

Response to the Scottish Government's call for evidence on the Tackling Child Poverty Delivery Plan 2026-31

March 2025

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

Welcome progress to reduce child poverty has been made by the Scottish Government since the introduction of the Child Poverty (Scotland) Act 2017, which has driven action through the 2018-22 and 2022-26 Tackling Child Poverty Delivery Plans. These actions are having a tangible impact, with the newly published Scottish child poverty statistics showing a four percentage point reduction in poverty levels; 22% of children were living in relative poverty in 2023/24, down from 26% in the previous year.¹ This is particularly as a result of investment in the Scottish Child Payment, a powerful intervention which is putting money directly in the pockets of low income families.

However, whilst these statistics reveal welcome progress, they also reveal that the Scottish Government's 2023/24 interim targets on child poverty have been missed, significantly. With more than one fifth of children still having their life chances restricted by the preventable injustice of poverty, child poverty rates remain indefensibly high. This undermines the human rights of children and young people, stripping away their opportunities to learn, grow and develop fully through happy and thriving childhoods.

We are therefore deeply concerned that modelling by IPPR Scotland shows that we are currently on a path to missing the Scottish Government's legally binding 2030 targets, possibly by some distance.² As we move closer to these targets then, it is clear that much more needs to be done to ensure that the Government delivers for Scotland's children.

It is in this context that we welcome the opportunity to contribute to the development of the next Tackling Child Poverty Delivery Plan. Ambitious commitments laid out in legislation and by political leaders must be matched with bold, immediate action. It is therefore vital that the Government bring forward a clear roadmap with costed policies that will ensure Scotland is able to meet its targets. The 2026-31 Plan must include a range of actions that work together and are transformative in scale. As such, there must be an accelerated investment in all existing commitments to close the policy implementation gap that is currently rendering it extremely challenging to meet targets, with further actions considered.

¹ Scottish Government (2025) *Poverty and Income Inequality in Scotland 2021-24*. Available at: <https://data.gov.scot/poverty/#Children>

² IPPR Scotland (2025) *Achieving the 2030 child poverty target: The distance left to travel*. Available at: <https://www.ippr.org/articles/achieving-the-2030-child-poverty-target>

Further to this, the Scottish Government should follow the recommendation of the Poverty and Inequality Commission to clarify and further develop how the priority family types are used to inform policy development, implementation and monitoring in policy areas related to the three key drivers of poverty.³ There must be a clear and consistent use of the priority family approach across Government portfolios to ensure that action is making a meaningful difference to the lives of those children and families who are most at risk of poverty.

³ Poverty and Inequality Commissioner (2024) *Child Poverty Delivery Plan progress 2023-2024*. 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 by the Poverty and Inequality Commission.pdf

Questions

Building on learning and evidence to date and following engagement with their External Reference Group, the Scottish Government have identified a number of key strategic themes which they would like to test, which are noted below:

- **Increasing earned incomes by supporting and providing opportunities for parents and carers, to enter, sustain and progress in work.** This includes through the likes of employability support and the provision of essential infrastructure such as childcare and transport.
- **Reducing the costs of living and maximising incomes from social security to allow families to live dignified lives and meet their basic needs.** This includes through the likes of social security, affordable homes, and advice services.
- **Delivering holistic and whole family support to improve outcomes and wellbeing and enable families to better engage with other services that directly increase their incomes.** This includes through action focused on preventing families falling into poverty and wider community-based support.
- **Supporting children and young people to reach their full potential and to break the cycle of poverty in the longer term.** This includes through the likes of early years support, education, and post-school transitions.

Across all of these themes they have also identified the need to retain a sharp focus on addressing the needs of the families at greatest risk of poverty, (including the six priority family groups identified: lone parent families; families with a disabled adult or child; larger families with three or more children; minority ethnic families; families with children under the age of one; and families with mothers under the age of 25) and to give consideration to other inequalities including the deeply gendered nature of child poverty and the challenges associated with living in rural areas.

Do you think these are the right themes to focus on?

We believe that the key strategic themes identified in this call for views are the right focus, but the balance and content of these themes must better speak to the key drivers of poverty:

- Reducing the cost of living should be standalone theme, and include both the need for action on everyday costs and reform to our public services;
- Maximising incomes from social security should be a standalone theme; and
- The theme of increased income through employment must explicitly recognise the need to improve access to good quality, secure and well-paid work.

We believe that the key strategic themes identified in this consultation are the right focus, making clear the diverse range of policy action needed to make meaningful progress in tackling child poverty. Further to this, we welcome a sharper focus across those themes on the priority family groups, as well as the gendered nature of poverty and the unique challenges faced by those living in rural areas, something which we highlight through our Taking Action on Rural Poverty project.⁴ However, we agree with other members of the End

⁴ More information available here: <https://www.povertyalliance.org/taking-action-on-rural-poverty/>

Child Poverty (ECP) coalition that there needs to a clearer balancing of the themes to effectively speak to the key drivers of poverty.

The causes of poverty are structural, relating to:

- Low wages, insecure jobs and unemployment;
- The high cost of living and services; and
- An ineffective social security system.

