

# PERTH AND KINROSS COUNCIL

28 September 2022

## TACKLING POVERTY AND THE COST OF LIVING

Report by Executive Lead (Strategic Planning and Transformation)  
(Report No. 22/252)

### 1. PURPOSE

- 1.1 This report provides Council with an update on work underway by the Council and its partners to mitigate the impacts of poverty and the cost-of-living crisis on those within our communities who are most impacted. It seeks Council approval:
- a) To establish a Perth and Kinross Anti-Poverty Taskforce, to bring together the Council, local businesses, third sector organisations and communities to work collaboratively to help mitigate the impacts of poverty and the current cost-of- living crisis;
  - b) For the attached cost of living strategy; and
  - c) To allocate funding for a range of actions to assist in tackling the ongoing challenges for those most in need over the upcoming winter period

### 2. RECOMMENDATIONS

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| 2.1 | It is recommended that the Council: <ul style="list-style-type: none"><li>i. approve the proposal to establish an Anti-Poverty Taskforce</li><li>ii. approve the Cost-of-Living Strategy</li><li>iii. approve the additional allocation of £470,000 from ear marked reserves to support those most in need over the winter period</li><li>iv. note the content and context within the attached appendices</li></ul> |
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### 3. STRUCTURE OF REPORT

- 3.1 This report is structured over the following sections:
- Section 4: Background/Context
  - Section 5: What has been done so far
  - Section 6: Proposals
  - Section 7: Conclusion
  - Appendices

### 4. BACKGROUND/CONTEXT

- 4.1 Perth and Kinross has a reputation as an affluent place to live with low rates of unemployment in comparison to other areas. Whilst for many in our communities this may be the case and we do enjoy living in an incredibly

beautiful part of Scotland, closer examination paints a different picture for a large part of our local communities.

- 4.2 Whilst employment rates have been high, wages have been low resulting in many children and households experiencing the damaging effects of poverty.
- 4.3 In Perth & Kinross 13,000 people earn less than the living wage of £9.50 an hour and 24,000 are in lower paid work – the pay gap in average earnings with Scotland widened to £47.10 a week.
- 4.4 Income will often be the simplest but not the only measure of poverty and we are seeing this for those who are unable to work, and increasingly larger numbers of those in work. We have a low paid economy and a widening pay gap compared to the rest of Scotland with a significant gender pay gap. (£140 a week for full time workers and £228.50 a week for all workers).
- 4.5 Within Perth and Kinross the issue is further complicated by the fact that our area is a mix of urban and rural communities, with their own distinct and different challenges. The rural nature of our geography means that many households experience a rural poverty premium. 13% of the population of Perth and Kinross live in data zones which have less than 50% of premises with access to super-fast broadband, compared to 23.3% across Scotland. Superfast Broadband access from fixed broadband in Perth and Kinross ranks 25th out of all local authority areas in Scotland (2021/22). 78.9% of the geographical area of Perth and Kinross had 4G signal outdoors from at least one mobile network provider - this is one of the lowest levels of geographical coverage in Scotland. Precarious employment (agriculture, retail, hospitality, leisure), and costs and availability of affordable housing, transport and childcare alongside additional costs for essential goods and services mean living in one of our rural areas can be particularly difficult.
- 4.6 The experience of poverty for individuals, families and communities across Perth and Kinross will be very different and take many forms. For some it will be lack of income often linked to the availability of work, for others it will manifest in poverty of housing, both access and quality. Whilst for others poor health, limited transport, access to further education and training are all experiences that may be both manifestations of poverty and/ or symptoms of the experience and lack of opportunity facing people across our area.
- 4.7 The cost of living has been increasing across the UK since early 2021 and no one could have anticipated the current challenges; emerging from a global pandemic and now facing a cost-of-living crisis which will put heating homes to an acceptable standard beyond the budgets of large sections of the population. In recent weeks both Governments have intimated mitigating actions and further information is awaited.
- 4.8 The average household in Perth and Kinross will see their annual budget stretched by £2,958 – just for essentials like heating their home, putting food on the table, taking the bus to work, having the use of a mobile phone and broadband at home, and paying for household goods and services, clothing

and footwear. For many families who are currently struggling to make ends meet, this is an impossible hill to climb. An overview briefing on the cost-of-living crisis is detailed within Appendix 1.

