



**Scottish
Labour**
Build the Future Together

March 2022



CHILD POVERTY IN SCOTLAND

**Scottish Labour's plans to end
child poverty**

In Scotland today one in four children are living in poverty and the Scottish Government are set to miss the statutory child poverty targets set out in the Child Poverty (Scotland) Act 2017.

The Child Poverty targets were set nearly 5 years ago in the Child Poverty (Scotland) Act 2017 and set an interim target of 18% of children in relative poverty by 2023/24. The Act also stipulated that by 2030, less than 10% of children living in Scottish households should be living in relative poverty. The Scottish Government is set to miss those targets which were set unanimously, and without caveat by the Scottish Parliament.

There are substantial powers available should be used to meet the interim child poverty target, and the Scottish Government has the power and the potential, to act yet it chooses not to do so.

Children living in lone parent families make up almost 40% of those living in poverty. Half of families living in poverty have a disabled person in them. There are an estimated 788,000 unpaid carers in Scotland, predominantly woman – many of whom are facing poverty. Women are more likely to be in poverty than men, more likely to experience in work poverty, and find it harder to escape poverty than men. Women's work in sectors like care, cleaning, hospitality and retail has long been undervalued, underpaid and under protected.

The Scottish Government has failed to pull the necessary levers that would allow Scotland to reach it's targets and reduce the poverty and inequality that continues to exist for far too many. This paper will set out exactly where, and how it could have done so.



FOREWORD AND SCOTTISH LABOUR'S VISION

I'd like to thank anti-poverty campaigners across Scotland for working with us on this paper and for all they are doing to end poverty, particularly child poverty, and inequality in Scotland. If the Scottish Government follows its current course, it will fail to meet the interim targets for reducing child poverty to 18% by 2023/24. We hope that the upcoming Child Poverty Delivery Plan will set out fundamental changes in direction in order to meet those targets, but that cannot be the end game. Our goal must be to end child poverty in Scotland, forever.

No child should live or grow up in poverty. One child who does is one too many and one day too long. We need desperately to end this, and we must use every lever available to do so. We must immediately put in place a social security system that is fair, adequate and underpinned by human rights to ensure that children are lifted out of poverty. But that cannot be our only solution. Social security must provide the safety net, but it is not enough for us to simply remove the immediate threat of poverty. Getting back on track to reaching Scotland's interim child poverty targets will require social security to initially do much of the heavy lifting and Scottish Labour will do all we can to ensure that every power available is used to achieve this. Policies and action across Government must be effective in ensuring that the life of every child in Scotland is full of opportunity and aspiration while staying far from the poverty line. Just getting by is not enough. We know that this will need long term structural and systemic change that guarantees everyone enough money to live well.

As a disabled person, I know the difference social security can make when it is targeted, when it intervenes to lift people from poverty, and protects them from inequality. We need to take this approach to lifting children out of poverty. The problem is too big, and has been allowed to go on too long, for any other policy solution to make the difference needed in the time we have. This document sets out the actions we believe are needed to set the Scottish Government on the right course.

There is no time to waste. We must go hard and fast to end child poverty and inequality and we must get on with the job of making the changes needed here and now. But we also need a plan for the future, to make sure we build a Scotland that guarantees everyone can live up to their full potential. That will mean increasing income from work, reducing housing costs, supporting people who can't work and acting to protect people furthest from economic equality like lone parents, disabled people, carers and students.

We know achieving this long-term vision will require further action which is why Scottish Labour are also establishing a Child Poverty Commission. The Commission will set out a suite of policy interventions that lay out a road map to keep children out of poverty and within reach of realising their hopes and aspirations for the future. It will look across all aspects of policy and practise, identifying areas for change so that we can meet the statutory targets of the 2017 Child Poverty (Scotland) Act, and end child poverty in Scotland forever.

That will be our focus and our mission. The people of Scotland deserve nothing less.

Pam Duncan-Glancy; Shadow Spokesperson for Social Justice and Social Security



CHILD POVERTY IN SCOTLAND

The Scottish Parliament enacted the Child Poverty (Scotland) Act in November 2017 (1), with the historic purpose of reducing child poverty levels to 10% by 2030 and reducing absolute child poverty to below 5% by the same date. However, today, 260,000 (26%) children live in relative poverty in Scotland. The current statutory interim target is to have 18% of children in poverty by 2024.

