK due to greater availability of social housing. Rising costs combined with a low supply of social housing is pushing people into inadequate homes that they cannot afford. This, in turn, stalls progress in addressing child poverty and improving health, education, and employment outcomes.

In the private rented sector, severe poverty nearly doubles once housing costs are taken into account, and relative poverty rises from 25% to 34%. [19] In 2022/23, 16,263 children were assessed as being homeless or threatened with homelessness. This is a 10% increase from 2021/22 and the equivalent of 45 children being made homeless every day. [20]

If we are to tackle child poverty in Scotland, urgent, drastic, and adequately resourced housing reform is vital. We welcome the introduction of the Housing (Scotland) Bill as a mechanism to help deliver this change, particularly in the context of addressing rising rent costs for private tenants and strengthening homelessness prevention measures. However, **there is a desperate need for the Bill to be accompanied by the full delivery of the Scottish Government's commitments on social housing, which is a key lever for poverty reduction.** The shortage of housing stock in Scotland is driving people into unaffordable and unsuitable housing. Despite this, the affordable housing budget saw a significant cut of almost £200 million in the last Scottish Government budget, delaying the provision of urgently needed affordable homes with far reaching consequences.

The Scottish Government have committed to build 110,000 affordable homes by 2032, with at least 70% for social rent. [21] Despite these welcome commitments, research by IPR Scotland, Joseph Rowntree Foundation, and Save the Children note that current trajectories indicate these goals will be missed. Their data highlights that from 2010 to 2020, the net increase in social

[19] Scottish Government (2024) *Poverty and Income Inequality in Scotland 2020-23*. Available at: <https://data.gov.scot/poverty/#Children>

[20] Scottish Government (2023) *Homelessness in Scotland: 2022-23*. Available at:

<https://www.gov.scot/publications/homelessness-in-scotland-2022-23/pages/the-extent-of-homelessness-in-scotland/>

[21] Scottish Government (2021) *Housing to 2040*. Available at: <https://www.gov.scot/publications/housing-2040-2/documents>

housing homes was around 10,000. [22] The Scottish Government must urgently match rhetoric with investment to meet their housing targets to make genuinely affordable housing an accessible option for a larger amount of people.

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