- 4.9 Approximately one in four children in Perth and Kinross are living in poverty. That's more than 5,155 children. The causes and impacts of child poverty are complex. There is no single solution to poverty as each household's circumstances differ.
- 4.10 Addressing the impact of poverty on our children has been a policy priority for the Scottish Government for several years as has been seen through a range of initiatives, not least access to 1140 hours free childcare. The Child Poverty (Scotland) Act) 2017 requires Perth & Kinross Council and NHS Tayside, as in other areas of Scotland, to publish a Local Child Poverty Action Plan (LCPAR). This plan sets out the child poverty context here in Perth and Kinross and details planned actions to mitigate the impact of poverty on our children. The fourth report will be reported to Council in November 2022, and an executive summary is appended to this report. (Appendix 2)
- 4.11 The LCPAR includes a range of mitigating actions, in summary these include:
- Providing opportunities and support needed to enter, sustain and progress in work (employability and skills, connectivity and childcare, economic opportunity)
  - Maximising the support available to families to lead dignified lives and meet their basic needs (person-support, social security and income maximisation)
  - Supporting the next generation to survive and thrive (next generation)
- 4.13 The Council has identified poverty as one of its key strategic priorities within its draft corporate plan if it is to achieve its proposed vision of a **Perth and Kinross where everyone can live life well, free from poverty and inequality**. The plan sets out several actions designed to prevent households falling into poverty and to mitigate the impact of poverty on those children, families and individuals currently experiencing it. Tackling poverty is not something that the Council can do alone and is an issue that all sectors are looking to respond to across Perth and Kinross. The Council has, in its work with Community Planning Partners, also identified poverty, as one of its key strategic priorities in the draft Perth and Kinross Local Outcome Improvement Plan. This strategic plan is focussed on securing better medium to long term outcomes for our communities. In addition, the Council and its CPP partners, have through the LOIP set out its immediate focus and statement of intent in response to the current cost of living crisis, with priority actions including:
- Submitting a bid to pilot Cash First Partnership
  - Supporting the establishment and delivery of Cosy Spaces
  - Continuing to work with communities to support foodbanks and food larders to help tackle food insecurity

## 5. WHAT HAS BEEN DONE SO FAR

- 5.1 Mitigating the impact of poverty is, as has previously been set out, complex and requires a truly collaborative effort involving communities and many partners, strategically and operationally. For this reason, it is embedded in key functions across all Council services and the work we do with our partners, as evidenced from the range of activities which support the delivery of the aims of the LCPAR and the LOIP. However, the cost-of-living crisis means that we must focus on the immediate impact this will have on our most vulnerable households, particularly over the winter months.
- 5.2 We have taken urgent action to put in place mitigation measures for people affected by the cost-of-living crisis:
- establishing a Financial Insecurity Fund
  - increasing investment in welfare rights
  - money and debt advice
  - increasing funds available for energy efficiency advice; and
  - making additional funds available for the provision of community food.
- 5.3 For the financial year 2022/23, through a mix of funding from the Scottish Government and Council allocations, there has been an additional investment of £3.3m to mitigate the impact of poverty and the cost of living, with a further £4.5m on wider mitigating activity such as expansion of free school meals, meals during school holidays and home energy efficiency measures within PKC rented properties.
- 5.4 Senior officers and the Leader from the Council have met with several local business, community leaders and business ambassadors such as the Perth City Leadership Forum and the Chamber of Commerce to highlight the challenges our communities are facing. These very positive discussions have sought the support of local businesses, in the short term, over the upcoming winter months and in the longer term to work in collaboration with the Council and partners to mitigate the longer-term impacts of poverty.
- 5.5 The cost-of-living crisis has driven the need for greater focus and action in the short-term to protect the residents of Perth and Kinross. Services across the Council are currently developing and delivering a winter response plan which is detailed within the Cost of Living Strategy to enable a co-ordinated approach to provide people with the support they need. It is the intention to coordinate activity and actions at a ward / locality level involving all relevant parties including Elected Members, community and 3<sup>rd</sup> sector groups and officers. Actions within the response plan include:
- contact with community groups, 3<sup>rd</sup> sector organisations and partners to establish / map plans for support and cosy spaces and to identify any gaps and assistance needed
  - targeted campaign work – welfare benefits
  - School and warm clothing assistance
  - working with NHS Tayside to develop a fuel poverty app

- coordination of food and fuel activity
- incident response arrangements for severe weather
- work with local businesses and employers to ensure support for local communities and employees and seek support for communities with a view to longer term work with employer networks to consider specific supports for particular groups and communities, recognising the role of work in helping people out of poverty
- a communications and engagement plan to inform local residents of where they can go for help to:
  - maximise income
  - conserve energy
  - reduce fuel consumption
  - obtain access to free or low cost food and warm foodraise awareness with staff and key stakeholders

## 6. PROPOSALS

6.1 A significant amount of work is already underway to mitigate poverty and the impacts of the current cost of living crisis, however many individuals and families here in Perth and Kinross will face a very difficult winter. Furthermore, to meet our commitment to tackle poverty will require a longer-term collaborative effort involving leaders from across the area. Detailed below are 3 key proposals that will further strengthen the Councils response to this important agenda.

