



SHIFTING THE DIAL ON CHILD POVERTY

End Child Poverty Coalition's priorities for the 2024-25 Scottish Budget

- 1 in 4 children in Scotland are growing up in poverty. This has to change.
- Poverty strips away the opportunities for children and young people to learn, grow and develop fully, while robbing them of the happy and thriving childhoods that set them up for a life free from the harms of poverty.
- But child poverty is not inevitable, it is about political choices. By focusing investment on increasing household incomes, while improving services and opportunities for families in poverty, we can ensure no child suffers the harms of poverty.
- That is why the End Child Poverty Coalition in Scotland is calling on the Scottish Government to focus the 2024-25 Scottish Budget on driving down child poverty, ensuring it allocates the resources necessary to meet Scotland's legally binding targets.
- We welcome the progress made on reducing child poverty rates to date. But with the government's own modelling suggesting that interim child poverty targets are likely to be missed and the 2030 target fast approaching, further and faster action must be taken.
- The child poverty targets will not be met unless we start making progress now, and this necessitates significant action in the upcoming Budget.
- We are calling for the Scottish Government to use the upcoming Budget to:
 - Build on existing investment in the Scottish Child Payment by increasing this to *at least* £30 in this Budget, as committed to by the First Minister during the SNP leadership election¹, with a view to reaching £40 by the end of this parliament.
 - Apply a robust test across the entire Scottish Budget: will this meaningfully support Scotland's child poverty ambitions?

¹ [SNP leadership debate: Humza Yousaf, Kate Forbes and Ash Regan set out visions for Scotland — as it happened | Scottish National party \(SNP\) | The Guardian](#)

- Specific investment should include:
 - Bolstering the wider income supports provided to children in low-income households, such as Best Start grants, ensuring – at the very least – they retain their real terms value.
 - Ensuring the Scottish Welfare Fund is adequate and accessible, at a time of rising need – including deepening food insecurity – fuelled by acute income crises.
 - Delivering on the Scottish Government’s commitment to invest in holistic whole-family support.
 - Mitigations for those affected by the punitive Two Child Limit and the Young Parent Penalty via top ups or additional payments for those unfairly affected.
 - Deliver on the commitment to fully roll out Free School Meals to Primary 6 and Primary 7 in the next financial year (not waiting until 2026).
 - Helping parents to increase income from employment, through increasing quality and accessible funded childcare, investing in person-centred employability support, and embedding child poverty focused labour market policies, including fair work. This is particularly important for women, who are more likely to be primary caregivers and account for the majority of single parents.
 - Supporting migrant children, caregivers and providing additional support for priority families.
- To increase investment in tackling child poverty in 2024-25 and beyond, we urge the Scottish Government to use devolved tax powers progressively and ambitiously to raise additional revenue and incentivise fair work, including via tax reforms, reflecting the First Minister’s recognition that “Scotland is a wealthy country, but that wealth is not distributed evenly”.²

Why action is needed

All children deserve a decent standard of living, now and for good. But for 1 in 4 children currently living in poverty in Scotland, this right simply is not being met.

The wide and deep harms of poverty, which far too many children continue to experience, can be avoided. That is why the Scottish Government must use all the tools at their disposal to develop a Scottish Budget that prioritises driving down poverty rates. To make a real difference for children in the long-term, this needs to be a Budget that invests in tackling the root causes of poverty, so that we are not simply responding to poverty but are preventing it in the first place. Since children's poverty is inextricably linked to women's poverty, it is important there are actions targeting the root causes of women's labour market and socio-economic inequalities that underpin women's higher rates of poverty.

Since the root causes of poverty are fundamentally about families lacking sufficient income, the Budget must include measures to increase financial security for families with children. Families need predictable, consistent, and sustainable incomes. We must see a cash-first response for families now and in the long-term.

This Budget must recognise that further action is required as quickly as possible, if we are to shift the dial on child poverty rates significantly enough to meet the statutory child poverty targets by 2030.

And evidence shows that we simply cannot afford not to do this. With 1.1 million people estimated to live in poverty in Scotland, with food bank use at an all-time high³, poverty is costing individuals, families, communities and our economy. The impact of entrenched poverty is seen across educational attainment, health outcomes, long-term earning potential and mortality rates. A recent report has shown that around £2.3 billion of health

² <https://www.gov.scot/publications/new-leadership-fresh-start-scotland-first-ministers-speech-18-april-2023/>

³ [Food banks Scotland: Trussell Trust hands out almost 130,000 parcels | The Herald \(heraldscotland.com\)](https://www.heraldscotland.com/news/food-banks-scotland-trussell-trust-hands-out-almost-13000-parcels)

boards' budgets is directed towards responding to the impacts of poverty; a quarter of a billion is spent in schools seeking to address the consequences of poverty; and a conservative estimate is that there is around £2.4 billion in lost income each year due to historic child poverty – up to 1.5 per cent of Scottish GDP.⁴

What the upcoming Scottish Budget should include

People in Scotland believe in justice and compassion. To create the Scotland we all want to see, where no child suffers the avoidable harms of poverty, further sustained action is needed across the three key drivers of child poverty:

- (1) The adequacy of income from social security.
- (2) The adequacy of income from employment.
- (3) Tackling the cost of living.

