

**Cabinet**

**14 February 2024**

**Poverty Issues Annual Report**



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**Report of Corporate Management Team**

**Paul Darby, Corporate Director of Resources**

**Councillor Alan Shield, Portfolio Holder for Equality, and Inclusion**

**Electoral division(s) affected:**

Countywide

**Purpose of the Report**

- 1 To provide Cabinet with an update on:
  - (a) The most recent welfare, economic and poverty indicators for the county;
  - (b) Core expenditure (funded by both central government and from council budgets) which specifically supports poverty related activities and enables support to be delivered to vulnerable households by the council and key partners;
  - (c) Progress of the council and partners in addressing and alleviating poverty, including actions delivered in line with our poverty action plan and the support given in response to the financial impact of the cost-of-living crisis on our vulnerable households; and
  - (d) Priority actions to be progressed during 2024/25, as previously approved by Cabinet, which continue to reflect changes in the current poverty landscape, intelligence / learning over the last year and build on successful delivery to date.

**Executive summary**

- 2 Poverty is multi-faceted. It comes in many shapes and forms and varies both in terms of duration and severity. Poverty is not just about money, it relates to opportunity, participation, and access to services. Its impacts are felt at an individual, household, and community level.
- 3 Although many of the drivers of poverty, such as the strength of the economy, employment, wage rates, national welfare provision and

inflation, are beyond the council's direct control, the council remains committed to tackling all aspects.

- 4 The council continues to provide effective 'core' financial support mechanisms to low-income households, as well as supporting advice provision across the county. Support mechanisms include the Local Council Tax Reduction Scheme (LCTRS), Discretionary Housing Payments (DHP) scheme, and the Welfare Assistance Scheme (WAS) for those in crisis.
- 5 The council also provides additional investment and support to residents needing financial help, through the work of the Poverty Action Steering Group (PASG).
- 6 The work of the PASG is directed by the Poverty Strategy and Action Plan with the overarching vision of working together with partners and stakeholders so fewer people will be affected by poverty and deprivation in the county, structured around four key objectives:
  - (a) Objective 1: use intelligence and data to target support to low-income households.
  - (b) Objective 2: reduce the financial pressures on people facing or in poverty.
  - (c) Objective 3: increase individual, household and community resilience to poverty.
  - (d) Objective 4: reduce barriers to accessing services for those experiencing financial insecurity.
- 7 Since the most recent plan was adopted by Cabinet in November 2022, and considered by Corporate Overview and Scrutiny Management Board in December 2022, several projects, all designed to "wrap around" government schemes, together with broader council strategies providing a more comprehensive package of support for residents have been delivered.
- 8 The council has drawn on national funding sources and leveraged in additional monies to sustain existing work and develop new programmes. Funding from the Household Support Fund, Department for Education and UK Shared Prosperity Fund (UKSPF) has been identified and utilised where possible in addition to Council resources.
- 9 The Poverty Action Steering Group has continued to develop and build on partnership working with the VCS and other public sector organisations to maximise resources, ensuring a common approach

and draw on a wide range of expertise to help develop programmes and projects.

- 10 This is in addition to the management, ongoing implementation and further development of the Poverty Action Plan and delivery of a range of initiatives.
- 11 Over the last year work has concentrated on protecting our most vulnerable communities through the cost-of-living crisis. Initiatives have focused on mitigating the impact of food and fuel poverty, ensuring access to welfare advice and guidance services, promoting financial inclusion, and supporting vulnerable groups.
- 12 Progress has also been made on projects to enhance access to data and intelligence and determine key measures that will enhance the council's understanding of our residents and their financial issues, as well as supporting the development of mechanisms to assess and evaluate the impact and outcomes of PASG work and the Poverty Strategy over its lifetime.
- 13 Activity to increase awareness and maximisation of benefit entitlements and the council's 'first point of contact' offer has been extended to include more detailed conversations to help those in financial difficulty as well as the continued provision of training to local Voluntary and Community Sector organisations to enable them to identify residents in need of financial support and signpost them to appropriate help.
- 14 We have continued to support young people as they prepare to progress further into education, employment, or training and supported programmes which help people access and sustain suitable employment.
- 15 We also continue to work with a wide range of organisations to provide a joined-up cohesive approach to tackling issues. For example, with private and social landlords to understand issues in the housing market, and support rough sleepers, ex-offenders, and vulnerable people into accommodation; educational settings to understand the scale and impact of poverty on young people and 'cut the cost of the school day'; and NEFirst Credit Union to provide interest free loans to families in need of financial assistance.
- 16 Focus has been placed on building on the success of previous initiatives. This has included developing the 'warm spaces' project into 'welcome spaces' to reflect the social inclusion benefits. The evaluation of the 2023/24 programme evidenced the wider social wellbeing benefits that people experienced and this year's programme will look to enhance these even further with an independent evaluation carried out before the 2024/25 phase is developed.

- 17 The evaluation report, provided by County Durham Community Foundation (CDCF), at the end of the first year of delivery showed that circa 17,000 people attended a Warm Space which equated to an average of 140 people per Warm Space. This results in an average cost per Warm Space attendee of approximately £8.50. As many people attended Warm Spaces multiple times, the cost per visit will be lower than this. Over 1,000 volunteers have been involved with running Warm Spaces, with over 100 of these volunteers new to the organisations they supported.
- 18 'The Bread and Butter Thing' food hub network has also been expanded to 15 hubs which support around 1,200 families each week with low-cost food and access to advice (including financial support).
- 19 Whilst the council has supported its most vulnerable residents over recent years and has further increased support provision during the last year, the data presented in this report indicates that the risk of poverty and severe hardship increasing remains high in County Durham, and across the UK, driven by the increasing cost of living.
- 20 The impact of the strategy must be understood in the context of the ongoing cost of living crisis, which continues to impact our families, communities, and public services. Over the past year the focus has been on protecting our most vulnerable residents by providing a safety net. This has been done by drawing on the extension of the Household Support Fund and a range of other funding sources, and by working in partnership to sustain existing programmes and develop new ones.
- 21 The adoption of the strategy provides a joined-up framework for developing our longer-term goals and the locally led actions described in this report are a critical and effective part of helping lift people and communities out of poverty.
- 22 The Poverty Strategy aligns with existing strategies and plans in place across the county, including council documents such as the County Durham Plan and Digital Strategy as well as the County Durham Joint Health and Wellbeing Strategy.
- 23 Furthermore, the Strategy was developed alongside the Inclusive Economic Strategy to ensure that at the same time as responding on the immediate challenges in front of us, we are focused on building a stronger County Durham, one where everyone reaches their potential, and we have a future focused economy.
- 24 The Inclusive Economic Strategy is fundamental to the success of the Poverty Strategy. The IES will support the generation of jobs, growth and opportunities that will enable pathways out of poverty to be built and prevent people falling into poverty in the longer term.

- 25 However, this report recognises that the major tools needed to address this challenge remain with national governments, in the form of social security, tax, and regulatory powers. there is much still to do to promote social inclusion and support people and their families over the coming months and years, particularly given the ongoing challenges of the current economic situation.
- 26 By maintaining our partnership-based approach to delivering the Poverty Action Strategy and action plan, we continue to make it everyone's business to respond to poverty and the risk to financial exclusion and delivery in line with the poverty action plan will continue to be closely monitored during 2024/25.

### **Recommendation(s)**

- 27 Cabinet is recommended to note:
- (a) the progress being made by the council and its partners in addressing the impacts of poverty and the wider issues including the ongoing impacts of the cost-of-living crisis;
  - (b) the actions for priority progress during 2024/25 detailed within the report and previously approved by Cabinet, which continue to reflect changes in the current poverty landscape, learnings in the last year and build on successful delivery to date.

