



The Scottish  
Government

Summary Version

# ACHIEVING OUR POTENTIAL

A Framework to tackle poverty and income  
inequality in Scotland

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# **ACHIEVING OUR POTENTIAL A FRAMEWORK TO TACKLE POVERTY AND INCOME INEQUALITY IN SCOTLAND**

## **Summary Version**

### **INTRODUCTION**

Poverty is a serious problem in Scotland and cannot be ignored. Whilst poverty levels in Scotland are similar to the UK as a whole, they are higher than a number of our neighbouring countries such as Norway, Sweden, Finland and Denmark. This is unacceptable.

We are determined to change this situation: it's time to get to grips with poverty. We want to narrow the gap between rich and poor, and in doing so build stronger communities. We want to see people paid fairly for the work they do so that all sections of society are drawn closer together. The following Solidarity target aims to reduce income inequalities in Scotland.

**“to increase the overall income and the proportion of income earned by the lowest 30% of people as a group by 2017”.**

Solidarity encourages a stronger Scotland.

We can prosper as a nation if we remove the barriers that stop people from doing well. We have to help people to realise their potential – for example, by giving them the right skills to do well at work. And we must not leave behind those who are unable to work.

In the future we want to be able to say: “We have tackled the major inequalities in Scottish society.” To do that, we must all work together, and the historic agreement made between the Scottish Government and local councils in November 2007 will help us achieve that aim.

The agreement means that local councils will be able to plan approaches that suit their needs rather than having to follow a single, national plan. For example, poverty in rural areas calls for different solutions from poverty in towns and cities.

We also want to help people to make a difference to their own lives. We know that to do so, we must make sure that public services respond properly to people's needs. We must also ensure an end to the prejudice and discrimination that stops some people living in Scotland from accessing the opportunities available to others.

This Framework for tackling poverty and income inequality fits with other Scottish Government policies – on early years, for example, and on health inequalities. We know that having the best possible start in life, a good education, good health and enough money can all help make society more equal. Rather than simply managing failure, we want to tackle its causes.

There is a lot of good work already going on across Scotland to fight poverty. This Framework builds on that work and looks at what we – the Scottish Government, those we work with, and wider society – need to do next.

## **POVERTY AND INCOME INEQUALITY – WHAT WE KNOW**

We measure poverty by comparing people's incomes. This measurement is called relative poverty, and the most recent figures show that 17 per cent of Scotland's population is affected by relative poverty. Among these people are 440,000 adults of working age, 210,000 children and 180,000 pensioners.

Lone mothers and their young children are most at risk of poverty. And although there is a lot of poverty in rundown, urban areas, it is a serious problem in the countryside too, where it is often made worse by isolation, lack of transport and a shortage of good jobs.

We want to help not only those who are feeling the effects of poverty now but also those who may be at risk in the future. That means tackling poverty's causes, one of which is low income. The poorest families have an average weekly income of just £220 a week.

When we asked people what they thought we should do to help, many said that paid work was the best way out of poverty. But they also said that jobs had to be of good quality and offer good pay. Some mentioned other things that prevented people from working, such as a lack of affordable childcare.

We were also reminded that paid work is not an option for everyone, and that just because some people have to rely on benefits they should not live in poverty as a result.

## WHAT WE HAVE DONE ALREADY

We, and those we work with, have already done a lot to tackle poverty, for example, we have:

- Created the *Fairer Scotland Fund*, which over the next three years will invest £435 million in fighting poverty's root causes.
- Put £36 million into the *Wider Role Fund*, helping organisations that provide social housing to reduce poverty in the areas they serve.
- Introduced a £38 million package of grants for part-time learners in Higher Education will help address student hardship and enable more people to study.
- Reduced prescription charges and some hospital car-parking fees, both of which were a tax on ill-health. And we have developed a strategy to help people who have problems with drug misuse to move towards a drug-free life.
- Taken steps to ensure that people are given a '**benefits health check**' when they ask about fuel poverty.

These examples show that we are committed to tackling poverty. But perhaps the most important change we have made is to build that new historic agreement we mentioned earlier between the Scottish Government and local authorities. Rather than having to adopt national "one-size-fits-all" approaches, local authorities and their partners locally can now take decisive action that meets local need. Here are some examples.

**Angus Council** is providing more and better job opportunities for people in its area. The Council has a programme to help people off Incapacity Benefit and back into work. It is providing a mentoring scheme, where people in their first jobs or going back into work after a break are teamed up with others who will offer them support.

