

FALKIRK COUNCIL

Subject: TOWARDS A FAIRER FALKIRK – TACKLING POVERTY AND INEQUALITIES WITHIN THE FALKIRK COUNCIL AREA
Meeting: FALKIRK COUNCIL
Date: 2 March 2011
Author: DIRECTOR OF CORPORATE AND NEIGHBOURHOOD SERVICES

1. INTRODUCTION

- 1.1 This report presents for Member's approval a Poverty Strategy for the Falkirk Council area. At the meeting of Falkirk Council on 8 December 2010 Members asked officers to draft a poverty strategy that incorporated a corporate approach to charging and concessions, the Living Wage and also a process by which we could ensure we understand and can measure the impact of our actions on the poorest in our communities. The Poverty Strategy is attached to this report.

2. BACKGROUND

- 2.1 The Falkirk Council area has been changing for a number of years. We have seen unprecedented growth in the area over the last 10 years. Our population is growing, we are all living longer and the overall wealth of our population is improving. We have seen significant falls deaths from particular diseases, improvements in our educational attainment while at the same time seeing increases in home ownership and, unfortunately, increased inequalities.
- 2.2 The Council and all our services have been working in various ways to address these inequalities including targeting specific groups and areas, developing specific initiatives and also developing strategies to deal with specific areas of concern e.g. our approach to providing support to young people to sustain positive destinations. However given the recession and the impact of that, we understand that we must look to provide co-ordinated support to our most vulnerable individuals and communities.
- 2.3 The Poverty Strategy is a 10 year strategy that sets out critical areas that, if addressed, can make a fundamental difference to the lives of people in our area. The overall purpose of the strategy is to reduce the inequalities between the wealthiest and the poorest in our communities in order that everyone can have a better life. The strategy sets out:
- Our commitment to addressing poverty;
 - Key areas we will tackle over the coming years;
 - Our approach to undertaking a poverty impact assessment; and
 - A review of the Council's charges and concessions.
- 2.4 The strategy differentiates between tackling the issues that cause poverty e.g. lack of employment etc and the issues that are a result of poverty e.g. poor health, housing etc.

We have also set out within the strategy the groups and individuals that are affected by poverty and the impact of being poor and some key actions we will focus on over the coming years.

- 2.5 While the strategy is very broad, it does provide a focus for the work the Council and our partners are looking to undertake over the coming years. We would hope that by being focussed we can make a real difference to our most vulnerable individuals and communities.
- 2.6 The Strategy importantly sets out the commitment of the Council to addressing poverty. It sets out a poverty impact assessment process i.e. a clear way we can understand the impact of our decisions on our most vulnerable communities. We have also included reference to the proposed revised charging and concessions strategy and sets out how this can be developed over the coming months to ensure a passporting system to our services.
- 2.7 The proposal for a charging and concessions policy is set out in Appendix 3 of the strategy. This looks to ensure that charges and concessions are applied in such a way ensure that those most in need receive services in a timeous way and are not excluded from services through the charges we apply. We have set out in the policy the core principles we would apply, the scope of the policy, the policy elements including consistency of decision making and entitlement to services along with the impact we anticipate the proposals will have. If Members agree to the policy as set out, we have indicated what further work we would anticipate having to progress to ensure it can be implemented effectively. This work includes:
 - Further developing the proposal to create a support fund to support educational activities;
 - Establishing the mechanisms through the use of technology, systems and entitlement cards to underpin a passporting system; and
 - Fully costing the proposals contained with the proposed scheme.
- 2.8 The work above needs to take place in order that the scheme can be implemented. It is therefore proposed that this work is undertaken with a view to fully implementing the scheme from April 2012. A report would be presented to a meeting of Council prior to the budget being agreed next year outlining the full scheme, its scope and application.
- 2.9 Council will be aware that a commitment in principle has already been made to the Living Wage campaign. In this regard, a letter was sent to CoSLA requesting that this be considered as part of the wider pay strategy for the local government workforce. Progress at a national level has, however, been slow. In addition, the Living Wage has been raised by Trade Unions during local meetings on employment matters. The Trade Unions have indicated a desire for the Council to implement the Living Wage, recognising that there will be a cost implication which requires to be funded. With this in mind, Council may now wish to consider a more local approach to the Living Wage.
- 2.10 There are various risks associated with the Living Wage which will require to be assessed in developing this locally. These include:

