

# Save the Children

## Debate briefing (February 2024)

### Delivering Record Social Security Investment in Scotland to Tackle the Cost-of-Living Crisis and Inequality

#### Key points

1. Save the Children welcomes the efforts that have been made by the Scottish Government to drive down child poverty rates in Scotland over the long-term, and to help families with children during the cost-of-living crisis. By making significant investments in Scotland's five family benefits, especially continuing to increase the value of the Scottish Child Payment, we expect to see a reduction in child poverty rates in Scotland. This is as a direct result of positive choices being made by the Scottish Government. Parents have told us the difference these benefits make day-to-day, including Best Start Foods which are helping families in the face of inflated food prices.
2. However, **the cost-of-living crisis is far from over for low income families, meaning more must be done to protect children across Scotland.** When the crisis began in early 2022, Save the Children's [cost-of-living briefing](#) raised concerns that, for families with children living on low incomes across Scotland who were already struggling, the onset of the cost-of-living crisis caused even more desperate financial circumstances and deepened experiences of poverty. Now, almost two years on from the onset of the crisis, parents are still facing impossible choices about how to keep their families' heads above water. In fact, the protracted nature of the crisis means some parents tell us they are struggling even more now than they were at the beginning of the crisis. We know that the [longer children experience](#) a period of poverty, the deeper the impact will be on their health, development and wellbeing.
3. It is younger children and babies who will be impacted most by the prolonged decline in living standards caused by the cost-of-living crisis. **There are babies and young children in Scotland whose full first year of life has been impacted by especially deep experiences of poverty.** As Save the Children's [Better for Babies](#) briefing shows, a baby's first year is the most critical in defining their future outcomes, but it is also the time when the impacts of

poverty are most acutely felt. It is vital that children are protected from the adverse impacts of poverty and the cost-of-living crisis, not just for the sake of the child's outcomes but for the wider societal and economic benefits of living in a fair society free of poverty. Save the Children's report with JRF by IPPR Scotland, [Tipping the Scales](#), shows that **at a conservative estimate, the lost income due to historic child poverty in Scotland is between £1.6 and £2.4 billion per year – up to 1.5 per cent of Scottish GDP.**

4. Investment in the social security system and in targeted cost-of-living support is vital to alleviate the pressures on families in the short term, but it is also imperative that we continue to take the steps now that will move us towards meeting the 2030 child poverty targets where fewer than 10% of children in Scotland are living in poverty. **We need to continue to take targeted action to ensure a future where all children growing up in Scotland have an equal opportunity to thrive – this includes increasing the Scottish Child Payment to £40.**
5. **We need to see bold actions from the Scottish Government – across all portfolios - that matches the ambition of a Scotland free of child poverty.** Further investment in social security will play a key role in reducing child poverty and tackling the effects of the cost-of-living crisis, but this must be coupled with reciprocal actions in other areas, especially employment, family support and childcare.

## **What families need now**

A [quarter of families](#) in Scotland are living in poverty. We need action across a range of areas to protect families from the immediate impacts of the cost-of-living crisis, but also to make family budgets as resilient as possible to guard against future economic shocks. Families need to have reliable, adequate incomes to plan and make choices for their children. Only by addressing incomes will we be able to sustainably drive down child poverty rates. So action must include, but cannot be limited to, further investment in devolved social security benefits.

In addition to the calls below, it is imperative that the current Tackling Child Poverty Delivery Plan is delivered but that the next plan provides a clear road map to reducing child poverty and boosting family incomes ahead of the deadline to meet the 2030 child poverty targets.

The recommendations in this briefing focus on actions the Scottish Government can take now to help protect families with children living on a low income. However, it is important to note that the UK Government has a leading role to play in tackling child poverty and responding to the cost of living crisis.

**The Scottish Government should:**

- In line with calls made by the End Child Poverty Coalition, the budget for 2024/25 must increase the Scottish Child Payment to £30 and an increase to at least £40 in the lifetime of this parliament. A report from Save the Children, IPPR and the Trussell Trust, [Tackling Child Poverty and Destitution](#), provides evidence that this is a necessary increase in order to meet the child poverty targets;
- Invest in preventative social security spend, focusing on the early years, by considering the possibility of a minimum income guarantee or income supplement for families with babies as a matter of urgency;
- Tackle the root causes of child poverty, including getting wages rising for parents – especially mothers – in low paid and/or insecure work;
- Refocus efforts from bringing parents closer to the labour market, to [bringing the labour market closer to parents](#) by working with employers to encourage accessibility and flexibility;
- Ensure the childcare system works for families in poverty/on lower incomes as a priority and maximise the role of childcare in tackling child poverty and closing the attainment gap;
- Take action to mitigate the effects of the punitive Two Child Limit and the Young Parent Penalty via top ups or additional payments for those unfairly affected;
- As set out in the End Child Poverty Coalition's [2024/25 budget briefing](#), the Scottish Government must increase investment in tackling child poverty in 2024-25 and beyond. We urge the Scottish Government to use devolved tax powers progressively and ambitiously to raise additional revenue and incentivise fair work, including via tax reforms.

