

REPORT TO: Cabinet

MEETING DATE: 20 October 2015

BY: Depute Chief Executive (Partnerships and Community Services)

SUBJECT: Establishment of the East Lothian Poverty Commission

1 PURPOSE

- 1.1 To seek Cabinet approval for the establishment of the East Lothian Poverty Commission.

2 RECOMMENDATIONS

- 2.1 Cabinet is asked to approve the establishment of the East Lothian Poverty Commission.

3 BACKGROUND

- 3.1 The review of the Council Plan carried out in October 2014 included an assessment of the levels of inequality in East Lothian (see Appendix 1). Given the evidence of growing levels of deprivation and relative inequality across East Lothian the Council agreed that the existing Council Plan commitment to tackling inequalities should be given a higher priority by adopting the East Lothian partnership's overarching priority: *To reduce inequalities across and within our communities.*
- 3.2 The Council Plan review concluded that in order to make significant progress in meeting this priority the following areas of activity should be prioritised:
- Reducing unemployment, particularly youth unemployment and improving positive outcomes for school leavers
 - Raising attainment in schools, particularly for pupils from more economically 'deprived' areas, and providing a broader work based education experience

- Reducing inequalities and ensuring the most disadvantaged groups and communities, have access to services that maximise opportunities to break the cycle of poverty or mitigate the impact of deprivation
- Supporting the capacity of communities and voluntary organisations to show community resilience and maximise social capital from community and social networks.

3.3 Progress is being made across all four of these priorities. For example, levels of unemployment have reduced and the latest statistics show an improvement in Positive Destinations for school leavers. The East Lothian Partnership has adopted a Statement of its approach to reducing inequalities through prevention and early intervention. There are good examples of initiatives that take a preventative and early intervention approach to reducing inequalities such as the Musselburgh Total Place: Families Focus project, the Welfare Reform Action Plan and the Musselburgh Area Partnership's 'Attendance Matters' initiative to increase school attendance.

3.4 However, it is evident that neither the Council nor East Lothian partnership have all the answers to tackle endemic poverty and make the real changes that will break the cycle of poverty and deprivation for our most vulnerable communities and citizens. The intractable problem of the cycle of deprivation has given rise to it being defined as one of the 'wicked problems' for government. (See Appendix 2)

3.5 The Council has received a suggestion from Iain Gray MSP that the Council establish a Poverty Commission to *"call for and examine evidence from local organisations and individuals on the reality of poverty in the County, and more importantly, what local action could be taken to improve the situation of our most vulnerable citizens."*

3.6 It is proposed that the Council agrees to this request and establishes a Poverty Commission. The terms of reference of the Commission would be to: 'take a strategic overview of the scale, scope and nature of poverty in East Lothian and to make recommendations to the East Lothian Partnership and the Council for a strategic and coordinated approach to tackling poverty and breaking the cycle of deprivation.'

3.7 The Community Planning Partnership prepared a Tackling Poverty Strategy and Action Plan in 2012/13, which although not formally adopted by the Council or the East Lothian Partnership, has provided the basis for actions which attempt to address the Single Outcome Agreement outcome: "The cycle of poverty is broken for individuals and families in East Lothian.'

3.8 It is hoped that the Commission will bring a new perspective and a greater understanding of the problem of poverty and the cycle of deprivation in East Lothian. The Commission will be tasked with reviewing the Tackling Poverty Strategy and other relevant strategies and policies and identifying possible actions that can be taken by the

Council, its partners and by communities and individuals themselves to break the cycle of poverty and disadvantage in East Lothian. Whilst national government policies and the state of the economy will continue to have a major impact on levels of poverty and disadvantage are there actions which we can take locally to not only mitigate the impact of these 'external' forces but to equip people to break out of the cycle of deprivation?

3.9 It is envisaged that the Commission will:

- Draw on evidence from published data and reports on poverty, inequality and deprivation in East Lothian
- Take evidence from interested parties across East Lothian, particularly from people who have experienced or are experiencing poverty
- Review what is working elsewhere to tackle the causes and impact of poverty
- Prepare a report that details the causes, impact and nature of poverty in East Lothian.
- Recommend actions that the Council and the East Lothian Partnership could take to mitigate the impact of poverty and break the cycle of poverty.

3.10 It is proposed that the Commission would have an independent Chair and would consist of no more than six members who have relevant skills, experience and knowledge.

3.11 The Council will provide secretariat, administrative, research and policy support to the Commission.

3.12 It is envisaged that the Commission will meet no more than six times over a 6 – 9 month period (November 2015 – May 2016) and that it will report to the Council and the East Lothian Partnership in June 2016.

4 POLICY IMPLICATIONS

4.1 The establishment of the Poverty Commission will support the Council and East Lothian Partnership to meet the objective of reducing inequalities across and within our communities. It is hoped that the Commission will identify actions that will contribute to the achievement of the East Lothian Partnership's Single Outcome Agreement outcome: 'The cycle of poverty is broken for individuals and families in East Lothian.'

4.2 The Cabinet meeting takes place during the Poverty Alliance's Challenge Poverty Week (17th – 23rd October). Local authorities have been asked by the Alliance to undertake activities to promote the week of action. The establishment of the Poverty Commission would show a significant

commitment from East Lothian Council to support the aims of the Poverty Alliance – Working Together to Combat Poverty.

