

Agenda Item	6
Report No	HC/25/26

THE HIGHLAND COUNCIL

Meeting: **The Highland Council**

Date: **17 September 2026**

Report Title: **Highland Poverty and Equality Commission – Next Steps**

Report By: **Assistant Chief Executive - Place**

1. Purpose/Executive Summary

- 1.1 The Highland Poverty and Equality Commission published their final report in June 2026. 'Essential Elements' is the culmination of 10 months of evidence gathering across the Highland area and sets out a framework and route map for addressing poverty within Highland. The report sets out a series of calls to action, many inter-related, not just for the Council but other public, third sector and community partners and UK and Scottish Governments.
- 1.2 As illustrated in the Commission's report, poverty is complex and multifaceted. Some of the solutions are societal, some structural and some requiring fundamental changes in how organisations work collectively together to support people within their communities. Accordingly, the actions required to address poverty, as articulated by the Poverty Commission, are also complex, multifaceted and intertwined.
- 1.3 This first report to Council following publication of the Commission's calls to action, sets out the Council's initial response. The report illustrates where some work to address the calls of action is already underway, where further work is required – particularly with partners – to explore opportunities to address some of the findings and sets out a series of recommendations to progress some critical areas of work in response to the calls to action.
- 1.4 These initial areas of work seek to strike a balance between building on areas of existing good practice that can be enhanced, whilst initiating work on a core recommendation from the Commission in relation to the third sector that will underpin and provide a framework for future ways of working across sectors. Initial areas for action are:
 - Transforming ways of working – developing a third sector strategy and operating framework to support building trust and relationships and changing culture in how we work together. This will include taking forward shared leadership development, knowledge exchange to build mutual understanding and respect and developing sustainable funding approaches.
 - Maximising incomes and addressing fuel poverty – building on a recognised area of good practice, enhancing the support already provided to maximise incomes whilst exploring approaches for a fuel support scheme model in rural areas.

- Developing the Hub Approach - progressing the hub approach, by reviewing school lets (including access during the day e.g. partners' rooms in Points of Delivery (POD) locations), with a view to increasing usage of Council assets by communities. It is hoped that in doing so this will accelerate the dissemination of the Hub approach across the Highland area, better integrating services through existing Council facilities and enabling community partners to use these locations to deliver services as part of a HUB/POD approach. The aim is to provide a network of facilities that support people holistically within their own communities, exploring testing homework clubs and family based supports.
- Listening to the voices of Lived Experience – considering the report produced independently for the partnership, with a view to embedding lived experience into service design, delivery and policy development.

1.5 The report recognises that the work to implement the findings of the Commission are only just beginning while building on already established good practice. A core theme running through the work of the Commission is the importance of partnership and collaboration and how essential this is to addressing the needs and improving outcomes for people across Highland. Key next steps are set out within the report, and this includes working with partners.

2. Recommendations

2.1 The Council is asked to:

- **Note** the strands of work already underway that will support delivery of the Commission's Calls to Action and that progress against these will continue to report to the relevant strategic committee;
- **Note** the strands of work that require further exploration to consider potential implementation approaches, including the work planned with partners to consider the findings from the Commission; and
- **Agree** the initial areas for action, and associated spend, detailed at section 8.

3. Implications

3.1 **Resource** - As part of the Council's Budget setting process, £0.5m recurring funds were allocated to support the recommendations from the Poverty Commission. A further £0.3m (non-recurring) had been agreed in March 2025 to support the work of the Commission, of which £0.205m remains. The recommendations for spend within the report are restricted to the sums already agreed.

3.2 **Legal** - There are no specific legal implications arising from this report.

3.3 **Risk** - With the Commission completing its work, it is incumbent on the Council and its partners to consider the findings and Calls to Action from the Commission and identify potential solutions. However, given the number of calls to action, it is important that this process is managed, and it is recognised that some of the strands of work require systematic changes that will take time to consider potential implementation approaches.

This report sets out what work streams are already underway that address a number of calls to action but also recommends some significant additional pieces of work to be progressed. Further work is required with partners, to explore how some of the calls to action can be implemented as these, as set out by the Commission, are firmly within the partnership space.

