REPORT | UNDERSTANDING POVERTY | CHILD POVERTY

Poverty in Scotland 2026

With targets missed and poverty too high, radical change is needed. Local government needs to play a bigger role in poverty reduction, both in their delivery and in a healthier relationship with the Scottish Government.

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Executive summary

We are publishing this report at a critical crossroads in Scotland's journey to a possible future, one free from poverty.

In this year's election campaign and programme for government, we have consistently heard the First Minister describe eradicating poverty as his defining mission (Scottish Government, 2026a). This commitment is welcome, but there is an increasing disconnect between the Scottish Government's rhetoric and the reality of life for families in poverty across Scotland. New data for 2022–25 shows that:

- 17% of people in Scotland were in poverty, 11% in deep poverty and 7% in very deep poverty. Around 2 in 5 people in poverty in Scotland are in very deep poverty
- relative child poverty sits at 21%
- over 9 in 10 children in poverty are in one or more of the Scottish Government's priority families.

Despite some progress, the legal target to reduce relative child poverty to 10% by 2030/31 is set to be missed by a wide margin. Interim targets have been missed, and the Scottish Government's current plans will not deliver the scale of change needed to shift the dial.

We want a better start for all children in Scotland, and there is clear evidence of overwhelming public support for more, and more effective, action on child poverty. The Scottish Government's plan to review Scotland's landmark statutory child poverty targets risks delaying action and lowering ambitions. New targets need to be genuinely stretching, grounded in income as a central measure of poverty, and have teeth to hold the Scottish Government and the Scottish Parliament to account for meeting them.

In parallel, the Scottish Government needs a new, much bolder and properly funded plan to reduce poverty in Scotland. Only 1 in 4 people (26%) somewhat or strongly agreed that the Scottish Government is doing enough to tackle child poverty in Scotland (Birt, 2026a).

This year, as well as assessing the national picture, we have focused on the vital role of local government in reducing poverty, backed by new public attitudes data and engagement with people with lived experience. In findings that must shape live discussions about the future of local governance and public service reform in Scotland, we have heard that:

- people think councils are too underfunded to provide the services needed in their area
- there is significant public disaffection with councils, regardless of people's backgrounds and across Scotland's different communities
- councils are not doing enough to tackle poverty, with people on low incomes and living in more deprived areas reporting worse experiences of services

and higher levels of disaffection.

To fix this, the Scottish Government and local government will need to work more effectively – in their own right and in collaboration. Every council needs to ask itself, just as the Scottish Government should do, whether they have genuinely prioritised child poverty reduction and if their services are best where they are needed the most. Fundamentally, these should be the core questions of public service reform; otherwise it simply becomes a numbers game of reductions in the number of councils and/or budgets. It is also clear that public service reform needs to go hand in hand with a fundamental rethink of local government funding to rewire our services and tax system to radically reduce poverty.

It is also vital that national and local government's bandwidth across this parliament is not consumed by bureaucratic strife; families in poverty need to see rapid progress in the immediate term.

We want the **Scottish Government**, as part of its renewed drive to reform local government in Scotland, to:

- provide local government with a more stable platform for anti-poverty work — avoiding single-year funding settlements and allowing councils greater freedom to adapt to their communities' needs
- take steps to fundamentally reform local government finance in Scotland
- ground public service reform in 2 key questions: would the changes reduce child poverty and will they make services best where they are needed the

most?

We want all **councils** to:

- prioritise preventing poverty in their communities, and make full use of their levers including economic development, childcare, employability, transport, housing and schools
- provide better-quality and more joined-up local services to support families in or at risk of poverty, with genuine partnership with the third sector, co-location of services, a ‘no wrong door’ approach and better use of data
- significantly improve day-to-day communication with the public, underpinned by deeper and more meaningful work to involve people with lived experience of poverty in local decision-making.

1. Introduction

Poverty remains persistently high and the interim child poverty reduction targets have been missed. Government at all levels must step up to this challenge as people in Scotland feel let down by politics. This report sets out the critical role that councils play in reducing poverty in their communities across Scotland. It covers how the public feel about their local councils and services, the radical local government funding reform that is urgently needed, and argues that councils should use all available levers to reduce and prevent poverty.

2. Evidence used in this year's report

This year's report is built on evidence from a number of different sources. Usually we work with the End Poverty Scotland Group (EPSG) to delve into the data as we prepare these reports. But this year we have taken a different approach. This section outlines our approach, rationale and how best to interpret the evidence.

The official statistics

Official poverty statistics across the UK are calculated from a large household survey, the Family Resources Survey (FRS), which is led by the Department for Work and Pensions (DWP). It is the most detailed survey of household incomes in the UK and collects information on lots of different income sources, the amount of income from each source, family characteristics, housing costs and other important questions about how households in the UK are managing financially.

The DWP has made a big improvement to the way that data on income from benefits is collected. They used to just ask people whether they were in receipt of any benefits and how much. Now they directly check their records to see if the survey respondent is in receipt of a benefit and how much. This means that any income from UK benefits or the state pension is now much more accurate. It does not rely on people having to remember an often tricky-to-navigate system.

The improvements have led to increased incomes for many households and have resulted in poverty rates in Scotland being revised down, which can make interpreting the statistics more challenging.

This improvement was done for the latest year of data (2024/25), but DWP have also looked back and linked FRS respondents' benefit records back to 2021/22. This means that we now have a better understanding of people's incomes in the UK, but these positive changes mean many households in the 2021/22 to 2023/24 data have different incomes using the old and new methods. This means that we cannot directly compare values between these methods, breaking the poverty statistics trend line.

In addition to this, a number of important benefits are devolved, primarily disability benefits. These have not been linked in this way yet, as the DWP does not provide these benefits and has not yet linked Social Security Scotland benefits. This means that incomes for households where someone is in receipt of a disability benefit (or other devolved benefits like Scottish Child Payment or Carers Support Payment) continue to use the old, less accurate method. This weakens the Scottish data and is one reason that we have chosen not to lean heavily on the official poverty data this year.

We hope that by the next Poverty in Scotland Report we will have seen further improvements to the data, including linking devolved benefits, improving the weights used to make the data representative and extended data linkage back to 2018/19. If you want to read more about the improvements to the data and how this impacts what we can and cannot say about poverty in Scotland, please read our guide

(https://www.jrf.org.uk/child-poverty/how-improved-data-affects-the-scottish-child-poverty-reduction-targets) (Cebula, 2026).

Public attitudes survey on local government and services

As we were not able to analyse the official statistics in our normal depth, we also commissioned a survey of 3,381 adults in Scotland looking at their use and experience of local services as well as their opinions on local government and its funding. The survey was collected on our behalf by the Diffley Partnership between 22 and 26 June and is representative of adults in Scotland.

This data cannot be broken down for every council, but gives us a good picture across different types of local areas, as well as being able to be broken down by two key dimensions: the Scottish Index of Multiple Deprivation (SIMD) and detailed urban–rural classification.[1] While these do not tie respondents to specific councils, it does allow us to understand particular characteristics of where they live and how this might impact their opinions and experience. Where sample sizes allow, we have also pulled out local authorities to show similarity and contrast in their residents' feelings on public services and their local council.

End Poverty Scotland Group

The EPSG is the small lived experience group who have been working closely with the Joseph Rowntree Foundation (JRF) Scotland team and has been involved in this project. The members of the group come from diverse backgrounds, but due to our

current cohort of members, they are over-represented in one local authority. For this reason, the group has focused their time on developing the idea of what good public services should look like across Scotland rather than on what services have looked like for them. You will see their words throughout this report, but their knowledge and expertise have also guided us in our thinking on the importance of place and local community in tackling poverty at its root.

Grounded Voices

Grounded Voices (https://insightinfrastructure.co.uk/#grounded-voices) is run by JRF's Insight Infrastructure team working with a group of participants over a 5-month period to collect real-time qualitative data on their lives. They use online qualitative methods (interviews, diaries and group discussions) to build rich evidence about how people's lives are affected by living on a low income.

In this report, we have used evidence from the Scottish sample of participants in Grounded Voices through bespoke diary questions on local authorities and follow-up one-to-one conversations. The participants are all from different council areas and are from a broad range of backgrounds, although they are not designed to be representative of people living on a low income across Scotland. Instead, they provide a richer and more detailed understanding of the experience of living on a low income, complementing the quantitative analysis of our public attitudes survey.

3. Poverty rates and progress on targets

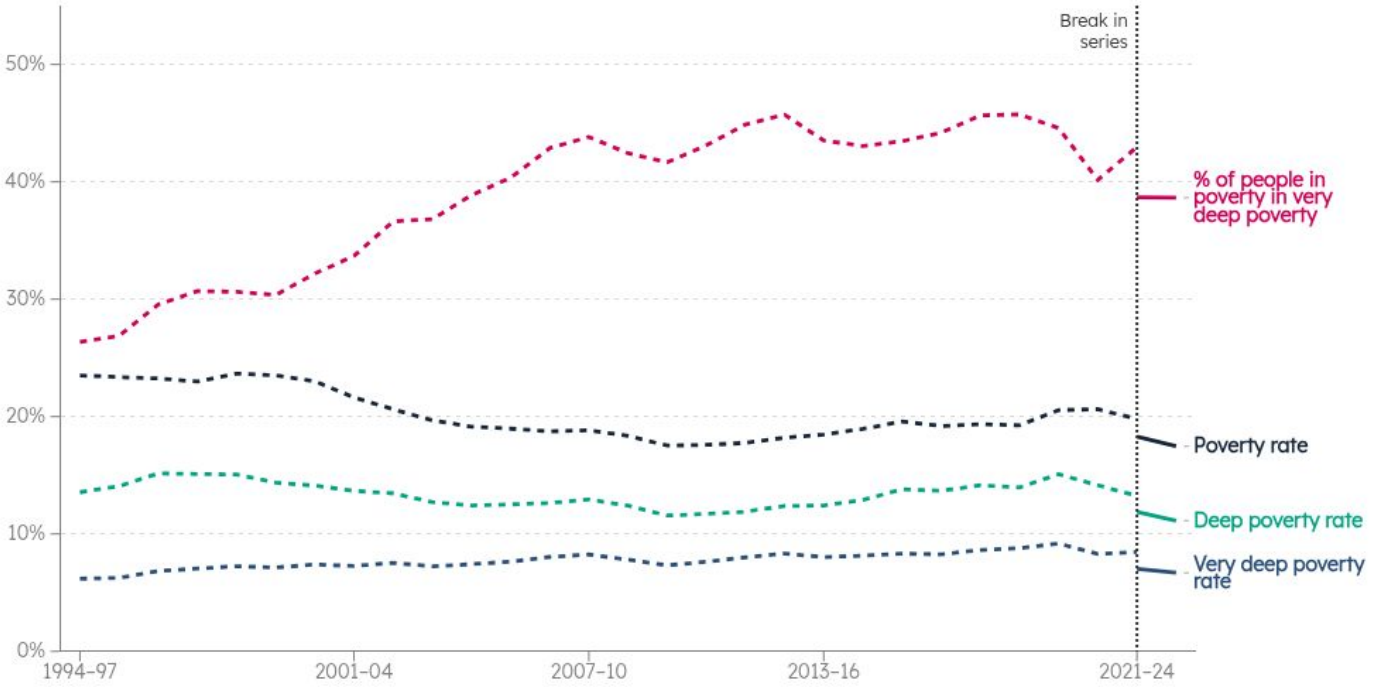
Due to changes in the data, only 2 data points are available for Scotland using the more accurate data, from 2021–24 and 2022–25. This section will focus on the most recent rates and compare them to the previous year but will continue to present previous trend data where relevant. If you would like to know more about the longer-term trends or read a more detailed discussion of these before this year's change to the data, please consult Poverty in Scotland 2025 (https://www.jrf.org.uk/poverty-in-scotland-2025#_-poverty-rates-and-progress-on-targets).

Poverty rates and depth

In 2022–25, 17% of people (940,000) in Scotland were in relative poverty after housing costs (AHC), 11% in deep poverty and 7% in very deep poverty. Poverty and deep poverty rates have both fallen by 1 percentage point between 2021–24 and 2022–25, while very deep poverty has shown little change. This means that around 2 in 5 people in poverty in Scotland are in very deep poverty.

Our previous work has shown that while poverty in Scotland has fallen in the last 30 years, poverty has also been deepening (Cebula and Birt, 2023; Cebula, 2025). This means that people in poverty now have moved further below the poverty line, deepening the struggles that far too many people face. Using the old data, between 1994–97 and 2021–24, the proportion of people in poverty who are in very deep poverty rose from around 1 in 4 (26%) to more than 2 in 5 (43%).

