

## Briefing on the Scottish Government's Programme for Government 2025-26

May 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.

### Our Programme for Government policy priorities

It's time to build a fairer, greener Scotland, free from poverty. We call on the Scottish Government to deliver a just and compassionate policy prospectus that puts people first.

We are calling for substantive action to ensure Scotland is a place where we all have: an adequate **income** to live a decent and dignified life; a safe and secure **home**; access to affordable and reliable **public transport**; **food security**; and access to third sector organisations that are well resourced through **fair funding**.

As such, and in line with our policy asks for Challenge Poverty Week, our 2025/26 Programme for Government priorities include:

- Embedding a **roadmap approach to delivering a Minimum Income Guarantee for Scotland to ensure everyone has an adequate income**. This includes investment in social care; expansion of the funded childcare entitlement to low-income households; and further increases in the Scottish Child Payment;
- **Adequately funding the delivery of new social homes through the Affordable Housing Supply Programme**, and allocating funding to **ensure that existing social homes are well-maintained** and suitably adapted to meet people's needs;
- Ensuring **transport funding is directed towards networks which meet the needs of local people**; this includes **expanding concessionary travel to under 25s, those receiving low-incomes and disability benefits, unpaid carers and asylum seekers**;
- **Delivering universal free school breakfast and lunch provision** to all pupils in Scotland; and
- **Providing funding to community and voluntary organisations that follows SCVO's definition of fair funding**.

Our political leaders must take responsibility to build a better economy and society that enables everyone to live in decency and dignity, free from poverty. We recognise that the

2025-26 Programme for Government comes in the context of a challenging and ever-changing fiscal, social and political environment. However, it also comes in the context of indefensibly high poverty levels. The impact of the COVID-19 pandemic and the ongoing cost of living crisis have seen people struggle to access the financial security that would enable them to live well, whether through employment, with the support of public services or social security.

We welcome the progress made in reducing child poverty by the Scottish Government, with the newly published statistics showing a four percentage point reduction; 22% of children were living in relative poverty in 2023/24, down from 26% in the previous year.<sup>1</sup> 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. If the Scottish Government are to achieve their core policy objective of eradicating child poverty, they must choose to respond to this challenging context with bold and decisive action, taking a different path to ensure investment in people and our critical public services. This is not just essential for people's wellbeing, but is also critical for building a strong economy. **The 2025-26 Programme for Government should include a range of actions across the three key drivers of poverty that work together and are transformative in scale, with accelerated investment in existing commitments and further action introduced.**

We recognise that there is significant cost to delivering this ambitious anti-poverty action. To address this, we believe that **utilising Scotland's powers over taxation is a critical tool that the Government can 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. A renewed approach to tax for social investment should therefore be a policy priority, and we point to policy recommendations from Tax Justice Scotland in this space.<sup>2</sup>

### **Progressing the Minimum Income Guarantee**

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.**<sup>3</sup> 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.<sup>4</sup>

The Scottish Government have given a clear, welcome commitment to developing a MIG. To support this commitment, they have established an Expert Group with representation from academia, trade unions, and poverty and inequality organisations. They were tasked with

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

<sup>2</sup> Tax Justice Scotland (2024) *Choosing a fairer future for all* available at <https://taxjustice.scot/wp-content/uploads/2024/11/TaxJusticeScotland-Report-Digital-Nov24.pdf>

<sup>3</sup> 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>

<sup>4</sup> More information available here: <https://www.povertyalliance.org/mig/>

developing key design features for a MIG, with both short- and long-term action that must be taken to make progress. The group's final report will be published in the coming months and will lay out their recommendations for how to deliver a MIG for Scotland.

To reflect the long-term ambition to work towards a MIG, the report will take the form of a roadmap, setting out clear and tangible steps towards the ultimate aim of a MIG for all. To continue the Scottish Government's commitment, and ensure this policy roadmap is delivered, the MIG must continue to have visibility within this Programme for Government.

**We urge the Scottish Government to embed the initial steps from the Expert Group's roadmap into the Programme for Government to ensure that progress is made ahead of the next Scottish Parliament elections.**

### **Further secure our social security safety net**

The Scottish Child Payment (SCP) is a bold policy, and it needs to go further. We therefore see an initial increase of the SCP to £40 as a way for the Government to make an immediate difference to the lives of children and families across Scotland. Increasing the Payment to £40 would lift a further 15,000 children out of poverty in Scotland at a cost of £200 million.<sup>5</sup> This would also reduce the depth of poverty for many more and strengthen the protective buffer for families living just above the poverty line.

