

### What is poverty

‘Poverty affects millions of people in the UK. Poverty means not being able to heat your home, pay your rent, or buy the essentials for your children. It means waking up every day facing insecurity, uncertainty, and impossible decisions about money. It means facing marginalisation – and even discrimination – because of your financial circumstances. The constant stress it causes can lead to problems that deprive people of the chance to play a full part in society.’ *Joseph Rowntree Foundation*

Therefore, poverty is multi-faceted. It comes in many shapes and forms and varies both in terms of its duration and severity. Some people experience being trapped in poverty over several years, others experience poverty for a short while, for example when between jobs. For some people, being in poverty means having limited options across a range of household goods but is survivable. For others, poverty means not being able to afford the basics needed to live, e.g., housing, food, clothing, energy, and effectively being destitute. A key indicator of destitution is the extent of reliance on emergency food provision.

The severity of poverty is often linked to duration. The longer someone experiences financial problems, the more their financial buffers are eroded and the greater the risk that their decisions will push them further into poverty. Living in poverty over time can impact on mental health and wellbeing, leading to the use of unhealthy coping mechanisms and family breakdown. This can result in an intergenerational cycle of worklessness.

Poverty sits at the heart of many of the social and economic challenges we face, and relates not only to income but to opportunity, participation, and access to services. Its impact can last a lifetime by limiting aspiration, damaging relationships, and eroding life chances. The council is fully committed to tackling all aspects of poverty and has adopted the following objective from the County Durham Vision (2019 – 2035) as its vision

‘Fewer people will be affected by poverty and deprivation in the county’

### National, Regional and Local Context

County Durham is ranked the 26<sup>th</sup> most deprived area in England for employment and the 42<sup>nd</sup> most deprived for income (of 151 upper tier local authorities, 2019).

An estimated 21% percent of households across the county live in relative poverty<sup>1</sup> before housing costs. This compares to an England average of 17% - the gap in relative poverty between County Durham and England has widened in recent years, and a quarter of households living in relative poverty have at least one working adult.

An estimated 28.8% of people (all ages) live in a household classed as 'workless', compared to 27.3% across England. People with a disability are much less likely to be employed (47.2%) than those without a disability (81.6%)

For those in employment, wages across the county are comparatively low with full-time annual pay around 10% lower than the England average. In addition, an estimated 21% of jobs across the county pay less than the £9.50 hourly rate set by the living wage foundation (although the proportion has fallen in recent years, it remains higher than the 17% average across England), and an estimated 2.5% of employees (around 5,800 people) are employed on zero-hour contracts.

In addition, the gap in earnings with the rest of England has narrowed as average wages have increased by more across County Durham than the Northeast and England.

	Average Wages (Includes full and part time)		
	2020	2021	Change
County Durham	£23,877	£24,252	£375 (1.6%)
Northeast	£23,559	£23,414	-£145 (-0.6%)
England	£26,055	£26,192	£137 (0.5%)
Gap with England	-£2,178	-£1,940	Narrowing

Relatively low wages across the county have led to comparatively lower levels of gross disposable household income (GDHI), which the latest data shows is also increasing at a slower rate than the rest of the country so the gap both regionally and with the rest of England is widening. The data also shows the Northeast has the lowest GDHI per head in the United Kingdom.

<sup>1</sup> Living in households with less than 60% of median household income

# POVERTY ACTION PLAN

## 2022 - 2026

**Our vision: to work together so fewer people will be affected by poverty and deprivation in the county**

	Gross disposable household income per head		
	2019	Change since 2018	County Durham Gap
County Durham	£16,617	+1.9%	
Northeast	£17,096	+2.2%	£479 (3%)
England	£21,978	+2.5%	£5,361 (32%)

Therefore, even before COVID-19, lower-income households across the county were experiencing financial pressures.

