



# Pre-Budget 2025-2026 briefing

Scottish Women's  
Budget Group



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## Background

The Programme for Government 2024-2025 reiterated the commitment to deliver on the Scottish Government's priorities, which are:

- Eradicating Child Poverty;
- Growing Scotland's Economy;
- Tackling the Climate Emergency;
- Improving Scotland's Public Services.

These priorities are vast in scope<sup>1</sup>. It is essential to understand how gender inequality impacts on each of the priority areas and ensure that policy interventions are designed to address and eradicate gender inequality.

The [2024 SWBG Women's Survey](https://www.swbg.org.uk/content/publications/SWBG-Womens-Survey-2024-FINAL.pdf)<sup>2</sup> shows the impact that the recent inflationary period has had on women's economic resilience in Scotland. The survey highlighted that:

- 69% of the 1026 women who took the survey feel financially worse off compared to the same time last year;
- 55% of the 992 women responding to questions relating to debt told us they have some type of debt, and 35% said they have no savings.

Disabled women, single mothers and women from minority ethnic communities are struggling with energy bills and food costs in greater numbers, and so are those with an annual household income of less than £20k per year (46% of which are single households without children)<sup>3</sup>.

Women's primary role as caregivers directly contributes to gender inequality, as women are more likely to make changes to their working arrangements to accommodate essential unpaid care. We believe that addressing the systemic barriers that ultimately create the conditions for women's inequality and poverty is key to successfully deliver on the Scottish Government's four priorities. This is why it is essential that the forthcoming budget integrates gender analysis as part of the process leading to this year's spending and revenue raising decisions. Including providing transparent information about how consideration of equality issues has informed budget decisions or what impact decisions will have on equalities.

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<sup>1</sup> <https://www.swbg.org.uk/content/publications/2024.-Finance-and-Public-Administration-Committee-Pre-Budget-Scrutiny-Call-for-Views-on-Managing-Scotlands-Public-Finances.pdf>

<sup>2</sup> <https://www.swbg.org.uk/content/publications/SWBG-Womens-Survey-2024-FINAL.pdf>

<sup>3</sup> <https://www.swbg.org.uk/content/publications/SWBG-Womens-Survey-2024-FINAL.pdf>

# Making the Scottish Budget Work for Women

## Eradicating Child Poverty

*'I don't get school clothing grant as to qualify it's a low amount of income although I work 27.5 it's still part time. Paying for school milk isn't cheap depending on how many weeks there are in a term and only open so many weeks before a new term'<sup>4</sup>.*

Child poverty is inextricably linked with women's poverty and inequality<sup>5</sup> due to women being more likely to work part-time, work in low paid industries, and bear the brunt of unpaid responsibilities within the household. Women are also more likely to experience domestic abuse, including economic abuse, which can have devastating financial consequences for survivors. Understanding the link between child poverty and women's inequality is therefore key so that the Scottish Budget can work towards achieving this policy objective.

There is a need to enhance policy coherence across all areas of Government to ensure that policy interventions do not inadvertently increase gender inequality and child poverty, this includes the Scottish Budget. Analysis by IPPR last year showed that if the money spent on covering the cost of freezing council tax had been used to increase the Scottish Child Payment families would now receive £34.50 a week, lifting 10,000 more children out of poverty<sup>6</sup>. Equally important, there needs to be greater understanding of the interactions between local budgets, the Scottish Government grant provided to Local Authorities, and policy objectives. Our work with Glasgow Disability Alliance<sup>7</sup> has demonstrated the impact that charges for non-residential social care are having on disabled households (the majority of which are women)<sup>8</sup>. The policy<sup>9</sup>, which in many areas starts to recoup money from households at a lower level for under 60s than for over 60s, does not seem to consider the consequences of these practices on poverty levels in disabled households, including those with children despite them being identified as a priority group in relation to addressing child poverty.