We recognise modelling that identifies the need for a more significant uplift to the SCP - alongside a suite of other policy interventions - over the course of this Plan to meet the 2030 targets.<sup>6</sup> This means that further increases, beyond £40, will likely be required during the next Parliament.

More broadly, within the realm of our vital social security safety net, there is a need to mitigate the younger parent penalty through use of the SCP and boost the national budget allocated to the Scottish Welfare Fund.

### **Safe, secure and sustainable homes**

Having a safe home is one of our most basic needs. However, with the Scottish Government having declared a housing emergency, it is clear that our current housing systems are not working. 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. 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.<sup>7</sup>

We welcome the introduction of the Housing (Scotland) Bill - and the provisions announced today to boost tenants' rights and introduce long-term rent controls - as a mechanism to help deliver change. However, there is a desperate need for the Bill to be accompanied by the full delivery of the Scottish Government's commitments on social housing, which is a key lever for poverty reduction. The Scottish Government have committed to build 110,000 affordable homes by 2032, with at least 70% for social rent.<sup>8</sup> Despite these welcome commitments,

<sup>5</sup> Priorities for the 2024-2025 Programme for Government: tackling child poverty, Child Poverty Action Group, 2024. <https://cpag.org.uk/sites/default/files/2024-08/CPAG%20in%20Scotland%20-%20Programme%20for%20Government%202024-25.pdf>. Figure for April 2025.

<sup>6</sup> 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>

<sup>7</sup> Scottish Government (2024) *Homelessness in Scotland: 2023-24*. Available at: <https://www.gov.scot/publications/homelessness-in-scotland-2023-24/documents/>

<sup>8</sup> Scottish Government (2021) *Housing to 2040*. Available at: <https://www.gov.scot/publications/housing-2040-2/documents>

research suggests these goals will be missed, with the net increase in social housing homes between 2010 and 2020 being just 10,000.<sup>9</sup>

With insufficient attention applied to the building of new affordable homes in the 2024-25 Programme for Government, **we urge the Scottish Government to adequately fund the delivery of new social homes through the Affordable Housing Supply Programme, and allocate resource to ensure that existing social homes are well-maintained and suitably adapted to meet people's needs.**

### **Affordable, accessible and reliable public transport**

Reform to our public transport systems is an integral part of tackling poverty. Transport systems that adequately meet community need are levers to easing the financial pressures on low-income households by unlocking access to employment, education and support. This would ultimately raise household income and protect people from being swept into poverty or pulled in deeper. But too often, rising cost and poor transport links resulting in many being unable to access vital services. These issues are amplified for those living in rural Scotland, where transport is the most significant additional cost to daily life compared to those who live in urban areas, amounting to an additional £50 per week.<sup>10</sup>

We were commissioned by Scottish Government to recruit and facilitate a Citizen's Panel - made up of people living in both rural and urban environments with experience of poverty - to share their views on change needed in our public transport systems.<sup>11</sup> Panellists highlighted cost as their key concern, with recommendations for the Scottish Government including:

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

These recommendations would reduce the cost of living for low-income households and contribute to the implementation of the services sphere of the Minimum Income Guarantee.

### **Access to good quality and sustainable food**

Food is one of our most basic needs and a human right. The realisation of the right to food is also fundamental to meeting our wider human rights. However, many people in Scotland are continuing to face food insecurity and hunger. Scotland's Good Food Nation Act enshrines in law the Scottish Government's commitment to ensuring all people take pride and pleasure in - and benefit from - the food they produce, buy, cook, serve, and eat each day. But, at present, we are failing on that ambition.