We are calling on the Scottish Government to use the upcoming Budget to make progress against all three drivers of child poverty. Action to tackle these drivers also means investing in poverty-reducing public services, including holistic whole-family support.

Additionally, action to reduce child poverty must have a clear focus on those most vulnerable to experiencing poverty, in order to ensure that help reaches those who need it most. This means providing additional support for migrant children, caregivers, and the six priority families: lone parents, young mothers (under 25 years old), minority ethnic families, large families (with three or more children), families with a baby under one, families with a disabled adult or child.

Given the intersectionality of poverty and the inextricable links between women's poverty and child poverty, action is required to tackle the gender inequalities that underpin women's higher rates of poverty.

Action on increasing income from social security

We welcome the significant investment that has been made in the Scottish Child Payment (SCP). We know this is having a very real impact on families across Scotland, with the Payment expected to lift 50,000 children out of poverty. However, investment in the SCP must be sustained, deepened, and gaps in entitlement filled. This Budget must:

- Increase the Scottish Child Payment- as a minimum, to the £30 per week that the First Minister's committed to during his leadership campaign. By April 2024, this crucial Payment will not have been increased for 16 months. Yet families have been facing inflation rates that haven't been seen for decades, with costs still rising, and low-income households worst affected. We also strongly believe the SCP should be increased to £40 within the lifetime of this parliament.
- Provide sufficient additional resources to mitigate the impact of the two-child limit and younger parent penalty in order to maximise the impact of the SCP.

Beyond the SCP, the Best Start Grants, Best Start Foods, school clothing grants and free school meals all provide much-needed support to low-income families. We believe that all this support must be protected and expanded upon.

We welcome the cash-first approach to the provision of free school meal replacement support over the school holidays by local authorities: it is important that this continues to be resourced. Systems need to be established to enable a cash-first approach to free school meals for those that are not in school over mealtime, such as those students who are on part-time timetables, face formal and informal exclusions, are on study leave, have medical reasons or are home schooling. We know that the stigma attached to being entitled to free school meals

⁴ Whyte P, Hawkey D and Smith C (2023) *Tipping the scales: The social and economic harm of poverty in Scotland*, IPPR Scotland, JRF and Save the Children [tipping-the-scales-may23.pdf \(ippr.org\)](https://www.ippr.org/publications/tipping-the-scales-may23.pdf)

significantly hampers take-up. This could be tackled by making all children and young people eligible for free school meals. This Budget must:

- Increase the level of Best Start Grants and Best Start Foods from April 2024, by at the very least the rate of inflation to ensure they retain their real terms value.
- Implement plans to remove income thresholds from Best Start Grants and Best Start Foods at the earliest possible opportunity.
- Provide resource to immediately extend eligibility to free school meals to all children in primary school and at the very least to all secondary school pupils where a parent or guardian is in receipt of universal credit or equivalent benefit.
- Increase the eligibility criteria and value of school clothing grants to maximise the number of families that are supported with costs.
- Ensure local authorities have the resources to enable a cash-first approach to free school meals for those that are not in school over mealtime.
- Make a commitment to write off all historic school meal debt which is further penalising low-income families and working against the poverty reduction priority.

Action to help increase income from employment

The parents we work with, especially mothers, continually tell us how the labour market simply does not work for them. Women account for the majority of low-paid workers in Scotland, and two-thirds of workers being paid less than the living wage are women. Tackling women's low pay and addressing child poverty should be viewed as intertwined ambitions.

We know that access to, and the ability to sustain, well-paid, decent employment goes hand-in-hand with parents being able to source accessible, flexible and affordable childcare. This is especially true for women whose most immediate barrier to work, study and training is childcare. There also remain particular barriers to accessible, flexible and affordable childcare for parents of disabled children, contributing to the higher rates of poverty for households with a disabled person. The government must boost the provision of accessible, flexible and affordable childcare through the delivery of the increased funded childcare entitlement for young children at the earliest opportunity. And this must focus on quality childcare to improve development outcomes for children. This Budget must:

- Invest in further expansion of high-quality, accessible, and flexible early learning and childcare.
- Expand the pilot to provide early learning and childcare from the time maternity leave ends to all eligible families across Scotland.
- Drive improvements in the quality of work, particularly in sectors that are dominated by women such as social care and childcare – including addressing low-pay and insecure work.
- Reduce barriers to entering and remaining in well-paid employment for those groups identified as being in higher risk of poverty; this includes people impacted by disability, lone parents, women, BME communities and larger families.
- Ensure there are sufficient resources invested in employability services to ensure the targets in the child poverty delivery plan are met and to make sure they are designed with the specific needs of women in mind.⁵
- Allocate sufficient funding for the implementation of the employability commitments in the Tackling Child Poverty Delivery Plan, including the delivery of a parental transition fund at the local level, to ensure that employability support meets the needs of priority families.