The onset of COVID-19 made many people's financial situations worse. Although the government reacted to mitigate the worst of the economic shock and keep families afloat, the loss of income from being furloughed, rising costs of living and additional expenditure incurred during lockdown hit households with the least disposable income hard. School closures and the staying at home directive led to additional costs for basic household essentials (meals, heating, equipping children for online learning) especially as their normal coping strategies were no longer available to them, e.g., eating at friends and families, accessing the internet in their local library, buying essentials from charity shops.

At the start of the pandemic (March 2020), 10% of the county's population aged 16-64 were claiming Universal Credit. This peaked at 15.9% in March 2021 and is currently 15.5% (September 2021) which equates to 51,270 individuals across 44,495 households.

Research has shown that many of the low-paid workers who lost their jobs or were furloughed had few, if any, savings to fall back on.

An additional 3,200 children and young people (aged 0 to 19) became eligible for free school meals – pushing the total to 20,410, more than one in four, although 24 percent are not being claimed.

Research<sup>2</sup> into the experiences of families with children claiming Universal Credit or Child Tax Credit during the pandemic shows that 70 percent cut back on essentials (including food), 60 percent borrowed money (mainly through credit cards and payday loans) and more than 50 percent fell behind on rent or other essential bills.

As we transition from the pandemic, the household budgets of many of our residents remain tight. As of January 2021, the cost of living was at a 40 year high, prices had increased by almost 6% over a 12-month period, inflation is rising faster than wages and expected to climb above 8% within the year, and private rents are 7% higher than pre-COVID levels. In addition, more financial pressures are emerging with energy bills expected to increase by 50% following the removal of the energy price cap, and a 1.5% rise in National Insurance contributions in April 2022.

Almost 16% of households across the county are currently experiencing fuel poverty. And we expect that this will increase, with people in rural areas and/or already struggling being disproportionately affected. As fuel prices increase, the cost of transport will increase and accessibility of the poorest people to essential services is likely to decrease, again exacerbated in rural areas.

<sup>2</sup> Joseph Rowntree Foundation and Save the Children

### Foreword

Welcome to the Poverty Action Plan for 2022-26. This document not only describes the extent to which poverty impacts the prosperity of the county and its residents, it also outlines what we will do to protect those most at risk of poverty and exclusion, increase equality of opportunity and ultimately ensure fewer people are affected by poverty and deprivation.

Some of the actions outlined in this plan can be delivered quickly and have an immediate benefit. However, most are long-term and will take time to manifest into a changed and improved situation. We know that tackling poverty takes time.

Poverty is a major issue across County Durham. High levels of deprivation, insecure employment, and comparatively low wages has led to many households with little disposable income. In addition, a significant proportion of our older people have fixed incomes, including those who have not worked for a long time and who are now beginning to hit retirement age. With few savings and unable to access any financial support from family or friends, many people are finding themselves in precarious financial situations. Unexpected expenses, unemployment or a change in family circumstances are often catalysts for driving people into a cycle of problem debt and ultimately poverty – or even destitution.

The pandemic made the situation worse, hitting lower-income households and those with little disposable income hard. However, as we begin the recovery phase and transition to 'living with COVID-19', we need to consider not only the immediate financial impact of the pandemic, but the longer-term poverty impacts such as education outcomes and opportunities for young people. We need to mitigate where we can. As we transition from the pandemic, the household budgets of many of our residents remain tight with the cost of living at a 40 year high and continuing to increase.

This plan does not sit in isolation but is aligned to other council and partnership plans and strategies that have some involvement in tackling poverty. The plan is underpinned by the County Durham Approach to Wellbeing principles, with people and place at the heart of its development. Only by working together can we ultimately break the cycle of poverty



**Paul Darby**  
**Corporate Director of Resources and**  
**Chair of the Poverty Action Steering Group**



**Cllr Alan Shield**  
**Cabinet Portfolio Holder for Equality and Inclusion**

**Objective 1: Use intelligence and data to target support to low-income households**

It is important that we utilise both the council's and partners' data and intelligence to identify vulnerable low-income households and to monitor the effectiveness of our initiatives and programmes.