**City of Edinburgh Council** is working with schools and employers to make sure that jobseekers have the skills employers need. The Council is measuring the success of this scheme by looking at local employment rates and in particular at unemployment among young people.

Other councils are working on the things that cause long-term poverty. For example:

**Dundee City Council** has made education its priority. It is providing a range of services to support children in their early years and wants to see young people do better at school. It is working to improve schools and the services they offer to local communities, and is helping the city's most disadvantaged young people, especially those not in education or work.

**Glasgow City Council** recognises that if a child is to do well at school and grow into a confident and responsible adult, the right things must be in place from day one. The Council is therefore committed to high quality education and to increasing school attendance across the city. It has also set challenging targets to help children and young people to do better at school.

Examples of councils offering support to people living in poverty include:

**South Lanarkshire**, where the Council is working with other organisations to offer money advice, better opportunities for school-leavers and steps to improve health problems associated with poverty, such as smoking, heavy drinking and poor diet. The Council also wants to increase the number of people in the poorest areas who have access to a bank account and improve exam results in schools.

**Dumfries and Galloway Council** is tackling income inequality by improving employment prospects, health, education and housing. It is tackling child poverty through a “key worker” scheme and is working to increase people’s uptake of benefits.

## **TACKLING INCOME INEQUALITY**

In Scotland there is a big difference between highest and lowest incomes. In our *Economic Strategy* we set targets to cut this income inequality. Our aim is to give everyone a chance to contribute to Scotland’s economic growth – and to help them take the opportunities they are offered.

Many factors contribute to income inequality in Scotland, and some groups – for example, people from minority ethnic backgrounds, those with disabilities, and people with caring responsibilities – are affected more than others.

Things that affect income inequality include:

- **A lack of qualifications and training.** Not having qualifications can limit people’s chances of progressing at work and can limit what they earn. But for those on low pay or benefits, training can help them find work that pays a better wage. Evidence shows that having few skills can lead to worse job prospects, poorer health and a life lived on the edge of society.
- **Low pay.** Some jobs are paid so poorly they provide little incentive to people wanting to move from benefits into work. Many women, and women from minority ethnic communities in particular, are in these low-paid jobs.

- **Caring responsibilities.** People in families providing care for someone have particular problems in finding and keeping jobs. Parents can find balancing care and work difficult and may lose confidence – and skills – if they leave work to care for their families. A lack of good, reliable, affordable childcare can also discourage people from seeking work.
- **The benefits system.** The threat of suddenly losing benefits can discourage people from moving into work and at the moment they are not well supported in making the switch.

Along with local councils and other organisations, we must do more to tackle these root causes of income inequality. For example:

## Making work pay

- We will encourage employers to offer learning in the workplace. And we will make sure that the poorest people benefit from such schemes.
- We will press the UK Government for greater control over taxation in Scotland. We want to simplify the tax credit scheme and make childcare vouchers more widely available.
- We will do more to generate economic growth in rural communities.
- We will launch a campaign in 2009 to raise awareness of workers' rights, such as pay, entitlement to paid sick leave and holidays. And we will do more to make sure that employers respect those rights.

## Helping people to work

- We will help councils identify and publicise projects that remove barriers to employment.
- We will join with non-profit organisations – “The Third Sector” – in developing schemes that support people into work.
- We will work with the NHS and others to provide better support for disadvantaged people and those with mental or physical health needs who are currently on benefits but who want to work.
- We will help people moving into jobs to better manage their finances.

## Maximising income for all

- We will invest in projects that help people to maximise their income. For instance, we will help older people to make sure they receive the benefits they are entitled to. And we will work on schemes that boost the income of people in or at risk of poverty.

## **TACKLING POVERTY IN THE LONGER TERM**

We know that if we are to succeed we must tackle the causes of poverty that can continue from one generation to the next. These long-term “drivers” of poverty include:

- Many children and young people being held back by social and economic factors that limit their chances of escaping poverty when they are older.
- Discrimination, which, despite huge progress, persists and limits people’s opportunities because of, for example, their race, disability, sexual orientation or age.
- Health inequalities: some major health problems such as drugs and alcohol misuse are far more common among poorer citizens.
- A lack of good quality, affordable housing.

