

Drawing a line under poverty with the Minimum Income Guarantee



Interim report

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Introduction

With one in five people (22%) having their life chances restricted by the injustice of preventable poverty,¹ it is clear that the safety net in the UK is insufficient. After over 10 years of cuts and restrictions, our social security system is failing the people it is intended to support. This is evidenced by the fact 90% of people in receipt of Universal Credit are currently going without essentials.² We also continue to see structural problems in our labour market relating to low wages, declining job quality and increasing precarity which means that work is not always a sustainable route out of poverty. Indeed, 70% of children experiencing poverty in Scotland live in a household where someone is in paid work. These issues have been further illuminated by the Covid-19 pandemic and the ongoing impact of the cost of living crisis. Across the UK, we have seen a rising tide of poverty as people struggle to access adequate incomes that enable them to live a decent and dignified life.

One of the policy solutions that has emerged in response to these issues is the Minimum Income Guarantee (MIG), an idea centred on setting a minimum income level below which nobody would be allowed to fall.³ The idea is more than just a social security proposal,

made up of three complementary parts, requiring changes to our labour market so that more people can access fair work; renewal of our public services to reduce the cost of living for low-incomes households; and the strengthening of our social security system, including the creation of a MIG payment.

The mechanics of the MIG will relate to incentives and legislation to provide greater flexibility, security and fair wages in the labour market; reducing the cost of living through universal basic services approaches, including the expansion of funded childcare and concessionary travel for low-income households; and the strengthening of our social security system through an emphasis on adequacy and improving the experience of accessing support. We believe that the MIG has transformational potential as a practical proposal to progress financial security for all.

In contrast to proposals such as the Universal Basic Income, the MIG is characterised by tailoring and targeting which renders it a more successful anti-poverty measure. The MIG is targeted only to those on low-incomes; and tailored to individual and household needs and

¹ Joseph Rowntree Foundation (2024) *Poverty in the UK 2024: The essential guide to understanding poverty in the UK* available at <https://www.jrf.org.uk/uk-poverty-2024-the-essential-guide-to-understanding-poverty-in-the-uk>

² Joseph Rowntree Foundation (2022) *Guarantee our Essentials* available at <https://www.jrf.org.uk/social-security/guarantee-our-essentials-reforming-universal-credit-to-ensure-we-can-all-afford-the>

³ IPPR Scotland (2021) *Securing a living income in Scotland: Towards a Minimum Income Guarantee* available at <https://www.ippr.org/files/2021-03/securing-a-living-income-in-scotland-march21.pdf>



circumstances. For instance, a single person with no dependents would typically need less income to reach a decent quality of life than a single adult with dependent children or other caring responsibilities.⁴

A single person would therefore have a lower minimum income level than those with higher costs. In addition, the costs people and households face to reach a decent quality of life vary by household type and this would need to be taken into account within the MIG level calculation. For example, research by Scope has shown that the average disabled household (including at least one disabled adult or child) faces extra costs of £975 per month.⁵

The idea of establishing a decent minimum income for all through a MIG has been developed by IPPR Scotland,⁶ and was a key recommendation in the report of the Social Renewal Advisory Board⁷ in 2021. There are also similarities and overlaps with the New Economics Foundation's work on a National Living Income.⁸ The Scottish Government has made a welcome commitment to the MIG and has established

a Steering Group and Expert Group, of which the Poverty Alliance is a member, to take forward this proposal. While a small number of civil society organisations are engaged in these formal processes, we know that there is a need for broad-ranging civic engagement if we are to ensure implementation of the policy.

A barrier to this broader support is the lack of knowledge and engagement on the concept of MIG within civil society. Despite the aims of the policy being pertinent to the priorities of our members, the publication of the Expert Group interim report in 2023 did not lead to MIG becoming an organising principle in the anti-poverty movement due to a lack of engagement in, and understanding of, the concept. As a result, the MIG remained out of reach for many organisations. As we approach the publication of the Expert Group's final report in late 2024, there is a clear need to expand awareness of, engagement in, and support for the MIG if we are to achieve implementation.

⁴ Scottish Government (2023) *Minimum Income Guarantee Expert Group: Interim Report* available at <https://www.gov.scot/publications/minimum-income-guarantee-expert-group-interim-report/>

⁵ Scope (2023) *Disability Price Tag 2023: The extra cost of disability* available at <https://www.scope.org.uk/campaigns/extra-costs/disability-price-tag-2023>

⁶ IPPR Scotland (2023) 'What is a minimum income guarantee' available at <https://www.ippr.org/articles/what-is-a-minimum-income-guarantee#:~:text=A%20MIG%2C%20when%20designed%20effectively,homes%2C%20and%20live%20with%20dignity>

⁷ Social Renewal Advisory Board (2021) *If not now, when? Social Renewal Advisory Board Report* available at <https://www.gov.scot/publications/not-now-social-renewal-advisory-board-report-january-2021/>

⁸ New Economics Foundation (2022) *The National Living Income: Guaranteeing a Decent Minimum Income for All* available at https://neweconomics.org/uploads/files/NEF_Living-income.pdf

The Drawing a Line project

The Poverty Alliance were delighted to receive funding from abrdn Financial Fairness Trust to work with Poverty Alliance members and wider civil society to build awareness and support for the implementation of a MIG in Scotland, focusing on the immediate next steps for delivery over the next three years. Through this project, the Poverty Alliance have sought to enable more organisations to input into the development of the MIG, allowing for a more consistent and strategic approach to be taken to building support for the proposal in Scotland. This project has two phases relating to engagement and support, with a focus on communications throughout.