To escape poverty, people ultimately need access to an income which is both secure and sufficient to afford a minimum acceptable standard of living. However, for many people, achieving this is a struggle.

Too many jobs do not provide decent pay, prospects or security. Many people struggle to gain employment or move onto better things, hindered by their background, a lack of marketable skills, low self-esteem, poor job search/interview skills, childcare needs, lack of reliable transport etc. In addition, some people don't access their full benefit entitlement (both in work and out of work benefits) because they are unaware of their entitlement, particularly if their circumstances change, because they find the process difficult due to their poor literacy and numeracy skills or difficulties interacting with the system, or because they feel ashamed.

Broadly speaking, some groups of people are impacted more than others. Children bring additional costs not fully covered by the benefit system and often reduce the capacity of adults to earn from employment – particularly for single parents and families with a disabled child. Older people and those from a Black, Asian or Minority Ethnic (BAME) are the least likely to ask for help due to social stigma. Single people under the age of 25, those with a limiting health condition or disability, and those with complex support needs associated with homelessness, drug and/or alcohol problems, domestic abuse or involvement in the criminal justice system are more likely to be disproportionately affected by poverty and most likely to end up destitute. However, families living in destitution (especially single mothers) are becoming more common.

In addition, people face financial challenges at transition points such as leaving home or care, moving into a new home, experiencing bereavement or relationship breakdown. Those without access to wider family support are particularly vulnerable and can be a trigger for significant financial difficulties. Many victims of domestic abuse have experienced having money withheld from them as a key method of controlling and mistreating them. Research has shown that victims of domestic abuse often must choose between being plunged into homelessness and poverty or staying with their abuser. In addition, people who become unexpectedly unemployed can quickly find that what was affordable becomes unaffordable.

# POVERTY ACTION PLAN

## 2022 - 2026

Our vision: to work together so fewer people will be affected by poverty and deprivation in the county

Action	Timescale
Work with external partners such as the Department for Work and Pensions (DWP) to understand and address the challenges of low-income households and low average salary	December 2022
Work with the Department of Work and Pensions (DWP) to identify and engage with people who are entitled to benefits but are not claiming.	December 2022
Deliver employability programmes that assist residents to access and sustain job opportunities (Council Plan Action). Programme includes: <i>Durham Advance extended to Dec 2023</i> <i>L!NKCD extended to Dec 2023]</i> <i>CLLD projects extended to Dec 2022</i> <i>Refugee Resettlement Programme extended to March 2024</i> <i>FLEX programme introduced to Dec 2023</i>	December 2022 Annual programme
Develop an approach for using confidential datasets, ensuring the data can be shared, joined-up and used without compromising data protection legislation	March 2023
Understand the levels of reported financial abuse within specialist domestic abuse services and partners	March 2023
Carry out workshops to give staff the skills and confidence to identify customers who are potentially vulnerable (through bereavement, mental health ill-health, relationship breakdown) and signpost them to available support	March 2023 Annual programme
Provide training to local Voluntary and Community Sector (VCS) organisations to enable them to identify residents in need of financial support and provide appropriate advice and support to maximise their benefit entitlement.	March 2023 Annual programme
Carry out a programme of targeted campaigns to increase the number of people undergoing benefit checks For example, as part of the holiday hunger campaign, over-75s, Care Connect users, women and pensions	March 2023 Annual programme
Deliver 'Benefit Awareness Training' to service teams	March 2023 Annual programme
Complete a review of advice services across County Durham focusing on location, accessibility, and quality of service	April 2023

# POVERTY ACTION PLAN

## 2022 - 2026

**Our vision: to work together so fewer people will be affected by poverty and deprivation in the county**

Action	Timescale
Widen the 'First Point of Contact' offer to include more detailed support conversations to help those in financial difficulty.	April 2023
Maximise the use of the County Durham Pound and explore further possibilities of social value	April 2023
Work with partners to identify locations that can act as community hubs for residents to obtain financial advice/information, and help to improve their digital skills	April 2024
Work with partners to strengthen the process for identifying people who are vulnerable, a) financially, b) in relation to health and well-being	March 2025 various milestones
Develop a joined-up Business Intelligence approach to managing poverty data	March 2025 various milestones

