



## 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] In a country as wealthy as Scotland, this is simply not acceptable. The Poverty and Inequality Commission's latest scrutiny report on progress of the Child Poverty Delivery Plan makes clear that child poverty levels have stayed broadly the same as they were five years previously, when the plan was published. It states that *"meeting the [Scottish Government's] 2030 targets [on child poverty] will require transformational change in relation to all the drivers of poverty."* [2]

This sentiment is reflected in the Social Justice and Social Security Committee's report of their inquiry 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. [3]

Whilst action to raise incomes through policy interventions like the Scottish Child Payment is making progress - showcasing what can be achieved with commitment to, and funding for, significant change - we agree that **the necessary pace and scale of action on child poverty has not been taken to shift the dial on child poverty.**

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

[2] Poverty and Inequality Commission (2024) *Child Poverty Delivery Plan progress 2023-24*. Available at: [https://povertyinequality.scot/wp-content/uploads/2024/06/Child\\_Poverty\\_Delivery\\_Plan\\_progress\\_2023-2024\\_Scrutiny\\_by\\_the\\_Poverty\\_and\\_Inequality\\_Commission.pdf](https://povertyinequality.scot/wp-content/uploads/2024/06/Child_Poverty_Delivery_Plan_progress_2023-2024_Scrutiny_by_the_Poverty_and_Inequality_Commission.pdf)

[3] Social Justice and Social Security Committee (2023) *Addressing Child Poverty Through Parental Employment*. Available at: <https://bprcdn.parliament.scot/published/SJSS/2023/11/23/b218bca7-3c58-4de0-a0f3-25e93a7f4aee/SJSS062023R11.pdf>

The First Minister has made clear that the eradication of child poverty is the single most important policy objective for his government. This is very welcome, and we believe this to be the right priority. However, this ambitious commitment must be matched with bold, immediate action.

Our child poverty 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 accelerated investment in all 'Best Start, Bright Futures' commitments to close the policy implementation gap that is currently rendering it extremely challenging to meet the 2030 child poverty targets.

We also welcome the Scottish Government's wider work to develop a Minimum Income Guarantee which brings together action on social security, the labour market and our public services. Setting a solid income floor, below which nobody would be allowed to fall, would have transformational potential for tackling child poverty in Scotland. Our engagement with members has shown enthusiasm for this idea, and we look forward to the publication of the Expert Group's final report later this year. It is vital that our political leaders work together to progress the implementation of this critical policy proposal.

## The Scottish Child Payment

The Poverty and Inequality Commission make clear that the Scottish Child Payment has been amongst the key drivers of progress against Scotland's interim child poverty targets, [4] offering a vital lifeline as families continue to struggle to make ends meet. They state that, if interim child poverty targets have been met, which we will know in 2025, this would be largely due to the Scottish Child Payment.

**The importance of the Scottish Child 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 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

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[4] Poverty and Inequality Commission (2024) *Child Poverty Delivery Plan progress 2023-24*. Available at: [https://povertyinequality.scot/wp-content/uploads/2024/06/Child\\_Poverty\\_Delivery\\_Plan\\_progress\\_2023-2024\\_Scrutiny\\_by\\_the\\_Poverty\\_and\\_Inequality\\_Commission.pdf](https://povertyinequality.scot/wp-content/uploads/2024/06/Child_Poverty_Delivery_Plan_progress_2023-2024_Scrutiny_by_the_Poverty_and_Inequality_Commission.pdf)

necessary to reach our interim targets, while also making good progress towards the 2030 goal. [5] 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”. [6] **In this economic context, and to ensure this support maintains its strong impact, it is critical that the Scottish Government increase the Scottish Child Payment to £40 at the earliest opportunity.**

In our response to the Social Justice and Social Security Committee’s consultation on the Social Security (Amendment) (Scotland) Bill, [7] 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 the Payment, helping to free more households from the grip of poverty.

## Parental employment

There remains a critical role for the labour market in our approach to eradicating child 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. [8] With clear demonstration that the labour market is not yet working for everyone, we urge the Scottish Government to provide sufficient funding for the implementation of the employability commitments in the Tackling Child Poverty Delivery Plan.

Parents, particularly single parents, continue to experience a range of barriers to entering good quality employment and progressing in the labour market including the prohibitive cost of childcare and public transport. **This is particularly true for women, whose poverty is directly tied to child poverty.** Women’s economic and labour market inequality is a key cause of child poverty, and action to address the structural inequality women continue to experience in the labour market is therefore critical to meeting our child poverty targets.

