



and



Nick Hopkins Consulting

Dumfries & Galloway Council

Future approach to tackling poverty and inequality for  
Dumfries & Galloway

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## 1. OUR VISION FOR DUMFRIES & GALLOWAY

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The European Commission provides a widely accepted definition of poverty within its joint report on Social Inclusion. It defines poverty as the situation for individuals where:

*“Income and resources are so inadequate to preclude them having a standard of living considered acceptable in the society in which they live. Because of their poverty they may experience multiple disadvantages through unemployment, low income, poor housing, inadequate health care, and barriers to lifelong learning, culture, sport and recreation. They are often excluded and marginalised from participating in activities (economic, social and cultural) that are the norm for other people and their access to fundamental rights may be restricted.”*

Poverty damages lives and life chances, health and wellbeing, and sits at the heart of many of the social and economic challenges we face in Dumfries and Galloway.

**Our vision is of a Dumfries and Galloway in which local action has driven poverty as low as possible, and has mitigated as far as possible the impact of poverty when experienced.**

This means a Dumfries and Galloway where:

- Far fewer people experience persistent and severe poverty and destitution.
- Those most vulnerable to experiencing poverty receive the help they need.
- Residents get the support they need from the benefit system.
- Residents in poverty do not face extra costs because of poverty, nor the extra costs of rural of poverty.
- Those experiencing debt get the help they need to deal with it.
- People are not digitally excluded because of poverty.
- People have greater ability to manage financial challenges.
- Individuals and families dealing with poverty can access the support they need in local communities from organisations they trust.
- People needing support to deal with, and /or exit poverty, get to that support at the right time.
- Poverty is not a barrier to accessing public services or employment.

Our vision for partners working to tackle poverty in Dumfries and Galloway is one which builds on the work already happening in the area, where:

- Local partners maximise their impact through a partnership, whole organisation, whole system and action-focused approach.
- Organisations and staff at all levels within them understand the contribution that their organisation and team, and they personally, can make to tackling poverty in all their work.
- Every initiative taken forward by the public and voluntary sectors considers its impact on people in poverty, and access issues for people in poverty, and their actions do not at any point add to the burden of people in poverty.
- Funding and activity focuses most on those in most need.
- Organisations learn from each other's successes and mistakes.

“On the Up” was Dumfries & Galloway Council’s Anti-Poverty Strategy covering the period from 2015 to 2020. The new approach set out here builds on the learning from that strategy, and a thorough assessment of the current challenges facing the area, in the form of a strategy that can engage all stakeholders within Dumfries and Galloway that are able to contribute to the achievement of our vision.

## 2. FOCUS OF THE STRATEGY

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Poverty impacts on every aspect of people's lives and life chances. In turn, any aspect of people's lives, the lives of their families, and the communities in which they live, can increase or reduce their risk of finding themselves in poverty, and of staying there.

This strategy could therefore simply draw together relevant commitments taken from the full range of current policies and strategies being taken forward by Dumfries and Galloway Council. We believe this approach would be counterproductive, resulting in a strategy that would be much longer, but also much less effective.

This strategy is instead focused on:

- **Setting out its own key objectives that will guide new and additional work.**
- **Reversing the above approach, setting out mechanisms for influencing other strategies, action plans and policies, rather than bringing other strategies into this one.**

The strategy will support the development and delivery of projects, services and practices which:

- Directly increase the amount of money in people's pockets.
- Reduce the financial pressures on people in poverty.
- Increase individual, household and community resilience to poverty.
- Reduce barriers to accessing services that tackle poverty
- Reduce the poverty-related barriers to accessing services generally.

### **3. KEY VALUES AND PRINCIPLES**

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**Every aspect of the delivery of approach set out within this strategy will be informed by, and in accordance with the following values and principles.**

#### **Equality**

The delivery of the approach within this strategy will make a significant contribution to reducing economic inequalities in Dumfries and Galloway, by raising the living standards of those with least. Effective delivery of the strategy will require that services, projects and practice developed under this approach respond to the specific needs faced by diverse groups, and enable people from those groups to access the support they need, including through reaching out specifically to them.

#### **Lived Experience.**

People affected by poverty will be placed at the heart of the delivery of this strategy. Their perspective on their needs, their suggestions for responses to their needs, their practical involvement in delivery, their feedback on the delivery of services and projects, and their strategic perspective on priorities will inform every element of the work to be taken forward.

#### **Person-Centred and Empowering.**

Services, projects and practices under this approach will be built around people in or at risk of poverty, and will be tailored to their specific needs, acknowledging the nuances and complexity of the issues that people face, and the different levels of intensity of support that they will require at different points. Those needing the most intensive support will receive it. All services will take an approach which seeks to build the capacity and resilience of individuals, empowering them to take action themselves on the challenges they face.

#### **Evidence Based and Best Value.**

In a time of tight and potentially tightening budgets, it is essential that resources are invested in services, projects and practices which are effective, and have the most significant impact on poverty. Services, projects and practices under this approach should reflect best practice, and will be subject to appropriately rigorous monitoring and evaluation, with resources redirected to areas that prove to be most effective.

**Respect, Compassion, Dignity and Non-judgement.**

Services, projects and practices under this approach will treat everyone with respect, with compassion and care, and with dignity. They will be clear-sighted about the issues faced by people in poverty, but will not judge people for the situations in which they find themselves.

**Early intervention and prevention.**

Services, projects and practices under this approach will focus on getting help to people as soon as possible in the development of their problems, to prevent issues from worsening, and to lift them out of poverty sooner. Effective crisis intervention will be a critical part of this approach, to stop crisis from turning into tragedy, and to stop people from being trapped long term in intolerable situations.

**Partnership**

No one organisation working in Dumfries and Galloway can provide a comprehensive response to poverty, no one organisation can respond to every issue facing an individual in poverty. The services and projects under this approach will work in partnership with each other to do so. Key practice developments will focus on building relationships between services and the development of the approach will be driven by multi-agency groups.