As part of the initial engagement phase of this project, the Poverty Alliance held six in-person seminars with Poverty Alliance members and wider civil society on key aspects of the MIG.⁹ These sessions focused on policy development, implementation and potential interim steps. The topics of these seminars were shaped by our members' concerns and interests,

identified through discussions at the Poverty Alliance annual conference¹⁰ in November 2023, as well as the priorities emerging from the Expert Group and IPPR Scotland's Rethinking Social Security¹¹ programme. The topics for each of the six engagement sessions are outlined below, and more detail on the format and topic for each session is provided in Appendix 1.

- A compassionate social security system for unpaid carers: Piloting the Minimum Income Guarantee
- Funding the fight against poverty
- Complementing fair work: Minimum Income Guarantee and incentives
- Drawing a line under disabled people's poverty
- Balance of power: Using our legislative competency to advance the Minimum Income Guarantee
- Talking effectively about the Minimum Income Guarantee: Building public and political support.

⁹ These six in-person seminars were hosted across Stirling, Dundee, Glasgow and Edinburgh, with 116 organisations attending.

¹⁰ The Poverty Alliance (2024) *The Minimum Income Guarantee: Briefings from the Poverty Alliance Conference* available at https://www.povertyalliance.org/mig_conference_briefings/

¹¹ IPPR Scotland's Rethinking Social Security programme is supported by abrdn Financial Fairness Trust. See <https://www.ippr.org/articles/securing-a-living-income-in-scotland>



In addition to diversifying the organisations who are contributing to the development of the MIG, these seminars have enabled us to garner useful insight into the key priorities around the development and early implementation of the MIG. As the Scottish Government work to identify the roadmap to the MIG, these findings provide helpful direction as to the areas of policy-making that will gain strongest support. The first phase of the project forms a useful platform on which to build greater civil society support for the MIG.

This report is an overarching digest, providing an overview of key themes, findings and recommendations which have emerged from the engagement phase of our project. In addition to this report, we have published a full briefing of each of the six engagement seminars which provide further information about discussions and priorities. All recommendations within those individual briefings are presented in order of preference, identified via the voting mechanism outlined above.



Key findings

Attendees across all sessions demonstrated widespread enthusiasm for the MIG and the idea of the Scottish Government adopting a different, more substantive approach to addressing poverty. Those attending these seminars were clear that continued high rates of poverty cannot be justified in a wealthy country like Scotland, necessitating bold policy proposals like the MIG. Civil society welcomed Scottish Government support for the policy and wanted to ensure that this commitment results in concrete action to address poverty in Scotland.

In some areas, we were able to establish clear consensus on priority interim steps and the principles which should underpin the policy. These priorities and points of consensus across areas such as cost, interim steps and the roadmap to implementation are presented below. However, other points of discussion did underscore the continued lack of clarity on how aspects of the policy may work in practice. In light of the parameters of the devolution settlement, a key consideration in this space was the scope of our advocacy and the critical role of the UK Government. There were also questions about the delivery

of the fair work sphere, and the need for clarity on how the Scottish Government will raise the revenue for delivery. Again, these points for clarification are outlined below.

Public support: A solid platform on which to build

Levels of public support for the idea of setting a guarantee to make sure nobody falls below an acceptable standard of living are currently positive, but there is scope to build upon this platform. Polling by Diffley Partners on behalf of IPPR Scotland asked respondents to rank various policy options on the importance of that policy in ensuring that nobody falls below a reasonable standard of living. Respondents were asked to rank policies on a scale from 1-5, where 1 is 'not at all' and 5 is 'very important'. The idea of introducing a guarantee to provide an adequate standard of living for all received strong support, reaching 3.9 on this scale. Previous polling also pointed to four in five people supporting the MIG.¹² This outcome represents a strong foundation on which to build public support, and aligns with broader polling on social security from the British Social Attitudes survey,¹³ the New Economics Foundation,¹⁴ and The Fabians.¹⁵ As outlined

¹² IPPR Scotland (2022) '4 in 5 Scots would support a Minimum Income Guarantee' available at <https://www.ippr.org/media-office/4-in-5-scots-would-support-a-minimum-income-guarantee-as-leading-think-tank-calls-for-immediate-action>

¹³ British Social Attitudes (2022) *Taxation, welfare and inequality* Available at https://www.bsa.natcen.ac.uk/media/39481/bsa39_taxation-welfare-and-inequality.pdf

¹⁴ New Economics Foundation (2024) 'The Politics of "Welfare" has distorted public perceptions of social security' available at <https://neweconomics.org/2024/06/the-politics-of-welfare-has-distorted-public-perceptions-of-social-security>

¹⁵ Abey, J & Harrop, A. (2021) *How to increase social security with public support* available at <https://fabians.org.uk/wp-content/uploads/2021/05/Going-with-the-grain-Fabian-Society-lowres.pdf>



by the New Economics Foundation, “the cyclical nature of support [for social security] implies that now is likely to be the best time to introduce long-lasting reform that results in an adequate and effective safety net”.¹⁶

Within the polling by Diffley Partners outlined above, fair work was the policy option which received the strongest public support in terms of its role in ensuring nobody falls below a reasonable standard of living, achieving 4.6 on the scale. This indicates that the public continue to view good quality employment as the best route out of poverty, and again points to the importance of getting the work sphere of the MIG correct in order to achieve public support.

Talking about the MIG: Our communications framework

Building a strong public narrative framework to support the MIG has been a recurrent theme and top priority in engagement with our members. Indeed, public awareness of the MIG remains fairly low, in part reflecting the low-levels of civil society and political engagement in the policy. This renders clear, effective communication of particular importance as we enter the period of implementation.

At our final session, focused on *Talking about the MIG*, attendees were asked to

identify imagery and values which were useful in communicating the ambitions of the MIG. The values identified as integral to our framing of the MIG were security, freedom, and community. This gives an indication of the values that we should be activating within our communications, with freedom viewed as particularly useful when talking to audiences who are likely to be MIG ‘sceptics’. In imagery, attendees believed images of people helping each other, and images which emphasised the incremental, building block nature of the MIG, were most useful. The three images prioritised by the group are included in Appendix 2.

