



**OHCPP ANTI-POVERTY STRATEGY 2024-26**

Report by Chief Executive

**PURPOSE**

- 1.1 The Report seeks approval of the refreshed Outer Hebrides Community Planning Partnership (OHCPP) Anti-Poverty Strategy 2024-2026 and the incorporated 2024 Local Child Poverty Action Report (LCPAR), to supersede the OHCPP Anti-Poverty Strategy 2019-24 Strategy incorporating the LCPAR 2019.

**EXECUTIVE SUMMARY**

- 2.1 The refreshed Anti-Poverty Strategy and Action Plan 2024–26 incorporates the 2024 LCPAR to streamline reporting and avoid duplication. The LCPAR reports on actions that carry over into the refreshed strategy and includes priority actions for 2025-26, together with longer-term actions.
- 2.2 The refreshed strategy enables alignment with Scottish Government’s Tackling Child Poverty Delivery Plan, ‘Best Start, Bright Futures 2022-2026’. To mitigate the effects of poverty the priority areas in the refreshed OHCPP Anti-Poverty Strategy 2024-26 replicate the three Scottish Government identified national drivers.
- 2.3 It is proposed that the new Strategy would be developed in tandem with the development of the next OHCPP Local Outcomes Improvement Plan 2027-2037. The Anti-Poverty Strategy objectives and actions reflect the Local Outcome Improvement Plan where part of the vision for partners in the LOIP is to work towards, “an increase in average household income and a reduction in poverty and health inequalities.”

**RECOMMENDATIONS**

- 3.1 **It is recommended that the Comhairle approve the Outer Hebrides Community Planning Partnership Anti-Poverty Strategy 2024-26 and Local Child Poverty Action Report 2024.**

Contact Officer: Linda Cunningham, Strategy Officer, [linda.cunningham@cne-siar.gov.uk](mailto:linda.cunningham@cne-siar.gov.uk)

Appendix: OHCPP Anti-Poverty Strategy 2024-26 incorporating the LCPAR 2024

## IMPLICATIONS

4.1 The following implications are applicable in terms of the Report.

Resource Implications	Implications/None
Financial	None
Legal	None
Staffing	None
Assets and Property	None
Strategic Implications	Implications/None
Risk	Poverty would increase in our communities
Equalities	Seek to reduce inequalities in our communities
Corporate Strategy	Support caring and resilient communities and quality of life
Environmental Impact	None
Consultation	NHS Western Isles and OHCPP Board

## BACKGROUND

- 5.1 The current OHCPP Anti-Poverty Strategy 2019-24 describes the prevailing aspects of poverty in the Outer Hebrides. It provides an overview of the work which OHCPP partners are taking forward to address poverty and identifies areas where partners identified opportunities for improved joint working. Also, in the OHCPP's Local Outcome Improvement Plan there is an expressed desire that part of the vision for partners in the OHCPP is to work towards, "an increase in average household income and a reduction in poverty and health inequalities."
- 5.2 Over the three-year Action Plan the priorities are to tackle levels of poverty and mitigate the effects of poverty by efforts that link to the three drivers of poverty: Income from Employment; Costs of Living; and Income from Social Security and Benefits in Kind. These reflect what the Scottish Government have identified as the three main drivers of child poverty and provide a helpful framework for identifying the factors which impact on disposable income among households and individuals.
- 5.3 The Strategic Context comprises the Local Outcome Improvement Plan (LOIP), other local plans, and Scottish Government's second Tackling Child Poverty Delivery Plan, 'Best Start, Bright Futures 2022-2026' to which alignment is now sought through the refreshed strategy. The LOIP comprises three priorities: The Outer Hebrides retains and attracts people to ensure a sustainable population; The Outer Hebrides has sustainable economic growth and all our people have access to appropriate employment opportunities; The Outer Hebrides offer attractive opportunities that improve the quality of life, wellbeing and health for all our people.
- 5.4 The LOIP is due for review by 2027, and development of the new Anti-Poverty Strategy would align with the development of the LOIP. The current LOIP contains particular areas of focus in each of the undernoted strands, a number of which are relevant to anti-poverty efforts:
- There is housing across the islands which meets the needs of all of our people and is affordable to them to heat and maintain over the life of their home.
  - The Outer Hebrides is an area of innovation and investment which secures a sustainable and vibrant job market with well-paid opportunities.
  - Support the expansion of access to childcare to enable parents to access employment, training and education.
  - Communities will have access to a range of innovative transport solutions which reduce isolation and increase access to services.