#### 4. THE CONTEXT OF POVERTY IN DUMFRIES & GALLOWAY

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The statistics on poverty and Dumfries and Galloway are stark. Around one in five Dumfries and Galloway residents live in poverty. On the tighter definition of income deprivation, 11.5% of the population are considered income deprived.

The statistics on child poverty are of particular concern:

- 6,141 children (26.2%) across our region live in households below 60% median income before housing costs.
- This proportion has increased by 2.8% since 2015, the fifth highest increase amongst Scottish local authorities.
- 18% of children in the region are reliant on free school meals.

There are concentrations of poverty, in North West Dumfries, Stranraer and the Rhins, Mid and Upper Nithsdale, Annandale South and Nith, but poverty is broadly spread across our region. The extent of that spread often masks the impact and extent of the issue.

Poverty in Dumfries and Galloway is driven by trends in the labour market, and exacerbated for many of our residents by the “poverty premium”, in particular higher costs in the rural parts of our region.

Wages are comparatively low across the region, reflecting our reliance on agriculture, hospitality and tourism. This is exacerbated by the seasonality of work, and the fact that the low paid work available is often insecure, based around part-time or zero hours contracts. Earnings in Dumfries and Galloway were lower than the national average in 2019 at £480.80 per week compared with £577.70 nationally., and are growing more slowly than elsewhere in Scotland; increasing by 4.9% compared with 9.6% nationally between 2015 and 2019.

Economic activity and employment levels are only slightly lower in Dumfries and Galloway than elsewhere in Scotland:

- 25.6% of the working age population are economically inactive compared to 23.2% of the Scottish working age population.
- 73.1% of the working age population are in employment compared to 74.2% of the Scottish working age population.

- 18.1% of people live in workless households compared to 17.7% of the Scottish population.

8.8% of the working age population in Dumfries and Galloway are considered employment deprived, being unemployed or unable to work due to illness. The highest rates of unemployment are to be found in Annandale and Eskdale, and Wigtown; the highest rates of employment deprivation in North West Dumfries; and, the highest rate of claimants in Stranraer and surrounding areas.

Turning this around will be challenge; 33% of people in Dumfries and Galloway aged 16+ do not have any formal qualifications, higher than the Scottish average of 27%. Wigtown has the highest proportion of local residents with no qualifications, Stewartry the lowest. There also particular issues with high levels of residents with no qualifications in North West Dumfries and Upper Nithsdale.

The region faces issues around retention of young people and having a significant population of older people with fixed incomes, including those who have not worked for a long time, living in post-industrial areas and now beginning to hit retirement age. Economic development remain.

Overall, the image of Dumfries and Galloway as an affluent area, held by many both within and outwith the area is not born out by the reality captured in the statistics above. That gap creates challenges in terms of generating support for action locally, and accessing external funding support for such action.

## 5. THE IMPACT OF COVID-19

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The full social and economic impact of COVID-19 is still to be felt and the extent of that impact is still uncertain. In the short term, it has been mitigated by furlough and other policies, and by people relying on their own household financial buffers such as savings, although the latter will gradually erode.

During the pandemic, local organisations reported that more people are seeking their help than ever before as a result of reductions in their income, with many of those people new to experiencing poverty, unemployment, and to needing help. There has been increased demand for advice and increased demand for crisis help.

Our realistic expectation is that Dumfries and Galloway will be dealing with the fallout from COVID-19 for many years. The region may be particularly vulnerable due to the sectors, hospitality and tourism in particular, on which it relies. The loss of even smaller employers in some of our rural communities may be devastating.

There may be lasting ramifications of the economic crisis in terms of reduced employability and confidence amongst those who have lost work, and a weaker SME (Small to Medium Enterprise) Sector on which to build recovery. Some young people will disengage from the systems that can support them, and it will be very difficult to bring back.

It seems certain that COVID-19 will mean that more people will experience poverty, and more of the people experiencing poverty will be in deeper poverty and will spend longer in poverty. That will have knock on effects across the range of issues faced by individuals, families, communities, and the services that support them.

If COVID-19 has put those with least under more pressure, and put more people under pressure, it has at least helped more clearly identify the weaknesses and inequalities in our society, and our safety net. It has also pushed local public and voluntary sector services to adapt to enormous challenges in ways that they might not previously have thought possible, and has generated a real response from local communities to the needs of their neighbours. Building back better, implementing the strategy and doing better on poverty in the future need to make good use of all of those public, voluntary and community assets.

## 6. LOCAL AND NATIONAL POLICY CONTEXT

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The context for this strategy is set by a suite of national and local policies, plans and strategies setting out a range of commitments which will impact on poverty and people in poverty.

### UK and Scottish Level

The most significant changes to UK Government policy impacting on people in poverty over the last decade have been those brought in under the welfare reform process.

This has involved:

- Three transitions to newly created benefits; from six legacy benefits/ tax credits to Universal Credit; from Disability Living Allowance to Personal Independence Payment for working age disabled people; and from Incapacity Benefit to Employment and Support Allowance for people unable to work due to ill health.
- The “salami slicing” of entitlements through small but significant changes to rules (e.g. the “Bedroom Tax” and the “two child limit” for Universal Credit;
- The erosion of the value of many benefits through the benefits freeze.

Many of these changes have reduced real and/or cash incomes, with the benefit freeze being responsible for the largest proportion of the overall negative impact. These impacts have been worst for households with children, households with disabled members, women and Black and Minority Ethnic (BAME) communities.

The Scottish Government has assumed more responsibility for social security over the last decade, initially through the creation of the Scottish Welfare Fund in response to the devolution of the Social Fund, then through work to mitigate the impact of some aspects of welfare reform, in particular the Bedroom Tax, and finally through devolution of control over 11 benefits as part of the post-independence referendum settlement; the legislative framework for this set out in the Social Security Act 2018.