The 2022-26 Plan, *'Best Start, Bright Futures'*, identifies action on the above as drivers of child poverty reduction. **In that context – and to mirror the way that income from employment has been represented in the proposed strategic themes – both reducing the costs of living and maximising incomes through social security should be their own, distinct strategic themes.**

On reducing the costs of living, we believe that - as well as action to drive down the everyday costs like housing, food and energy - there should be explicit recognition of the need to reform the public services that offer a vital lifeline for people living on a low income. This includes strengthening our public transport infrastructure and care economy, including childcare and social care. We further agree with Aberlour and other members of the ECP coalition that there must be an explicit recognition of public debt in this strategic theme. An example of standalone strategic theme on reducing costs could therefore be: ***Reducing the costs of living and reforming our public services to ensure that they meet family's needs. This includes through action on housing, food insecurity, public debt, transport and social care.***

Social security is an efficient and effective means of getting more money into the pockets of families, and a lever which is at the Scottish Government's disposal to significantly reduce child poverty ahead of the 2030 targets. This includes support through the Scottish Child Payment and the forthcoming mitigation of the two-child limit in Scotland. An example of a standalone strategic theme on social security could therefore be: ***Maximising incomes from social security to allow families to live dignified lives and meet their basic needs.***

It is right that increasing earned incomes through work is a key strategic theme. However, at present, wages are failing to keep pace with the real cost of living, and rising insecurity in the Scottish labour market are undermining the impact of paid work on poverty rates. This means that employment is not always the route out of poverty it should be, exemplified by the reality that 61% of working-age adults and 75% of children living in poverty reside in a household where someone is in paid work.⁵

Good quality, secure and well-paid work - which is appropriate for a person's circumstances - is central to any anti-poverty strategy. Therefore, it is important that alongside action to support parents into work, this strategic theme must explicitly mention the need to drive improvements in the labour market, to make it both fair and flexible.

A reworded strategic theme on employment could therefore be: ***Increasing earned incomes by supporting and providing opportunities for parents and carers to enter and progress in good quality, secure and well-paid work. This includes through the***

⁵ Scottish Government (2025) *Poverty and Income Inequality in Scotland 2021-24*. Available at: <https://data.gov.scot/poverty/#Children>

likes of strengthening workers' rights, employability support and the provision of essential infrastructure such as childcare and transport.

Are there other key strategic themes we should consider?

We believe that the proposed key strategic themes are the right focus for this Tackling Child Poverty Delivery Plan.

What is working well and what actions should Scottish Government and partners either continue to do or to do more of?

The Scottish Government has placed a welcome and clear strategic focus on child poverty. However bold commitments must be met with bold action to make meaningful progress towards Scotland's legally binding child poverty targets. The Scottish Government must therefore go further on:

- Social security, through increases to the Scottish Child Payment and the establishment of further mitigating benefits;
- Parental employment, through driving improvement to Scotland's labour market and employment support services, and strengthening the of public services which are 'enablers' of employment, upskilling and reskilling, including transport and childcare; and
- Reducing the cost of living, through action on areas like public debt collection, the provision of free school and housing.

The Scottish Government has placed clear strategic focus on child poverty, with the eradication of child poverty the key policy objective of the current administration, sitting at the centre of the 2024/25 Programme for Government.

This focus has resulted in bold policy decisions - like the introduction of the Scottish Child Payment – which have undoubtedly made progress towards the Government's objective. However, the Poverty and Inequality Commission's latest scrutiny report on the progress of the Tackling Child Poverty Delivery Plan states that *"meeting the [Scottish Government's] 2030 targets [on child poverty] will require transformational change in relation to all the drivers of poverty."*⁶ Bold action must therefore be bolder still. This means scaling up and accelerating 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. In particular, actions which the Scottish Government should accelerate include:

1. Increasing incomes through social security

Scotland's social security system is delivering vital support for families through the principles of dignity and respect. This includes increases to family benefits like the Scottish Child Payment (SCP). The Joseph Rowntree Foundation's 'UK Poverty 2025' report highlights that child poverty rates in Scotland remain much lower than those in England (30%) and Wales

⁶ Poverty and Inequality Commission (2024) *Child Poverty Delivery Plan progress 2023-24*. Available at: https://povertyinequality.scot/wp-content/uploads/2024/06/Executive_Summary_Child_Poverty_Delivery_Plan_progress_2023-2024_Scrutiny_by_the_Poverty_and_Inequality_Commission.pdf

(29%).⁷ They are clear that this is largely down to the significant investment in SCP. The recent inquiry into the effectiveness of the SCP by the Scottish Parliament's Social Justice and Social Security Committee heard from expert evidence that further highlighted the payment as a well-targeted and cost-effective intervention. It has been the main driver of progress against Scotland's interim child poverty targets and, as such, the importance of this to children and families should not be underestimated.⁸

The SCP is a bold policy, and it needs to go further. We therefore see an initial increase of the SCP to £40 as a tool the Government should use to make an immediate difference to the lives of children and families across Scotland. We further recognise modelling that spotlights the need for a significant uplift to the SCP - alongside a suite of other policy interventions - over the course of this Plan to meet the 2030 targets.⁹ This means that further increases, beyond £40, will likely be required during the next Parliament.