## Background

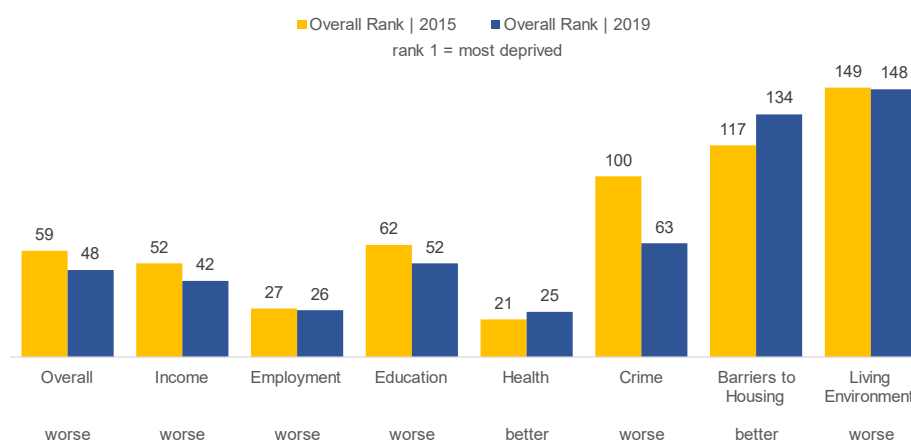
- 28 Poverty is multi-faceted. It comes in many shapes and forms and varies both in terms of duration and severity. Poverty is not just about money, it relates to opportunity, participation, and access to services. Its impacts are felt at an individual, household, and community level.
- 29 Although many of the drivers of poverty, such as the strength of the economy, employment, wage rates, national welfare provision and inflation, are beyond the council's direct control, the council remains committed to tackling all aspects of poverty.
- 30 This is the latest update report setting out the progress being made by the council and its partners in tackling and supporting people who are affected by poverty across the county.
- 31 It builds on previous update reports presented to Cabinet, and includes an overview of the 'core' financial support mechanisms the council has in place as well as progress of the actions included in our poverty action strategy 2022-26, adopted by Cabinet in November 2022 and considered by Corporate Overview and Scrutiny Management Board in December 2022.
- 32 The council continues to provide effective 'core' financial support mechanisms to low-income households, as well as supporting advice provision across the county. Support mechanisms include the Local Council Tax Reduction Scheme (LCTRS), Discretionary Housing Payments (DHP) scheme, advice, support, and guidance, including an in-house Welfare Rights team, and the Welfare Assistance Scheme (WAS) for those in crisis.
- 33 The council co-ordinates its efforts to tackle poverty across council services through the Poverty Action Steering Group (PASG). This is a senior officer group, chaired by the Corporate Director of Resources and attended by the portfolio holder for social inclusion. We also work closely with our key partners to ensure that we share intelligence on emerging issues.
- 34 The poverty action strategy sets out the council's strategic approach to addressing the issues surrounding poverty. The action plan not only sets out the short-to-medium term initiatives and investments we are taking to help our residents recover from the pandemic and navigate through the cost-of-living crisis, but the longer-term action that we hope will manifest into a changed and improved situation, helping to break the cycle of poverty.
- 35 It is important to note that the issues and challenges highlighted in this report cut across the key objectives in the Council Plan and as such the

strategy aligns with existing strategies and plans in place across the county, including council documents such as the County Durham Plan and Digital Strategy as well as the County Durham Joint Health and Wellbeing Strategy.

- 36 Furthermore, the Poverty Strategy was developed alongside the Inclusive Economic Strategy to ensure that at the same time as responding on the immediate challenges in front of us, we are focused on building a stronger County Durham, one where everyone reaches their potential, and we have a future focused economy.
- 37 The Inclusive Economic Strategy is fundamental to the success of the Poverty Strategy. The IES will support the generation of jobs, growth and opportunities that will enable pathways out of poverty to be built and prevent people falling into poverty in the longer term.

### National, Regional and Local Picture

- 38 Across County Durham, poverty issues are exacerbated by high levels of deprivation. The county is ranked the 48<sup>th</sup> most deprived area in England (from 151 upper tier local authorities<sup>1</sup>) with almost half of residents living in the 30% most deprived areas.
- 39 Further analysis shows the county to be the 26<sup>th</sup> most deprived for employment and the 42<sup>nd</sup> most deprived for income. The situation has deteriorated since the last survey in 2015.

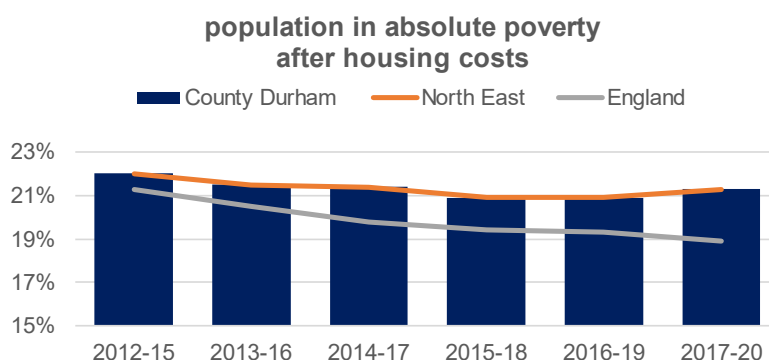


- 40 Although the amount of money that a County Durham household has available for spending or saving after all direct and indirect taxes have been paid and any direct benefits received (gross disposable household income) is increasing, it remains lower than the wider North East and the rest of England.

<sup>1</sup> [2019 Indices of deprivation](#)

	2020	2021	Change
County Durham	£16,362	£17,228	+ £866
North East	£16,935	£17,563	+ £628
England	£21,414	£22,213	+ £799
Gap with England	£5,052 24% lower	£4,925 22% lower	improving

- 41 Whilst it is difficult to evidence the drivers for this improved position between 2020 and 2021 Business Register and Employment Survey (BRES) data indicates an increase in jobs in the county, particularly full-time position. This period also covers a time of Universal Credit (UC) uplift which may have had an impact, particularly given we have a higher percentage of the working age population claiming UC than the rest of England.
- 42 We estimate that just over 112,000 of our residents (21.3%) live in absolute poverty<sup>2</sup> after housing costs. This is on par with the rate across the North East but is worse than the UK average (18.9%). The absolute poverty gap between County Durham and England has widened in recent years.



- 43 Latest data for the North East region suggests that around 56% of working-age adults with relative low income<sup>3</sup> are living in households where at least one adult works.
- 44 In work poverty is further reflected in recent data relating to Universal Credit<sup>4</sup> (UC). Across County Durham, the number of people claiming

<sup>2</sup> Data relates to 2017/20 and reports people living in households with income below 60% of the 2010/11 median (adjusted for inflation). Median is the point which half of households have lower income and half higher income.

<sup>3</sup> Data relates to the average of 2019/20 and 2020/21 and relates to income below 60% of the median for that year. Median is the point which half of households have lower income and half higher income.

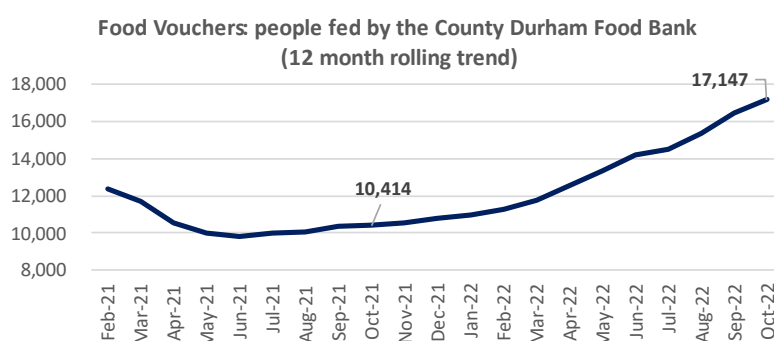
<sup>4</sup> UC is a single payment replacing the following benefits - income based job seekers allowance, income related employment and support allowance, income support, working tax credit, child tax credit, housing benefit.



UC has increased in recent years, but the increase has been greater across those in work than those not in work.

	UC Claimants	UC Claimants in work	% of UC claimants in work
Mar-20	32,870	9,500	29%
Sep-23	58,729	19,909	34%
Change	+25,859 (+79%)	+10,409 (+110%)	+5 percentage points

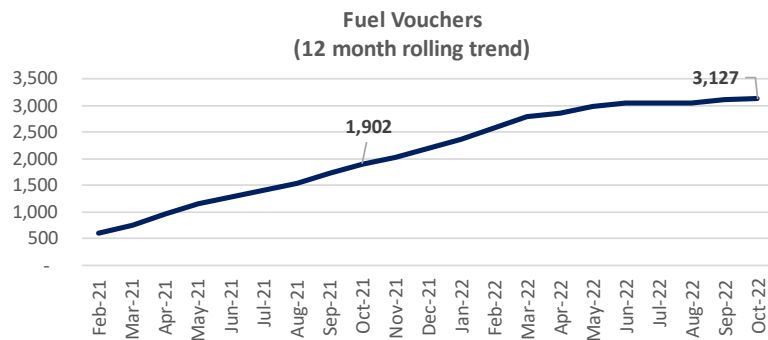
- 45 The next iteration of poverty data will be updated in February / March 2024.
- 46 It has been suggested<sup>5</sup> that the poorest quarter of households are set to see their incomes fall further. This marks a significant decline in wealth for a proportion of the UK compared to 10 years ago, with more people falling into absolute poverty<sup>6</sup>.
- 47 Much of this fall is due to the cost-of-living crisis and more specifically the impact of inflation on energy, food, and fuel. Lower-income households have been hit particularly hard. This impact is evident when looking at the numbers of people accessing food hubs / food banks, children, and young people eligible for free school meals (FSM) and households in fuel poverty.
- 48 During the 12 months ending 31 October 2022, the County Durham Food Bank issued just over 17,000 food vouchers – 65% more than the previous year. The ratio of adults to children has remained consistent over the last three years, with children making up 35 to 37% of the demand.