### **Objective 2: Reduce the financial pressures on people facing or in poverty**

People living in poverty can expect to pay more for almost everything they buy. Not only do they lack the financial resources to take advantage of special offers and buy in bulk, but they are also mostly locked out of the best bank accounts, borrowing rates and energy tariffs which would reduce their regular outgoings. This 'poverty premium' is exacerbated in rural areas where the cost of food and fuel can be higher, houses can be more difficult to insulate and therefore more expensive to heat, and where poor public transport links puts increased emphasis on having a private car.

In addition, Britain's worsening cost-of-living crisis is hitting low-income families hard, putting household budgets under more pressure than ever. The cost of living is at a 40 year high, prices having increased by almost 6% over the last 12-month period, inflation is rising faster than wages and expected to climb above 8% within the year, and private rents 7% higher than pre-COVID levels (2020). In addition, more financial pressures are on the horizon with rising household bills including an expected increase in water bills and an estimated 50% increase in energy bills following the removal of the energy price cap. In addition, the 1.5% rise in National Insurance contributions (both expected in April 2022), and further fuel and energy increases due to the economic sanctions imposed on Russia, means we expect more people to be pushed into poverty over the coming months.



# POVERTY ACTION PLAN

## 2022 - 2026

**Our vision: to work together so fewer people will be affected by poverty and deprivation in the county**

Those with the least disposal income are being hit the hardest by this cost-of-living crisis and we expect demand for poverty-related council services and those of the Voluntary and Community Sector, e.g., food provision, to increase in the coming months. And it is likely that more people on lower incomes will resort to payday loans and other high-risk financial support to pay for essentials, increasing those coping with the continuous cycle of problem debt.

Action	Timescale
Fully implement the Advice in County Durham referral portal to direct people to the right support	May 2022
Understand the housing market to help people who are struggling with their housing costs to stay at home	June 2022
Explore how best to promote Healthy Start Vouchers to most vulnerable parents	June 2022
Deliver a range of initiatives to alleviate food inequality (The 'Bread and Butter' Thing is one strand)	July 2022
Expand the programme which effectively distributes surplus foodstuffs to families in need (Bread and Butter Thing)	July 2022
Develop and implement a joint action plan for the housing poverty group and provide updates to the poverty action steering group	July 2022
Ensure the mechanisms in place to support those in crisis remain effective, including the council's Welfare Assistance Scheme; reviewing recent scheme enhancements, for example for those fleeing domestic abuse	July 2022
Continue to provide effective support mechanisms for more vulnerable households, through the Local Council Tax Reduction Scheme, Discretionary Housing Payments and Partnership support arrangements.	July 2022
Provide wrap-around support as part of 'Bread and Butter Thing' provision	August 2022
Improve the service offer provided by Housing Solutions to assist households struggling with their housing costs.	August 2022
Improve access to, and encourage more people to use, credit unions to obtain low-cost credit	August 2022