Figure 1: Proportion of people in poverty by depth
1994–97 to 2022–25



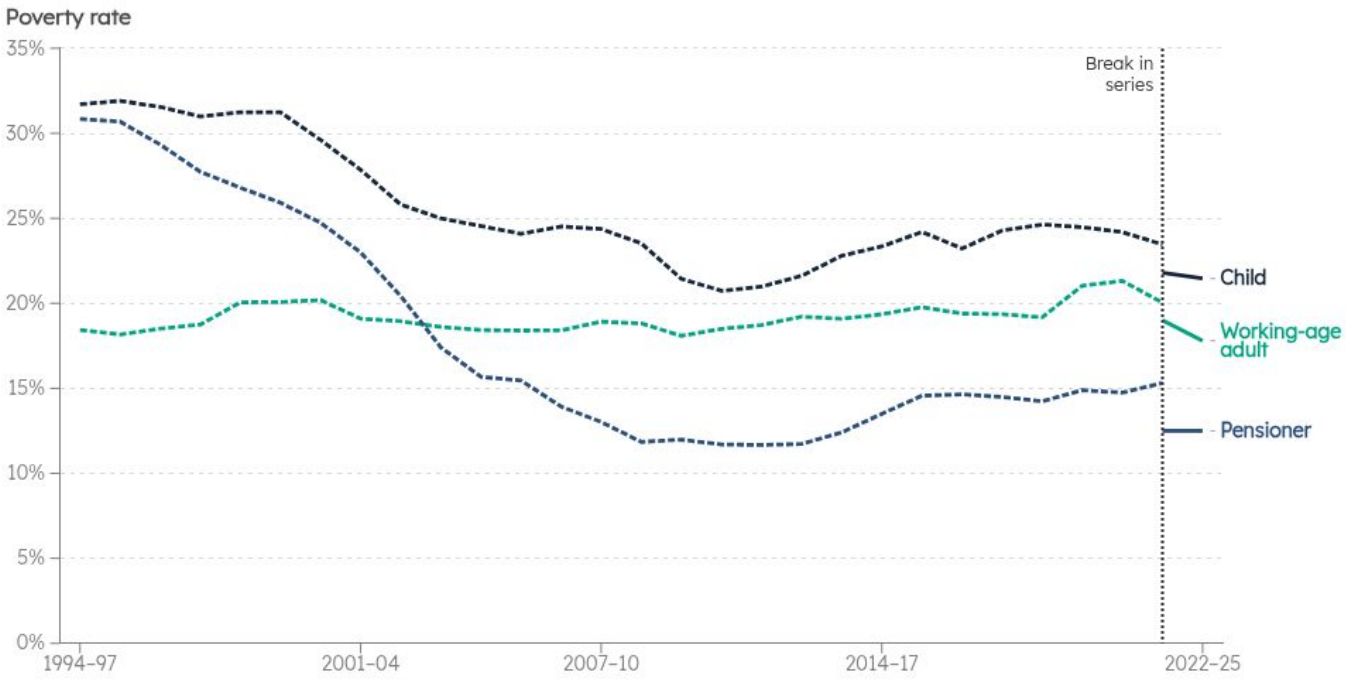
Source: JRF analysis of Households Below Average Income
Note: Solid lines are based on data where linked benefit data has been used, while dashed lines are based on unlinked data. Linked and unlinked results are not directly comparable.

In 2022–25, people in poverty, on average, had incomes that were 26% below the poverty line and people in very deep poverty were 60% below the poverty line. This translates to a gap of around £1,325 a month for couple-parents with 2 children in very deep poverty. This is equivalent to the couple working around 14 extra days a month on the National Living Wage (assuming that the parent is not paying tax and would not lose any benefits) or an increase in the Scottish Child Payment by around

£150 per week per child.

Although the overall poverty rate has fallen slightly between 2021–24 and 2022–25, this has primarily been driven by a fall for working-age adults. Rates for pensioners and children have remained relatively constant.

Figure 2: Poverty rate (AHC) for children, working-age adults and pensioners 1994–97 to 2022–25



Source: JRF analysis of Households Below Average Income
Note: Solid lines are based on data where linked benefit data has been used, while dashed lines are based on unlinked data. Linked and unlinked results are not directly comparable.

Scotland has the second lowest poverty rate for all people of the 4 nations in the UK. Child poverty is around 6 percentage points lower in Scotland than the UK as a whole. In 2021–24, poverty rates for working-age adults in the UK and Scotland were similar; however, due to the fall in poverty for this group in the latest year, the poverty rate for working-age adults in Scotland is now 1 percentage point lower than for the UK. Pensioner poverty has been lower in Scotland between 2003–6 and 2021–24 than for pensioners in the UK as a whole. Rates are closer in the new data, with the pensioner poverty rate in Scotland and the UK similar in 2022–25 (13%).

Child poverty targets

In 2017, the Scottish Parliament set legally binding child poverty reduction targets in relation to the Child Poverty (Scotland) Act 2017. In June this year, the Cabinet Secretary for Social Justice and Housing announced a review of these targets. We set out our position on what this review should entail (Birt, 2026a), but we note below the progress so far towards the existing targets. This is the crux of the issue: ultimately the targets need to be reviewed because while there has been progress, we are still some way from meeting those targets. The current targets are measured in 4 ways and consist of an interim and final target (see Table 1).

Table 1: Scottish child poverty reduction targets

Measure	How it is measured in 2017 when the targets were set	What it tells us	Interim target (2023/24)	Final target (2030/31)

Relative poverty	If someone's household income after they have paid their housing costs is below 60% of the median, adjusted for family size and composition.	This looks at whether the incomes of poorer households are catching up with average incomes.	18%	10%
Absolute poverty	If someone's household income is below a fixed line currently based on an inflation-adjusted 2010/11 poverty line (set at 60% of median income after housing costs in 2010/11).	This looks at whether the incomes of poorer households are increasing faster than inflation. There is no analytical reason as to why it is set in 2010/11; instead, this is from a historic policy choice.	14%	5%

Combined low income and material deprivation	The proportion of people living in families that cannot afford a range of basic goods and services, such as 'having 3 meals a day' and 'home adequately warm in cold weather', as well as having a low-income AHC (less than 70% of the median).	Material deprivation is likely to rise if relative poverty (AHC) rises and/or the cost of essentials increases, for example, due to inflation.	8%	5%
Persistent poverty	Persistent poverty captures people who have lived in poverty over a period of time, normally measured as being in relative poverty (AHC) in 3 or more of the last 4 years.	Persistent poverty shows the extent to which families remain trapped in poverty over time.	8%	5%

Note: The official child poverty targets use single-year measures. We discuss this below.

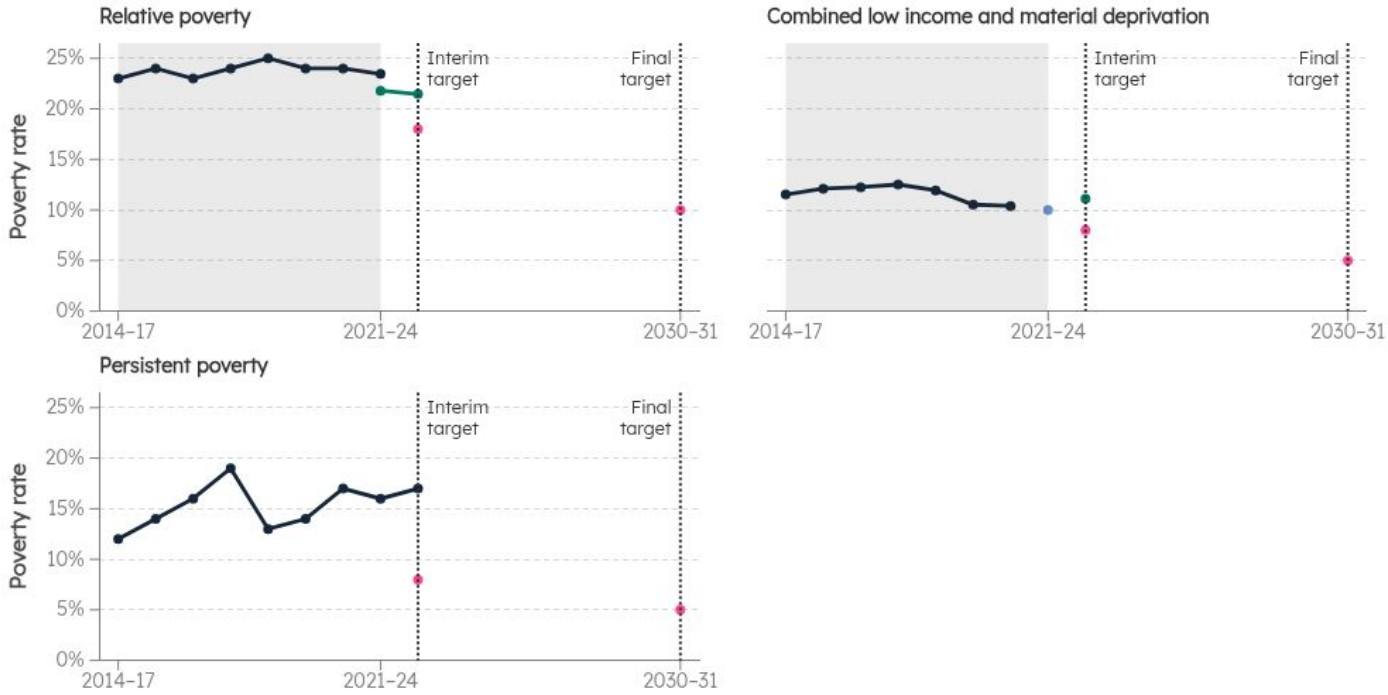
Three of these measures use the FRS, so have been affected by the break in the series explained earlier, with the material deprivation part of the combined low income and material deprivation having also changed basis from 2023/24. Persistent poverty is unaffected by all these changes.

For relative poverty (AHC) and combined low income and material deprivation, this just means we cannot yet see how big an improvement there has been since the targets were set in 2017. We only have consistent data since 2021/22 for the former and 2023/24 for the latter. But we can tell how close we are to the targets.

For absolute poverty, this is more complicated. Absolute poverty, as set in the targets, compares people's incomes now to the poverty line in 2010/11. It tells us whether the incomes of poorer households are increasing faster than inflation. However, incomes now are no longer comparable to incomes in 2010/11 because of this change to the data (Cebula and Matejic, 2026). The Child Poverty (Scotland) Act does foresee this issue and allows the Scottish Government to rebase the absolute poverty target via subordinate legislation, but given the wider review it seems unlikely they will do so (at least in the short term). For these reasons, we have not included analysis of this measure in this report.

The Scottish Government uses more volatile single-year values to evaluate whether they have met their targets; we instead present 3-year averages that provide a more reliable insight. Using 3-year averages with the new, more accurate data we see that none of the interim targets have been met and rates remain significantly higher than the final target.

Figure 3: What has happened to the child poverty targets



Source: Scottish Government analysis of HBAI and Understanding Society
Note: No absolute poverty target presented because it has been rebased. We use a 3-year average while the targets use a more volatile single-year rate. The interim target is for the financial year 2023/24 so we present the 3-year average that centres this, 2022–25. In addition to the break in the series for the FRS in 2021–24 there was also a change in measurement of combined low income and material deprivation in 2023/24 so the value shown for 2021–24 (in blue) is a two-year average.

Relative child poverty sits at 21%, 11 percentage points above the final target, having missed the interim target of below 18%. The more volatile single-year values used by the Scottish Government (not presented by us) show that the child poverty rate using the new data was 16% in 2023/24. However, the year before this it was 27% (2022/23) and the year after it was 21%, highlighting why single-year estimates should be read with extreme caution and why we recommend using 3-year averages.

Combined low-income and material deprivation is closest to the final target, at 6 percentage points over the final target.

Persistent poverty has risen since 2019–20 and is now 12 percentage points over the target of 5%.