## PRIORITY FAMILIES

6.1 Further to the three national poverty drivers referenced, national data indicates particular characteristics of six families that are most at risk of experiencing poverty and there is also a significant relationship between poverty and equity dimensions such as age, gender, disability and ethnicity:

- lone parents
- young mothers (under 25 years old)
- minority ethnic families
- large families (with three or more children)
- families with a baby (under one)
- families with a disabled adult or child.

It is important that these characteristics also inform our local planning as well as other known local factors such as degrees of rurality, higher costs of living, higher fuel poverty, higher transport poverty, lack of highly paid employment, in work poverty, inadequate benefits payments, lack of housing/childcare etc.

6.2 As noted in the 2023-24 LCPAR, Care Experienced Children and Young People (CECYP) are also a group at risk of poverty and hardship, and in line with 'The Promise' and the Western Isles Integrated Children's Services Plan (ICSP), there is a targeted focus towards providing additional supports for this group.

6.3 Feedback from partners and the OHCPP Anti-Poverty Working Group indicates that there is a further group requiring support as they are not meeting the eligibility criteria for anti-poverty assistance at present. These are working families that are above the threshold for claiming benefits but are however finding themselves in financial hardship due to the increased costs of living, and the higher costs of energy, fuel and transport, and there is also a problem of underemployment.

## CONCLUSIONS

7.1 **ISLAND PROOFING** To address child poverty all interventions around child poverty and wider poverty require full island proofing as required by the legislation. Scottish Government should support UK Government in efforts to follow the principle of island proofing regarding non devolved benefits, funding and policy through the UK Child Poverty Strategy. SG proposals such as the Rural and Islands Child Poverty Hub need to be taken forward.

7.2 **ENERGY COSTS** There is a desperate need for a reduction in energy cost tariffs, both the electricity unit costs and standing charges, and addressing high oil and coal prices. Heating is a necessity, and the high charges and poor housing stock are placing islanders in an increasingly difficult position in an area which has the highest levels of fuel poverty in the United Kingdom. Lack of heating leads to the increased risk of health issues, which again will add a burden on our health services which are already struggling.

The recent 'Helping Heat Homes Project' delivered targeted fuel poverty relief across the communities of Stòras Uibhist and Galson Estate where average fuel poverty gap values recorded ranged from £1,347 to £1,369, which is notably lower than the island-wide average of £2,150, maybe due to the prevalence of air source heat pumps. The maximum Fuel poverty Gap encountered though the project in the Family Group was £4,942 and £3,858 in the Non-Family Group. This is not unusual in the Outer Hebrides for these vulnerable categories.

The Project recommended to 'develop and Pilot the 'Golden Ticket' System to improve efficiency and reduce barriers for clients - a fast track, pre-assessed eligibility mechanism that would: Use shared data protocols (within GDPR boundaries) to cross-reference client need; Reduce administrative delays and improve targeting; Be managed collaboratively across multiple local agencies.

- 7.3 **SCOTTISH INDEX MULTIPLE DEPRIVATION (SIMD)** The domains require full island proofing. Of the 38 indicators used in the SIMD there are no indicators used which reflect e.g. fuel poverty, higher cost of living or housing condition, or travel costs. Island and rural areas are being left behind as indicators which could evidence some of the issues affecting island areas, are not being used in the SIMD. This issue has been highlighted over many years and yet the SIMD remains the same. [This report](#) from 2010 which requires updating (the Comhairle requested this, but no update has been provided) indicates Relative poverty across Scottish Local Authorities and Eilean Siar has the highest levels, followed by Dundee and Glasgow City. SIMD informs that of the 15% most deprived data zones none are in Eilean Siar, as the index looks at concentrations of multiple deprivation. There are no indicators used which are relevant to fuel poverty, cost of living, or house condition e.g. the 2 indicators in the Housing domain are number of people in households that are overcrowded and number of people in households without central heating. In response to a consultation on the next Scottish Government Child Poverty Delivery Plan the Comhairle response sought addition of the following Indicators: % of households in detached housing, % of households in fuel poverty, % of households in extreme fuel poverty, % of single occupancy pensioner households, % under-occupied households, % households failing the SHQS, % households with low energy efficiency ratings.

Regarding the income domain, suggested indicators included % low wages and household income: % below 60% of median net equivalent income (BHC), Gross disposable household income, and the Fuel poverty gap. The Comhairle is disappointed that deprivation is still being measured in the same way and that no indicators on fuel poverty, low incomes, housing condition and energy efficiency, or cost of living have been included despite the matter being discussed for decades. The weighting of the Housing domain should also be increased.