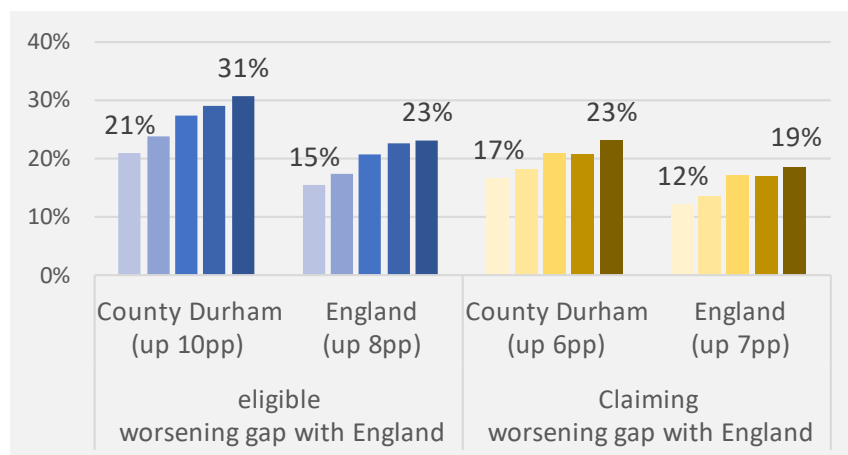
<sup>5</sup> 2022 report by the Resolution Foundation

<sup>6</sup> people living in households with income below 60% of the 2010/11 median (adjusted for inflation)

- 49 86% of vouchers issued during the 12 months ending 31 October 2022 were due to one of three reasons: low income (17%), benefit changes and delays (17%) and debt (14%).
- 50 Over the same period, just over 3,100 fuel vouchers were issued, again 65% higher than the same period the previous year.

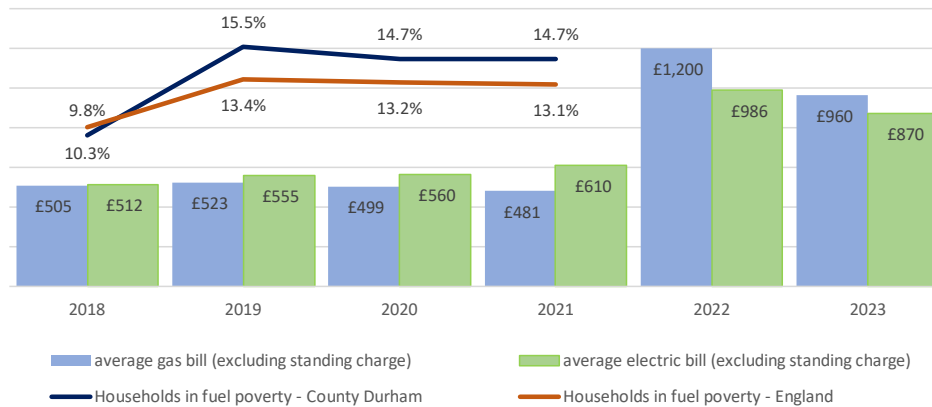


- 51 The proportion of children and young people eligible for FSM across the county has steadily increased over the last five years – and at a faster rate than the England average. In terms of claiming, the proportion has also increased – but at a slower rate than the England average.



- 52 Although the cost-of-living crisis is a major factor in the increase in FSM, it is also linked to Universal Credit roll-out (and the associated protections).
- 53 The most recent data (2021) suggests 35,210 households across the county are in fuel poverty<sup>7</sup>. However, this data does not include the impact of the cost-of-living crisis, which started in late 2021 and caused energy prices to increase significantly.

<sup>7</sup> Living in a property with an Energy Efficiency Rating of band D or below, and if they spend the necessary amount to heat their home, would be left with a residual income below the poverty line.



- 54 Therefore, we expect to see a greater proportion of households in fuel poverty when more up-to-date data is released in February / March 2024.
- 55 With the increase in cost of living due to the inflationary rate of food and fuel we have seen a dramatic increase in people who are in employment finding themselves struggling financially and at risk of falling into poverty.
- 56 This was highlighted by the changes to the Household Support scheme in 2023 where the DWP specified that part of the fund had to be available to those people who were not receiving other forms of additional help but were still struggling with the day to day living expenses.
- 57 This group have been referred to as ‘just about managing,’ as the household income tends to just cover the basic household expenses but leaves little surplus for any increases or unforeseen expenses while the income is normally too high to qualify for any traditional benefits support.
- 58 Durham is particularly at risk of this due to the type of work which is predominantly available in our area which is normally lower paid, has less reliable hours and not always of a fixed term nature.
- 59 On the ground our VCS and public service partners continue to report the following:
- Rising demand at food banks is impacting capacity.
  - More people in work are using food banks.
  - More families are struggling to get by and afford essential basics.
  - Debt problems are rising.

## Rural Proofing and Digital Inclusion

- 60 When considering the national, regional, and local picture, it is important to recognise the geography of the county. County Durham is largely rural with some of the lowest population densities in the country – of the 300 recognised settlements, only 23 have a population of 5,000 or more<sup>8</sup>.

Land Type	Area of county	Population	Population density per hectare
Rural	57%	7%	0.3
towns and villages in a rural setting	32%	37%	2.7
Urban	11%	56%	12.1

- 61 The A68 splits the county. 90% of the population live to the east of the A68 in 40% of the geographical area. 10% live to the west in 60% of the geographical area.
- 62 The character of our rural areas and settlements vary, from the more remote locations in the Pennine Dales in the west of the county, to the larger villages in former coal mining communities in the centre and east of the county.
- 63 It is important to recognise that the needs of residents in rural areas differ from those in non-rural areas. Although all people living in poverty can expect to pay more for almost everything they buy, this 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 reduced public transport links puts increased emphasis on having a private car.
- 64 Lack of transport can prevent people accessing services, education, and employment. Cost, poor availability and long journey times have disconnected less affluent areas and rural communities from their wider labour markets.
- 65 We continue to deliver rural proofing activity to ensure the differing needs and issues affecting residents in rural areas are considered. This remains a priority in 2024/25.

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<sup>8</sup> 2011 census

- 66 Furthermore, the ability to interact digitally, essential to addressing social and economic inequalities and levelling up our communities remains a challenge for our rural communities.
- 67 Many of the cheapest ways of accessing goods and services are only available online, mainstream banking has disappeared 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.
- 68 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.
- 69 The council continues its 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.
- 70 Coverage for super-fast broadband is currently 97% for County Durham (circa 240,000 households), with gigabit capable broadband currently at 59% coverage (circa 144,000 households).
- 71 Additionally, a multi-agency steering group has been created under the County Durham Together Partnership to consider the digital inclusion landscape. The group intends to support a more strategic and joined up approach to digital inclusion, explore opportunities to mitigate digital inclusion gaps.

### **Area Action Partnerships**

- 72 Area Action Partnerships (AAPs) are partnerships that consist of members of the public, representatives for Durham County Council, town and parish councils, police, fire, health, housing, business, university, and voluntary organisations.
- 73 AAP's give local people and organisations a say on how our services are provided. There are 14 AAPs in the county.
- 74 For the last few years, each of the 14 AAP have been allocated £10,000 to support projects tackling poverty. The £140,000 allocation to AAPs in

2023/24 has, to date, been matched with an additional £195,265 Area Budget as well as £252,444 in external match funding which has supported 20 projects aimed at reducing the impact of poverty on our local communities.

## National Policy Update

75 There have been changes to national policy (both welfare and cost-of-living related) since the last update was presented to Cabinet and which have or will have an impact the financial position of residents across the county during 2024/2025 and beyond. The main changes are listed below:

### *Cost-of-Living Payments (2023 to 2024)*

76 The government is funding extra cost-of-living payments to help people on certain benefits or tax credits with their daily expenses. This has led to reduced demand for wider support through the council's financial support schemes.

77 The payments are available across three key areas:

- (a) *Low-income benefits and tax credits*: available to people on means tested benefits (such as Universal Credit or Pension Credit) or who are claiming tax credits, the payments will be paid in three instalments: £301 (April / May 2023), £300 (October / November 2023) and £299 (Spring 2024).
- (b) *Disability*: available to people in receipt of a qualifying disability benefit, the single £150 payment was paid in June / July 2023.
- (c) *Pensioner*: available to people receiving Winter Fuel payments, the additional payment is worth between £150 and £300 and was paid in November 2023.

78 Durham residents have received over **£80 million** of these support payments which equates to additional income of up to £900 per eligible individual.

### *Increase to the National Living Wage (NLW)*

79 Around 30,000 employees in County Durham currently earn less than the NLW. Women are the hardest hit, with around 19% being paid less than the living wage, compared to around 14 percent of men. This equates to around 17% of employees in County Durham, which is worse than the England average of around 12 percent.

80 The NLW increased by 9.7 percent in April 2023 to £10.42 an hour, and from 1 April 2024, it will increase further by an additional 9.8 percent to

£11.44 an hour. The age threshold will also be lowered from 23 to 21 years old from April 2024.

### *Reduction in National Insurance Contributions (NICs)*

- 81 From 6 January 2024, the main rate of Class 1 employees' NICs will be reduced from 12% to 10%, a tax cut of £450 per annum for the average worker.
- 82 From 6 April 2024, NICs for the self-employed will be reduced. The fixed weekly Class 2 contribution will be abolished, and the Class 4 contribution rate will be reduced from 9% to 8%.

