



SCORECARD FOR THE SCOTTISH BUDGET 2024-25

In December 2023, members of the [End Child Poverty \(ECP\) coalition in Scotland](#) set out what [we believe needs](#) to happen to shift the dial on child poverty. The [Coalition](#) is made up of over 80 organisations. Members in Scotland have longstanding expertise and policy calls informed by the voice of children and families. Overall, we urged the Scottish Government to apply a robust test across the entire Scottish Budget: will this meaningfully support Scotland's child poverty ambitions? This briefing is our top-level 'scorecard' assessing how the draft Budget responded to this challenge, as measured against our calls.

In setting out this assessment, it is important to recognise that we have strongly welcomed the Scottish Government's commitment and actions to date to drive down child poverty across Scotland. Investment in the Scottish Child Payment is alone estimated to lift around 50,000 children out of poverty. Low-income families with children have seen their incomes boosted by around ["a sizeable £2,000 a year"](#) compared to those in England and Wales, according to the Institute for Fiscal Studies. As a result, there are families no longer relying on foodbanks, children able to join their friends in activities previously denied them, and struggling parents whose financial worries have lessened, and mental health improved. We know from our work, that the extra money has been spent on essentials, like nappies, while also helping parents travel to interviews, a new job, or college – opening up long-term routes out of poverty.

However, we are bitterly disappointed that the draft Scottish Budget for 2024-25 fails to sufficiently build on these efforts. As it stands, the Budget will, at best, stall progress in some areas, while hampering progress in others. Overall, there is a lack of concerted investment to further reduce child poverty in the short-term or to prevent it in the future. We are concerned by choices – such as funding a Council Tax freeze that will disproportionately benefit better off households whilst providing little if any support for low-income families – that do not align with the Government's stated priority of tackling poverty. As a result, we are deeply concerned the Budget may be a step back, putting the statutory 2030 targets in yet more jeopardy.

SUMMARY

- 1 in 4 children in Scotland are growing up in poverty. That's 230,000 children.
- In 2017, the Scottish Parliament unanimously agreed to enshrine child poverty targets into law. Scotland has therefore committed to a legally binding target of reducing poverty to fewer than 1 in 10 by 2030.
- The Scottish Government has a legal duty to meet the child poverty targets.
- Without sustained and deepened action now, we are deeply concerned that the targets will be missed and, overall, the 2024-25 Scottish Budget does not fund the bold new actions needed.
- Despite maintaining the value of existing social security commitments, investment to support the expansion in childcare, and other welcome but small-scale interventions, such as writing off school meal debt, the Budget falls short of the First Minister's ambition to 'shift the dial' on child poverty.
- There are cuts to important areas, such as Employability and Fair Work, which are critical to boosting incomes from employment, and a real-terms cut in funding to those facing acute income crisis.
- We recognise that Scottish Government finds itself in a challenging financial position. However, there are choices in this Budget with £144m allocated to a Council Tax freeze that will do little to benefit those who need it most. These resources could have been used to deliver some of the measures we set out below.
- We are also deeply concerned by the 26% cut to the affordable housing supply programme (AHSP). Investing in good quality, accessible affordable and social housing is a key lever to tackling poverty.

The rest of this briefing ranks progress against ECP Scotland's headline calls for the Scottish Budget using a Red-Amber-Green rating, based on the [draft Scotland Budget 2024-25](#) and published [Level 4 budget data](#).

For more information about this briefing, please contact Fiona King, Senior Policy and Public Affairs Manager, Save the Children: f.king@savethechildren.org.uk.