3.4 **Health and Safety** (risks arising from changes to plant, equipment, process, or people)
There are no specific Health and Safety implications arising from this report.

3.5 **Gaelic** - there are no specific implications for the Gaelic Language Plan.

4. Impacts

4.1 In Highland, all policies, strategies or service changes are subject to an integrated screening for impact for Equalities, Poverty and Human Rights, Children's Rights and Wellbeing, Climate Change, Islands and Mainland Rural Communities, and Data Protection. Where identified as required, a full impact assessment will be undertaken.

4.2 Considering impacts is a core part of the decision-making process and needs to inform the decision-making process. When taking any decision, Members must give due regard to the findings of any assessment.

4.3 Integrated Impact Assessment - Summary

4.4 An Integrated Impact Assessment screening has been undertaken and the conclusions have been subject to the relevant Manager Review and Approval.

4.5 The Screening process has concluded that there are potential positive impacts from the proposals outlined within the paper to respond to the Poverty Commission's calls to action. Included are proposals to maximise the incomes of those experiencing poverty, explore fuel support approaches and develop the hub approach to provide stronger local integrated services and support. These all have the potential to have a positive impact across groups with particular protected characteristics, a positive socio-economic impact, on children and young people and on rural and island communities. Members are asked to consider the summary in **Appendix 1** to support the decision-making process.

4.6	Impact Assessment Area	Conclusion of Screening
	Equality	Potential positive
	Socio-economic	Potential positive
	Human Rights	No impact
	Children's Rights and Well-being	Potential positive
	Island and Mainland Rural	Potential positive
	Climate Change	No impact
	Data Rights	No impact

5. Background

5.1 In March 2025, as part of the Highland Council's Budget setting approach, it was agreed to establish a Poverty and Equality Commission. The aim was to consider, improve and crucially accelerate the collective approach to tackling poverty in Highland.

5.2 The Commission presented their final report, 'Essential Elements', to the Council meeting on 26 June 2026. During the previous ten months the Commission has taken evidence from across the Highland area. This included 26 outreach visits in 14 locations across the Highlands, eight Commission meetings, along with six hybrid Sounding Board sessions (one for each of the themes they identified). They heard from public sector partners, third sector groups, community-based organisations, young people and people with lived experience of poverty.

- 5.3 The Commission's key findings and calls to action were centred around the six themes of: culture and ways of working, financial security, access, housing, early years and fair work, and these six themes spanned three broad areas of People, Place and Prospects. The Commission also published the three companion reports they commissioned, reflecting the views of Experience Panel members, youth voices and the case for data mobilisation.
- 5.4 As illustrated in the Commission's report, poverty is complex and multifaceted. Some of the solutions are societal, some structural and some requiring fundamental changes in how organisations work collectively together to support people within their communities. Accordingly, the actions required to address poverty, as articulated by the Poverty Commission, are also complex, multifaceted and intertwined.
- 5.5 This first report to Council following publication of the Commission's calls to action, sets out the Council's initial response. The report illustrates where some work to address the calls of action is already underway, where further work is required – particularly with partners – to explore opportunities to address some of the findings and sets out a series of recommendations to progress some critical areas of work in response to the calls to action. This has been informed by the Member workshop held on 25 August, which provided an opportunity for Members to reflect on the findings of the Commission, identify key initial priority areas and potential solutions for implementation.
- 5.6 These initial areas of work seek to strike a balance between building on areas of existing good practice that can be enhanced, whilst initiating work on one fundamental recommendation from the Commission that will underpin and provide a framework for future ways of working across sectors.
- 5.7 It is important to note, that whilst this is the first report which will be considered on implementation of the Poverty Commission calls to action, it will not be the last. The Calls to Action set out by the Commission are extensive and therefore it is essential that progressing the recommendations is managed. It is recognised that some of the strands of work require systematic changes that will take time to consider potential implementation approaches. It is also recognised that whilst some of the calls to action are particularly for the Council, many – as recognised by the Commission – are about how we work together with partners, including our third sector partners. This will require collaboration over the coming months to determine next steps and implementation approaches.

