

Poverty Alliance Briefing for Scottish Parliament Member's Debate: Challenge Poverty Week 2023



What is Challenge Poverty Week?

Challenge Poverty Week was launched by the Poverty Alliance in 2013. We wanted to highlight the injustice of poverty in Scotland, and to show that collective action based on justice and compassion can create solutions. The week is an opportunity to raise your voice against poverty and unite with others in calling for a just and equal Scotland. Each year, hundreds of organisations in Scotland do just that, including elected representative, charities and NGOs, local authorities, faith groups, businesses, school and colleges, trade unions, professional bodies and more. This year, Challenge Poverty Week will take place between the 2nd and 8th of October.

1. Introduction

Too many people across Scotland, including 250,000 children, are having their life chances restricted by the injustice of preventable poverty. The latest poverty and inequality statistics show that poverty remains far too high in Scotland. Covid-19 and the ongoing cost of living crisis have contributed to a rising tide of poverty as people struggle to access adequate incomes that would enable them to live a dignified life. The inadequacies of our social security system and structural issues in our labour market have been further illuminated by these dual crises. It's never been more important to raise our collective voices against poverty.

Challenge Poverty Week 2023 took place between the 2nd and 8th of October. Over 400 organisations from a range of sectors took part in the week. Hundreds of events also took place across Scotland, both in-person and online, to shine a light on particular aspects of poverty. For example, the Scottish Women's Budget Group and Engender highlighted violence against women and women's poverty; the Christian Churches held an event on the Minimum Income Guarantee; schools integrated issues of poverty into lesson plans; the charitable arms of our football clubs held collections for people in their communities; employers shared their motivations for delivering fair work and the real Living Wage; the Poverty Alliance held a daily breakfast briefing to discuss the week's policy asks; faith groups came together with a joint statement on poverty; and business representatives restated the importance of leadership in ending poverty.

There was a key role for our politicians too. Poverty Alliance members met with the Cabinet Secretary for Social Justice to explore how we can work together to end poverty; the First Minister met with people living on low incomes to build better solutions to poverty; elected members took to social media to highlight the problem of poverty, and local solutions; and MSPs gathered on the steps of Holyrood to raise their voice against poverty.

At the Poverty Alliance, we know that Challenge Poverty Week is the accumulation and representation of the work that happens every single day in our communities. We must collectively take forward this resolve and energy into our wider work to end the injustice of poverty for good.

2. Poverty in Scotland

Poverty interacts with, and has far-reaching consequences for, Scotland's national outcomes. The injustice of poverty is not only bad for individuals, but for our economy too, stifling economic benefits, and contributing to negative health and wellbeing outcomes. The causes and consequences of poverty were brought into sharp focus during the Challenge Poverty Week. The Joseph Rowntree Foundation's Poverty in Scotland report concluded that we were not on track to meet our child poverty targets; that poverty is deepening; and the cost of living crisis is still here. The report also highlighted the issue of in-work poverty, with over 10% of workers in Scotland being locked in persistent low pay. Almost three-quarters (72%) of these workers are women.

Financial insecurity and poverty are key drivers of poor mental health. Research from the Mental Health Foundation has shown that people struggling to pay their rent or mortgage, feed their families, or cover essential bills are at higher risk of developing mental health problems including anxiety and depression. Figures from March 2023 show that almost half (49%) of Scottish adults reported that their mental health is being negatively impacted by the cost of living crisis and 13% said that their mental health is being negatively impacted to a large extent.¹ A recent report by the Cross Party Group on Poverty in the Scottish Parliament also highlighted that poverty-related stigma is extensive and deep-rooted in Scotland. This stigma continues to manifest in several reinforcing ways, impacting people's mental health and wellbeing; erecting barriers to accessing support; restricting educational attainment; and influencing the design and resourcing of policies that can tackle poverty.²

The risk of poverty continues to be disproportionately high for particular groups including disabled people; women; Black and minority ethnic people; and single parents, over 90% of whom are women. However, despite this evidence, the needs and experiences of particular groups often remain an afterthought in policymaking. For example, despite concerning evidence relating to disabled people's poverty - including data from the Joseph Rowntree Foundation which found a significantly greater risk of deep poverty in households where someone is disabled - there remains a lack of concentrated action to address these trends.

3. Our policy asks for Challenge Poverty Week 2023

¹ Mental Health Foundation (2023) *Latest figures show those most impacted by cost-of-living crisis experience the most mental distress* available at <https://www.mentalhealth.org.uk/scotland/explore-mental-health/blogs/latest-figures-show-those-most-impacted-cost-living-crisis-experience-most-mental-distress>

² Cross Party Group on Poverty (2023) *An inquiry into poverty-related stigma in Scotland: Key findings and recommendations* available at <https://www.povertyalliance.org/wp-content/uploads/2023/03/Summary-briefing-of-the-inquiry-into-stigma-CPG-on-Poverty.pdf>

This year, our policy asks for Challenge Poverty Week were the basis of our asks for the Programme for Government, and will remain our focus for the Scottish Budget. These policies were formed in collaboration with a short life working group with representation from public bodies, the private sector, and a variety of third sector organisations giving them a solid foundation of expertise across sectors.³ They are designed to turn our shared values of justice and compassion into action, and to highlight to our politicians what action is required to build a Scotland free from poverty.