- 7.4 **HOUSING** Affordable housing is in short supply, and young families are unable to access affordable suitable housing, resorting to high rental properties or overcrowding in family homes. The cost of building new social housing in the islands is at an all-time high. Inflation across the island is at 40% in Lewis and is up to 60% higher than the national average across the Southern Isles. The Comhairle Housing Needs and Demand Assessment (HNDA) 2023-2042 found that purchasing a home is unaffordable for households on lower incomes, at a standard mortgage of 3.9 times the lower quartile gross household income. Households on median incomes should be able to afford to purchase up to the base median house price, with varying levels of deposit. Households with the upper quartile income should find home ownership affordable with some deposit required in the upper quartile house price bracket. If the house price trend continues, and incomes do not rise accordingly, it will become impossible for households on lower incomes, and increasingly difficult for households on median incomes, to get on the housing ladder, and more affordable housing options will be required. House prices have continued to rise. There has been a steady decline in new build housing and the number of speculative housing developments in the Outer Hebrides in recent years. It is now very challenging for young people to self-build due to more constrained, risk-averse mortgage lending for new build and the additional rigorous checks required.
- 7.5 **MINIMUM INCOME GUARANTEE MIG** interventions require to be actioned following publication of the roadmap and the Comhairle has previously expressed an interest as a pilot area. The Minimum Income Standards report shows the minimum cost of living in remote rural Scotland is between 15% to 30% higher than urban areas of the UK. Rural households face increased costs across a range of goods and services. Weekly food costs are approximately up to 4% higher for remote rural communities and up to 13% on the Islands. The cost of food is not significantly higher in rural chain supermarkets. However, prices in local convenience stores (which many remote communities rely upon) are up to 44% higher in remote rural regions and 27% higher in the Islands compared with equivalent products in the supermarket. The most significant additional cost for rural households is the cost of transport as referenced in the report. Fuel spend on transport is often not considered within fuel poverty definitions or policy, and this should be remedied. Standing charges and unit prices for electricity are extremely high, and house condition and weather conditions mean that it is very

expensive to heat homes in the Outer Hebrides. There is also no cap on the price of heating oil, which accounts for almost half of all the households in Eilean Siar as the main heating source.

- 7.6 **TRANSPORT POVERTY** Scottish Government should consider extending the Road Equivalent Tariff fare structure to cover vehicles over 6m in length, in order to help reduce the costs of delivering goods to the islands by ferry and urgently publish the outcomes of the Freight Fares Review. The Freight ferry service is only available on the Stornoway-Ullapool route and offers a 10% discount, and the shunter service facilitates carriage of the trailer, minus the unit, thus allowing a c.3 metreage saving in haulage operator freight costs, not available in other Western Isles ports. These factors may be contributing to higher charges in Harris, Uist and Barra. However, on deployment of the new vessel, testing on Uig - Lochmaddy route for a shunter service is to take place.

Between 2006 and 2011 **ADS** provided discounted fares for residents irrespective of the purpose of their trip. Thus, fare reductions were available for business flights by those in the private, public and third sectors as long as the individual making the trip was resident in an eligible area. From April 2011 ADS was no longer available for business trips. Scottish Government had decided to exclude these from the scheme as a result of financial pressures. They argued that ADS had never been intended to reduce the travel cost of business flights. They also stated that businesses and local government have never been eligible for inclusion in the scheme. Notwithstanding this, the original (2006) notification of the ADS scheme to the European Commission stated that its aim is to: “reduce the isolation of these communities by tackling the high fare levels that create a barrier to social and commercial cohesion” The wording implies an intention that both social and commercial flights would be included in ADS. In 2012 ADS was reinstated for business trips for those eligible and working in the third sector. Scottish Government currently subsidises public and private sector business travel through a number of means. These are Road Equivalent Tariff fares, Public Service Obligation air routes and Scotrail train services. The Scottish Government Funding formula has moved to per capita resulting in rural islands seeing major reductions in funding e.g. Under 22 National Entitlement Cards - due to a lack of public transport provision/lower population density Eilean Siar does not benefit from this scheme to the same scale as urban areas. For example, from 31 January 2022 to 3 February 2023 funding allocated in Edinburgh per young person at £356, and in Eilean Siar only £42 per young person. Funding should be devolved further in line with Verity House Agreement of local by default, to allow repurposing of the funding for provision of free buses that would facilitate more people to move from benefits into work.