Equality risks

- 2.11 Based on a Living Wage of £7.15 per hour, the first two grades (Grades A and B) of the Council's SJC pay structure would almost be eroded. Work requires to be undertaken to re-design the Council's pay structure to ensure there are no equal pay risks in implementing the Living Wage. Equally, consideration requires to be given to the issue of employees who, as a result of the implementation of the Living Wage, would be placed on the same salary as their supervisor. An independent Equality Impact Assessment requires to be undertaken to assess these risks and identify possible solutions;

Benefit risks

- 2.12 Some employees who would receive an increase in pay if the Living Wage were introduced may currently be in receipt of benefits. As Members will be aware, there are a number of Benefits which could be affected if individuals earn more than a certain level. A poverty impact assessment should therefore be undertaken to ensure the Council would not be disadvantaging families as a result of implementing the Living Wage;

Financial Risks

- 2.13 Initial assessments of basic salary changes excluding allowances and other related expenses, suggest that implementation of the Living Wage will cost in excess of c£400k. Further work on the costs does however, require to be undertaken. At their request, discussions have also commenced with Trade Unions over the funding of the Living Wage in the context of wider employment matters and the Council's current financial situation. These discussions will progress as quickly as possible to ensure any outcomes can be reported to Members in due course;

Contractual Risks

- 2.14 Members should be aware that the implementation of the Living Wage will benefit employees in areas such as catering and cleaning functions. Given the need to market test the cost of these types of services through best value reviews, there is a potential risk that the implementation of the living wage will increase the cost of providing these services in-house, bringing in to question the value for money of such services. This should be noted in taking forward the implementation of a Living Wage.
- 2.15 Given the risks associated with the Living Wage, it is suggested that an assessment is made of these to determine how they can be best managed to enable implementation of a Living Wage for employees of Falkirk Council. Given the above a further report will be prepared for Members which will provide more detail on the costs, risks and implementation issues in order to allow Members to give these full consideration. This will be submitted to a future meeting of Council.

3. SUPPORTING THE STRATEGY

- 3.1 Members will be aware that following the cessation of the ring fenced funding for the Fairer Scotland Fund, money was included within the Council's budget as part of the settlement included within the Concordat between the Government and Local Authorities. In order to support the development of the Poverty Strategy c£1.7m has been made available to take forward initiatives and services to progress the outcomes contained therein. In particular, it is proposed that the funding will be used to tackle the

root causes of poverty by assisting people to enter and sustain employment and enhancing people's financial security and well-being.

- 3.2 As indicated in the Poverty Strategy, this dual focus on employment and financial security is particularly important in the current economic climate. We know that the impacts of the recession and other external factors have increased vulnerability to poverty and that the projections are for both unemployment and poverty levels to continue to rise in the short to medium term. In particular, we are aware that:

- Falkirk's recent good progress in reducing youth unemployment to around the national average has been undone by the economic downturn and that youth unemployment has also risen sharply across the UK;
- The current and forthcoming changes to benefits are likely to increase the need for advice in this area, at the same time as the number of people claiming benefits is rising; and
- The recession has already increased levels of unmanageable debt for some segments of society.

Employability Projects

- 3.3 These projects aim to:

- Maximise the number of people in better paid, secure employment

- 3.4 The overall approach to this strand of work is to give hands-on responsibility for commissioning and managing the majority of the work to the Employment and Training Unit. This strand of the Poverty Strategy would have c£1m allocated to it, with £750k being used to deliver, match fund and commission employment and training services.

- 3.5 It is proposed that the Employment and Training Unit develop proposals on how the existing initiatives will be supported to achieve our outcomes, within the proposed budget and that specific proposals are reported to Economic Strategy and Development Committee for approval in April 2011. In order to facilitate this, existing initiatives that were previously funded through the Fairer Scotland Fund, will be given an additional 3 months continued funding to allow consideration of their future and also decisions to be taken on the future spending profile.