# POVERTY ACTION PLAN

## 2022 - 2026

**Our vision: to work together so fewer people will be affected by poverty and deprivation in the county**

Action	Timescale
Deliver 'Cutting the Cost of the School Day' programme to an additional 75 schools/colleges across the county, focusing on communities top 30%	September 2022
Develop and implement 'Cutting Cost of the Pre-school Day' to 50 nurseries and pre-school settings	September 2022
Explore a model to further extend 'Cutting the Cost of the School Day' to include audit of impact	September 2022
Undertake a review of the Healthy Start Programme offer for County Durham and provide recommendations to improve uptake and reduce inequalities	March 2023 Interim report – October 2022
Ensure linkages between the County Durham pound to the developing economic strategy	October 2022
Expand the use of the benefit calculator to other services across the council	December 2022
Review the benevolent fund	December 2022
Raise awareness of illegal doorstep lending through targeted campaigns	March 2023 Annual programme
Identify and improve current debt provision across the county (Supports a national review through money advice and debt service)	March 2023
Deliver a range of initiatives to alleviate fuel poverty (Council Plan Action)	March 2023 Annual programme
Raise awareness of financial abuse as a form of domestic abuse and ensure effective access to support for victims/survivors within communities	March 2023
Work with local communities to co-produce an approach to well-being	March 2025

### Objective 3: Increase individual, household and community resilience to poverty

Resilience against poverty is built on many interlinking factors: a person's psychological wellbeing, their household stability, support available from family and friends, access to the labour market, skills at managing their finances, and access to financial products and assets which act as a buffer against problems.

The labour market across County Durham is dominated by the public sector which is traditionally lower paid than the private sector and has been subjected to a pay squeeze in recent years. Other major employers tend to be from the lower paid sectors such as construction labouring jobs and lower value manufacturing jobs (assembly and fabrication). This has exacerbated the wages difference between our county and other areas across the country which have a better balance between public and private employment. This narrow business base can be barrier to people increasing their employability and access to better pay.

Action	Timescale
Deliver three training programmes about financial literacy and budgeting to frontline practitioners working with children, young people and families	April 2022
Train staff across Children Social Care and One Point Service to use the Advice In County Durham portal	May 2022
Increase understanding of the role tobacco dependency plays in child and family poverty: ensure staff across children and young people services are trained and work together to identify parents who smoke and motivate them to quit at every contact using financial savings as a key tool for motivation.	May 2022
Develop 'My Future is Durham' initiative into a wider programme for schools and colleges.	April 2022
<b>Community book – Project within the County Durham Together programme</b> Consult, scope, and develop recommendations for the development of an accessible digital repository of services, enabling people to access the appropriate services, support, activities and other community assets at the right place and right time.	July 2022
Develop a proposal to increase support for young school leavers at risk of not making a successful transition	September 2022

# POVERTY ACTION PLAN

## 2022 - 2026

**Our vision: to work together so fewer people will be affected by poverty and deprivation in the county**

Action	Timescale
Explore the feasibility of delivering Mental Health Awareness Training at scale to staff and volunteers who work with people experiencing poverty to help address the known impacts of poverty on mental health.	September 2022
Join up the Financial Ability project (formerly Durham Savers initiative) with 'money matters and advice' provision programme: Develop a toolkit for local organisations to signposting information. Embed into Learning and Development portal and create further support materials Engage with existing networks, develop new partnerships and re-engage previous partners Re-engage with DWP Work Coaches and front-line staff following lifting of COVID restrictions	September 2022
Join up the work being done on green spaces with food poverty / food resilience.	October 2022
Review the Devolution deal once clarity is received and assess how it impacts the local area, e.g., skills appropriate to local economy	March 2023
Fully understand the findings from the 'left behind communities <sup>3</sup> ' research and identify actions to address some of the issues highlighted.	March 2023
Provide financial support initiatives to people who are homeless, leaving care or veterans	March 2023
Deliver initiatives that support rough sleepers, ex-offenders and other vulnerable people into accommodation (Council Plan Action)	March 2023
Continue to identify and develop the services and support available to young people leaving care through their local offer which support independence and enhance their life chances	March 2023

<sup>3</sup> The UK government is committed to levelling up across the whole of the United Kingdom to ensure that no community is left behind, and is making changes to support local economic growth, in order to regenerate town centres and high streets, support individuals into employment, improve local transport links and invest in local culture, while giving communities a stronger voice to take over cherished local assets that might otherwise be lost.