Increasing Income from Social Security and Other Income Support

What we asked for	What we got	
Increase the Scottish Child Payment, as a minimum, to £30 per week, on a path to £40 within the lifetime of this parliament.	The Scottish Child Payment will only be increased in line with inflation (a legal requirement) from April 2024, taking it to £26.70 per eligible child per week. It will support over 320,000 under-16s who receive it.	
Bolster wider income supports provided to children in low-income households, such as Best Start grants, ensuring – at the very least – they retain their real terms value.	All Scottish benefits will be uprated by 6.7% in line with CPI inflation in September 2023. We also recognise the overall social security assistance budget for the 14 devolved benefits is up by 20%, from £5.14bn in 2023-24 to £6.16bn in 2024-25. The budget for Child Disability Payment alone will rise from £327.6m in 2023-24 to £450m in 2024-25. Whilst these disability benefits are not specifically aimed at low-income households, families with a disabled person are a priority group at higher risk of poverty.	
Implement plans to remove income thresholds from Best Start Foods, so they are in line with Best Start Grants, at earliest possible opportunity.	Regulations have been passed and come into force 26 February 2024.	
Mitigate those affected by the punitive Two Child Limit and the Young Parent Penalty via top ups or additional payments for those unfairly affected.	No commitments to mitigate these damaging UK Government restrictions.	
Deliver on the commitment to fully roll out Free School Meals to all Primary 6 and Primary 7 in the next financial year (not waiting until 2026).	There is commitment to further investment of £43m in estate upgrades, including funding towards the roll out of Free School Meals for children in Primary 6 and 7 in receipt of the Scottish Child Payment from February 2025. However, that will not be soon enough for many low-income families struggling to feed their children right now and still represents a delay on the original commitment made. We continue to call on the Scottish Government to deliver free school meals to all Primary 6 and 7s.	
Increase eligibility criteria and value of school clothing grants to maximise families supported.	An inflationary increase to the school clothing grant from £13m in 2023-24 to £13.9m in 2024-25. No change to minimum eligibility.	
Commitment to writing off all historic school meal debt.	The one-off £1.5m that will go to Local Authorities to cancel school meal debt is positive, but a longer-term commitment to end this debt for good is needed.	

Help to Increase Income from employment

What we asked for	What we got	
<p>Invest in further expansion of high-quality, accessible and flexible early learning and childcare.</p>	<p>A 42% increase in “Early Learning and Childcare” (ELC) budget from £51.7m in 2023-24 to £73.5m in 2024-25, focused on implementation of 1,140 hours and to pay £12/hour to staff in the private, voluntary and independent sectors delivering funded hours.</p> <p>Investment in ELC focussed on increased pay for staff providing funded hours of childcare is welcome. However, we are concerned funding only applies to staffing funded hours, which risks creating a two-tiered workforce- where limited staff are paid £12/hour and others significantly less. Additionally, the Budget is not clear that resources are allocated to expand early years and childcare provision in line with Programme for Government commitments and Best Start Best Futures actions. It is unclear what resources, if any, are allocated to the expansion of more accessible, affordable and flexible childcare</p>	
<p>Drive improvements in the quality of work, particularly in sectors that are dominated by women such as social care and childcare – including addressing low-pay and insecure work.</p>	<p>A 51.4% cut on “Fair work and Labour strategy” from £7.2m to £3.5m. Yet the Budget states this is a “substantial continuing investment” to support fair work. The Workplace Equality Fund and Disability Public Social Partnership are closed, the Scottish Business Pledge retired, and both the Centre for Workplace Transformation and private sector 4-day week pilots are delayed.</p> <p>The £12 per hour real Living Wage for adult and children’s social care and ELC workers in the private, voluntary and independent sectors who deliver funded provision is welcome but still does not properly value these workers.</p>	
<p>Reduce barriers to entering and remaining in well-paid employment for those groups identified as being in higher risk of poverty.</p>	<p>The total budget for “employability” was cut by 23% from £133.6m in 23-24 to £102.9m in 24-25. This includes a 13.4% cut in “Employability and Workforce Skills” from £99.7m to £86.3m, and yet the Budget says there is “a continuation of investment in all-age devolved employability services delivered through our No One Left Behind approach”. Clarity is urgently needed on the implications of cuts for employment services to support parents at higher risk of poverty.</p>	
<p>Ensure there are sufficient resources invested in employability services to ensure the targets in the child poverty delivery plan are met and make sure they are designed with the specific needs of women in mind.</p>	<p>Current employability programmes are ungendered and do not consider the specific needs of women. Alongside the reduction in the employability budget, there are insufficient resources to meet the child poverty delivery plan targets.</p>	

