

Poverty Strategy and Action Plan

2022-2026



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 26th most deprived area in England for employment and the 42nd most deprived for income (of 151 upper tier local authorities).¹

An estimated 21% percent of households across the county live in relative poverty² before housing costs, rising to 25% after housing costs.³ This compares to an England average of 17% (rising to 22% after housing costs). 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 70.1% of people⁴ (aged 16 to 64) are employed. This is in line with the regional level (70%) but lower than the national level (75.4%). People with a disability are much less likely to be employed (47%) than those without a disability (79%).⁵

For those in employment, wages across the county are comparatively low with full-time annual pay around 7% 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 foundation⁶ (although the proportion has fallen in recent years, it remains higher than the 17% average across England), and an estimated 2.4% of employees (around 5,300 people) are employed on zero-hour contracts.⁷

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

Although, average wages across County Durham have increased by more than the Northeast and England averages, they remain relatively low.

This has led to comparatively lower levels of gross disposable household income (GDHI). The latest data shows GDHI is 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.⁸

Gross disposable household income per head of population

	2019	change since 2018	County Durham gap
County Durham	£16,617	+1.9%	
Northeast	£17,096	+2.2%	£479 (3%)
England	£21,978	+2.2%	£5,361 (32%)

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 15.6% (August 2022) which equates to 51,596 individuals across 43,464 households.⁹ 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.

Research¹⁰ 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.

4,000 more children and young people (aged 0 to 19) have become eligible for free school meals since the start of the pandemic, meaning almost 30% of children and young people are now eligible (21,220). However, 29% are not being claimed.¹¹

As we transition from the pandemic, many household budgets remain tight. The cost of living continues to soar, with inflation running at 10.1%¹² and the Bank of England forecasting it to peak at 13.3% at the end of March 2023. This inflationary increase is largely driven by the rise in the cost of fuel and energy bills, which is being impacted significantly by the war in Ukraine.

As almost 15% of households across the county were experiencing fuel poverty in 2020, we expect this to increase as the cost of living crisis progresses - 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.

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,
Chair of the Poverty Action
Steering Group



Cllr Alan Shield
Cabinet Portfolio Holder for
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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, those with caring responsibilities, 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.

In addition, people face financial challenges at transition points such as leaving home or care, moving into a new home, being diagnosed with a serious illness, 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.

Actions

Ongoing / annual programme of work

- Using data available both nationally and locally to inform initiatives and projects aimed at addressing poverty; this includes predictive modelling to develop effective, targeted approaches when needed to address emerging issues affecting households
- Improve data capture and intelligence which informs the work and reporting mechanisms of the Poverty Action Steering Group and wider partners
- Carry out a programme of targeted campaigns to increase the number of people undergoing benefit checks, for example, holiday hunger campaign, over-75s, Care Connect users, women and pensioners.
- Promote, with childcare providers and families, the support available to help with childcare.
- Deliver 'Benefit Awareness Training' to service teams
- 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
- 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.
- Ensure residents can access information on available financial support
- Increase awareness of benefit entitlements and programmes which support people into suitable employment.
- Deliver employability programmes that assist residents to access and sustain job opportunities (Council Plan Action). Programme includes:
 - Durham Advance extended to Dec 2023
 - LINKCD extended to Dec 2023
 - CLLD projects extended to Dec 2022
 - Refugee Resettlement Programme extended to March 2024
 - FLEX programme introduced to Dec 2023

2022

- Develop a key set of measures to be used to determine the impact of the work of the Council and partners in addressing poverty related issues
- Review the Special Guardianship Order (SGO) policy to meet the needs of kinship carers, identifying access to a wide range of support/services and financial support.

2023

- Develop an approach for using confidential datasets, ensuring the data can be shared, joined-up and used without compromising data protection legislation.
- Understand the levels of reported financial abuse within specialist domestic abuse services and partners.
- Give people who are in poverty a voice to tell their story and change the narrative to reduce stigma which can be associated low income.
- Work with communities and partners to review and reframe communication and engagement plans to reduce stigma around poverty and increase uptake of financial entitlements.
- Develop an evidence-based approach to ensuring that food provided through food inequality initiatives work with government recommendations on healthy eating and adopt the Eatwell Guide as the standard they work towards achieving for their food offer.
- Work with health to explore how financial wellbeing MECC and referral and/or signposting individuals to financial support can be embedded into a range of health pathways, for example community connectors.
- Maximise the use of the County Durham Pound and explore further possibilities of how social value can impact the poverty agenda
- Review of advice services across County Durham focusing on location, accessibility, and quality of service.
- Widen the 'First Point of Contact' offer to include more detailed support conversations to help those in financial difficulty.
- Review the Healthy start vitamin programme delivery and implement a phased distribution process to ensure eligible families have access free vitamins and are aware of the benefits of healthy eating.