Scottish Labour supported the aims of the Act, seeing it as the culmination of its commitment to end child poverty, and of the party's ground-breaking policies while in government.

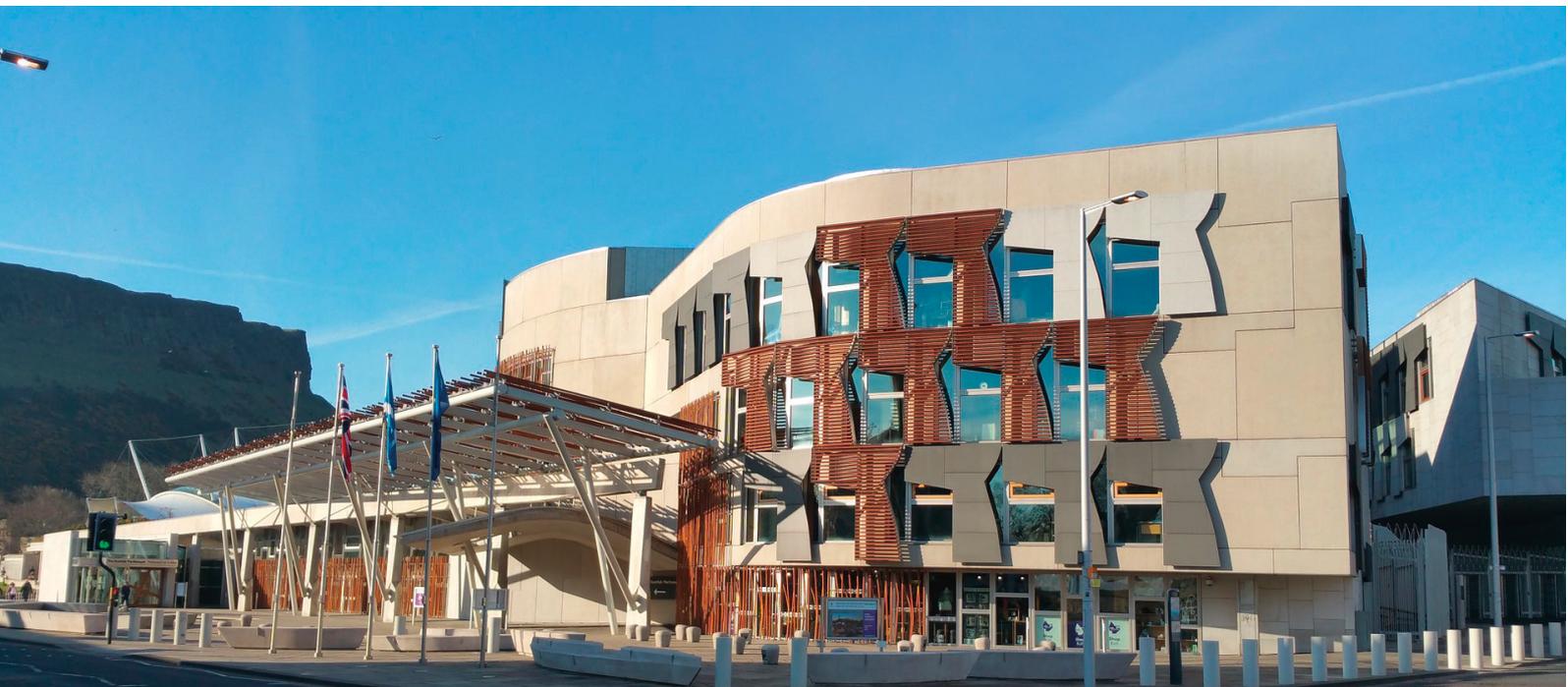
Labour's legacy on Child Poverty

With ground breaking policies on tax credits and taxation, social security benefits, Sure Start, early intervention on literacy and numeracy, and Social Inclusion Partnerships, Labour Governments in Scotland and the United Kingdom reduced child poverty in Scotland from 31% in 1997 to 23% by 2007/08 (2).

By 2007, the last Labour-led Scottish Executive achieved a greater fall in child poverty than anywhere else in the UK. Under a Labour government in Westminster child poverty in Scotland continued to fall to 19% in 2011/12.

(1) Child Poverty (Scotland) Act 2017 (legislation.gov.uk).