Key aspects of this new settlement are the assumption of powers over disability-related benefits, carers’ benefits, and some support to children, and creation of the power to top-up UK reserved benefits. The creation of Social Security Scotland, including new local teams charged with promoting awareness and take up of the new benefits, is a key part of the context in which this strategy will be delivered, and the latter a key asset for its delivery.

The Fairer Scotland Action Plan 2016 sets out the Scottish Government's commitment to achieving a Fairer Scotland for All, to end child poverty, provide a strong start for young people, ensure fairer working lives and a thriving third age; it identifies 50 actions to deliver these goals.

The Fairer Scotland Duty places a legal duty on public bodies in Scotland to actively consider how they can reduce inequalities of outcome caused by socio-economic disadvantage when making strategic decisions.

The Child Poverty Scotland Act 2017 sets out the Scottish Government's targets on child poverty which are, by the end of 2030/31, to have reduced level of child poverty to:

- 10% of children living in relative poverty- 18% by the 2023 milestone.
- 5% of children living in absolute poverty, 14% by 2023.
- 5% of children in combined low income and material deprivation, 8% by 2023.
- 5% children in persistent poverty, 8% by 2023.

It also places a duty on Scottish Ministers to report annually on progress towards these targets and on the delivery of the Child Poverty Delivery Plan, and on local authorities and health boards to report back on the delivery of local child poverty plans.

The national Tackling Child Poverty Delivery Plan includes actions focused on: work and earnings; public sector pay; the costs of living and fuel poverty; income maximisation; the work of Social Security Scotland; improving partnership working; and, assessing impact.

### **Local Level**

The Community Planning Partnership's Local Outcomes Improvement Plan for 2017-2027 is the highest level document setting the direction for the region. It sets out eight outcomes for the area as detailed below. Whilst the fifth outcome is reflected most directly in this strategy, the proposals set out here will support successful delivery of each of the other outcomes, and this strategy has the same overarching concern to focus on those with greatest needs.

1. Everyone who needs help to work receives the right support.
2. Learning opportunities are available to those who need them most.
3. Health and wellbeing inequalities are reduced.
4. There is affordable and warm housing for those who need it most.

5. The money available to people on benefits and low wages is maximised.
6. People are safe and feel safe.
7. People are well connected.
8. Individuals and communities are empowered.

The Council's 2017-2022 Plan sets out four priorities:

1. To build the local economy.
2. To provide the best start in life for all children.
3. To protect the most vulnerable people.
4. To be an inclusive council.

Following the approach and delivering the objectives set out within this strategy will make a significant contribution to progress on these priorities, in particular to the lives of children affected by poverty, and to the commitment under Priority 3 to tackle the causes and effects of poverty and inequality.

The Council's commitments are echoed by the NHS in the Health and Social Care Strategic Plan for 2018 -2021. The approach and proposals set out within this strategy will make a contribution to the achievement of the Plan's commitments to:

- Develop and strengthen communities, in particular to work with people to identify and make best use of assets to build community strength and resilience.
- Reduce health inequalities, in particular to reduce as far as possible the effect of social and economic inequalities on access to health and social care.

The Council's Local Housing Strategy 2018-2023 will make a major contribution to tackling poverty, in particular through its commitments to build more affordable homes, to reduce fuel poverty through tackling the energy efficiency of stock and supporting the provision of energy advice, the latter being a specific issue reflected in this strategy.

This strategy will also support the delivery of the Council's 2018-2023 Homelessness Strategy, complementing its focus on allocation and housing options services, and making a significant contribution to delivery of its outcomes on tenancy sustainment.

The strategy relates very closely to the multi-agency Children's Services Plan, and the Child Poverty Action Plan on which the Council and Health Board must report annually to the Scottish Government.

The Children's Services Plan set out six priorities. The delivery of a number of those priorities (commitments on the safety of children and young people, improving the life chances for care-experienced young people, supporting children and young people with complex needs and disabilities to reach their potential, and supporting parents) will be impacted by the work set out in this strategy. The strategy also reflects a number of the commitments set out in Priority 3 of the plan relating to: reducing the impact of poverty; maximising incomes from employment; reducing the cost of living-including housing, food, fuel, the poverty premium, cost of the school day, unavoidable costs of disability, and living in a rural area; and, maximising income from social security.

Dumfries and Galloway's Child Poverty Action Plan sets out 19 actions, which this strategy will complement or help drive forward including:

- Identifying opportunities to engage with families on financial wellbeing.
- Training staff in contact with vulnerable families and early learning and delivery poverty awareness training to NHS and HSCP staff in contact with families.
- Automatic registration for free school meals and clothing grants.
- Reviewing council tax reduction thresholds.
- Building better links between health and financial inclusion and advice services, including outreach in GP surgeries, links to social prescribing, and embedding such work in health visiting and maternity services.
- Encouraging use of child poverty impact assessment tool within partners through awareness raising and training.
- Reducing the cost of the school day.