2024

- Continue to work with external partners such as the Department for Work and Pensions (DWP) to provide support to those who are impacted by the transition to Universal Credit.
- Continue to work with the Department of Work and Pensions (DWP) to identify and engage with people who are entitled to benefits but are not claiming.
- 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.

2025

- Work with partners to strengthen the process for identifying people who are vulnerable, a) financially, b) in relation to health and well-being
- Develop a joined-up Business Intelligence approach to managing poverty data
- Ensure public health contracts maximise opportunities to refer and/or signpost individuals and families to financial support

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 continues to soar, with inflation running at 10.1%¹³ and the Bank of England forecasting it to peak at 13.3% at the end of March 2023. This inflationary increase is largely driven by the rise in the cost of fuel and energy bills, which is being impacted significantly by the war in Ukraine. With more financial pressures are on the horizon including expected increases in rents, mortgages, water bills and energy bills, we expect more people to be pushed into poverty over the coming months. Low-income working families which are 'just about managing' and vulnerable to unexpected expenditure remain at high risk.

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. Addictions (including smoking, alcohol, drugs or gambling) are also key factors in lowering incomes and creating problem debt.

Actions

Ongoing / annual programme of work

- Raise awareness of illegal doorstep lending through targeted campaigns
- Deliver a range of initiatives to alleviate fuel poverty (Council Plan Action)

2022

- Support the Advice in County Durham Partnership to ensure their referral pathways are effective.
- Ensure the mechanisms in place to support those in crisis remain effective, including the council's Welfare Assistance Scheme.
- Expand the use of the benefit calculator to other services across the council.
- Continue to provide effective support mechanisms for more vulnerable households, through the Local Council Tax Reduction Scheme, Discretionary Housing Payments and Partnership support arrangements.
- Deliver a range of initiatives to alleviate food inequality (The 'Bread and Butter' Thing is one strand)
- Support the Durham Food Partnership to deliver its strategy to alleviate food insecurity
- Expand the programme which effectively distributes surplus foodstuffs (at extremely competitive prices) to individuals and families in need (Bread and Butter Thing)
- Provide wrap-around support (financial engagement - eg benefits advice) as part of 'Bread and Butter Thing' provision.
- Understand the housing market to help people who are struggling with their housing costs to remain in their homes.
- Develop a joint action plan for the housing poverty group and provide updates to the poverty action steering group.
- Develop an incentive scheme to enable Ukrainian guests to access private rented houses at the end of their accommodation with UK hosts.
- Develop and implement 'Cutting Cost of the Pre-school Day' to 50 nurseries and pre-school settings.
- Deliver 'Cutting the Cost of the School Day' programme to an additional 75 schools/colleges across the county, focusing on communities top 30%.
- Explore a model to further extend 'Cutting the Cost of the School Day' to include audit of impact.
- Fully understand and consider current market forces and implications in relation to the application of the Durham living wage; in particular the position in relation to DCC's workforce; future supply chains and wider businesses across the county.

2023

- Work with partners to ensure a consistent approach to debt advice provision across the county (supports a national review through money advice and debt service)
- Evaluate the outcomes from the Advice in County Durham Partnership Financial capability project
- Improve access to, and encourage more people to use, credit unions to obtain low-cost credit
- Improve the service offer provided by Housing Solutions to assist households struggling with their housing costs and work with the wider council services
- Undertake a review of the Healthy Start Programme offer for County Durham and provide recommendations to improve uptake and reduce inequalities

2025

- Use the approach to wellbeing to scope how to create financial wellbeing at community level to help people feel more secure and in control of their finances, both now and in the future, knowing that they can pay the bills today, can deal with the unexpected, and are on track for a healthy financial future.

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. Being financially aware and having good budgeting skills are essential to all residents.

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. This is exacerbated across our rural communities which are more spatially isolated and more reliant on seasonal employment.

