

North Tyneside Council

Report to Cabinet

Date: 29 June 2020

Title: Poverty Intervention Fund

Portfolio(s): Deputy Mayor Finance and Resources	Cabinet Member(s): Councillor Bruce Pickard Councillor Ray Glendon
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Report from Service

Area: Corporate Strategy and Customer Service
Responsible Officer: Jackie Laughton (Tel: (0191) 643 5724)
Wards affected: All

PART 1

1.1 Executive Summary:

The purpose of this report is to set out the proposed approach for the operation of the Poverty Intervention Fund which was included in the Council's budget for 2020/21. The overall aim of the Fund is to enable support to families and individuals to alleviate the impacts of living in poverty.

1.2 Recommendation(s):

It is recommended that Cabinet agree:

- (1) the policy aims and objectives for the Poverty Intervention Fund
- (2) the delivery approach which will be followed to operate the Fund
- (3) the governance arrangements which will be put in place to oversee and deliver the Fund

1.3 Forward Plan:

Twenty-eight days' notice of this report has been given and it first appeared on the Forward Plan that was published on 27 May 2020.

1.4 Council Plan and Policy Framework

This report relates to the following priority in the 2018-2021 Our North Tyneside Plan: our people will be cared for, protected and supported.

The Fund will also support the delivery of the Children and Young People Plan which is the Council's Child Poverty Strategy. In addition, it will contribute to the delivery of the Council's Digital Strategy (in respect of support to improve digital inclusion). Also, the Fund will support the way in which North Tyneside recovers from the Covid-19 pandemic.

1.5 Information:

Background and Context

1.5.1 What do we mean by poverty?

Based on the definition used by the Joseph Rowntree Foundation, poverty is when your resources are well below your minimum needs. This means not being able to heat your home, pay your rent, or buy the essentials you need. There is no single measure of poverty in the UK but:

- there is relative income poverty where households have less than 60% of contemporary median income;
- there is material deprivation where you can't afford essential items and activities; and
- there is destitution where you can't afford basics such as shelter, heating, food and essential toiletries.

1.5.2 What is the current poverty situation within North Tyneside?

Most residents live in areas that are not judged as being deprived, relative to the rest of England, and this is an improving position over the last decade.

However, within North Tyneside there are communities that have higher levels of poverty. Around 1 in 10 residents live in an area that is ranked as the most deprived in England.

Around 42% of children in our most deprived wards (Riverside, Chirton and Howdon) are living in poverty and this compares to an average of 1 in 5 children across the Borough as a whole (after housing costs).

It is known that the impact of deprivation is visible throughout the life cycle; from childhood obesity, educational attainment, employment rates through to the overall position of a gap in life expectancy of 11 years depending on where someone lives in the borough. Though there are also issues based on people's health and personal circumstances.

It is also known that the proportion of residents experiencing financial hardship is greater in the southern area of the Borough; 14% have not been able to afford food (compared to 8% overall) and 20% cannot pay fuel and energy bills.

It is also important to recognise the increase of people in 'in work' poverty. The Joseph Rowntree Foundation said that while paid employment reduces the risk of

poverty, about 56% of people living in poverty in 2018 were in a household where at least one person had a job, compared with 39% 20 years ago. Seven in 10 children in poverty are now in a working family, the charity's annual UK poverty report found.

Last year's local Residents Survey showed that more residents feel that they are at greater risk of losing their job or have already experienced a job loss or redundancy

- poverty now includes in-work poverty rather than poverty linked to worklessness
- pensioners and children are most at risk from the impacts of poverty
- gaps in life expectancy and healthy life expectancy can be linked to deprivation
- living with a disability or being a carer can often mean that someone is more likely to experience poverty

1.5.3 How has Covid-19 impacted on poverty in North Tyneside?

It is still very early days to try to assess this but from the research available, indications are that for people living in poverty, the Covid-19 situation has further increased the issues they are facing.

Plus, the economic impact of the pandemic is likely to increase unemployment which will impact over time on poverty levels. Provisional Universal Credit data up to April 2020 shows that there are 15,393 claimants in North Tyneside, which is a 39.9% rise from March 2020. This is a similar percentage rise as the national position (39.4%) but higher than the regional position (33.8%). The number of claimants has doubled compared to the 7,579 in April 2019.

That said, certain initiatives might also have eased the situation for some families e.g. the provision of food vouchers for those entitled to Free School Meals during school holidays.

1.5.4 What is the Authority doing in relation to poverty?

The Authority is tackling the *causes* of poverty in a variety of ways. This has included through working as part of the North of Tyne Combined Authority to: improve economic growth; attract inward investment to create jobs; support businesses to grow and create new opportunities; enable people to gain skills; improve education outcomes.

In addition, the Authority has targeted support for: businesses; families in need and via its Skills Strategy.

The Tackling Deprivation work within the most deprived wards has also had success in addressing the underlying causes of poverty.

In relation to issues caused by the welfare benefit system, the Authority's Welfare Reform Task Group has successfully addressed matters such as benefit sanctions and improving digital skills.