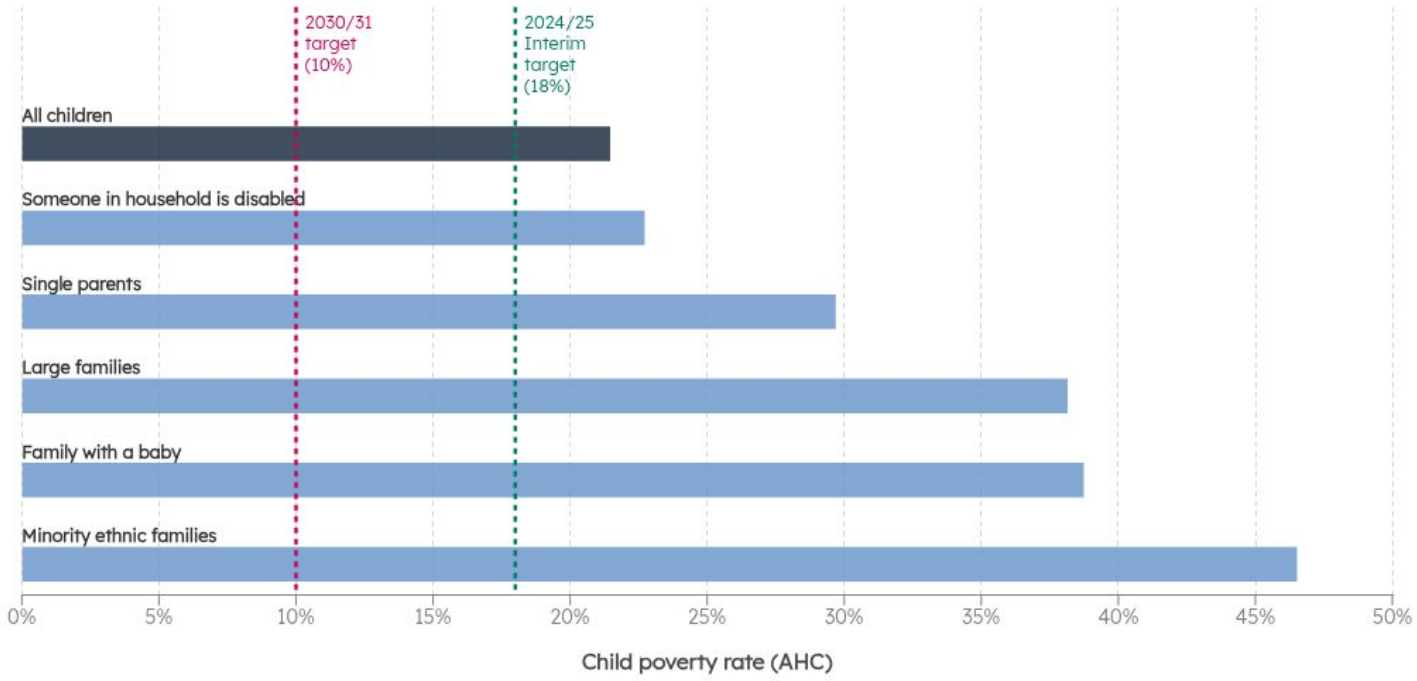
To retain the absolute poverty measure, the Scottish Government should introduce a new 2030/31 target for absolute poverty based on a year of the series that is available using the new data-collection method.

As we have discussed elsewhere, the Scottish Government's review of the targets must not delay the substantial action needed to reduce poverty now (Birt, 2026a).

The priority families

The Scottish Government also identified 6 priority families in which children are at a greater risk of poverty (Scottish Government, 2025a). The latest data shows that over 9 in 10 children in poverty are in one or more of these priority families. Understanding the systems that trap these families in poverty is essential if the Scottish Government is to meet the child poverty targets, but all of these families continue to have a higher risk of poverty than found for all children in Scotland.

Figure 4: Child poverty rates compared to the targets for the Scottish Government's priority families (2022–25)



Source: JRF analysis of Households Below Average Income
Note: The sample size for children with a young mum is too small to publish. JRF present the poverty rate for minority ethnic which excludes people from an 'other white' background. The Scottish Government include them within their priority family group.

Poverty rates are highest for children in minority ethnic families, with nearly half (47%) growing up in poverty. This is followed by children in families with a baby (39%) and large families (38%).

Risk of poverty is lowest for children in a household where someone is disabled, but this group makes up nearly half of children in poverty (47%).

Last year's Poverty in Scotland report focused on the priority families, finding that 58% of children in poverty were in 2 or more of these priority groups, with risk and depth of poverty increasing as the number of groups increases (Birt et al., 2025). It highlights that each family is unique and that designing services that adapt and flex to the individual needs of families is crucial. The new data shows that this remains the case and the Scottish Government must prioritise the needs of the priority families.

Summary of key poverty reduction policy areas

This section summarises some of the links between key policy areas and poverty in Scotland. It is intended to give a high-level insight into the drivers of poverty, the barriers that contribute to it and the solutions.

Work

Work, particularly full-time work, continues to be a protective factor against poverty.[2] Around 1 in 10 people (11%) in a family where at least one person is working full-time is in poverty. This risk halves for families where all adults are full-time employees, with just 1 in 20 (5%) people in poverty. This compares to just over 1 in 4 people (27%) in families where there is only part-time work and over 2 in 5 (43%) of people in families where no one is working (and everyone is under 60).

This shows that while work can be a protective factor, being in-work is no guarantee of being out of poverty. The majority of households in poverty have one or more person in-work. In 2022–25, nearly 2 in 3 people (66%) in poverty, including nearly

three-quarters of children (72%) in poverty, had someone in-work. A labour market that leaves two-thirds of people in poverty despite their work is not a labour market that is working for Scotland.

Pay is a significant factor, but this is also a story about hours, flexibility and opportunity. We also have to recognise that there is no single story of work and poverty in Scotland, because there is no single labour market. Recent work by the Fraser of Allander Institute (Gillan et al., 2026; Evans, 2026) shows vast disparities in local labour markets across Scotland. In many parts of Scotland, people who want to work simply cannot find jobs to apply for, either locally or within reach of home.

These are not the only structural barriers that mean the protective factors of full-time work are not available to everyone. These barriers fall hardest on the priority families identified by the Scottish Government, which is precisely why their risk of poverty remains so high. A lack of good, affordable and accessible childcare stops parents from entering the labour market and increasing their hours. A lack of accessible jobs prevents disabled people from working or working enough hours. Social care remains strained, making it hard for disabled people to get the support they need to work and for carers to find jobs that fit around their caring responsibilities.

Good work can lift families out of poverty, but only if it exists where people live, pays enough, and fits around their lives. That requires action from governments at all levels: creating jobs in the places that lack them, designing employability support that people want to engage with, delivering childcare that lets parents work the hours they want, normalising and enforcing fair work as the norm in all industries, and

ensuring social care that empowers carers to take up employment if they choose to.

Even with that support, work will not be an option for everyone, particularly with the structural barriers they currently experience to accessing work. For these families, social security must provide a sufficient safety net while governments at all levels act to improve work for people in Scotland.

The programme for government has laid out the Scottish Government's approach to ensuring work can play a role in reducing poverty. First, by finalising a review of employability support 'to focus on breaking down the barriers to work', with recommendations due at the next budget. The review is sorely needed, but it will need to go well beyond the current framing.

'Barriers to work' do need to be tackled, but this framing assumes good jobs are in the right places and the task is just to get people ready for them. But often the binding constraint is not work-readiness; it is that good jobs simply are not there to apply for within reach of where people live. A review built around removing barriers to work will keep pointing employability spending at the supply of workers while leaving the demand side untouched, which is exactly how capacity can end up miscalibrated against the actual problem in each local labour market.

Second was childcare expansion. The funded support from 9 months to the end of primary school was a key part of the SNP manifesto and is genuinely ambitious. But the core offer appears universal, with the commitments aimed explicitly at low-income families confined to smaller add-ons like extra time and the Early Adopter

Communities. If childcare is going to cut child poverty, the biggest levers of support have to be deliberately targeted at low-income households and those in insecure work who most need childcare to get into work.

Social security

In 2022–25, 37% of people in a family in receipt of Universal Credit or the benefits it has replaced were trapped in poverty, a fall of 1 percentage point since 2021–24.

Following the improvements to the data, we expected that poverty rates for people in receipt of low-income benefits would be revised down as social security was generally undercounted. This does not reflect a change in the actual take-up of benefits but in how well it is captured in this survey. While the poverty rate was revised down, by 4 percentage points, nearly 2 in 5 remain in poverty. This highlights that even with better data, we are still seeing that the value of social security continues to be inadequate to keep many families out of poverty and that high poverty rates for this group in previous publications would only be in a small part due to poor-quality data.

For families in receipt of a disability benefit, such as Adult Disability Payment, we continue to see a higher risk of poverty than for all families. Disability benefits are intended to cover the additional costs of being disabled, meaning that they do not contribute to the income that households have available to spend on other day-to-day costs. This means that using the total household income including disability benefits overestimates the incomes of households in which someone receives

disability benefits, masking the risk of poverty for those households. Instead, we use total household income excluding disability benefits. Nearly 1 in 4 people (23%) in families in receipt of a disability benefit are in poverty when disability benefits are excluded, compared to 17% of people not in a family in receipt of a disability benefit.

While disability benefits are intended to cover these additional costs, there is significant evidence showing that this is not the reality for many disabled people. Research by Scope (2025) shows that across disabled families in the UK, the average disability benefit payment is £465 a month in 2024/25, but this leaves a shortfall of £630 a month when looking at the additional costs that disabled people are paying. In Scotland, we also see that disabled people are expected to use their disability benefits to cover some essential adult social care costs for services provided via local authorities, with this policy being applied inconsistently across local authorities (Cowan and Williams, 2025).

Housing

More social housing and more affordable housing have historically helped Scotland keep its poverty rate lower than the rest of the UK, where housing costs tend to be higher and with a greater reliance on the private rented sector.

Around 1 in 3 social renters (34%) and private renters (31%) were in poverty in 2022–25. This compares to 12% of people who own outright and 8% who own with a mortgage.

The most recent data shows that more than 1 in 10 (13%) of all private renters in Scotland are pulled into poverty due to their housing costs. This means that for more than 2 in 5 (44%) private renters in poverty, their rents are a primary driver of poverty. While poverty rates are similar in the social rented sector, this is driven more by lower incomes before housing costs than is seen for private renters. Around 1 in 5 social renters in poverty (22%) are pulled into poverty by their housing costs.

Where are we and what is next?

New data shows minimal change in poverty rates in Scotland. Longer-term trends are not possible with the new data at this time, but compared to the previous period, only poverty for working-age adults has fallen, with rates stable for children and pensioners.

All of this underlines the need for urgency on the part of the Scottish Government. Significant action that goes well beyond the limited measures included in the programme for government 2026–31 is required on housing, work and social security, as well as other areas, to make progress in reducing poverty. That further action cannot wait for the outcome of their review of the child poverty-reduction targets, not just because of the urgent need of many children and their families today, but also to ensure that the Government has momentum behind them as they set new targets.

4. Local government has a critical role in reducing poverty

Scotland's current 32 councils are crucial to parts of our everyday lives: the schools and nurseries we learn in or trust our children to, our homes that we build our lives from, our roads and buses that we get around on, and the care services that allow us and our loved ones to live independently and with dignity.

A massive part of each council's job is to reduce poverty in our communities through running good services, building thriving local economies, supporting jobs and breathing life into Scotland's many different communities. But that is the ideal. It is not how a lot of people in Scotland are experiencing their local council. Fundamentally, this is what public service reform should be about: how our councils be refitted so as to play a fuller role in poverty reduction.

In this section we explore findings from a representative survey of adults in Scotland and lived experience research on how people perceive councils, the services that they provide and how they are funded. It paints a mixed and challenging picture. There are council services that people rate, but this varies by household income and area deprivation. There is broad agreement that councils are underfunded, but people generally do not understand how that funding is made up. Sadly, there is also broad agreement that councils do not represent their communities well – political disaffection is endemic.

These findings raise important questions about the future of council funding, how faith in local democracy can be rebuilt, and how to decentralise power in Scotland in a way that benefits people rather than bureaucracy. This is all highly relevant to the conversation the Scottish Government has recently begun on the future of local government in Scotland. They also suggest that fundamental reform of local government funding is required as part of this discussion. Local government reform without local government finance reform is like knocking down a house because of weak foundations and then just rebuilding a new one in the same place.

The current disconnect between local government and the needs of low-income communities is not simply a story of underperformance in Scotland's town halls. Years of austerity, shifting goalposts from the Scottish Government, single-year budgets and an ever-blooming number of strategies and action plans mean councils are often acting with one hand tied behind their back. Equally, this is not malignance on the part of the Scottish Government. Like councils, they are striving to undo the damage that austerity has done but too often identify short-term solutions to longer-term issues. The Verity House Agreement in 2023 was meant to mark a turning point in the relationship between the Scottish Government and local government, but it did not deliver lasting change.

Public service reform is the latest focus for senior politicians, officials and council officers. It is critical that this agenda is grounded in and motivated by doing better for Scotland's families and communities, rather than cashable savings, council organograms, and lines on maps. If poverty reduction is the guiding mission for

reform, it can focus hearts and minds on freeing up councils to deliver for their communities.