We also echo the recommendations included in the ECP coalition's response to this call for evidence which state that the Scottish Government should:

- Consider mitigating the younger parent penalty through use of the SCP, as it has done in its commitment to mitigating the two-child limit in Scotland; and
- Build on the pilot to create a permanent national 'fund to leave' for women experiencing domestic abuse, a significant contributor to women's poverty.

2. Increasing incomes through employment

Fair work, with decent pay and family friendly conditions is a key factor in protecting families and children from poverty. However, the latest poverty statistics show that 75% of children in relative poverty after housing costs live in working families.¹⁰ For far too many parents in poverty, the labour market simply does not work for them. This is particularly true for women, disabled people and Black and minority ethnic (BME) people.

Women make up three-quarters of the part-time workforce in Scotland and account for 60% of people earning below the real living wage.¹¹ In 2022, just over 50% of working-age disabled adults had jobs compared to 82.5% of non-disabled adults.¹² BME people earn less per hour than their white counterparts, have twice the rate of insecure work and underemployment, and are three times as likely to be in in-work poverty.¹³

⁷ Joseph Rowntree Foundation (2025) *UK Poverty 2025*. Available at: <https://www.jrf.org.uk/uk-poverty-2025-the-essential-guide-to-understanding-poverty-in-the-uk>

⁸ Poverty and Inequality Commission (2024) *Child Poverty Delivery Plan progress 2023-24*. Available at: https://povertyinequality.scot/wp-content/uploads/2024/06/Executive_Summary_Child_Poverty_Delivery_Plan_progress_2023-2024_Scrutiny_by_the_Poverty_and_Inequality_Commission.pdf

⁹ Fraser of Allander Institute (2025) *Meeting Scotland's child poverty targets: Modelling and policy packages*. Available at: <https://fraserofallander.org/wp-content/uploads/2025/03/2025-03-Child-poverty-modelling-report.pdf>

¹⁰ Scottish Government (2025) *Poverty and Income Inequality in Scotland 2021-24*. Available at: <https://data.gov.scot/poverty/#Children>

¹¹ Close the Gap (2023) *Fair work in a wellbeing economy*. Available at: <https://www.closesthegap.org.uk/content/resources/Close-the-Gap-briefing-for-Scottish-Government-Debate---Fair-work-in-a-wellbeing-economy-Nov-2023.pdf>

¹² SPICE (2024) *The declining disability employment gap in Scotland*. Available at: <https://digitalpublications.parliament.scot/ResearchBriefings/Report/2024/1/12/434f4dc4-caa1-4971-b5f3-7699e70ec1ff>

¹³ Scottish Government (2022) *Labour Market Statistics for Scotland by Ethnicity*. Available at: <https://www.gov.scot/binaries/content/documents/govscot/publications/statistics/2022/12/labour-market-statistics-for-scotland-by-ethnicity-january-to-december-2021/documents/labour-market-statistics-for-scotland-by-ethnicity->

Tackling such labour market inequalities is therefore critical to addressing child poverty, particularly for marginalised groups. To meet the 2030 targets, more must be done in the next delivery plan to:

Drive improvements in Scotland's labour market

Change is needed to ensure that people can access good quality, secure and well-paid work. As we have already made clear, paid work is not currently a guaranteed route to financial security. That means that we must make progress in designing a labour market that works for everyone. This will take accelerated efforts to tackle low-pay and insecurity at a national policy level to significantly increase the availability of fair and flexible work.

To ensure that pay meet family's needs, efforts to embed and promote the real Living Wage and Living Hours through procurement and grant-making should be included in the Plan. This will support 'a race to the top' by employers who provide the real Living Wage and Living Hours, in part driven by procurement policy. Additionally, it should include making the real Living Wage and Living Hours key criteria in any 'good work' standards for employers. To support those employers who aspire to pay the real Living Wage but are struggling to in the current economic climate and funding landscape, the Scottish Government could consider the use of levers such as business rate relief and a quicker process for the agreement of funding rates for sectors like social care.

There should also be a recognition of the need to support the availability and accessibility of flexible working, which is particularly important for disabled people and women with caring responsibilities. This could include encourage employers to advertise roles with flexible options and to increase awareness of the right to flexible working amongst employees.

Whilst the above signals clearly the need for national level legislation and regulation, it also points clearly to **the necessity of employers across Scotland being central to discussions and actions to address child poverty, and particularly those employers in the private sector.** Our engagement work frequently highlights the role that employers have as the 'gatekeepers' of fair and flexible work, and the need for their buy-in for anti-poverty action.

The work of Living Wage Scotland spotlights the value of having private sector employers in the poverty conversation. They create an important space for employers to explore the necessity of paying a wage that accurately reflects living costs for both their business and employees, as well as society more generally.