The Authority provides financial support through : the provision of benefits to support people on low incomes; welfare assistance scheme to help people with food (via the Food Bank) and other essentials

The Authority also addresses the health impacts of poverty through Public Health funding supported initiatives including through Active North Tyneside; mental health and well-being.

Policy Aim and Objectives

1.5.5 The overarching policy aim for the Poverty Intervention Fund is:

- “To help to alleviate the impacts of poverty on families and individuals across North Tyneside with particular emphasis on children, by providing support to those who need it”

1.5.6 In order to deliver that policy aim, the Fund will have the following lower level policy objectives:

- to address the **financial impacts of poverty** by targeting support to areas where people are struggling to make ends meet to be able to afford the basics or where they are having to go without certain things which others take for granted;
- to address the **social impacts of poverty** by targeting support so that people can play a full role in society and for activities which will have a positive impact; and
- to address the **health impacts of poverty** by targeting support on relevant areas such as risk-taking behaviour and mental health and well-being.

Delivery Approach

1.5.7 The delivery approach with the Fund will be guided by the following set of principles:

- evidence based – to ensure both that the Fund is targeted to meet need and is based on proven best practice/research;
- inclusive – the Authority will engage externally and internally to inform our approach;
- fair – the Authority will conduct an Equality Impact Assessment to ensure that the approach provides opportunities for the widest possible reach and that no-one is disadvantaged;
- targeted – the Fund will be used to meet the greatest levels of evidenced need in the Borough;
- funding may be allocated to groups or organisations via a mix of grant funding and commission-based approaches;

- collaborative – working in partnership to deliver the best outcomes to meet need;
- creative and flexible – to respond to changing need (particularly key in the Covid-19 situation); and
- measured – we will ensure that we are able to monitor, measure and evaluate outcomes.

Governance

1.5.7 The delivery of the Fund will be overseen by:

- a Steering Group comprised of 1 elected member per ward (with appropriate arrangements for mixed wards) and also to include the Young Mayor/Cabinet Member with representation from relevant external organisations. The Steering Group will meet at least quarterly; and
- a Delivery Group chaired by the Deputy Mayor to include relevant Cabinet Members to meet on a monthly basis to have oversight of the detailed operation of the Fund.

1.6 Decision options:

The following decision options are available for consideration by Cabinet

Option 1

Cabinet to agree the proposed approach to operate the Poverty Intervention Fund including: aims and objectives; delivery approach and governance arrangements as set out in paragraphs 1.5.5 to 1.5.8.

Option 2

Cabinet not to agree the proposed approach to operate the Poverty Intervention Fund including: aims and objectives; delivery approach and governance arrangements as set out in paragraphs 1.5.5 to 1.5.8.

1.7 Reasons for recommended option:

Option 1 is recommended for the following reasons:

This would allow the Poverty Intervention Fund to be established from July 2020.

1.8 Appendices:

None.

1.9 Contact officers:

Jackie Laughton, Head of Corporate Strategy and Customer Service, tel. (0191) 643 5724

Vicki Nixon, Senior Manager Participation, Advocacy and Engagement, tel (0191 8215)

1.10 Background information:

The following background papers/information have been used in the compilation of this report and are available at the office of the author:

Residents Survey

PART 2 – COMPLIANCE WITH PRINCIPLES OF DECISION MAKING

2.1 Finance and other resources

The Council's budget for 2020/21 contained £1m for the Poverty Intervention Fund. Operation and delivery of the Fund will be managed within existing resources.

2.2 Legal

There are no direct legal implications arising from this report.

Under the provisions of Section 1 of the Localism Act 2010 the Authority has general powers of competence that allows the Authority "to do anything that individuals generally may do".

This is a matter that falls to Cabinet to determine pursuant to the Local Authorities (Functions and Responsibilities) (England) Regulations 2000 and the Local Government Act 2000.

2.3 Consultation/community engagement

2.3.1 Internal Consultation

Consultation with all Cabinet Members as well as the Young Mayor and Cabinet has taken place.

2.3.2 External Consultation/Engagement

Engagement with the following key stakeholders has taken place : North Tyneside Strategic Partnership; Community and Voluntary Sector groups and organisations; Young Mayor and Cabinet.

2.4 Human rights

There are no human rights implications arising from the proposals in this report.

2.5 Equalities and diversity

An Equality Impact Assessment (EIA) has been carried out regarding the proposed approach for the Fund, this will inform the development of the detailed process for the administration of the

Fund by the Steering Group and Delivery Group and the drafting of a new EIA of the administration process.

2.6 Risk management

The relevant risks have been discussed with the senior risk management advisor and will be managed in line with the agreed corporate approach.

2.7 Crime and disorder

There are no crime and disorder implications arising from the proposals in this report.

2.8 Environment and sustainability

There are no environment and sustainability implications arising from the proposals in this report.

PART 3 - SIGN OFF

- Chief Executive
- Head(s) of Service
- Mayor/Cabinet Member(s)
- Chief Finance Officer
- Monitoring Officer
- Head of Corporate Strategy and Customer Service