(2) Scottish Government Child poverty Statistics Child poverty analysis - gov.scot (www.gov.scot).



A Legacy Squandered: The SNP Government in Power

The new SNP Government chose a different path from the previous Labour administration. Despite inheriting sweeping powers over housing, local government, and health, as well as then gaining more powers over tax and social security, the interim targets on child poverty loom and will be missed by the Scottish Government. Five years on from the Child Poverty (Scotland) Act, more than a quarter of a million children live in poverty, and the numbers are increasing. It is true that the situation has been exacerbated by the global pandemic and the policies of the UK Government, but the fact remains that the Scottish Parliament has both the responsibility and the powers to meet the targets agreed upon. As the Joseph Rowntree Foundation said,

“The Scottish Government can take a number of actions to reduce poverty and it must commit to doing so. There is more it can do, and more that it must do.” (3)

With the interim statutory target approaching, it is clear that the SNP Government is not doing enough. The Poverty and Inequality Commission, an organisation set up by the Scottish Government, pointed out:

“The child poverty targets can be met, but this will require the Scottish Government to use all the levers available to it, and deliver action at much greater scale and pace, with significant investment. The Scottish Government must be much clearer in the next Delivery Plan about what impact it expects its actions to have on the targets and how it will measure this.” (4)

The SNP Government are playing to lose. As things stand, the policies it has put in place are widely expected to fail to meet the interim target and are dismally inadequate in meeting the overall aim of the Child Poverty (Scotland) Act.

(3) Child Poverty (Scotland) Act 2017 (legislation.gov.uk).

(4) Poverty and Inequality Commission, January 2022 https://povertyinequality.scot/wp-content/uploads/2022/01/Advice-on-the-SGs-Child-Poverty-Delivery-Plan-2022-26_FULL-REPORT_Jan2022.pdf.

A Different Approach

There is a growing consensus among the third sector, academics, think tanks and people living in poverty, that the situation on child poverty is so urgent that social security must form bedrock of the immediate Scottish Government response.

With the squeeze on the cost of living, and the effects of the pandemic continuing to push so many into poverty, Scottish Labour agree that maximising the use of the government's social security powers must be a priority. We also know that we cannot lower relative poverty by treating everyone the same; a targeted approach that relentlessly focusses on people who struggle the most is essential.

We have the powers to make change happen. We can ensure that children's lives offer them opportunities to get out of poverty and stay there by creating good jobs and reducing housing and transport costs for their families. And we can build a social security system that, if they are pushed into poverty, protects them and is there to support them when they need it. To stay out of poverty in the long term, children must be able to rely on safe affordable housing, enough food and basic necessities, education that sets them up for rewarding careers, and parents who are able to earn enough to make ends meet and to thrive.

Scottish Labour have identified a number of actions the Scottish Government could take which, if carried out, would allow it to meet the interim targets set out in the Child Poverty (Scotland) Act 2017.

Double the Scottish Child payment to £40 per week by April 2023

We know that doubling the Scottish Child Payment is a start. But on its own, it's not enough to meet the interim child poverty target. To do so, the Child Payment needs to be doubled again by April 2023.

Looking to the future, Scottish Labour's Child Poverty Commission will consider targeted actions to ensure that priority groups are pulled out of poverty.

Roll out the Scottish Child Payment immediately to every eligible child in Scotland

Less than half the children who should be eligible to receive the payment will benefit from the planned uplift. The Scottish Government has not rolled out payments to all children aged 6- 16, instead providing “bridging payments” to those older than 5. While children aged 5 and under will receive £20 a week through the Scottish Child Payment from April 2022, bridging payments will continue to be paid the equivalent of £10 per week. Scottish Labour believe that the Child Payment should be immediately paid in full to all eligible children and young people. Only by doing this can we bring enough children out of poverty to meet our statutory interim targets.

Take action on women’s economic equality, starting with an immediate pay rise for all Scotland’s social care workers to £12 an hour, working with trade unions towards a further rise to £15 an hour, and a fair pay settlement for all public sector workers

Without action on women’s equality, reaching the statutory targets set by Scottish Parliament to significantly reduce child poverty by 2030 will be extremely difficult. We must take broader action to address poverty experienced by women, including reducing the gender pay gap, and providing affordable, accessible wraparound childcare to meet their tailored needs.