## **The continuing impacts of the cost-of-living crisis**

Even before the cost-of-living crisis many families told us they faced the impossible choice between eating or heating their home. With sudden increases in the price of food and essential bills skyrocketing, many found themselves unable to afford to do either. For the families we spoke with throughout the early stages of the crisis, the huge increase in both energy and food bills was the biggest worry they faced.

*"I fear if [the cost of living] goes much higher, I don't know what I will do."*

The cost-of-living crisis may no longer be headline news, but it remains a daily struggle for too many families in Scotland. Some parents have shared with us that they have "absolutely nothing" and that the financial pressures are "overwhelming."

*"I already use super saver brands, I can't cut back."*

The impacts of unaffordable living costs, when compounded over time, can be even greater. Although prices have started to drop, the longevity of the crisis means parents are often forced to get into ever-increasing debt which they struggle to pay back; face arrears for bills such as rent

and council tax because they prioritise buying food and paying for heating, and it often means having nowhere to turn because all life-lines, such as the Scottish Welfare Fund, have been exhausted. We can also see from Trussell Trust [data](#) that families with children in Scotland are much more likely to turn to foodbanks.

***“My weekly shop has went from £30 to £60. I have an autistic son with specific needs, the cost of Halal diet is going up, electricity is going up. I’m pregnant and don’t know how I’ll cope when the other one comes.”***

Additionally, since many families will have been struggling financially for the duration of the crisis, this means children are experiencing low standards of living for a protracted period of time. We know that the longer a child is in poverty, the deeper the adverse impacts will be. For smaller children, the persistence of low living standards has adverse impacts that are greater still. This is because the early years, and especially the first year of a child’s life, are the most important for developing the building blocks they need to thrive throughout their life. The effects of poverty can stifle this crucial development. The deeper the experience of poverty, the deeper the impact can be on the child.

***“I’m now paying £15 a week on formula. It’s essential – I need it to feed my child.”***

The compounding impacts of the Covid-19 pandemic and the cost-of-living crisis are being felt most by the youngest children, we must continue to invest in additional targeted support for those most impacted.

## **The role of social security in preventing families falling into crisis**

The role of a social security system is to be a safety net. When it works, it plays a vital role in ensuring families can stay out of poverty and meet their needs. And is resilient enough to help families weather unexpected storms like the cost-of-living crisis.

It is not inevitable that families suffered intense hardship as a result of the cost-of-living crisis. If, pre-crisis, families with children had been in a more resilient financial situation, the depth of suffering they have experienced and continue to experience could have been avoided or lessened.

Although families continue to struggle with the cost of living, parents have told us that the Scottish family benefits, particularly the Scottish Child Payment, Best Start Grants and Best Start Foods, have made a real difference in helping to afford essentials.

***“Best Start Foods has been brilliant.”***

We recognise that the Scottish Government's spending priorities, like the decision to increase key Scottish family benefits in line with inflation in the 2024/25 budget, demonstrate a continued focus on helping to reduce child poverty levels while also tackling the cost-of-living crisis.

***“The Scottish Child Payment helps loads”***

A record investment in social security shows a real commitment to helping those most impacted by the crisis and to bolstering the social safety net generally and reducing child poverty rates. Removing income thresholds from Best Start so they are in line with the eligibility thresholds of Best Start Grants, shows the Scottish Government are listening to families in the eye of the storm.

With families receiving all they are entitled to and still telling us they find it extremely difficult to make ends meet, it is clear that more needs to be done. Scotland has significant power over social security and choices to make around taxation that could go further to help meet children's needs.

In 2017 the Scottish Parliament unanimously supported the introduction of the child poverty targets to bring child poverty rates down to less than 10%. Despite the unanticipated challenges of the past few years and the strained fiscal environment, there is a legal requirement – and a moral duty – to meet those targets. Driving down poverty rates improves things for individuals but also has far wider benefits for society so we can all enjoy a thriving economy and a healthier, fairer Scotland. There remains much to do.

For more information, please contact:

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**Save the Children in Scotland** works to tackle the causes and impacts of poverty on children and families. We work to help secure the national ambition that by 2030, fewer than 1 in 10 children across Scotland will be experiencing poverty.

Our work focuses particularly on the early years (0-5) because we know that the impact of poverty is more pronounced and has longer term consequences for the youngest children. We also know that interventions made in the early years make the biggest and most sustained difference.

We **generate evidence and insight** about issues affecting families and what matters to them, **amplifying families' voices** and experiences, creating opportunities for them to influence change, providing **practical support** and **developing practice** that supports professionals working with children.

All quotes in this briefing are from parents Save the Children has worked with in Scotland in 2023.