Throughout our seminars, attendees were keen to push back on framing which portrayed the MIG as being ‘radical’. Our governments and wider duty-bearers have legal responsibilities to meet minimum core obligations – a baseline of social, economic and cultural rights.¹⁷ In this context, the MIG is a practical proposal to progress the rights and freedoms that people should expect. Welfare reform and austerity have created lowered expectations around what is possible, with inadequacy now something of an entrenched norm in our social security system. This context can make a policy idea that is based upon adequacy and having ‘enough’ appear undeliverable or unattainable by comparison.

¹⁶ New Economics Foundation (2022) *The National Living Income: Guaranteeing a Decent Minimum Income for All* available at https://neweconomics.org/uploads/files/NEF_Living-income.pdf

¹⁷ Scottish Human Rights Commission (2023) *Minimum Core Obligations – The Practice of the UN Committee on Economic, Social and Cultural Rights* available at <https://www.scottishhumanrights.com/media/2402/mcos-and-the-practice-of-the-un-committee-on-economic-social-and-cultural-rights-final.pdf>

On the road to a MIG, there are a number of interim steps

Over the course of the Poverty Alliance's work on MIG, it has become clear that some people find the concept somewhat intangible, or overly complex. In response to these challenges, we have found that outlining MIG as the destination to which we are working towards, with interim steps along that road, has been helpful in gaining buy-in and support from civil society. This 'roadmap' approach also enables organisations to frame their existing policy and advocacy priorities as interim steps towards the MIG. This is a model that should be replicated within future communications on the MIG and will be a guiding principle for the second phase of our project.

This roadmap approach provides a key rationale for the Scottish Government utilising all of the powers at their disposal to progress the MIG. Attendees agreed with the Expert Group that "*progress towards a Minimum Income Guarantee doesn't need to wait*". Early priorities for attendees included changes to the Scottish Child Payment to expand eligibility and to increase the value of the payment to £40; delivery of existing commitments on affordable housing; increased investment in, and prioritisation of, parental employability commitments within Best Start, Bright Futures; and the expansion of affordable, flexible childcare, working towards 50 hours a week of funded childcare for low-income households. Measures which will have a tangible impact on the ability of households to stay afloat during the cost of living crisis were also prioritised here, including the implementation of Universal Free School Meals; and the introduction of rent freezes and caps as outlined in the Housing Bill.

Answering the unanswered questions will be critical to building public support

The Poverty Alliance annual conference in 2023 identified a number of unanswered questions about the MIG and how it would work in practice. A key finding from this conference was the need to ensure we have answers to these questions, in order to build public and political support. Providing clear answers was a need reiterated throughout these engagement seminars and it was viewed as pivotal that the forthcoming final report of the Expert Group establishes clear parameters for the MIG. Within our seminars, clarity was viewed as particularly important in the realm of fair work and the devolution of power:

The role of fair work

Attendees perceived a continued lack of clarity around the role of the labour market, including questions related to:

- Whether the introduction of the MIG will influence the actions of employers, such as their willingness to pay the real Living Wage when they know wages will effectively be 'topped-up' by a MIG payment, and how we could mitigate against this risk;
- Whether people will be willing to take on less attractive jobs when they are in receipt of the MIG payment; and
- The nature of the interactions between social security and work and, as a result, whether the policy would disincentivise paid work.

While discussions at our *Fair Work* seminar provided insight as to some of civil society's priorities, it did not achieve consensus or clarity on the specific answers to those questions. The continued lack of clarity as to the role of fair work is potentially concerning, given work incentives will be a likely site of push-back on the policy. As highlighted by Tony Wilson, Director at the Institute of Employment Studies, these questions get to the heart of the key challenges within welfare policy-making, often referred to as the 'iron triangle'. This relates to the trade-off between three policy objectives: 'affordability' (for the government), 'adequacy' (in terms of reduced poverty and increased living standards), and 'financial work incentives' (effective tax rates on low earners).¹⁸ While it is possible to do one or two of these objectives within policy-making, it is extremely difficult to achieve all three objectives simultaneously. It is currently unclear how the MIG will balance these objectives, or what aspect of the 'iron triangle' will be de-prioritised as we move into the period of implementation.

Attendees were clear that the current model of work incentives and conditionality is ineffective. Forcing people into any job, regardless of whether it meets their needs does not deliver strong outcomes for individuals, communities or our labour market. The Institute for Fiscal Studies have

concluded that social security policy should factor in the longer-term effects of how reforms affect careers and progression.¹⁹ This concern is reinforced in the New Economics Foundation's recent report into conditionality which found that people in the system want support that is more focused on good jobs, rather than just getting any job as quickly as possible.²⁰ Any measurement of work outcomes within the MIG must be expanded beyond working hours, or merely entering any job, and instead place emphasis on criteria relating to fair work. In the labour market space, policy-making and service design must also account for the fact particular groups continue to face barriers to reaching the MIG level through paid work alone due to structural inequalities in the labour market. This includes women, who account for the majority of unpaid carers, primary carers and single parents; disabled people; and Black and minority ethnic people.