### *The Back to Work Plan*

- 83 From 6 April 2024 the welfare system will be reformed focusing on the long-term sick and disabled, and long-term unemployed. Sanctions will be strengthened for those who choose not to engage with measures that help them find work.

### *Increase in benefit payments*

- 84 For those who cannot work for legitimate reasons, the government will uprate all 2024/25 working age benefits, by the September 2023 CPI inflation of 6.7%, and will continue to protect pensioner incomes by maintaining the Triple Lock and uprating the basic State Pension, new State Pension and Pension Credit standard minimum guarantee for 2024/25 in line with average earnings growth of 8.5%.
- 85 Local Housing Allowance rates will be raised to the 30<sup>th</sup> percentile of local market rents.

### *Increase in free childcare for working parents*

- 86 Currently, eligible working parents of three- and four-year-olds receive 30 hours a week of free childcare.
- 87 From April 2024, working parents of two-year-olds will be able to access 15 hours of free childcare.
- 88 From September 2024, 15 hours of free childcare will be extended down to the age of nine months for working parents.
- 89 From September 2025 working parents will be able to access 30 hours of free childcare per week for 38 weeks per year from when their child is nine months old, to when they start school.

### *Increase in the Energy Price Cap*

- 90 From 1 January 2024, the annual energy price cap will rise from £1,834 to £1,928. This means that energy bills of a typical household who use gas and electricity and pay by Direct Debit will increase by £94.

### **Government Funding**

- 91 This section describes the government funding which is currently in place to support lower-income households and those in financial difficulty, and how that funding has changed and /or will change.

### *Household Support Fund (HSF)*

- 92 The Household Support fund is a government funded grant which has been awarded to local authorities on an annual basis since 2020. It is to support people struggling with food, energy, and water costs, or who need essential household items. In cases of genuine emergency, it can also be used to support housing costs if existing housing support schemes do not meet this need.
- 93 The amount of funding and the criteria for the scheme can vary. Previous iterations of the scheme were funded for a period of six months. In 2023/24 this changed to 12 months, providing more flexibility and more strategic approach to be delivered by local authorities.
- 94 The total value awarded to Durham since October 2020, including the current HSF4 round is £25,903,983.95 and the fund currently supports approximately 52,000 individuals and their families with financial support per annum.
- 95 In the latest iteration of the scheme (2023/24) the council has been allocated £9.3 million, covering the 12-month period of April 23 to March 24.
- 96 £4.5 million will be issued in food vouchers to those who receive free school meals - £2.25 million was awarded in June/July with a further award of the same amount in November/December. A further cost of £112,00 covers the cost of producing these vouchers.
- 97 Each child claiming free school meals is awarded a £75 voucher in each period - a total of £150 per child over the two periods.
- 98 £1.1 million has been awarded to schemes directed at households with children, including Safe Sleeping arrangements, a direct allocation to schools to make award to those who may not be eligible for Free School Meals but may be on low incomes, kinship carer award during winter



and a care leavers award also to be issued during the winter to support with food and fuel.

- 99 £1.7 million has been awarded to County Durham Community Foundation (CDCF). Circa £1 million of has been awarded to Durham Christian Partnership and East Durham Trust to provide food and fuel for the 12-month period. £700,000 has been awarded to 26 grass root organisations and 2 further anchor organisations (Durham Carers and Age UK). These are small community groups supporting identified individuals as appropriate.
- 100 A further £1 million will be transferred to CDCF during the final six months of the 23/24 period to continue to expand the delivery of direct support to individuals. Demand for furniture and white goods has been particularly high across all organisations.
- 101 £50,000 has been awarded to Housing Solutions to support individuals at risk of homelessness.
- 102 £133,000 has been allocated to the Welfare Assistance scheme to support the increased demand for crisis support and settlement grants.
- 103 £270,000 has been allocated to the application process for adults within the Adult Social Care Service and those in receipt of Housing Benefit only who are not eligible for the DWP Cost of Living Payments.
- 104 A further direct application process will be open during the winter months to support individuals on low income who are struggling with costs during the colder periods. This may include furniture/white goods and/or food/fuel where they are not eligible for other mainstream grants.
- 105 £100,000 has been awarded to The Bread-and-Butter Thing to support with fuel during the winter months.
- 106 A contingency of circa £50,000 is currently held from the fund to continue to review demand over the coming months to ensure resources are deployed where most required.
- 107 At the time of writing this report the council awaits an update from the Government and the Department for Works and Pensions (DWP) regarding the future of the Household Support Fund when the current scheme ends on 31 March 2024.
- 108 There has also been no confirmation of a continuation to the cost-of-living payments into 2024/25 which, alongside the cessation of the Household Support Fund, could lead to the withdrawal of two avenues of additional support for people who are struggling with the continued increased cost of food and fuel from 01 April 2024.

- 109 With demand for local welfare provision, food and fuel help increasing year on year because of the cessation of this additional funding, is likely to have significant implications.
- 110 The announcement of support via the Household Support Fund has previously been received within short timescales, so it is possible that an extension may be announced before the end of the current schemes.
- 111 Due to the current uncertainty, planning for the switch from this additional support is now underway and work will continue with third sector partners over what support will be available without the Household Support Fund funding.
- 112 Furthermore, circa £1,000,000 to deliver additional initiatives with a focus on food poverty alleviation, the provision of cost-of-living advice and guidance and fun and food with half term activities is currently being sought through UK Shared Prosperity funding with final decision making on approval expected in February 2023.
- 113 All proposals will build upon the significant work already successfully delivered by the council and coordinated via the Poverty Action Steering Group and are proposed in response to the evidence and need and demand that has been identified but cannot be funded by the council moving forward.

#### *'Fun and Food' in County Durham*

- 114 The council was allocated £2.3 million by the Department for Education to co-ordinate and deliver free holiday activities and healthy food for children eligible for free school meals during the Easter, Summer, and Christmas holiday periods in 2022.
- 115 Additional funding was secured to cover the remaining school holiday periods with Public Health providing £80,000 for February half term 2022 and the Poverty Action Steering Group providing £150,000 for May and October half terms 2022.
- 116 The programme has a dedicated webpage<sup>9</sup> and Facebook group<sup>10</sup>, and each event also had effective signposting for families to access further advice and support. From summer 2023, representatives from the NEFirst Credit Union were in attendance to help families maximise income and encourage responsible borrowing and saving.
- 117 46,000 children and young people engaged with the 2022 programme and participated in activities such as arts and crafts, environmental and

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<sup>9</sup> [www.durham.gov.uk/funandfood](http://www.durham.gov.uk/funandfood)

<sup>10</sup> [Fun and Food County Durham | Facebook](#)

wildlife activities, STEM activities, sports and physical activity, and yoga and wellbeing. Healthy meals and snacks were provided with each activity.

- 118 In recognition of lower numbers of older young people attending previous Fun and Food provision, a new programme targeting 11 to 16-year-old children and their families has been developed. We are also expanding specialist provision for children and young people with Special Educational Needs and Disabilities (SEND).
- 119 £2.3 million was allocated by the Department for Education to co-ordinate and deliver free holiday activities and healthy food for children eligible for free school meals during the Easter, summer, and Christmas holiday periods in 2023. In addition, the Poverty Action Steering Group has allocated £425,000 for half-term holidays.
- 120 As part of the Fun and Food programme, free swim sessions (including Splashability sessions for children with SEND) continue to be provided for children aged 18 and under at weekends and during school holidays. 1,067 free weekend swims were recorded between April and June and almost 20,700 during the April, May, and summer holiday periods. Bottles of water and healthy snacks were provided at all sessions. The scheme has also provided 92 free gym memberships to targeted young people over the age of 11.

#### *Family Hubs*

- 121 The council has been allocated £4.4 million covering the period 2022 to 2025 to develop its family hub and start for life offer (the funding is allocated annually over the three years). The three-year programme provides 'one stop shop' access to family support which includes debt and welfare support, alongside other support such as access to pre-loved clothing, food, personal hygiene packs, citizen advice and credit union support, and holiday activities with healthy food.

#### *Employability Support Programmes*

- 122 The Council has secured Shared Prosperity funding of £4.9 million pounds to continue to develop and embed the employment support programmes previously funded through European Social Fund.
- 123 These programmes make significant contributions to the reduction of youth and adult unemployment in the county and enable the council to take a strategic lead in the employability sector.
- 124 These programmes include Durham Works, Durham Enable, Durham Directions Reengagement and Adult employment support through the Employability team.

- 125 These programmes all operate a key worker model providing a dedicated point of contact for residents seeking support. Each programme directs support at discrete target groups including NEETs/Young People, over 50s, those with health conditions, those with a disability and those residents in temporary or insecure employment. These key vulnerable groups remain a focus for support through the efforts outlined in the emerging Inclusive Economic Strategy.