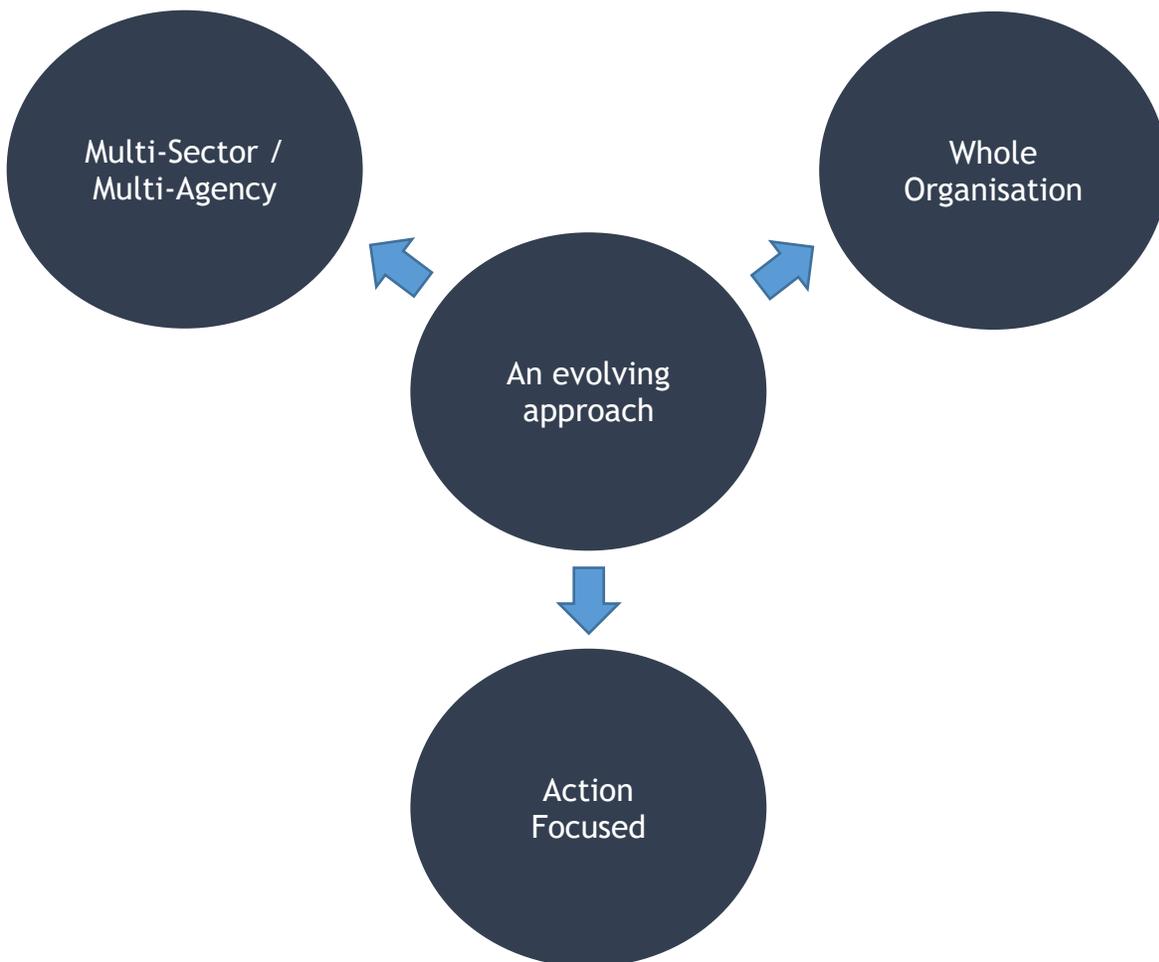
## 7. KEY ELEMENTS OF OUR APPROACH

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### Overview of Our Approach

- *Partnership working*
- *Varied contributions*
- *Embedded in Community Planning*

- *Development of understanding of role and capacity to respond*
- *Poverty auditing*
- *Poverty proofing*



- *Clear, shared, THEMATIC objectives*
- *Supported by ENABLING objectives*
- *Effective structures and engagement*
- *Learning and continuous improvement*

The approach we propose is:

- Multi-agency and multi-sectoral, acknowledging that no one organisation can tackle poverty, and that the assets on which a comprehensive approach can be built exist across sectors and organisations.
- Reliant on all staff/ whole organisations/ the whole “system” understanding, developing and then maximising their impact on tackling poverty.
- Action-focused, with objectives leading to clearly identified additional actions to be taken.

Our approach is **Multi-Sector/ Multi-Agency** because:

- Poverty cannot be effectively tackled by one organisation or organisations working in isolation.
- The Strategy should be fully reflective of the extensive contribution of the following organisations/ sectors to tackling poverty and should build on the unique assets of each in doing so:
  - Different departments of Dumfries and Galloway Council.
  - The third sector in the area.
  - The HSCP and NHS Partners.
  - Local RSLs.
  - Social Security Scotland.
  - SOSEP (South of Scotland Economic Partnership).

This approach requires a shift away from the Anti-Poverty Strategy as being only a specific Strategy of the Council, albeit it would continue to play a leadership role, to one adopted, and delivered by, Community Planning Partners.

It requires the development of new structures, and revitalisation of existing structures, to deliver the strategy and consistent commitment to make the partnership working that will underpin its delivery more effective.

Partners will be asked to commit to:

- The vision and principles outlined in this strategy.
- Using a common language on poverty.
- Support delivery on the themes outlined within it.
- Participate in the structures that will push forward action.

- Develop joint strategies and action plans through those structures.
- Work with partners to take forward new actions and initiatives.

They will also be asked to commit to taking anti-poverty work back in house, auditing their own work for its impact on poverty, building and developing their own internal anti-poverty approach and actions focused on tackling poverty, incorporating anti-poverty action plans within their existing work.

Our approach is a **whole organisation/ whole system** approach that should apply across partners because poverty can only be tackled comprehensively by:

- Building a shared understanding of poverty across partners.
- Ensuring that new initiatives and policies are “Poverty proofed”; that their impact on people experiencing poverty is properly identified and responded to.
- Ensuring that partners carry out robust “Poverty auditing” of their existing work, analysing the impact of the poverty on their engagement with clients/ service users and the achievement of their objectives, the activities they undertake to tackle poverty, and identifying opportunities to work more effectively, themselves and in partnership with others.

Our approach is **action-focused** because the test of the effectiveness of this approach, the value of the work and resources that will be invested in it, will be whether it results in new ways of working, new initiatives, new projects and services, which demonstrably make a difference to the lives of people living in poverty, or at risk of living in poverty, within Dumfries and Galloway.

The previous “On the Up” anti-poverty strategy of Dumfries & Galloway council was itself a big step forward. It was a clear statement, which generated and demonstrated political and institutional support, and encouraged, shaped and supported a significant number of actions.