As we enter a period of potential change for local government in Scotland, the upheaval and the difficult financial position that councils face do not give them an excuse to defer action now to reduce poverty. It is not fair for children growing up in poverty now. Like our challenge to the Scottish Government set out above, how many councils can truly say that they are prioritising child poverty reduction and consistently back this up with action? How many councils build and maintain their houses for the people who most rely on them, design economic development policy around their most deprived communities, and provide their best services where they are needed the most?

Our work shows that there are possible seeds of recovery and inspiration for better ways of working. We highlight where there are opportunities to use data, adopt new delivery models and improve communication to make services work better for people in poverty. There are people working for and with councils in our communities that people trust. Our teachers, nursery workers and local charity workers have enviable amounts of trust from the public.

If public service reform is to be the engine of the Scottish Government's national mission to eradicate child poverty, it has to put people in these roles and the people they work with at its heart. If councils also want to prioritise child poverty reduction, how can they ensure that every decision they take frees up these key professionals to deliver for the people they serve? Our analysis shows that the stakes are high, with

low levels of faith in local democracy and greater levels of disaffection in low-income groups.

At the core of declining faith in councils are inadequate levels of funding. But how funds are raised locally and how the Scottish Government distributes money to them also plays a part. Not all councils were created equal, and the inequalities that dogged them when they were created are much the same now as they were in 1993. If we want councils to play a bigger role in improving the lives of children in Scotland, which we certainly do, then we cannot continue to have our heads in the sand about council funding. This needs to be a key consideration as the future of local governance in Scotland is debated and decided.

Council services that can reduce poverty or its effects

Some local services — if prioritised and delivered well — can have immediate positive impacts on monthly incomes for families in poverty, like discretionary housing payments, council tax reduction, income maximisation advice and social housing (both building and rent setting). Other core delivery responsibilities, like childcare, social care, social work, public transport, employability support and economic development, are essential prerequisites for poverty prevention. Too often, gaps in these services are the structural barriers that keep people out of good jobs and stand in the way of a better life. When backed by genuine commitment and adequate funding, councils hold the powers to turn these barriers into bridges out of poverty.

Councils also operate at a scale that has the potential to bring services together around families, with an in-depth understanding of the communities they serve. In theory, they have the flexibility to adapt national programmes, such as the flagship employability programme No One Left Behind, to tailor them to meet local needs, including the specific needs of rural and island communities. Councils have the scope to innovate to provide joined-up support that makes a genuine difference. They are also critical partners and commissioners for the hugely valuable poverty-reduction interventions delivered by the third sector.

The powers and potential of local authorities to reduce poverty in Scotland were affirmed in the Child Poverty (Scotland) Act 2017, which enshrined poverty-reduction targets in law. The Act created a duty for local authorities to produce annual Local Child Poverty Action Reports, in partnership with relevant Health Boards. The seventh year of reports, covering what was delivered in 2024–25 and planned for 2025–26, has been completed, backed by Scottish Government guidance and support from the Improvement Service and national partners.

However, as outlined in the first section of this report, despite significant efforts from council and front-line staff in many places since 2017, progress to meet the targets has been too slow, and poverty is deepening.

Clearly, the reasons for this failure are complex and multifaceted; the Scottish Government has cited the impacts of UK Government austerity and the cost-of-living crisis as key prevailing winds. But we think that a significant factor in missing the interim targets has been a dysfunctional relationship between local and national

government in Scotland. Local delivery has been hampered by budgets stretched to breaking point, rigid ring-fencing and a slew of small-scale, short-term pilots instead of a coherent, long-term national programme.

In turn, these conditions have meant that in too many places, council services and functions are not having impact at the scale needed to reduce poverty, and action plans are divorced from the reality of low-income service users' actual experiences. In some places, the fire has gone out of efforts to prevent poverty, with the tough fiscal position used as a rationale.

The public recognise that councils have a central part to play

The public put politicians at all levels on the hook for tackling poverty in Scotland.

In the survey, we asked the extent to which people thought that the Scottish Government, the UK Government and councils are responsible for reducing poverty in their local area. The highest proportion, nearly 2 in 3 (63%), said that the Scottish Government is highly responsible, indicating that the public continues to place significant responsibility at the feet of the Scottish Government for improving people in Scotland's lives.

There is also clear recognition that reducing poverty is a shared responsibility between different tiers of government. Two in five of the people said all 3 were highly responsible.

This underlines how important it is for each tier of government in Scotland to embrace their own responsibility for poverty reduction – it is what people expect of them. This sentiment was shared by people with lived experience of poverty, who have called out perceived attempts to shift blame:

"All three [UK, Scottish and local governments] are responsible, but it's just a blame game between the three of them."

Zain, End Poverty Scotland Group

Rather than seeing different tiers of government working together to drive change, members of the EPSG expressed disillusionment with the passing of blame. This was underpinned by a wider feeling that the responsibility for tackling poverty is not currently being matched by action and accountability. Sylvia spoke clearly about the direct and tangible impact that local government can have on people's experience of poverty.

> "...the local government... these are the people I deal with every day. I see them as they just want to take from you... you know they give to you with the right hand, and before you could say thank you, they are taking from your left hand... the local government is the one really enforcing poverty in my life"
>
> Sylvia, End Poverty Scotland Group

The proximity that local councils have to the communities they serve should be, and can be, a critical asset for tackling poverty. Yet when people feel that there is

insufficient action and cuts to services in their community, this proximity can become a source of frustration in people's day-to-day lives.

In this report, we are focusing on the role of councils. Around half (49%) of people think that their local council is highly responsible for reducing poverty in their area, and this is consistent for people in lower-income and higher-income households. There is also no difference in responses between rural and urban areas. This suggests that a significant proportion of the public are judging local authorities' performance based on their efforts and impact in tackling poverty in their communities.

People see funding as a key constraint

While a significant proportion of people hold local government responsible for reducing poverty, our analysis shows a striking level of consistency in views that councils are under severe financial strain, with more people in deprived areas saying that councils receive significantly too little funding.

When people were asked to think about the services that their communities need, we see that they feel that their councils are not receiving the level of funding required to provide these services. Two-thirds (67%) of people said that they thought that their council receives too little funding, and, within this group, two-thirds thought that it was significantly too little funding. Just 4% said they were receiving too much funding and 1 in 10 (9%) thought it was about right. There is also a notable proportion of people who answered 'don't know' (21%), a reasonable response when council funding is so opaque and when there is widespread belief that services are not

meeting people's needs.

Concerns about local council funding are prevalent across households, including those on the highest and lowest incomes. We see very little variation by household income, with a similar proportion to that for 'all people' thinking their council received too little funding.

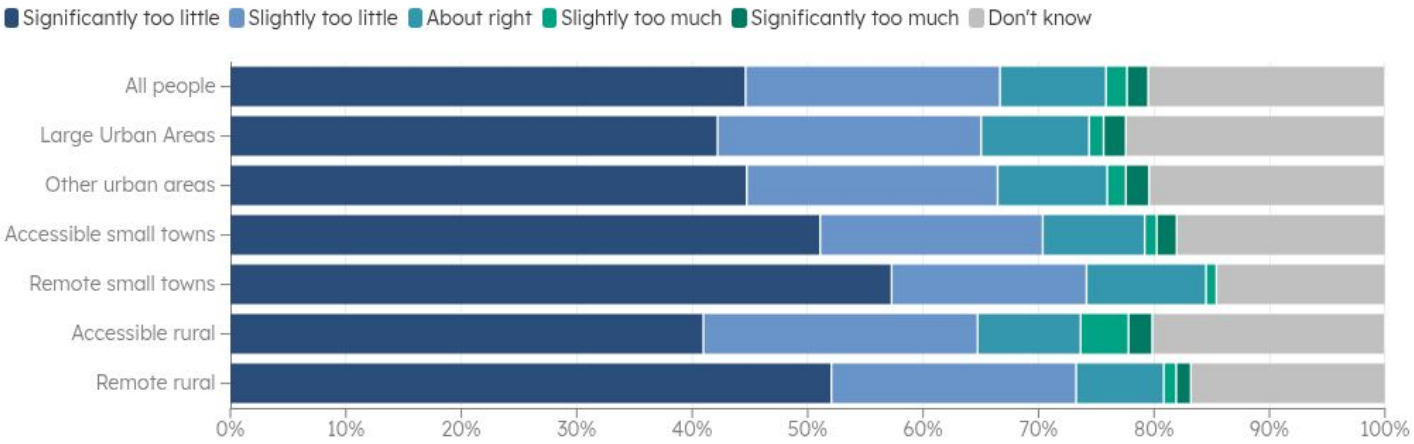
Neighbourhood deprivation is a stronger predictor of people's thoughts on council funding. People living in the most deprived communities in Scotland are more likely than those living in the least deprived areas to think that their council had inadequate funding (69% and 64%, respectively). When digging into this further, half of people in the most deprived areas said that their area had significantly too little funding, compared to 39% in the least deprived areas. We also see a strong interaction effect for people in low-income households in deprived areas, with 69% thinking their council has too little funding to provide the services needed in their area and half said they received significantly too little funding.

Figure 6: People think their local council receives too little funding

The rurality of where people live also affects their thoughts on whether their council is well enough funded. People living in remote neighbourhoods, both towns and rural communities, were more likely to report that their local council had too little funding (74% and 73%, respectively) than people living in less remote neighbourhoods. Over

half of people in accessible small towns, remote small towns and remote rural neighbourhoods said that their local council had significantly too little funding for the services that their community needs.

Figure 6: People in remote areas and small towns are more likely to think that their council receives too little funding to provide the services their area needs



Source: Source: JRF analysis of Attitudes to local government survey, conducted by the Diffley Partnership on behalf of JRF.
Note: Representative survey of 3,381 adults (16+) in Scotland conducted between 22 and 26 June, 2026. Response to the question – 'Thinking about the services your community needs, do you think the level of funding your local council receives is too much, too little or about right'.

We also looked at whether people's thoughts on the adequacy of their local council's funding varied across how many and how frequently people accessed their local council services. We found that people who have accessed more services were more likely than those who accessed fewer services to think that their local council funding was too little (72% compared to 65%, respectively). Around 7 in 10 (69%) of people who used at least one service often (once or more a week) thought that their council

had too little funding for the services their community needs.

People's perceptions accurately reflect the reality of underfunding and rising demand for councils in Scotland. For 2026/27, the Accounts Commission found that 'councils still face major risks to their financial sustainability as funding fails to keep pace with rising demand and increasing costs', with a combined budget gap standing at £529 million (Accounts Commission, 2026, p. 5).

The Local Government Information Unit's annual finance survey, which received responses from 26 Scottish councils (Local Government Information Unit, 2026), found that over two-thirds of respondents reported it was likely that their council would be unable to balance its budget within the next 5 years. Adult social care was cited as by far the greatest short- and long-term pressure on budgets, and 89% of respondents said that planned cuts to services in 2025/26 would increase risks to vulnerable people.

This operating environment for councils is tough in general, but it also fundamentally undermines their work to prevent poverty. Within tight budgets, statutory responsibilities with safeguarding risks (for example, early years childcare, schools, adult social care and children's services) understandably take priority over wider service provision. Formal and informal ringfencing from the Scottish Government also constrains councils' room for manoeuvre. This context makes it less likely that genuinely preventative work to tackle the structural drivers of poverty and support people on low incomes will be adequately funded and well-delivered. It can also lock councils into a cycle of providing reactive crisis interventions, without being able to

offer proactive help to families at an early stage to prevent escalation.

There are also direct impacts for low-income households, with 92% of respondents to the Local Government Information Unit's survey saying that their council was increasing fees and/or charges in response to funding pressures. Fees and charges then hurt low-income households the most, as seen in a JRF-funded report on social care charging (Cowan and Williams, 2025).

Inadequate funding for local government negatively affects councils' ability to prioritise poverty reduction, and constrains the scale of action they can take. Its impacts are highly visible for people living in poverty. Some participants of the Grounded Voices programme expressed their views on council funding from the dual perspective of living on a low income and working for a council:

> "From when I started working with the council about 11 years ago, the cutbacks are just every year, obviously to do with finances… on my side of it, doing care, they want more from us, with less time, less staff; it's just very demanding, and I feel we can't give 100% like we used to do."
>
> Kirsty, Grounded Voices

Not only is inadequate funding directly affecting the availability and quality of services on offer, but it is also putting front-line staff under heightened pressure. Perceptions of funding cuts were similar among the EPSG, suggesting that services are 'overpromised' and 'underfunded'.