### **Anti-Poverty Taskforce**

6.2 Whilst no single service or agency has the power to end poverty, or fully mitigate the effects of the cost-of-living crisis, by working in partnership there is much we can do to make the lives and life chances of those living in poverty better and brighter. It is therefore proposed that the Council establish a **Anti-Poverty Taskforce** - bringing together Council, businesses, third sector organisations and communities to provide independent leadership and cross sector collaboration to work collaboratively to help mitigate the impacts of poverty as well as the current cost of living crisis.

6.3 The Task-Force will support the delivery of an increased and better co-ordinated response to the effects of Poverty within Perth & Kinross with a proposed remit to:

- listen and learn from the lived experience within our communities and stimulate and facilitate constructive public discussion to identify the key poverty related issues affecting them
- learn from, share and build on the knowledge and expertise of those working in the public, private and third sector to identify potential solutions to tackle the root causes of poverty and mitigate its impact on our communities
- actively encourage and engage our communities in shaping collaborative solutions to tackle poverty and address the immediate cost of living crisis

- provide a co-ordinating focal point for all the current activities aimed at reducing inequalities – child poverty, fuel poverty, food supply, rural poverty premium etc
- oversee the implementation of identified actions and assess and measure their impact through regular monitoring

6.4 **Membership** – It is proposed that the commission shall comprise of 18 members with membership being representative of the wider community providing geographic, sector and diversity representation with suitable expertise, knowledge, leadership and skills to contribute meaningfully to the Commission objectives.

6.5 It is proposed that membership shall be made up as follows:

- 5 representatives from Council (including the Leader of the Council)
- 4 representatives from other Public Sector Agencies
- 3 representatives from Third Sector
- 3 representatives from Private Sector /Business
- 3 representatives from our Communities including a young person

6.6 Due to the current crisis, it is proposed that the establishment of the commission is undertaken quickly with a straightforward process. It is therefore proposed that:

- a call for membership applications is issued in early October
- the Council Leader, Chief Executive and an expert representative sit on the selection panel
- the panel meets in mid to late October to appoint commissioners based on the terms of reference and suggested membership detailed above.

6.7 To ensure accountability and scrutiny of the work of the Commission and an opportunity to report progress the Anti-Poverty Taskforce will report progress on an annual basis to Perth and Kinross Council.

6.8 Further details of the draft Terms of Reference are detailed within Appendix 3.

### **Cost of Living Strategy**

6.9 To underline the Councils commitment to ensuring that residents across Perth and Kinross have access to the support they need to mitigate the impacts of the cost-of- living crisis it is proposed that Council support a Cost of Living Strategy (Appendix 4) which details 7 key commitments that the Council will take:

1. Target funding to support households in Perth and Kinross that need it most
2. Help residents to manage and pay their bills through the provision of information and advice and additional financial support to people who risk not being able to meet their basic needs

3. Support residents with energy efficiency measures
  4. Help people to access emergency and community food so that they do not go hungry
  5. Identify and support our most vulnerable residents to ensure they keep warm
  6. Find out what local communities need and build their capacity to deliver local services and reach out to residents to ensure their basic needs are met
  7. Coordinate with partner organisations across the private, public and third sector to maximise the impact of our collective efforts
- 6.10 These 7 key commitments will be the focus of our work in the coming weeks and months, through our Cost of Living Strategy to support households through the current cost of living crisis.

### **Additional Funding**

- 6.11 As detailed above the Council has made a significant investment to date in supporting communities to cope with the difficult impacts of poverty and the cost-of-living crisis. Teams across the Council continue to monitor need, demand and spend in these areas.
- 6.12 In addition to the previously committed fundings it is proposed that a further investment of **£470,000** (non-recurring reserves) is approved to support communities and community organisations over the winter period as detailed below:
- £150,000 to organisations who are opening their doors to provide warm spaces
  - £170,000 to community groups/organisation to purchase and distribute warm home packs as well as the provision of community food
  - £120,000 cost of living crisis payment to kinship and foster carers
  - £5,000 to cover engagement payments for those with lived experience
  - £25,000 of funding to local business networks to lever in support for businesses to tackle poverty
- 6.13 Furthermore, it is proposed that officers continue to monitor the ongoing impact, liaising with communities and third sector groups to identify emerging areas of pressure and seek additional funding through Finance and Resources Committee or Council as appropriate. More detailed information on spend and the impact of the funding will be reported to Finance and Resources Committee.

