

Appendix 1

The Scottish Government: A Discussion Paper on Tackling Poverty, Inequality and Deprivation in Scotland

Consultation Questions

- Q1. Where can the Scottish Government contribute most to tackling poverty?**
The Council supports the key principles as set out in the discussion paper and in particular the emphasis on developing the individual while at the same time recognising that social mobility will always be constrained by market failure, lack of services, prejudice and discrimination. Partnership initiatives are continuing to build across a range objectives and this will be enhanced through the development of the single outcome agreement. From a policy perspective greater integration and the development of a jointly agreed set of measures that are consistent across all of the services which impact on poverty i.e. education, health improvement, economic development, would be welcomed. The Council welcomes the opportunity to open a dialogue with the Government and to have the opportunity to be involved in the development of the national framework on tackling poverty, inequality and deprivation.
- Q2 To what extent are current policies and programmes fit for purpose?**
Measures to alleviate poverty are often in conflict with other policies and practices, and it would be useful if Councils were given the opportunity to poverty proof their policies. For example in setting targets for Debt collection Councils should be obliged to have a full set of arrangements already in place to ensure that people experiencing indebtedness are fully supported and have sufficient income to enable them to pay. For those who are paid on or near the national minimum wage the changes that will be introduced by the implementation of the Bankruptcy and Diligence Act 2007 will offer an alternative route out of debt and perhaps an Amnesty on historic council tax debt might be offered by Council as an option.
- There are a number of structural issues that are problematic around people who are moving back into the job market especially those who have been supported by Incapacity or related benefits for example 'better off' calculations, and delays in processing claim forms which in turn can lead to the accrual of rent arrears.
- Q3 How should the Scottish Government maximise the impact of these policies and programmes?**
Government departments need to speak to each other, as a huge amount of time is taken up reporting the same information to different Government Departments. Likewise much conflict arises in Local Government by the conflicting demands placed on it by Central/Scottish Government.

Q4. Do you consider there are any gaps in these policies and programmes that need filling? If so, how should they be filled?

Any opportunities for Local Government to provide services directly instead of the large number of agencies that currently provide services which were once within the remit of Local Authorities would be welcomed. This would lead to less duplication and friction, more responsive delivery and a clearer line of responsibility.

The gaps and administrative boundaries between welfare and social security are often historical and arbitrary. The 'National Conversation' invites areas for discussion where devolved or UK led matters need further debate. In significant areas of Social Work and related services there are issues about income maintenance that could be explored to consider whether devolved benefits and programmes could work better for vulnerable people. To take some examples:

- The initiative in 'Kinship' care requires the engagement of the UK benefits and social security system. They should make a contribution to local government costs and the Scottish settlement.
- In Free Personal Care the role of the missing Attendance Allowance payments should be re-visited.
- Across worklessness programmes DWP funding should be directed to local authority led schemes.
- The ILF budgets should be considered within a Scottish context.

Q5. How best can the Scottish Government achieve both economic growth and reduce poverty and income inequality?

This question hinges on the idea that society faces a trade-off between equity and efficiency, between social justice and economic growth. The premise is that promoting an equal distribution of income or wealth distorts the necessary function of the inequality generating market economy. In economic terms this function is part of a system of rewards and penalties necessary to encourage effort. The key mechanism to redistribute wealth and achieve social equity is through the tax system. However doing so reduces incentives to work, save or invest and can lead to labour market problems and unproductive dependencies. However the central question is, do measures that promote greater equality of income such as policies to redistribute taxes in turn diminish total output and income – does sharing wealth result in less wealth being generated and therefore there being less wealth to share around. Further, in introducing policies of greater wealth distribution or downward harmonisation of taxes economies also run the risk of losing mobile high-income earners who are needed to boost growth and productivity but who work in an ever more globally integrated market.

However throughout the 1990's despite a strongly growing economy, income inequality in Scotland has increased. So, the question is, is strong economic growth and job growth a good trade off to increased income inequality? Or should we accept weaker growth associated with higher taxes and more labour market regulation?

The only other option is that in order to share progress in economic growth we need high levels of employment in a job market which provides relatively equal wages, backed by a tax system that is sufficient to provide a decent income for those who are excluded from the job market because of their age, disability, caring responsibilities or vulnerability.

Means Tested benefits and credits provide the safety net. By definition they also create the potential for stigma which can erode the effective take-up of the programmes. They also add complexity in an area of life choices where many people are not well placed to understand benefits and their inter-relationships. Ignorance, complexity, and stigma mean that many eligible claimants do not pursue their entitlements.

More radical re-distribution of wealth seems to be inevitable if the gaps in solidarity and cohesion are to be realised. This may well be the price of a more compassionate society.

Q6. How should the Scottish Government and its partners balance their efforts between the three areas for action outlined at paragraph 43 of the discussion paper?

Each of these 3 areas has an important function to perform. Prevention looks at tackling both the causes and consequences of poverty; lifting people out of poverty attempts to create the conditions to help people to help themselves while still providing a safety net for those who cannot; and Alleviating the impact of poverty recognises the impact on the lives of individuals who live in poverty. If a choice has to be made then the Government should focus more on the prevention of poverty. In so doing the cycle of poverty and the intergenerational transition of poverty can be tackled most effectively. Therefore creating the best possible start in life for our children which would allow them to develop the skills necessary to grow into confident adulthood would be the most effective way forward.

Q7. With respect to the set of key principles detailed at paragraph 33 of the discussion paper what are your views on the following:

- Are they the right principles?
- Are there others that the Scottish Government should be adopting?
- Is there potential for some to compete with others?
- How should the Scottish government ensure that they are in turn adopted by key delivery bodies and agencies?

- With regard to the finite resources available, what would you consider as feasible expectations in tackling poverty, inequality and deprivation, and should some key principles be prioritised over others?
- We support the key principle that we should focus on the causes as well as consequences of poverty and that this is important in breaking the cycle of poverty. In order to ensure that these principles are adopted by all relevant agencies there should be a set of common standards and performance measures for all agencies involved in the delivery of anti-poverty measures. The introduction of the SOA has made a good start and if it is fully supported by Government in the development it could be useful in integrating partner agencies policies and objectives. The nomination of a single Lead Organisation responsible for delivery would also create more transparent lines of responsibility and accountability. A reduction in cross reporting would also help create buy-in to any new proposals. Finally, anti-poverty work should focus on measures which prevent people from falling into poverty, this could be based on helping people through key transition points in their lives for example leaving school, returning to work, or leaving the care system; tackling substance misuse and homelessness and in reducing re-offending.