> "They expect… whatever service it may be to do the same job but are cutting funding every year… I don't know how they are supposed to do the same job when they keep getting cut every year. People on lower incomes don't even get chance to think about their local councils because they're too busy trying to keep themselves afloat."
>
> Zain, End Poverty Scotland Group

People on a low income are aware of the funding pressures that councils are facing, yet fundamentally this does not lessen their need for support. Rather, as members of EPSG expressed, when financial constraints rise, so too does the need for services that support people who are most at risk of experiencing poverty.

National ambition for local action is lacking

On top of and related to these fiscal constraints, there are also key weaknesses in the Scottish Government's approach to funding and supporting delivery of local action to reduce poverty to date. This is hampering councils' efforts to support people at risk of and in poverty in their communities.

We have previously set out an assessment of the gaps in the Scottish Government's current strategy to reduce poverty, Bringing Hope, Building Futures: Tackling Child Poverty Delivery Plan 2026–2031 (Birt, 2026b; Scottish Government, 2026b). This plan represented a significant missed opportunity to set a course to deliver reductions in child poverty at scale by 2030. It also continued a now-familiar pattern of national

policy-making on poverty reduction that is making local action more challenging.

There is a consistent challenge with the inadequate level of funding to local government, but there is also a problem with the duration of funding. Short-term funding, allocated annually, means that it is very difficult to plan and deliver poverty-reduction programmes over multiple years that can bring about strategic change. This lack of certainty on funding streams creates acute challenges for council budgeting and means that local third-sector delivery partners and their front-line staff face precarity from year to year. It can mean that innovative approaches do not get sufficient time and funding to build evidence of impact or to scale up.

Implementing strategic, sustainable local programmes at scale is also made more complex by the sheer number of separate Scottish Government programmes delivered locally. These range from direct funding for small-scale pilots, to larger-scale innovative interventions like the Fairer Future Partnerships, through to major national priorities like childcare expansion and the No One Left Behind approach to employability. New initiatives have emerged over time from different parts of the Scottish Government or national bodies, without older programmes fully stopping. This creates a complex policy and delivery landscape.

Councils are expected to make sense of this fragmented landscape for their local area, but their job is made harder by the Scottish Government's failure to set clear priorities and strategic direction. Each place is trying to put the pieces of the jigsaw together, but the picture on the outside of the box keeps changing.

Flowing from this complex policy landscape, councils also face many overlapping reporting requirements on their plans and progress on reducing poverty. Statutory annual reporting requirements on child poverty are, in theory, a good way to bring coherence to local delivery, but in practice engagement from the Improvement Service has found that this frequency, and duplication across other reporting asks, are key challenges for local authority staff. With limited staff resources, reporting can detract from the doing.

We need a new and more ambitious approach to driving reductions in poverty based on genuine alignment between national and local government. The Scottish Government's renewed public service reform efforts have the potential to streamline and refocus local action to prevent poverty, putting this at the heart of the government's delivery agenda. But to make this work in practice, radical reform and new ways of working are needed at all levels of Scotland's bureaucracy.

5. Local successes and gaps

Good work is happening in some places

Despite the funding crisis in local government and limited national direction and ambition for local poverty-reduction action, some councils are prioritising this work and making a difference. This shows that, despite the challenges facing local government, many of which are driven by the impacts of deepening poverty, fatalism is not the right approach.

The Improvement Service recently published its latest overview of Year 7 Local Child Poverty Action Reports, which includes input from The Poverty Alliance, Public Health Scotland and the Scottish Government. It is clear that, overall, the quality of planning and delivery in councils has evolved positively over time, with greater willingness to innovate and go beyond business as usual to offer better support for people in poverty.

They also found that local authorities are increasingly including levers like economic development, childcare, transport and housing in the scope of their poverty-reduction work. This is an encouraging shift to focus on preventing poverty rather than just mitigating its effects in places. There are also promising examples where council data is being linked and used to help target support, such as the Centre for Civic Innovation's work in Glasgow to use data on council tax reduction, education and housing to make it easier for people to get the support they are entitled to,

empowering Glasgow's Child Poverty Programme's shift to a more proactive outreach model (Centre for Civic Innovation, 2025).

The Improvement Service and national partners have highlighted approaches taken in Stirling, North Lanarkshire, South Ayrshire, Glasgow and Edinburgh as examples of strong, strategic action. But there are bright spots in many places, driven by dedicated staff and political will, as seen in the Scottish Poverty and Inequality Research Unit's (SPIRU) Tackling Poverty Locally Directory (SPIRU, 2026) and COSLA's White Paper on Strengthening Scotland's Approach to Tackling Poverty (COSLA, 2026).

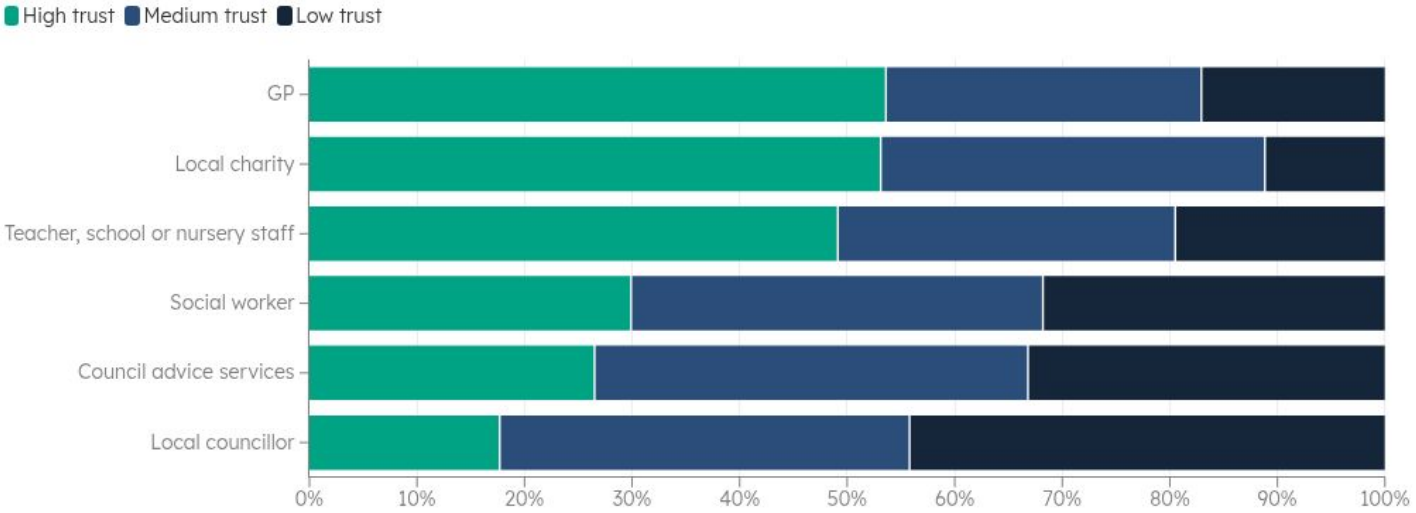
From our engagement with people with lived experience of poverty, despite overall dissatisfaction with councils, we heard examples of positive interactions with council services, and staff who were approachable, dedicated, and went above and beyond to offer meaningful practical support, with compassion:

> "The services at the school… they were really good with food parcels, food vouchers, special summer holidays stuff like setting up days out for your kids, summer camps and that kind of thing. And then we've got the financial inclusion support officer, she is brilliant… and [in the school] they had an after-school care, so that one service in the local primary school which was just an absolute lifeline for me, which meant I could work."
>
> Laura, End Poverty Scotland Group

Members of the EPSG spoke about the importance of councils proactively communicating what support is available to ensure that families are receiving what they are entitled to when they need it. For families with children, schools offer a valuable route for reaching those who need support but are otherwise not connected to local services. On top of this, we heard strongly that having well-established and trusting relationships with staff not only improves the experience of accessing support but can also help to build confidence in the system.

Our survey also picked up medium to high levels of trust in all of the staff and services that we asked about, which is a positive foundation to build on. When excluding people who said they did not know, around half of people said that they have high trust in teachers or school or nursery staff and local charities to help them or a family member if they were struggling to get by.

Figure 7: Generally high levels of trust in front-line staff



Source: JRF analysis of Attitudes to local government survey, conducted by the Diffley Partnership on behalf of JRF.
Note: Representative survey of 3,381 adults (16+) in Scotland conducted between 22 and 26 June, 2026. Response to the question – 'On a scale of 0–10, with 0 being "no trust at all" and 10 being "complete trust", how much would you trust the following people and/or services to help if you or a member of your family were struggling to get by?'. This analysis excludes people who responded 'Don't know'.

People feel local government can do more

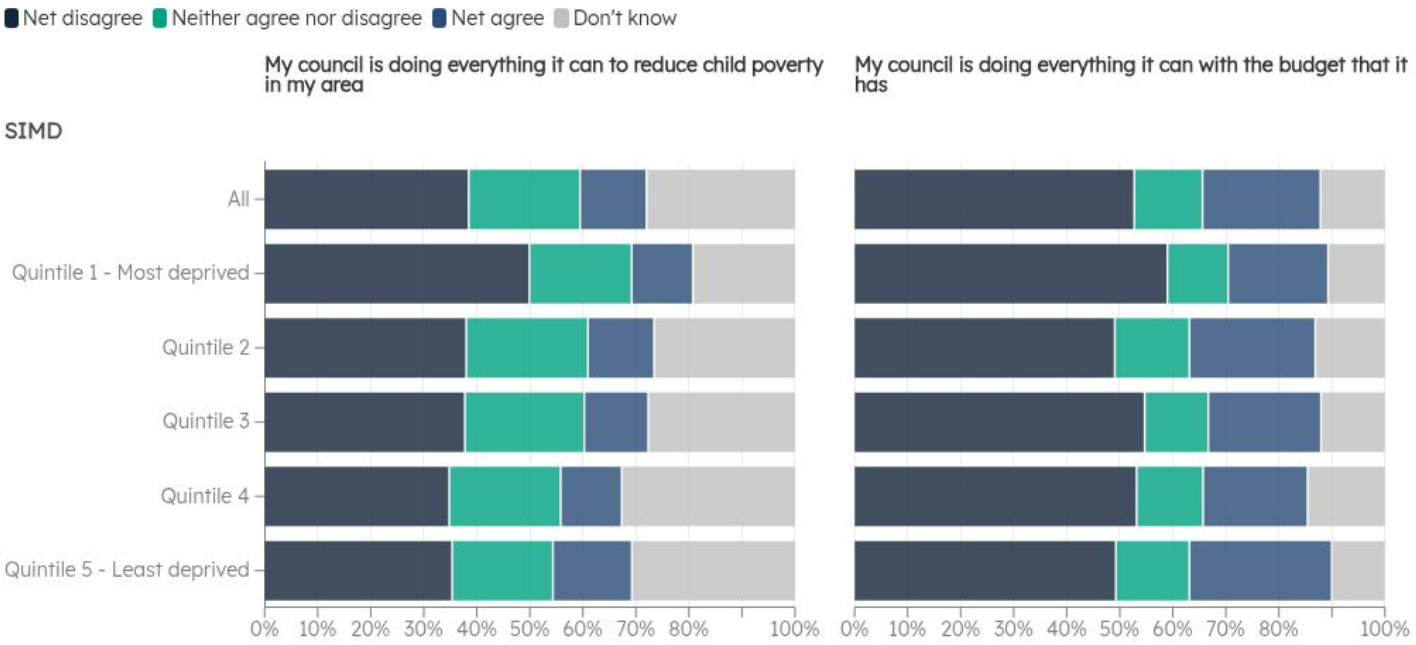
However, despite trust in services and positive work happening in places across Scotland, our analysis suggests that the Scottish public feels councils' current efforts to reduce poverty do not go far enough. In communities across Scotland, poverty reduction is not a visible local priority.

People do not feel that councils are doing everything they can to reduce child poverty in their area. Just 1 in 10 (13%) agreed with this, and a further 2 in 5 (38%) disagreed. However, it is striking that more than a quarter of people (28%) said they did not

know.

These feelings are held across age groups, household income quintiles, urban and rural communities, and whether households have children. However, there is greater disagreement in deprived communities, with half of people in the most deprived areas in Scotland saying they disagree that their council is doing everything it can to reduce child poverty in their area. This compares to 38% of all people disagreeing and 35% in the least deprived areas. Where child poverty is more visible, communities feel more let down by their local council. Similarly, around 2 in 5 people in the bottom 3 income quintiles disagreed compared to 1 in 3 (34%) in the top income quintile.

Figure 8: People in the most deprived neighbourhoods feel their local council could be doing more to reduce child poverty and more with the budget that they have



Source: JRF analysis of Attitudes to local government survey, conducted by the Diffley Partnership on behalf of JRF.
Note: Representative survey of 3,381 adults (16+) in Scotland conducted between 22 and 26 June 2026. Don't know includes a very small number of cases where the respondent had not answered (28 and 9, respectively).