*Single Homelessness Accommodation Programme*

- 126 The council has been awarded just over £4.4 million to purchase 32 bedspaces (rooms) for rough sleepers or people at risk of sleeping rough, and to procure 24/7 wrap-around support to address substance misuse, domestic violence and abuse, wellbeing, and mental health.

### **Council Response**

- 127 The council has adopted a strategic and co-ordinated approach to addressing the impact of poverty, changes to the welfare system and the cost-of-living crisis on our residents.

- 128 A range of policy interventions that support vulnerable low-income households are in place, including:

- (a) **Local Council Tax Reduction Scheme (LCTRS)** – there are currently just over 53,500 LCTRS claimants across the county, of which 20,467 (38 percent) are pensioners and 33,226 (62 percent) are working age claimants. Almost 80% of all working age claimants receive maximum help, leaving them with no council tax to pay. LCTRS support is forecast to be around £63.3 million this year.

Residents who do not qualify for 100% council tax reduction could be eligible for an additional payment of £50 – to date, 26,386 payments have been made equating to almost £1.4 million this year.

- (b) **Discretionary Housing Payments (DHP) scheme** – each year the council receives a specific grant from the Department for Works and Pensions (DWP) to fund a local scheme which provides top up payments to those in receipt of the housing benefit element of Universal Credit to meet any shortfall in housing rental costs. The total allocation for 2023/24 is £836,254 with a total of 1,232 awards made between 1 April and 3 December 2023, with a total spend and commitments to year end totalling £912,460. The current shortfall in the scheme will be

offset by an element of the council's HSF 4 allocation.

- (c) **Welfare Support, advice, and Guidance** – the council recognises that effective advice and information services play a critical role in enabling residents to access available financial support, deal with issues of indebtedness and promote sound money management and is committed to ensuring that those in need of advice and information have access to suitable services across the county at a local community level.

The council supports and funds welfare support and debt management advice and guidance provision for residents via several routes.

Durham County Council is in the minority of councils that offer an in-house Welfare Rights team. The team offer a fully encompassing service providing welfare and benefits' advice to customers, from responding to the initial inquiry about entitlement to benefits through to representation and advocacy at appeals and ultimately, Upper Tribunals with the aim of maximising benefit entitlement.

The team also provide training to both internal staff and external partners and lead on a range of benefit take up campaigns.

In 2022/23 the team worked with 5,900 new service users, maximised income to a value of circa £15.5 million and saw 88% of claims achieve a successful outcome.

During quarters 2 and 3 of 2023/24 the team have worked with 3,282 new service users maximised income to the value of £7.7 million and 86% of claims have received a successful outcome.

To further contribute towards its strategic aims and objectives, the council partners with Citizens Advice County Durham (CACD) to provide advice services to residents within County Durham.

The council provides funding to CACD to support the provision of a free, independent, impartial, high quality service offering information, advice, and casework services to residents of County Durham to maximise entitlement to and raise awareness of benefits, debt advice and a wide range of advice services to facilitate sustainable applications and where necessary, appeals.

- (d) **Welfare Assistance Scheme (WAS)** - as part of Welfare Reform Act 2012, the discretionary elements of the DWP social fund transferred to local authorities and from April 2013, councils

became responsible for adopting a local policy and for providing support to people in crisis through daily living expenses and settlement grants.

The annual WAS budget is £1.013 million – of which £849,580 is available for spending on awards and £163,420 is a contribution to the administration costs of the scheme. The funding available for direct awards is allocated as follows:

- I. Area Action Partnership - £140,000 (£10,000 per AAP)
- II. The Durham Foodbank - £50,000
- III. FEED Project (East Durham Trust) - £5,700
- IV. Daily Living Expenses and Settlement Grants - £ 653,880

Any underspend against this budget is retained in an earmarked reserve that is overseen by the Poverty Action Steering Group to help fund a range of interventions set out in the Poverty Action Plan. This has included the following:

<b>Scheme</b>	<b>Funding amount</b>	<b>Funding agreed date</b>
NE First Credit Union - Interest Free Loans	£30,000	20/01/22
NE First Credit Union – Business Development Manager	£85,000	15/05/22
Educational Experiences/Fun Fund	£15,000	20/10/22
Financial Inclusion Support Officer – Schools	£31,249	26/04/23
Schools Work Place Project	£656,862	15/09/23
The Bread-and-Butter Thing	£125,000	22/11/22
Holiday Activities with Health Food – Half Terms	£425,000	22/09/22
Advice/Crisis Recovery Fund	£378,000	23/06/23
Advice – Age UK	£73,900	15/12/22
Warm Spaces	£148,200	15/09/22
Welcome Spaces	£150,000	18/10/23
CACI Datasets	£21,994	7/11/23

The reserve was further augmented with £1 million of funding from the Hardship Fund government grant received in 2020/21.

Over the last five years the Welfare Assistance Scheme payments have totalled £2,966,551. In the current year it is forecast that £728,000 will be spent on this scheme.

The forecast earmarked reserve balance that will be carried over to next year is £1,040,386.

- (e) **Council Tax Exemption for Care Leavers** – from 1 April 2017 the council implemented a policy of exempting care leavers from council tax up to the age of 25. This policy offers additional support to those leaving care to facilitate their transition to independent living. The current cost of the scheme for 23/24 is £241,417, subject to Council Tax annual increases.

- 129 As detailed previously the council's Welfare Assistance Scheme, to which demand has increased year on year has run in conjunction with HSF. The HSF has enabled the council to support this increased demand for those eligible to a sum of approximately £150,000 per annum. For those not eligible for support, HSF has enabled local food and fuel banks to meet the increased demand that has been seen despite the wider support available from Government's cost of living payments.
- 130 Without this additional funding, the gap in provision will be keenly felt by those low-income families who most need as well as driving a significant increase in demand on internal and external provision for the coming year with considerable resource and financial implications.
- 131 From a welfare assistance scheme perspective without the £150,000 HSF top up if funding, criteria, and demand remained at current increased levels, this fund would be fully spent during Q3 2024/25.
- 132 However, if demand increases beyond current levels due to the end of HSF and the end of the DWP cost of living payment, the fund is likely to be fully spent during Q2 2024/25.
- 133 Given the uncertainty over the future of the Household Support Fund it is proposed that we review the eligibility criteria, award levels and recurrence of applications for the council's Welfare Assistance Scheme.
- 134 We must also consider the potential increase in demand due to families in receipt of Free School Meals no longer receiving 2 payments per year. This may involve a review of the Enhanced Policy for Welfare Assistance.

- 135 It is further recommended that we review how support is provided for Welfare Assistance alongside our foodbank provision to enable a larger number to access essential services and ensure that support is delivered throughout the year without an increase to the budget already allocated.

### **DCC Employee Support**

- 136 The council also continues to support employee financial wellbeing as part of our wider approach to workforce health and wellbeing.
- 137 We continue to increase employee awareness and education around financial wellbeing by running regular workplace campaigns, including Talk Money Week; offering learning opportunities, such as our free Financial Ability workshops; and providing information and signposting to helpful resources on our employee wellbeing portal.
- 138 Our Employee Assistance Programme provides psychological support and counselling services for a variety of personal or professional issues that may impact employee wellbeing. Employees and their immediate family members can access support via the telephone helpline, online portal, or mobile app, if struggling with financial concerns, family issues, life-events, bereavement, health concerns or legal matters.
- 139 We have refreshed and improved access to our employee benefits package to help employees make the most of the schemes available. Our employee benefits package features a range of voluntary salary sacrifice and payroll deduction schemes that can help employees to spread the cost of travelling to work, put away more money for retirement, help to build a savings pot, or make small charitable donations. A new employee discount scheme launched in December 2023, helping employees to make their money stretch further.

### **Poverty Action Strategy and Plan**

- 140 The overarching vision of our Poverty Action Strategy and Plan is 'to work together so fewer people will be affected by poverty and deprivation in the county.' The document describes the extent to which poverty impacts the prosperity of the county and its residents and outlines the action we will take to improve the situation.
- 141 We know that tackling poverty takes time so the action plan not only sets out the short-to-medium term initiatives and investments we will take to help our residents recover from the pandemic and navigate through the cost-of-living crisis, but the longer-term action that we hope will manifest into a changed and improved situation, helping to break the cycle of poverty.



- 142 The strategy and plan are structured around the following four objectives:
- (a) Objective 1: use intelligence and data to target support to low-income households.
  - (b) Objective 2: reduce the financial pressures on people facing or in poverty.
  - (c) Objective 3: increase individual, household and community resilience to poverty.
  - (d) Objective 4: reduce barriers to accessing services for those experiencing financial insecurity.

143 Since the strategy and plan were adopted by Cabinet (November 2022) significant progress in line with our action plan has been made. The strategy and action plan are living documents. They are designed to change as the poverty landscape changes, new funding opportunities and programmes arise, and existing programmes end or are further developed. Some of the programmes in the action plan have now ended or have been redeveloped as detailed in the action plan update, attached at appendix 2.

