

ABERDEEN CITY COUNCIL

COMMITTEE	Finance, Policy & Resources
DATE	16 February 2016
DIRECTOR	Pete Leonard
TITLE OF REPORT	Opportunities for Tackling Poverty and Inequality
REPORT NUMBER	CHI/16/002
CHECKLIST COMPLETED	Yes

1. PURPOSE OF REPORT

This report follows decision 5.9 (i) of the Committee on 3rd December 2015 to instruct officers to bring forward updates on the Anti-Poverty Strategy at each cycle of the Committee.

2. RECOMMENDATION(S)

The Committee is asked to note this report and agree an update is brought back for consideration in 9 months.

3. FINANCIAL IMPLICATIONS

There are no immediate financial implications of this report.

4. OTHER IMPLICATIONS

Opportunities to Tackle Poverty and Inequality will contribute positively to social outcomes by helping tackle inequalities through addressing a range of issues related to poverty including income, food, health and education. This will build on the developing approach to locality planning, regeneration priorities and work with the health and social care partnership. The work will also link with the inclusive economic objectives within the recent Regional Economic Strategy.

5. BACKGROUND/MAIN ISSUES

There is considerable debate about the definition of and how to measure, poverty. In general however, poverty is taken to be broader than income levels.

The UK government has used relative poverty as the main indicator of poverty – this is defined as less than 60% of median income. However, they believe this to be flawed and are replacing this with measures concerning levels of work and educational attainment.

The Joseph Rowntree Foundation defines poverty as:

‘When a person’s resources (mainly their material resources) are not sufficient to meet their minimum needs (including social participation)’

While Aberdeen has prospered for many years, this has masked areas of disadvantage and people living in poverty in the City. While much research is at a national level, there is information at a local level which illustrates the scale of the issue. The Scottish Index of Multiple Deprivation is a major source of data and information and the updated 2016 indices are due to be published in early summer.

However, current work on a strategic assessment to underpin the development of a new Single Outcome Agreement, to be developed through community planning, provides an indication of the extent of poverty in Aberdeen:

- In 2005-2008, 15% of the population of the City were in relative poverty;
- approximately 18% of children in the City are living in relative poverty;
- In some areas of the City, almost a third of children are living in poverty. Child poverty is most concentrated in the George Street / Harbour area, where one in three children live in poverty;
- Around 30% of people in Aberdeen City are ‘fuel poor’, while 8% are ‘extremely fuel poor’;
- Half of all working age adults and 56% of children who were in relative poverty (after housing costs) live in a household where at least one person is in employment.

(Source: Poverty and Income Inequality in Scotland: 2013/14, Scottish Government; Relative Poverty across Scottish Local Authorities, Scottish Government, August 2010).

There are a range of factors that impact on levels of poverty and these include:

Income

Employment is often seen as a route out of poverty, yet as can be seen above, a significant number of households in poverty have at least one person in work. Research from the Resolution Foundation estimates that 17% of jobs in Aberdeen pay less than the National Living Wage: this equates to approximately 25,000 jobs. They further report that, of people on National Minimum Wage, 33% are still on NMW after 5 years and 20% remain on

minimum wage after 10 years. This indicates a significant core of people who are not able to lift themselves out of low household income.

The cumulative impacts of welfare reform have impacted on household income levels. For example, changes to how benefits are uprated (linked to CPI rather than RPI) mean that by 2017, Jobseekers Allowance is more than £10 per week less than it would have been had the previous system remained. Child Poverty Action Group (CPAG) report that the impact of changes to child benefit and children's tax credits mean that, for people in receipt of both, they have lost over £2000 in the last five years and that value will be further eroded by 34% by 2020.

Welfare reforms are having a disproportionate impact on women as have been reported to the Scottish Parliament Welfare Reform Committee. Women are more likely to be in part-time jobs and the strategic assessment referred to earlier describes a gender pay gap in Aberdeen of 18%: this relates to the difference in earnings in the City between men working full time and women working full time.

Given changes in the local economy, levels of people claiming JSA are increasing. Although not everyone affected by the oil and gas downturn are from Aberdeen, the City and Aberdeenshire are the only two areas in Scotland showing an increase in claimants with the City having 58% more JSA claimants year-on-year in November 2015.

