

Name of meeting: Cabinet

Date: 8 March 2016

Title of report: Tackling Poverty Strategy Refresh

Is it likely to result in spending or saving £250k or more, or to have a significant effect on two or more electoral wards?	No
Is it in the Council's Forward Plan ?	No
Is it eligible for "call in" by Scrutiny ?	No
Date signed off by <u>Director</u> & name	Ruth Redfern – 22 February 2016
Is it signed off by the Director of Resources?	David Smith – 22 February 2016
Is it signed off by the Assistant Director – Legal, Governance and Monitoring?	John Chapman – 26 February 2016 (Deputy Head)
Cabinet member portfolio	Prevention, Early Intervention and Vulnerable Adults, Housing and the Relief of Poverty, Resources

Electoral [wards](#) affected: All

Ward councillors consulted: Cllrs O'Neill and Ullah

Public or private: Public

1. Purpose of report

1.1 This report seeks endorsement of the Tackling Poverty Strategy Refresh and for its progression for formal adoption by Council on 23 March.

2. Key points

2.1 The Tackling Poverty in Kirklees strategy refresh highlights a New Council approach to providing practical help for those in our community suffering from the effects of poverty.

2.2 This piece of work has been led by Cllrs Scott, Kendrick, O'Neill and Ullah and supported by a team of officers headed by Ruth Redfern, Director of Communities, Transformation and Change.

- 2.3** The Kirklees Joint Health and Well Being Strategy and the Kirklees Economic Strategy set out our future priorities that will be pivotal to making Kirklees a better place in the future – healthy people enjoying a great quality of life for longer via a strong and growing economy. These goals will help prevent poverty in the long term. In the meantime, the Tackling Poverty in Kirklees strategy provides a focus to help, in practical terms, those who are currently suffering from poverty and those who are most vulnerable to it. For this reason, the Tackling Poverty strategy refresh and the Action Plan that will deliver its outcomes, concentrate on the things we, as a local authority, can do to maximise household income and minimise outgoing.
- 2.4** Since the last Tackling Poverty Strategy was developed, there has been a shift in the nature of poverty, and changes in the pattern and type of poverty. This means that:
- Household budgets are under greater pressure and any sudden changes to income and circumstances are having greater impacts.
 - People in the low to middle income bands are also now struggling with their finances.
 - More than half of people experiencing poverty now live in working households
 - 1 in 3 households in Kirklees is in poverty; this includes 18,000 children
 - 1 in 4 Kirklees adults worry about money
- 2.5** The policy environment in which the strategy operates has also changed. There is uncertainty around the effect of intended government policies on income poverty and efforts to tackle poverty will have to do so with a smaller public sector offer and communities doing more for themselves. Hence the New Council approach of this strategy refresh with its focus on building self-reliance and helping people to avoid crisis situations.
- 2.6** The Action Plan to support this work will be a live document, updated on a regular basis. As one project is completed, another, which fits the brief of providing practical help, will be added.

3. Implications for the Council

- 3.1** This report seeks endorsement of the Tackling Poverty in Kirklees strategy and for its progression for formal adoption at Full Council on 23 March 2016.

4. Consultees and their opinions

- 4.1** The principles set out in this report have been discussed and agreed by Executive Team and Leadership Management Team

5. Next steps

- 5.1** The Tackling Poverty strategy refresh, if endorsed, is due to proceed to Council for formal adoption on 23 March 2016.

5.2 The Tackling Poverty Working Group will develop an Action Plan, faithful to the principles of the Tackling Poverty in Kirklees Strategy refresh, and provide regular progress reports to Cabinet.

6. Officer recommendations and reasons

6.1 Cabinet is asked to endorse the Tackling Poverty in Kirklees strategy refresh and agree its progression for formal adoption at Council.

7. Cabinet portfolio holder's recommendation

7.1 That colleagues agree the course of action as proposed above.

8. Contact officer and relevant papers

Nicky Hoyle, Consultant I Public Health
Chris Rowe, Policy Officer

Appendix A - Tackling Poverty Strategy and Action Plan

9. Director responsible

Ruth Redfern – Director for Communities, Transformation and Change

Tackling Poverty in Kirklees

Draft strategy and action plan
2016-2018

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Summary

“When a person’s resources (mainly their material resources) are not sufficient to meet their minimum needs (including social participation).”