Ensuring that parents can thrive within the labour market will play a significant role in ensuring children can grow up with the opportunity to fulfil their potential, and where their parents are not held back by the severe limitations of living in poverty.

It became clear during the pandemic that social care workers are amongst the lowest paid roles in Scotland. Most of them are women, who are supporting families, juggling childcare costs, and managing the rise in the cost of living. Poverty wages in the sector mean that the money they do earn does not go far enough to ensure that their children are lifted out of poverty. Yet the recent budget has given social care workers a derisory pay rise of 48p an hour.

Scottish Labour will raise the pay of all social care workers to £15 an hour through a staged process that would deliver an immediate increase in pay to £12 an hour. This will provide immediate relief to families who rely on this sector for their income and would be the first step to breaking the link between low wages and poverty in every sector.

Uprate the payment rate the Best Start Grants to match inflation

The importance of targeted actions to end child poverty has been pointed out by organisations like CPAG and the Joseph Rowntree Foundation. A key area where targeted action could be easily implemented is in relation to families with children under one year old through Best Start payments. Currently 15% of children in poverty live in a household with a child under the age of 1 and these households are seen as a “priority group” in measuring child poverty. Best Start Grants also apply universally to all young parents under the age of 18, who are also considered a priority group.

Best Start Grants and Best Start Foods are payments that help towards the costs of being pregnant or looking after a child. The Best Start Grant is made up of three one-off payments: Pregnancy and Baby Payment, Early Learning Payment and Best Start Foods. The latter is a prepaid card that can be used in shops or online to buy healthy foods like milk or fruit. As inflation reaches its highest level in 30 years, more and more families are struggling to pay for the basic essentials they need. Best Start Foods are a lifeline for them, but to be effective, they must retain their value.

For these families, the SNP government had the choice to direct money straight into their pockets and help lift them out of poverty through the existing mechanism of Best Start Grants. However, it failed to uplift the payments to maintain their value in real terms, reducing the actual value of the support and meaning families who need it most are now not able to buy as many essentials. Scottish Labour believe this to be the wrong choice. If we are to continue to rely on Best Start Grants to keep children out of poverty, the Government must uprate these payments in line with inflation. In practice this would mean that 57,760 families receiving the grant’s income would increase by £34.40 to cover their essential spending and healthy food. (5)

(5) [Best Start Grant and Best Start Foods: high level statistics to 30 November 2021.](#)

Expand and reform the Scottish Welfare Fund so families facing financial emergency have an adequate safety net.

The Scottish Welfare Fund provides crisis grants to cover short-term living expenses in the case of an emergency, or living expenses and items if there is a disaster. These grants provide a safety net when there is an immediate threat to health or safety and to receive a crisis grant the applicant must be on a low income or be unable to access money.

Covid-19 has created ever greater need amongst struggling families affected by the financial impact of the pandemic. Thousands of additional families across Scotland have been looking for financial assistance from the Scottish Welfare Fund as a crucial lifeline. The additional demand caused by the pandemic has exacerbated existing issues relating to the accessibility and administration of the Fund and resulted in additional challenges or barriers for families in need of support. During the pandemic, charities like Aberlour noted that, increasingly, they were being asked for help by families who had been refused assistance from the Scottish Welfare Fund. Aberlour alone saw a 1400% rise in applications to its own Urgent Assistance Fund during the pandemic. Around 10% of applicants to Aberlour's fund reference an unsuccessful application to SWF in the same period prior to applying to Aberlour for assistance. (6)

Since the scheme began in April 2013, 447,575 unique households received at least one award from the Scottish Welfare Fund (7) with the majority of these households receiving a Crisis Grant (331,010) than a Community Care Grant (246,025). Of the 447,575 unique households that have received at least one award, 22% were lone parent households. In comparison, the latest household estimates for Scotland indicate that only 37% households are single people, and 6% households are single parent families.

In total, since the scheme began a third (34%) of households receiving awards have contained children (Table 38b). Of the total £312.8 million that has been awarded, £135.2 million has been awarded to households containing children. The resources allocated to the Welfare Fund are limited and insufficient to meet the demand.

(6) [Aberlour, child poverty action group & one parent families scotland joint briefing paper: the Scottish Welfare Fund.](#)

(7) [Scottish Welfare Fund Statistics: Update to 30 September 2021.](#)

People who need to access the fund are more likely to have their request granted if they apply during the first 6 months of the financial year.