Household Food Insecurity

The rise in food banks in the city is evidence of household food insecurity. The largest reported (but not only) reasons for people using foodbanks are benefit delays and sanctions. Research has estimated that approximately 40% of people suffering household food insecurity (HFI) use food banks: people are affected by different levels of HFI – some may find it difficult to provide adequate food until a next pay day, so adults may go without food, rely on friends and family for meals and children get less than nutritious meals. Some people will suffer more severe and enduring levels of HFI and will rely on emergency food aid provision.

Aberdeen City Council helped set up Food Banks Partnership Aberdeen to attempt to ensure people using food banks were also getting help they need through eg Scottish Welfare Fund and other advice and support agencies. Work to develop a more effective response to household food poverty with the Food Bank Partnership and key local partners, may be taken forward through the Sustainable Food Cities approach, also subject to a paper to this committee. This would also take forward actions from the Scottish Government's short life working group on food poverty.

Education

Living in poverty can impact on children's attainment and achievement at school, with children living in poverty more likely to leave school earlier with fewer qualifications. As adults with poorer qualifications, they are less likely to be high earners. CPAG research – The Cost of the School Day – illustrates the pressures on low income families and the affect it has on children. The understanding and attitudes of staff and other pupils has an impact and issues such as clothing, both in terms of replacing uniforms but also pressures around 'non-uniform' days; developing friendships, where costs are involved in doing the same things; school trips, eating and learning at home are all issues for children from families in low-income households.

This has been followed up by research around the costs of school holidays where provision of food, additional heating and household costs, cost of and access to activities a present difficulties.

- Almost 1 in 5 children in the city live in poverty. Child poverty is most concentrated in the George Street/Harbour area, where one in three children live in poverty.
- There is a shortage of early learning and childcare places in the City. In 2014/15, almost a quarter of eligible ante pre-school and 10% of eligible pre-school children were not allocated a place.
- Children from more disadvantaged backgrounds start school further behind than their peers, and the gap widens throughout the primary school years.
- Children from less disadvantaged backgrounds generally do better at secondary school than their less well-off peers.
- There is a strong link between deprivation and educational attainment.
- The school forecast is projected to grow considerably over the next 6 years – an increase of around 18% in the secondary school roll is projected.
- Young people from the most disadvantaged backgrounds are more likely to end up in a 'negative destination', though this trend is reducing.
- Children from low income families tend to leave school at an earlier age and with fewer qualifications. Adults with poor qualifications are less likely to be high income earners.
- Educational attainment is better among children that attend schools with lower levels of deprivation
- Attendance rates are poorer at schools where there is a higher proportion of children from deprived areas.

Health

Poverty has a direct impact on health outcomes and in Aberdeen is a contributing factor to life expectancy in Woodside being 16.7 years less than in Mannofield. Health indicators show clear differences for people living in areas of deprivation compared with more well off areas. The strategic assessment has collated health related information and indicators to illustrate impacts of poverty from that research include:

- Generally, people living in more deprived areas are more likely to suffer a premature death;
- There is a correlation between deprivation levels and the number of premature deaths from cancer. Those living in the most deprived areas of the City are three times as likely to die prematurely from cancer as people from less deprived areas;
- The more disadvantaged members of our community are the most likely to be admitted to hospital as an emergency, and are more likely to have repeat emergency admissions;
- Aberdeen City has a consistently higher rate of pregnancy terminations than the national rate, and has been one of the worst performing areas in Scotland over the past decade. There is a link between deprivation and termination rates;
- There is also an association between deprivation levels and breastfeeding, with children born into the most deprived communities the least likely to benefit from being breastfed. Women living in Northfield, Cummings Park, Torry and Mastrick are the least likely to breastfeed;
- There is an obesity crisis in the Grampian area, as indeed there is in Scotland. The best way to tackle obesity is by means of a healthy and varied diet, but again the link with deprivation is evident as people from more deprived communities are less likely to eat a health balanced diet than those from less deprived area;
- Physical activity can also help in the fight against obesity, but again those from more deprived areas are the least likely to achieve recommended activity levels.

Opportunities for Tackling Poverty and Inequality

The background above demonstrates that there are levels of poverty in Aberdeen and a range of factors which contribute to levels of poverty and drive demand for services as a result. We are not starting from scratch and there are activities and initiatives in place across the Council and partners that aim to address elements of poverty, but there is an opportunity to pull this together in developing a strategy and action plan for the City.

