



Cabinet Secretary for Finance, Economy and Fair Work
The Scottish Government
St Andrew's House
Regent Road
Edinburgh
EH1 3DG

7 December 2018

Dear Cabinet Secretary

Scottish Government 2019/20 budget & the new income supplement

On behalf of the Give Me Five campaign and the undersigned organisations we are writing to you, in advance of the draft 2019/20 budget, regarding the Scottish Government's new income supplement.

In a society that believes in justice and compassion, it cannot be right that 1 million people in Scotland – including 230,000 children – are currently living in the grip of poverty. We therefore welcome that the Scottish Government's new Best Start Grant will be introduced before Christmas – which will help with the additional costs of having children - and the reintroduction of payments for second and subsequent children. We also, in particular, strongly welcome the Scottish Government's commitment to using its new social security powers as a tool for tackling poverty, by introducing a new income supplement for families on low incomes.

As you will be aware, the Give Me Five campaign believes that topping up child benefit by £5 per week would potentially lift tens of thousands of children out of poverty. Child benefit provides a stable and reliable source of income for families which is spent on children, helps hard-pressed families and prevents children from falling into poverty. As a non-means tested entitlement, it has a high take-up rate and is less expensive to administer, and we continue to believe that topping up child benefit would represent a most effective and impactful way of delivering the new income supplement.

Aside from the particular delivery mechanism, though, and while recognising that the Scottish Government is currently undertaking a process of evaluating different options for the supplement, we are seriously concerned that the stated timescale for delivering the income supplement – i.e. by 2022 - is not reflective of the urgency with which it is required.

More and more children and their families will be pulled into poverty in the coming years – particularly as the freeze on working age benefits and the Universal Credit rollout continue to have an impact. This will especially affect women, who are already more likely to experience poverty than men, including in-work poverty, have a disproportionate responsibility for caring for children and account for 91% of lone parents.

With our organisations witnessing each day the impact that poverty has on the lives and life chances of children and their families across Scotland, it is clear to us that families need this support much sooner than 2022. We therefore urge you to use the budget to bring forward the introduction of the income supplement in recognition of the pressing need to both prevent and reduce poverty.

We recognise that each budget involves making difficult choices about our society's priorities and resources, and that bringing forward the delivery of the income supplement would involve a significant spending commitment this year. But the ambitious poverty reduction targets set by the Child Poverty Act require equally ambitious – and timeous – action and investing money now to unlock families across Scotland from poverty does not, we believe, represent a difficult choice.

Children born into poverty today should not have to wait for four years to be freed from that poverty. If we want to realise our shared vision of a Scotland where every child has every chance, then we must use the budget to bring forward the income supplement; families simply cannot wait.

Yours sincerely,

John Dickie, Director, CPAG in Scotland

Peter Kelly, Director, Poverty Alliance

Satwat Rehman, Director, One Parent Families Scotland

Dr Sharon Wright, Senior Lecturer in Public Policy, University of Glasgow

Grahame Smith, General Secretary, STUC

Mary Glasgow, Chief Executive, Children 1st

Janis McDonald, Chief Officer, deafscotland

Rev Dr Richard Frazer, Convener of the Church and Society Council on behalf of the Church of Scotland

Professor John McKendrick, Co-Director of Scottish Poverty and Inequality Unit, Glasgow Caledonian University

Professor Stephen Sinclair, Co-Director of Scottish Poverty and Inequality Unit, Glasgow Caledonian University

Marie Ward, Chief Executive Officer, Cranhill Development Trust

SallyAnn Kelly, Chief Executive Officer, Aberlour

Honor Hania, Chair, Justice and Peace Scotland

Norman Kerr, Director, Energy Action Scotland

David Liddell, Chief Executive Officer, Scottish Drugs Forum

Craig Samuel, Scotland Representative, National Association of Welfare Rights Advisers

Anna Ritchie-Allan, Executive Director, Close the Gap

Hugh Foy, Director, Xaverian Missionaries UK Province

Tressa Burke, Chief Executive, Glasgow Disability Alliance

Ella Simpson, Chief Executive, Edinburgh Voluntary Organisations' Council

Emma Ritch, Executive Director, Engender