

Agenda Item	12
Report No	RES/43/21

HIGHLAND COUNCIL

Committee: Corporate Resources

Date: 24 November 2021

Report Title: Minimum Income Guarantee

Report By: Executive Chief Officer – Resources and Finance

1. Purpose/Executive Summary

- 1.1 The Scottish Government is committed to commencing work in the current Parliament to provide a Minimum Income Guarantee for all, incorporating the idea of basic services, such as childcare, access to healthcare, financial support, etc. A MIG Steering Group has been established for this purpose.
- 1.2 The purpose of this report is twofold:
- to provide further information about the work being undertaken by the Scottish Government for a Minimum Income Guarantee; and
 - to share Officers' response to the Scottish Government's recent Open Dialogue Engagement and call for views, which is contained within **Appendix 1** to this report.

2. Recommendations

2.1 Members are invited to note:

- I. the Scottish Government's commitment to initiating work in the current Parliament to provide a Minimum Income Guarantee for all;
- II. Officers' response to the Scottish Government's "Share Your Views, Open Dialogue Engagement".

3. Implications

- 3.1 There are no resource and legal implications arising from this specific report although implementation of a Minimum Income Guarantee may introduce new responsibilities for the Council.
- 3.2 Community (Equality, Poverty and Rural) – a minimum income guarantee seeks to advance equality and alleviate poverty within communities.
- 3.3 There are no Climate Change/Carbon Clever, risk or Gaelic implications arising from this report.

4. Background

- 4.1 The Scottish Government's Programme for Government sets out the actions it will take in the coming year and beyond. It includes the legislative programme for the next parliamentary year to enable change across all levels of society.
- 4.2 The 2021-22 Programme for Government *A fairer, greener Scotland* included a commitment to:
- begin work on a Minimum Income Guarantee, which would make sure that everyone in Scotland has enough money to live with dignity. In its first 100 days the Government laid the foundations, setting up a Steering Group to consider issues of design and delivery, and launched a discussion platform.
- 4.3 The Scottish Government has established a MIG Steering Group, comprising experts and MSPs from across the political parties, to work on the delivery of a MIG in Scotland. The group will consider the steps required to implement a MIG using the Parliament's existing powers.

5. Difference between Minimum Income Guarantee and Universal Basic Income

- 5.1 A Minimum Income Guarantee (MIG) is generally understood to refer to an assurance that everyone will receive a minimum level of income that enables them to live a dignified life, which can be met through employment, provision of services, tax relief, and social security benefits. It relies upon the establishment of a Minimum Income Standard to determine the income threshold that people should not fall below.
- 5.2 It is similar to, but distinct from a Universal Basic Income (UBI), with two key differences:
- a UBI is for everyone irrespective of income and individual needs e.g. disability, while a MIG is means tested and targeted to those on low incomes; and
 - a MIG recognises that there is a role for business to help raise incomes, not just the welfare state.

6. Minimum Income Guarantee - Share Your Views

- 6.1 In March 2021, a report by the Institute for Public Policy Research (IPPR) proposed that Scotland should have a MIG by 2030. The report put forward three features of a MIG:
- a MIG would apply to everyone in Scotland, delivered through a targeted payment and other forms of support;

- a MIG should aim to bring about a minimum standard of living for everyone, recognising different needs; and
- a MIG should reduce poverty, inequality, and insecurity, as a payment people can rely on.

6.2 Full details of the IPPR report can be found at <https://www.ippr.org/publication/securing-a-living-income-in-scotland>

6.3 On 16 August 2021, the Scottish Government launched an Open Dialogue by inviting views about a Minimum Income Guarantee, with a closing date of 16 September 2021. **Appendix 1** to this report contains Officers' response. Respondents were invited to share their views about 4 key questions:

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

7. Minimum Income Guarantee – next steps

7.1 The response provided by Officers has been incorporated into the analysis of the responses to the Open Dialogue Engagement on a Minimum Income Guarantee. However, as this was not a formal consultation, Scottish Government do not plan to publish the full responses of any submissions on the Minimum Income Guarantee Steering Group's website.

7.2 Alternatively, Scottish Government has produced a high-level thematic analysis of the responses received and have presented this to the Minimum Income Guarantee's Expert Group. This reflected the themes and ideas of respondents and will help to inform future design work and engagement for the Expert Group.