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. [9] Analysis from Close the Gap has shown that

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[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>

[6] 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](https://www.savethechildren.org.uk/content/dam/gb/reports/scotland/save_the_children_budget_briefing_dec_2023.pdf)

[7] 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/>

[8] Scottish Government (2023) *Poverty and Income Inequality in Scotland 2020-23*. Available at: <https://data.gov.scot/poverty/index.html#Children>

[9] 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>

women are less likely to have access to training, particularly women working in low-paid part-time jobs; less likely to undertake training that will enable them to progress or secure a pay rise; and more likely to have to do training in their own time and to contribute towards the cost. [10] Generic employability and skills programmes replicate gendered patterns of skills acquisition and employment, ultimately entrenching occupational segregation and women's concentration in low-paid work. [11]

In that context, 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, [12] it is imperative that robust evaluation processes are embedded to measure how the programme is supporting parents to escape poverty.

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. 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. [13]

There is 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.

## Expansion of affordable and flexible childcare

To support parents into work – particularly women who are more likely to be primary caregivers and account for 91% of single parents [14] - 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

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[10] 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>

[11] Ibid.

[12] Scottish Government (2024) *Scottish Budget: 2024-25*. Available at: <https://www.gov.scot/publications/scottish-budget-2024-25/>

[13] The Poverty Alliance (2023) *Participation of people with experience of poverty and equalities organisations in the development of 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>

[14] 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>

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. [15] Part-time work is correlated with low-paid employment [16] 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.** [17] 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, [18] 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:

*“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.”* [19]

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”. [20] 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

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[15] 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>

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

[17] Scottish Government (2022) *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/pages/3/>

[18] 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](https://www.povertyalliance.org/wp-content/uploads/2022/11/SWBG_PA_Cost_of_Living_Report_Final.pdf)

[19] Scottish Government (2022) *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/pages/3/>

[20] 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](https://www.audit-scotland.gov.uk/uploads/docs/report/2023/nr_230601_early_learning_childcare.pdf)

emphasis on ensuring providers have long-term staffing plans which enable greater flexibility in current and future delivery.

## 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%. [21] 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. [22]

**If we are to eradicate 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 Scottish Government have committed to build 110,000 affordable homes by 2032, with at least 70% for social rent. [23] Despite these welcome commitments, research by IPPR 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 housing homes was around 10,000. [24] 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.

[21] Scottish Government (2023) Poverty and Income Inequality in Scotland 2020-2023. Available at: <https://data.gov.scot/poverty/>

[22] 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/>

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

[24] IPPR Scotland, Save the Children and Joseph Rowntree Foundation (2023) *Tipping the Scales: the social and economic harm of poverty in Scotland*. Available at: <https://www.ippr.org/articles/tipping-the-scales>

## Rural and island challenges

The Cross-Party Group (CPG) on Poverty – of which the Poverty Alliance are the Secretariat – recently held an inquiry into poverty in rural Scotland. [25] Looking at the Scottish Government’s three direct drivers of child poverty – cost of living; income from employment; cost of living; and income from social security support – the inquiry found that these are not only present for many rural families, but that rurality amplifies their impact on low-income families.

The necessity to travel further to access essential services and employment, the higher cost of goods, and harsher climates builds additional cost into people’s lives and into rural economies. As a result, the cost of living in rural Scotland is estimated at between 15 and 30% higher than in urban Scotland, [26] which is often referred to as ‘the rural premium’.

It is in the context of the rural premium that submissions to the inquiry highlighted the precarious, low-paid and seasonal nature of employment, which remains common in rural area. When coupled with the limited effectiveness of our social security system in combatting poverty in rural Scotland - as benefit levels do not reflect the cost of living rurally and benefit take-up is significantly lower in rural areas – maintaining a secure income is a significant challenge.

Further to this, the inquiry found that accessing, or affording, vital public services that enables work is both a driver of poverty and a source of significant stress and distress for families experiencing poverty. For example, the provision of childcare in rural areas 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 CPG inquiry report made clear that anti-poverty strategies must take better account of rural experiences, and key rural policies – like the Scottish Government’s forthcoming rural delivery plan – should have an anti-poverty mission at their core. In the implementation of Best Start, Bright Futures, it is vital that the Scottish Government embed analysis about the causes of, and solutions to, rural poverty throughout policy-making and service design.

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[25] Cross-Party Group on Poverty (2024) *Inquiry into rural poverty in Scotland*. Available at:

<https://www.povertyalliance.org/report-cross-party-group-on-poverty-inquiry-into-rural-poverty/>

[26] Scottish Government (2021) *Poverty in Rural Scotland: a review of evidence*. Available at:

<https://www.gov.scot/binaries/content/documents/govscot/publications/research-and-analysis/2021/12/poverty-rural-scotland-review-evidence/documents/poverty-rural-scotland-review-evidence/poverty-rural-scotland-review-evidence/govscot%3Adocument/poverty-rural-scotland-review-evidence.pdf>