5 EQUALITIES IMPACT ASSESSMENT

- 5.1 This report is not applicable to the well being of equalities groups and an Equalities Impact Assessment is not required. However, the work and report of the Poverty Commission will be the subject of Equality Impact Assessment.

6 RESOURCE IMPLICATIONS

- 6.1 Financial – any expenses and costs associated with the Poverty Commission will be met from within existing budgets.
- 6.2 Personnel – the administrative and policy support for the Commission will be provided by Council staff.
- 6.3 Other – none.

7 BACKGROUND PAPERS

- 7.1 Appendix 1: Extract from Council Plan Review; East Lothian Council, October 2015
- 7.2 Appendix 2: Extract from 'Inside the Nudge Unit: How Small Changes Can Make a Big Difference' (David Halpern, WH Allen, 2015; p.342)
- 7.3 Letter from Iain Gray MSP to Councillor Willie Innes, 11th September 2015
- 7.4 Reducing Inequalities Through Prevention and Early Intervention: East Lothian Partnership, 7th October 2015

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Appendix 1: Extract from Council Plan Update (October 2014)

Inequalities

Whilst the Council Plan acknowledged the significance of tackling inequalities and doing so through increased focus on prevention and early intervention it lacked a robust statistical analysis to take this commitment forward.

The East Lothian Plan: Single Outcome Agreement 2013-2023 approved by the East Lothian Partnership in September 2013 was based on analysis of evidence from the East Lothian Profile. Drawing on the Scottish Index of Multiple Deprivation (SIMD) and other national and local data sources the Profile provides substantial evidence of the levels of inequality in East Lothian.

A comparison of the overall deprivation rankings between 2012 and 2009 provided by the SIMD gives an indication of whether socio-economic conditions in East Lothian are improving or worsening relative to the rest of Scotland (see Table 1).

Overall, 73 of East Lothian's 120 datazones had a lower ranking and only 47 had a higher ranking in 2012 compared with 2009, which suggests that the indicators of deprivation in East Lothian worsened in comparison to the position across Scotland.

The data shows significant variations across the seven Council wards. For example, 13 of Musselburgh East and Carberry's 17 datazones have a lower overall ranking in 2012 (i.e. are relatively more deprived) compared to 2009 compared to only four that have a higher overall ranking. On the other hand, 10 of Haddington's 16 datazones have a higher overall ranking (i.e. are relatively less deprived) and only six have a lower ranking.

Table 1: Change in overall SIMD ranking 2009 to 2012 by Ward

Ward (number of datazones)	Datazones with lower 2012 ranking	Datazones with higher 2012 ranking
Musselburgh East (17)	13	4
Musselburgh West (15)	10	5
Fa'side (21)	14	7
Preston/ Seton / Gosford (21)	12	9
Haddington (16)	6	10
Dunbar & East Linton (14)	10	4
North Berwick Coastal (16)	8	8
Totals	73	47

Table 2 provides a comparison between the most and least deprived areas of East Lothian in relation to a number of key deprivation indicators:

- Income – the proportion of the population that has low income

- Employment – the proportion of the population that is not in employment
- Job Seekers Claimants – the proportion of the working age population claiming Job Seekers Allowance
- Children in poverty – the proportion of children in poverty
- Crimes per 10,000 population – number of crimes per 10,000 population
- Average Tariff Scores for pupils in S4.

The table highlights the significant differences between the ‘most deprived’ and ‘least deprived’ areas of East Lothian for these key indicators of deprivation.

Table 2: Comparative levels of inequality in East Lothian’s 120 datazones

SIMD 2012	Range of lowest 20% 1 - 24	Range of highest 20% 97 - 120
Income deprivation	35% - 18%	4% - 1%
Employment deprivation	27% - 17%	5% - 1%
Job Seekers Claimants	13.8% - 5.7%	1.5% - 0
Children in Poverty	44.9% - 22.7%	4.9% - 0
Crimes per 10,000 pop.	1,560 - 563	128 - 0
Av. S4 Tariff Scores	77-153	235 - 297

The significant variation in attainment levels across East Lothian is notable. For example in its report on [School Education](#), (June 2014) Audit Scotland commented: *‘The spread of school performance in individual councils varies across the country. For example, the middle-performing group of schools in Glasgow City were within ten percentage points of each other. In contrast, in the middle-performing group of schools in East Lothian, the percentage of S4 pupils achieving five awards at level five in 2013 differed by 21 percentage points.’*

Appendix 2: Extract from 'Inside the Nudge Unit: How Small Changes Can Make a Big Difference' (David Halpern, WH Allen, 2015; p.342)

“Disadvantage and poverty .. is often passed from one generation to another.

“Successive generations of policymakers have tried many approaches to break such cycles of disadvantage. There have been successes but, in general, it is an area where great efforts have led to only modest results. In many countries, massive investments in state education have dragged up overall results, but the gap between social groups has often remained stubbornly unchanged. Massive programmes to enable the poor to escape low-income neighbourhoods have when systematically tested, led to only small effects on subsequent social mobility. And well-intentioned welfare and income support programmes have alleviated poverty in the short-term but have often failed to be the springboard out of long-term poverty that its designers hoped.

“This history of disappointment has led many to characterise entrenched poverty and disadvantage as a ‘wicked problem’. It has complex and self-reinforcing causes that make it extremely hard to unravel, reinforced still further by deep-seated drivers towards greater inequality within modern economies.”