Attendees believed that there is a clear role for employers in the delivery of the MIG, particularly those employers in sectors often characterised by low-paid and insecure work such as care, hospitality and retail. Indeed, analysis from IPPR Scotland concluded that simply ensuring everyone already in work is paid the real Living Wage would lift around 70,000 people out of poverty.²¹ This uplift would likely have particular benefits for women, disabled people and Black and

¹⁸ New Economics Foundation (2022) *The National Living Income: Guaranteeing a Decent Minimum Income for All* available at https://neweconomics.org/uploads/files/NEF_Living-income.pdf

¹⁹ Institute for Fiscal Studies (2023) *Inequality: the IFS Deaton Review* available at <https://ifs.org.uk/inequality/press-release/decades-of-benefit-reforms-have-pushed-more-people-into-work-but-very-often-into-part-time-low-paid-work-with-little-prospect-of-progression/>

²⁰ New Economics Foundation (2022) *The National Living Income: Guaranteeing a Decent Minimum Income for All* available at https://neweconomics.org/uploads/files/NEF_Living-income.pdf

²¹ IPPR Scotland (2024) *Working Wonders: The role of employability in tackling poverty* available at <https://ippr-org.files.svdcdn.com/production/Downloads/Working-wonders-March-24.pdf>

minority ethnic people who are more likely to be in low-paid work and paid below the real Living Wage. Quick progress must be made on both ending negative employment practice and offering support and advice to employers so they are able to, amongst other things: pay the real Living Wage; deliver Living Hours; provide opportunities for in-work training and progression; and offer flexible working. Attendees questioned how the role of employers in delivering the MIG will be articulated and theorised, and how we will achieve the necessary buy-in from these key stakeholders.

In addition to new regulation and guidance, there is also a need to ensure greater enforcement of pre-existing requirements, particularly for low-earners. Analysis from Resolution Foundation points to 334,000 UK employees being paid less than the National Minimum Wage in 2022; 900,000 having no paid holidays; and 1.8m receiving no payslip.²² Despite issues with the delivery of these legal rights, the UK has only 0.29 labour market inspectors per 10,000 workers, which falls significantly short of the one per 10,000 workers recommended by the International Labour Organisation. Ensuring adequate enforcement of existing rights would be an interim step towards the MIG.

Devolution settlement

Whether the Scottish Parliament has the necessary powers to implement the MIG is a

key question for policy delivery. The balance of power within the devolution settlement has been a pivotal area of discussion in the engagement with our members. The lack of clarity as to legislative competency is a barrier to buy-in and support. It is the early view of the Expert Group, as stipulated in the interim report, that even a pilot or initial roll-out of MIG will require legislation in the Scottish Parliament.²³ This gives rise to questions around what can be achieved within current powers; what requires further devolution; and the opportunities around enhanced collaboration through renewed intergovernmental relations.

The Scottish Government can clearly make a substantial, valuable contribution to the delivery of a MIG in Scotland. As outlined earlier in this report, the Scottish Government must use all of the powers at their disposal to progress the policy. However, the MIG undoubtedly interacts with policy areas which are reserved to Westminster, notably Employment Law and reserved social security, including Universal Credit. This means that more powers would need to be devolved to the Scottish Parliament, or changes made to policy at the UK-level, to achieve the 'full' MIG. Indeed, the Expert Group's interim report concluded that further powers around social security, work, tax, borrowing and equalities may well be necessary in the future to realise the full potential of a MIG.²⁴

²² Resolution Foundation & Centre for Economic Performance (2023) *Ending Stagnation: A New Economic Strategy for Britain* available at <https://economy2030.resolutionfoundation.org/wp-content/uploads/2023/12/Ending-stagnation-final-report.pdf>

²³ Scottish Government (2023) *Minimum Income Guarantee Expert Group: Interim Report* available at <https://www.gov.scot/publications/minimum-income-guarantee-expert-group-interim-report/>

²⁴ Ibid.

Input at the Balance of Power seminar from Professor Nicola McEwen brought clarity that the system of devolution in the realm of social security is complicated, characterised by ‘jagged edges’ and requiring co-operation between the Scottish and UK Governments. If the Scottish Government changes a benefit or introduces a cash payment that effects the income of people living in Scotland, unless it does this with the consent of the UK Government, it will impact entitlement to reserved benefits. This raises questions for the envisaged MIG cash payment.

An overarching conclusion of the seminar focused on the *Balance of Power* was a necessity to ‘focus on Scotland, but not just the Scottish Government’ in the development and implementation of the MIG. If we want to progress this policy, and progress at pace, there is a need to move beyond an insular focus on the Scottish Government alone. We must consider the actions needed at UK-level, particularly in the realm of social security, and what can be achieved via collaborative approaches. As outlined in the Poverty Alliance manifesto for the 2024 General Election, changes at the UK-level such as the removal of arbitrary caps and limits on support, including the benefit cap and two-child limit, alongside reform to the system of conditionality within the system would function as critical interim steps towards a MIG.²⁵ Similarly, given employment law remains a reserved issue, expected changes through the New Deal for

Working People could make useful progress towards a MIG – providing more people access to higher wages and security in the labour market, increasing the likelihood that they reach the MIG level through paid work.

The election of a new UK Government brings prospects for renewed intergovernmental relations and early soundings from the Prime Minister have pointed to a desire to develop a new approach to governance across the four nations.²⁶ The MIG could function as a laboratory of policy in the manner that devolution was intended to be, providing opportunities for innovation, evaluation and scaling-up. Framing the MIG in this way, and aiming for collaboration, provides the greatest opportunity for implementation. Civil society must broaden the focus of our advocacy to include the role of the UK Government in implementation.

Piloting the MIG

There has been much discussion within our seminars, and wider dialogue, about potential pilot groups for the MIG. Our session on piloting the policy focused on unpaid carers, in reflection of the 2023 Programme for Government commitment to “model a MIG for unpaid carers”.²⁷ While a pilot was welcomed by attendees, there were some concerns about the unintended risks and consequences of taking a policy presented as a universal guarantee and applying it to a single population group. Attendees felt

²⁵ The Poverty Alliance (2024) *Securing our Future: Poverty Alliance Manifesto 2024* available at <https://www.povertyalliance.org/manifesto/>

²⁶ Diamond, Claire (2024) ‘Starmer and Swinney to work together on “common ground”’, BBC News, 7th July 2024 available at <https://www.bbc.co.uk/news/articles/c87rk4dzv0do#:~:text=Prime%20Minister%20Sir%20Keir%20Starmer%20has%20met%20First,the%20relationship%20between%20the%20Scottish%20and%20UK%20government.>

²⁷ Scottish Government (2023) *Equality, Opportunity, Community – Our Programme for Government* available at <https://www.gov.scot/publications/programme-government-2023-24/documents/>

that this may lead to the pitting of one group against another; lead to the policy becoming singularly focused on child poverty; or result in public pushback due to additional targeting to a certain group.