There is a further need to target employers in sectors often characterised by low-paid and insecure work such as care, hospitality and retail. The Serving the Future action research project, of which the Poverty Alliance is a partner, seeks to work with hospitality employers and workers to understand, reduce and prevent in-work poverty by identifying changes that could be made within the hospitality sector.¹⁴ The projects latest publication¹⁵ draws

[january-to-december-2021/labour-market-statistics-for-scotland-by-ethnicity-january-to-december-2021/govscot%3Adocument/Labour%2BMarket%2BStatistics%2Bfor%2BScotland%2Bby%2BEthnicity%2B-%2BJD21.pdf](https://www.gov.scot/3Adocument/Labour%2BMarket%2BStatistics%2Bfor%2BScotland%2Bby%2BEthnicity%2B-%2BJD21.pdf).

¹⁴ More information available here: <https://www.servingthefuture.scot/the-project>

¹⁵ Serving the Future (2025) *Understanding experiences of low-paid work in the hospitality sector over time*. Available at: <https://www.servingthefuture.scot/blog/report/understanding-experiences-of-low-paid-work-in-the-hospitality-sector-over-time-lxdddh>

attention to the job aspects which differentiate positive and negative experiences of the sector, including things like:

- Supportive management and respectful workplaces;
- Training and progression opportunities;
- Scheduling and work life balance;
- Financial stability and pay transparency; and
- Ethical practice and safety in the workplace.

Much of the work to build the fair work culture as identified by workers above is in the direct control of employers, which cements their place in the poverty conversation.

Improve the accessibility and equalities considerations of employability and re-training programmes

There is no doubt that investment in employability and retraining programmes which offer tailored support are a part of the change we need to see to Scotland's employment offer for parents and carers.

In 2023, the Poverty Alliance were commissioned to recruit, support and facilitate a Citizen's Panel seeking their views on the Scottish Government's Lifetime Skills Offer.¹⁶ Participants identified the cost associated with undertaking retraining - including that of broadband and rising training course prices - as barriers to access. Whilst they welcomed the financial support that was available to people seeking training, they also expressed concerns with limitation of the Individual Training Account (ITA) financial assistance level of £200. At the time, participants recommended that Skills Development Scotland increase the value of ITAs. However, we note that ITA funding was not made available for 2024/25. This is also in the context of substantial funding cuts to the Parental Employability Support Fund. This will have a direct impact on the ability of those living on low incomes to access training, so well-resourced financial support should be a key consideration in thinking about how we can better use employability programmes and re-training.

Further to this, mainstream employability programmes routinely fail to take account of caring responsibilities and acknowledge that women's readiness to work will be impacted by these caring roles. Analysis from Close the Gap has shown that women are less likely to have access to training generally, and that will enable them to progress or secure a pay rise.¹⁷ Generic employability and skills programmes replicate gendered patterns of skills acquisition and employment, focusing purely on gaining employment rather than progression, ultimately entrenching occupational segregation and women's concentration in low-paid work. Similar experiences of employability programmes, where additional barriers to participation are not accounted for, can be seen for other protected characteristics like disability. Therefore, mainstreaming equalities considerations in the design of employability and retraining programmes is vital.

Strengthen the provision of public services which are 'enablers' of employment, upskilling and reskilling, including transport and childcare

¹⁶ The Poverty Alliance (2023) *The Lifetime Skills Offer: 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/get-heard-scotland-lifetime-skills-and-equalities/>

¹⁷ 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>

In addition to the design and cost of employability support, a number of services were identified as ‘enablers’ of employment and education. In particular, women participating in our Lifetime Skills Offer Citizen’s Panel identified services the availability and affordability of wraparound childcare and public transport were key determinants as to whether upskilling and reskilling was feasible or affordable:

“By the time I get my son away to school, by the time I travel to a place to learn or train by public transport- by the time you find a class that works for those times you have to get home for the school run.”

Therefore, our critical public services such as transport and childcare require strengthening to enable participation in education, training and employment.

On public transport, we need to ensure that funding is directed towards networks which are affordable, reliable and meet the needs of local people, including expanding concessionary travel to under 25s, those in receipt of low-income social security support and unpaid carers.

On childcare, the next Plan must build on welcome commitments set out in *‘Best Start, Bright Futures’* to ensure that childcare is high-quality, flexible and accessible. This would include building on commitments of a funded offer of early learning and childcare (ELC) for children under three and a system of school age childcare to ensure childcare is flexible to support parents working irregular schedules or shift work.

There is also a need to assess the effectiveness of pre-existing commitments, including the flexibility in the provision of 1140 hours. 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.”*¹⁸ In 2023, 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”*.¹⁹

The effectiveness of the 1140 hours as a protection against child poverty has therefore been limited by the lack of flexibility in delivery. As such, there is 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.

3. Increasing incomes through costs reduction

One of the key drivers of poverty is the cost of living, including the affordability of essential, everyday goods and services. Action to reduce these costs are a critical means of addressing the injustice of poverty, with strong collective services playing a key role. Living in poverty means having resources that fall well below those required to meet minimum needs, so reducing costs can help people to stay afloat.