Designation: Executive Chief Officer – Resources and Finance

Date: 27 October 2021

Authors: Sheila McKandie, Interim Head of Revenues & Business Support

Background Papers: Performance monitoring and analysis

**Minimum Income Guarantee
Officers' Response to the Scottish Government's Open Dialogue**

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

Making the most effective and efficient use of existing resources and fiscal powers to shape a more equitable and progressive society provides strong foundations for reform.

It is reasonable to anticipate that access to the Minimum Income Guarantee (MIG) will be based on some form of assessment to ensure it is most effectively targeted. As this Guarantee focuses on minimum income, it lends itself to means-testing.

There are options to incorporate contributory and non-contributory elements to ensure that all those eligible will receive a minimum level of support and those who have contributed are able to access an additional amount. This approach provides a safety net to mitigate the impacts of income shocks and provide a regular and predictable income. It may however have unintended consequences by negatively impacting those unable to work and therefore make sufficient contributions, for example on the grounds of health, immigration status, and caring responsibilities. Most students are currently unable to access welfare support which can be a barrier to accessing further and higher education. The MIG may therefore usefully help to mitigate these barriers. Consideration will therefore need to be given to decide whether MIG is intended to have the broadest of reaches to achieve fairness, equality and prosperity.

Incentivising work will be important elements of the Minimum Income Guarantee. The point at which MIG reduces and begins to taper off within the context of earnings, need to be decided within the wider context of tax and national insurance rules to ensure that those in work are financially better off.

Assessing income alone may however be too narrow an approach. To be most effective, MIG may therefore need to support other elements, including employment, up-skilling and reskilling, qualifications, children, caring, health and wellbeing, isolation, housing, independent living and inequalities (this list is not exhaustive).

Means-testing could be at household level or based on each individual's needs and available resources. The latter would seek to provide individuals with the appropriate resources (e.g., finance, skills, qualifications, childcare, etc) to achieve their ambitions, undertake fulfilling and sustained employment, and lead happy, safe and healthy lives. This approach would also encourage individual responsibility and accountability. In contrast, assessing the household as a whole may be considered more equitable, particularly when undertaking the means-testing element of MIG and deciding eligibility thresholds.

Decisions about conditionality will be pivotal to the success and effectiveness of MIG. Universal provision of services removes stigma, encourages take-up, is mainstreamed and is acceptable to society as a whole. Alternatively, conditionality needs monitored and usually involves sanctions for non-compliance. Such sanctions often remove or reduce the financial support available or removes the

individual's ability to continue to receive the support that they are depending on to progress. Such sanctions increase poverty and inequalities and impact the individual's mental and physical health. Whether sanctions would incentivise compliance with any MIG conditionality needs assessed.

A Minimum Income Guarantee may help support other Government priorities. For example, a subsidy to reduce fuel poverty may help support the behavioural changes required to deliver the Climate Change and the Green agenda.

A Minimum Income Guarantee also provides opportunities to review arrangements for those with no recourse to public funds and to promote inward migration in order to support the jobs and services needed to enable economic recovery and growth.

Remote and fragile communities are experiencing outward migration and depopulation as individuals move to take up education and to find well paid and sustained employment. An element of the Minimum Income Guarantee could be used to help mitigate such movements by encouraging individuals to remain living where they have support networks and cultural connections, being self-employed and delivering business locally, nationally and internationally and attracting in-ward investment.

Separate elements for disability, caring and to support housing costs will provide some level of protection and recognise the additional associated costs.

The complementary mix of the individual elements that make up the Minimum Income Guarantee will need considered to decide whether some/all elements are made on a one-off or ongoing basis, upper limits for support, the frequency of support, the lifetime of the MIG for each individual and the arrangements for review of adverse decisions. Methods used to deliver each element will also be important decisions to ensure that take-up is maximised, are accessible and meet the needs of those who will benefit the most from MIG while also ensuring buy-in from wider society and those who will be required to contribute more to central resources.

Households experience financial insecurities and poverty in different ways and to various degrees during their lives and it is well evidenced that poorer households generally experience fewer positive outcomes. These include but are not limited to physical and mental health, wellbeing, educational attainment, social participation, social mobility, and employment prospects. Social justice and a progressive approach to the distribution of wealth can therefore effect change, fairness and equity.

Financial capability requires more than providing households with a Minimum Income Guarantee that focuses on income, albeit regular and predictable income is an important lever to rebalance equalities and wealth distribution.