144 A summary of the breadth of work undertaken over the past year developing and delivering the strategy and action plan in line with each objective is presented below.

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

145 Being able to access and utilise both the council's and partners' data and intelligence is incredibly important. It will allow us to identify vulnerable low-income households, target help toward them, and monitor (and learn from) the effectiveness of our initiatives and programmes.

146 We have invested significant time and effort improving access to data and intelligence, determining key measures that will allow us to better understand our residents and their financial issues, and developing mechanisms to assess the impact of our work. This has included:

- (a) The expansion of the council's 'multiple social vulnerabilities' dataset to include gas and electric priority register data, with work ongoing to complete the same process for water.
- (b) The completion of a thematic needs index for the local area (Durham Index of Need) and its use for targeted action. For

example, we are working with the enforcement team to identify those most at risk financially so we can provide appropriate support and appropriate recovery actions.

- (c) The development of performance dashboards that 'describe' the impact of poverty and cost-of-living across the county and continued development of a bespoke performance dashboard (made up of internal and external datasets) that will support targeted benefit take-up activity and assess the of impact interventions.
- (d) Continued activity to increase awareness of benefit entitlements and programmes which help people access and sustain suitable employment. This includes a widened 'first point of contact' offer to include more detailed conversations to help those in financial difficulty and provision of training to local Voluntary and Community Sector organisations to enable them to identify residents in need of financial support and provide appropriate advice and support.
- (e) Registrations onto employability programmes and clients moving into employment, education or training are both better than target. Funding has been approved to extend programmes beyond December 2023 to March 2025.
- (f) The Kinship Care Team now has a dedicated Welfare Rights Officer and bespoke web pages to support carers and the children placed with them, and we have promoted the childcare support available for children placed under a Special Guardianship Order / Child Arrangement Order.

*Objective 2: reduce the financial pressures on people facing or in poverty.*

- 147 Between October 2022 and April 2023, a network of 175 warm spaces, funded by the Welfare Assistance Reserve (£148,200) and the County Durham Community Foundation (£74,100), welcomed 17,000 people. Evaluation shows the network not only achieved its primary purpose of helping people stay well through staying warm, but it also connected attendees to support services, including financial advice, housing support and advice, bereavement support, mental health and well-being and drug and alcohol support. In addition, many people benefited significantly from the social connection found at the Warm Spaces.
- 148 The PASG has agreed to support the continuation of the initiative in 23/24 and 24/25 under the programme title of 'Welcome Spaces', to reflect the social inclusion benefits. The initiative will also be expanded to as many community assets as possible, including the recently established family hubs. Funding is being provided by PASG

(£150,000), Public Health (£100,000) and the County Durham Community Foundation (£175,000).

- 149 An allocation from the UK Shared Prosperity Funding is being sought for 2024/25. This is part of a larger initiative around communities and place including social action and energy efficiency, together with community hubs. An expression of interest has been approved with a final decision pending.
- 150 Since the last report, we have added an additional five operational hubs to the TBBT food hub network taking the total to 15. This was possible due to welfare assistance funding (£150k) purchasing an additional refrigerated van.
- 151 The hubs, collectively supporting around 1,200 families each week with low-cost food and access to advice (including financial support), continues to provide a stepping stone from the crisis support through food banks and through the Welfare Assistance Scheme.
- 152 All hubs are regularly operating to full capacity (approximately 80) for every weekly slot with some members unable to obtain a weekly slot. This regular weekly over-subscription means weekly slots are having to be rotated leading to some households only benefiting from the low-cost shop on a fortnightly basis.
- 153 During September 2023, free school meals and healthy start-up vouchers will be promoted in all operational hubs, with staff available to help people apply.
- 154 A mapping exercise has been undertaken around services offered by Registered Providers of social housing (RPs), and a new procedure introduced whereby a customer who has contacted the council for financial support through welfare assistance and has been unsuccessful in their claim, will be signposted to their landlord for support if they are a social housing tenant.
- 155 We are also working to understand the wider issues in the housing market. As part of the development work of the Homelessness and Rough Sleeping Strategy 2024/29, we investigated the reasons why people were presenting to the Housing Solutions Service from the private rented sector. Detailed analysis concluded that reduced availability of accommodation in the private rented sector is the main reason people are presenting as homeless or at risk of being homeless. Recent interest rate rises are impacting landlords who are either selling properties or increasing rents. This is driving an increase in evictions and is making the sector less affordable for those on lower incomes.

- 156 The Housing Poverty Group is working collaboratively on the issue of affordability in the current climate. A new money management and financial inclusion practitioners' group has been set up with local RPs to discuss the challenges faced by front line advisors and share good practice. An action plan is being developed to drive forward improvements.
- 157 The 'Cutting the Cost of the School Day' (CCSD) continues to provide training to educational settings which the aim to gain a deeper insight into the scale and impact of poverty on children and young people, to challenge the stigma associated with living in poverty and support settings to develop practical steps in which to cut the cost of the school day.
- 158 Although the programme was suspended between 2020 and 2022 due to the pandemic, it allowed the programme to be revised and a bespoke programme for nursery schools to be developed. Revised training has been delivered to 16 schools (nine primary, six secondary and one special school) and five early years settings,
- 159 The council is working in partnership with NEFirst Credit Union to provide interest free loans of up to £500 to qualifying residents. Council staff working with children can refer families who they feel might meet the requirements for the loan. We have developed a webpage on the DCC website to advise families of the support available when buying school uniforms.
- 160 We continue to promote the period poverty scheme to all pupils and schools through campaigns and our frontline staff - the latest campaign was at the start of the Autumn term 2023.

*Objective 3: increase individual, household and community resilience to poverty.*

- 161 Discovery activity to support the development of an accessible digital repository of services, enabling people to access the appropriate services, support and activities at the right place and time has been delivered with the project now moving to soft market testing stage.
- 162 We continue to deliver initiatives to support rough sleepers, ex-offenders, and other vulnerable people into accommodation. Accommodation officers are continuing to build links with letting agents and independent landlords and 26 properties have been secured for ex-offenders.
- 163 We continue to support Children Looked After (CLA) who are aged 17.5 years and transitioning to independent living and have developed a new 'skills for life' booklet which contains valuable information relating to

understanding what skills young people have and what they need for the future.

- 164 A cost-of-Living support project was financed to be delivered by East Durham Trust, Citizens Advice County Durham, Age UK, and Durham Christian partnership which saw nearly 10,000 residents supported with advice, guidance or information, households' income increased by £802k and nearly £2million wrote off in debt.
- 165 Due to the success of this project, a bid from the Shared Prosperity Fund to continue this project through 2024/25 has been submitted to continue to provide this vital support to the residents of County Durham.
- 166 We continue to deliver training programmes to equip our frontline staff and volunteers with the skills to help increase resilience to poverty. For example, financial literacy and budgeting training, mental health awareness, and identifying financial abuse (as a form of domestic abuse) and the support available within communities.
- 167 We continue to support young people as they prepare to progress further into education, employment, or training.
- (a) DurhamWorks Programme for Schools. Supports young people in years 10 and 11 who have been identified as being at risk of becoming NEET (Not in Education, Employment or Training). The programme includes careers advice, one-to-one mentoring support, and various activities focused on transition support, improving motivation, and Work-Related Learning and Enterprise.
  - (b) The Workplaces Project. Helps young people in years 10 and 12 gain an insight into the world of work through visits to workplaces. They learn about specific employment sectors, the different job roles, as well as recruitment processes.
  - (c) DurhamWorks, DurhamWorks 3 and DurhamWorks Futures. These programmes all provide support to young people aged 16-24 who are NEET. It includes one-to-one transition support, help to access learning (including English and maths qualifications), and securing employment within a defined timeframe.

*Objective 4: reduce barriers to accessing services for those experiencing financial insecurity.*

- 168 The council has refreshed and implemented its first point of contact offer at the Customer Access Points – focusing on digital inclusion and self-serve and continues to raise awareness of the availability of social tariffs through communication with a range of stakeholders, customer touch points and support organisations.

- 169 The Digital Durham website has been updated with further digital inclusion information, e.g., where to get free internet access and cheaper deals available to those on low incomes and an online postcode checker has been developed to help direct people to local digital inclusion related support.
- 170 Good Things Foundation have joined forces with several mobile providers to launch the National Databank which aims to tackle data poverty by providing free mobile data, texts, and calls to people in need. The Digital Durham Team are proactively seeking hyperlocal distributors for the DataSIMs.
- 171 Additionally, the availability of social tariffs, DataSIMs and new postcode checker has been proactively communicated to stakeholders, support organisations and a range of customer touchpoints.

### **Participation, Voice, and Advocacy**

- 172 The council continues to work with a range of partners on the ground in communities and through a wide range of partnerships to ensure the voice of those living in poverty is heard.
- 173 Currently, a focus is being placed on poverty proofing, partnership working, advocacy and lobbying, and locality-based provision as ways of promoting participation and voice.
- 174 A key role of the PASG is to raise awareness of socio-economic inequalities through the promotion of poverty proofing. Members of the group act as champions in their own services and through interactions with other organisations to promote the adoption of poverty proofing in new policy and strategy development as well as new projects, programmes, and initiatives.
- 175 The PASG aim to ensure the Durham voice is heard in regional and national policy and have continued to contribute to regional and national consultations and participated in local and national studies including studies from the North East Child Poverty action group and contributed to national studies.