- 7.7 **CNES ALLOCATIONS** The Comhairle has seen the largest pro rata reductions in its revenue budget over the last 10 years on account of the funding formula and is the most dependent Council in Scotland on the Floor mechanism, indicates that for Councils such as ours (Orkney and Shetland Islands Councils have deficits of £18m and £26m respectively and differ only from the Western Isles in that these can be met from their large reserve funds), the funding formula simply does not work and does not take account of the needs of our communities. An ongoing political campaign remains a key element of the Comhairle Medium Term Financial Plan, arguing for island-proofing of the Scottish Budget and early implementation of a Single Authority Model. The GAE allocation main indicators used comprise pupil numbers, population, and deprivation (unclear measure used), and Capital Allocation uses population numbers and road length (total 50%) indicators among others. As the GAE distribution formulae uses factors such as population, pupil numbers etc. as the basis for allocation, means that authorities such as the Comhairle with low population, do not receive adequate funding to deliver essential services using just this basis. This methodology of penalising due to falling pupil numbers and population, runs counter to the National Islands Plan (top priority is Population) and Addressing Depopulation Action Plans of the Scottish Government. The Floor calculation provides an element of protection and is a crucial mechanism for the Comhairle as it is one of the main beneficiaries, receiving £19.5m in 2025/26. Councils with island-based populations also receive an allocation from the Special Islands Needs Allowance (SINA), to compensate for additional cost factors associated with remoteness. Scottish Government further recognises higher islands costs in the current cost crisis and has awarded funding from the Islands Cost Crisis Emergency Fund since 2022-23. These funds have been vastly

oversubscribed; the 2024-25 ICCEF allocation included a strengthened focus on tackling child poverty and was 100% oversubscribed.

- 7.8 **DATA SHARING TO TARGET NEED** Work such as the **Child Poverty Index** where the Improvement Service combines datasets helps identify areas of unmet need and can provide lessons where there are higher uptake rates of benefits. A small number of local authorities have also continued to work with the Scalable Approach to Vulnerability through Interoperability Initiative (SAVVI) to explore how rural and island authorities can approach data sharing to better identify and support families at risk of child poverty. The Improvement Service have recently appointed a Lead Officer for this project. Further targeting of support should be addressed towards the data zones identified by the Improvement Service as having higher levels of need.
- 7.9 **EARLY ADOPTER COMMUNITIES** Shared Partnership schemes evidence what has worked well and what gaps have been identified. Shetland Council has been included in the recent two pilots funded to 2026, and lessons can be learned from this pilot. The pilot will enable participating local authorities to increase the number of families supported across these communities, expanding parents' access to childcare, particularly for those families most at risk of living in poverty. The early adopter community projects are a key driver for change, and leading source of evidence, data, insights, and evaluation relating to the impact, approach and economic outcomes associated with place-based, people-centred systems of childcare focused on understanding the changes local authorities can undertake to expand access to childcare for those families who need it most, and the difference that can make towards reducing poverty. In Eilean Siar 0-2yr childcare provision is limited and oversubscribed. It can be challenging to promote childcare as a career due to restrictions in legislation. Employability Services can promote, train and support new entrants into the industry but is unable to fund childcare places. This greatly reduces the support that can be provided to young parents who want to move into employment. Flexible Funding models would encourage early intervention.
- 7.10 **FAIRER FUTURES PARTNERSHIPS (FFP)** Fairer Futures Partnerships (FFP) are partnerships between local authorities and the Scottish Government set up to support families living in poverty. The partnerships aim to reduce child poverty through public sector reform approaches, and each will test and adopt locally determined approaches based on local needs and assets. The five additional partnerships currently planned are with Aberdeen City Council, East Ayrshire Council, North Ayrshire Council, Inverclyde Council and Perth and Kinross Council. Scottish Government anticipate this being a rolling programme and are planning to add additional local authorities over time. The Comhairle should seek inclusion in the next FFP adoption as no island authorities have been included to date.
- 7.11 **NATIONAL ISLANDS PLAN** The National Islands Plan Implementation Route Map 2024 references actions to mitigate child poverty but does not reference how impact is measured. In the new NIP there should be inclusion of measurable child poverty indicators distinctly for Eilean Siar, and a whole systems approach taken to tackling poverty as it is linked to many of the other priorities. If tackling population levels is retained as the top priority and as Eilean Siar forecasts are one of the worst in Scotland, a whole systems approach to tackling poverty including prioritising the region, due to the latest forecasts is needed. Tackling fuel poverty, low incomes, underemployment, lack of childcare, transport poverty, full islands proofing of all funding/policies/strategies, cognizance of the indicators in the Brexit Vulnerability Index, lack of affordable housing, crofts selling for inflated prices, island proofing the costs of crofter housing etc.