Definition of poverty by The Joseph Rowntree Foundation

A strategy for tackling poverty in Kirklees, highlighting:

- practical help for people currently experiencing financial crisis
- advice and suggestions for a long term healthy financial life style
- campaigns on pertinent issues

Our strategy is underpinned by the four Ps:

- **Pockets**
Policies to boost household resources now
- **Prospects**
Policies to improve long term life chances of individuals and their families
- **Prevention**
Policies to prevent people sliding into poverty
- **Places**
Policies that provide the backdrop of services that allow people to enhance their job prospects

The local living wage

Our strategy for tackling poverty in Kirklees recognises that ‘in work poverty’ is a common problem for people in our communities. For this reason, Kirklees Council is proud to pay the local living wage to all council staff and fully endorses the ten recommendations of the Low Pay Charter, produced by the West Yorkshire Low Paid Workers Group.

Kirklees Council will continue to lead by example and act as a champion for the local living wage both in its own area and the wider region beyond.

Foreword

Through our roles as ward members, our work and our life experiences, we know that poverty can affect people from all backgrounds. For those affected it impacts all areas of life - the condition of their housing, heating of their home, feeding their family, the health of themselves and their children. The causes of poverty are many and can be transitory or enduring - worklessness, health problems, disability, family breakdown, bereavement or retirement for example. The impacts of poverty can extend to the next generation, affecting educational attainment and job prospects.

The national economic policy landscape can change frequently, often in ways that we, as a local authority, cannot directly influence; so in the short term we can only anticipate and mitigate for those who are in poverty or at risk of sliding into poverty.

As a council we deliver, commission and support many services that can mitigate the effects of poverty and reduce the risk of people falling into poverty. Crucially, we also have huge potential to influence people's long term prospects by development of the district's economy and the education and skills of the people who live here, through our Kirklees Economic Strategy. This will enhance the financial resilience of our communities and better enable them to face future economic pressures.

Although the council is facing significant budget challenges, tackling poverty remains a priority. Promoting economic resilience is a key theme in our New Council. We recognise that creating more jobs, better jobs and supporting people to develop skills, is crucial to reducing demand on council services and saving money in the longer term.

This refreshed tackling poverty strategy, and the action plan that delivers its outcomes, focusses on the things we, as a local authority, can do to affect people's pockets now - those things that enable people to maximise their household income and minimise their outgoings. We have made a good start in adopting a local living wage for our own staff, and in our contributions to the Combined Authority Low Pay Charter - but there is much more still to do.

We intend that the action plan is dynamic and fast-paced. It will be regularly updated to add new activities as the outcomes are achieved.



Nirienne Kendrick

Cllr Viv Kendrick

Kirklees Council Cabinet Member for Prevention, Early Intervention and Vulnerable Adults



Catherine Scott

Cllr Cathy Scott

Kirklees Council Cabinet Member for Housing and relief of Poverty

Putting things in context

Kirklees Council is focusing on two complementary strategies - Kirklees Joint Health and Wellbeing Strategy and Kirklees Economic Strategy. These set out our future priorities and will guide our actions to achieve our shared aim that:

Kirklees is a district combining great quality of life and a strong and sustainable economy - leading to thriving communities, growing businesses, high prosperity and low inequality, where people enjoy better health throughout their lives.

Our strategies online

www.kirklees.gov.uk/healthstrategy

www.kirklees.gov.uk/economicstrategy

We're focusing on two goals that will be pivotal to making Kirklees a better place in the future - healthy people enjoying a great quality of life for longer, via a strong and growing economy. These goals are not only crucial, but intimately bound together.

A successful economy that offers good jobs and incomes for all of our communities makes a huge contribution to prosperity, health and wellbeing of all age groups. Likewise, confident, healthy, resilient people are better able to secure a job and are more productive in the workplace. In the long term these goals will help prevent poverty. In the meantime, however, we need a focus on those currently suffering poverty and those most vulnerable to it.

Changes in the profile of poverty

There has been a shift in the nature of poverty in Britain in the last decade, and changes in the patterns and type of poverty.

- Whilst inflation has remained low the cost of essentials has increased by 28% since 2008¹. This puts pressure on household budgets - any sudden changes to income and circumstances are having greater impacts.
- People and families in the low to middle income bands are also now struggling with their finances².
- Across the UK more than half of people experiencing poverty now live in working households^{1,3}.
- Pensioner poverty over the last few years has seen a small improvement^{3,4}.

It has become harder to live a 'comfortable life' on a low or even middle income in Kirklees; roughly a third of the working age population live on low to middle incomes. Following the economic downturn there has been a change to living standards in a typical working household in Kirklees. This is because of changes in wages and incomes and shifts in the price of goods and services.