Of the estimated total £47.1 million made available by the Scottish Government in 2021/22, 54 per cent had already been spent in the first half of the financial year. If the money rolled over from previous years was excluded, councils spent 72.1% of the total allocated budget in the first half of the financial year. There is also a wide variation in the proportion of budget spent between local authorities, meaning applicants are more likely to have requests granted in some areas than in others.

The Scottish Welfare Fund is not a long term solution to mitigating the drivers of poverty but it is a key way that the Scottish Government can support families essential living expenses and ensure emergencies and crisis do not push them into deeper poverty. There can be no room for variation in getting money out to the people who need it the most. Scottish Labour therefore want to see the Welfare Fund expanded and reformed to ensure that Councils are able to get this money in the pockets of those who are in the greatest need through:

- Ensuring Community Care Grants remain open to applications across all local authorities
- Simplifying application processes
- Using it to make sure people with No Recourse To Public Funds (NRPF) can access support
- Updating and revising guidance for local authorities
- Better promotion of the Scottish Welfare Fund nationally and locally
- Ensuring Self Isolation Support Grants are promoted widely, are paid at least the National Living Wage for everyday someone has to isolate, accessed easily and that councils have enough money to administer them;
- Improving data recording to include rejected or unsuccessful applications to the Scottish Welfare Fund;
- Consider how Social Security Scotland can support delivery at a national level to reduce unnecessary variation

Ensure that every family in Scotland is aware of and accessing all the benefits to which they are entitled

Families in poverty are expected to be able to navigate a complex social security system and know when and how they should claim benefits to which they are entitled. And the stakes are high; make a mistake, or claim at the wrong time, and the result means going without essential funds. Most parents depend on professionals to help them, which can lead to delays in applications, rejection in claims, or simply giving up on the system and going without.

Benefit uptake figures reflect this - only 3 in 4 eligible people receive the Scottish Child Payment and Best Start Foods Grant. (8)

Initial efforts by the Government to engage the public with the Scottish Child Payment, especially those eligible for the payment on its launch, took place during a lengthy Covid-19 lockdown and at a time when schools, nurseries and parent groups were not operational. The Scottish Government's initial marketing campaign would have likely been limited in its reach for this reason and so Scottish Labour would roll out a further awareness raising campaign around the Scottish Child Payment especially within those locations that it identified as targets in its initial campaign.

There are potential barriers to accessing information and application systems for various target groups, for example families for whom English is not their first language, or people who do not have easy online access. Information on entitlements is not provided in a way that is easily understood, and various Government organisations frequently make mistakes in sharing information with each other.

Our vision is for a social security system that is smart, makes maximum use of all available technology, and becomes a system that embodies a true 'no wrong door' approach. This includes learning from the 'Tell Us Once' approach, so the DWP, HMRC, Social Security Scotland, the NHS and Local Authorities and others, are able to work with each other and other agencies to pass on information, and create a seamless and easy process for people to access the money they need.

(8) [Social Security \(Scotland\) Act 2018 - benefit take-up strategy - October 2021: measuring take-up of low-income benefits.](#)

Scottish Labour understand that a social security system only works when people are able to understand and access what they are entitled to. We will make it a priority to ensure that systems work smoothly in tandem with each other, wherever possible benefit uptake is automated, and that agencies offering advice and support receive adequate levels of funding.

Enshrine a right to food in Scottish Law

The poorest families in Scotland were forced to choose between eating, heating their homes, and keeping up with rent even before the pandemic and successive lockdowns have intensified the financial pressure on people struggling to get by. More than 84,000 children (9) received food parcels from the Trussell Trust in Scotland between April and September 2021, and experts fear national hunger could continue to get worse.

We can't see children go hungry. Rhoda Grant MSP's Right to Food Bill seeks to end child hunger in Scotland. However, while food provided through foodbanks may solve an immediate survival need, they do not help children exit poverty. Putting the right to food into Scots law makes it the State's responsibility to ensure that food is available, accessible, and adequate for everyone. This includes, for example, ensuring that government takes action to tackle low pay in the food industry and ensuring a compassionate system of social security which enables people the financial resources to eat well and access food with dignity.