Piloting the MIG was perceived as an opportunity to test the principles of the policy and approach; generate data; inform policymaking; and create political will for policy outcomes. However, it was viewed as important to build collective understanding as to the purpose and objectives of any pilot. While the three spheres of the MIG, alongside the principles of targeting and tailoring, renders the policy a more effective anti-poverty measure than the Universal Basic Income (UBI), these features also make it more challenging to pilot.

Within a pilot, regardless of whether it is targeted to a locality or particular population group, it will not be possible to implement the full suite of interventions which underpin the MIG. There are significant challenges to making changes to the labour market or public services– such as an increased funded childcare entitlement or free/ discounted travel – within the context of a time-limited, population-specific or geographically-limited pilot. This makes it difficult to ‘test’ the expansive policy and a MIG pilot is likely, therefore, to be focused on social security interventions. We must therefore be clear about the deliverability and limitations of any pilot. It is important that

any ‘partial’ pilot alone does not dictate the future feasibility of the policy, as the initial pilot is unlikely to reflect the full potential of the MIG.

Intergovernmental collaboration will be required for any pilot. Feasibility studies for a UBI pilot in Scotland ultimately concluded that such pilots were politically unfeasible within the current devolution settlement. Using existing Scottish Parliament legislative and delivery powers would place significant restrictions on the pilot model design and potentially compromise learnings.²⁸ Returning to the devolution settlement, the potential pilot is another area where there are questions about deliverability and the role of the UK Government.

Conditionality and the MIG

The majority of attendees at our *Fair Work* session expressed support for a system free of conditionality. This position was informed by evidence relating to the problems and damage associated with the current system of sanctions. Indeed, the New Economics Foundation have concluded that the current model of conditionality has undermined people’s ability to focus on finding a well-paid and secure job, and has limited the potential for individuals to build a supportive, trusting relationship with their work coach.²⁹ However, others highlighted that a system entirely free of conditions will likely make it more difficult to gain public support.

²⁸ Scottish Government (2022) *Minimum Income Guarantee Steering Group: Background on minimum income guarantee and basic incomes* – August 2021 meeting paper available at <https://www.gov.scot/publications/minimum-income-guarantee-steering-group-background-on-minimum-income-guarantee-and-basic-incomes/#:-:text=The%20key%20conclusion%20of%20the,the%20Steering%20Group’s%20preferred%20model>.

²⁹ New Economics Foundation (2024) *Terms of Engagement: Rethinking Conditionality to Support More People into Better Jobs* available at <https://neweconomics.org/2024/07/terms-of-engagement>

The potential for push-back around work incentives and conditionality is evidenced in early press coverage on the MIG³⁰ and within evaluation of the Welsh UBI pilot with care experienced young people.³¹ This latter report outlines that in several focus groups, Personal Advisors were critical of care experienced young people receiving what they perceived to be a comparable income to their own full-time salary. The annual report notes “the unconditional nature of the basic income was largely unsupported by professionals, who criticised this aspect of the scheme”.³² This report provides insight into the potential pushbacks of a MIG payment that has no conditions attached.

At our seminar, there was support for an approach which replaces the current system of conditionality with the offer of good quality employment support. Employability support within a functioning social security system should offer a viable route out of poverty. Indeed, the Scottish Government has made employability central to its child poverty strategy and has also outlined person-centered objectives which provide support tailored to people’s needs and circumstances. However, IPPR Scotland research found a devolved employability system that is valued by people accessing it, but is not yet meeting these ambitions.³³

With Scotland’s mainstream employability programmes failing to meet the needs of groups at greater risk of poverty, it is concerning that tailored programmes, such as the Parental Employability Support Fund have been subject to substantial funding cuts. Investment in tailored, person-centred employability support is a critical interim step of the MIG in Scotland.

Another model which received support was shifting conditionality from the individual onto employers in order to mandate and incentivise fair work. This may mean an expansion of Fair Work First Conditionality³⁴ in Scotland or building upon existing UK legislation such as the Public Services (Social Value) 2012 and the Procurement 2023 Acts. This can support a ‘race to the top’ where employers who provide the real Living Wage, Living Hours and flexible working are recognised and incentivised with government contracts and grants, enabling more individuals to reach the MIG level through good quality, secure work.

It must be noted, however, that the possibility of removing, or altering, conditionality is not currently within the Scottish Government’s gift. Early steps to deliver a MIG will likely reside within the current system of conditionality. There is

³⁰ See Borland, Ben (2023) ‘The SNP’s £25k a year benefits plan is blatant deceit ahead of the next election’, 18th April 2023, Scottish Daily Express, available at <https://www.scottishdailyexpress.co.uk/comment/snps-25k-year-benefits-plan-29740441>

³¹ Welsh Government (2024) *Basic income for care leavers in Wales pilot evaluation: annual report 2023 to 2024* available at <https://www.gov.wales/basic-income-care-leavers-wales-pilot-evaluation-annual-report-2023-2024>

³² Ibid.