Additionally, to eradicate child poverty it is crucial to review access to means-tested help. Our work with Fa'side Women and Girls Group, highlighted the impact that the threshold levels at which people are able to access support is having on families, particularly lone parents (the majority of whom are women) due to the very low earning thresholds applied to most schemes<sup>10</sup>. The Scottish Budget must consider allocating further investment to make support such as school uniform grants available to more people, alongside all Scottish benefits rising at least in line with inflation.

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<sup>4</sup> <https://www.swbg.org.uk/content/publications/SWBG-FWGG-Briefing-final.pdf>

<sup>5</sup> <https://www.closesthegap.org.uk/content/resources/1---Women-work-and-poverty-what-you-need-to-know.pdf>

<sup>6</sup> <https://www.ippr.org/media-office/10-000-children-left-in-poverty-by-ineffectual-council-tax-freeze-ippr-scotland-says>

<sup>7</sup> [Scottish Women's Budget Group | Glasgow Disability Alliance Project](#)

<sup>8</sup> <https://www.scotlandscensus.gov.uk/webapi/jsf/tableView/tableView.xhtml>

<sup>9</sup> Currently, Local Authorities are using the charging thresholds as per DWP's guidelines, with thresholds for income levels being as low as £8,500 per year for a single person.

[https://www.cosla.gov.uk/\\_\\_data/assets/pdf\\_file/0022/42187/COSLA-Social-Care-Charging-Guidance-2023-24-.pdf](https://www.cosla.gov.uk/__data/assets/pdf_file/0022/42187/COSLA-Social-Care-Charging-Guidance-2023-24-.pdf)

<sup>10</sup> <https://www.swbg.org.uk/content/publications/SWBG-FWGG-Briefing-final.pdf>

### Calls for Budget 2025-2026:

- Review thresholds for access to means tested support which often have not risen in line with inflation;
- Fulfil commitments to end non-residential social care charges;
- Ensure adequate funding for the Scottish Welfare Fund so there are sufficient resources to meet the demand, increase funding for promotion of the fund and expand the criteria to support women survivors of domestic abuse;
- Include an above-inflation increase to the Scottish child payment and a commitment to ensuring it reaches at least £40 per week by the end of this Parliament<sup>11</sup>;
- Replicate the increase in Carer's Allowance earnings threshold to enable unpaid carers to access additional income from paid employment.

### Growing the economy

*"We cannot currently afford any extra childcare costs; I have had to decline extra working hours because childcare would not be covered by the extra pay".* Survey respondent, Childcare Survey, 2023<sup>12</sup>.

Investing in care is a key requirement if the Scottish Government is to grow the Scottish economy. Our recent modelling showed that investing specific levels in social care could generate about 43,000 new jobs created by the increase in care workers. In addition, 8,000 jobs would be generated through indirect jobs in industries supplying the care sector, as well as over 24,000 jobs through induced employment due to newly employed workers spending in the Scottish economy<sup>13</sup>. Furthermore, investing in the care sector would help the Government fulfil its commitment to end non-residential social care charges, hence increasing policy coherence.

Childcare is another area within care that contributes to meeting Scotland's child poverty targets and growing the Scottish economy. Lack of affordable and accessible childcare is a major barrier to women being able to take on work, or to move to better paid, more secure work. Our childcare survey last year found that for 55% of the women who responded, the challenges of managing childcare were impacting their ability to do paid work. This figure increased to 67% for single parents and 71% for disabled women. 4% of respondents stated that they had given up work, which increased to 10% for women from minority ethnic communities<sup>14</sup>.

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<sup>11</sup> <https://cpag.org.uk/sites/default/files/2024-08/CPAG%20in%20Scotland%20-%20Programme%20for%20Government%202024-25.pdf>

<sup>12</sup> <https://www.swbg.org.uk/content/publications/Policy-Briefing---Childcare-Survey-2023.pdf>

<sup>13</sup> <https://www.swbg.org.uk/content/publications/Towards-a-transformative-universal-adult-social-care-support-service-for-Scotland.pdf>

<sup>14</sup> <https://www.swbg.org.uk/content/publications/Policy-Briefing---Childcare-Survey-2023.pdf>

Peter Huber, Senior Economist at the Austrian Institute of Economic Research (WIFO)<sup>15</sup>, has evidenced the positive impact of Vienna's investment in childcare on women's participation in the labour market, including:

- An increase in participation rate of women aged 20-29 by 1.5%
- An increase in employment rate of women aged 20-29 by 1.2%
- An increase in hours worked of women aged 20-29 equivalent to 0.7 hours/per woman
- A reduction in women in overqualified employment by -0.8%.

