



# **Poverty Reduction: Strategic Framework**

## **Scrutiny Panel Monday 7 February 2022**

# Poverty Reduction

The Hackney Labour Party Manifesto for the 2018 Mayoral and Council elections pledged that:

‘We will tackle poverty, including child poverty, as well as key inequalities in health, education and employment based on a solid understanding of the barriers and needs of our different communities, listening to their concerns and expanding the use of social value and co-design.’

The need to address poverty in Hackney was one of the main findings following consultation on the Community Strategy 2018-2028

# Poverty Reduction: Quick timeline

- **December 2019-March 2020:** Key lines of inquiry, **evidence base**, mapping and gapping exercise and staff engagement.
- **Summer 2020:** A framework is tested with Cabinet Leads and poverty reduction is included in the Corporate Plan update.
- **September 2020:** The strategic framework and next steps are agreed by HMT (**Link**)
- **October to December 2020:** An internal **review** of relevant service areas, programmes, and projects is completed and a **scope** is developed for the Poverty Reduction Network.
- **February to June 2021:** The Poverty Reduction Network comes together in February and begins meeting every two weeks from March. **Review** session in July 2021.

# What we mean by poverty

‘When a person’s resources (mainly their material resources) are not sufficient to meet their minimum needs (including social participation)’ - JRF, 2014

# Why poverty matters in Hackney

- **Impact on individuals and families** - Poverty can limit a person's potential to live a satisfying and fulfilling life. For example, poverty can cause poor physical and mental health, limit cognitive development and educational attainment and lead to a person feeling socially excluded.
- **Impact on society** - Poverty affects everyone, not just people living in poverty. For example, poverty leads to higher public spending on the benefits system and health service and limits economic performance because of lower productivity and reduced demand for goods and services. Poverty can also contribute to wider social problems such as crime and reduced social cohesion.

# Who is affected by poverty

- **Around 1 in 3 Hackney households are in poverty after housing costs:** Just under 20% (17.9%) of households live in poverty before housing costs and over a third (36.3%) of households are in poverty after housing costs. 39,000 households.
- **Almost half of children are in poverty after housing costs:** In 2021 it was estimated that almost half (48%) of children in Hackney were living in poverty after housing costs. 28,000 children aged 0-15 years old.
- **2 in 5 older people in income deprivation:** A total of 41% of residents in Hackney aged 60 and over live in income deprivation making Hackney the second highest London borough for deprivation affecting older people.
- **Poverty is far more common for disabled households:** In London poverty after housing costs is 35% for households in which someone is disabled compared to 26% for households in which no one is disabled.

# Who is affected by poverty

- **Across all areas of Hackney:** Poverty is relatively evenly distributed with some concentration in the centre and east of the borough.
- **Big increase in Universal Credit claimants:** In September 2021 there were just under 34,250 people claiming Universal Credit in Hackney, this has increased from 13,700 at the start of the pandemic in March 2020.
- **A significant number of people on Universal Credit are employed:** In September 2021 40% of people claiming Universal Credit were employed and 60% were not working.
- **Increased food demand:** In 2020 the number of clients served by Hackney Food Bank increased to just over 19,000 from just under 8,400 in 2019

# Those most at risk of poverty

## Child poverty

- Lone parent households
- Households with a disabled child
- Larger families (3+ children)
- Households with younger children - multiple children aged under 10 years old and youngest under 4

## Working age

- Households not in work
- Households with only one working adult
- Households with a disabled adult
- Adults with low formal qualifications

## Other groups

- Older residents
- Tenants in the private rented and socially rented sectors
- Non-White households, particularly Black and Other ethnic households
- Residents with no recourse to public funds



# Causes of poverty

## Market forces: Labour market, childcare and housing market

- **Worklessness** work remains a significant cause of poverty, however, worklessness has decreased significantly in recent years and does not explain the scale of poverty in Hackney.
- **In-work poverty**: Increasing numbers of people experiencing poverty who are in some form of work. In London it is estimated that 60% of households in poverty are working households.
- **Childcare costs**: The cost of childcare has risen above inflation for a number of years with Inner London experiencing the highest increases.
- **Housing costs**: In Hackney poverty rates more than double after housing costs (17.9% to 36.3%) demonstrating the impact of high housing costs on driving poverty in Inner London.

# Causes of poverty

## The State

- **Limited benefit system:** The main forms of income support, Universal Credit for the working age adults, offers low levels of income protection. These benefits are at their lowest real terms value since the early 1990s.

