

# TOWARDS A FAIRER ABERDEEN THAT PROSPERS FOR ALL 2017-2020

**A Review Of Aberdeen City Council Activity Tackling Poverty**

**What is Poverty?**

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**Income Maximisation**

**Child Poverty**

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# What is Poverty And How it Manifests Itself

## Defining poverty

“Individuals, families and groups in the population can be said to be in poverty when they lack the resources to obtain the types of diet, participate in the activities, and have the living conditions and amenities which are customary, or are at least widely encouraged and approved, in the societies in which they belong.” (P. Townsend, Poverty in the United Kingdom)

## Relative poverty

“When we talk about poverty in the UK today we rarely mean malnutrition or the levels of squalor of previous centuries or even the hardships of the 1930s before the advent of the welfare state. It is a relative concept. ‘Poor’ people are those who are considerably worse off than the majority of the population – a level of deprivation heavily out of line with the general living standards enjoyed by the majority of the population in one of the most affluent countries in the world”.

## Child Poverty

“Child poverty means growing up in families without the resources to ‘obtain the type of diet, participate in the activities and have the living conditions and amenities’ which are the norm in 21st century Scotland.”

The effects of child poverty should not be underestimated and experiencing child poverty can undermine the health, wellbeing and educational attainment of children.

## Fuel Poverty

The Scottish Government define fuel poverty as...

“A household is in fuel poverty if, in order to maintain a satisfactory heating regime, it would be required to spend more than 10% of its income on all household fuel use. If over 20% of income is required, then this is termed as being in extreme fuel poverty.”

## Food Poverty/Insecurity

The inability to acquire or consume an adequate quality or sufficient quantity of food in socially acceptable ways, or the uncertainty that one will be able to do so (Dowler 2003)

## Funeral Poverty

This is a generic term used to encompass a range of issues around the difficulties experienced by people with insufficient funds faced with paying the cost of a funeral. In particular Funeral Poverty comprises:

- **Funeral debt:** the inability to pay timeously and in full the cost of a funeral for which a person is responsible
- **Funeral debt burden:** the contribution responsibility for the cost of a funeral plays in a person’s overall experience of unsustainable debt
- **Bereavement poverty:** the effect of financial debt and/or having to adjust the funeral for financial reasons has on the grief experience of the person responsible for arranging and paying for the funeral

- **Funeral industry debt:** the burden of debt carried by the funeral industry as a result of people being unable to pay in full for a funeral for which they are responsible.

## **Health Inequality**

Health inequalities are potentially preventable and unfair differences in health status across the population. Health inequalities arise from a complex interaction of many factors - housing, income, education, social isolation, disability - all of which are strongly affected by one's economic and social status. The fundamental cause of inequalities in health and wellbeing is the unequal distribution of income, power and wealth in society *which can lead to poverty and marginalisation of individuals and groups*

## **Foreword**

To be added after Committee consideration Cllr Willie Young, Convenor of Finance Policy and Resources

## **Summary of Tackling Poverty Priorities And Links to Aberdeen The Smarter City**

Given the economic downturn in the city the following provides an opportunity for Aberdeen City Council to re-cast our understanding of the scale of poverty, how it manifests itself, and what else we can be doing to tackle poverty and inequalities

The following priorities for tackling poverty in Aberdeen builds on Aberdeen City Councils Smarter Aberdeen objectives and provides areas for services and strategic plans to focus on and consider when reviewing and developing services .

### **Smarter Aberdeen Living**

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

#### **Priority 1**

**For Aberdeen to become Scotland's 1<sup>st</sup> "Real" Living Wage City**

### **Smarter Aberdeen People**

**We will aim to have a workforce across the city which has the skills and knowledge to sustain, grow and diversify the city economy**

#### **Priority2**

**Ensuring that through Linking Opportunity and Needs our educational, skills and training provision is coordinated to meet the needs of people in the city to secure employment**

#### **Priority 3**

**To be a leading Local Authority in Providing Apprenticeship opportunities for developing our young workforce**

### **Smarter Aberdeen Living**

**We will use early intervention to help people sustain their tenancies**

#### **Priority4**

**To ensure that those people most affected by welfare reform changes are provided with the advice and support services they need**

### **Smarter Aberdeen People**

**We will provide a high quality education service within our schools and communities which will improve attainment and life chances of our children and young people to achieve their full potential in education, employment and training**

#### **Priority5**

**To prioritise the development of new flexible childcare services where working families are on the lowest incomes and will benefit the most**

#### **Priority6**

**To ensure that no child in the city is prevented from benefitting from their full educational entitlement due to the "Cost of the School Day"**

### **Priority7**

**To close the educational attainment gap**

#### **Smarter Aberdeen Environment**

**We will increase energy efficiency and introduce carbon reduction measures in processes and our housing and non housing assets to reduce our carbon footprint, save money and to bring people out of fuel poverty**

### **Priority8**

**To increase awareness and understanding of the causes of fuel poverty and develop responses that reduces fuel poverty and the risk of fuel poverty**

#### **Smarter Aberdeen Living**

**We will work with our partners to reduce the level of inequality in the city**

### **Priority9**

**To increase awareness and understanding of the causes of food poverty/insecurity and develop responses that reduces food poverty and the risk of food insecurity**