6. Member Workshop

- 6.1 A Member/senior officer workshop was held on 25 August to provide an opportunity for Members to consider the Essential Elements report. The Co-Chairs of the Commission were in attendance to support the discussions and answer questions on the report and provide points of clarification on specific calls to action. Recognising the need to prioritise work moving forward, the workshop provided an opportunity to look at short to medium term priorities amongst the calls to action, what may already be underway and also consider potential solutions to addressing these priorities.
- 6.2 There were common priority themes which emerged from the workshop sessions. These included:

- **Transport** – improving and expanding transport options across Highland. Considering the range of provision and providers within local communities, aligning provision, expanding community based schemes, employer based schemes, with a strong focus on supporting routes to enable access to employment.
- **Cost of living pressures** – food, fuel and increasing financial take-up Building up life skills for parents and for young people including cooking skills within the community, enabling trusted professionals to talk about benefit take-up, delivering money advice/benefit advice in community based locations, support for fuel bill pressures.
- **Housing** – increasing the provision of affordable housing and improving existing housing through retrofitting to reduce bills or develop energy from heat schemes
- **Hubs** – improving the use of existing Council facilities to enable families to access services and support within communities, provide homework/mentoring spaces after school, deliver services such as meals during the school holidays and spaces for delivering family support models e.g. cooking and life skills.
- **Third Sector** – the importance of the third sector, improving ways of working, sustainable funding but also start up funding and capacity building/collaboration within the sector

6.3 The feedback from the workshop has informed the proposals in this report for implementing the first tranche of calls for action at section 8 and outlining an approach to considering the other calls for action, detailed at section 9.

7. Actions Already Underway

7.1 It is important to acknowledge, as the Commission has done, that action in certain areas is already underway. This can be related to a wider programme of work or particular individual activity and for most, this continues to evolve and develop in order to improve what is already in place. Examples of where Commission recommendations are already being progressed is outlined below, set out under People, Place and Prospects.

7.2 People

Financial Security - Co-ordinate efforts to raise awareness and take-up of financial support

- Embedding advisers in key trusted locations - welfare support advisers (both CAB and Council) are already embedded in a number of key local locations, and work is planned to progress this further with the mobile bus and accessible points of delivery approach.
- Breaking new ground in data sharing - the Council is already working with DWP and Social Security Scotland to explore greater data sharing between agencies in order to enhance direct support to clients.
- Automation of benefits - the automation of wider payments through a qualifying benefit has been implemented through the use of data analytics to proactively those with potential entitlements.

Financial Security - Take action to progress cost of living pressures

- Addressing fuel poverty - fuel poverty is recognised as a key area of challenge, and the Council has set up a Fuel Poverty Short-Life Working Group to take evidence and identify what actions could be taken to alleviate the pressure on households. This will report at the start of 2027.

- Roll out breakfast and after school clubs - work has already commenced to plan for the implementation of the Scottish Government policy and funding on breakfast clubs and after school care from August 2027.
- Access to household items – a scheme already exists through the Council's welfare fund, provided by The Furnishing Service and Newstart Highland, to enable people to have access to essential household items.

7.3 Place

Housing

- Increase the provision of affordable and accessible housing – as articulated within the Highland Housing Challenge Action plan, a number of actions are in place to increase the supply of housing across the area. This includes progress to create greater land capacity including increasing the Council's own landbank, maximising the outcomes from the Social Value Charter to increase homes and land for development, increasing investment for house building such as inclusion of housing within the Freeport Non Domestic Rate Strategy and building capacity amongst developers such as the Workforce North Co-investment fund. Work continues to focus on accelerating the growth of affordable housing across Highland, including developing the Council's own mid market rent model.
- Bringing empty homes back into use – the Council's Empty Homes Strategy was agreed in November 2026. It sets out a range of activity to bring empty homes back into use including incentivising owners, bringing homes back into use through loans, grants and compulsory purchase activity, reinforcing the role of grant funding as a core mechanism for meeting the annual target of returns to use and prioritising the directing of resources to communities experiencing high housing pressure and low supply. The Strategy has been supported by the introduction of the Empty Homes Challenge Fund, agreed in May 2026 to support bringing homes back onto the market through the use of targeted grants.
- Early signs of payment difficulty should be amber flag – an early intervention approach has been adopted to ensure that tenants, even those in low level rent arrears, receive direct contact and support, if required, in order to avoid escalation of arrears. Support is designed based on the needs to individual tenants. Rent arrears are currently the lowest they have been since March 2022, illustrating the success in this approach.