One in six people in Scotland face hunger due to a lack of money, and the risk of hunger is particularly high for groups like families with young children and care experienced people.<sup>12</sup> This situation is being exacerbated by the rising cost of living with more people cutting back

<sup>9</sup> IPPR Scotland, Save the Children and Joseph Rowntree Foundation (2023) *Tipping the Scales: the social and economic harm of poverty in Scotland*. Available at: <https://www.ippr.org/articles/tipping-the-scales>

<sup>10</sup> Scottish Government (2021) *Poverty in rural Scotland: evidence review*. Available at: [2. Rural poverty in Scotland - Poverty in rural Scotland: evidence review - gov.scot \(www.gov.scot\)](https://www.gov.scot/resources/consultations-petitions/embedded/2-Rural-poverty-in-Scotland-Poverty-in-rural-Scotland-evidence-review-gov.scot)

<sup>11</sup> Poverty Alliance (2023) *Fair Fares Review Supporting Paper 3: Poverty Alliance Report*. Available at: [Fair Fares Review \(transport.gov.scot\)](https://www.transport.gov.scot/resources/consultations-petitions/embedded/fair-fares-review-supporting-paper-3)

on food; skipping meals; and seeking assistance from food banks. In some cases, people have been forced to go without food completely.

In a just and compassionate society, everyone should have dignified access to good quality, affordable, healthy and sustainable food. This is acknowledged in the Government's Child Poverty Delivery Plan which highlights food as critical to alleviating the impact of poverty. This Plan includes commitments around free school meals. Plans for the expansion of free school meals to those in P6 and 7 who are in receipt of Scottish Child Payment are welcome, but do not go far enough. We are disappointed that the previous policy commitment for universal free school meals has been subject to numerous delays, and was dropped in the last Programme for Government. **We therefore ask that the Scottish Government commit to delivering free school breakfast and lunch provision to all pupils in Scotland in this Programme for Government.**

### Valuing the third sector through fair funding

Scotland's third sector is essential; it is often at the frontline of efforts to challenge poverty, helping to shape policy and providing vital support to people who are held back from being able to live in decency and dignity. The impacts of the pandemic and the on-going cost of living crisis have seen demand for support provided by the third sector soar.

Yet too many organisations are themselves without the financial security they need to survive and thrive. **It is clear that a fair funding approach is critical to adequately valuing the crucial work that our voluntary and community organisations deliver for us all, but particularly for the most vulnerable in Scotland.** SCVO have defined fair funding<sup>13</sup> as a long-term, flexible, sustainable, and accessible approach to funding. This includes, but is not limited to:

- Longer-term funding of three years or more;
- Flexible unrestricted core funding;
- Timely decision-making and payments;
- Accessible and proportionate application and reporting processes; and
- Sustainable funding with inflation-based uplifts.

For almost a decade, the Scottish Government has committed to longer-term funding for the third sector across multiple government strategies. But this increasingly urgent commitment has not been met by action. The Poverty Alliance have consistently called on the Scottish Government to make good on their pledges to support a sustainable third sector which can offer fair work, support volunteers, and deliver high-quality outcomes.

Challenges around funding is an ever-present issue for the Poverty Alliance's membership. We welcomed the Social Justice and Social Security Committee's pre-budget scrutiny which focused on third sector funding principles. In our response to the Committee's scrutiny,<sup>14</sup> we highlighted key challenges relating to current funding structures that our members are currently facing. These include:

- Issues with staff retention, recruitment and morale;

<sup>12</sup> The Trussell Trust (2023) *Hunger in Scotland*. Available at: <https://www.trusselltrust.org/wp-content/uploads/sites/2/2023/06/2023-Hunger-in-Scotland-report-AW-web.pdf>

<sup>13</sup> The Scottish Council for Voluntary Organisations (2024) *Programme for Government Proposal 2024/25: Delivering Fair Funding by 2026*. Available at: <https://scvo.scot/p/92443/2024/06/27/programme-for-government-proposal-2024-25-delivering-fair-funding-by-2026>

<sup>14</sup> The Poverty Alliance (2024) *Scottish Parliament Social Justice and Social Security Committee Pre-Budget Scrutiny 2025-26*. Available at: <https://www.parliament.scot/-/media/files/committees/social-justice-and-social-security-committee/correspondence/2024/pre-budget-scrutiny-2025-26/the-poverty-alliance-prebudget-202526-submission.pdf>

- A lack of capacity for future planning and strategic development; and
- Significant challenges around continuity of vital service provision.

That is why one of the core policy asks for last year's Challenge Poverty Week relates to the introduction of fair and sustainable funding of three or more years for the third sector. For this to happen, **we urge the Scottish Government to commit to funding for community and voluntary organisations that satisfies SCVO's fair funding criteria in this Programme for Government.**

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