This new strategy aims to build on that work to drive new actions that are right for the present situation. It sets out:

- Clear themes for action, and a clear rationale underpinning each of those themes.
- Objectives under those themes to guide the first phase of action planning, which will be driven by stakeholders and the ideas they bring forward.
- Clear links to existing actions.
- A governance structure that is fit for the purpose of identifying and implementing actions and pushing them forward.

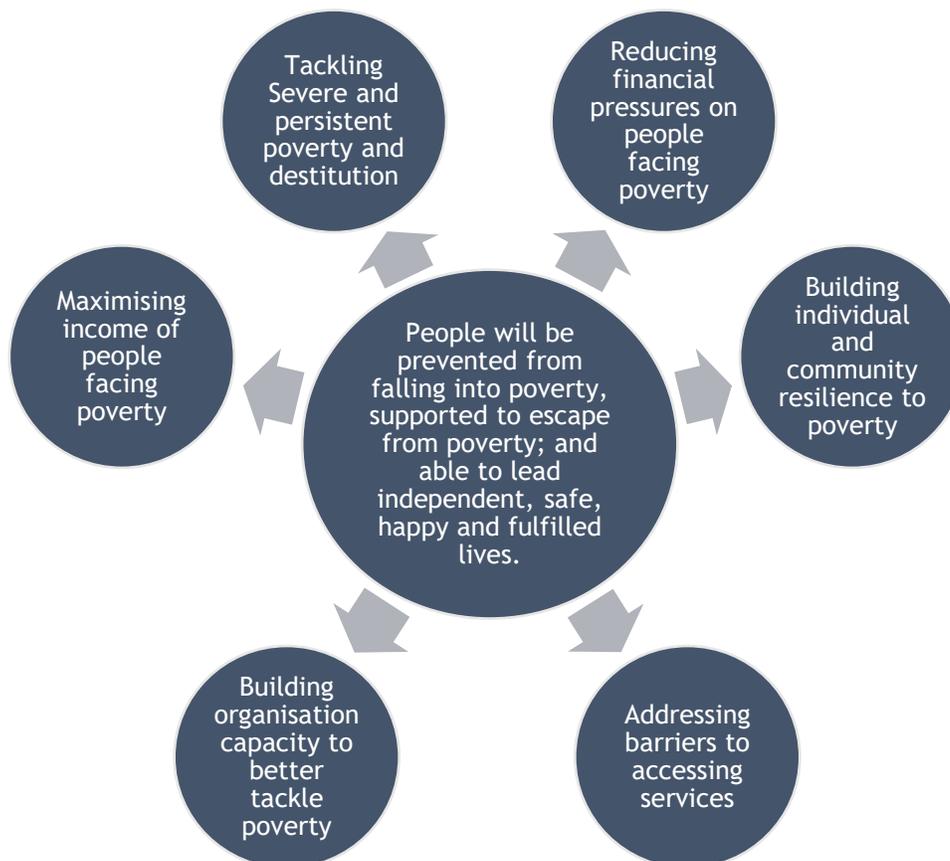
## 8. OBJECTIVES AND PRIORITY AREAS OF WORK

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Our approach is based around six objectives, each with its own set of subsidiary objectives which provide further insight into the types of work that may be prioritised.

Four of these objectives are focused on directly delivering specific outcomes for individuals and families, we have termed those “outcome objectives”. Two of these we have termed “enabling” objectives, which will focus on the culture, policy and practice changes that partners will need to make to tackle poverty effectively.

### *Outcome Objectives*



### *Enabling Objectives*

## **Objective 1: Tackling severe and persistent poverty and destitution**

**Rationale:** Poverty varies, both in terms of its duration, and in terms of its severity.

Some people experience being trapped in poverty over several years, others experience poverty for a short while, for example when in between jobs. For some people, being in poverty means having limited options across a range of household goods but is survivable, for others, poverty means not being able to afford basic household goods, and effectively being destitute.

There is often a connection between the severity and duration of poverty; the longer someone experiences poverty, the greater the erosion of some of their financial buffers against poverty, and the greater the risk that choices they make to cope/ decisions they are forced into in the short term, will push them further into poverty.

Extrapolating and adjusting from national figures, we estimate that nearly 21,000 people in the region, 14% of the population live in persistent poverty, with 18.5% of children impacted in this way.

At its most severe, poverty becomes destitution, when people cannot afford some of the basics required to live; shelter, food, toiletries, clothing, lighting, and heating. Extrapolating and adjusting from national figures, we estimate that 4,300 local residents, just under 3% of the Dumfries and Galloway population, experience destitution over the course of a year.

One of the clearest pieces of evidence for the extent of destitution in Dumfries and Galloway is the extent of reliance on emergency food provision. During 2019/20 a total of 11,803 food parcels and 20,649 vouchers were provided to local residents through local foodbanks and other emergency food providers.

Particular groups are at risk of experiencing deeper poverty and/ or more persistent poverty; young people who are disengaged, people with experience of homelessness, veterans, ex-offenders, people with addiction issues, people with mental health problems, people from BAME communities, single parents, women fleeing domestic violence and young single people living alone.

**Objective 1.1:** Improve work with people from groups most vulnerable to persistent and severe poverty through ensuring that all relevant support work with these groups includes a financial inclusion/ income maximisation element or links to relevant services.

**Objective 1.2:** Improve the ability of those most vulnerable to persistent and severe poverty to find their way through the benefit, advice and financial systems through exploring the potential of the creation of new “navigator” roles or building the capacity of existing support staff to act as “navigators”.

**Objective 1.3:** Ensure that people in severe food insecurity can access appropriate immediate help through closer partnership working between Dumfries and Galloway Council, advice organisations, and frontline staff across the public and voluntary sectors.

**Objective 1.4:** Reduce the medium to long term risks of those most vulnerable to continued destitution and severe poverty, through linking services meeting immediate crisis needs/ which work with the most vulnerable groups, to financial inclusion, advice and employability services.

## Objective 2: Maximising income of people facing poverty

**Rationale:** One of the major investments that local partners make in tackling poverty is in benefit advice services which maximise the income of clients by ensuring that they claim all the benefits to which they are entitled.