#### **Smarter Aberdeen Economy**

**We will improve access to affordable housing in both the social rented and private sectors, by supporting first-time buyers, regenerating areas in the city and by working with developers to maximise the effective use of developer contributions**

### **Priority10**

**To increase the supply of social and affordable housing**

#### **Smarter Aberdeen Living**

**We will work with partners to reduce the levels of inequality in the city**

### **Priority11**

**To reduce Health Inequalities where they exist in the city**

### Shifting Nature of Poverty in Aberdeen City – Economic Context

“Aberdeen is one of the most competitive, innovative and economically productive cities in the UK, and provides Scotland with 15% of its Gross Value Added (GVA). Much of the success of Aberdeen has been built on the traditional oil and gas sector; it also has a successful small business economy. Since the end of 2014, the local economy has suffered as a result of the global oil price decline. Business growth is slowing and, while this downturn is not the first of its kind, it highlights a growing and urgent need to diversify the economy to ensure economic sustainability” (Community Planning Aberdeen Local Outcome Improvement Plan 2016).

Due to the historical success of the City, workers in Aberdeen benefit from average salaries that are almost £6,000 higher than the Scottish average, and unemployment levels are low. Some of the most affluent areas of Scotland are within Aberdeen City, but equally within the City boundaries are some of Scotland’s most deprived areas. Overall, levels of deprivation remain low. In 2016, based on the Scottish Index of Multiple Deprivation 9 of the 267 datazones within Aberdeen were considered to be within the 15% most deprived areas in Scotland. It should be noted though that the SIMD measures relative poverty across Scotland as a whole, so if it appears as though things may be improving in Aberdeen this may just be due to a worsening situation elsewhere in Scotland. Also, the current economic situation in the city with the recent downturn in the oil industry will not be fully reflected in this most recent analysis.

Despite low headline deprivation figures, almost 30% of households in Aberdeen are in fuel poverty, and 18% of children in Aberdeen are living in poverty. The majority of children that are living in poverty are living in a working household.

### Community Planning and Locality Planning

Aberdeen’s Community Planning Partnership, Community Planning Aberdeen (CPA) recently completed its first Local Outcome Improvement Plan (LOIP) as required by the Community Empowerment (Scotland) Act 2015.

“Unsurprisingly, the LOIP identifies improving the economy as a key priority for Community Planning Aberdeen. But our aspirations go beyond financial success. The word prosperity is used throughout this plan and refers to the ambition of the Partnership to see all people, families, businesses and communities do well, flourish and succeed. This means supporting people to enjoy positive outcomes throughout their life journey, rather than reacting to issues and problems as they arise. By ensuring that all people in Aberdeen have the opportunity to prosper, no matter their social circumstances, we will promote the wellbeing and equity of our citizens and prevent a series of intractable problems for the future. Investing in prevention is a core principle of Community Planning Aberdeen which underpins every decision, action and impact.” (Cllr Jenny Laing - Chair of CPA and Leader of Aberdeen City Council, LOIP)

The Community Empowerment (Scotland) Act 2015 also requires more localised planning for those parts of the city that are experiencing disadvantage and towards this end Aberdeen City Council and Community Planning Aberdeen are currently developing Locality Plans that will seek to address the social, economic, physical environment and health inequality issues facing residents living in the City’s regeneration priority neighbourhoods of Northfield, Mastrick, Cummings Park, Middlefield, Tillydrone, Woodside, Seaton and Torry.



These Locality Plans will be key to ensuring that the benefits of the wider economic success in the city are linked to those places and people that need help the most and are experiencing significantly poorer outcomes than other people in the city due to socio-economic disadvantage.

The approach being taken towards developing these plans is based on developing local collaborative partnership working arrangements including all stakeholders. Engagement and participation with residents is being strengthened building on local assets and strengths and developing services in the future that will be co-produced with increased service user involvement in service design, delivery and performance monitoring. Participatory budgeting is already being tested in these areas as part of the process of directly involving local people in decision making.

## **Public Services**

Aberdeen City Council and our Community Planning partners already provide important and valued services that help protect against and prevent many of the worst aspects of poverty for citizens. Failure to address poverty and disadvantage though comes at a cost for public services, the Joseph Rowntree Foundation (JRF) estimate this as £78 billion across the U.K. and that about £1 in every £5 spent on public services is making up for the way poverty damages lives. ("Counting the Cost of U.K Poverty" JRF pub Aug 2016)

The impact of economic and welfare policy, whether set by the UK Government or Scottish Government, largely determines the context within which Aberdeen City Council and the CPA is operating.

## **Welfare Reform**

The U.K Welfare Reform Acts introduced in 2012 and 2016, are the most fundamental reforms to the social security system for 60 years.

The stated aims of the U.K Government regarding Welfare Reform proposals are to:

- simplify what has become an overly complex benefits system
- to make the benefits system fair for recipients and taxpayers
- to ensure that individuals always benefit financially by moving off benefits and into work.

