

Poverty

Q: What action is the Scottish Government taking to support people on low incomes?

We are taking a wide range of action to tackle poverty and build a fairer and more prosperous Scotland.

Since 2007 we have delivered over 80,000 affordable homes and have committed over £3 billion to deliver 50,000 affordable homes over this Parliamentary term; including 35,000 for social rent - the single biggest investment in, and delivery of, affordable housing since devolution.

Between 2013-14 and the end of 2018-19, we will have invested over £1.4 billion in the Council Tax Reduction Scheme - supporting almost half a million households each year to meet their council tax liability.

We are also taking action to help people to work and earn more. Scotland is already the best performing of UK countries in paying the living wage with 80.6% of employees paid at least that level, but over the next three years we are working to lift at least 25,000 more people onto this rate.

We have also committed up to £96 million to support Fair Start Scotland, Scotland's first devolved employment support service. Fair Start aims to support a minimum of 38,000 people, including those further removed from the labour market who want help to find and stay in work. In addition we are investing £12 million in new intensive employment support for parents.

Our [Fairer Scotland Action Plan Progress Report](#) sets out our progress from the last year, but it is clear there is still much more to do, and we remain absolutely committed to building a fairer and more prosperous Scotland for all.

Q: What is the Scottish Government doing to maximise the incomes of families?

The Scottish Government launched a new Financial Health Check in November 2018, backed by £3.3 million investment over two years. The service is delivered through the Citizens Advice Network in Scotland and offers personalised advice on 17 different elements to increase household incomes, reduce costs and tackle the 'poverty premium', where low income households pay more for basic goods and services.

In the first three months of delivery, the Service supported 1,740 clients and financial gain of over £1 million has been recorded for 366 clients. This means that, on average, each client is better off by £2,700.

We recognise the importance of the social security system in reducing poverty and ensuring individuals receive their full entitlements is a key part of this. The Best Start Grant is an example of how removing the barriers to applying can encourage take up

and remove stigma. Our benefit take up strategy will be published by mid-October 2019 and we will consult with stakeholders in the coming months on this.

We are also committed to using the limited powers we have to try and make the delivery of Universal Credit (UC) better suited to the needs of those who claim it. Since October 2017, we have been giving people in Scotland the choice to receive their UC award either monthly or twice monthly and have the housing costs in their UC award paid directly to their landlord both in the privately and socially rented sectors.

Q: What is the Scottish Government doing to mitigate against the cuts from the UK Government's welfare reforms?

[Analysis](#) shows that £3.7 billion will be cut from social security spend in Scotland by 2020-21 as a result of welfare reforms imposed by successive UK Governments since 2010. Clearly cuts at this level are beyond the ability of the Scottish Government to mitigate in full.

In 2018-19 we have invested over £125 million to mitigate against the worst impacts of these cuts and support those on low incomes – an increase of £20 million on the previous year.

This investment includes over £63 million for Discretionary Housing Payments to mitigate the bedroom tax in full and support households impacted by frozen Local Housing Allowance rates and £38 million for the Scottish Welfare Fund providing crisis support and Community Care Grants to households on low incomes.

Q: What action is the Scottish Government taking to tackle child poverty?

We are absolutely committed to tackling and reducing levels of child poverty in Scotland. Through the Child Poverty (Scotland) Act 2017 we are the only country in the UK to have targets to eradicate child poverty set in law.

We published our first Tackling Child Poverty Delivery Plan, '*Every Child, Every Chance*', in March 2018 outlining the concrete action we will take to deliver progress on this challenging goal. The Plan commits action from across government portfolios to tackle the three key drivers of child poverty reduction: 1) increasing income from work and earnings; 2) reducing household costs; 3) increasing income from social security and benefits in kind.

Key actions committed include: £12 million investment in new intensive employment support for parents, to help them enter and progress in the labour market; a new minimum level for the School Clothing Grant, set at £100 for every eligible child, and; £3 million investment in a new Financial Health Check, helping families to maximise their incomes and get the best prices for goods and services.

We will publish the first report outlining our progress in delivering these actions and against the targets set by the end of June 2019.

Q: How will the Scottish Government use its social security powers to help tackle child poverty?

Ahead of the first Tackling Child Poverty Delivery Plan being published in March 2018 the Poverty and Inequality Commission were clear that *“reaching targets through devolved social security alone is not realistic and would require billions of pounds of additional spending”*. We know that poverty is fundamentally about a lack of income, with social security clearly important in addressing that. However, we only have control over 15% of social security spending, and income replacement benefits such as Jobseeker’s Allowance, Employment and Support Allowance and Universal Credit are all reserved to the UK Government.

Social Security Scotland has already paid carers and low income families the Carer’s Allowance Supplement and the Best Start Grant Pregnancy and Baby Payment - an improved and increased benefit which replaces the UK Government’s Sure Start Maternity Grant.

In 2019 we will deliver four new benefits for low-income families and carers. These include new Best Start Grant nursery and school aged payments of £250 each, the £300 Young Carer Grant which will be awarded to young carers aged 16 to 18 and Funeral Expense Assistance – replacing the UK Government’s Funeral Expenses Payment and providing eligible low income families with a contribution towards the cost of a funeral with improvements that increases eligibility by 40%.

We are also consulting on the introduction of a Job Grant for young people aged 16-24 years old who have been out of paid employment for six months or more.

We have also set out our intention to work towards the introduction of a new income supplement, to provide additional financial support to families where children are living in poverty.

Q: How is the income supplement being developed?

We are currently carrying out a formal appraisal of potential policy and delivery options for the income supplement, and the feasibility of those, guided by two key tests - that the additional income is targeted on those families who need it, and that it’s therefore helping to lift the maximum number of children out of poverty; and that there is a robust and viable delivery route to get the additional income to those families.

The options appraisal will ensure we can fully and properly consider the potential risks and benefits of all approaches. Doing so will better ensure we deliver an income supplement that helps meet our two key tests, and our ambitious child poverty targets.

We are considering all potential options, and the delivery feasibility of those and it is critical that we do not rule options in or out at this stage. This approach will ensure we can give proper consideration to the advice of the Poverty and Inequality

Commission in relation to topping up reserved benefits, how Social Security Scotland could deliver a supplement and what local delivery options exist.

In line with our commitment we are also ensuring we engage closely with stakeholders, to consider how we can target support where it can have the greatest impact.

Q: When will the income supplement be introduced?

The Tackling Child Poverty Delivery sets out our commitment to work towards the introduction of the income supplement over its lifetime – which runs until 2022.

This is a significant and complex piece of work, and it is right that we take the time to evaluate all potential options. We are taking forward an options appraisal and it is critical that we do not rule options in or out at this stage. The timescale for the introduction of the income supplement will depend on the option, and the delivery body, chosen, and it is right that we do not pre-empt that.

Initial discussions have taken place with DWP and HMRC, to outline the commitment contained in the Tackling Child Poverty Delivery Plan, and how both organisations can best engage with each other in its development.

An update on this work, along with the publication of the options appraisal, will be provided as part the first update report on the Tackling Child Poverty Delivery Plan which the Cabinet Secretary for Communities and Local Government will provide to Parliament in June.