Enabling those who are out of work and those on low incomes to manage their money effectively is vital to accumulate the skills and confidence needed to prioritise essential bills, and where possible, to plan for known financial outlays in the future. Financial decision making is a key life skill that is best nurtured from a young age and when transitioning into adulthood as this will promote and help to support self-sufficiency, financial stability and prosperity. Underpinning MIG with support and training that focuses on money management and resilience will contribute to its success.

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

A Scottish Minimum Income Guarantee must be affordable for the public purse both in the short and longer term while also being palatable and accepted by society as a whole. The IPPR report suggests a Minimum Income Guarantee could cost £7 billion of required additional investment if it were introduced in 2022/23 when compared with existing Social Security spending.

The report also provides potential examples of how these substantial amounts of money could be raised. These include further devolution of powers, welfare reforms and tax rises. Such a significant level of investment warrants further considerations to identify the full range of viable financing options that may be available to better achieve equalities, a greater distribution of wealth and prosperity.

For example, one proposal for Council Tax reform suggests *“A system that saw householders pay the higher of the existing council tax system or 0.75 per cent of their home value per year could raise significant additional revenue and deliver a far fairer system. Once fully rolled out we estimate it would see properties in Bands F, G, and H on average pay more than the current council tax system...”*.

In Highland, the 2021/22 individual council tax liabilities for those living in Bands F, G, and H are £2,828.30; £3,374.45; and £4,182.57 respectively before adjustments are made for discounts; exemptions; and reductions relating to means-testing and disability. Within Highland there are 14,580 properties in Council Tax Bands F-H. While the proportion of the total number is unknown, Highland culture is such that in some cases families have continued to own the “family home” from one generation to the next. While Council Tax Banding may indicate wealth, it is important to recognise those who are asset rich and income poor will not therefore have the resources to pay more than the current council tax system at all, or without having to reduce other essential spend.

Council tax is a property-based form of local taxation, with a personal element. Should the council tax system be used as the mechanism for raising the revenue required for a Minimum Income Guarantee, then the impact on local authorities' Revenues Teams will need assessed and funded appropriately. Powers to collect and enforce and the treatment of uncollectable sums will also require clarity as will the need to clarify whether the additional levy will take account of the personal element of the Council Tax system. There may be increased volumes of Council Tax Valuation appeals as householders seek reduced Bandings, thus placing increased pressures on local Assessors and the appeals system, and therefore the collectability of the tax. Whether the current Council Tax Valuation is to be used for this purpose, or a new valuation is to be identified will also need decided, taking into account the administrative overheads for local authorities and local Assessors alike. The interplay between the Minimum Income Guarantee levy and Council Tax discounts, exemption and reductions will also need to be understood.

Increasing taxes will need to be considered within the context of the wider tax and welfare systems to understand the total net effect for individuals and their abilities to adjust personal spending and contribute more to national resources. This

increases the risk of placing even greater pressures on what are already very stretched incomes for some individuals. Whether a levy based on property value (linked to council tax bands F-H) will motivate households to downsize will need impact assessed. Should this materialise, there will be greater pressure on the availability of more affordable homes (possibly Council Tax Bands D and E) and a risk that reduced demand for properties in Council Tax Bands F-H may result in some falling into disrepair.

MIG provides opportunities to achieve more equitable access to services and opportunities, to help alleviate financial hardship and poverty, to encourage individuals to achieve their potential and to achieve social and economic recovery and growth. The key challenges will include deciding target groups, key outcomes, prioritisation and targeting, affordability and funding. Buy-in from society and ensuring that those individuals who will contribute to the costs of MIG can afford to do so within the wider context of tax and other changes affecting their incomes.

Highland has a relatively high proportion of zero hour and part time workers; it also experiences greater seasonal fluctuations in unemployment than the rest of the country due to the nature of the dominant service sector economy. Therefore, many households are on the cusp of the current thresholds used to determine benefit awards and are therefore entitled to limited or no social security/welfare payments. To support a Minimum Income Guarantee, tax increases for some households may create/increase debt levels with the associated impacts on health, employment and relationships; all of which would place additional pressures on public services.

For many households, housing costs are their largest, single expenditure whether that be social or private renting or homeownership. Therefore, those already experiencing financial hardship, or on the margins of doing so, may see their situation further deteriorate. As a consequence, they may be unable to fully pay their bills and experience sustained difficulty with meeting basic daily living costs. Income shocks may result in the spiral of new or existing debts and the resulting negative impacts, including being unable to afford their home. There is therefore a risk that homelessness services could be placed under even further pressures as a result.