The main change relates to the introduction of Universal Credit which will provide a basic allowance/single payment with additional elements for children, disability, housing and caring that will support people both in and out of work replacing Working Tax Credit, Child Tax Credit, Housing Benefit, Income Support, income based Jobseekers allowance and income-related Employment and Support Allowance. In Aberdeen Universal Credit is only currently being applied to a small number of single person new claimants – the full roll out for Aberdeen is now scheduled for June 2018.

Whilst it is still too early to gauge what the full impact of welfare reform changes will be, some of the changes are known to be impacting significantly on household incomes and specific groups of people in the city. i.e those larger households affected by the Benefit Cap of £20,000 per annum, single parents, people with disabilities, migrants and asylum seekers and people in work as these changes are introduced.

Issues such as new claimant commitment requirements, alongside delays in benefit payments, have been cited by advice and information agencies as part the reasons for the growth of food banks across the U.K and the perceived increase in people experiencing food insecurity.

The Scottish Government is currently considering how new devolved Social Security powers will be used, and these may have the potential to contribute towards tackling poverty. These new powers include the ability to create new benefits in devolved areas, topping up reserved benefits (such as Universal credit, Tax Credits and Child Benefits), making discretionary payments and assistance, changing how employment support is provided, the timing and payments of Universal Credit and other welfare powers for carers, disability benefits, maternity payments and funeral payments. There is national concern regarding the rising costs of funerals and the sudden economic impact this can have on people at a time of bereavement, and the Scottish Government is also consulting on how this devolved power will operate in the future with regard to funeral poverty.

In Aberdeen the downturn in the oil industry is significantly affecting previously high income families who are suddenly finding themselves in a position of being unable to meet their household costs. Cumulatively, the changes highlighted in this section demonstrate how the context of poverty and disadvantage in the city is changing along with the welfare and social security system. Local responses need to reflect these changes and meet future challenges.

Local Authorities and Community Planning partners do not have a “silver bullet” to solve poverty, but do have significant resources that we can continue to use to prevent, protect and mitigate against poverty, and in partnership with those affected by poverty we need to continue to ensure that these joint resources are used in the most effective way.

## Indicators of Poverty in Aberdeen

A detailed Poverty Profile for Aberdeen produced by the OCE Research Team has been placed in the Members Library

### Summary of Key Facts

#### INCOME MAXIMISATION

- Claimant count – October 2016, total of 3,465 claimants
- Debt advice – 1,253 debt advice contacts were made to the Financial Inclusion Team in 2015/16.
- Research by Sheffield Hallam University regarding the financial impact of welfare reform estimates that In Aberdeen City the total anticipated financial loss by 2020-21 for pre- and post-2015 reforms is £390 per working age adult per year

#### CHILD POVERTY

- In Aberdeen City, an estimated 18% of children are living in poverty
- Child poverty unevenly distributed across the city's wards – ranging from a low of 6% to a high of 29%
- Level of attainment is strongly linked to deprivation – large differences in average tariff scores by deprivation within schools and between schools in the city
- 53.1% of primary school pupils and 9.2% of secondary school pupils in the city are registered for free school meals ( N.B all children are provided with free school meals for first three years at primary school)
- Positive destinations – range from a low of 75.2% in Northfield Academy to a high of 96.8% in Oldmachar Academy

#### FUEL POVERTY

- Fuel poverty – 29% of households in Aberdeen are in fuel poverty and 9% are in extreme fuel poverty

#### FOOD POVERTY

- Food poverty – estimated that approximately 10% of people in the UK are moderately food insecure and 4.5% were severely food insecure. Estimated that only a small proportion (20-30%) of those in food poverty make use of food banks.

#### HEALTH INEQUALITY

- Homelessness – 1,284 homelessness applications in Aberdeen City in 2015/16
- Life expectancy – 76.6 years for males and 80.9 years for females in Aberdeen. Life expectancy varies depending on where you live – ranging by 16.7 years for males and 12.1 years for females in different areas of the City.

## Principles For Tackling Poverty:

Based on research and the legislative and policy context, Aberdeen's approach to tackling poverty is based on the following principles.

**Our Overall Objective:**

**For Aberdeen to be a place where children, young people and adults have the opportunity to reach their full potential and achieve their ambitions regardless of their background or circumstances. (LOIP)**

**We will achieve this by preventing and alleviating Child Poverty and Adult Poverty across all of our services.**

The challenges we face are considerable but if we continue to develop a **preventative** approach; **protect** those individuals and families that are most vulnerable; enable **participation** from those **people** that are experiencing most disadvantage and commit to working in **partnership** with those people and in the **places** in our city that most need it then we can work towards our vision of **A Fairer City That Prospers For All**.

The principles we adopt going forward will be based on the following:

- Adopting early intervention and preventative measures as a priority towards tackling poverty and inequality
- Protecting those individuals and families that are most vulnerable seeking to alleviate poverty where that exists and ensuring dignity and respect at all times.
- Developing responses to poverty by ensuring participation from those experiencing poverty in designing the services they most need for support.
- Improving coordination, linkage and poverty awareness that tackles stigma across all strategic and frontline public services
- Ensuring all public services carry out socio-economic impact assessments when allocating resources
- Adopting a community assets based approach towards regenerating our most disadvantaged communities

These principles underpin the priorities and actions arising under each of the priority themes.