While, as set out earlier, people clearly feel that their councils are financially stretched, they also feel that they could be doing more with the budget that they have. Just over a fifth of people (22%) think that their council is doing everything it can with the budget that it has. However, 3 in 10 **strongly** disagree, and a further 1 in 5 (23%) **somewhat disagree** that their council is doing everything it can with the budget it has.

Around 6 in 10 (59%) people in the most deprived neighbourhoods disagreed that their council was doing everything it can with the budget that they have. This falls to (49%) for people in the least deprived neighbourhoods. We see a less clear pattern by household income: the lowest income households are most likely to disagree (59%), and households in equivalised income quintile 4 are least likely to disagree (45%) that their council is doing everything it can with the budget that they have.

Although we found that local people recognise the lack of funding that their councils have, this does not translate into an acceptance of how their council is using their current budget. People across Scotland want to see more from their council, particularly in their action to reduce poverty, and this was felt most strongly in the communities most affected by low-income and deprivation.

People in poverty more likely to feel let down by council services

We also wanted to understand how people feel about the services that their council provides, so we asked people what council services they use, how frequently and how satisfied they are with them.

It is important to note that although people feel like their council could and should be doing more, they are generally satisfied with the local services they use. Councils and their service delivery staff are providing services that people do rate, particularly universal services that are provided broadly and accessed more frequently. For example, around three-quarters of people who had used schools, childcare, leisure services, recycling and waste services were satisfied.

However, services designed to support lower-income households or households with more complex needs had lower levels of satisfaction. We found that:

- 46% of people who had used money or debt advice services were satisfied
- 39% of people who had used council housing services were satisfied
- only one-third of people (36%) who had used employment or job support services were satisfied.

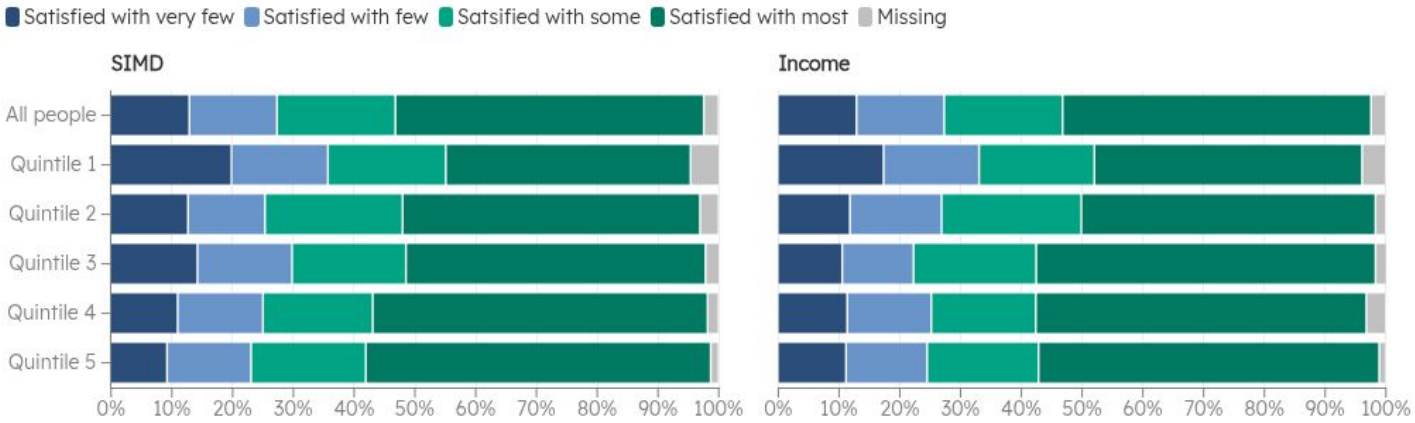
People in the most deprived areas are nearly 3 times as likely to have accessed a money or debt advice service and twice as likely to have accessed employment support than people in the least deprived areas.

We looked more broadly at people's general feelings about the range of services they have used, which gives a better understanding of their overall feelings about the local services in their area.[3] The majority of people were satisfied with some or most of the services that they used, and while satisfaction is lower for people in more deprived areas or in lower-income households, the majority remain satisfied with some or most of the services that they use.

One in 5 people in the most deprived areas were satisfied with very few of the services that they accessed compared to less than 1 in 10 in the least deprived areas; 63% of people in the lowest income quintile were satisfied with half or more of the services that they have used, and 17% were satisfied with very few of the services that they used. All other income quintiles had at least 7 in 10 people who were satisfied with half or more of the services that they accessed.

Figure 9: Satisfaction with local services

By SIMD and equivalised household income quintile (BHC)



Source: Source: JRF analysis of Attitudes to local government survey, conducted by the Diffley Partnership on behalf of JRF.
Note: Representative survey of 3,381 adults (16+) in Scotland conducted between 22 and 26 June 2026. Response to the question – 'How satisfied were you and your household with your experience with these services over the last six months?'. The missing group includes people who responded don't know to all the services that they have used. We have excluded people who did not use any services.

This was reflected in the experiences shared by the EPSG and Grounded Voices participants who spoke about their dissatisfaction with how services targeted at low-income households, like crisis support grants, employment support and debt advice, are promoted and communicated.

"My council doesn't promote what help is available, nor do they provide very much. I only heard about a crisis grant via a friend. "

Eve, Grounded Voices

People spoke about experiencing barriers to accessing available support, including a lack of proactive information about the types of services that are available to them.

Relying on informal networks to help people discover crisis support is a haphazard approach to poverty prevention and can exclude those who are most at risk. Another participant went further to suggest that the lack of proactive information from councils feels like a deliberate lack of transparency about what is available when talking about trying to access employment support to find good work:

> "I don't think the council offers much in communicating what your entitlements are at all though – I find them as though they almost don't want you to know, as if that would ensure that you won't make further efforts in employment."
>
> Tareq, Grounded Voices

It is concerning that people's experiences of trying to access the support that they are entitled to are fuelling distrust in how councils deliver those services and their motivations for delivering them in a particular way. Even when services are available, if people are unaware of what existing support they are eligible for, it fuels the feeling that the council is failing to meet their needs and the needs of their community. This sentiment was further emphasised in our conversations with EPSG:

> "I think there is a lot of bias in the system as well. I think it depends on where you live; see if you live in a more affluent area… I do believe that when it comes to services and things like that it all depends on your postcode."
>
> Laura, End Poverty Scotland Group

Distrust, itself, is becoming a barrier. People in poverty are feeling overlooked by the way services are designed and delivered, which is reinforcing this perceived inequity in the system. Critically, these findings point to a wider concern around the way in which councils engage with and build meaningful connections with their communities.

Eradicating child poverty needs to be at the centre of council services

As we set out elsewhere in this work, there are structural reasons that councils are constrained in their efforts to reduce poverty. But tackling child poverty could also be prioritised more actively by councils. The Scottish Government's tendency towards shorter-term funding decisions and burgeoning numbers of strategies does not help, but councils can still decide how they provide services and what they prioritise.

Councils need to make full use of the levers they hold that can actively prevent poverty. This is not just about mitigation; measures that mitigate the effects of poverty, such as income maximisation and crisis support, are, of course, important. But it is vital that all councils make poverty reduction the core business of delivering their responsibilities on economic development, childcare, employability, transport, housing and schools.

For example, we have set out detail on how local authorities can take more active steps to shape their local labour markets and worked with the Fraser of Allander Institute to develop a dashboard bringing together data that can inform this shift (Evans, 2026; Gillan et al., 2026); we hope that the Scottish Government's review of

employability will ultimately create better conditions for councils to operate in and help them join up local job creation efforts and employment support.

We have also explored how expansion of childcare provision can be poverty-proofed to deliver the greatest impacts for low-income families (Evans and Cebula, 2024). Alongside helping families to thrive, a truly preventative approach to tackling poverty locally can also help reduce demand for council services and put councils on a more sustainable footing over the longer term. A member of the EPSG highlighted that taking proactive steps to reduce poverty, rather than simply reacting when people are in crisis, is crucial:

"Rather than preventing the problem, they are actually waiting for the problems to happen and then dealing with it. As we've said many times before prevention is better."

Zain, End Poverty Scotland Group

Second, there are significant opportunities to improve join-up between services that support families in or at risk of poverty. Participants in our lived experience engagement spoke extensively about the difficulty they have in pinpointing relevant support and navigating obscure systems, pointing to ways in which joined-up services would better support them.

> "You [could] have one system where they put all the details on the system, then your case would just come up whatever department you phoned… if it was all put in the one system and whoever you phoned, they put your details in [and were able to say] 'we do know about that… and because of that we can link you in with this'. That would be really good."
> Laura, End Poverty Scotland Group

Public service reform is far too often seen from the perspective of services, or through blunt cuts to headline budgets, but it has to be about these issues. Councils can do much more to make support more effective and efficient, through partnership with the third sector, co-location of services, a 'no wrong door' approach and better data-sharing to ensure that people who need help have an easy, seamless experience. As we have warned previously, there are far too many pilots in this area. Councils need to get on with working with local communities and third-sector partners to design services with and for the people who need the most support. It is letting down those people and creating unfulfilling and frustrating work for those providing those services.

In this context, the Scottish Government's commitment to expand whole-family support is welcome; access to high-quality, relational, integrated services can make a significant difference for families. If delivered successfully and at scale, whole-family support can help secure a range of positive outcomes for families in or at risk of poverty or crisis. These families often face intersecting challenges, and a combination

of practical, emotional and financial support can help them to thrive. Relationship-based support, from early help to more intensive support as required, can get alongside families and respond to challenges before they become crises. There are brilliant examples across Scotland of dedicated third-sector organisations who have been delivering this type of support for a long time.

However, the current scale of roll-out and funding for whole-family support is wholly inadequate to meet the scale of need or match the Scottish Government rhetoric, which often describes it as a universally available service. The Scottish Government has said that the £20 million fund for 2026/27 will mean support reaches around 35,000 families. This will no doubt help these specific families, but it is significantly below the 120,000 families with children living in poverty in Scotland.

There will be a significant challenge for local authorities in translating an ambiguous vision for whole-family support into reality, with limited additional funding. Rather than pushing responsibility for delivery on to a stretched third sector as an 'add-on' discrete service, we think that whole-family support will need a full-scale redesign of services in each local area, with genuine integration with broader council services like employability and childcare. This programme needs to recognise and sustainably fund the outstanding support that the third sector already provides to families, rather than treating it as a baseline to build on.

Access to council services is also a key issue, where there is evidence that people in poverty have different experiences to those on higher incomes. People who live on a low income repeatedly told us that the services in their area are not working for them:

> "I don't think the council services where I stay reflect what I need. They concentrate on, primarily, the elderly, so that there are groups for the elderly, which I get, and kids, but there's no in between… I just feel sometimes that it would be nice to have the local community centre, a community hub… to get me out and not being stuck in this rut because this is what happens to me. I end up not wanting to go out because there's nothing in my area or it costs an arm and a leg, which I can't afford either… but my mental health is up and down… I've not seen anything in my local area that would benefit me."
>
> Christine, Grounded Voices

The gaps in service provision mean that councils are not responding to their communities' diverse needs. The people we spoke to talked about feeling like there is nowhere for them to go in their local area, like community hubs and leisure centres, and travel costs making it impossible for them to travel further afield. Inaccessible buildings and services are a particular issue for disabled people. People also described services with limited opening hours that do not take account of working patterns, which can mean people experiencing in-work poverty cannot access the support they need.

Making council services truly work for people in poverty requires deeper community engagement on what people need, a commitment to ensure access for all, and making tough political choices to ensure that services that specifically benefit people in poverty are prioritised for funding. Our analysis found that there are specific local

authority services that lower-income households would like more access to, including local buses (19%, compared to the highest-income households 13%), money advice services (4% compared to 1%) and community mental well-being support (11% vs 6%).

Housing is a critical area where people with experience of poverty said that they wanted to see more and better provision from local authorities. We have previously shown that the greater relative strength of the social housing sector in Scotland has helped Scotland have lower child poverty rates than England and Wales (Congreve, 2019). Housing investment is driven by local government in Scotland and, while subsidised by the Scottish Government, the majority of housing funding comes from councils, housing associations and their tenants.

When we asked Grounded Voices partcipants about solutions that would better support low-income households, people advocated for an increase in affordable, good-quality housing to reduce the long waiting lists that many families are facing:

> "I feel there is a need for more affordable housing and for housing waiting lists to be managed with quicker response times, as many people are waiting a long time for suitable accommodation."
> Kirsty, Grounded Voices

This echoes findings from a survey conducted on behalf of JRF last year that found that 2 in 3 people (67%) said that if the next parliament delivered more affordable and good-quality social housing, their feelings about politics in Scotland would

improve (McKenzie et al., 2026). Alongside availability, the quality and safety of housing was a key theme, with the speed and quality of repairs coming out as clear areas where improvement is needed.