Improve cash-first crisis support for families struggling with cost-of living crisis

What we asked for	What we got	
Make significant enhanced investment in the Scottish Welfare Fund; ensure the Fund provides consistent and adequate support to those facing an acute income crisis, including when families face exceptional pressures.	The Scottish Welfare Fund was held static year-on-year at £35.5m, this equates to a real-terms cut at a time of substantial need. The administration budget was also static at £5.5m.	
Provide sufficient investment to fund the expansion of income maximisation and advice services, including the training of new advisers.	No evidence or commitment to specifically fund expansion of income maximisation and advice services, or the training of new advisers.	
Put a pause on collecting debt and arrears owed to public bodies to provide breathing space for families.	Nothing on public sector debt recovery.	

Provide holistic whole-family support

What we asked for	What we got	
<p>Deliver on the Scottish Government’s commitment to invest in holistic whole-family support. Provide sufficient resources to implement a national approach that guarantees practical, emotional and financial help and assistance to all families who need it.</p> <p>Anti-poverty and income maximisation should be embedded into all whole family support. The Whole Family Wellbeing Fund should be prioritised and ring-fenced.</p>	<p>A £50m investment in holistic family support.</p> <p>In the 2021-22 Programme for Government, the Scottish Government committed to “at least” £500m investment between 2022 and 2026. Year 1 (2022-23) investment was £33.5m, Year 2 was £50m (2023-24). With £50m again in 2024-25, only just over a quarter of the money has been committed so far.</p> <p>The Whole Family Wellbeing Fund was held static year-on-year at £32m.</p>	
Provide sufficient resources to meet high levels of need for mental health services for adults and children affected by poverty.	Mental Health funding has been static for 3 years being held at £290m since the 2022-23 Budget. Given the high levels of demand, long waiting times and lack of resources for all mental health services but particularly Child and Adolescent Mental Health (CAMHS) it is disappointing that more funding has not been made available to respond to persistently high levels of need.	

Maximise Use of Devolved Taxation to Raise Vital Additional revenue to help tackle child poverty, while committing to broader tax reform that targets wealth and incentivises fair work

What we asked for	What we got	
<p>Use Scotland’s existing taxes progressively to raise additional revenues in 2024-25 that support the delivery of recommendations outlined within this briefing.</p>	<p>We saw changes to Income Tax that from April 2024 will:</p> <ul style="list-style-type: none"> • increase the Starter and Basic rates by inflation. These rates, along with intermediate and higher and top rates, will remain unchanged; • introduce a new 45p Advanced rate for those earning over £75,000; and • increase the Top rate from 47p to 48p, paid by those earning more than £125,140. <p>The Scottish Fiscal Commission forecasts these and other changes since 2017-18, add around £1.5bn in 2024-25 compared to elsewhere in UK. It forecasts the new Advanced rate and extra 1p on the Top rate will raise £82m in 2024-25, after behavioural changes. While these measures are progressive, when set against the £144m spent on the Council Tax freeze, they do not raise significant new revenue.</p>	
<p>Kick-start tax reforms to ensure the full suite of devolved and local taxes are as fair and progressive as possible, including to raise sufficient revenues for investment and to shift the focus of tax from income to wealth, while developing new ways to use tax to incentivise increased provision of fair work in Scotland.</p>	<p>There was no mention of broader tax reform in this Budget that would help shift the focus of tax from income to wealth, nor to incentivise fair work.</p> <p>This omission risks reducing the revenues available in future years to deepen action across the Child Poverty Delivery Plan.</p>	