Median gross weekly earnings have increased by around 3% since 2008 from £332 to £343 per week. However when the consumer prices index (CPI) is compared over the same period an 11% gap emerges. This means households are in effect £37 worse off each week, or £1,964 per year, than in 2008. This doesn't take into account benefit or tax changes which may have reduced the gap in some households⁵.

The other factor that is of concern is the proportion of household spending used to pay unsecured debt - basically, all debts that are not mortgage related. Nationally it is thought that unsecured debt per household is around £11,800, which has steadily increased since 2008. It is thought households are spending on average 26.5% of income servicing these debts. Although Bank of England base rates have remained low, the accessibility of affordable credit has pushed some households to borrow in the high cost short term credit sector, where rates are much higher⁶.

The need to spend more on essentials presents households with difficult decisions to make. Longer term plans suffer as many do not have enough money to put into savings or pension plans. This leaves households vulnerable to sudden changes in circumstances. Issues such as unemployment or large unexpected household expenses can have serious consequences. There are also longer term impacts when people retire without enough pension funds.

The working-age population living on low to middle incomes includes:

- couples without children living on a gross annual household income of between £13,000 and £30,000²
- couples with two children whose gross annual household income is between £18,000 and £42,000².

The policy environment in which the strategy operates has also changed. According to the Institute of Fiscal Studies the intended policies of the Government are likely to increase absolute income poverty³. In addition, efforts to tackle poverty will have to do so with a smaller public sector offer and communities doing more for themselves. The efforts of Kirklees Council and its partners must recognise the importance of using scarce resources effectively to have the biggest impact. This means that there will need to be a focus on building self-reliance and helping people to avoid crisis situations.

Poverty life events and who is most at risk

For many people it can be a change in their circumstances that leads them in to poverty. Our diagram shows some of the life events and Government policy factors that can have an impact.