Access

- Expanding Highland Hubs – through the work of the Highland Investment Plan and Future Operating Model, work is progressing to develop community points of delivery (PODs) within locations across Highland, aligning with a number of the principles set out by the Commission including - creating integrated points for service delivery, ensuring key services such as money advice/income maximisation are available within local locations.

Access – Collaborate to improve public transport

- Taking services to communities – through the Future Operating Model, the mobile service bus is currently under development, with the aim of taking core local service, such as income maximisation, into local communities to reduce travel and increase accessibility.
- Improving transport alignment – work is ongoing through the transport partnership to improve alignment between different transport provision, including community offerings, in order to improve travel to work areas.

- Linking with NHS to maximise use of vehicles to share costs – a new service has already commenced in partnership with NHS Highland to deliver patient transport for renal patients. This will be evaluated as this progresses and assessed to consider the opportunities for extending provision and supporting efficiencies.

7.4 Prospects

Early Years and Education

- Reducing the poverty related attainment gap – the Education and Learning Improvement plan, as reported to Education Committee in August 2026, has been updated to reflect a number of the Commission's calls to action. This includes embedding emerging literacy and maths within ELC settings, extending literacy progression to level 3 and 4, establishing a curriculum pathway to teach literacy and numeracy and for all strands to be supported through professional learning. A newly launched Data Dashboard (August 2026) allows headteachers to track and monitor the progress of all targeted groups more closely to identify appropriate interventions to further support their learning and development.
- High quality, placed based early learning and childcare - as reported through the Council's Delivery Plan, alternative models to delivering childcare to increase provision in rural areas, continues to be developed. Along with third sector partners this includes: working in partnership with the Employability Service and the Scottish Childminding Association to recruit new childminders to be commissioned providers, piloting a new childcare delivery model in Ardnamurchan through a 'Workclub' approach, working with Scottish Government to test unregulated, activity-based school-age childcare across eight sites in Highland, encompassing urban, rural and remote rural communities and continuing to develop and test the Single Care Model.
- Tackling costs of the school day – Information regarding the Poverty Action Group's cost of the school day toolkit has already been shared with Headteachers and work is underway to roll out its use consistently across Highland schools.

Fair Work

- Removing barriers and boost opportunities for fair work – work is already underway to progress a whole person Routes to Fair Work service. The Highland Employability partnership has strengthened delivery arrangements through the new consortium approach with third sector partners and has speciality support for people with disabilities and long term health conditions already in place. Further work is planned to strengthen and develop the approach and deliver on the Routes to Fair Work call to action.
- Build structured pathways into growth sectors – UHI Green skills programmes delivering accredited training linked to renewable energy and sustainable construction priorities. Industry led training programmes under development which support this area of growth alongside employer led sector skills boards which provide structured forums for collaboration and development.
- Enhance security, reward and progression through fair work – the Employer Charter is one strand of work already in place to encourage employers to promote and deliver on good employment practices. The Charter has been designed around people-centred employment practices and business improvement. Further work is planned through Workforce North and the employer led sector skills board to develop this approach further and bring forward employer led improvement plans to promote fair work and workforce investment.

8. Areas for Action

- 8.1 As part of the Council's Budget setting process for 2026/27, £0.5m recurring funding was agreed to support activity emerging from the recommendations of the Poverty Commission. The proposals below, set out how these funds are initially proposed to be directed. It also utilises the remaining £0.205m from the funds allocated to support the operation of the Poverty Commission.
- 8.2 The proposals cover four key areas and have been informed by the Member/Senior Officer workshop but also specific discussions with the Third sector reference group. They are designed to progress new areas of work, directly responding to the Poverty Commission, but also to build on and enhance areas of recognised good practice. It is important to see these alongside the work outlined in section 7 that is already underway.