Beyond these big shifts, our research has suggested that there are also low-cost changes to ways of working that could significantly improve people's experiences.

Communication with councils was a key theme we heard about from EPSG and participants of the Grounded Voices programme, who suggested ways to improve communication. These included better training for front-line staff or teams communicating with the public, including in written correspondence. People wanted communication from councils to be much clearer, with a more 'human' tone, and to avoid punitive or patronising language. It was important to people that there are opportunities and space for council staff to genuinely listen to and understand their situations, and for councils to act on concerns and keep them updated on progress. Poor communication is a critical factor in people's disaffection with local authorities, and better communication and engagement with councils would have substantial impacts and build trust:

> "I believe that improving communication and providing quicker responses to issues raised by residents would help build greater trust and ensure people feel listened to and supported better."
> Kirsty, Grounded Voices

> "That feeling you get when you see a brown envelope passed through your door … you are losing trust in the system, and it shouldn't be. It should be trust when you get a letter."
>
> Sylvia, End Poverty Scotland Group

People must feel listened to and supported in order for them to trust that systems are designed to work for them.In this context, we also heard that people have had positive experiences when council staff come from and understand communities where people live and can offer a combination of empathy and knowledge of how the systems work.

Linked to this, people wanted more flexible and compassionate application of council policies, and for staff to take account of people's wider circumstances. We heard an example from a person who had missed out on council tax reduction by earning less than £5 over the thresholds, which then locked them out of wider support like school clothing grants and had a significant impact on their finances. We also heard from a person who had accidentally underpaid council tax by less than £5 a month, who then faced a punitive debt recovery process. The people we spoke to wanted to see a more person-centred, responsive approach, and described access to support as a lottery based on arbitrary criteria and luck:

> "Unfortunately, the system has become a monopoly board; if you're lucky, you will get things; if you know how certain things work, if you don't meet the eligibility criteria, you've had it."
>
> Zain, End Poverty Scotland Group

There is clear learning in Scotland that more and deeper engagement with people with lived experience can be a powerful way to improve services, communication and relationships with communities. We have previously written about Dundee Fighting for Fairness, a group of Dundonians with lived experience of poverty who have developed a strong working relationship with Dundee City Council and the Dundee Partnership (McKenzie, 2024). They have successfully worked to change the way decisions are made, strengthened inclusive communication strategies, and developed effective anti-poverty initiatives.

It is positive that the Improvement Service and national partners found that 44% of local authorities reported that lived experience was shaping decisions in the 2025/26 Local Child Poverty Action Reports, which is a positive improvement on previous years (Improvement Service, 2026). It is important to build on, sustain and strengthen these approaches, moving from consultation to more meaningful engagement and influence. Working in partnership with communities in poverty to set priorities and hold councils accountable for action needs to be the norm everywhere, and can deliver huge dividends for poverty-reduction efforts.

There are also significant opportunities to use data more effectively to change the way support is delivered to people at risk of or living in poverty, with huge potential for using and linking datasets to offer more streamlined services and provide targeted, proactive help. This has been a focus of the Scottish Government and a wide range of councils in recent years, with significant effort and innovation.

However, too many places are behind this curve and are held back by gaps in capacity and capability, antiquated IT systems, a complex landscape of national datasets and a lack of clarity on data protection requirements. There needs to be a more concerted approach to scale successful local approaches, and move to a data culture that goes beyond collecting and reporting. Local authorities and the Scottish Government need to harness the power of national and local data to make a difference to citizens' day-to-day experience of council services.

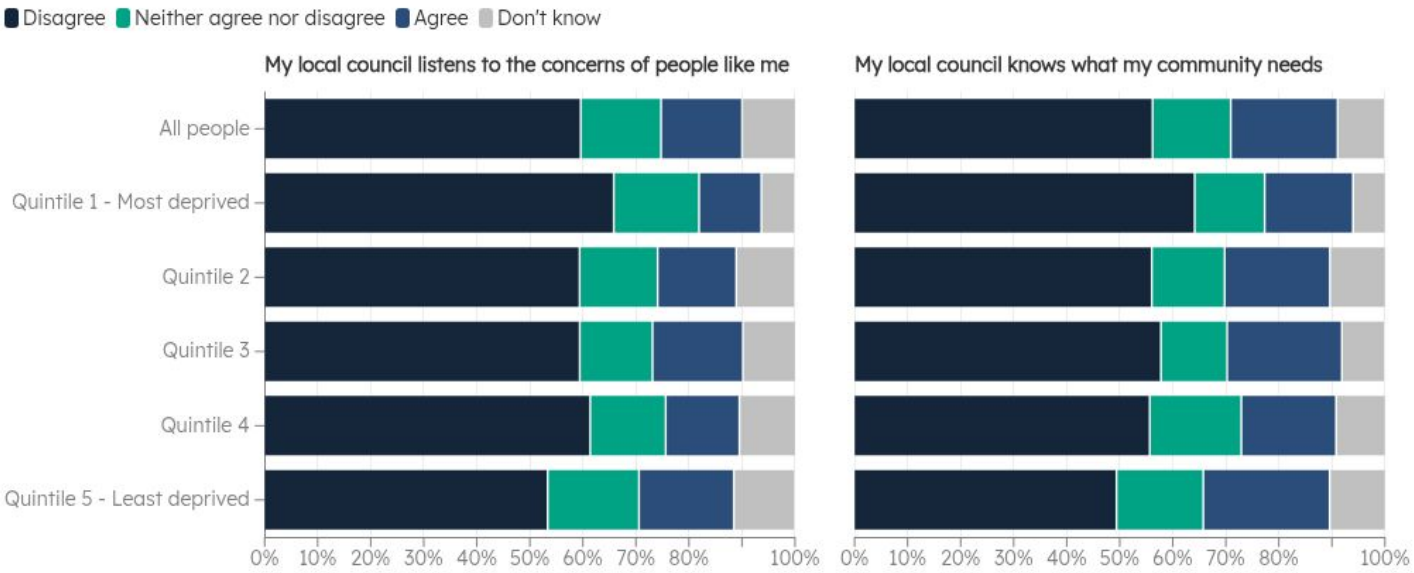
6. Radical reform is needed

Faith in local government is low and the stakes are high

The necessity to improve the delivery of council services, particularly for low-income communities, is clear, but underlying that is a both worrying and striking disconnect between the public and local democracy. We asked people if their local council listens to the concerns of people like them and whether they know what their community needs. 6 in 10 people disagree that their council listens to the concerns of people like them, while only 15% agree. A similar proportion (56%) of people disagree that their local council knows what their community needs.

The picture is even starker in more deprived areas. People in the most deprived areas are less likely to feel heard by their local councils than people in the least deprived areas. Two-thirds of people in the most deprived areas disagree that their local council listens to the concerns of people like them, and just 12% agree. Compared to around half (53%) of people in the least deprived neighbourhoods who disagreed and 18% agreed. This pattern is even stronger when thinking about whether their local council knows what their community needs. Only around 1 in 4 people (24%) in the least deprived areas agree that their local council knows what their community needs, and around half (49%) disagree. In the most deprived neighbourhoods, it is even worse, with only 17% agreeing and 64% disagreeing.

Figure 10: People in deprived areas are less likely to feel heard and represented by their local council



Source: JRF analysis of Attitudes to local government survey, conducted by the Diffley Partnership on behalf of JRF.
Note: Representative survey of 3,381 adults (16+) in Scotland conducted between 22 and 26 June 2026. Don't know includes a very small number of cases where the respondent had not answered (12 and 9, respectively).

There is much less variation in this across age, gender, income and whether a person lives in an urban or rural location. In all of these groups, the majority disagree that their local council listens to the concerns of people like them and whether they know what their community needs. There is also a clear connection between people who feel like their council does not listen to people like them and feeling like their council does not know what their community needs. 8 in 10 people who disagreed that their council listens to people like them also disagreed that their council knows what their community needs.

This disaffection feeds through into sentiment about voting. Just 28% of people agreed (and 46% disagreed) that how they vote in their local council elections makes a difference to their life. Feelings are even worse in the most deprived communities, with half (51%) of people disagreeing compared to 42% in the least deprived areas. Although it is not directly comparable, previous JRF analysis ahead of the Scottish Parliament elections found that 2 in 5 (39%) people agreed that their vote makes a difference to their life, suggesting that voter disaffection is particularly acute for local democracy (McKenzie and Cebula, 2026). Turnout in local elections may reflect this disengagement. For example, in the 2022 Scottish local elections, turnout was below half in line with historic trends, with just 45% of people voting and significant variation between councils and wards; East Renfrewshire turnout was 53.4% and Glasgow City was 38.4% (Liddell and Bosse, 2022).

This matters because low trust and low turnout in elections is a vicious cycle. It undermines the democratic legitimacy of local councils and means that they have fewer incentives to act in the interests of their communities, and less accountability if they fail to deliver change. Some of the people we spoke with also reported feeling that the scarcity of local services and lack of trust in local democracy was fuelling racial tension and was linked to racism that they faced and/or witnessed in their communities.

This is why the stakes are so high. People need and expect their council to deliver for their community and, for so many, local government services are crucial to being able to lead a good life. But also because public disaffection can be preyed upon by those

who wish to further marginalise those who are often at most risk of poverty.

Reforming local government funding

One of the root causes of disaffection with local government is how it is funded. As we note, vanishingly few people think that councils are overfunded. Years of austerity have very clearly had an impact on local services. But people's feelings about their local services are also tied to the quality of the services provided and what part they feel their taxes contribute to those services.

JRF, alongside many others, has made the case for fundamental council tax reform (Gorman, 2026). It is a regressive tax that takes up a much larger proportion of low-income households' budgets than better-off households. But it is also a very visible tax, with a brown envelope dropping a bill through the door each year, with **your** tax mandated plainly in black and white. In recent years we have also seen significant rises in council tax bills, with this year alone rising by 7.7% on average (Accounts Commission, 2026). Understandably, as a tax that is levied directly by your local council, many people think this plays a significant role in setting the council's spending power. In fact, it only makes up around £3 billion of the over £20 billion that councils spend in Scotland.

Like a lot of public spending, council spending and revenue raising is very opaque and difficult to understand and this is playing out in how people perceive their councils. The way local government funding is presented makes it very hard to decipher. How significant budget lines are treated, like transfers to and from

Integration Joint Boards, ring-fenced grants and income, Housing Benefit and the distinct Housing Revenue Account, create a fog over overall funding levels. There should be much greater clarity for the public and businesses as to how they contribute to the overall provision of council services — whether through general taxation, local taxation or fees, rents and charges. It is unsurprising then that we found clear evidence that the public do not have a good understanding of how local government funding works.

We asked the public to sum to 100% the proportion of council budgets coming from 4 key sources: Scottish Government grant, fees and charging, business rates and council tax. We purposefully used a simplification of how council budgets are built but believe this is a reasonable layperson's description of how council budgets are put together. We then compare this to the simplified comparable amount from the Account Commission's analysis of the 2025/26 council budgets (Audit Scotland, 2025) [4].

People underestimated the proportion of local council budget coming from the Scottish Government, with just 5% of respondents getting within 5 percentage points (either way) of the actual proportion of the budget from this source. The average (mean) response about the proportion of council budget that comes from the Scottish Government was 30%, compared to the true figure at 61%.