## Socio-economic

- **Disability:** There is a strong relationship between disability and poverty. At a London level 35% of households in which someone is disabled are in poverty after housing costs compared to 26% of non-disabled households.
- **Ethnicity:** At a London level poverty is higher amongst the non-White population at 39% compared to 21% for White Londoners. This could be for a number of reasons including direct and indirect discrimination, immigration status and larger and younger family size.

# Poverty Reduction framework

## Ways of working

- Community-insight, place-based working and holistic support
- Creating a poverty aware workforce

## Prevention, early years and early help for all ages

- Supporting an inclusive and strong early years offer
- Developing an early help offer for people of all ages, identifying risks and acting early

## Responding to the material impacts of poverty

- Emergency support (e.g. hardship funding, fuel vouchers)
- Income maximisation and debt support (e.g. welfare and benefits advice, consumer advice)
- Community Partnerships to tackle the material impacts of poverty (e.g. food, digital)

## Responding to the cost of living and low wages

- Housing affordability, including Homelessness prevention
- Supporting quality employment, skills and training

## Links to strategic areas

- Relationships to other strategic areas (e.g. Health, Education)

# Ways of working

Poverty is a complex and varied experience for residents both in terms of its causes and how it impacts their lives. By working in a way which acknowledges this complexity and takes the resident's needs as the main reference point we will be better equipped to reduce poverty.

- Working across the whole system to share learning and develop shared approaches to prevent crisis and escalation of need
- Ensuring that place-based approaches include a focus on poverty reduction
- Developing partnerships between frontline services working to support our most vulnerable residents and sharing assets and resources
- Embedding reflective practice and peer support in teams and services to enable trauma-informed and anti-racist practice in the way we work

# Ways of working - Case Study

- Created time and space to bring frontline staff together from a range of council services and partner organisations to talk about cases, identify issues, reflect on what works for residents and identify ways to improve ways of working.
- This has been extremely valuable for frontline practitioners who often don't have the time or resources to do this kind of reflective work, especially during the pandemic.
- The work has been independently evaluated by UCL and found to be highly beneficial for practitioners and residents and recommended that such work continues and becomes a permanent way of working.

# Prevention, early years and early help

We will take an approach to poverty reduction which focuses on prevention, early years and earlier help for residents across the life course and at key life transitions. This approach will combine a particular focus on early years with a lifetime approach to tackling multiple disadvantage and reducing poverty.

- Support a strong and inclusive early years service to tackle child poverty and create the conditions for healthy family life
- Develop an early help model for people of all ages which identify key risk factors and takes action early to prevent crisis and longer term impact

# Responding to the material impacts of poverty

These activities will aim to ensure that all Hackney residents have the resources they need to meet their minimum needs such as housing, food, energy and other essentials like clothing.

- Provide emergency support for people experiencing or at risk of destitution and hardship
- Support people to access income maximisation and debt services
- Coordinating community partnerships to respond to the material impacts of poverty

# Material impacts of poverty - Case study

- Included the Council's main forms of financial and hardship support on the Better Conversations tool which is a digital tool built to support council staff and partners to make more effective referrals for residents.
- Run information briefings with the Advice Network to inform local advice providers of the main schemes available
- Held a workshop with partners to improve how we make emergency forms of support and hardship schemes more accessible to residents. For example, looking at how we can improve access to forms of support like Discretionary Housing Payments and Council Tax Reduction Scheme for those most in need.



# Tackling cost of living and low wages

These activities will aim to ensure that residents are well supported to access services and opportunities which will reduce poverty in the longer term. We will focus on issues relating to housing and employment, training and skills.

- Increase local housing affordability, raising housing standards and improving housing management for those most at risk of poverty
- Deliver high quality employment, training and skills for those most at risk of poverty

# Links to other strategic areas

We recognise that poverty is highly relevant to a number of other strategic areas and we want to build meaningful relationships with these areas to support one another in our shared objectives.

- Influence others areas at the strategic level to include a focus on poverty reduction and addressing the needs of lower income residents
- Establish strong working relationships with other key strategic areas in order to support one another to achieve our shared priorities
- Create a whole system approach to poverty reduction

# Measurement

We will take a three stage approach to measuring poverty and the impact we are having.

1. **Direct measures of poverty** for all households, child poverty and income deprivation affecting older people
2. **Contextual measures** from the Inclusive Economy Strategy which explain some of the causes of poverty and its effects. For example, employment rate, UC claims and educational attainment for pupils on free school meals.  
Incorporate with some additional measures with further focus on poverty.
3. **Outcomes based on the framework** which will be linked to the delivery plan.