## Theme 1 - Income Maximisation

Income maximisation is about ensuring that an individual's income is maximised, and outgoings controlled, via avenues such as welfare benefits; tax credit claims, and budgetary and debt advice.

People with inadequate income are likely to experience poorer quality of life. Despite this we know that every year, large numbers of Aberdeen citizens are missing out on their entitlement to means tested and non means tested benefits, or are experiencing problem debt.

### The Living Wage and Tackling Pay Inequality

#### Priority 1

#### For Aberdeen to become Scotland's 1<sup>st</sup> "Real" Living Wage City

Ensuring that Aberdeen's economy thrives and that the jobs that are created pay a Living Wage is fundamental to protect those in poverty and at risk in the future.

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.

Aberdeen City Council, like most public sector organisations, currently pay adult employees the "Real" Living Wage rate of £8.45 which is higher than the current National Living Wage of £7.20. Recently, the Health and Social Care Partnership were allocated additional monies from the Scottish Government to deliver this within their external commissioned services. This investment to Health and Social Care Partnerships will enable the "Real" Living Wage to be paid to care workers providing support to those adults and other older people receiving social care.

Currently, there are 694 Living Wage accredited employers in Scotland, 17 of those are in Aberdeen. Of Scotland's 32 Local Authorities, 13 have attained accredited Living Wage status. Given that Aberdeen City Council pays the Living Wage we have a strong foundation from which to seek accreditation via the Poverty Alliance and promote the concept of becoming a "Real" Living Wage City.

It has been recognised for some time that the gender pay gap in Aberdeen between male and female pay is significant and one of the largest in the UK. As of April 2016, based on median hourly earnings, full time working women earned 10% less than their male counterparts. In terms of annual earnings, this research suggests women in Aberdeen earn around 23% less than men.

Promoting and encouraging employers to pay the "Real" Living Wage will therefore contribute to addressing poverty, reducing pay inequality and help reduce the gender pay gap. This measure will disproportionately benefit women, who research suggests make up around 65% of employees earning less than the Living Wage.

#### Actions to be developed and progressed:

- **Aberdeen City Council secures accreditation as a Living Wage employer**

## **Linking Opportunities and Need and Community Benefit Clauses**

### **Priority 2**

#### **Ensuring that through Linking Opportunity and Needs our educational, skills and training provision is coordinated to meet the needs of people in the city to secure employment**

The economic downturn in the oil and gas industry has had a significant impact both on the many people who have lost work, and the the local economy in general. However, Aberdeen is currently enjoying a period of significant investment across infrastructure, and in private and public housing investment. The Aberdeen Western Peripheral Route; Aberdeen to Inverness rail upgrade; Hotel and Office developments, and the Harbour development alongside “City Deal” investment offer the potential for significant employment opportunities. This investment provides an opportunity for those individuals most in need if we adopt an approach that maximises benefit for our citizens.

We aim for Aberdeen to be recognised as a place where access to work is maximised and where there is investment in the development of local skills.

A place where those furthest from the labour market get the support they need to secure and sustain employment while improving the equality of opportunity and earnings potential for low skilled workers.

A place able to attract and retain a workforce that meets its needs, and with the skills required to support the continued growth of the local economy.

By working with employers and new businesses coming to the city, we will seek to meet the needs of employers now and in the future, through workforce planning and development so that the right training/skills development opportunities are available to potential employees.

The inclusion of appropriate Community Benefit Clauses in public procurement contracts can engender significant benefits for Aberdeen City Council and other public sector bodies, maximising benefit from public investment and providing better use of procurement to promote jobs, apprenticeships and other training opportunities. These measures will also help to create the conditions for social enterprises to become more involved in the delivery of public services, potentially creating the possibilities for more customer-focused, efficient services.

#### **Actions to be developed and progressed:**

- **Further development of our employment and skills pipeline to incorporate education and training pathways**
- **Maximisation of Community Benefit clauses in all public procurement by Aberdeen City Council and Community Planning Aberdeen to increase apprenticeship and training opportunities**
- **Aberdeen City Council sets a target to establish an agreed level of apprenticeship training opportunities for every £1m of new public expenditure – starting with all City Deal investment**

## Developing Our Young Workforce

### Priority 3

#### **To be a leading Local Authority in Providing Apprenticeship opportunities for developing our young workforce**

In June 2014 The Commission for Developing Our Young Workforce, chaired by Sir Ian Wood published its final report, *Education Working For All!*. This report highlighted the need for concerted action to tackle structural and recurring youth unemployment. Its recommendations span the education and training system and call for more effective joint working between schools, colleges, training providers and employers, with the aim being to provide the best possible blend of learning for young people to equip them for work.

As part of this process 'Aberdeen Guarantees' seeks to ensure positive destinations for all young people upon leaving compulsory education, and it is important that we have clear education and training pathways that link further education provision and training to meet future employment in the city.

The Scottish Government, in partnership with employers, local authorities and the third sector, aspires to increase the number of Modern Apprenticeship opportunities to 30,000 new starts each year by 2020. By supporting measures to tackle structural unemployment issues; challenging inequalities, and challenging under-representation in the labour market of people who face barriers to education, training or employment, the aim is to increase employment opportunities for the young people of Aberdeen.