The anti-poverty movement are collectively calling for substantive action to ensure Scotland is a place where: we support our communities and volunteers; we have safe, secure and sustainable homes; we all have enough to live a decent and dignified life; we can all get where we need to go; and no one goes hungry. In placing emphasis on food, housing and transport, our policy asks are focused on meeting people's basic needs, and realising the human rights of people in Scotland.

In a letter to the First Minister in August, some 150 charities, trade unions, campaign groups, and community organisations came together to ask the First Minister to put action to tackle poverty at the heart of the Programme for Government.⁴ These diverse organisations showed their support for the critical actions outlined in this briefing, in recognition of the fact people living in the grip of poverty cannot afford to wait. It's time to build a fairer, greener Scotland where everyone has access to an adequate income that allows for a dignified and decent life. More detail on our policy asks can be found in section six of this briefing.

4. Putting action to tackle poverty at the heart of the Scottish budget

The Poverty Alliance and our membership have welcomed the development of key strategies designed to tackle poverty and inequality in Scotland, including the Tackling Child Poverty Delivery Plans; the Fair Work Action Plan; and A Fairer Scotland for Disabled People. These strategies have been accompanied by the introduction of statutory child poverty targets. While this leadership on the issue is extremely important, and Scottish Government actions are forecast to lead to a fall in child poverty, it has not yet facilitated a meaningful reduction in overall poverty rates in Scotland. The latest scrutiny report from the Poverty and Inequality Commission concluded that, without urgent and concentrated action, the Scottish Government will miss both the interim and 2030 child poverty targets.⁵

Scotland's First Minister has stated that the defining mission of his leadership should be to reduce, if not eradicate, the injustice of poverty. The policy platform outlined in

³ The membership of the short life working group included: Age Scotland, abrdn, Christians Against Poverty, Church of Scotland, Glasgow Disability Alliance, Inverclyde Council, Lanarkshire Rape Crisis, The Larder, LIFT Edinburgh, Marie Curie, The Ripple Project, STAR Project, Station House Media Unit, and Stop Climate Chaos Scotland. Please note the policy asks and content of the accompanying briefings may not reflect the organisational views of each member of the working group.

⁴ See <https://www.povertyalliance.org/campaigners-unite-programme-for-government-2023/>

⁵ Poverty and Inequality Commission (2023) *Executive Summary: Child Poverty Delivery Plan Progress report 2022-23 Scrutiny report* 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

Equality, Opportunity, Community and the recently published Programme for Government builds on existing commitments and places continued focus on tackling poverty and inequality in Scotland. This commitment, and emphasis, must also be embedded into the forthcoming budget with tangible actions and clear timescales for implementation.

As per Humza Yousaf's commitment during the leadership election, we are calling for the Scottish Government to take action in the forthcoming budget to increase the Scottish Child Payment to help keep families afloat. Evidence highlights that the Scottish Child Payment must reach £40 if Scotland is to meet our interim child poverty targets.

5. Using Scotland's taxation powers to raise the necessary investment to end poverty in Scotland

As outlined in our policy asks, tackling poverty in Scotland requires greater investment in our social security safety net and the public services that we all rely on, but that are a vital lifeline for people on low incomes. Utilising Scotland's powers over taxation is a critical tool in building a fairer Scotland and raising the revenue needed for this investment. This should be a critical focus in the forthcoming Scottish Budget. The Scottish Social Attitudes Survey found that there is public support for changes to taxation, with nearly two-thirds of people in Scotland supporting increased taxation and spending on health, education and social security. Similarly, 68% said that income should be redistributed from the better-off to those who are less well-off.⁶

We have welcomed the First Minister's commitment to considering the introduction of wealth taxes and a new income tax band in Scotland. In addition to these changes, we urge the Scottish Government to deliver on the long-awaited fundamental reform of our unjust system of council tax. While the recent consultation on Council Tax is a welcome start, it does not represent the fundamental reform which is necessary to put justice and compassion at the heart of the system. Analysis for the Scottish Trade Union Congress concluded that the Scottish Government could raise £3.3bn by 2026 utilising their current powers over taxation.⁷ Research by IPPR Scotland also found that the First Minister's proposal to introduce a new tax band could raise between £110m and £260m.⁸