⁵ <https://opfs.org.uk/policy-and-campaigns/policy-research/employment-employability-and-education/thriving-not-just-surviving/>

Improve cash-first crisis support for families struggling with the cost-of living crisis

For those on the lowest incomes, the Scottish Welfare Fund can be a vital lifeline when facing periods of acute income crisis, whether this is through changes to their benefits, income from employment, or due to significant increases in costs. Yet our organisations have mounting evidence that the Fund is often neither adequate nor accessible, with best practice models of delivery not always implemented.

In many cases, the Scottish Welfare Fund does not appear to be acting as the safety net it is intended to be for families in urgent financial need. Through working directly with families, our organisations such as Aberlour, One Parent Families Scotland, Save the Children and the Trussell Trust find that families often do not realise they are entitled to support from Scottish Welfare Fund. This Budget must:

- Ensure the Scottish Welfare Fund provides consistent and adequate support to those facing an acute income crisis, including when families face exceptional pressures; and
- Make significant enhanced investment in the Scottish Welfare Fund.

The ever-increasing complexity of social security, along with rising costs and insufficient wages, means more people than ever are seeking advice from welfare rights services. Evidence from CPAG's advice line consistently highlights that many people cannot access their maximum social security entitlement without expert help and advice. This Budget must:

- Provide sufficient investment to fund the expansion of income maximisation and advice services, including the training of new advisers.
- Put a pause on collecting debt and arrears owed to public bodies to provide breathing space for families.
- As the cost-of-living crisis continues and impacts disproportionately on low-income families, it is important that any additional funding through Barnett consequentials is targeted to support those most in need.

Provide holistic whole-family support

Increasing incomes is the bedrock of lifting children out of poverty. But critical financial support must go hand-in-hand with appropriate emotional and practical support for children and families that need it. Not only will this prevent families reaching crisis point, but it can also help prevent families from cycling in and out of poverty. Families have a right to the help and support they need to bring up their children. We need a clear commitment to sustainable investment in holistic whole family support, if we are to ensure early and preventative help is available to all families who need it in line with both The Promise and the UNCRC. To achieve this, the Budget must allocate significant additional funding to ensure that parents have the right kind of support, at the right times, in a way that truly works for them. This Budget must:

- Provide sufficient resources to implement a national approach to holistic whole family support that guarantees practical, emotional and financial help and assistance to all families across Scotland who need it. Anti-poverty and income maximisation work should be embedded into all whole family support. Specifically:
 - The Scottish Government's Whole Family Wellbeing Fund should be prioritised and ring-fenced to provide the much-needed support now.
 - All beneficiaries of the fund should be required to demonstrate how they have embedded the anti-poverty practice and policy into the service provided;
- Ensure a collaborative approach to delivering holistic whole family support between public and third sector that maximises the capacity, skills and experience of providing extra help for struggling families across Scotland;
- Provide sufficient resource to meet high levels of need for mental health services for adults and children affected by poverty.

Maximise the use of devolved taxation to raise vital additional revenue to help tackle child poverty, while committing to broader tax reform that targets wealth and incentivises fair work

We recognise that the Scottish Government faces a difficult financial context, including due to the impact of inflation. However, these pressures cannot be allowed to de-rail delivery of the statutory child poverty targets. Additionally, we must recognise that by any measure, Scotland is a wealthy country, and that the resources to tackle child poverty are therefore plentiful. That's why more must be done to use devolved taxation to raise as much additional finance as possible in the fairest possible way, so those with the most, pay progressively more. It is also increasingly clear that broader tax reform is essential to shift the tax burden away from income and towards wealth, while also incentivising employers to deliver fair work. This Budget should:

- Use Scotland's existing taxes progressively to raise additional revenues in 2024-25 that support delivery of the recommendations outlined within this briefing.
- Kick-start tax reforms to ensure the full suite of devolved and local taxes are as fair and progressive as possible, including to raise sufficient revenues for investment and to shift the focus of tax from income to wealth, while developing new ways to use tax to incentivise increased provision of fair work in Scotland.

This briefing is from End Child Poverty Scotland Coalition members. For more information, please contact: **Suzi Murning, Policy and Advocacy Adviser Scotland, Save the Children** s.murning@savethechildren.org.uk