- 3.6 It is proposed that the £750,000 be used to fund:

- Match fund to match fund the Priority 5 ESF bid – 'Backing Falkirk's Future
- Improved outcomes for care leavers
- Bespoke and enhanced apprenticeship opportunities
- Commissioned services from the third sector at stage 1 and 2 of the strategic skills pipeline; and
- Match funding for the CPP Priority 5 ESF bid – 'Backing Falkirk's Future'.

- 3.7 Through commissioning specific employment and training services by the Employment and Training Unit we should be able to deliver significant efficiency gains in terms of monitoring procedures and also enable a more coherent, effective and joined-up range of employment and training initiatives. There are three exceptions to this:

- The Positive Transitions programme, run by Education Services, will continue given its particular focus.
- The Real Jobs Falkirk project at Carrongrange School will continue to be directly funded, as the social enterprise development attached to this service requires particular support if it is to deliver a sustainable business with employment opportunities for young people. Given the unique nature of this initiative and the success it has had, it is proposed that the funding to this initiative be increased.
- The Axis project will continue to be direct funded and discussions will be pursued with Social Work Services to explore how this small element of funding fits with the wider Axis service, as well as how this element of employability work can connect most effectively to the wider approach to employment and training.

Financial Security Projects

3.8 These projects aim to:

- Reduce levels of debt across the population and maximise the income of households who rely on benefits
- Increase the financial choices available to our population and increase people's understanding of the consequences of financial choices

3.9 The overall approach to this work is to continue the successful and vital projects which have been delivered over the last three years. This would mean c£430k being allocated to this outcome. It would be remit of the revitalised Financial Inclusion Partnership, once it is fully re-established, to monitor and ensure these initiatives work together to achieve the outcomes we need for our communities.

Community Pride

3.10 A number of initiatives designed to improve community satisfaction and pride, while being successful, have had limited impact on the outcomes contained within the Poverty Strategy. We have therefore reviewed all of these initiatives and would seek, if Members approve, to fund some through alternative sources of funding, stop funding those that duplicate other services and redesign current service provision to ensure specific areas of service continue to be provided in a different way.

3.11 A note of all current initiatives across all 3 outcomes and how the proposals outlined above affect them if accepted by Members is outlined in appendix 2 of this report. This includes proposals to fund some initiatives out of other, more appropriate funding e.g. Alcohol and Drugs funding.

4. CONCLUSIONS

4.1 It is hoped that the Poverty Strategy identifies and addresses the key issues that face the most vulnerable in society with regard to the causes of poverty and the impact that has on their lives. It does not intend to set out all the Council and our partners will do to address some key issues as these actions rightly sit in complementary strategies and plans. However it should set out a clear intention with regard our commitment to deal with poverty and ensure that the inequalities within our communities are addressed for the benefit of all.

5. RECOMMENDATIONS

It is recommended that Members approve:

- 5.1 The Poverty Strategy – ‘Towards a Fairer Falkirk’;
- 5.2 Approve the outline charging and concessions policy in principle and that officers bring back a further report on the implementation of the policy with a view to implementation being on 1 April 2012;
- 5.3 Officers prepare a further report on the introduction of the living wage as outlined in paras 2.11 – 2.15;
- 5.4 The allocation of funding to support the outcomes in the Poverty Strategy in line with the proposals set out in appendix two of this report;
- 5.5 The continuation of the funding for the existing employability projects for three months and that a report is presented to Economic Strategy and Development Committee in April with detailed proposals for funding of the projects included within this remit; and
- 5.6 Officers update Members on the actions and progress of the Poverty Strategy in the coming months and years as outlined in the Poverty Strategy.

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DIRECTOR OF CORPORATE AND NEIGHBOURHOOD SERVICES

Date: 21 February 2011
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LIST OF BACKGROUND PAPERS

1. Report to Policy and Resources Committee 2008 – Fairer Scotland Fund.
2. Annual report Fairer Scotland Fund – 2009 /10.

Any person wishing to inspect the background papers listed above should telephone Falkirk 01324 506004 and ask for Fiona Campbell