

**REPORT TO:** POLICY AND RESOURCES COMMITTEE - 23 MARCH 2009

**REPORT ON:** ACHIEVING OUR POTENTIAL: A FRAMEWORK TO TACKLE POVERTY AND INCOME INEQUALITY IN SCOTLAND

**REPORT BY:** ASSISTANT CHIEF EXECUTIVE

**REPORT NO:** 158-2009

## 1. PURPOSE OF REPORT

- 1.1 This report introduces the Scottish Government's framework for tackling poverty and income inequality in Scotland and recommends the development of an action plan derived from the Single Outcome Agreement for Dundee

## 2. RECOMMENDATIONS

It is recommended that committee:

- 2.1 Notes the recommendations contained in the Scottish Government's Achieving our Potential: a framework to tackle poverty and income inequality in Scotland. Copies have been passed to Group Leaders and the Depute Lord Provost.
- 2.2 Notes that a range of measures to tackle poverty are underway across the Council and the Dundee Partnership.
- 2.3 Remits the Corporate Planning Department to produce a revised Financial Inclusion strategy and action plan while ensuring that the broader causes of poverty are addressed within Single Outcome Agreement delivery plans.

## 3. FINANCIAL IMPLICATIONS

There are no additional financial implications in this report.

## 4. BACKGROUND

- 4.1 In November 2008, the Scottish Government published Achieving Our Potential: A Framework to tackle poverty and income inequality in Scotland which sets out a range of measures to address the national target of increasing the proportion of income received by the poorest 30% of households by 2017. The Framework sets out priorities for action across the five main areas:
- tackle income inequalities
  - introduce longer-term measures to tackle poverty and drivers of low income
  - support those experiencing poverty or at risk of falling into poverty
  - make the tax credits and benefits system work better for Scotland
  - supporting partners and engaging wider society
- 4.2 The new Single Outcome Agreement for Dundee reinforces the Council's Corporate Plan by identifying tackling inequalities as one of its four top strategic priorities.
- 4.3 Dundee has almost three in ten people living in the most deprived communities in Scotland (those in the 15% most deprived datazones according to the Scottish Index of Multiple Deprivation). Compared with the SIMD 2004, the SIMD 2006 rank has for Dundee moved two datazones out of the 15% most deprived, but added 4 new

datazones to the 15% most deprived. Dundee City has a 5% national share of the 976 datazones that are ranked as the 15% most deprived in Scotland by the SIMD 2006

25% of children in the city live in workless households; in some parts of the city this rises to almost half (47.3%) in DD5. Youth unemployment currently stands at 33.6% of all claimants which is a 2.8% higher than the Scottish average.

The Scottish Index of Multiple Deprivation 2006 shows that across the city Dundee is ranked 4th with 18.6% of the population assessed as income deprived. The ranking rises to 3rd with 10.7% of the national share of population within the 15% most deprived income domain.

While the Financial Inclusion Fund has enabled the Dundee Partnership to accelerate its response to poverty in the city, considerable exclusion persists. The Government's Financial Inclusion Task Force has identified Dundee as the 7th highest 'hotspot' in Britain in relation to the mismatch in the need for, and availability of, third sector affordable credit.

4.4 As a result of work done by the Anti Poverty/Social Inclusion Group and, subsequently, the Financial Inclusion Strategy Group, the Dundee Partnership has a range of actions in place which respond to the framework. Where further measures are required, these will be captured in:

- a revised Financial Inclusion Strategy and Action Plan which will be reported through the Building Stronger Communities strategic theme group
- Single Outcome Agreement delivery plans which will tackle the broad range of factors which impact on poverty and deprivation and which will form the basis of the new Community Plan for Dundee which is scheduled for production in April 2010

## 5. NATIONAL FRAMEWORK AND THE DUNDEE RESPONSE

5.1 Examples of the ways the Dundee Partnership is tackling poverty and deprivation are set out below along with some outstanding challenges which remain.