Claimants may face a number of barriers to accessing their full benefit entitlement; lack of knowledge of the implications for their situation for their entitlement, particularly when their circumstances change, and in a system in transition; the complexity of the system; literacy and numeracy; stigma; and difficulties interacting with the system. The system itself is liable to make mistakes, particularly during times of transition, and can appear, or sometimes can be, arbitrary in operation. For many people, welfare reform has reduced entitlement or pushed people through a difficult or distressing and confusing assessment process, with disabled people often hardest hit.

There may be particular issues around take up of benefits for disabled people. Extrapolating from national figures, our conservative estimate is that it is possible that 6,700 disabled people are currently not claiming the disability related benefit entitlement that they are due. Given the potential impact of disability on some people's ability to work, this may put some at risk of being in persistent, and ultimately severe, poverty.

Dumfries and Galloway Council itself essentially runs a smaller scale local social security system, sometimes under rules are broadly set by others, e.g. in its administration of the Scottish Welfare Fund, sometimes under rules it sets itself, for example in its administration of school uniform grants.

The operation required to run the Scottish Welfare Fund locally is significant. During 2019/2020 there were 2,302 applications for Community Care Grants with the average award being £525.42, and 6,818 applications for Crisis Grants with the average award being £90.07.

The importance of low wages within the economy as a driver of levels of poverty in Dumfries and Galloway was noted above. Dumfries and Galloway Council has no control over the level of the minimum wage. It can, however, influence the level of wages in the local economy through its economic development policies, though this is a longer term process not the focus of the strategy. It does have access to a number of levers to encourage paying of the living wage by local companies.

**Objective 2.1:** Ensure that Dumfries and Galloway residents receive their full benefit entitlement through:

- Continued investment in core benefits advice services provided by DAGCAS and Dumfries and Galloway Council, ensuring that all parts of the area are reached.
- Maximising the impact of the new Social Security Scotland local team through their partnership working with existing advice providers and intermediary organisations.
- Ensuring that lessons learnt about service delivery from the COVID-19 pandemic in relation to delivery through different channels are intelligently applied.
- Development of outreach and enhanced referral partnership benefits advice work, involving health and social care and education services in particular, and targeted at older people, disabled people/ people with long term conditions, and single parents and families with young children.

**Objective 2.2:** Ensure that Dumfries and Galloway residents in need access support from the Scottish Welfare Fund and other locally administered grants through:

- The development of referral partnerships with agencies and organisations working with people in need.
- Promotional activity to ensure that local residents are aware of the support available to them if they are in need.
- Identifying any opportunities to supplement current investment in the Scottish Welfare Fund and other grant schemes administered by Dumfries and Galloway Council, and support claimant access to potential alternative external sources of financial assistance.
- Increase of independent advocacy support

**Objective 2.3:** Increase the number of Dumfries and Galloway residents paid the living wage through:

- Promotional campaigns reflecting the lessons from similar campaigns elsewhere.
- Exploring reward schemes/ incentive mechanisms for companies to pay the living wage.

### **Objective 3: Reducing the financial pressures on people in poverty:**

**Rationale:** People living in poverty in Dumfries and Galloway will often pay a ‘poverty premium’, higher costs, for basic goods and services than those on higher incomes; for example higher interest rates on loans and higher energy prices per unit.

We estimate that between 14,260 and 16,650 high cost loans; home credit, high cost short term credit, rent to own and pawnbrokers; are taken out by local residents annually, with a value of between £5.38 and £6.86m. In contrast:

- The largest local credit union issued an estimated 45 loans last year in the same market.
- There was some activity from CDFIs in the area; Fair for You made 131 loans to a value of £45,945 over the year to October 2019, Five Lamps/ Conduit made an estimated 17 loans to the value of £7,300 over the year to end of November 2019, and Scotcash has made 5 loans to an estimated value of £2,200 over the year to October 2020.

There is therefore a significant affordable credit gap in the area. We estimate, allowing for some other credit union activity in the area, that current affordable lending is equal to only between 1.4 and 1.6% of the high cost credit market.

Fuel poverty in Dumfries and Galloway (28%) is higher than the average for Scotland as a whole (25%), and Dumfries and Galloway has the highest fuel poverty rate of all the peer local authorities.

Over the period from 2016 to 2018, Dumfries and Galloway had:

- A significantly higher extreme fuel poverty rate (16%) than the national average (12%).
- A significantly higher median fuel poverty gap than the national average (£880 compared to £640) and all of its peer local authorities.

There is a clear rural dimension to fuel poverty; Wigtown West, Mid-Galloway and Mid and Upper Nithsdale Wards have the highest estimated overall levels of fuel poverty, with many people living off the gas grid and being forced to rely on more expensive fuel such as heating oil, lower winter temperatures, and a high proportion of houses with poor energy efficiency.

There are other aspects to the rural poverty premium which mean that someone living on a low income in a Dumfries and Galloway village will find themselves facing higher household costs than someone in Dumfries itself:

- Food costs in rural communities are higher, with standard baskets of food almost three times more expensive in some rural communities.
- Public transport is poor, putting increased emphasis on having a private car, a rural poverty penalty for those who cannot afford one.

Too many Dumfries and Galloway residents experience problem debt, reducing the income they have available to spend on essentials, sometimes in a continuing cycle as they seek to manage very low incomes from month to month, sometimes as a consequence of falls in income, for example as a result of job loss, rendering previously affordable payments unaffordable. Extrapolating and adjusting from national figures we conservatively estimate that 16,300 local residents were facing over-indebtedness, even prior to the impact of COVID-19.

Research has demonstrated the impact of council tax debt on people on low incomes, and the relationship between the experience of council tax (and housing) debt, destitution and food insecurity. There is also a large body of evidence from the social housing world about the impact of, and return on, intelligent investment in advice and support services targeted at tenants facing payment difficulties.