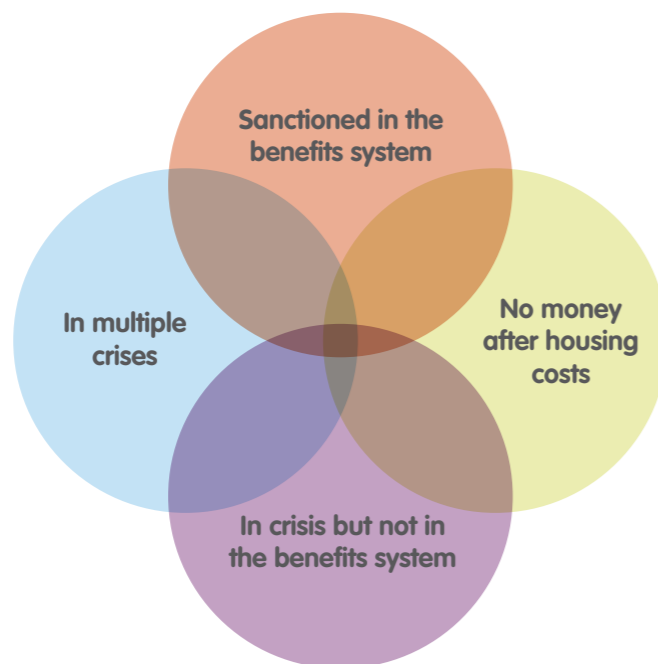
Life events



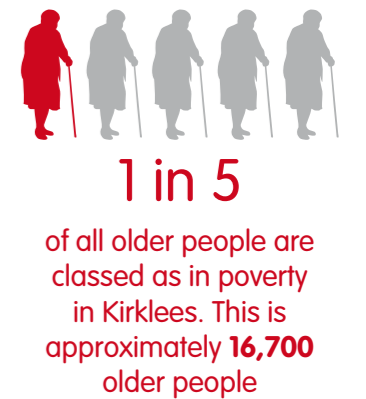
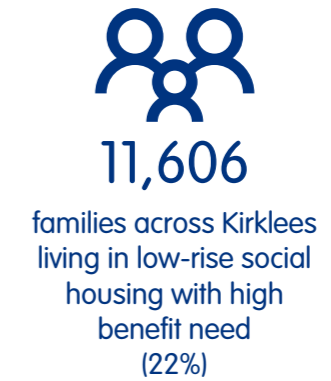
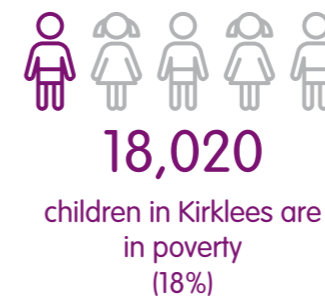
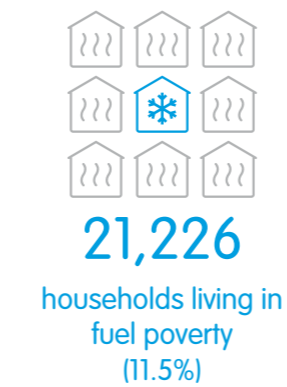
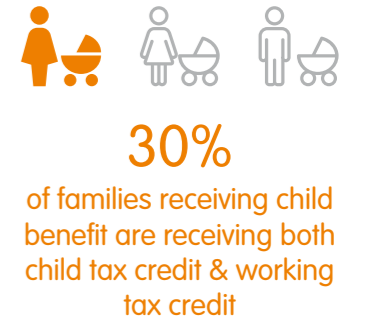
Policy factors



People who are in poverty usually fit into one or more of the following groupings. People who are in more than one group will find the impact particularly challenging.



A picture of poverty in Kirklees



1 in 4 Kirklees adults worry about money



Money worries common in younger adults, black (45%) & mixed ethnic group adults (48%)



Money worries more common in the most deprived areas, people with long term illness, workless adults & adults with dependent children



Overall, children & young people in Kirklees are happy with things they have. On a scale of 1-10 happiness is rated 8.1

Our approach in Kirklees

Our approach is practical and evidence-based. It supports the New Council vision by helping people and communities to do more for themselves alongside early intervention and prevention.

It addresses the dual needs to:

- tackle symptoms and mitigate effects of poverty - getting more money into people's pockets
- address root causes that are amenable to local action - education, employment, parenting, financial literacy.

This approach is based on evidence of what makes an impact¹ on the four Ps identified by the Joseph Rowntree Foundation.

Pockets

Policies concerned with boosting households' resources now - primarily by increasing their income - so they are better able to meet their needs.

Key areas:

- ensuring people get the benefits they need and have contributed to
- supporting people to take up work, applying conditions where appropriate
- making sure markets for essential goods and services - like housing, childcare and energy - operate effectively for low-income families, so it costs less to meet needs
- working with employers to boost productivity and pay.

Prospects

Policies concerned with improving the life chances of individuals and their families, so people are able to escape poverty in a sustainable way.

Key areas:

- supporting child development and educational achievement
- ensuring it always pays to work
- employers providing opportunities to progress at work
- addressing issues such as discrimination, which reduce opportunities for some groups.

Recognising that the longer term impacts of prospects and places are being addressed through our economic strategy, the tackling poverty action plan focusses on the things we can do now to get more money into people's pockets and prevent them sliding into poverty. This action plan is a separate document so that we can track it and keep it up to date. As one action is completed another will start so that there is a rolling programme.

Prevention

Policies that insure against sliding into poverty.

Key areas:

- delivering public services and other essential services in a way that enables people to access advice and support early, rather than waiting for a crisis
- mechanisms that can help people to protect against future poverty risk, such as savings and access to low-cost credit.

Places

Where people live shapes their lives, affecting their job prospects and access to essential goods and services and affordable housing.

Key areas:

- transport availability and accessibility
- quality and affordability of housing
- local initiatives to address crime and improve the local environment
- activities to link skills provision to the needs of the local labour market
- ensuring the impacts of climate change do not exacerbate poverty and disadvantage.

References

1. Joseph Rowntree Foundation: A UK without Poverty. September 2015
<https://www.jrf.org.uk/report/uk-without-poverty>
2. Resolution Foundation, The state of living standards - The Resolution Foundation's annual audit of living standards in Britain, 2014
<http://www.resolutionfoundation.org/wp-content/uploads/2014/08/The-State-of-Living-Standards-ResolutionFoundation-Audit2014.pdf>
3. Institute for Fiscal Studies, Living Standards, Poverty and Inequality in the UK: 2015
<http://www.ifs.org.uk/uploads/publications/comms/R107.pdf>
4. Kirklees Joint Strategic Needs Assessment (JSNA)
<https://www.kirklees.gov.uk/you-kmc/partners/health/jsna/pdf/KirkleesJSNAPoverty.pdf>
5. Office for National Statistics, Annual Survey of Hours and Earnings, 2015 provisional results
<http://www.ons.gov.uk/ons/rel/ashes/annual-survey-of-hours-and-earnings/index.html>
6. Bank of England Statistical Release, Money and Credit: November 2015, published 4 January 2016.
<http://www.bankofengland.co.uk/statistics/documents/mc/2015/Nov/moneyandcredit.pdf>