³³ IPPR Scotland (2024) *Working Wonders: The role of employability in tackling poverty* available at <https://ippr-org.files.svdcdn.com/production/Downloads/Working-wonders-March-24.pdf>

³⁴ The full Fair Work First criteria comprises payment of the real Living Wage, investment in skills and training, no exploitative zero hours contracts, action on gender pay, creating channels for effective voice at work, including through trade unions, no fire and re-hire practices, and flexible working.

a need, therefore, to consider how civil society engages with the UK Government to address the current, prohibitive model. In a recent report, the New Economics Foundation have proposed using conditionality only as a backdrop, rather than the default.³⁵ This would mean: removing the most prescriptive aspects of the current model, such as specified job search hours; work coaches engaging with individuals on a voluntary basis for an initial period of three-months; and removing conditionality from those with disabilities, health conditions or caring responsibilities. In addition, where imposed, sanctions would never take a household below a minimum level of income necessary to meet essential costs, and would be refundable if someone re-engages.³⁶ These proposals may provide a model which can become a central point of advocacy for civil society as we urge the UK Government to build a more compassionate social security system.

Resourcing the MIG

For many individuals, the *Funding the Fight Against Poverty* session provided the first opportunity to learn more about the costs associated with the MIG. At the session, IPPR Scotland outlined that the costs associated with utilising social security support to bring everyone to 75% (£2.6bn) and 100% (£6bn) of the Minimum Income Standard (excluding childcare costs³⁷). Attendees were clear that these costs were necessary, and actions to raise this revenue were essential to turning Scotland's shared

values of justice and compassion into action. They were also keen to emphasise that the cost of the MIG must be put into the broader context of the huge economic and social costs associated with poverty in Scotland, including within our education and health budgets. This engagement project has highlighted the need for stronger evidence on the socioeconomic cost of poverty, including the benefits of increased preventative spend. Clarity over the cost of the MIG, and how we intend to meet these costs, was viewed as central to gaining necessary public buy-in and support.

Attendees were supportive of greater use of our taxation system to fund the MIG, and were encouraged by polling by Diffley Partners which found that people were willing to pay higher taxes to fund a stronger social safety net. Almost three-quarters (73%) of respondents supported 'the introduction of a guarantee (in general) to make sure nobody falls below a minimum acceptable standard of living' even if their own taxes increased to fund this policy. Only 12% of respondents opposed this. However, within our seminar, there were conversations relating to the need to look beyond Income Tax in order to raise the revenue for the MIG.

Following the welcome changes the Scottish Government has made on Income Tax, some questioned what else was possible or 'reasonable' in terms of revenue raising given the low numbers of higher and top rate taxpayers in Scotland. For attendees, therefore, there was a need to move towards

³⁵ New Economics Foundation (2024) Terms of Engagement: Rethinking Conditionality to Support More People into Better Jobs available at <https://neweconomics.org/2024/07/terms-of-engagement>

³⁶ Ibid.

³⁷ Childcare costs are excluded because this is not a cost incurred by every household.

greater taxation of wealth, starting with the long-awaited reform of Council Tax. At the very least, the Scottish Government must initiate revaluation of properties covered by the current system – this could function as an interim step towards the MIG.

Ensuring the MIG tackles poverty and inequality

Throughout our seminars attendees welcomed the tailoring and targeting inherent within the MIG, viewing this as an opportunity to tackle both poverty and inequality. However, attendees also noted that realising this potential requires equalities considerations to be prominent in the development of the policy. Tailoring will only be effective if appropriate consideration has been afforded to the needs and experiences of groups who have a higher risk of poverty, including women, disabled people and Black and minority ethnic people. This necessitates strong Equality Impact Assessments, mainstreaming approaches and consideration of intersectional inequalities.³⁸ Some attendees at our seminars raised concerns that, to-date, inadequate attention had currently been applied to equalities considerations within the development of the policy. This is a key area for future activity if we are to ensure that the MIG does not leave anyone behind.

The MIG is a universal guarantee, and those with the greatest financial insecurity stand

to benefit the most from the introduction of this policy. However, a universal guarantee must be designed to accommodate, and respond to, continued socio-economic inequalities if it is to realise the ambition of addressing financial insecurity for all groups. Attendees highlighted priorities to ensure that the design of the MIG responds to these challenges, including providing individual payments by default to mitigate against violence against women, minimising opportunities for financial abuse and coercion. With a wealth of evidence around the negative implications of the household payment model within Universal Credit,³⁹ it is vital that the MIG responds to issues of intra-household resource allocation.

There remains a lack of clarity as to how the MIG will respond to the additional costs incurred by disabled people, as well as the structural barriers disabled people continue to face in entering and progressing in good quality paid work. A number of models exist, such as the integration of a disability premium as embedded within legacy benefits, or the creation of a higher income floor for disabled households. Our seminar on *Drawing a line under disabled people's poverty* found a strong desire to ensure we get the MIG right for disabled people, but a lack of consensus on the best approach to do so. Establishing a clear route forward in collaboration with disabled people and Disabled People's Organisations should be a priority for the MIG Expert Group.

³⁸ Equality mainstreaming is a strategy to proactively embed equalities analysis in all policy and legislative development. This should include the use of disaggregated data to adequately reflect differences and inequalities experienced by particular groups across all three spheres of the MIG.

³⁹ See Women's Budget Group (2021) *Distribution of Money within the Household and Current Social Security Issues for Couples in the UK* available at <https://wbg.org.uk/wp-content/uploads/2021/01/Money-in-the-household-FINAL-with-cover-2.pdf> and End Violence Against Women (2018) *Universal Credit and Financial Abuse: Exploring the Links* available at <https://www.endviolenceagainstwomen.org.uk/wp-content/uploads/2018/06/FINAL-full-report-financial-abuse-and-uc.pdf>

Conclusion & key recommendations

Our six engagement seminars have underscored the enthusiasm that exists in civil society for the idea of setting a solid income floor below which nobody would be allowed to fall. Almost one-quarter of children in Scotland are growing up in poverty, which has far-reaching consequences for their life chances, health and wellbeing. With Scotland not currently on track to meet our 2030 child poverty targets and destitution rates increasing across the UK,⁴⁰ attendees were clear that now is the time to work together to support the implementation of a MIG which would enable us to provide people with security and the freedom to build a life free from poverty.