**Objective 3.1:** Increase the number of residents turning from high cost lenders to affordable credit options, particularly local credit unions, but also personal lending CDFIs, through targeted promotional activities and work with providers to explore the potential for new loan products, including those which address key aspects of the rural poverty premium/ rural poverty penalty.

**Objective 3.2:** Reduce the prices paid for energy and other basic utilities through exploring the potential for promoting individual and collective switching, and using council's collective bargaining power in the market, backed in the case of energy switching by access to high quality energy advice.

**Objective 3.3:** Reduce the rural poverty transport penalty through enhancing investment in community transport, and through exploring the development of affordable car loan products, particularly for those seeking employment.

**Objective 3.4:** Increase the number of people accessing debt advice at an appropriate and early stage in the development of their problems enhanced investment in debt advice, particularly where a business case can be made, alongside the initiatives outlined under objectives 1 and 2 designed to increase access through better outreach.

**Objective 3.5:** Ensure that being in council tax-related debt is not a trigger for local residents to become destitute or to face severe poverty, through aligning the council's corporate debt policy with the anti-poverty policy, and ensuring that all those in debt to the council are able to access appropriate benefits and debt advice.

#### **Objective 4: Building individuals and communities' ability to deal with the effects of poverty**

Rationale: Resilience against poverty and its most significant effects is built on people's:

- Psychological wellbeing and their household stability.
- Social capital and their recourse to informal support from family and friends.
- Access to the labour market.
- Skills at managing their finances.
- Access to financial products and assets which act as a buffer against problems.

Families face particular challenges; children bring with them additional costs not fully covered by the benefit system and often reduce the capacity to earn from employment. Particular challenges may be faced by single parents and families with a disabled child. Single people also face financial challenges at particular transition points; leaving home or care, moving into a new home, experiencing bereavement or relationship breakdown. A lack of access to broader family support at points of particular vulnerability can be a trigger for significant financial difficulties.

In 2019, 47% of local residents reported that they were managing their finances very well or quite, compared to 56% of Scottish residents, 45% felt that they were getting by alright, compared to 36% of Scottish residents, 8% that they were not managing well, against the same proportion of Scottish residents, five year averages are a little closer.

Extrapolating and adjusting from national figures, we estimate that 55,200 (44%) of local adult residents do not rate their financial knowledge positively, and 27,600 (22%) do not feel confident managing money.

Digital exclusion is partially a consequence of poverty, with residents facing issues affording hardware- the devices used to get online, and broadband access, and partially a reflection of digital literacy, which itself is associated with poverty. Digital exclusion exacerbates the poverty premium; many of the cheapest ways of accessing goods and services, for example energy, are only available online. In rural areas levels of digital exclusion may be exacerbated by poorer quality broadband and mobile connections.



In Dumfries and Galloway:

- 13.7% of adults had not been online within the last 3 months.
- 13% of households did not receive broadband speeds of at least 10 megabits per second.
- 49% of households did not receive 4G mobile data from all providers.

There is varied picture in relation to access of local residents to financial products:

- Almost everyone has a bank account; 98% against a Scottish average of 94%.
- However, 83% of households in Dumfries & Galloway have some level of savings, which is below the Scottish average of 89%.

**Objective 4.1:** Increase the focus in existing and new individual and family support work on the value of building participants' financial buffers including saving and access to insurance, linking to work on income maximisation, debt, and access to affordable credit and utilities and link with Scottish Wealth Building plan.

**Objective 4.2:** Raise the financial capability of residents through:

- Extending the current provision of financial capability work in schools.
- Working with existing community based groups to deliver effective financial capability inputs, linking to work on income maximisation, debt, and access to affordable credit and lower cost utilities deals.
- Ensuring that financial capability work is appropriately resourced

**Objective 4.3:** Increase the effectiveness of community organisations in building the resilience of their clients against poverty, and in meeting humanitarian needs/ needs at transition points through:

- Supporting them through the poverty audit process, and sharing good practice across organisations.
- Aligning council investment in such organisations with the anti-poverty strategy.

**Objective 4.4:** Reduce the number of people facing financial barriers to accessing the internet alongside building people's digital skills ensuring full digital inclusion building on existing effective joint work between the Council and the third sector, linking to

work on affordable credit, and potentially taking advantage of the council's purchasing power.

**Objective 4.5:** Reduce the number of people facing digital exclusion through poor or no connectivity within communities.

### **Objective 5: Building organisational and system capacity**

**Rationale:** This strategy is based on the central contention that tackling poverty is the business of every public and third sector organisation working in Dumfries and Galloway.

Often organisations:

- Have not reflected in a coherent way about the role that they do and could play in tackling poverty.
- Are not aware of complementary work done by other organisations, or the way that their clients facing poverty could benefit from that work.

Following on from the last strategy, a multi-agency training programme was run with the aim of developing a common understanding of poverty across local partners. There were common elements to the understanding of poverty expressed by participants in the consultation exercise on which this strategy is based, but it is not clear how much further that understanding is shared within organisations

Existing requirements on organisations to consider the equality implications of new strategies and policies has helped drive real public service improvements, and at least forces these issues to be considered as part of the development process. The Fairer Scotland duty on local authorities takes this approach at least some way into the field of anti-poverty work.

It is important that partners are realistic about what they can achieve in the tackling of poverty. Many of the levers with the most potential impact sit with the Scottish and UK Governments, and policy needs to change at those levels if poverty is to be fully tackled.

**Objective 5.1:** Achieving the development of a shared understanding of poverty across agencies, an enhanced understanding of personal and organisational roles in tackling poverty and the impact of poverty on accessing services, and an enhanced

understanding of the role of other organisations in tackling poverty through a comprehensive training programme delivered to multi agency audiences, and complemented by online materials.

**Objective 5.2:** Achieving more effective design of new strategies and policies for people in poverty through committing to every new policy under development by Community Planning partners being poverty proofed, identifying its impact on poverty and how that might be enhanced, barriers to achieving its outcomes for people in poverty, and ways those barriers might be overcome, with the implementation of the new process backed by appropriate and intensive training.