Sources of further information

- New Economics Foundation
Fairness Commissions: Understanding how local authorities can have an impact on inequality and poverty, July 2015
http://b3cdn.net/nefoundation/b9ee98970cb7f3065d_0hm6b0x2y.pdf
- West Yorkshire Combined Authority Area Low Pay Charter
'No Silver Bullet': Doing more to support our lower paid workers - the final report of the Lower Paid Workers' Group, March 2015
http://www.westyorks-ca.gov.uk/uploadedFiles/Content/News/Articles/LPWC_Draft%20Report_v8_FINAL%20POST%20LEADERS.PDF

Appendix

Poverty in Kirklees - intelligence and sources

Inequalities

- In 2011/12 the median household income in the UK was £23,200 ^A
- In 2012 almost 1 in 4 (24%) Kirklees households had a total annual income of below £10,000. In Dewsbury & Mirfield and Huddersfield households this was over 1 in 4 (28%) compared with around 1 in 7 (15%) in Kirklees Rural households ^B
- We can estimate that more than 60,000 households ^C were likely to have been in poverty in 2012 (based on the definition of poverty as household income below 60% of the median)
- 1 in 5 (21%) white respondents to our CLiK survey ^B had an annual household income of below £10,000 compared with more than 1 in 3 (38%) Black and Minority Ethnic (BME) respondents
- 2 in 3 (66%) of BME respondents to the CLiK survey ^B lived in a household in receipt of state benefits compared with half (49%) of white respondents

Perceptions

The CLiK 2012 survey ^B also revealed that almost 1 in 4 (23%) of Kirklees adults had money worries most or all of the time in the past few weeks. Money worries were much more common in younger adults and in black adults (45%) and mixed ethnic group adults (48%). Money worries were also much more common in the most deprived areas, in people who had a long-term limiting illness, workless adults, adults with dependent children and in adults who were the least motivated to look after their health.

Overall, children and young people in Kirklees appear to be very happy with things they have (like money and things they own). On a scale of 0-10 (with 10 being the maximum score), the mean score for happiness with the things they have was 8.1 ^D.

Income and benefits

- The number of jobseekers allowance (JSA) claimants in Kirklees (5,551 in Aug 2015, 2.0% of the working age population) is at its lowest level since December 2005. The JSA claimant rate is now less than half its peak value in March 2013 (4.9%) ^E
- Income support claimant rates (% of working age population) are similar to JSA levels for Kirklees (Kirklees Q4 2014 = 2.1%; Q4 2010 = 4.5%) ^E
- Latest available working age benefits claimant rates in Kirklees are lower than at their peak over the last 10 years (Q4 2014 = 13.7%; Q3 2009 = 15.9%) ^E
- Around 15,000 people in Kirklees are claiming pension credits (Q4 2014 = 23.4% of pensionable age population). This is a decrease from Q4 2010 (18,785 claimants, 29.7% of the relevant population) ^E
- Council tax reductions are being claimed for approximately 40,000 properties in Kirklees (23.1% of liable properties) ^E
- Almost 30% of Kirklees families receiving child benefit are receiving both child tax credit and working tax credit (2013: 15,985 out of 54,080 families receiving child benefit) ^E
- According to the 2011 census, 4.4% of households in Kirklees had no adults in employment and dependent children (7,642 households) ^E
- Median gross weekly pay for full-time workers in Kirklees has changed very little between 2010 (£474.70) and 2014 (£479.60) ^E
- In 2012, Kirklees had 21,226 households living in fuel poverty (12.0% of all households, based on the LIHC definition) ^E

Appendix references

- A. Office for National Statistics, accessed 24/05/15 and available from: <http://www.ons.gov.uk/ons/rel/household-income/middle-income-households/1977---2011-12/sty-middle-income-households.html>
- B. Current Living in Kirklees (CLiK) Survey, NHS Kirklees and Kirklees Council; 2012
- C. Kirklees Local Land and Property Gazetteer 2012
- D. Children and Young People's (CYP) Survey, Kirklees Council; 2014
- E. Kirklees Observatory. Available from: <http://observatory.kirklees.gov.uk>

www.kirklees.gov.uk

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