We have already pointed to action needed on services like childcare and transport to reduce cost and increase accessibility. We further agree with colleagues in the ECP Coalition on the

¹⁸ Scottish Government (2023) *Exploring parents’ views and use of Early Learning and Childcare in Scotland*

¹⁹ Audit Scotland (2023) https://www.audit-scotland.gov.uk/uploads/docs/report/2023/nr_230601_early_learning_childcare.pdf

necessity for a reformed approach to public debt collection for families²⁰ and the delivery universal free school breakfast and lunch provision to all pupils in Scotland.²¹

To spotlight one further policy area, reform to Scotland's housing infrastructure is vital for making meaningful progress on child poverty. 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.

22% of children are living in poverty before housing costs are taken into account, compared to 23% after housing costs. That means that 20,000 children are driven into poverty as a result of housing costs.²² Further to this, in 2023/24, 15,474 children were in households assessed as homeless, with 10,110 children in temporary accommodation. Households with children spent longer in temporary accommodation than those without.²³

Therefore, if we are to tackle child poverty in Scotland, urgent 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. Cuts in recent budgets has delayed the provision of urgently needed affordable homes, which has had with far reaching consequences.

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. That means that the 2026-31 Tackling Child Poverty Delivery Plan must include adequate commitment and resource to provide more affordable homes for families in Scotland, including through ensuring a strengthened focus on the supply of larger properties to ensure all children live in safe, secure and affordable homes.

Are there policies, actions or approaches that the Scottish Government and/or partners should either stop or do differently?

Utilise Scotland's powers over taxation to allow for sustainable investment in the actions needed for meaningful progress on child poverty, such as employability support.

²⁰ Aberlour and Govan Law Centre (2024) *Child poverty won't end without a new approach to Scottish public debt collection*. Available at: <https://govanlawcentre.org/wp-content/uploads/2024/09/Public-Debt-Briefing-for-MSPs-1.pdf>

²¹ Magic Breakfast Scotland (2025) *Parliamentary Briefing: Addressing poverty through education*. Available at: <https://www.magicbreakfast.com/wp-content/uploads/Parliamentary-Briefing-on-Addressing-Poverty-Through-Education.pdf>

²² Scottish Government (2025) *Poverty and Income Inequality in Scotland 2021-24*. Available at: <https://data.gov.scot/poverty/#Children>

²³ Scottish Government (2024) *Homelessness in Scotland: 2023-24*. Available at: <https://www.gov.scot/publications/homelessness-in-scotland-2023-24/documents/>

We recognise that there is significant cost associated with the anti-poverty action necessary for inclusion in the next Tackling Child Poverty Delivery Plan. We also recognise that current delivery of Government policy comes in the context of an ever-challenging fiscal environment. However, lack of resources cannot delay progress on our national priorities, including the need to develop a strong roadmap that will meet the 2030 child poverty targets.

Tweaking the current system is not enough, which means that ending child poverty requires a clearer debate about our shared prosperity and how burdens are distributed. We have welcomed the Scottish Government's progressive use of taxation but believe there is a need to go further and faster. **Further reform to taxation system is a critical tool that the Scottish Government can choose to use in building a fairer Scotland through investment in our crucial public services and social security safety net. Better tax builds better budgets, which builds a better future for all of us.** This means that the devolved and local tax systems in Scotland must do significantly more to support a fairer and greener society.

We are in agreement with the Poverty and Inequality Commission that the current process of tweaks to existing levers *"is an inadequate response to the scale of the challenges facing public finances."*²⁴ It says the Scottish Government *"must have the ambition to look at fundamentally reformed and better designed taxation policies"* to achieve the ambitions it has around poverty reduction.

The recent publication of the tax strategy should have started to lay out a vision for what a fairer tax system might look like, including how the Scottish Government plans to use the full suite of devolved and local tax powers in its control to reduce child poverty. However, it failed to do so, lacking the tangible actions needed to make progress in this space.

A renewed approach to tax for social investment is therefore urgently needed. As supporters of the Tax Justice Scotland campaign,²⁵ we agree that there must be discussion and debate around tax reform which include, but are not limited to:

- More progressive Income Tax;
- Local tax reform, including replacing Council Tax and Non-Domestic Rates with a percentage of value property tax and extending this to tax land;
- Better taxing wealth, both locally and nationally, in the short-term via a focus on particular categories of wealth, whilst exploring options to tax net wealth;
- Making polluters pay for their climate damages, such as introducing a private jet tax; and
- Re-designing tax reliefs and other schemes, such as the Small Business Bonus, to ensure they support pro-social and environmental outcomes.

Costed proposals from the Scottish TUC show how this could unlock an annual £1.1bn of extra revenue for social investment in the short-term, and an additional £2.6bn a year

²⁴ Poverty and Inequality Commission (2023) *How better tax policy can reduce poverty and inequality: Recommendations for an effective and accountable Scotland*. Available at: https://povertyinequality.scot/wp-content/uploads/2023/10/How_better_tax_policy_can_reduce_poverty_and_inequality_October2023.pdf

²⁵ More information available here: <https://taxjustice.scot/>

through a package of longer-term reforms.²⁶ Previous proposals by IPPR Scotland projected raising a £1.5bn a year in additional annual public resource.²⁷

Therefore, if our political decision makers are to meaningfully deliver a fairer Scotland, they must choose to meet challenging fiscal and social contexts with decisive action, taking a different path to ensure investment in their commitments on tackling child poverty.

