



**Minimum Income Guarantee
Scottish Government Consultation
September 2021
Children in Scotland**

Giving all children in Scotland an equal chance to flourish is at the heart of everything we do.

By bringing together a network of people working with and for children, alongside children and young people themselves, we offer a broad, balanced and independent voice. We create solutions, provide support and develop positive change across all areas affecting children in Scotland.

We do this by listening, gathering evidence, and applying and sharing our learning, while always working to uphold children's rights. Our range of knowledge and expertise means we can provide trusted support on issues as diverse as the people we work with and the varied lives of children and families in Scotland.

Children in Scotland is pleased to respond to the Scottish Government's call for ideas on a Minimum Income Guarantee. We are an active member of the End Child Poverty Coalition. Poverty and Inequality is also one of the 10 themes for our 2021-2026 Manifesto¹. We are interested in considering new routes for tackling child poverty and look forward to contributing to ongoing discussions about the Minimum Income Guarantee. We believe that all children, young people and families should have the financial resources to thrive and are interested to see how a minimum income guarantee could support families in future.

We appreciate the work that has already been undertaken by the Scottish Government's Social Renewal Advisory Board and the scoping research conducted by the IPPR²³. In *principle*, we agree with the three features laid out by the IPPR⁴ in

¹ https://childreninScotland.org.uk/wp-content/uploads/2021/03/Manifesto_V2.1_March-21.pdf

² <https://www.gov.scot/binaries/content/documents/govscot/publications/independent-report/2021/01/not-now-social-renewal-advisory-board-report-january-2021/documents/not-now-social-renewal-advisory-board-report/not-now-social-renewal-advisory-board-report/govscot%3Adocument/not-now-social-renewal-advisory-board-report.pdf?forceDownload=true>

³ <https://www.ippr.org/publication/securing-a-living-income-in-scotland>

⁴ <https://www.ippr.org/publication/securing-a-living-income-in-scotland>

their research, namely that a Minimum Income Guarantee (MIG) should do the following:

1. an MIG is a universal guarantee, delivered through a targeted payment
2. an MIG should aim to realise a minimum acceptable standard of living for everyone, recognising different needs
3. an MIG should be designed to reduce poverty, inequality, and insecurity, as a payment people can rely on.

It is also important to reflect in our introduction that while we are supportive of the aims of a Minimum Income Guarantee, work to progress this cannot take priority over supporting families now. All work to take forward the Minimum Income Guarantee within Scottish Government must also be complimented by urgent action to reduce child poverty in the immediate term.

A Minimum Income Guarantee could be a key tool in upholding children's rights. Article 6 of the UN Convention on the Rights of the Child (UNCRC) states that children have a right to survival and development, Article 26 says children have a right to social security. A Minimum Income Guarantee will support the Scottish Government to fulfill its obligations in these areas as it incorporates the UNCRC into Scots Law and implements the UNCRC (Incorporation) (Scotland) Bill.

1. What do you see as being the key elements of a Minimum Income Guarantee?

We refer to the work conducted by the IPPR and also the views of experts in the child poverty sector including CPAG and the Poverty Alliance. A minimum Income Guarantee must be set at a high enough rate to ensure that it loosens the grip of poverty on the lives of children, young people and families. We also agree with the IPPR assessment that a Minimum Income Guarantee should aim to narrow inequality, while reducing poverty.

As a member of the End Child Poverty Coalition, we set out a number of actions in the lead up to the 2021 Scottish Parliament election that we see as essential to ensuring that the aims of a Minimum Income Guarantee are met. This includes:

- At least doubling the Scottish Child Payment
- Bolstering current support provided to children in low-income households such as the Best Start Grant and the School Clothing Grant
- Ensure crisis support is adequate and accessible through the Scottish Welfare Fund
- Guarantee holistic whole family support – including practical, emotional and financial support – is available to all families needing help
- Support migrant children and caregivers with financial and practical support
- Set out a child poverty-focused labour market policy.

The Scottish Government can find further detail on these actions in the ECP manifesto, [here](#).