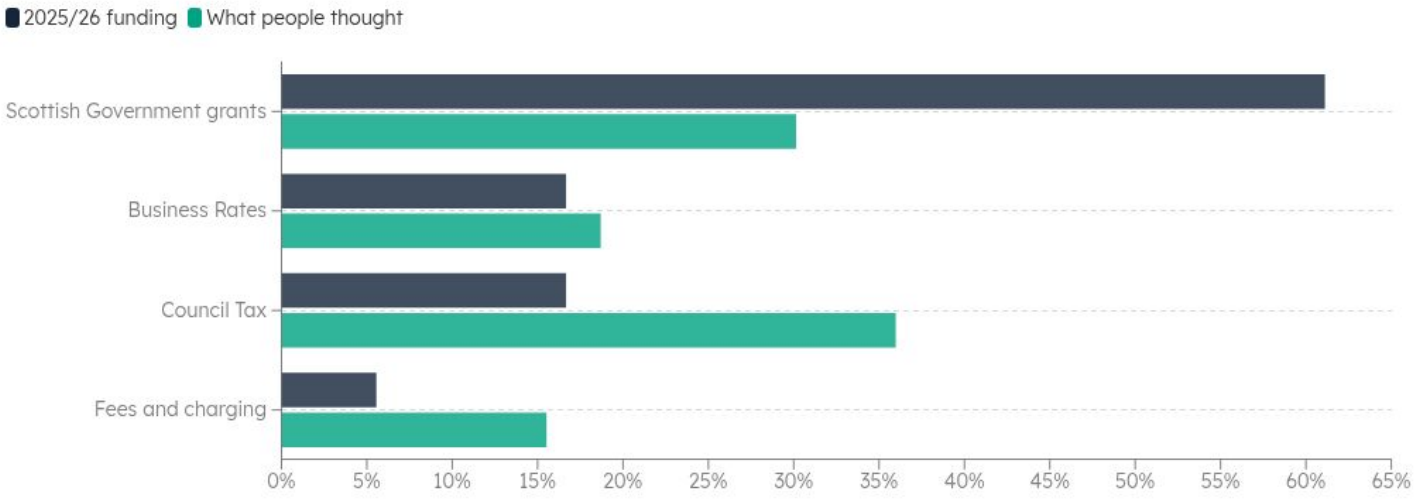
Conversely, people overestimated the proportion coming from local taxation. Only 17% of respondents were within 5 percentage points of the actual proportion of council budgets coming from council tax, with the average response overestimating

that council tax made up 36% of a council's budget, compared to 17%.

People were closer with the proportion of the budget from non-domestic rates, with 1 in 3 (33%) getting within 5 percentage points of the actual proportion. The average proportion of the budget that people thought that business rates made up was 19% compared to the actual figure of 17%. This again shows a key misconception that council tax raises significantly greater proportions of income for councils than business rates, whereas the reality is that they are very similar proportions.

Nearly half (48%) of people were within 5 percentage points of the budget made up from fees and charging, with people, on average, thinking it made up 16% of local authority budgets, close to the figure of 6%.

Figure 11: Where people think that local government funding comes from



Source: JRF analysis of Attitudes to local government survey, conducted by the Diffley Partnership on behalf of JRF, Audit Scotland

Putting aside the rights and wrongs of the centrality of funding decisions made by the Scottish Government to council budgets, gaps in public understanding of local government finance mean that the Scottish Government can duck some of the accountability for local services that are stretched thin. When coupled with the misconception around the extent of council tax's contribution, this is a toxic brew where local people's ire for poor services or restricted availability, while perfectly understandable, is overly focused on local taxation or charging decisions.

We found that the EPSG and participants of the Grounded Voices programme, especially those affected by the steep taper in council tax reduction, were deeply disillusioned by paying council tax and not seeing better services:

> "It abuses trust and trust in the system… you are paying tax; when you see that the tax is working for you, you are happy to pay your tax. So, trust in the system gives you peace of mind… we are all in together, this is our home, we want it to be better."
>
> Sylvia, End Poverty Scotland Group

We think that the current local government funding settlement is increasingly unfit for purpose and is hampering local efforts to reduce poverty in communities across Scotland. Radical redesign of local government finance is needed to set up councils for success in tackling poverty. We have previously set out our position on council tax reform (Gorman, 2026), which is a key part of the picture, but this would ideally be taken forward alongside a much wider overhaul of local government funding. Getting

this right has the potential to catalyse councils' action to reduce poverty, make our vital public services more sustainable, boost living standards, and improve voters' confidence in local democracy.

There are also significant questions to be asked about how the non-domestic rates ('business rates') system operates. Clearly, revaluation continues to cause issues, but there are broader issues about revenue distribution and rate setting that should really be made hand in hand with decisions about council tax reform and broader funding reform.

Changing how councils are funded would create significant political issues and require transitional arrangements, but the status quo is one that the public are seemingly at best confused by and at worst deeply disenchanted with.

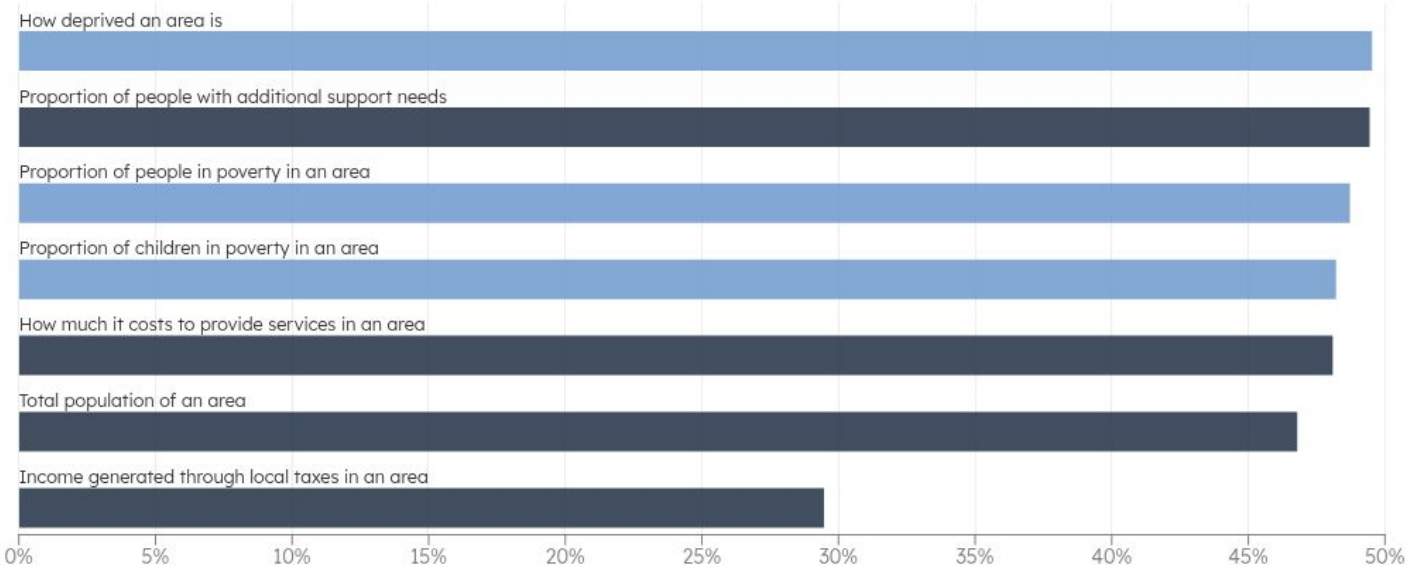
As a first step to explore what a better system could look like, our survey asked what factors people thought should be considered when funding is allocated to local authorities. Overall, there is clear support for reform to local authority funding. Predictably, there is no clear front runner in what should be considered, but it is clear that people support a focus on poverty and deprivation, with these coming out on top. Two in 3 people said that area deprivation, poverty and/or child poverty in the local area should be considered when council funding is being allocated. And 1 in 3 people (32%) think all 3 should be considered. Around half of people thought that the following things should be considered when councils are allocating funding:

- how deprived an area is (50%)

- proportion of people in poverty in an area (49%)
- proportion of people with additional support needs (for example, disabled people, older people, single parents) (49%)
- proportion of children in poverty in an area (48%)
- how much it costs to provide services in an area (48%)
- total population of an area (47%).

Only 3 in 10 selected income generated through local taxes in an area. This shows a preference for redistribution based on need rather than local tax revenues. Only 16% said that funding should be allocated equally and none of the factors provided should be considered.

Figure 12: Three of the top four factors for how local authority funding should be allocated include poverty or deprivation



Source: JRF analysis of Attitudes to local government survey, conducted by the Diffley Partnership on behalf of JRF.
Note: Representative survey of 3,381 adults (16+) in Scotland conducted between 22 and 26 June 2026. Response to the question – 'What local factors, if any, do you think should be considered when council funding is being allocated?'.

While we consistently found high support for reform and redistribution across individual and neighbourhood characteristics, there was some variation by age, whether a household has children, deprivation and whether someone lives in an urban or rural area. For example, there was more support for funding considering area deprivation in the most deprived areas (61%) than in the least deprived areas (46%). We see similar patterns for both proportion of people in an area in poverty and child poverty.

Over half (54%) of people in the most deprived selected the proportion of people in poverty, and the same proportion selected the proportion of children in poverty. This compares to 48% selecting the proportion of people in poverty and 49% selecting the proportion of children in poverty in the least deprived neighbourhoods (both SIMD quintiles 4 and 5). Interestingly, there was consistently high support across income quintiles, showing little variation.

Younger people also showed more support for area deprivation and poverty to be considered in how local government is funded. People aged 16–34 showed more support across all 3 options: 58% for area deprivation, and 56% for poverty and child poverty. There is also more support from people in households with children that the proportion of children in poverty in an area is considered: 57% for households with children and 46% for households without.

We also see variation across urban and rural locations; however, this is probably due to the composition of urban and rural places in relation to both age and deprivation levels.

People in remote rural areas were less likely than all other types of areas to select the total population of an area (34%). The remaining area types vary between 42% (accessible small towns) and 49% (large urban areas). Support for ‘how much it costs to provide services’ being considered is less clear-cut than we may have expected. The strongest support for how much it costs to provide services is highest in remote small towns (68%) and lowest in other urban and accessible rural areas (45%).

It would be naïve to suggest that there will be an easy and clean way for local government finance to be reorganised that will be supported by councillors, council officials, the Scottish Government and MSPs from across the political spectrum and across the country. But a lot of them would agree that council tax, business rates and how councils are funded more broadly need reform, and that local democracy is at significant risk. Some of the things that people would prioritise in local government funding are already, to some extent, part of the current settlement, such as levels of deprivation, but we have to go further.

One option is to let these issues fester, to allow the disenchantment that people are feeling to settle into detachment and fatalism and, worse, anger and rejection. We do not think it is tenable to leave things as they are. If Scotland does want to eradicate child poverty, we need to think very carefully about whether the cost of a political disagreement over funding reform is worse than failure to make progress.

7. Recommendations

Our recommendations to the **Scottish Government** are to:

- urgently develop a new, much bolder and properly funded plan to reduce poverty in Scotland which builds on progress to date and learning from policy failures that have made it necessary to reset the clock on the current statutory targets
- set stretching, statutory, income-based poverty-reduction targets, with strong accountability measures that will keep their own feet to the fire to deliver change at pace
- as part of its drive to reform local government in Scotland, put tackling poverty at the heart of efforts to reform local public services, and provide councils with a more stable platform for anti-poverty work — avoiding single-year funding settlements and allowing councils greater freedom to adapt to their communities' needs
- develop a clear vision for whole-family support, identify the population that it will support and how it will respond to the often-intersecting challenges families face, and then provide funding for delivery in collaboration with the third sector
- take steps to fundamentally reform local government finance in Scotland to ensure that services are best where they are needed the most.

Our recommendations to **local government** are to:

- prioritise preventing poverty in communities, and make full use of local government levers including economic development, childcare, employability, transport, housing and schools
- provide better quality and more joined-up local services to support families in or at risk of poverty, with genuine partnership with the third sector, co-location of services, a ‘no wrong door’ approach and better use of data
- significantly improve day-to-day communication with the public, underpinned by deeper and more meaningful work to involve people with lived experience of poverty in local decision-making.

8. Conclusion

Far too many people are living in poverty in Scotland in 2026.

To tackle this successfully, the Scottish Government and local government will need to work more effectively — in their own right, and in collaboration. There is a risk that legitimate debates over funding levels, ring-fencing and public service reform turn into a blame game that detracts from achieving the outcome that we all want to see: many more of Scotland's children growing up free from poverty. To reach this goal, we need councils in every part of Scotland to take new approaches now to using their levers to prevent and tackle poverty. This must be backed by a comprehensive national plan from the Scottish Government, the right funding, and local government reform with poverty reduction at its heart.

Notes

1. The urban–rural classification is a technical method used to categorise areas across Scotland. It combines the population size and the accessibility of places to categorise areas into 6 groups. This report uses the 6-fold urban–rural classification as recorded by the Scottish Government (2022). The 6 groups are: large urban areas, other urban areas, accessible small towns, remote small towns, accessible rural areas and remote rural areas.
2. The analysis of work presented here excludes workless families where one or more members are aged 60 or over.
3. We can only ask about satisfaction with services that have been used; therefore, people who have not engaged with any local services are excluded from this analysis.
4. There were a variety of ways in which we could have calculated these proportions and in the end used the comparable breakdowns in last year's Audit Scotland (2025) report. Using alternative data, such as the Local Finance Returns, can allow analysis of gross income and more clearly breaks down income sources, but leads to different values. This is something we want to analyse further, in particular to study the extent to which local government funding is, or is not, relying on fees and charges.

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