### **Partnership Working**

- 176 Much of the work of the PASG including delivery of the Strategy and programmes and projects detailed within the Poverty Action Plan are dependent on partnership working.
- 177 Through partnership working, the PASG continues to raise awareness of poverty across the county, advocate for improving the life chances of those living in poverty and connect with our communities on the ground.

- 178 This has included local work with the Advice and County Durham Partnership supporting access to welfare advice, support and guidance, participation in regional LA officer groups, as well as supporting regional cross-sector stakeholder networks such as the North East Child Poverty Commission. Briefing papers have been provided to national consultations advocating for better cost of living support and additional work has been conducted with HEI partners on projects such as Child of the North.

## **Challenges and Opportunities**

### *Local Authority/Statutory/Wider Funding*

- 179 The impact of inflationary pressures on the Council, other public sector services and the VCS pose threats to our ability to sustain key services and infrastructure. Inflationary costs far outstrip government funding and council tax increases and the rise in demand outstrips capacity. It is critical that moving forward strategy maximises the benefits of working in partnership to deliver outcomes for residents.
- 180 Many support programmes are government funded, and this poses challenges. Firstly, delivering these programmes depends on drawing on the resource and skills of Council staff alongside our partners and delivery of these programmes is time and resource intensive, requires a range of governance and delivery systems to be established and draws on a variety of funding streams. This places further strain on limited resources.
- 181 Secondly, the programmes are often short term and ad hoc with limited longer-term funding security.
- 182 The PASG continue to advocate for local welfare funding, currently delivered in the form of Household Support Fund and Discretionary Housing Payment, to be put on a permanent, sustainable footing with a greater emphasis on preventative services and the promotion of households' financial resilience.

### *National Strategy/Policy*

- 183 Many key policy decisions that determine levels of poverty are set nationally. The PASG must work in the context set by national policy. A key priority for the PASG is raising awareness of the extent and impact of poverty across the county to advocate for better anti-poverty policy.

### *Economic Uncertainty*

- 184 The current economic landscape presents several challenges interest rate rises are impacting mortgage holders and renters as well as

impacting businesses and may well reduce investment and reduce consumer demand.

- 185 Whilst inflation could fall substantially over the coming year and real wages rise it is unlikely that falling inflation will reduce the price of basics such as food and energy and is likely to mean the price of these basics is now rising less quickly.
- 186 It is also noted that the rise in real wages may not benefit the lowest wage earners and as such living standards look set for a continued squeeze. The impact on our residents, communities, public services, businesses, and VCS will continue against the backdrop of uncertainty and reduced resilience.

### *Setting Realistic Expectations*

- 187 As previously noted, while there is much that can be done locally, many of the policies that determine poverty levels are set nationally and the socio-economic profile of the county leaves increases the potential impact of the cost-of-living crisis.
- 188 Setting realistic expectations, focussing activity on where local services can make the most difference and adopting a pragmatic approach to the evaluation of poverty alleviation strategic activity requires us to be open about the scale of the challenge, the impact that local policy can have and the challenges local services face.

### **Evaluating the Impact of the Poverty Action Strategy and Plan**

- 189 A key challenge currently being considered by the PASG is how to evaluate the strategy. Practical issues such as real time data not available for key indicators such as the number of people in poverty and joining up local data sets remain an ongoing challenge.
- 190 Additionally, poverty is an entrenched problem with systemic causes which take time to enact change. Poverty is not solely or even primarily determined by policy at local level. Changes in key indicators such as the number of people in poverty are dependent on national economic and social policies. These indicators could improve or deteriorate regardless of the success or failure of the strategy and associated policies and programmes.
- 191 Given the fact that the strategy has only just moved into its second year, combined with issues around data availability, it is too early to present before and after data on its impact on levels of poverty across the County. Official poverty statistics are only available for 2021-22 and the impact of the cost-of-living crisis means that the strategy is operating



against a challenging backdrop. It is therefore important to note that in this context, more people could fall into poverty despite the strategy.

- 192 To fully understand the impact of the Poverty Strategy and Action Plan an evaluation programme that can help identify which policies and programmes are working, who they are working for, and in what contexts, is required.
- 193 This will require three phases of work. The first will involve mapping how the poverty profile of the county changes over the five-year life of the strategy. The second, will include evaluating how the Poverty Strategy is impacting on policy and practice. The third, will require evaluation of the specific impacts of the policies and programmes in the action plan to figure out which programmes and project deliver the greatest impact and should be continued.
- 194 The PASG will continue to work with stakeholders and partners to explore the feasibility of providing enhanced real time data and a robust evaluation strategy.

## **Moving Forward**

- 195 Whilst the Council has supported its most vulnerable residents over recent years and has further increased support provision during the last year, the data presented in this report indicates that the risk of poverty and severe hardship increasing remains high in County Durham, and across the UK, during late 2023 and into 2024, driven by the increasing cost of living.
- 196 The locally led actions described in this report are a critical and effective part of helping lift people and communities out of poverty. But the report recognises that the major tools needed to address this challenge remain with national governments, in the form of social security, tax, and regulatory powers. There is much still to do to promote social inclusion and support people and their families over the coming months and years, particularly given the ongoing challenges of the current economic situation.
- 197 By maintaining our partnership-based approach to delivering the Poverty Action Strategy and action plan, we continue to make it everyone's business to respond to poverty and the risk to financial exclusion.
- 198 Progress in line with the poverty action plan will continue to be monitored and actions for priority progress during 2024/25 are detailed at appendix 2.

- 199 Over the coming year a focus will remain on protecting our most vulnerable residents and providing a safety net in the context of available resources.
- 200 The Council, working with our partners across the public, private and VCS sectors and, most importantly, working with our communities, can ensure that the services we provide, the strategies and policies we develop, the decisions we make and the ways in which we work together help promote our Poverty Strategy and Action Plan vision and objectives.
- 201 The PASG focus on what works to reduce poverty and health inequalities alongside collaboration with health partners and academic research colleagues, will result in new programmes being developed and the building of an evidence base on what works and this will feed into the ongoing development of the action plan.
- 202 Opportunities for place and locality based working and co-production are being developed and implemented and despite the challenges of the cost-of-living crisis, the council and partners are maintaining and developing the range of programmes which help provide support for our most financially vulnerable residents and help provide essential support. For example, through the cost of living and financial wellbeing support initiative, provision of welfare advice services and welcome spaces programme.
- 203 Protecting our most vulnerable communities will remain a priority but wider work will continue with programmes such as regeneration and skills, education, health, and housing. Over the longer term, these programmes are fundamental to support prevention, pathways to support and participation from communities.

## **Conclusion**

- 204 Poverty is multi-faceted. It comes in many shapes and forms and varies both in terms of duration and severity. Poverty is not just about money, it relates to opportunity, participation, and access to services. Its impacts are felt at an individual, household, and community level.
- 205 Whilst the council has supported its most vulnerable residents over recent years and has further increased support provision during the last year the data presented in this report indicates that the risk of poverty and severe hardship increasing remains high in County Durham, and across the UK, driven by the increasing cost of living.
- 206 The locally led actions described in this report are a critical and effective part of helping lift people and communities out of poverty however, the major tools needed to address this challenge remain with government,

in the form of social security, tax, and regulatory powers. there is much still to do to promote social inclusion and support people and their families over the coming months and years, particularly given the ongoing challenges of the current economic situation.

- 207 By maintaining our partnership-based approach to delivering the Poverty Action Strategy and action plan, we continue to make it everyone's business to respond to poverty and the risk to financial exclusion and progress in line with the poverty action plan will continue to be monitored during 2024/25.

### **Background papers**

[Poverty Action Strategy and Plan 2022-26](#)

[Poverty Issues – Cabinet: December 2021](#)

[Poverty Issues – Cabinet: November 2020](#)

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## **Appendix 1: Implications**

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### **Legal Implications**

There are no direct legal implications arising out of this report, which is provided to give members an overview of the current situation regarding poverty issues and to update on the progress of the council and partners in addressing and alleviating poverty across the county.

### **Finance**

The council supports welfare provision and poverty alleviation through several service budgets across the council, such as the Welfare Assistance Fund and Discretionary Housing Payments (DHP) policy which are administered by the council's Revenues and Benefits Service. The council also offers discretionary Council Tax relief to individuals and households in financial hardship and has protected residents from government reductions in Council Tax Benefit through the approach it has taken to local Council Tax Support. The longer-term financial implications for the council are at this stage difficult to quantify.

### **Consultation**

The Poverty Action Plan and Strategy was informed by feedback and engagement through consultation with council services and partners.