Actions

2022

- Improve the referral pathways in relation to financial advice and support for frontline staff in Children's Social Care and the One Point Service
- Deliver three training programmes about financial literacy and budgeting to frontline practitioners working with children, young people and families
- Set up a new service (young person project) to support young people aged 17.5 years transitioning from children's services and Children Looked After (CLA) to help prepare them with skills for independent living at 18 years and assist with finding suitable accommodation post 18 years (pilot for 18 young people).
- Develop 'My Future is Durham' initiative into a wider programme for schools and colleges.
- Arrange a jobs fair to introduce Ukrainian guests living across the County to potential employers

2023

- Community book – Project within the County Durham Together programme: Develop a business case and recommendations for an accessible digital repository of services, enabling people to access the appropriate services, support, activities at the right place and right time.
- 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.
- Investigate the possibility of expanding/duplicating the Mental Health Hospital Discharge Scheme (dispersed accommodation – housing first model) to support people leaving services and increasing throughput in order to support more vulnerable people.
- Review the Devolution deal once clarity is received and assess how it impacts the local area, e.g., skills appropriate to local economy
- Ensure a smooth transition from European Funding Streams to the Shared Prosperity Fund
- Fully understand the findings from the 'left behind communities' research and identify actions to address some of the issues highlighted.
- Explore the use of local Anchor Organisations to improve the training and employment prospects of those living in left behind neighbourhoods.
- Join up the Financial Ability project (formerly Durham Savers initiative) with 'money matters and advice' provision programme:
 - Continue to develop the communication for local organisations to signposting information.
 - Embed into Learning and Development portal and create further support materials, whilst maintaining communications and feedback from internal colleagues.
 - Engage with existing networks, develop new partnerships and re-engage previous partners
 - Continue to re-engage with DWP Work Coaches and front-line staff following lifting of COVID restrictions
- Scope how to create financial wellbeing at community level to help people feel more secure and in control of their finances, both now and in the future, knowing that they can pay the bills today, can deal with the unexpected, and are on track for a healthy financial future

- Provide financial support initiatives to people who are homeless, leaving care or veterans
- Raise awareness of financial abuse as a form of domestic abuse and what support is available for victims/survivors within communities
- Deliver initiatives that support rough sleepers, ex-offenders and other vulnerable people into accommodation (Council Plan Action)
- Increase awareness of adult commissioned services which support vulnerable people to access housing, maximise income, reduce debt, provide employability support and reduce social isolation. Undertake a review of current drop in's venues across the County to ensure inclusion of difficult to reach communities.
- 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
- 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.
- 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).
- Join up the work being done on green spaces with food poverty / food resilience /sustainable low cost food.

2024

- Implement and evaluate the impact of the new Durham Help service offering mental health support to residents who are looking for employment, education and training through the various DCC employment programmes.

2025

- Evaluate the delivery of support to 1,300 school pupils in years 10 and 12 who are classed as vulnerable and at risk of not making a successful transition into education, employment, and training.
- Provide targeted and engaging delivery of numeracy and literacy to improve the levels of basic skills across the county (through the Multiply programme and mainstream Adult Education Budget).

2026

- Broaden the county's business base to include a range of jobs across both private and public sectors.

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.

If people are to escape poverty, they need to be able to reach the key services that will help them (both financial and health-based) and the wider labour markets which will employ them. However, this remains a struggle for many of our most disadvantaged residents due to availability, a mismatch between need and timetable, cost, or long journey times. Therefore, affordable transport is key to breaking the cycle of social exclusion and reconnecting our less affluent areas and rural communities to their wider labour markets and key services.

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.

Actions 2022

- 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.
- Deliver communications plan to promote the availability of lower cost connectivity services such as social tariffs for those in receipt of certain benefits.
- Further develop online postcode checker to facilitate signposting to digital inclusion related support in terms of access to devices, connectivity and training/skills.
- 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.

2023

- Use data and intelligence to identify our most vulnerable communities to support access to public transport.
- 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.

2025

- Investigate the feasibility of broadband providers, working with social housing providers, to provide social tariffs for those in receipt of certain benefits.
- 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 gigabit-capable broadband services at an affordable cost.
- Explore opportunities to develop a digital inclusion strategy which supports a strategic and joined up approach to digital inclusion and mitigates the digital inclusion gaps.

Endnotes

- 1 Ministry of Housing, Communities and Local Government, 2019
- 2 Living in households with less than 60% of median household income
- 3 Households Below Average Income (HBAI) statistics, 17/18 to 19/20
- 4 Annual Population Survey (Office of National Statistics, April 2021 to March 2022
- 5 Annual Population Survey (Office of National Statistics), April 2021 to March 2022
- 6 Annual Survey of Hours and Earnings (ASHE) (Office of National Statistics), 2020/21
- 7 Labour Force Estimates (Office of National Statistics), April to June 2021
- 8 Office of National Statistics, 2019
- 9 Stats Xplore, March 2020 to August 2022. Households to May 2022
- 10 Joseph Rowntree Foundation and Save the Children
- 11 On School Census Day in January 2022
- 12 UK Consumer Price Index for 12 months to July 2022
- 13 UK Consumer Price Index for 12 months to July 2022