## **7. CONCLUSION**

- 7.1 No one could have anticipated the current financial challenges faced by a significant number of households across Perth and Kinross. For many families who struggle to make ends meet, this winter will be a hugely challenging period. The Council and its partners through a range of actions and funding

commitments have made clear our shared commitments and intention to tackling poverty as one of its key priorities.

- 7.2 The proposals detailed within this report will cement the Council's commitment to work in partnership with local businesses, third sector organisations and communities to tackle and mitigate the impacts of poverty on the people and communities across Perth and Kinross.

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### Approved

Name	Designation	Date
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### APPENDICES

- Appendix 1 – Cost of Living Overview
- Appendix 2 – Executive Summary of the LCPAR 2022/23
- Appendix 3– Draft Terms of Reference for the Perth & Kinross Anti-Poverty Taskforce
- Appendix 4 – Proposed Cost of Living Strategy

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## 1. IMPLICATIONS, ASSESSMENTS, CONSULTATION AND COMMUNICATION

<b>Strategic Implications</b>	<b>Yes / None</b>
Community Plan / Single Outcome Agreement	<b>yes</b>
Corporate Plan	<b>yes</b>
<b>Resource Implications</b>	
Financial	<b>yes</b>
Workforce	<b>none</b>
Asset Management (land, property, IST)	<b>none</b>
<b>Assessments</b>	
Equality Impact Assessment	<b>yes</b>
Strategic Environmental Assessment	<b>none</b>
Sustainability (community, economic, environmental)	<b>none</b>
Legal and Governance	<b>none</b>
Risk	<b>none</b>
<b>Consultation</b>	
Internal	<b>yes</b>
External	<b>none</b>
<b>Communication</b>	
Communications Plan	<b>yes</b>

### 1. Strategic Implications

#### Community Plan/Single Outcome Agreement

1.1 The report supports the overall delivery of the Perth and Kinross Community Plan / Single Outcome Agreement:

- (i) Giving every child the best start in life
- (ii) Developing educated, responsible and informed citizens
- (iii) Promoting a prosperous, inclusive and sustainable economy
- (iv) Supporting people to lead independent, healthy and active lives
- (v) Creating a safe and sustainable place for future generations

#### Corporate Plan

1.2 The report relates to the overall achievement of the Council's Corporate Plan Priorities:

- (i) Giving every child the best start in life;
- (ii) Developing educated, responsible and informed citizens;
- (iii) Promoting a prosperous, inclusive and sustainable economy;
- (iv) Supporting people to lead independent, healthy and active lives; and
- (v) Creating a safe and sustainable place for future generations.

## **2. Resource Implications**

### Financial

- 2.1 There are no significant costs anticipated from the creation of the Anti-Poverty Taskforce.

### Workforce

- 2.2 It is intended that any additional workload will be absorbed within existing resources.

### Asset Management (land, property, IT)

- 2.3 There are no land, IT or property implications arising from this report.

## **3. Assessments**

### Equality Impact Assessment

- 3.1 Under the Equality Act 2010, the Council is required to eliminate discrimination, advance equality of opportunity, and foster good relations between equality groups. Equality Impact Assessments will be carried out as required for specific initiatives and policies, as part of the evidence gathering process, and as the recommendations of the Commission emerge.

### Strategic Environmental Assessment

- 3.2 The Environmental Assessment (Scotland) Act 2005 places a duty on the Council to identify and assess the environmental consequences of its proposals. No further action is required as it does not qualify as a PPS as defined by the Act and is therefore exempt.

### Sustainability

- 3.3 Under the provisions of the Local Government in Scotland Act 2003 the Council has to discharge its duties in a way which contributes to the achievement of sustainable development. Under the Climate Change (Scotland) Act 2009 the Council also has a duty relating to climate change and, in exercising its functions must act:
- in the way best calculated to delivery of the Act's emissions reduction targets;
  - in the way best calculated to deliver any statutory adaptation programmes; and
  - in a way that it considers most sustainable.
- 3.4 There are no implications within this proposal

## Legal and Governance

- 3.5 The Head of Legal and Governance has been consulted.

## Risk

- 3.6 No risks have been identified within the context of the establishment of the Commission, as set out in this report

## **4. Consultation**

### Internal

- 4.1 The Executive Lead – Strategic Planning and Transformation has been consulted on the preparation of this report

### External

- 4.2 There is regular and ongoing dialogue with other Councils who have delivered / are establishing Fairness Commissions, to ensure learning from experience, and support the development of useful professional networks

## **5. Communication**

- 5.1 A full Communications Plan (with an internal and external focus) will be developed to support the work of the Commission

## **2. BACKGROUND PAPERS**

- 2.1 None.