### 5.2 **National Priority: Tackle Income Inequalities**

a) Current Dundee Partnership activity which supports this priority includes:

- The Dundee Employability Partnership and the Discover Opportunities Centre provide targeted support for people to move into training or employment, including aftercare to ensure all in work tax credit and benefits are accessed
- Support to agencies that provide money related advice to achieve the Scottish National Standards for Information and Advice Services
- Information and awareness raising events including Surviving the Credit Crunch Diversity and Financial Inclusion, Careers and Job Fairs and a Money Matters financial education series on local radio

b) The Dundee Partnership will agree measures to progress this national priority which will include:

- support for the take-up of work based qualifications such as NVQs
- development of good practice that reduces the financial barriers to people moving into and sustaining employment

- review of the co-ordination of money related advice

5.3 **National Priority: Longer term measures to tackle poverty and drivers of low income**

- a) Current Dundee Partnership activity which supports this priority includes:
- Financial education programmes for children such as Save by the Bell
  - The BME (black and minority ethnic) Financial Inclusion programme
  - Pre-tenancy financial inclusion support to help tenants sustain their tenancies
- b) The Dundee Partnership will agree measures to progress this national priority which will include:
- work closely to an outcomes approach to monitor the longer term impact of activity

5.4 **National Priority: Support those experiencing poverty or at risk of falling into poverty**

- a) Current Dundee Partnership activity which supports this priority includes:
- Income maximisation and money advice delivered through the Welfare Benefits team and partners in the voluntary sector
  - Support for the take-up of social tariff (reduced fuel costs) for fuel poor households
  - White Goods initiative between DEEAP (Dundee Energy Efficiency Advice Project) and Discovery Credit Union promotes access to new discounted energy efficient white goods with affordable finance through DCU
  - Support for the OFT (Office of Fair Trading) programme Save Xmas which encourages people to develop a savings habit and thus avoid high cost credit or unregulated savings such as Farepak Hampers
  - FAE, Dundee (Financial Awareness Education, Dundee) which works with groups of service users, as well as intermediaries, to increase financial capability and awareness of financial exclusion issues
  - independent legal advice to support those who are financially excluded
- b) The Dundee Partnership will agree measures to progress this national priority which will include:
- Increased access to affordable credit
  - Development of appropriate banking systems to support financial inclusion
  - Development of initiatives to support savings and insurances to help people better cope with financial shocks
  - Development of an early intervention response to people facing redundancy
  - Discussion regarding the possibility of Financial Inclusion input to the Equally Well (health inequalities) test site as a means to help reduce the stigma of poverty and support mental wellbeing

5.5 **National Priority: Making the Benefits and Tax Credits system work better in Scotland**

- a) Current Dundee Partnership activity which supports this priority includes:
- Making Money Work project which specifically provides financial inclusion advice and support for people making the transition into work
- b) The Dundee Partnership will agree measures to progress this national priority which will include:
- Develop and build on relationships with DWP to support benefit and tax credit recipients

5.6 **National Priority: Supporting Partners and Engaging Wider Community**

- a) Current Dundee Partnership activity which supports this priority includes:
- Promote the role of the Social Enterprise Partnership
  - E Zone provision of support for potential entrepreneurs within regeneration areas
  - The success of the award winning social enterprise delivered through the Dundee International Women's Centre
  - Developing social enterprise in areas of deprivation through the Sirolli Project
- b) The Dundee Partnership will agree measures to progress this national priority which will include:
- Consideration of the value of employing the Tackling Poverty Toolkit approach to supporting people at risk of falling into poverty
  - Connecting to Fairer Scotland Community Regeneration Forums and Local Community Planning Partnerships and their engagement frameworks
  - Capturing the engagement delivered through partner agencies and projects

6. **POLICY IMPLICATIONS**

6.1 This report has been screened for any policy implications in respect of Sustainability, Strategic Environmental Assessment, Anti-Poverty, Equality Impact Assessment and Risk Management.

6.2 The considerable anti-poverty implications will be addressed in the plans described in para 4.4. above.

7. **CONSULTATIONS**

The Chief Executive, Depute Chief Executive (Support Services), Depute Chief Executive (Finance), the Head of Finance and the Director of Leisure and Communities have been consulted in the preparation of this report.

8. **BACKGROUND PAPERS**

Achieving our Potential: a framework to tackle poverty and income inequality in Scotland  
- The Scottish Government (November 2008)

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