In July 2015 the UK Government announced its plans to introduce a UK wide Apprenticeship Levy from April 2017. Employers will pay 0.5% of their annual pay bill in excess of £3m through the PAYE system. Those with an annual pay bill of £3m or less will be exempt. The Apprenticeship Levy will apply to employers in the public, private and third sectors.

Public sector eligibility restrictions are however going to be removed, meaning that from April 2017, public sector employers will have the same access to Modern Apprenticeship funding as those in the private and third sector.

As part of the city's economic strategy Aberdeen City Council should seek to be a leading Scottish Local Authority in Developing our Young Workforce.

#### **Actions to be developed and progressed:**

- **Continued development of clear vocational pathways for our young people as part of Aberdeen Guarantees and preparing all our young people for the world of work**
- **Investigate the opportunities to increase apprenticeships in the Council and across all sectors in the city**

## **IMPROVING ADVICE AND INFORMATION SERVICES FOR THOSE AFFECTED BY WELFARE REFORM CHANGES**

### **Priority 4**

#### **To ensure that those people most affected by welfare reform changes are provided with the advice and support services they need**

Citizens of all ages and backgrounds need to be able to access quality advice and information to help them address the often complex issues arising from changes in welfare provision.

Aberdeen City Council provides and funds a range of free advice, information and advocacy services for residents of Aberdeen City. Financial Inclusion services play an important role in ensuring people's income is maximised, however often it is only when people are in financial difficulty that they seek help. There is therefore a need to consider what we can do to prevent issues arising in the first place.

Many people will seek advice either in their community first or via their G.P. However improved awareness and confidence within communities is needed to encourage individuals to seek help at the earliest point of need. There is also an additional need for digital and financial inclusion, given the expectation that future benefit claims will be made and maintained digitally, and that payments will require the recipient to have a bank account.

Most importantly, in designing services to tackle poverty and disadvantage it will be important to involve those with direct experience of poverty in developing community based initiatives, and involving service users in improvement programmes for existing services.

The Fairer Aberdeen Board and Fund supports a range of organisations including credit unions, which adopt community development principles and practices, are anchored in the communities, and provide a sound base for future development, thus strengthening community assets and building community participation. These community run organisations have a major role to play in promoting good household financial management and preventing debt.

Additionally, there is increasing national interest in the role Community Development Finance Institutes can play in supporting people to access affordable credit. Community Development Finance Institutions (CDFIs) are social enterprises that lend money to those unable to get finance from high street banks. They fill the gaps in mainstream lending, addressing market failures and offering an affordable alternative to high interest doorstep lenders, and present a further opportunity for those in financial difficulty.

#### **Actions to be developed and progressed:**

- **Instigate a Benefit's Awareness Take Up Campaign**
- **Continue to provide advocacy and support for people assessed for Work Capability and challenge decisions where people have not been fairly assessed**
- **Co-locate Advice and Support services in places and services that people already use eg G.P. surgeries, community centres libraries and the new community hubs in priority regeneration areas.**
- **Review current investment in benefit advice and information services involving service users**
- **Increase the knowledge of frontline staff across a range of services so that income maximisation checks can be carried out at an early point**
- **Promote community asset based and co-produced responses to welfare reform changes**



- **Continue to support and promote the cities Credit Unions and investigate the development of a Community Development Finance Institute as alternatives to high interest pay day loan companies.**
- **Consider how we can contribute towards reducing funeral poverty**

## THEME 2 - CHILD POVERTY

One of Community Planning Aberdeen's key ambitions is to support every child, irrespective of their circumstances, to grow, develop and reach their full potential. We want Aberdeen to be a city where there is equality of outcomes and opportunities for all our children. Our priorities reflect the importance we place on supporting equity of access to education, supporting families to provide the best care they can for their children. We will also invest in the health, including mental health, of our children and young people.

Investment in children is increasingly seen as one of the best and most valuable long-term investments we can make. Investing shared resources to target prevention and early intervention for children and young people is central to tackling inequality and improving life chances. Living in deprivation, often can contribute to poorer outcomes for children and young people. Research has shown that children who live in persistent deprivation are: less likely to achieve academically; meet developmental milestones; experience poor health and are at higher risk of behavioural problems. (CPA LOIP 2016 -26)

### Developing Affordable Childcare

#### Priority 5

**To prioritise the development of new flexible childcare services where working families are on the lowest incomes and will benefit the most**

Aberdeen City Council recognises that access to affordable childcare provision is critical to support parents to access work and for the social and economic development of the city

Access to high quality, accessible, affordable, flexible early learning and childcare and out of school care is crucial to improving the outcomes for children and families. It contributes to closing the attainment gap, addresses inequality, mitigates against the impacts of welfare reform and supports the city economy overall.

ACC is working with its community planning partners to increase the early learning and childcare availability from 600 to 1140 hours for all eligible 2 year olds and all 3 and 4 year olds by 2020. We will continue to support families to minimise childcare costs and to maximise childcare tax benefits as these are rolled out.