Most importantly, higher effects were found among single mothers (substantially) and women with children under 3 (moderately), which closely links with the priority families identified by the Scottish Government<sup>16</sup>.

Similarly, evaluation studies of Canada's recent childcare developments shared by Professor Susan Prentice show returns of more than \$3.50 for every \$1 spent on childcare in Quebec<sup>17</sup>.

This evidences that investment in the care economy is essential not only to achieve greater gender equality and provide the support people need but also to grow the economy.

### **Calls for Budget 2025-2026:**

- Provide an urgent cash injection to support social care. Drive investment towards the implementation of a transformative adult social care model as set out in our report on social care;
- Introduce 30-hour fully funded Early Learning and Childcare (ELC) with immediate effect after paid maternity leave and ensure free childcare provision for those groups experiencing poverty. Work towards an entitlement of 50 hours per week of funded, good quality, flexible education and childcare for all children between six months and five years and develop affordable wraparound care for over 5-year-olds.

## **Tackling the climate emergency**

*"There are no areas to cut further, I was already very careful with money before the cost-of-living crisis, and we already lived in fuel poverty because of living in Orkney".*  
Single mother, Women's Survey 2024

Tackling the climate emergency offers an opportunity to invest and grow the economy in a way that also tackles existing inequalities. Steps taken in the Budget 2025-26 need to seize the opportunity and ensure that gender and equalities analysis is built into the decision-making process from the outset.

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<sup>15</sup> <https://www.swbg.org.uk/news/blog/is-investing-in-childcare-worth-it-a-summary/>

<sup>16</sup> <https://www.gov.scot/publications/tackling-child-poverty-priority-families-overview/pages/poverty-rates-amongst-priority-family-types/>

<sup>17</sup> <https://youtu.be/jUjorvNfuKU?feature=shared>

Women’s Budget Group research shows that the average job in health and care produces 26 times less greenhouse gas emissions than a manufacturing job, over 200 times less than agriculture jobs and nearly 1,500 times less than a job in oil and gas<sup>18</sup>. Care jobs need to be viewed as green jobs with investment supporting this low carbon part of the economy.

Beyond the care economy, the Budget 2025-2026 must prioritise investment to transform Scotland’s public buildings, including its social housing stock. Investment to retrofit non-domestic buildings, such as hospitals, libraries, local government offices, etc., and greening of heating systems (e.g. heat pump installation), would help lower utility bills and reduce costs for public authorities. This investment would support the sustainable delivery of public services of which women depend on the most<sup>19</sup>. It would also pave the way for the development of a skilled workforce that could undertake the challenge of decarbonising domestic buildings while tackling the issues of gender occupational segregation that characterise the construction industry. Additionally, the availability of a better trained workforce would help tackle some affordability issues linked to the rollout of retrofitting programmes<sup>20</sup>.

Most importantly, with a quarter of households in Scotland experiencing fuel poverty<sup>21</sup>, the forthcoming Budget must include specific support to social and private renters to reduce energy consumption. This support should be targeted to those on low incomes and recognise the different housing needs between urban and rural communities, and amongst people with disabilities, especially when these translate into higher electricity usage.

Alongside investment in key areas, the Scottish Budget must take bolder action to raise the necessary revenue to make this investment possible. The introduction of taxes that align with environmental and social commitments, such as a private jet tax<sup>22</sup> or taxes on supermarkets that sell alcohol, would be welcomed steps, particularly when most customers of private jets are male (71% according to 2019 figures)<sup>23</sup>, while women bear the brunt of the climate crisis<sup>24</sup>.