In June 2021 it was reported to the Highland Council's Housing and Property Committee:

"The Council is experiencing very significant pressures in relation to homelessness. A service that was already stretched in terms of case numbers and faced with housing demand far exceeding available supply has been placed under additional stress as a result of Covid-19. It is also widely predicted that there will be an increase in homelessness nationally as we move beyond the emergency response to Covid-19."

In Highland, financial gains relating to benefits and other entitlements, derived for clients during 2020/21 by Council-funded welfare services, exceeded **£21.6m**. These substantial benefit gains represent a **£13.83** return for every **£1** the Council has allocated to these services. The multiplier effect of the wider economic and social impacts of these gains enables increased local spend, supporting local businesses, strengthening local communities and the local economy.

An increased focus on benefit take-up/income maximisation will help achieve the aims of the Minimum Income Guarantee. Such a focus aims to ensure that the right people receive the right benefit at the right time, and provides a variety of positive health, wellbeing and equalities outcomes which can have a significant positive effect for the most vulnerable and marginalised in society, while also supporting businesses and the local economy. There continues therefore to be an important role for local authorities' welfare advisers, Citizens Advice and the wider advice sector.

COVID-19 has resulted in a complex economic shock that has affected many residents. To effect the required level of social and economic stimulus, mitigation responses must continue to be practical, reliable, meaningful and effective. Financial support systems need to involve a complementary mix of one-off payments, time-limited support, and ongoing financial assistance and support. Some individuals and families will need supported by each of these support mechanisms in the short term, concurrently and typically for an extended period thereafter.

There are concerns that increases in the cost of living and the availability of affordable food and other supplies will be the tipping point for many families, many of whom are not eligible for welfare and social security support. Should such concerns be realised, then this will place increased pressures across the public sector. These concerns are magnified within local communities where there is no or limited access to supermarket pricing and product ranges.

The extent by which energy price increases will impact households will unfold in due course. The scale of this impact is heightened for rural households where mains gas isn't an option and as a result, they are reliant on more expensive heating supplies while also experiencing more extreme weather conditions. Subsidising households in rural locations would be an effective lever to begin to rebalance the position. These could incorporate green subsidies to help support the scale of behavioural change required to achieve carbon neutral commitments.

Balancing policies which prioritise social and economic growth, whilst tailoring on the ground services to meet the requirements of large inner cities, will vary greatly to meeting the needs of individuals and communities within sparsely populated rural and remote areas such as Highland and the Islands. The increased costs of living and delivering services in rural areas need to be appropriately designed and funded.

Previous research from the Money Advice Service on levels of financial capability among Scotland's children revealed that thousands are seriously unprepared to manage their money in later life. The results showed that across Scotland 31% of those aged 16-17 years, some of which will be leaving full-time education, did not have a current account and, of those that did, a quarter (26%) had no experience of paying money into an account. Furthermore, 55% were unable to interpret a pay slip.

Engaging young people to manage their money from a young age is a vital step to equipping them with the skills and confidence needed to cope financially in later life. The education system plays a vital role in this. Over 90% of young people who

received financial education in schools said they found it useful, although less than half (46%) of those surveyed had received financial education. Embedding financial life skills in general broad education will help equip young people for the world of work and enable them to contribute to and participate well in society.

Childcare expansion and accessible and achievable adult education are also important elements of a progressive system. A lack of confidence and self-belief in having the ability to achieve qualifications further exacerbates the fears that prevent some young people and adults from fulfilling their potential. Affordability can be a barrier for many young people and adults who would like to access further and higher education as they do not wish to, or cannot, accrue (further) debt through loans. Increasing understanding about the range of funding that is available, and the arrangements for fees in Scotland, will help mitigate this; awareness raising alone may not provide full mitigation. In particular, there are misconceptions about the payment of fees in Scotland which is often confused with the arrangements in the rest of the UK.

Infrastructure also requires sustainable investment and implementation, and at pace.

Affordable, accessible superfast broadband are crucial as is connectivity. This is essential whether it be for educational purposes, for blended working, for the supply of goods and services, for the self-employed and new start-ups and for those businesses operating locally, nationally and internationally.

Affordable, regular and reliable transport is also essential to meet society's needs across the whole of Scotland. Travel distances to work, education and to access services in rural areas require investment in infrastructure that is proportionate to the scale of the sizeable geography and the vast dispersed population masses. The appropriate balance of funding, the power of local decision making, and effective implementation will support individuals to achieve their ambitions and collectively, for local communities to prosper.