# POVERTY ACTION PLAN

## 2022 - 2026

**Our vision: to work together so fewer people will be affected by poverty and deprivation in the county**

Action	Timescale
Explore the feasibility of delivering Tobacco Awareness Training at scale to staff and volunteers who work with people experiencing poverty. Stopping smoking can increase family income, reduce the impact of absenteeism from the workplace and helps to reduce long term health conditions which can lead to the inability to engage in employment.	March 2023
Explore the feasibility of including signposting, referrals and outcome measures from a range of public health interventions into services which support people experiencing poverty e.g. Making Every Contact Count (MECC).	March 2023 Initial scoping
Ensure a smooth transition from European Funding Streams to the Shared Prosperity Fund	December 2023
Appoint three Mental Health Employment Practitioners who will provide health support and assistance to residents who are looking for employment, education and training through the various employment programmes.	March 2024
Broaden the county's business base to include a range of jobs across both private and public sectors	March 2026

### **Objective 4: Reduce barriers to accessing services for those experiencing financial insecurity**

The ability to interact digitally is essential to addressing social and economic inequalities and levelling up our communities. Many of the cheapest ways of accessing goods and services are only available online. Mainstream banking has been removed from many of our highstreets, especially in rural areas, and many educational courses and job applications are restricted to online access. In addition, people who are not using online services can lack a voice and visibility in the modern world, as government services and democracy increasingly move online.

However, some people can afford neither the equipment nor the broadband required to get online. When the pandemic hit in March 2020, around 51% of households with an income of less than £10,000 had home internet access, compared to 90% of households with an income of more than £40,000. Even when poorer households were physically able to access the internet, they were less likely to have the skills to utilise it. In rural areas levels, digital inclusion may be further reduced by poorer quality broadband and mobile connections.

Lack of transport is also a key barrier to accessing services, education and employment. Cost, poor availability and long journey times has disconnected less affluent areas and rural communities from their wider labour markets.

# POVERTY ACTION PLAN

## 2022 - 2026

**Our vision: to work together so fewer people will be affected by poverty and deprivation in the county**

Participation in sport, outdoor physical activity and cultural events positively impacts people, especially young people. It contributes to both physical and mental health, involves engaging with others in a positive way, encourages concentration and motivation, and teaches other life skills that help their education and working lives. However, those from low-income households are often prevented from participating as few free sporting activities exist outside school and charges to access culture and sport are often unaffordable.

Action	Timescale
Refresh the first point of contact offer at the Customer Access Points (CAPs) to focus on digital inclusion and self-serve with support, access to the internet and a device being at the forefront of service delivery.	April 2022
Undertake a feasibility study in relation to improving access to leisure facilities for children and families referred by social care and health agencies (e.g., discounts, promotion and transport)	April 2022
Explore the feasibility of developing an approach to poverty proofing leisure and cultural programmes within our culture, sport and tourism Service	May 2022
Investigate the feasibility of broadband providers, working with social housing providers, to provide broadband to residents at a reduced cost	July 2022
Use data and intelligence to identify our most vulnerable communities to support access to public transport	August 2022
Fully understand the findings from recent consultation which asked children, young people and adults, many of whom currently do not participate in leisure activities, about the barriers preventing them from becoming more physically active and identify actions to address some of the issues highlighted.	September 2022
Baseline the council's digital inclusion offer to map current interventions and identify areas of future intervention. To include digital skills, access to connectivity and access to devices.	September 2022
Continue delivery of the Digital Durham programme working with partners to further develop our digital infrastructure and increase the number of properties able to access full fibre to the premise broadband services at an affordable cost	March 2023
Continue to work on proposals linked to the Bus Service Improvement Plan which includes a cap on bus fares, especially for young people, demand responsive bus services in rural areas and tailored routes to meet the specific requirements of rural communities.	March 2023

# POVERTY ACTION PLAN

## 2022 - 2026

Our vision: to work together so fewer people will be affected by poverty and deprivation in the county

Action	Timescale
Explore a community-based model to increase digital inclusion and develop a programme that fosters collaboration between key partners from across sectors.	April 2023