The key findings of phase one of this project provide insight into the potential interim steps for the implementation of the MIG in Scotland. Civil society was clear that there is a need for action across fair work, social security and public services to tackle the injustice of poverty. Attendees called on the Scottish Government to improve the adequacy of pre-existing social security entitlements including Carers Allowance; the Scottish Child Payment; and Adult Disability Payment. There was also a need to address the high cost of living by strengthening our public services, including increasing the funded childcare entitlement for low-income households; removing social care charging; and expanding concessionary travel. The recommendations threaded throughout this report, and outlined in greater detail in the accompanying briefings, can form the basis of a roadmap to the MIG.

In addition to these interim steps for delivery, the findings also give rise to a number of pressing recommendations which relate to the design and development of the policy. These early recommendations form a prerequisite to building public, political and civil society support for the policy. Our recommendations for the next phase of development include:

- Developing a roadmap to the MIG is an important means of gaining civil society buy-in for the policy. This involves viewing MIG as a destination and recognising that a number of interim steps exist on the road to delivery. The Expert Group should consider developing a roadmap to accompany the publication of their final report, and civil society should utilise this approach in our advocacy on the policy.
- Within the current devolution settlement, the Scottish Government can, and must, make a substantial contribution to the delivery of a MIG in Scotland. Civil society demonstrated consensus for the Scottish Government utilising all of the powers at their disposal across fair work, public services, taxation, and social security to progress the policy.
- If we want to progress the MIG, and progress at pace, there is a need to move beyond an insular focus on the Scottish Parliament alone. Civil society and the Scottish Government must consider the actions needed at UK-level, particularly in the realm of social security, and what can

⁴⁰ Ibid.



be achieved via collaborative approaches. Civil society must broaden the focus of our advocacy to cement the critical role of the UK Government in realising the potential of a ‘full’ MIG.

- The Scottish Government and the Expert Group must ensure that the development of the MIG takes active account of equalities considerations, adopting mainstreaming approaches to embed the needs of groups who have increased risk of poverty.
 - There is a need for accompanying action to develop strong evidence on the cost of poverty, both in terms of day-to-day costs (e.g., additional health spending) and the longer-term financial implications of the restrictions poverty places on people’s lives. This should include work to define and quantify the benefits of preventative spend. This should be a priority for the Scottish Government, but we would also urge Scottish think tanks and research bodies to prioritise this work.
 - Current levels of public support provide a platform on which to build via clear communication and a strong narrative framework. The importance of our collective communications framework to gaining public and political support was a recurring theme throughout these seminars. The Scottish Government should work to develop framing for the policy, but civil society must also work together to build a shared narrative. We have found support for the values of security, community and freedom as building blocks of this narrative framework
- which may be useful for the Scottish Government to test with a wider range of stakeholders. The Poverty Alliance will also continue to work with our members on effective framing of the MIG.
- Piloting the MIG was viewed as an opportunity to test the principles of the policy and approach; generate data; inform policy-making; and create political will for policy outcomes. However, collective understanding needs to be built as to the purpose, objectives and scope of any pilot. The Scottish Government and the Expert Group must provide clarity as to what it is possible to pilot within the current devolution settlement. Any partial pilot (e.g., which only tests one sphere of activity) should not determine the future viability of the policy.
 - The costs associated with the MIG are high but viewed as essential and justified by civil society. The Scottish Government must put forward a positive case for these costs, including clarity as to how they will be met. In this space, taxation is an important tool, but it is time to broaden our focus beyond income tax to include consideration of wealth taxes and Council Tax reform.
 - There remain a number of unanswered questions regarding how the MIG will work in practice, particularly around the devolution settlement, financing of the policy, and the role of the labour market. Civil society will be looking to the Expert Group’s final report to provide clarity on these questions, and this insight is a prerequisite to building public and political support.

The Poverty Alliance will now be utilising the findings from phase one of this project to engage with key stakeholders on the development of the MIG in Scotland. The briefings developed through this project have been submitted to the Scottish Government's Expert Group for consideration as they develop their final report. We will mobilise the findings of the engagement phase of this project as the basis for parliamentary engagement, hoping to work with MSPs on these recommendations. It is clear that achieving support from MSPs from across the political spectrum is necessary to achieve the implementation of the MIG.

While phase one has garnered insights into civil society's priorities for the policies which underpin the MIG, attention must turn

to building strong support for the policy. In early 2025, we will begin phase two of this project which will focus on building active, signed-up support for the MIG in Scotland. A significant amount of work has been applied to the development of the Expert Group's final report, and it cannot be another piece of work that ultimately is not progressed. Building grassroots and political support for the policy proposal is necessary if we are to achieve implementation of the interim steps which mark the roadmap to the MIG. Phase one of this project has again highlighted that there is support for a bold policy proposal which provides the opportunity of substantive change. The Poverty Alliance remains certain that the MIG has transformational potential to draw a line under poverty in Scotland, and we must work together to achieve that goal.