Creating sustainable and well-paid employment opportunities is a further area requiring continuous focus and review. Mitigating depopulation and outward migration, and ensuring appealing opportunities attract and retain a diverse mix of talent both locally and from elsewhere, will also be important features of both a flourishing economy and society.

Early identification and assessment of unintended consequences will enable mitigations to be put in place during the initial phases of constructing a Minimum Income Guarantee. Regular check, do, review actions will be essential to minimise risks.

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 Highland Council area covers a third of the land area of Scotland including the most remote and sparsely populated parts of the United Kingdom. We have the 7th

highest population of the 32 authorities in Scotland. Highland is 10 times larger than Luxembourg, 20 per cent larger than Wales, and nearly the size of Belgium.

Only 25% of the population live in settlements of over 10,000 people and 40% in settlements of over 1,000 people. Residents in the Highlands and other rural areas in Scotland face many more complexities when compared to someone living in an inner city, for instance. It is important therefore that particular attention is given to rurality, the increased infrastructure requirements, and the higher costs of living for these households, all of which are discussed in this response from The Highland Council.

The Scottish Index of Multiple Deprivation (SIMD) is the official measure of relative deprivation in Scotland. However, it is important to understand the impacts of relying on the SIMD to identify deprivation within Scotland given the contrasting map of urban and rural communities that exist. The demographics within rural areas can result in individuals experiencing extreme poverty living alongside households of considerable affluence, coupled with low population masses. Spatially dispersed deprivation and poverty therefore needs to be captured, analysed and used to help inform policies. This will be important when allocating resources, targeting interventions, in the design and implementation phases and when identifying the funding mechanisms of the Minimum Income Guarantee.

Financial hardship and poverty in rural areas may be as a consequence of the lack of access to resources, shortage of suitable housing, unaffordable fuel prices, and rural isolation, for example. Costs of living are generally higher within rural areas, whereas wages and incomes are on the whole lower when compared with urban living.

Considerable growth within urban areas, large social and private housing developments, and lower than average levels of unemployment can mask the daily struggles and hardships for individual households and within communities. These are compounded when combined with isolation and a lack of financial resources.

Rural deprivation is often difficult to identify and define. Rural communities can appear affluent and thriving, yet pockets of poverty are often hidden behind these successful exteriors and spread throughout the area. Poverty in rural areas is not clustered but spread often over considerable distances. This has considerable implications when trying to quantify deprivation, allocate national resources and deliver services within national allocations of resources.

Many families in rural areas will run a car at the expense of other essential requirements in order to access further and higher education, employment and essential services. In addition, food and fuel are often more expensive within rural areas. Issues such as increased travel costs to access employment and services, low pay which is often linked to seasonal employment and the historical low take up of benefits all compound the issues of poverty within rural areas across Highland.

Older people can be reluctant to seek help and support. Diminishing physical and mental health can lead to isolation, reduced engagement with services and support networks, and financial pressures. The Minimum Income Guarantee needs therefore to take account of all of these factors and determine how they each interplay with one another.

Policy makers will wish to consider whether the needs of disabled adults, older adults and children are fully met by existing arrangements and decide whether a refreshed approach is required.

Continuously improving outcomes for looked after children is fundamental. It will be important to evaluate how best a Minimum Income Guarantee can enable looked after children to realise their aspirations and lead happy, healthy and fulfilling lives.

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.

There is a broad matrix of competing priorities and vitally important services that need to be sustained and further enhanced to support needs and aspirations both nationally and locally.

Cross-cutting policies need developed so that they complement and support one another. Understanding societal' needs, future proofing to ensure there are adequate resources and a sufficiently agile system to cater for changing demographics are all critical to the success of MIG. Furthermore, identifying the most effective and efficient levers required to effect the target outcomes will be important considerations in the design and phasing of Minimum Income Guarantee. Affordability for the public purse and for the target group of individuals that will ultimately fund a Minimum Income Guarantee are equally important considerations.

The Highland Council is committed to raising attainment and achievement for all children. The Education and Learning Directorate is focused on addressing areas of inequality, the attainment gap and poverty - in all its guises - including rural poverty.

The Rural Deprivation Evidence Summary (J. Thomson, Communities Analysis Division, Scottish Government, 2016) suggests that deprivation is experienced differently between people living in rural and urban parts of the country.

Research involving key stakeholders, including Head Teachers in the rural parts of Highland, identified the following main areas where there are significant differences between people's experiences of deprivation in rural and in urban environments.