8.3 Proposal 1 – Developing a Third Sector Strategy and Operating Framework

Responding to: Transforming Culture and Ways of Working – including building shared leadership and accountability between third and public sector, improving relationships and working practices focused on outcome and shared investment approaches.

Proposal: To develop a **third sector strategy and operating framework** across the wider partnership, including a **commissioning strategy for the third sector** between the Council and NHS Highland. The development of the strategy and operating framework will be co-produced, overseen by a third sector reference group. This is fundamentally about changing culture, building trust and relationships and system change in how we work together. This will include considering how public and third sector partners can collaborate and deliver integrated services within hub/pod locations. This will be as much about the process as the end product but will produce an operating framework for how all partners can expect to work and collaborate together.

Key aspects of development will include:

- Shared leadership development
- Knowledge exchange between partners within the public and third sectors, with a focus on building capacity and understanding
- Building trust, understanding and capacity for collaboration
- Sustainable funding approaches

Timescale: 18 month process, final reporting in March 2028

Finance: Utilising £0.205m non-recurring funds remaining from the development of the Commission.

8.4 Proposal 2 – Maximising Incomes and Addressing Fuel Poverty

Responding to: Financial Security: co-ordinating efforts to raise awareness and take-up of financial support and actions to address costs of living pressures, in particular fuel support schemes

Proposal: The Commission recognises the positive work and financial gains achieved through the existing Council and CAB partnership but that more can still be done in this area. A further area of concern relates to the costs of fuel, particularly in rural areas. It is proposed that further annual recurring funding is set aside to be **targeted at increasing**

income maximisation efforts across Highland alongside **funds to test a fuel support scheme model in rural areas**. The work of the Fuel Poverty Working Group will assist in directing funds and test approaches.

Timescale: 2026 and 2027

Finance: £0.2m annual recurring

8.5 **Proposal 3 – Developing the Hub Approach**

Responding to: Expanding Highland Hubs, Strengthening Place Based solutions – developing new models of collaboration to increase impact for individuals, reducing the need and cost of travelling to access services and easing cost of living pressures.

Proposal: In order to best respond to this challenge, it is proposed to invest £300k in a **review of school lets** (including access during the day e.g. partners' rooms in POD locations) in order to **increase usage of Council assets by communities**. The review will consider different options and test solutions in order to improve access for groups. This will include reviewing the cost model for school lets, ways to flex staffing and consider trusted keyholder approaches and technological solutions to enable this increased usage. Feedback from elected members and community groups has shown that the current prices are prohibitive to stimulating increases in community-based activities (sport, culture, etc).

It is hoped that in doing so this will accelerate the dissemination of the Hub/POD approach being progressed through the Future Operating Model and Highland Investment Plan across the Highland area, in order to:

- Better integrate services through existing Council facilities and enable community partners to use these locations to deliver services as part of a HUB/POD approach
- Provide a network of facilities that support people holistically within their own communities (such as, explore testing homework clubs and family based support).
- Review hire/let charges and introduce technical solutions to provide access to indoor and outdoor facilities in order to support third sector/community providers delivering services and activities operated from hub locations

Further work is required – and set out at section 9 – to explore uses of Council assets during summer periods, particularly for food related activity, but this aligns well with the principles and ethos of the Future Operating Model, POD and Hub approaches.

Timescale: 2026/27 into 2027/28 with a view to mainstreaming from 2028/29 onwards

Finance: £0.3m recurring

8.6 **Proposal 4 – Listening to the voices of Lived Experience**

Responding to: Putting people at the centre – ensuring that people with lived experience are involved as partners in shaping support, services and solutions

Proposal: To work with CPP partners to review and consider the [report](#) received from Rocket Science, with a view to embedding lived experience into service design, delivery and policy development.