The Tackling Poverty and Inequality strategy will address City priorities as well as those of community planning partners as the revised single outcome agreement is developed – this will draw on information from the strategic assessment.

The principles which will underpin ways of working in delivering this strategy and action plan include:

- Fairness and inclusiveness – across all services and partners;
- Person centred - to minimise people’s need to repeat their circumstances and help drive joined-up service delivery;
- Community based – there will be a presumption of community based delivery of services;
- Co-location – increased commitment to co-location of services to improve collaboration across services and partners to improve customer service and use of resources

From the issues described earlier, there are clear priorities for action:

Improving Household Income

Improving household income will include work on employability and the targeting of budgeting and money advice services. As described earlier, a job is not necessarily the route out of poverty, so in-work support will be required to help improve household income. This will support people in tackling underemployment where people are looking to work more hours but may be constrained by, for example, childcare and other caring responsibilities. This will link with other work in adopting and promoting the Living Wage. This priority will link with the inclusive economic development objectives in the Regional Economic Development strategy and draw on the European Social Fund employability pipeline and poverty and social inclusion interventions in support of those inclusive objectives.

Tackling Household Food Insecurity

Tackling household food insecurity was a theme for the Feeding Aberdeen event last year, outcomes from which are being taken forward by the Welfare Reform Programme Board and the Food Bank Partnership Aberdeen. Aberdeen City Food Network, driven by NHS Grampian, supports community level food skills programmes. The need for emergency food aid provision and moving ‘beyond foodbanks’, is a priority under the Sustainable Food City approach, which is subject to consideration by this committee.

Health

Tackling poverty will have a significant impact on improving health outcomes and will build on priorities through the Health and Social Care Partnership. This priority will focus on improving levels of physical and mental health for children in low income families and help tackle the issues which can affect this as described above in relation to, for example, the cost of the school day.

Closing the attainment gap

Closing the gap in attainment and achievement will improve the life chances of young people and help prevent future poverty. There are a range of initiatives within schools to improve this but work will be undertaken to ensure that these initiatives are supported in communities and through targeting resources such as the Priority Families project.

Next steps

The work to tackle poverty and inequality will not be completed quickly and will involve all services within the Council and partner organisations, building on existing initiatives and targeting existing work to meet the priorities above.

Work is underway to develop a neighbourhood planning approach to identify priorities in communities and what actions are needed to address these – tackling poverty will be a key strand of those plans, which will link with Health and Social Care partnership locality plans.

The first neighbourhood plans will focus on regeneration areas and link with the physical regeneration projects in the Strategic Infrastructure Plan in those communities as well as linking communities with city wide opportunities. The first of these will be Shaping Middlefield to be brought forward in due course.

The work with community planning partners on the refresh of the single outcome agreement is ongoing and these priorities, if agreed by the Committee will inform that process.

The proposed timescale for a further update to the Council will allow for this process to be developed and the Tackling Poverty and Inequalities priorities to be embedded and outcomes measures developed and captured in the action plan.

6. IMPACT

Improving Customer Experience –

This proposal will impact on clients experiencing poverty and takes steps to prevent others suffering poverty.

Improving Staff Experience –

Staff will be provided with a wider range of experiences including more inter-agency working and they should also be empowered to make decisions to improve delivery of services to clients.

Improving our use of Resources –

The development of the strategy and action plan will build on existing activities and help drive new ways of working, including a focus on prevention and greater inter-agency work through commitment to co-location and collaboration to improve use of resources.

Corporate -

This proposal contributes to Aberdeen: The Smarter City through:

Smarter Living (Quality of Life)

- We will work with our partners to seek to reduce the levels of inequality in the city

The developing Inclusion and Welfare Service Plan includes an action 'a co-ordinated approach to food insecurity, income and health related issues will be developed'.

Public –

This proposal will be of interest to the public given the interest in inequality and wide ranging understanding and attitudes around poverty.

An EHRIA has not been completed for this report but will be completed when the strategy and action plan are brought back to the committee. This proposal will impact positively on poverty and social inclusion and is expected to impact positively on groups with protected characteristics.

7. MANAGEMENT OF RISK

This proposal is expected to impact positively on customers and the Council's reputation in having a clear strategy to tackle inequality.

8. BACKGROUND PAPERS

Report to FPR - 3 December 2015

9. REPORT AUTHOR DETAILS

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