Overall, these measures would help Scotland achieve its net zero emissions target by 2045.

### **Calls for Budget 2025-2026:**

- Implement a private jet tax as part of an operational Air Departure Tax and further explore the introduction of a public health supplement on large retailers selling alcohol;

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<sup>18</sup> <https://wbg.org.uk/wp-content/uploads/2022/11/A-Green-and-Caring-Economy-Report-FINAL.pdf>

<sup>19</sup> <https://www.swbg.org.uk/news/blog/can-we-achieve-equality-provide-opportunity-and-create-community-by-freezing-council-tax/>

<sup>20</sup> <https://www.unlocknetzero.co.uk/insight-comment/the-uk-government-must-increase-investment-in-upskilling-for-the-housing-sector-to-implement-retrofit-and-drive-net-zero>

<sup>21</sup> <https://eas.org.uk/fuel-poverty/>

<sup>22</sup> <https://oxfamapps.org/scotland/2024/09/18/scottish-private-jet-tax-could-help-pay-for-peak-rail-fares-removal/>

<sup>23</sup> <https://www.statista.com/statistics/1171508/private-jet-passengers-gender/>

<sup>24</sup> <https://news.un.org/en/story/2021/11/1105322>



- Accelerate investment to decarbonise domestic and public non-domestic buildings with specific support for private and social renters;
- Delivery of feminist just transition, transforming high polluting, male dominated industries of transport, energy and construction as well as investing in the low-carbon, labour intensive, female dominated caring and service industries.

## Delivering better public services

*“Support more people into work rather than having benefit sanctions - disabled people \*want\* to work they are not getting the support they need. Improve social care services so carers can work. Improve the level of personalised social care so people can live, and work, and volunteer, and it frees people up to contribute to society more - it should be seen as an investment, not a cost. And raise local taxes in line with income, not property values, it's ridiculous that local spending is capped when these are the services people need the most”, respondent Women’s Survey 2024.*

Delivering better public services might involve greater investment in some areas while addressing public sector reform (PSR). However, while budget pressures have pushed PSR to the top of the policy agenda, this cannot be its only driver. To ensure that PSR meets its key objective on prevention, reducing inequalities and promoting equality as envisioned by the Christie Commission<sup>25</sup>, it’s crucial that gender budget analysis is integrated in the decision-making process, linking policy objectives with budget decisions, and intended outcomes. Alongside this, multi-year budgets providing adequate funding for the public sector will provide a necessary medium-term financial planning to the delivery of public services.

Investing in the care economy requires addressing the chronic underinvestment in the care sector, but this investment can improve Scotland’s public services. Research by the Nuffield Trust, the Health Foundation and The King's Fund in England shows that social care is a vital support to other public services like the NHS. Their evidence shows that greater availability of nursing and residential care is associated with fewer hospital admissions and readmissions, fewer delayed discharges, reduced length of stay, and reduced expenditure on secondary health care services. Their evidence also shows that interventions like re-ablement have the potential to prolong people’s ability to live at home and reduce or even remove the need for care<sup>26</sup>. To ensure that social care supports other services such as the NHS, it must be properly funded so that those services can fully benefit<sup>27</sup>.

Additionally, to ensure that *“services are built around people and communities, and public service organisations work together effectively to achieve outcomes”*<sup>28</sup> it is crucial to learn from poor experiences of PSR, such as the creation of Integration Joint Boards (IJBs). The findings from the Accounts Commission report ‘Integration Joint Boards Finance and performance 2024’ demonstrate that IJBs are failing to meet these objectives, with, for example, unpaid carers being increasingly relied on as part

<sup>25</sup> <https://www.gov.scot/publications/commission-future-delivery-public-services/>

<sup>26</sup> <https://www.nuffieldtrust.org.uk/sites/default/files/2021-10/social-care-briefing-final.pdf>