Delivering Education: Small secondary schools are limited in what curriculum can be on offer for their young people. It can be difficult to appoint and retain staff as living expenses are high. Part-time positions are rarely economically viable. This is particularly poignant in rural locations as there are very limited opportunities to supplement income with additional employments. There is also limited access to college courses, as the minimum enrolment number of 6 students can rarely be met. Schools and colleges are creative around course delivery, but more funding is required to be able to run courses.

Poverty of time: Children in many of our most rural areas have to either live in residential accommodation or undertake a round trip of up to 1.5 hours per day to attend their educational establishment. How Scottish Government targets SAC and PEF does not fully take account of the wider demographic issues associated with

rural poverty/ deprivation and the costs of delivering education across the wide expanse of rural Highland.

Cost of living: There are significant challenges as to how rural deprivation is measured. Both Free Meal Entitlement (FME) and SIMD do not work as single indicators of deprivation in rural communities.

Evaluations of the impact of rural deprivation and how FME & SIMD do not actually represent the reality of the situation have also thrown up other anomalies:

- Those who are struggling can be very dispersed and, while in real need, may not show up statistically.
- Rural Highland parents are often reticent about applying for free school meals and are therefore not eligible for other support. An over-riding perception of stigma and a cultural ethos of the need to support one's family independently engenders a falsely low application rate.
- Poverty is often hidden in our rural communities where those experiencing poverty are living next door to those who can be termed affluent. The causal effect of this is that those who should seek help and support – and are entitled to it – do not do so.
- This widespread reluctance to seek assistance means that the impacts of poverty can then have a substantial effect on children's mental and physical health, affecting – but not limited to - their attendance and concentration at school. Children's ability to participate in society and in out of school activities and to develop sustainable relationships with their peers is also significantly diminished.

Less accessible key services including healthcare: To attend hospital appointments, dental appointments, CAMHS appointments etc can take all day as services are not available in the local area. This takes time out of school and/or work with added cost to families and a loss of learning time.

Mental health services are often not locally available. Children, young people and adults are often required to travel to central points to attend appointments. The distances involved can be hundreds of miles. It is also not unusual that, when individuals can't travel due to their mental health, they are discharged without being seen by the referred consultant or service. Further, there is a great deal of hidden deprivation linked to drug and alcohol abuse within many rural communities.

Digital exclusion: There are still families and communities across Highland with no access to an affordable or reliable internet connection and, despite Highland Council's great efforts over the last year to support digital and remote learning, connectivity can still be a real issue.

Housing: The lack of affordable housing in many of our rural areas continues to be of great concern. Young people and families often cannot afford to buy houses in their local area. As a result, many young people and families have no option but to move from their local area, leaving behind their support networks, or endure living in substandard accommodation.

Austerity is a catalyst for essentially rethinking how services are funded, designed and delivered and often requires transformational change. Public bodies are

continuously seeking solutions to deliver balanced budgets against a backdrop of developing new approaches, building joined-up approaches and investing in the preventative activity necessary to deliver savings over the longer term. Collaborative and trusted partnerships are at the heart of such developments as is community participation.

There is an urgent need to maximise existing benefit take-up/income maximisation and to invest further in this area. A tailored approach will best meet the needs of Scotland's diversity rather than a one size fits all model. Governments regularly report the value of under-claimed benefits and the prevalence of poverty and inequalities within society. This has value in terms of raising awareness and providing the intelligence required to target support.

Governments have access to rich data sets and business intelligence. This presents opportunities to target support. However, to effect a positive societal change and to support those who are potentially missing out, steps could be taken to securely share such details with local authorities, at individual household level. It is often the case that the most vulnerable members of society are those who do not engage with the public sector and are therefore disproportionately impacted by the current limits of sharing such rich data.

To support a welfare system that sustainably improves the lives and wellbeing of those most impacted, requires a coherent strategy which draws upon the expertise and experience of a range of stakeholders, is multi-disciplinary, and includes the public, private, and third sectors. Importantly, those with lived experiences should help shape the deliverability and effectiveness of the Minimum Income Guarantee. Such considerations include cross-cutting approaches to health, housing, education, employment and welfare advice services. Simply reforming one element alone or introducing a Minimum Income Guarantee using a "function-based" approach may restrict the pace, flexibility and agility to effect the transformational change that is being sought. A thematic approach that interconnects all these factors is more likely to deliver on the ground and sustained success.