In itself, ending food insecurity does not end poverty. It is important to investigate further the most effective ways to end the drivers of food insecurity in Scotland and link this to measures to measurably reduce poverty. However, enshrining the right to food in Scots Law is about more than food insecurity – it is about taking a whole-systems approach to tackling poverty. It has an opportunity to play a transformative role in supporting children, young people and families who most struggle to access food, and in doing so ensure that the Government is tied to guaranteeing that food insecurity becomes a thing of the past.

(9) [Trussell Trust Mid Year Statistics](#).

Pay families on low incomes a £400 supplement in 2022 to combat rising fuel price rises

In Scotland there are 613,000 households living in fuel poverty. (10) In February, Ofgem announced a record 54 per cent increase to the energy price cap from April 2022. For many people energy bills were already unaffordable after the £139 rise to the energy price cap in October. Now households are having to face finding an additional £693 or more a year, just to keep the heating and lights on. Government analysis predicts that this will push an additional 210,000 people into fuel poverty.

Even before the latest cost of living increases and rise in inflation, research from Parenting Scotland showed that almost half (46%) of all parents in Scotland were finding it harder to make ends meet than the previous year. (11)

A projected 6% rise in inflation, a 1.25% increase in National Insurance contributions and the higher energy price cap is likely to add over £1,000 to average household expenditure (12) plunging thousands of families, who are already struggling to make ends meet, further into financial difficulties.

Instead of implementing a tweaked version of the Tories' flawed plan, Scottish Labour would target £238 million of the energy bills funding on providing an immediate Fuel Costs Payment of £400 to households on low incomes, including unpaid carers, families with disabled people in them, people in pension poverty and people on Council tax Reduction, recognising that these groups are most likely to hardest hit by the energy price rise . We have recognised that children living in households with a disabled person are more likely to be in poverty and targeted the payments to families receiving Carer's Allowance Supplement or Child Winter Heating Assistance.

(10) [Scottish house condition survey: 2019 key findings.](#)

(11) Parenting Scotland Survey, February 2022 <https://www.parentingacrossscotland.org/media/1512/parental-omnibus-briefingfinal.pdf>.

(12) Institute of Fiscal Studies, January 2022 <https://ifs.org.uk/publications/15905>.

This would ensure that the 42,838 households Scotland with children who are entitled to Child Winter Heating Assistance (13) and the 81,337 people receiving Carer's Allowance Supplement (14) get an immediate £400 towards their energy bills which would help mitigate almost 60 per cent of the annual energy price rise expected from April and prevent more children from being pushed into poverty as a result of the increased cost of living.

Establish a Child Poverty Commission to design a route map to meet the Parliament's child poverty targets using the powers of the devolution settlement

Without the immediate measures outlined above, Scotland will not meet its interim child poverty targets. To do so we must use the foundation of an adequately resourced and fair social security system to which everyone who is entitled can gain full access. But instead of merely stemming the flow, we must turn the tide of child poverty. We must use all the levers available to us, including ensuring a minimum income standard for all, by making sure today's children have access to affordable transport, safe and secure housing, access to food, and to tomorrow's good, well paid and secure jobs.

Scottish Labour also recognise that for some groups, the challenge of leaving poverty is much harder than for others, and that it is intersectional. We must create radical policy which measurably moves them out of poverty for the long term. We know that this means a targeted and relentless focus on the groups of people struggling the most.

We know that our road to ending child poverty must be revolutionary. The goal is high, because it must be, and we have had a slow start. To reach our goal we must consider the innovative, the radical, and the pioneering.

We don't just want to prevent further increases in the number of children living in poverty, and we don't want to treat the interim child poverty targets as a goal.

(13) [Child Winter Heating Assistance payments in winter 2020/2021.](#)

(14) [Carer's Allowance Supplement, October eligibility date 2021.](#)

That's why Scottish Labour will establish a child poverty commission.

We will reach out to experts and to those with lived experience and work together with them to design a road map to end child poverty.

Our Child Poverty Commission will identify ways to ensure that children already in poverty are lifted out, and stay out, in the future. It will consider a range of policy solutions (including to address low wages and insecure work across all sectors, reduce housing and transport costs, and evaluate the most effective ways to end the drivers of food insecurity). It will produce a roadmap to end child poverty in Scotland using all the powers this parliament has. Nothing short of that would fail the children of Scotland, who, deserve a Scotland where they can reach their full potential.





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