For example, we recognise that increasing incomes through employment will be a key strategic theme in the 2026-31 Plan. We have already highlighted the lack of progress that has been made on the employability commitments made in *'Best Start, Bright Futures'*, which have been particularly undermined by cuts to ITA and Parental Employability Support funding, and the challenges of delivering the Parental Transition Fund within the current devolved settlement. Building a strong budget for investment would therefore allow for the necessary improvements to the accessibility and equalities considerations of employability and re-training programmes, which would achieve the bold aims around parental employability of this Plan.

While we were supportive of the analysis and recommendations relating to employability within the current plan, this has been an area where the implementation gap is particularly acute. Employability, alongside upskilling and reskilling support to enable parents to progress at work, must be a key focus of the next plan.

Are there new policies, actions or approaches that Scottish Government should consider implementing?

Commit to, and implement, a roadmap approach to delivering a Minimum Income Guarantee in line with the recommendations of the Scottish Government's Expert Group.

We believe that the most effective policy solution that has emerged in response to the key drivers of poverty, and people's experiences of living on a low income is the **Minimum Income Guarantee (MIG)**, an idea centred on **setting a minimum income level below which people would not be allowed to fall**.²⁸ The MIG is made-up of three spheres of activity across the labour market, public services, and social security. The Poverty Alliance and our membership view the MIG as a potentially transformational idea that could provide everyone with the ability to have a decent and dignified life and is our overarching policy ask across the policy areas of employment, public services and social security.

We recognise that there was a commitment around the MIG in *Best Start, Bright Futures*, which states: *"We want to ensure that everyone in Scotland has enough money to live with dignity. We are committed to begin work to deliver a Minimum Income Guarantee for Scotland and have established a cross-party steering group."*

To support this commitment, the Scottish Government established an Expert Group with representation from academia, trade unions, and poverty and inequality organisations. They were tasked with developing key design features for a MIG, with both short- and long-term

²⁶ STUC (2023) *Raising taxes to deliver for Scotland*. Available at: <https://www.stuc.org.uk/resources/scottish-tax-options.pdf>

²⁷ Tax Justice Scotland (2023) *The case for fair tax reform in Scotland*. Available at: https://taxjustice.scot/wp-content/uploads/2024/10/The-case-for-fair-tax-reform-in-Scotland-Joint-briefing-FINAL_September-2023-1-2.pdf

²⁸ IPPR Scotland (2021) *Securing a living income in Scotland: Towards a Minimum Income Guarantee*. Available at: <https://www.ippr.org/files/2021-03/securing-a-living-income-in-scotland-march21.pdf>

action that must be taken to make progress. The group's final report will be published later this year and will lay out their recommendations of how to deliver a MIG for Scotland.

To reflect the long-term ambition of the MIG, the report will take the approach of a roadmap, setting out clear and tangible steps towards the ultimate aim of a MIG for all. '*Best Start, Bright Futures*' states: "*We will look to implement these recommendations as far and as quickly as practicable, within the limits of devolved competence*". Therefore, the MIG must continue to have visibility within the next Plan, and there must be further developments in the wording of this action to reflect the development on the MIG that has taken place since the publication of *Best Start, Bright Futures*.

This is a message that has come out strongly in engagement work with members on the MIG, which is part of our ongoing Drawing a Line project funded by abrdn Financial Fairness Trust.²⁹ There is enthusiasm for the MIG in that it is a new mechanism for not only creating a strong case for anti-poverty action, but also delivering vital change for children and families.

We are therefore clear that **the roadmap approach to achieving a MIG, which will be set out in the Expert Group's final report, should be explicitly reflected in the 2026-31 Tackling Child Poverty Delivery Plan.**

How can Scottish Government and partners work differently to ensure seamless, integrated supported for families? What prevents this?

- Adequately resource action which supports the Whole Family Wellbeing approach;
- Build strong and sustainable working relationships between the Scottish Government and public bodies to ensure the meaningful implementation of national level legislation; and
- Deliver a fair funding approach to the third sector which fulfils SCVO's definition and provides fair and sustainable funding of three or more years.

The Whole Family Wellbeing approach is the right approach to take. However, this approach needs sufficient resourcing to ensure that, as well as income maximisation, appropriate emotional and practical support is there for children and families when they need it. The 2026-31 Plan must therefore make a clear commitment to sustainable investment in holistic whole family support 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, it must allocate significant additional funding to ensure that parents have the right kind of support, at the right times, in a way that works for their individual circumstances.

In addition to significant additional funding, there must be a sharp focus within the Plan on building strong and sustainable working relationships between Scottish Government and partners like public bodies - particularly local authorities and health boards - and the third sector.

We recognise that the statutory framework for reducing child poverty, introduced by the 2017 Child Poverty Act, has made a positive difference on the way that local authorities in particular have approached reducing child poverty. However, there remains an unevenness of practice across Scotland in the implementation of the Act. A tangible example of this is

²⁹ More information available here: <https://www.povertyalliance.org/mig/>

through differing levels of reporting. The Act requires that local authorities and health boards jointly prepare an annual Local Child Poverty Action Report (LCPAR) which details progress towards - and required further steps for - their area contributing towards Scotland's national targets. The Poverty Alliance's involvement in the analysis of these reports through the National Partners Group has enabled us to gain insight into good local collaboration and practice.

