

POWERS WITH A PURPOSE:

POVERTY ALLIANCE MANIFESTO
SCOTTISH PARLIAMENT ELECTIONS 2016

“Scotland needs to build a social security system that is a genuine safety net for those that need it, and that can also be a springboard out of poverty.”



Introduction

The Poverty Alliance is the national anti-poverty network in Scotland. We are an independent organisation with more than 200 members, with members drawn from the grassroots community groups, voluntary and public sectors, trade unions, researchers, faith groups and individuals with direct experience of poverty. Our aim is to work with others to enable communities and individuals to tackle poverty. We have a number of key policy areas that provide the focus for our activities; these are addressing low incomes, supporting services to address poverty, enhancing the participation of people with direct experience of poverty in policy development processes, and addressing attitudes to poverty. The content of this manifesto has been developed from our work over the last year, and represents some of the key concerns that we have heard from our members and others attending over events over that time.

Context

In 2013/14, there were 730,000 people living in poverty in Scotland, rising to 940,000 after housing costs are taken into consideration. More than one in five children in Scotland live in poverty, around 210,000 children. Given that Scotland and the UK are some of the richest countries in the world, the Poverty Alliance believes that this is unacceptable and that more must be done to ensure that everyone is able to reach their full potential. What is perhaps the most shocking of all is that over half of children in poverty in Scotland are living in a household where someone works meaning that for many work is no longer a route out of poverty. We also know that some groups are more likely to experience poverty than others – disabled people, women, and people from ethnic minority groups. A future Scottish Government must ensure that its strategies effectively target all those living poverty.

The Scotland Bill, currently passing through the UK Parliament, promises new powers for the Scottish Parliament and it is vital that consideration is given as to how we use these to tackle poverty. The Scotland Bill will deliver around £11bn of income tax powers to the Scottish Parliament, and £2.7bn of welfare powers. However, this £2.7bn is based on the figures for 2014-15 and is likely to reduce as welfare cuts deepen.

The Scottish Parliament currently controls around 60 per cent of public expenditure in Scotland, and these new powers mean that the Scottish Parliament will be responsible for raising more than half of what it spends for the first time. Powers over the design of a new work programme, and the ability to top up benefits have the

potential to help mitigate against the worst aspects of welfare reform, and improve the lives of people across Scotland.

Scotland needs to build a social security system which is a genuine safety net for those that need it, but is also a springboard out of poverty. The fact that benefit levels are so far removed from the Minimum Income Standard means that for many the social security system is what is actually trapping them in poverty. Benefits for working-age adults are particularly poor compared to the Minimum Income Standard.

However, we also need to do more for those who are in work. We would like to see everyone in Scotland get paid at least the Living Wage, but high quality, well paid work is about more than money and we should be looking at other ways to ensure that all of Scotland's employers are good employers.

We must do more to tackle the stigma associated with poverty. For many of the people we work with this is one of the most damaging side effects of living in poverty. People feel judged, especially when accessing services, and we must do more to end this negative judgement.

The Poverty Alliance has been encouraged by the increased focus in public debate on issues of poverty and inequality. However, change is not being delivered quickly enough for those who are living on low incomes in Scotland. We hope that the next Scottish Government will give take on the recommendations below, and work with all those across Scotland who wish to see the eradication poverty.



Our Priorities

1

A comprehensive anti-poverty strategy for Scotland

Too often our approaches to addressing have been piecemeal, uncoordinated and lacking leadership. There has been a failure to connect actions taken at the local and national levels by policy makers, and lack of proper representation and involvement of both the third and private sectors. Useful national approaches, such as the Child Poverty Strategy or the Achieving Our Potential Framework, have not led to the change that should have been expected. The existence of a comprehensive national anti-poverty strategy does not guarantee success, but it does allow us to collectively identify all those changes that are required to reduce poverty.

The last Scottish Government carried out an extensive engagement process around what a fairer Scotland would look like. The incoming Government should build on this work and complete work on the strategy. This strategy should be long term, cover all groups and ages and should ensure that people can realise their fundamental human rights. Given the weakening of the UK Child Poverty Act, the next Scottish Government should introduce Scottish Poverty Reduction Bill that would require the production of a long-term antipoverty strategy, periodic reviews of the strategy, and the active engagement of civil society and people with experience of poverty in its development and review.

Social Security

2

Top up child benefit

As members of the Scottish Campaign on Welfare Reform, we have called for the next Scottish Government to commit to using new powers to top up child benefit. Child benefit has a high take up rate and provides valuable support with the costs of raising children. By topping up child benefit to a meaningful rate, we could restore incomes for families who have seen their income reduce as a result of changes in the social security system.

3

Top up means tested benefit rates for working age adults

Following years of welfare reform, it is clear that our social security system is no longer the safety net it was designed to be and this is particular true for working age adults. Rather than lifting people out of poverty, low benefit rates are trapping many people in it. We believe that benefits for working age adults should be increased, ultimately with the aim of moving towards the Minimum Income Standard, which is based on research of what the public thinks a household needs to achieve an adequate level.

4

Re-design the assessments process for disability benefits

The Scottish Parliament will soon gain powers over disability benefits. It is essential that any new system changes how we assess people for these benefits. People with terminal and lifetime conditions should not be required to be reassessed. It is also clear that disability and carers benefits are inadequate, and we believe that these should be redesigned in a way which lifts people out of poverty.