Timescale: December 2026

Finance: Funding in place through Child Poverty Accelerator Fund to test a model

- 8.7 Progress on the development and implementation of these approaches, will be reported to the appropriate strategic committee and as part of the progress report recommended by the Commission in June 2027.

9. Considering the Commission's Findings – Next Steps

- 9.1 The work to take forward the calls to action set out by the Poverty Commission is only just beginning. Whilst, as set out within the report, there are key workstreams already underway which address and respond to the Commission, across all of them, further work is required to improve outcomes for people across Highland.
- 9.2 From a Council perspective, it is also about embedding and reflecting on the recommendations of the Commission through core workstreams. A good example of this is the Education and Learning Improvement Plan which was updated in light of findings from the Commission. A further example will be the review of the rent arrears policy, with the recommendations from the Commission being embedded into the review. It is important that core workstreams are seen through the lens of the calls to action and core principles outlined by the Commission.
- 9.3 This report has set out initial areas for development, alongside some of the work already in train however there remain further areas for development. A critical one will be work around fuel poverty which will be led by the cross-party short life working group. Understanding potential areas for support in relation to alleviating or mitigating the impacts of fuel poverty will be critical. A further strand of work links into the Future Operating Model and Hub approach. Through the Member workshop, a key priority identified was the potential use of school premises during holiday periods, particularly around food provision. This requires exploration through the FOM approach and will require to consider a range of factors and build on learning from similar projects both in Highland and elsewhere in Scotland.
- 9.4 A core theme running through the work of the Commission is the importance of partnership and collaboration and how essential this is to addressing the needs and improving outcomes for people across Highland. This is in addition to the first of the 6 themes which is focused on partnership and ways of working. The CPP will initially consider the Poverty Commission's report at its meeting on 11 September, followed by a workshop in October, similar to the one already held by the Council. Consideration of the Commission's calls to actions are already taking place in core partnership spaces, including the Poverty Reduction Group, the Integrated Children's Services Board and local Community Partnerships, which will in turn inform the Board discussion and implementation.
- 9.5 As set out at section 8, a critical aspect of this will be the role of the third sector and the agreement of an operating framework that spans across the partnership, changing the nature of the relationships and ways of working in order to ensure delivery of outcomes for communities across Highland. Partnership developments will be reported to the appropriate strategic committee and form a core part of the progress report for Highland.

Designation: Assistant Chief Executive – Place

Date: 2 September 2026

Author: Alison Clark, Chief Officer – Housing and Communities
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Appendices: Appendix 1 – Integrated Impact Screening Summary

Background Papers: Essential Elements – Highland Poverty and Equality Commission

Integrated Impact Screening – Summary

Initial Response to the Highland Poverty and Equality Commission

Equality

The proposals have the potential to have a positive impact for people with protected characteristics. The proposals include work to maximise incomes, which has the potential to have a positive impact on lone parents (who are more likely to be women), on older people, on children and younger people and on people with disabilities who are more likely to rely on benefits. Exploring approaches for fuel poverty is also likely to have a positive impact on these groups, who are more likely to experience fuel poverty across the population. The proposals also include development of the hub approach, which aims to better integrate and provide services within community locations. Access to services within local communities, has the potential to have a positive impact on the protected characteristics noted.

Socio-economic

The proposals identified have been designed to have a positive impact on those on low incomes and living in poverty. The proposals aim to maximise household incomes, alleviate those impacted by fuel poverty, improve access to services and support and crucially listen to the voices of those experiencing poverty in order to better inform service design and delivery.

Children's Rights and Wellbeing

The proposals have the potential to have a positive impact on children and young people through increasing family incomes and delivering stronger support services directly within communities. It is proposed to review hire/let charges and improve access to facilities in order to support third sector providers delivering services and activities from pod based locations. This has the potential to have a positive impact on children and young people.

Rural/Island

The proposals include plans to explore testing a fuel support scheme. This is likely to have a positive impact in rural and island communities where the levels of fuel poverty are higher than in urban areas. The proposal to develop the hub approach includes looking at locations across Highland and utilising existing Council facilities to provide access to integrate services and support. This has the potential to support communities across Highland, including in rural and island areas.