#### Actions to be developed and progressed:

- **Development of new childcare services in regeneration areas**
- **Provision of out of school care and holiday provision in all city primaries**
- **Ensure that families who are entitled to "Access to Leisure" benefit from 25% reduction in costs**
- **Deliver flexible early learning and childcare services 50 weeks of year subject to additional capital and revenue resources being received from the Scottish Government**

## **Poverty Proofing Schools To Reduce The Cost Of The School Day**

### **Priority 6**

**To ensure that no child in the city is prevented from benefitting from their full educational entitlement due to the “Cost of the School Day”**

“Recent Scottish Government policy and investment has focused on closing the attainment gap between children from high and low income households in order to reduce current inequalities in educational outcomes. Integral to this agenda must be an understanding of how education and school structures, policies and practices affect children and young people from low income households and where difficulties and financial barriers to participation exist throughout the school day. Understanding more about this from children’s perspectives can support schools to poverty-proof their policies and practices so that conditions are right for all children and young people to learn and to achieve.” (Child Poverty Action Group (CPAG) : “Cost of the School Day” – copy in Members Library )

CPAG propose a range of ways that Education and Childrens services can tackle poverty in the school environment, primarily involving awareness raising of the issues children and families may face; connecting staff to other services such as advice and information provision; promoting benefit take up, and ensuring financial education is embedded in the curriculum.

A main element being proposed is poverty proofing the school day for every school. This involves examining and analysing every element of the school day from travelling to school; learning; friendships; school trips; school dress; eating; fun events; school clubs; home learning, and understanding attitudes towards poverty from the perspective of children and parents who may be experiencing poverty.

### **Actions to be developed and progressed:**

All schools and services will use quality improvement processes to plan delivery of the Excellence and Equity agenda. This will include:

- the removal of financial barriers to participation
- The promotion of financial entitlements (including the provision of free school meals) and examination of reasons for non-uptake
- Efficient use of poverty impact assessments when allocating resource
- Raising awareness of the indicators and consequences of poverty
- Raising awareness of the financial inclusion services that exist in the city and referral procedures
- Work with a range of partners to support the delivery of financial education in schools

## **Raising Attainment and improving adult literacy levels**

### **Priority 7**

#### **To close the educational attainment gap**

It is widely recognised that ensuring children are provided with a good start in life and supported through early years into school education will help them achieve in the long term, and provides the basis for prospering in the long term.

The Scottish Government has established the Attainment Challenge, which is seeking to achieve equity in educational outcomes i.e. ensuring every child has the same opportunity to succeed, with a particular focus on closing the poverty-related attainment gap.

Aberdeen City Council will be receiving additional resources as part of this challenge, which will be targeted at those schools in the city where pupils experience the greatest gap in attainment.

As part of the collaborative approach across services towards tackling the attainment gap, Associated School Group Partnership Forums are currently being established for all areas in the city. These will help to develop our GIRFEC practices by promoting primary prevention and early intervention at local operational level.

Low educational attainment has lifelong implications and there is also a need to consider post compulsory education support needs.

For adults who need to claim welfare benefit, the welfare reform changes described at the start of this strategy - especially those that involve the requirement to claim and maintain claims digitally - provide a number of challenges for those who experience literacy and numeracy difficulties.

As Universal Credit is rolled out the provision of support for people to access the benefit and social security system will increasingly be required.

There will need to be more opportunities for people affected by welfare reform to access support to improve their literacy and digital skills, in order to prevent marginalisation in our increasingly digitised society. Opportunities will need to cover areas such as ensuring free public access and support for people to use new technology as part of meeting their claimant commitment, and accessing work through on line application processes.

#### **Actions to be developed and progressed:**

- **Maximise the use of Scottish Attainment Challenge funding to target those schools and pupils in most need**
- **Continue to work towards providing free access to digital technology in as many Localities as possible**
- **Commission research to assess required levels of support in relation to adult literacy and numeracy to meet welfare reform changes**
- **Commit to providing a sustainable support model for literacy and numeracy and monitor it's effectiveness as welfare reform and Universal Credit is rolled out.**

## THEME 3 FUEL POVERTY

The impact of fuel poverty on society should not be under-estimated. A number of studies have shown there to be a negative impact on the physical and mental health and well-being of people who live in cold, damp, inadequately homes. Typically there are around 2,000 excess winter deaths in Scotland each year, and poor living conditions are a major contributing factor. The Scottish Government estimate that for every £1 spent on energy efficiency there is a saving of 42p on health services.

Broadly, within the current definition, there are 3 main factors that contribute to Fuel Poverty

- Cost of Fuel
- Householder Income
- Energy Efficiency of Dwelling.