5

Keep choice at the heart of the devolution of Universal credit – allowing claimants to choose who the benefit is paid to and how frequently

Choice of the individual, dignity and respect must be at the heart of our social security system. As part of this, we would like to see choice built into the devolution of Universal Credit. Claimants should be given the option to choose who payments are made to i.e. directly to landlords or childcare providers, or to themselves, and they should also be able to decide how frequently these payments are made. Everyone is different and it is important that we make our social security system as flexible as possible to respond to people's different needs.



Services

6 Employability Services

Ensuring that there is appropriate support for all those who need it to access the labour market is an essential component of any strategy to address poverty. Whilst more needs to be done to ensure that sufficient quality jobs are available, there is more than can also be done to provide better support to access the labour market. The next Scottish Government should use the opportunity of the devolution of the Work Programme to develop an approach that focuses on providing high quality training to help people into decent jobs. The new service must provide help more quickly for those who need it most, and should ensure that appropriate help is targeted on people with disabilities, women and people from ethnic minorities.

7 Ensure that no family pays more than 10 per cent of their income on childcare

While childcare is about more than getting women into work, one of the biggest barriers to women entering the labour market is the lack of quality, affordable and flexible childcare. The average annual cost of childcare in Scotland is over £5,000 for 25 hours care per week for children under the age of five. This is quite simply unaffordable for many families on low incomes.

Families in Scotland are spending over twice the OECD average with parents in Scotland spending 27% of their household income on childcare, compared to the average of parents in OECD countries which is just 12%. We would support the recommendation of the Commission on Childcare Reform that the net cost to parents should be on a sliding scale that takes account of income to ensure affordability for all families. In the long term, no family should be required to spend more than 10% of net household income on the cost of childcare.

8 Invest in high quality social housing

The difference in the relative poverty rates for before housing costs and after housing costs illustrate the impact that the rising cost of housing is having on people's lives. Part of this difference can be attributed to the rising number of people in poverty living in private rented accommodation and the fact that housing costs are rising faster than people's incomes. The next Scottish Government must invest in social housing to ensure that everyone who needs it is able to access affordable, quality housing.

Pay, Employment and Taxation

9 Add family friendly working commitment to Scottish Business Pledge

If we are to end the underemployment of women, then we need to tackle the barriers to full time employment. This means there must be flexible, affordable childcare, but also employers must be flexible, and responsive to the needs of their employees. We would support adding a family friendly commitment to the Scottish Business pledge, recognising the need to support parents back into the work place, and their ongoing family commitments.

10 Shift the focus of the unemployment benefit system from sanctions to support

The UK has one of the most punitive systems in the EU for those on unemployment benefits and one of the lowest rates of investing in the people who are unemployed to increase their chances of returning to stable, well-paid employment. While conditionality remains reserved at UK level, the devolution of employability powers provides an opportunity to re-think how we can help people back into work. We should re-design the system so that it provides holistic support for people, and the opportunity for meaningful training early in their unemployment spell.



11 Further promotion of the Living Wage, targeting specifically those sectors where low pay is prevalent

Over half of children living in poverty in Scotland live in a household where someone works. It is unacceptable that people can be working and yet still not earn enough to live a dignified life and participate fully in society. The development of the Living Wage accreditation system in Scotland has encouraged hundreds of employers to adopt the Living Wage and has ensured a pay increase for thousands of workers. The next Scottish Government should continue to support the system of accreditation and should do more to target support to those parts of the economy where low pay is most prevalent.

12 Exclude those who practice tax evasion from public contracts

It is important that we use public funds to support companies committed to providing high quality, well paid jobs for people, and to companies which are willing to contribute their fair share to our economy in return.

13 Use tax raising powers to address poverty

Scotland already has powers to raise income tax through the Scottish Rate of Income Tax (SRIT), and it will soon have further powers with much greater flexibility. The SRIT is a moderately progressive tax while future powers could be even more so. The current Council Tax system is regressive but the Scottish Government already has the power to change it. The next Scottish Government should start using these powers in progressive ways to take forward the fight against poverty.

Dignity and Participation

14 Create a socio-economic inequality duty in Scotland

The Scottish Government should place a duty on public sector bodies that requires them to exercise their functions (including budget setting) in a way that is designed to reduce the inequalities of outcome which result from socio-economic disadvantage. This will ensure that the poorest are protected and supported as spending decisions are taken. We also believe that enactment of a socio-economic duty would help to ensure that all parts of Scotland are treated with dignity and respect.

15 Enacting the Participation Duty

The Community Empowerment Act has created a new participation duty on public bodies in Scotland. It is vital that the next Scottish Government develops regulations that will see this duty used in a way that helps to address to 'poverty of participation' that is experienced by many communities in Scotland.

16 Tackle negative attitudes towards those living in poverty

We believe a public campaign to raise awareness about the negative impact of stigma on people living in poverty is necessary. Attitudes towards people experiencing poverty and towards the social security system have hardened over the last 20 years. This situation is not inevitable. All political parties should commit to addressing these negative and stigmatising beliefs. In addition, the next Scottish Government should work with civil society organisations, and people living in poverty, to develop clear actions to address stigma.

17 Involve people with direct experience of poverty in the development of policy

Creating meaningful dialogue between policy makers and those that are directly affected poverty allows for better and more accountable decision making. The Scottish Government should convene a Poverty Stakeholder Forum involving people in poverty and wider stakeholders, to oversee the ongoing development of anti-poverty policy.

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