Many LCPARs highlight that child poverty has become a strategic priority for councils, community planning partnerships, health boards and children's services partnerships and health and care partnerships; embedded across local strategies beyond their Local Child Poverty Action Reports. However, there has been varying levels of engagement on contributing the development of these reports from health boards and local authorities. We are aware that local authorities are facing increasing budget restrictions, which in turn is impacting their ability to deliver services. Any strategy is only as good as the resources which sits behind it. This means that constraints on local budgets will significantly restrict the approaches that local authorities can take to reducing child poverty. With that lack of resource and capacity, local authorities fall back on tried and tested measures such as short-term income maximisation, rather than innovation that takes account of local need through local interventions.

There is therefore a need for the Scottish Government to consider the sustainability of the financial support provided to public bodies to implement action in line with national level legislation, action which is imperative for achieving the 2030 targets.

Thinking further to the role of the third sector as a partner, key to this is ensuring that the sector is strong and sustainable. Often at the frontline of efforts to support children and families, the sector helps to shape policy and provides vital support to people who are held back from being able to live in decency and dignity. As such, **delivering a fair funding approach to the third sector** is a key way that the Scottish Government can and should work better with the partners in the third sector to support the delivery of effective services and seamless, integrated support for families.

The impacts of the pandemic and the on-going cost-of-living crisis have seen demand for support provided by the third sector soar. In some localities, the third sector are involved in the delivery of statutory provision. Yet too many organisations are themselves without the financial security they need to survive and thrive, and therefore deliver vital anti-poverty action. Our members frequently point to the challenges presented by the current funding landscape, including: issues with staff retention, recruitment and morale; a lack of capacity for future planning and strategic development; and significant challenges around continuity of vital service provision.

The sector's collaborative working with statutory services is embedded into *Best Start, Bright Futures*, which makes clear that achieving legally binding child poverty targets will not happen without Scotland's diverse community and voluntary organisations.

The 2026-31 Plan must therefore include action to deliver SCVO's definition fair funding.³⁰ This approach includes, but is not limited to:

- Longer-term funding of three years or more;

³⁰ More information available here: <https://scvo.scot/policy/fair-funding-procurement/fair-funding/what-is-fair-funding>

- Flexible unrestricted core funding;
- Timely decision-making and payments;
- Accessible and proportionate application and reporting processes;
- Sustainable funding with inflation-based uplifts; and
- Proportionate, transparent approaches to monitoring and reporting.

This is the definition that the Poverty Alliance utilise in our work, and we recognise delivering this approach as vital part of the package of reform needed to see meaningful progress on child poverty.

What more can we do to understand the challenges being faced by the family at greatest risk of poverty, including the six priority families identified to ensure their specific and interconnected needs are met?

- Improved official data to demonstrate need and impact at both a population level, and for families at greatest risk of poverty; and
- A clear process of participation to support the implementation of the next plan, including in monitoring the delivery of commitments..

Quantitative data collection methods and analysis used to measure child poverty rates must be robust enough to pick up the impact of policy interventions on those most at risk of poverty, including the six priority family groups. **Scottish Government should seek to disaggregate data to more accurately understand poverty levels for priority groups and take an intersectional approach where possible to consider where priority groups overlap.** This data is necessary across the three drivers of poverty, in the realms of labour market policy-making, skills and training, social security and our public services.

However, as there are lags in what quantitative data can reveal, it is also important to collect strong qualitative data from the families at greatest risk of poverty. This can provide real-time evidence for policy makers into the effectiveness of spending decisions.

The Scottish Child Payment (SCP) provides a good example of this. There is a clash between the demonstrably positive impact of SCP that we - and many other organisations in the third sector - are seeing at individual and household level, and the reality of stagnant child poverty levels. At societal level, there is a lack of data to accurately reflect the impact of the payment on child poverty rates, and particularly for those groups at greater risk of poverty. This highlights the necessity of having robust administrative and population-level data on policies to demonstrate impact, particularly within tight fiscal environment which can influence budget decisions and threaten spend on interventions that are making progress.

Further to this, **there should be a clear process of participation to support the implementation of this Plan.** Funded by the Scottish Government, the Poverty Alliance's Get Heard Scotland process helps people affected by poverty have their voices heard on the policies and decisions that most impact their lives. Through a participatory democracy approach, it aims to find out what is working, what is not and what people would like to see changed. Connecting those living in poverty with decision makers through Get Heard Scotland has had real impact on policy, informing Scottish Government policy around the:

just transition plans for transport³¹ and the build environment;³² benefit take-up strategy and the way that stigma interacts with this;³³ and Fair Fares Review.³⁴ This is a showcase of the vital nature of participation of those at the greatest risk of poverty in policy and planning.

We are also clear that there should be a **focused commitment to participation of people with direct experience of poverty in the monitoring of the delivery of commitments** that will be made in the plan.

What targeted action could be taken to tackle inequalities faced by marginalised groups, to help raise their incomes and improve their outcomes? This could include specialist support for one or more groups.