Children in Scotland also set out a range of additional priorities in our 2021-26 Manifesto that we believe could be considered as elements of a Minimum Income Guarantee. This includes:

- Ensuring that every worker, regardless of age, is paid the real living wage by the end of the next parliament. They should also explore potential increases to the value of the living wage to ensure wages rise with inflation
- Applying a rights-based approach to anti-poverty policy which recognises and reflects the lived experience of those living in poverty and upholds their dignity.

This shows the range of work that is required both through the labour market and also through social security to make a Minimum Income Guarantee work effectively and ethically.

We would also agree with the Social Renewal Advisory Board's assessment that there is a need for investment in financial literacy support for young people. This was clear within the evidence from their sessions with children and young people. Children in Scotland has heard through a range of projects that young people want the opportunity to learn life skills including financial literacy⁵.

*"No one tells us. We need to know how to manage money and rent and stuff."
(Beyond 4 Walls, Young Peer Researcher)⁶*

However, it is worth highlighting that while we believe there should be a focus on financial literacy, this cannot be seen as a replacement for ensuring people have an adequate income. Making sure children, young people and families have the financial resources to survive must be the priority for a Minimum Income Guarantee.

2. What do you see as the main benefits, challenges and risks of a Minimum Income Guarantee in Scotland?

The main benefit of a Minimum Income Guarantee is that it will provide a baseline for basic living costs and provides a guarantee that families will have enough resources to cover these costs. We know the importance of a stable income on tackling issues like food insecurity and also in supporting mental health⁷. We look forward to further detail on how the level that the Minimum Income Guarantee will be set.

The IPPR rightly note the value of a Minimum Income Guarantee in supporting better health and wellbeing. We know that poverty can be a driver of poorer health and wellbeing and so a mechanism to ensure people have the financial resources they need, should help tackle this. Children in Scotland has recently been involved in the Being Bold: Wellbeing Budgets for Children project. The end of project report highlights how the budget process should be reformed to support better wellbeing⁸. Ensuring that families have a sufficient income is a central part of the approach laid

⁵ https://childreninscotland.org.uk/wp-content/uploads/2018/01/Beyond4Walls_Report.pdf

⁶ https://childreninscotland.org.uk/wp-content/uploads/2018/01/Beyond4Walls_Report.pdf

⁷ https://www.trusselltrust.org/wp-content/uploads/sites/2/2019/09/PolicyReport_Final_ForWeb.pdf

⁸ <https://childreninscotland.org.uk/wp-content/uploads/2021/03/BeingBold-Report.pdf>

out in the report. Any work on a Minimum Income Guarantee should be linked to work to align the budget process more closely with children's wellbeing outcomes than with service delivery.

Based on our previous work on social security, we have identified a series of challenges that the Scottish Government needs to consider when developing a Minimum Income Guarantee.

We know that a challenge of Universal Credit has been the 5-week wait, which leaves people waiting for payments after they apply. Given this does not apply to other forms of social security, it is not a fundamental or required part of the delivery. We know the impact that this has on income and mental health for people who are accessing Universal Credit⁹[\[10\]](https://www.trusselltrust.org/wp-content/uploads/sites/2/2019/09/PolicyReport_Final_ForWeb.pdf). Any measures built into ensuring a Minimum Income Guarantee must not have similar processes and delays built into their delivery.

This is particularly important to ensure that people are being supported to live at the level of the Minimum Income Guarantee despite changing circumstances. We know from ONS employment data that there are high numbers of people working on 0-hour contracts, which can lead to highly fluctuating incomes¹¹. All processes that are set up to ensure a Minimum Income Guarantee must be set up in such a way to respond to these fluctuating and flexible work patterns in such a way as it provides support quickly and does not leave people waiting weeks to receive payments.

Another key challenge for developing a Minimum Income Guarantee is ensuring that it has mechanisms built in to ensure that it is kept in line with inflation. There must be a form of uprating built into a Minimum Income Guarantee to ensure that the value continues to increase as the cost of living rises.

While the IPPR report talks about the need for additional powers for the Scottish Parliament, as members of ECP, Children in Scotland has consistently argued for the need to use the powers that are currently available, this is also reflected in the Social Renewal Advisory Board's report¹².