We, in the Scottish Government, and our partners, must develop approaches that bring an end to these long-term drivers of poverty:

### **Giving children the best start in life**

- We will help parents and communities to create nurturing and stimulating environments for children. And we will offer help early to ensure that crises do not occur.
- By 2011, we will pay a weekly allowance to kinship carers of Looked-After children. Kinship carers are relatives or close friends who take on parental responsibility for a child.
- We will help young people move into continuing full-time learning after the age of 16; and we will continue to widen access to Further and Higher Education.

### **Tackling discrimination**

- We will raise public awareness of discrimination and of attitudes that limit opportunities for particular groups.
- With other UK-wide organisations, we will develop ways of measuring progress towards equality.
- We will work with others to improve opportunities for people with disabilities.

### **Health inequalities**

- We will implement the recommendations of *Equally Well*, a Scottish Government Ministerial Taskforce Report on health inequalities.

- We will support plans to reduce violence, which we know affects poorer communities badly. Deaths caused by assault are especially high in deprived areas.

## **Affordable housing**

- We will invest more than £1.5 billion in providing affordable housing across Scotland over the next three years.
- New laws will prevent new social housing from being sold. This will protect the housing stock for future generations.
- We will do more to help first-time buyers get on the property ladder.
- We will encourage those with money worries to get help from the National Debt-Line.

In Scotland's most deprived areas, we will continue to improve job prospects, education, community safety and health. We will support efforts to attract new businesses to areas of high unemployment.

The 2014 Commonwealth Games will bring huge opportunities for work and regeneration.

## **SUPPORTING THOSE IN POVERTY**

Evidence suggests that if we are to help people already experiencing poverty, we and our partners must:

- Deliver a fairer system of local taxation, based on ability to pay. Replacing the unfair Council Tax will help lift about 90,000 citizens out of poverty and will make eight out of ten families in Scotland better off.
- Help those facing hardship because of rising energy prices. We will act on the recommendations of the Fuel Poverty Forum and give more advice on ways of cutting the amount people pay for energy – for example, by making sure they are on the best tariff and improving the energy efficiency of their homes. We will also urge energy companies to do what they can to minimise the impact of high fuel prices.
- Do more to prevent people falling into hardship. We will extend entitlement to free school meals, teach young people how to manage their money, and increase usage of money and other advice services. We will also publicise the findings of research that looked into people's experiences of poverty in rural areas.

Along with Scotland's local authorities, we believe that our benefits and tax credit systems must protect people from poverty and help them achieve their potential. The benefits system must be fair and must reflect the difficulties faced by people in poverty. The financial advantages of having a job for those who can work must be made clear; and support for those moving from benefits into work must be effective and responsive.

For those who cannot work, it is essential that they do not live their lives in poverty because of the benefits system.

We will work towards these aims with the UK Government, Local Government and others.

## **COLLECTIVE ACTION**

We can only bring lasting improvement to the lives of those in poverty if we work with all parts of society.

An example of this collective action is Community Planning Partnerships (CPPs), in which public agencies work together to provide local services that really improve people's lives.

We in the Scottish Government, will make sure that we work closely with CPPs and offer them information and support to bring about change.

We also want to learn from our neighbours such as Finland and Norway. We will develop stronger links with their governments and public services, and make sure that we put into practice whatever we learn.

The Third Sector can play a vital role in tackling poverty, and we will provide training and funding to boost its contribution.

The private sector can also play a part in reducing income inequality and combating poverty. By increasing private sector involvement in CPPs we will be able to learn from the views and experiences of people in business organisations.

Information for anyone interested in becoming involved in CPPs can be found on these websites:

**<http://www.scotland.gov.uk/library5/localgov/cpsg-00.asp>**

**<http://www.improvementservice.org.uk/community-planning>**

## **MONITORING PROGRESS**

We have agreed with our partners some national outcomes against which the success of this Framework can be judged – for example: “We have tackled the significant inequalities in Scottish society.”

Various national and local indicators will also show whether we are making progress. There are many of these indicators, but examples include:

- Increased numbers of school leavers into work, training or Further and Higher Education.
- Reduce the number of people with severe literacy and numeracy problems.
- Fewer alcohol-related hospital admissions.
- Increased life expectancy in the poorest areas.

To follow progress on tackling poverty and inequality, and for more information on national indicators, visit the Scotland Performs website:

**<http://www.scotland.gov.uk/About/scotPerforms/performance>**



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