**Objective 5.3:** Achieving more effective service delivery for people in poverty by committing to rolling out a poverty audit/self-audit process backed by appropriate and intensive training, across the area's public and third sectors. This would subject organisations/ departments to examination in relation to; their impact on poverty, the impact of poverty on access to and engagement with their services, their role in identifying people in poverty and their poverty related problems, and potential key partners, and potential partnership working which might impact on the poverty of its clients/service users.

**Objective 5.4:** Pressure for change in policies impacting on poverty at a Scottish and UK level through the collation of high quality data on poverty and the impact of poverty locally, and local partners working together, and with other local authorities and sub national bodies to engage national policy makers.

## **Objective 6: Addressing barriers to access**

**Rationale:** A consistent theme in the consultation process that contributed to the development of this strategy was the need for more effective joint working between organisations engaging with people in poverty, and the lack of understanding and awareness of the work of partner agencies which could contribute to tackling the poverty of clients/ service users.

Frontline staff across different sectors and organisations have key assets that they can build on to better identify people in poverty/the problems faced by people in poverty; relationships of trust, an awareness of people's financial circumstances from sources as varied as being inside someone's home to oversight of rent accounts, and an awareness of people's circumstances, and changes in those circumstances that might impact on their poverty, and/or offer a route through which it might be reduced.

**Objective 6.1:** Increase the number of people in poverty accessing services that can impact on the poverty they are experiencing through:

- Improving the access of frontline staff to information about services that can impact on the poverty face by clients, ensuring that the value of the service database currently under development is maximised.
- Building on lessons from the COVID-19 in relation to the role of Dumfries and Galloway Social Work department as a first point of contact for people seeking help because they are in poverty.
- Expanding the role of frontline staff from each organisation in the area in identifying people in poverty and responding appropriately to their needs with a referral, through the training, proofing and auditing processes discussed under Objective 5.

**Objective 6.2:** Ensure that poverty is not a barrier to accessing any essential public service through the development of appropriate charging policies, and through public services, where appropriate seeking to deliver services in locations and through channels accessible to people in poverty.

## 9. DELIVERY AND ENGAGEMENT STRUCTURES

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The current structures for the delivery of the council's first anti-poverty strategy will need to be refreshed to reflect the new approach described herein.

Our specific proposals are that:

- The multi-agency Tackling Poverty Co-ordinating Group takes more of a focus on driving delivery and taking decisions, and becomes the key body for taking forward the Strategy and reporting to the Community Planning partners. It will report quarterly to the CPP board on progress.
- Multi-agency working groups focused are established to focused on each of the themes and develop relevant work plans, with short life partnerships or working groups spinning out of these as necessary.
- Mechanisms for expanding the engagement of people with lived experience in decision making are established to complement the existing Tackling Poverty Reference Group.
- Local delivery structures, in each of the four sub areas of Dumfries & Galloway, are created or revitalised and tied into each of the above structures as appropriate.

It should also be accepted that sometimes existing working groups/partnerships will be best placed to take forward the key elements of the strategy and that individual partner organisations will manage their own contributions to the strategy within their own governance structures.

Chairing of these groups should not automatically sit with Dumfries & Galloway Council. In particular, it would be beneficial for the Tackling Poverty Co-ordinating Group to be chaired by someone outside the council, ideally by someone who is also independent from other partners in the area.

These groups will need to be facilitated/supported to the extent necessary to make them effective in identifying and delivering key actions, with the relevant support provided by an appropriately resourced Tackling Poverty and Inequalities Team within Dumfries & Galloway Council.

## 10. FUNDING IMPLICATIONS

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With respect to funding inputs for the new strategy the following overall approach is proposed:

- Specific funding should be made available by the council and, where appropriate, other partners, to support the delivery of the strategy, with clear policies being adopted to ensure that this funding supports additional activity over and above mainstream service delivery.
- The allocation of funding should be clearly aligned to the strategic objectives set out.
- Specific decision-making structures for the allocation of funding be agreed with the council and other partners, as appropriate.
- The thematic groups' role should include the improvement of joint working and communication and these groups should also have a role in making recommendations for funding.
- There should be an emphasis on supporting the leveraging in of external funding for local anti-poverty work.
- Opportunities for joint / pooled funding of activities between the statutory partners should be adopted where possible.

A suitable process will need to be adopted to ensure that existing and ongoing work can most effectively be transitioned to align with the new strategic objectives and the structures described herein, this being reflected in an updated Action Plan to accompany the overall strategy.

## 11. MONITORING, LEARNING AND CONTINUOUS IMPROVEMENT

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Dumfries and Galloway Council is expected to remain the largest direct source of funding for actions under this new approach (other than where significant external funding is levered in for specific initiatives) and that will dictate the reporting mechanisms for many of the funded projects.

Clear, measurable indicators will be need to be established for each of the objectives set out in the strategy, with the baseline position being identified in relation to these indicators and proposed activities understanding clearly the impact they will seek to have on these.

Dumfries and Galloway Council and other community planning partners with funding responsibilities will be asked to develop a set of standard monitoring templates for projects delivered within the strategy, which reflect those projects' achievements in relation to these indicators.

It is important that a learning approach is taken to the delivery of the new approach, which seeks to improve performance and most effectively target resources. This will include proportionate commitments to:

- Gather monitoring information on an ongoing basis, proportionate to the intensity of activity and level of funding.
- Fully evaluate the most strategic projects.
- Support funded organisations to learn as they deliver.
- Share best practice and learning between partners.
- Respond rapidly to situations in which projects are not delivering intended outcomes.

It is suggested that funded projects be required to participate constructively in relevant local and/or regional anti-poverty structures, and to share information and learning about good practice with others involved in those structures.

A simple digital platform should be created for the sharing of information between organisations delivering aspects of the strategy, in which those funded under it will automatically be included, and others will be able to join at their request.