- Direct funding to services that are specifically tailored to meet the diverse needs of these groups, including through a fair funding approach to the third sector; and
- Adequately resource - and build capacity around - legal obligations on equalities mainstreaming in policy-making and service design such as the Fairer Scotland Duty and Public Sector Equality Duty (PSED).

To tackle inequalities faced by marginalised groups, it is crucial to remove barriers to support and ensure that services are inclusive, accessible, and person-centred. This can be achieved by **directing funding to services that are specifically tailored to meet the diverse needs of these groups.**

This would include, for example, ensuring that childcare services are appropriate and accessible for disabled children which is key to supporting families and enabling parents to access the workforce. There is also a need to place specific focus on the delivery of fair work for women, given the clear interlinkages between women's poverty and child poverty; this should include action to tackle the undervaluation of women's work in sectors such as social care, childcare and cleaning. Disabled people experience an increased risk of poverty and destitution as a result of a higher cost of living, an inaccessible labour market and inadequate social security, resulting in 27% of children in poverty living in a household with a disabled person. Targeted and resourced action is therefore needed to ensure households with a disabled member are guaranteed an accessible income level.

Directing funding in this way also includes through a fair funding approach to community and voluntary organisations, who can use local expertise to respond effectively to the specific needs to their communities.

We also highlight evidence submitted by Engender, Close the Gap and Scottish Women's Aid relating to the lack of gendered analysis and mainstreaming within the current Tackling

³¹ The Poverty Alliance (2023) *Participation of people with experience of poverty in the Just Transition Plan for Transport*. Available at: <https://www.povertyalliance.org/a-just-transition-plan-for-transport-views-of-people-on-low-incomes/>

³² The Poverty Alliance (2024) *Participation of people with experience of poverty in the Just Transition Plan for the Built Environment*. Available at: <https://www.povertyalliance.org/participation-of-people-with-experience-of-poverty-in-the-just-transition-plan-for-the-built-environment/>

³³ The Poverty Alliance (2024) *The impact of stigma on benefit take-up: Report of a Get Heard Scotland Citizens' Panel*. Available at: <https://www.povertyalliance.org/get-heard-scotland-impact-of-stigma-on-benefit-take-up-report-of-the-citizens-panel/>

³⁴ The Poverty Alliance (2024) *Participation of people with experience of poverty in the development of Scottish Government Fair Fares Review*. Available at: <https://www.povertyalliance.org/people-with-experience-of-poverty-and-the-scottish-government-fair-fares-review/>

Child Poverty Delivery Plan.³⁵ This represented a regression on the emphasis placed on the inextricable link between child poverty and women's poverty in the previous plan, '*Every Child, Every Chance*'. It is therefore important that the Scottish Government restore that gendered analysis to the next plan, and work with equalities organisations to embed these considerations in design and delivery.

Whilst targeted action is vital, this must be coupled with a fulfilment of the legal obligations in equalities mainstreaming in policy and service design placed on the Scottish Government and public bodies. A well-resourced Fairer Scotland Duty and PSED, as well as a strong capacity of public bodies to fulfil these duties, would ensure the effectiveness of mainstreaming equalities considerations in anti-poverty interventions.

The impact of PSED is currently falling significantly short of the policy's intention and transformational potential. Scottish Specific Duties were introduced by the Scottish Government to assist public bodies in responding to PSED and placing equalities at the heart of decision making. However, assessments from Close the Gap³⁶ and the Coalition for Racial Equality and Rights³⁷ have highlighted that these duties have not had the intended transformative impact, with the Equality and Human Rights Commission concluding that there has been limited evidence of change for people with protected characteristics.³⁸ Wider action to promote cultural change - including capacity building, support, and resources - is therefore needed to ensure meaningful progress on tackling the inequalities faced by marginalised groups.

³⁵ Close the Gap, Engender and Scottish Women's Aid (2025) *Joint response to the call for evidence on the Tackling Child Poverty Delivery Plan 2026-2031*. Available at:

<https://www.closesthegap.org.uk/content/resources/Final-CtG-Engender-SWA-joint-response---call-for-evidence-on-the-Tackling-Child-Poverty-Delivery-Plan-2026-31.pdf>

³⁶ Close the Gap (2015) *Making Progress? An assessment of public sector employers' compliance with the public sector equality duty*. Available at: <https://www.closesthegap.org.uk/content/resources/Making-Progress---An-assessment-of-employers-compliance-with-PSED-November-2015.pdf>

³⁷ Coalition for Racial Equality and Rights (2021) *Equality in Glasgow 2021: Progress of Glasgow's Public Bodies in Meeting the Scottish Specific Public Sector Equality Duties*. Available at: https://864a82af-f028-4baf-a094-46facc9205ca.filesusr.com/ugd/b0353f_a1478d0e1b3f4155a884114edacd021d.pdf

³⁸ Equality and Human Rights Commission (2018) *Effectiveness of the PSED Specific Duties in Scotland*. Available at: <https://www.equalityhumanrights.com/sites/default/files/2022/our-work-effectiveness-of-psed-specific-duties-scotland-2018.pdf>