APPENDIX 1: Engagement Sessions

The format of our six engagement sessions included an introductory presentation on the MIG, in reflection of the varying degrees of pre-existing knowledge, followed by presentations from expert speakers to provide insight into the seminar's topic. Attendees were then given the opportunity

to discuss a number of key questions in small groups. In order to identify consensus on actions and activities, at the end of the group discussions we conducted a prioritisation exercise⁴¹ around the emerging recommendations. The topics, speakers and blurbs for each session were:

Title and speakers	Session introduction
<p>A compassionate social security system for unpaid carers: Piloting the Minimum Income Guarantee</p> <p>Speakers: Fiona Collie, Carers Scotland, Head of Policy and Public Affairs: Scotland and Northern Ireland and Cleo Goodman, Basic Income Lead at Autonomy and Co-Founder of The Basic Income Conversation</p>	<p>A Minimum Income Guarantee (MIG) is underpinned by a guarantee to an adequate income via a compassionate social security system. We must ensure that those who cannot work or have limitations on working hours can achieve the MIG level for a decent and dignified life through a strong social security safety net.</p> <p>These are key considerations for unpaid carers in Scotland, who have a higher risk of poverty; incur a higher cost of living; and face barriers to paid work. With the Programme for Government outlining a potential MIG pilot for unpaid carers in Scotland – this seminar will identify key considerations for the pilot, as well as lessons from income supplementation pilots elsewhere.</p>

⁴¹ This prioritisation exercise required each group to identify four priority recommendations from their discussions, and put these recommendations forward for consideration by all attendees. Following a reporting back exercise, individual attendees were then asked to vote for their top three recommendations.

Title and speakers	Session introduction
<p>Funding the fight against poverty</p> <p>Speakers: Philip Whyte, Director at IPPR Scotland and Emma Congreve, Senior Knowledge Exchange Fellow and Deputy Director at the Fraser of Allander Institute</p>	<p>A common response to advocacy on the Minimum Income Guarantee (MIG) is “but how will we pay for it?” The policy is expected to be costly – requiring social investment in decency and dignity across social security; the labour market; and our critical public services.</p> <p>This seminar will explore our options for funding the fight against poverty. How much will the MIG cost? And how can we make progressive use of Scotland’s taxation powers to fund this potentially transformational policy?</p>
<p>Complementing fair work: Minimum Income Guarantee and incentives</p> <p>Speakers: Tony Wilson, Director at the Institute of Employment Studies and Sharon Wright, Professor of Social Policy, University of Glasgow</p>	<p>The Minimum Income Guarantee (MIG) is more than a social security proposal and requires reform to the world of work to ensure more people can access an adequate income through paid work. While the fact there will be a key role for paid work is well-acknowledged, there are critical unanswered questions around work incentives and how the MIG level will align with Scotland’s ambitions on becoming a fair work nation. In this seminar, we will explore how the design of the MIG can compliment efforts to ensure more people have access to secure, well-paid work</p>
<p>Drawing a line under disabled people’s poverty</p> <p>Speakers: Emma Jackson, Strategic Lead for Social Justice at Citizens Advice Scotland and Bill Scott, Senior Policy Advisor at Inclusion Scotland</p>	<p>Disabled people are more likely to be experiencing poverty and face a higher cost of living. Getting the Minimum Income Guarantee (MIG) right for disabled people is therefore imperative – both at the level of household financial security and poverty rates in Scotland. This workshop will be an opportunity to identify the key policy priorities to ensure the MIG draws a line under disabled people’s poverty – how best can we integrate our understanding of disabled people’s poverty into the policy?</p>

Title and speakers	Session introduction
<p>Balance of power: Using our legislative competency to advance the Minimum Income Guarantee</p> <p>Speakers: Professor Nicola McEwen, Professor of Public Policy at the University of Glasgow</p>	<p>The implementation of the Minimum Income Guarantee (MIG) requires consideration of the devolution settlement and what can be achieved under the Scotland Act. It is the early view of the Expert Group that even a pilot or initial roll-out of MIG will require legislation. Legislative competency will be critical to the successful implementation of the MIG, and this seminar will explore the balance of power around the MIG. What powers do the Scottish Parliament require to create new benefits; how can we alter the legislative basis for pre-existing support; and do we need the devolution of additional powers?</p>
<p>Talking effectively about the Minimum Income Guarantee: Building public and political support</p> <p>Speakers: Fiona Hutchison, Head of Research at Diffley Partners and David Eyre, Communications Officer at the Poverty Alliance</p>	<p>Increased public and political support for the Minimum Income Guarantee (MIG) will be critical when it comes to implementation. But how can we increase public backing for the policy? Evidence shows that the way we talk about policies and political change is critical to building support.</p> <p>Our engagement with civil society has seen a desire for a strong narrative framework for the MIG, centered on Scotland's shared values of justice and compassion. In this seminar, we will explore existing levels of public support and host an interactive session to build the communications what will underpin our campaigning on the MIG.</p>

APPENDIX 2: Talking about the MIG seminar

Attendees at our *Talking effectively about the MIG* seminar were asked to select images which they felt embodied the objectives, ambitions and potential of the MIG. The top three images selected by attendees were:

Image	Why selected
<p>People helping others:</p> 	<p>People liked that this implied that even when people reach the top, they can still help each other. It highlighted a group dynamic and support. It also made people think of Scotland. However, there were some concerns about how disabled people would relate to this image.</p>
<p>Building blocks:</p> 	<p>People felt this image underpinned the principles of MIG and what it was trying to achieve; felt the colours were attractive; and that this represented the idea of incremental progress towards social change.</p>
<p>Stones placed on top of each other on a hard surface:</p> 	<p>Some felt this image captured the best aspects of the building blocks (image above) while also having the benefit of not being uniform, representing the diversity of experience and individuals in Scotland, and (we are all different) and having Scottish connotations.</p>



The Poverty Alliance is Scotland's anti-poverty network. Together with our members, we influence policy and practice, support communities to challenge poverty, provide evidence through research and build public support for the solutions to tackle poverty. Our members include grassroots community groups, academics, large national NGOs, voluntary organisations, statutory organisations, trade unions, and faith groups.



abrdn Financial Fairness Trust has supported this project as part of its mission to contribute towards strategic change which improves financial well-being in the UK. The Trust funds research, policy work and campaigning activities to tackle financial problems and improve living standards for people on low-to-middle incomes in the UK. It is an independent charitable foundation registered in Scotland (SC040877).



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