### **Equality and Diversity / Public Sector Equality Duty**

The council's Welfare Assistance Scheme, Discretionary Housing Payments policy, and Local Council Tax Support Scheme, have been subject to equality impact assessments where appropriate.

### **Climate Change**

Not applicable.

### **Human Rights**

Not applicable.

### **Crime and Disorder**

Not applicable.

### **Staffing**

There are no staffing implications.

### **Accommodation**

Not applicable.

**Risk**

Not applicable.

**Procurement**

All procurement guidelines are adhered to in the delivery of the poverty strategy and action plan.

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## **Appendix 2: Poverty Action Strategy: current position of the action plan**

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### **OBJECTIVE 1: USE INTELLIGENCE AND DATA TO TARGET SUPPORT TO LOW INCOME HOUSEHOLDS.**

#### **Actions / projects / programmes completed to date:**

- Completed a feasibility study and pilot 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.
- Explored how Making Every Contact Count (MECC) with financial wellbeing and referring and/or signposting individuals to financial support can be embedded into a range of health pathways, for example community connectors.
- Initiated project to support the development of measures to evaluate and measure the impact and outcomes of the work being delivered by the council and partners in line with the strategy and action plan.
- Reviewed the Special Guardianship Order policy to meet the needs of kinship carers, identifying access to a wide range of support/services and financial support.
- Reviewed the healthy start vitamin programme delivery and implemented a phased distribution process to ensure eligible families have access free vitamins and are aware of the benefits of healthy eating.
- Widened the 'First Point of Contact' offer to include more detailed support conversations to help those in financial difficulty.
- Delivered annual programme of 'Benefit Awareness Training' to DCC service teams.
- Carried 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 (annual programme).
- Provided 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 (annual programme).
- Worked with communities and partners to review and reframe communication and engagement plans to reduce stigma around poverty, support access to information on available financial support. and increase uptake of financial entitlements.
- Increased awareness of benefit entitlements and programmes which support people into suitable employment.
- Promoted the availability of lower cost digital connectivity services such as social tariffs for those in receipt of certain benefits.
- Promoted, with childcare providers and families, the support available to help with childcare.

#### **Actions / projects / programmes to be completed by 31 March 2024:**

- 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.

### **Priority actions / projects / programmes to be completed during 2024/25:**

- Continue to develop a joined-up Business Intelligence approach to managing poverty data and to identify and engage with people who are entitled to benefits but are not claiming.
- Enhance understanding of the housing market to help people struggling with their housing costs to remain in their homes through implementation of the council's new Housing Strategy.
- Understand the levels of reported financial abuse within specialist domestic abuse services and partners.
- Work with partners to strengthen the process for identifying people who are vulnerable, a) financially, b) in relation to health and well-being.
- Ensure public health contracts maximise opportunities to refer and/or signpost individuals and families to financial support.
- Work with external partners such as the DWP to provide support to those who are impacted by the transition to Universal Credit.

### **Actions / projects / programmes to be completed during 2025/26:**

- Improve data capture and intelligence which informs the work and reporting mechanisms of the Poverty Action Steering Group and wider partners.
- Develop an approach for using confidential datasets, ensuring the data can be shared, joined-up and used without compromising data protection legislation.
- Use national and local data 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.
- Continue delivery 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.
- Review DCC funded welfare advice and guidance services across County Durham focusing on location, accessibility, and quality of service.
- Development of a programme to give people who are in poverty a voice to tell their story and change the narrative to reduce stigma which can be associated with low income.

## **OBJECTIVE 2: REDUCE THE FINANCIAL PRESSURES ON PEOPLE FACING OR IN POVERTY.**

### **Actions / projects / programmes completed to date:**

- Continued to provide effective support mechanisms for more vulnerable households, through the Local Council Tax Reduction Scheme (LCTRS), Discretionary Housing Payments and Partnership support arrangements.
- Completed evaluation activity to ensure the mechanisms in place to support those in crisis remain effective, including the council's Welfare Assistance Scheme.
- Supported the Advice in County Durham Partnership to ensure their referral pathways are effective.

- Developed 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.
- Supported the Durham Food Partnership to deliver its strategy to alleviate food insecurity.
- Delivered a range of initiatives to alleviate food inequality including the expansion of the Bread-and-Butter Thing programme which effectively distributes surplus foodstuffs, at competitive prices, to individuals and families in need.
- Initiated a scoping exercise to inform options to implement wrap-around support (financial engagement - e.g., benefits advice) as part of 'Bread and Butter Thing' provision.
- Improved the service offer provided by Housing Solutions to better assist households struggling with their housing costs and work with the wider council services.
- Developed a joint action plan for the housing poverty group with regular updates provided to the poverty action steering group.
- Developed an incentive scheme to enable Ukrainian guests to access private rented houses at the end of their accommodation with UK hosts.
- Worked with partners to ensure a consistent approach to debt advice provision across the county supporting a national review through money advice and debt service.
- Raised awareness of illegal doorstep lending through targeted campaigns (annual programme).
- Improved access to, and encourage more people to use, credit unions to obtain low-cost credit.
- Reviewed the Healthy Start Programme offer for County Durham and provided recommendations to improve uptake and reduce inequalities.
- Delivered a range of initiatives to alleviate fuel poverty (Annual Programme)
- Developed and implemented 'Cutting Cost of the Pre-school Day' to 50 nurseries and pre-school settings.
- Delivered 'Cutting the Cost of the School Day' programme to an additional 75 schools/colleges across the county, focusing on communities top 30%.
- Explored a model to further extend 'Cutting the Cost of the School Day' to include audit of impact.

#### **Actions / projects / programmes to be completed during 2024/25:**

- 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.
- Expand the use of the benefit calculator to other services across the council.



### **OBJECTIVE 3: INCREASE INDIVIDUAL, HOUSEHOLD AND COMMUNITY RESILIENCE TO POVERTY.**

#### **Actions / projects / programmes completed to date:**

- 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 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).
- Explored 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.
- Explored 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.
- Developed 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 in line with the County Durham Together Programme.
- Increased awareness of adult commissioned services which support vulnerable people to access housing, maximise income, reduce debt, provide employability support, and reduce social isolation. Completed a review of current drop in venues across the county to ensure inclusion of difficult to reach communities.
- Joined up the Financial Ability project (formerly Durham Savers initiative) with 'money matters and advice' provision programme.
- Delivered three training programmes about financial literacy and budgeting to frontline practitioners working with children, young people, and families.
- Improved the referral pathways in relation to financial advice and support for frontline staff in Children's Social Care and the One Point Service.
- Delivered financial support initiatives to people who are homeless, leaving care or veterans.
- Raised awareness of financial abuse as a form of domestic abuse and what support is available for victims/survivors within communities.
- Delivered 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.
- Joined up work being delivered on green spaces with food poverty / food resilience /sustainable low-cost food.
- Delivered employability programmes that assist residents to access and sustain job opportunities, for example, Durham Advance, LINKCD, CLLD projects, Refugee Resettlement Programme extended and the FLEX programme.
- Arranged a jobs fair to introduce Ukrainian guests living across the County to potential employers.

### **Actions / projects / programmes to be completed by 31 March 2024:**

- Fully understand the findings from the latest 'left behind communities' research and identify appropriate actions to address some of the issues highlighted.
- Support the smooth transition from European Funding Streams to the Shared Prosperity Fund and finalise poverty alleviation funding proposal.
- Deliver initiatives that support rough sleepers, ex-offenders, and other vulnerable people into accommodation.
- 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.

### **Actions / projects / programmes to be completed during 2024/25:**

- 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).
- 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.

### **Actions / projects / programmes to be completed during 2025/26:**

- 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 to support more vulnerable people.
- Support Inclusive Economic Strategy Delivery Plan activity.

## **OBJECTIVE 4: REDUCE BARRIERS TO ACCESSING SERVICES FOR THOSE EXPERIENCING FINANCIAL INSECURITY.**

### **Actions / projects / programmes completed to date:**

- Refreshed the first point of contact offer at the Customer Access Points to focus on digital inclusion and self-serve with support, access to the internet and a device being at the forefront of service delivery. Extended to include more detailed conversations to help those in financial difficulty.
- Continued annual programme of provision of training to local Voluntary and Community Sector organisations to enable them to identify residents in need of financial support and signpost them to appropriate help.
- Reviewed the findings from 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 identified actions to address some of the issues highlighted (including a review of concessions, new pricing options and the launch of new products which will offer more cost-effective options for families).
- Promoted the availability of lower cost connectivity services such as social tariffs for those in receipt of certain benefits.
- Used data and intelligence to identify our most vulnerable communities to support access to public transport and developed proposals linked to the Bus Service

Improvement Plan including 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.

**Actions / projects / programmes to be completed during 2024/25:**

- Further develop online postcode checker to facilitate signposting to digital inclusion related support in terms of access to devices, connectivity, and training/skills.
- 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.

**Actions / projects / programmes to be completed during 2025/26:**

- 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 and improved connectivity at an affordable cost. County Durham gigabit coverage is currently 59%, and expected to increase as the rollout progresses.