A joint briefing, published in September, from a range of organisations including the Poverty Alliance; Oxfam Scotland; IPPR Scotland; and the Scottish Women's Budget Group outlines that our critical national priorities, including action to challenge poverty, cannot be sacrificed due to a lack of funds. We believe a renewed approach to tax is urgently needed, and the Scottish Government must explore opportunities to

⁶ Scottish Government (2022) *Scottish Social Attitudes Survey 2021-22* available at <https://www.gov.scot/publications/scottish-social-attitudes-2021-22/pages/5/>

⁷ STUC (2023) *Options for increasing taxes in Scotland to fund investment in public services* available at https://stuc.org.uk/files/Reports/Scotland_Demands_Better_Fairer_Taxes_for_a_Fairer_%20Future.pdf

⁸ IPPR Scotland, Oxfam Scotland, Poverty Alliance, CPAG in Scotland, Scottish Women's Budget Group, One Parent Families Scotland, and the Wellbeing Economy Alliance Scotland (2023) *The Case for Fair Tax Reforms in Scotland* available at [The-case-for-fair-tax-reform-in-Scotland-Joint-briefing-FINAL_September-2023-1-2.pdf](https://oxfamapps.org) (oxfamapps.org)

harness Scotland's wealth to tackle poverty, utilising Scotland's powers over taxation to raise the revenue necessary to invest in our public services and social security safety net. This should include the launch of a cross-party process to replace the current Council Tax before the end of this parliament in 2026.

6. What are we asking for, and how do we get there?

This briefing provides an overview of our key policy asks, and the action that is required to achieve that ambition. More detail on the individual asks can be found in the accompanying policy briefings on the Poverty Alliance website.

A Scotland where we all have enough to live a decent and dignified life

What are we calling for?

The Scottish Government should ensure that everyone has access to an adequate income by taking the steps needed to deliver a Minimum Income Guarantee.

How do we get there?

We believe that the Scottish Government should take initial steps to deliver a Minimum Income Guarantee including action to:

- **Increase the value of the Scottish Child Payment.**
- **Increase the funded childcare entitlement and encourage greater uptake of funded hours.**
- **Accelerate the review of the adequacy of disability assistance to address the issues of additional costs facing disabled people, people living with long term conditions and terminally ill people.**
- **Review the council tax reduction and water rates discount for households with a view to taking significantly greater numbers of low-income families out of paying these charges.**
- **Ensure that the Minimum Income Guarantee is not undermined by public sector debt recovery.**

A Scotland where we have safe, secure, and sustainable homes

What are we calling for?

Ensure that everyone has access to a safe, secure and sustainable home that meets their needs.

How do we get there?

- **Adequately fund the delivery of new social homes through the Affordable Housing Supply Programme to meet a target of delivering 38,500 social homes by 2026.**
- **Implement a homelessness prevention duty on public bodies and ensure that public bodies are funded to meet that duty.**
- **Adequately fund, and advertise, support to improve energy efficiency in the home, including offering grants for energy efficiency measures for those on the lowest incomes, disabled people and those living with long-term or terminal illnesses.**

A Scotland where we value our communities and volunteers

What are we calling for?

Introduce fair and sustainable funding of three years or more for the third sector.

How do we get there?

To do this, the Scottish Government must provide funding for community and voluntary organisations that is:

- **Fair and recognises the value of the third sector.**
- **Longer-term, guaranteeing income of three years or more.**
- **Sustainable, including awards that cover inflation-based uplifts and full costs that include core operating costs.**
- **Accommodating of paying staff at least the Real Living Wage.**
- **Accessible through providing proportionate, and consistent approaches to applications and reporting.**

A Scotland where we can all get where we need to go

What are we calling for?

Improve the affordability and accessibility of public transport so all of us have the same freedoms to access essential services, employment and leisure.

How do we get there?

- **Expanding concessionary travel to under 25s, people in receipt of low-income and disability benefits, unpaid carers, students and modern apprentices, and asylum seekers.**
- **Integrate our transport systems and expand concessionary travel to include all modes of transport including rail, ferry and tram.**
- **Ensure local authority funding enables the design of public transport services and routes which meet the needs of local people.**

A Scotland where no one goes hungry

What are we calling for?

Ensure people have dignified access to good quality, healthy and sustainable food.

How do we get there?

- **Improve dignified and 'cash first' food insecurity responses, including boosting the value and administrative responsiveness of the Scottish Welfare Fund.**
- **Support wellbeing through community food approaches, including community growing; community food hubs; community larders and meals.**
- **Supermarkets should commit to setting the lowest prices, including cutting prices, on key basic food items, including pasta, bread and milk to reduce the costs of essentials.**

For more information, please contact:

Ruth Boyle, Policy and Campaigns Manager
ruth.boyle@povertyalliance.org

Ashley McLean, Policy and Parliamentary Officer
ashley.mclean@povertyalliance.org