<sup>27</sup> <https://www.nuffieldtrust.org.uk/sites/default/files/2021-10/social-care-briefing-final.pdf>

<sup>28</sup> <https://www.gov.scot/publications/commission-future-delivery-public-services/>

of the system<sup>29</sup>. Due to the gendered delivery of care (both paid and unpaid) these findings are of particular concern to SWBG and highlight the need for gender analysis in policy development and delivery. From a gender budgeting perspective, there needs to be more scrutiny and analysis of the impact that decisions made by IJB's on Health and Social Care Partnerships' (HSCP) budgets have on gender equality, and on other policy objectives, including the Scottish Government's priorities. Greater analysis of the impact of budgetary decisions and how these relate to outcomes was one of the key messages that also came out of our [analysis of last year's Scottish Budget](#)<sup>30</sup>.

The example of IJBs and HSCP budgets is representative of a wider pattern in Scottish policymaking, particularly in relation to siloed ways of working and a lack of focus on outcomes. Women working with our joint project on women's economic empowerment<sup>31</sup> highlighted this as an area of concern<sup>32</sup>. These women shared that they lacked confidence that there would be a joined-up approach across public bodies to addressing the Government's four priorities, resulting in more budget decisions negatively impacting on the most vulnerable. This group are particularly cognisant of the impact that the failure of health and social care integration is having on their lives and those of other disabled people.

Violence Against Women and Girls Services are crucial from a gender equality perspective. The Programme for Government 2024-25 committed to protecting and promoting equality and human rights and support all of Scotland's people by "implementing our Equally Safe Delivery Plan that focuses actions to prevent and eradicate violence against women and girls. This includes ensuring our response to violence against minority ethnic women and girls meets their needs"<sup>33</sup>. Yet, rape crisis centres and women aid groups across Scotland are still waiting for an update on the future of the Delivering Equally Safe Fund beyond March 2025. It is crucial that the Scottish Budget 2025/2026 supports the continuation of women's specialist services which are vital for communities across Scotland.

Finally, as part of any conversations on public sector reform, it is vital to review our current tax system, including local taxes. Council tax is in urgent need of reform starting with revaluation of properties. The need for a revaluation is particularly acute as more cash-strapped councils face increasing funding challenges<sup>34</sup>, the impact of which will be disproportionately felt by women, particularly women on low-incomes.

### **Calls for Budget 2025-2026:**

- Embed gender budget analysis as part of any work on Public Sector Reform;
- Commit to a revaluation of Council Tax as a first step in reforming the Council Tax system to a more progressive local tax;

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<sup>29</sup> [https://audit.scot/uploads/2024-07/nr\\_240725\\_ijb\\_performance\\_analysis.pdf](https://audit.scot/uploads/2024-07/nr_240725_ijb_performance_analysis.pdf)

<sup>30</sup> <https://www.swbg.org.uk/content/publications/Analysis-of-Scottish-Budget-24-25.pdf>

<sup>31</sup> <https://www.swbg.org.uk/womens-economic-empowerment/>

<sup>32</sup> <https://www.swbg.org.uk/content/publications/FPAC-response--Aug-24.pdf>

<sup>33</sup> <https://www.gov.scot/binaries/content/documents/govscot/publications/strategy-plan/2024/09/programme-government-2024-25-serving-scotland/documents/programme-government-2024-25-serving-scotland/programme-government-2024-25-serving-scotland/govscot%3Adocument/programme-government-2024-25-serving-scotland.pdf>

<sup>34</sup> [Report: Funding challenges threaten Scotland's local authorities | Scottish Financial News](#)



- Invest in VAWG services to meet the Programme for Government's objective to protect and promote equality and human rights.

## **For further information**

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## **About us**

The Scottish Women's Budget Group (SWBG) is an independent analysis and campaign group that aims to promote gender analysis in public policy and public finance decisions through budgetary processes. SWBG brings together a wide range of women from across Scotland who have an interest in women's equality and want to achieve better gender equality in our society. We have focused on encouraging active gender analysis in the Scottish Budget process since 2000.