We know that rates of child poverty in Scotland are increasing and that families need support now. As a member of ECP we have been calling for Scottish Government to commit to the immediate doubling of the Scottish Child Payment, a call which has not been taken forward. Work to progress a Minimum Income Guarantee cannot come at the expense of the immediate and urgent action that is required to ensure children, young people and families have the level of income required. The need for this is recognised within the IPPR report and we would

⁹ https://www.trusselltrust.org/wp-content/uploads/sites/2/2019/09/PolicyReport_Final_ForWeb.pdf

¹⁰ <https://www.tuc.org.uk/sites/default/files/2020-11/Universal%20credit%20and%20the%20five%20week%20wait%202020.pdf>

¹¹ <https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/datasets/emp17peopleinemploymentonzerohourscontracts>

¹² <https://www.gov.scot/binaries/content/documents/govscot/publications/independent-report/2021/01/not-now-social-renewal-advisory-board-report-january-2021/documents/not-now-social-renewal-advisory-board-report/not-now-social-renewal-advisory-board-report/govscot%3Adocument/not-now-social-renewal-advisory-board-report.pdf?forceDownload=true>

encourage the Scottish Government to commit to doubling the Scottish Child Payment immediately to reduce child poverty now.

3. Are there certain groups of people that you think should be given particular attention when thinking about how a Minimum Income Guarantee in Scotland should work?

The Scottish Government's Tackling Child Poverty Delivery plan sets out six priority groups for action.

- Lone parent families, the large majority of which are headed by women.
- Families which include a disabled adult or child.
- Larger families.
- Minority ethnic families.
- Families with a child under one year old
- Families where the mother is under 25 years of age.

These six groups were identified due to their heightened risk of experiencing poverty and in reflection of the need for specific work to tackle these inequalities. As such, we would suggest that a Minimum Income Guarantee should take a similar approach and use the six groups as a starting point for identifying additional groups that may need particular attention.

This approach is reflected within the Social Renewal Advisory Board's report where they note that poverty is higher for people with disabilities and for those from ethnic minority backgrounds. We also know that a gendered approach is required as women's poverty is central to child poverty. We encourage the Scottish Government to pursue an intersectional approach to all work on the Minimum Income Guarantee to ensure that the needs of all groups, and the impact of multiple inequalities are reflected within the Guarantee.

4. What steps should we take first to deliver the Minimum Income Guarantee in Scotland? You may wish to think about public services, employment and employers, and social security.

As we have highlighted throughout this response, we believe that the Scottish Government needs to take urgent action to loosen the grip of poverty immediately. We would encourage the Scottish Government to prioritise the calls from both Children in Scotland and the End Child Poverty coalition's manifestos, which we highlighted in our response to Question 1. Addressing these priorities would not only provide support to families now, but they would also lay the groundwork for realising the success of a Minimum Income Guarantee.

In particular we would continue to encourage the Scottish Government to focus on doubling the Scottish Child Payment immediately. While this was not included within the 2021-22 Programme for Government, we would encourage the Scottish Government to progress this within the autumn budget to ensure families get the support they need.

In addition to this, we would also encourage the Scottish Government to continue to proactively engage with the children and young people's sector to ensure they are hearing directly from experts and from organisations working with children, young people and families. We are pleased to see that the Expert Advisory Group will support with the development and delivery of a Minimum Income Guarantee but also hope a wider programme engagement is planned. We would encourage the Scottish Government to connect with the Children's Sector Strategic Forum, which Children in Scotland chairs, and which has cross governmental approaches to tackling child poverty as one of its key priorities. Children in Scotland would be very happy to facilitate this connection.

We would also encourage Scottish Government to engage directly with children, young people and families in relation to the development of the Minimum Income Guarantee. The experiences of those who will benefit most from the Guarantee should be at the heart of its development. We would encourage the Scottish Government to engage with the organisations that know these families best, to ensure engagement work is done sensitively, meaningfully and in a non-stigmatising way. Children in Scotland's Principles and Guidelines for the Meaningful Participation and Engagement of Children and Young People are a good starting point for developing this work and looking at the considerations required to do this work ethically¹³.

If you have any further questions about our response, please contact Amy Woodhouse, Head of Policy, Projects and Participation, awoodhouse@childreninscotland.org.uk

¹³ <https://childreninscotland.org.uk/wp-content/uploads/2019/09/CiS-Participation-2019.pdf>