Current ongoing schemes and projects developed and supported by Aberdeen City Council include;

- Energy Efficiency Advice Service – Offers all householders in the city, support, advocacy and advice on home energy issues. Annually, this free, impartial service provides bespoke, tailored advice in the home to around 1500 householders in the city helping to provide more affordable warmth.
- Aberdeen Victorian Tenement Project: Provides a co-ordination service to support householders and owners of flats within the cities granite tenements, install loft insulation into communal owned loft space, as well as offer advice on energy efficiency of flat and/or building.
- Aberdeen Affordable Warmth Loan scheme: Offers interest free or low interest loans to householders in fuel poverty to carry out energy efficiency improvements, where they are not eligible for existing grant schemes.
- Energy Efficiency Fund; A “hardship” grant fund of up to £500, available to homeowners in fuel poverty, to contribute toward the cost of an energy efficiency improvement, in cases where government grants are not available, and homeowners would not be able to manage a loan. The most common award is for householders where their heating system has irreparably broken down and who have no savings or insufficient income to replace.
- Home Energy Efficiency Programme Scotland: Area Based Schemes (HEEPS:ABS): A Scottish Government programme aimed at supporting energy efficiency improvements to homes in the private sector. Funding is allocated to each local authority, who are responsible for the allocation of funding in their area.
- Combined Heat and Power (CHP) and District Heating: Council programme to connect all 59 multi-storey buildings in the city to a CHP Network or a District Heating Scheme

## **Tackling Fuel Poverty**

### **Priority 8**

#### **To increase awareness and understanding of the causes of fuel poverty and develop responses that reduces fuel poverty and the risk of fuel poverty**

Fuel Poverty is often viewed as an issue for the housing sector to tackle, however as with relative poverty it is an issue that needs to be considered by all Council Directorates, Community Planning partners and communities.

For Aberdeen City Council it is important to carry on with the current ongoing activities in dealing with fuel poverty as they are having a positive impact. However we must continue to review how these can be improved and develop new responses to meet demand.

A growing number of independent energy supply companies have moved into the market in recent years. Customers transferring from the 'Big Six' can in some cases make like for like savings of over 20% on their bills.

Aberdeen City Council is currently investigating an option to establish an Energy Service Company and looking at the different potential partnership arrangements that could be set up to deliver a local energy tariff. The proposed Energy from Waste Plant offers, for those living in close proximity, the potential to benefit from more affordable heat. The council is preparing a business case for the 1<sup>st</sup> Phase of a heat network in Torry.

Other ways to reduce fuel costs for householders include installing domestic roof top solar schemes and for the council, local community or social enterprise, to develop a Photo Voltaic (PV) farm, to produce more affordable electricity.

Supporting community led energy schemes also provide a way for local communities to generate income to support improvements to their local economy eg Donside Hydro is a good example of what can be achieved by communities for themselves.

#### **Actions to be developed and progressed:**

- **ACC should review the current energy projects, schemes and service we provide and improve linkage with other services involved in tackling poverty**
- **Continue to increase awareness amongst staff of the effects of fuel poverty and the causes**
- **Consider running an awareness campaign to encourage householders to consider switching fuel supplier**
- **A.C.C should consider transferring void properties to a Local Energy Provider that can provide a good deal for the new tenants moving in.**
- **A.C.C. should complete the investigation into the potential for setting up it's own Energy Supply Company to progress and deliver project such as a local tarrif , PV solar schemes , solar farms**
- **Support and promote local and community led generation projects**
- **Continue to expand the District Heating Network**

## THEME 4 - FOOD POVERTY / INSECURITY

The recent report from Scotland's Independent Working Group on Food Poverty: "Dignity: Ending Hunger Together In Scotland" highlighted that a variety of definitions to describe food poverty, hunger and food insecurity exist and adopted the term "food insecurity" to describe the broad phenomenon when people are worried about not having enough food for themselves and their families.

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 benefit sanctions.

Research has estimated that approximately only 20 – 30% 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 may get less than nutritious meals.

Some people will suffer more severe and enduring levels of hunger and will rely on emergency food aid provision.

### Tackling Food Poverty /Insecurity

#### Priority 9

#### To increase awareness and understanding of the causes of food poverty/insecurity and develop responses that reduces food poverty and the risk of food insecurity

Aberdeen City Council helped set up Food Poverty Action Aberdeen ( FPAA - previously known as the Food Bank Partnership Aberdeen) seeking to ensure people using food banks are also getting the help they need through eg Scottish Welfare Fund and other advice and support agencies.

FPAA has 61 partners from the community and voluntary sectors, churches and faith-based groups and public sector staff. Community Food Initiatives North East (CFINE), as the lead partner.

The stated views of FPAA is:

"FPPA's view is food banks in themselves are not helpful – but essential if people are hungry – creating dependency, eroding dignity and changing nothing. FPAA believes food banks only make sense if we try to engage beneficiaries to identify their priority issues and provide, refer or signpost to appropriate support particularly around financial capability and education, health and well-being and employability."

The report from Scotland's Independent Working Group makes a number of recommendations towards reducing the need for food banks founded on the principles of **dignity** and **inclusion** and calls for a "**right to food**" to be underpinned by law.

Aberdeen City Council could contribute towards this "**right to food**" goal by developing better integration of our debt recovery processes, ensuring minimum income standards in the process so that individuals and families are not left without income to provide food or fuel.

Measurement of food insecurity is another area raised by the Working Group on Food Poverty, and it is understood that the annual Public Health Survey will start to include questions that will begin to

measure and identify the level of food insecurity. This however is unlikely to provide information at city or local level, so there is a need to better understand the full extent and level of food insecurity in the city. We know that it is a majority of men that are using food banks in the city, yet the impact for single parents and large households faced with the benefit cap will significantly have affected a large number of households facing food insecurity.

The Working Group further proposes that the Scottish Welfare Fund should be increased in value and should act as a first port of call, linked to advice and information services, to ensure income maximisation is undertaken prior to referral to food banks.

### **Actions to be developed and progressed**

- **Continue to ensure wide spread use of Scottish Welfare Fund as first port of call for emergency support**
- **All services in contact with individuals and families increasing their awareness of food poverty and referral processes**
- **Commission research to ascertain level and nature of food insecurity in the city**
- **Support the development of the Food Poverty Action Aberdeen Partnership and work together to improve the knowledge, nutrition, growing and cooking of food as part of helping to move beyond food banks**
- **Aberdeen City Council should develop a corporate debt policy and consider ring fencing the right for individual and family food and fuel when assessing and considering debt repayment levels**
- **Aberdeen City Council should work with a range of community organisations to develop community based solutions to address the needs of children facing food poverty during the school holidays and ensuring that no child goes hungry**



## THEME 5 HOUSING

Having a secure home is fundamental to people's health and wellbeing, and also provides an essential base for bringing up children and a platform for adults to access the job market. The provision of good quality affordable housing in a safe community environment is therefore crucial if the city is going to be successful in tackling poverty and disadvantage.

"After housing costs, an extra 180,000 households in Scotland are in poverty. In 2012-13 average private rents rose to 24% of household incomes (+4% over the decade), while social rents remained at 18% and mortgage costs fell to 11%"

"A plan to cut poverty needs to prioritise housing affordability in order to raise net incomes but housing is also a 'prospects' issue. Good quality homes provide the security needed for people to build their lives and realise their potential; for health and children's development, and to make work pay. The policy focus should be to ensure an adequate supply of good quality, affordable housing to rent or own, without prioritising one above the other". ("A Scotland Without Poverty, Manifesto for A Poverty Free Scotland ,Dr Jim McCormack , Pub JRF Feb 2016)

The Scottish Government has set a target to build 50,000 new affordable homes by 2021, around 70 per cent for social rent.

Aberdeen City Council's Strategic Business Plan Commits to:

"We will refresh the City's Local Housing Strategy and link this to broad City priorities, including improving health and social care; giving children the best start in life."

"We will consider viability of expanding "Places for People", a joint venture model to deliver 'private rented sector' homes regionally."

### Addressing Housing Need

#### Priority 10

#### To increase the supply of social and affordable housing

The Strategic Housing Investment Plan (SHIP) 2017/18 – 2021/22 sets out the approach by Aberdeen City Council to the investment in and delivery of affordable housing in the city.

The SHIP:

- Sets out investment priorities for affordable housing
- Demonstrates how these will be delivered
- Identifies the resources required to deliver these priorities
- Enables the involvement of key partners

## **City Region Deal**

Aberdeen City Region Deal was signed by Aberdeen City Council, Aberdeenshire Council, the Scottish and UK Governments on 21<sup>st</sup> November 2016.

On 28<sup>th</sup> January 2016 the Scottish Government announced £20 million in infrastructure funding to unlock housing sites that are of strategic importance as well as 5 year certainty on £130 million of affordable housing grant to the local authorities.

Aberdeen City Council and Aberdeenshire Council will continue to work together to support the delivery of affordable housing. Both SHIPs will continue to be closely monitored by the local authorities and jointly with the Scottish Government to ensure the investment in affordable housing is maximised across the two Council areas.

The Scottish Government is the main grant funder for affordable housing to the City Council and registered Social Landlords (RSL's) for their new build programmes; It sets national housing and planning policy frameworks to enable the delivery of housing

Grant funding from the Scottish Government and City Council are required to deliver housing at affordable rent levels. RSLs undertake private borrowing to cover the rest of the delivery costs ensuring that they are in financial position to achieve this. Due to market values for land in Aberdeen most of their new build programme is in partnership with developers as open market land values are normally too high to facilitate the delivery affordable of housing

The Scottish Cities Alliance a collaborative partnership between Scotland's seven cities (Aberdeen, Dundee, Edinburgh, Glasgow, Inverness, Perth and Stirling) aimed at promoting economic growth published "Empowering City Government". The report sets out a range of fiscal and non-fiscal levers that if devolved under a New Deal for Scottish cities would ensure that they continue to build on their current economic success and compete effectively with other cities home and abroad. One of the issues being raised by The Scottish Cities Alliance and would help deliver affordable housing is for : "Cities to have first refusal on all surplus public sector land for affordable housing".

This needs to go further with the land being available at an affordable housing value to facilitate affordable housing delivery. The North East Public Sector Property Group also has a role to play in taking these issues forward.

### **Actions to be taken forward:**

- **Aberdeen City Council should continue to work with other housing providers via it'Housing Revenue Account to maximise delivery of new affordable housing within the parameters of our 30 year business plan**
- **Aberdeen City Council should ensure that the £20M infrastructure fund for the city region is applied to deliver affordable housing and that we work with the Shaping Aberdeen L.L.P RSL's and developers towards this end**
- **Aberdeen City Council should continue to support The Scottish Cities alliance in seeking greater powers from the Scottish Government to deliver affordable housing including first refusal on all surplus public sector lands for provision of affordable housing**