

TITLE	Tackling Poverty Strategy
FOR CONSIDERATION BY	The Executive on Thursday, 30 June 2022
WARD	None Specific;
LEAD OFFICER	Deputy Chief Executive - Graham Ebers
LEAD MEMBER	Executive Member for Equalities, Inclusion and Fighting Poverty - Rachel Bishop-Firth

PURPOSE OF REPORT (INC STRATEGIC OUTCOMES)

This report presents the Tackling Poverty Strategy and the high-level action plan to support residents who are living in poverty across the borough and to prevent further people falling into poverty. It is an essential aspect of the council's work to make Wokingham borough inclusive; a great place to live, learn, work and grow; and a great place to do business. It also builds on our work to tackle the growing challenges many people face with the rapidly rise of cost of living.

RECOMMENDATION

That the Executive approve the Tackling Poverty Strategy 2022-26 with the accompanying high level action plan.

EXECUTIVE SUMMARY

This report presents the Tackling Poverty Strategy 2022-26 and the Year one action plan (attached as Appendix 1) which has been developed in partnership with the Voluntary and Community Sector through the Hardship Alliance. We would like to acknowledge and thank all those involved in putting this together, with a particular mention for Laura Blumenthal who was the council member from the previous administration who led this exercise, and who will be part of a cross party working group which will pick up the role of making the implementation of this a success.

We want Wokingham to be a borough where no-one lives in poverty, where everyone can achieve their potential and where residents are healthy, happy and valued. We believe that Wokingham Borough Council and our wider community can make a real difference to make this happen, but realise it is going to take time to fully achieve this. The Tackling Poverty Strategy signals a focused ambition to making this a reality.

The aim of the Tackling Poverty Strategy is to **do everything we can to prevent and work towards ending poverty in our Borough.**

Wokingham is generally an affluent borough. This benefits the majority of our residents, but unfortunately can make life even harder for those who are on the lowest incomes, including many of our essential key workers, carers and retired residents. Many of these residents were living in poverty in before Covid-19 and the pandemic followed by the cost of living crisis has exacerbated the situation and is hitting our residents who live on lower incomes very hard. We also have an increasing number of residents who have

been newly pushed into poverty because of these events. This situation is only likely to worsen in the short term as interest rates, food and fuel prices continue to rise.

We recognise Wokingham Borough Council's responsibility for doing all that we can to support and empower all these residents in a way that preserves their dignity and choice during tough times. We also recognise that we are in a unique position to work with residents, schools, businesses and the Voluntary and Community sector to identify the causes of poverty in the borough and, directly or through influence, do everything in our power to tackle those causes.

This strategy is therefore the first step in a longer journey for us to do everything that we can locally to support our residents on the lowest incomes and to do what we can to work towards preventing and ending poverty in our Borough. Our aim is for Wokingham Borough Council to be one of the leading local authorities in the country for supporting low-income residents and fighting poverty in a generally affluent area.

We are committed to changing the way that we work as a Borough and to working with our wider community to achieve this.

BACKGROUND

Wokingham is generally an affluent borough. This benefits the majority of our residents, but unfortunately can make life even harder for those who are on the lowest incomes. Those living on the lowest incomes include many essential workers and carers who are a vital part of life in the Borough. It also includes many of those who cannot find work because of unemployment or disability and those living on small retirement incomes. Global conflict has forced many to flee their countries with nothing, and some of these people have come to Wokingham to rebuild their lives. We recognise the council's responsibility for doing all that we can to make life easier for all of these residents and for preserving their dignity and choice during tough times.

Poverty in Wokingham has very deep roots and years of stagnant wages, benefit restrictions and rising house prices, followed by the Covid-19 pandemic and this year's steep rises in interest rates and the costs of food and fuel have caused a cost of living crisis which is hitting many of our residents very hard. Those who were 'just about managing' are being pushed into poverty and those who were in poverty into crisis. This situation is only likely to worsen in the short term as interest rates, food and fuel prices continue to rise.

Inflation is currently increasing significantly faster than wages or benefits and the rise in Universal Credit given at the start of the pandemic was removed in Autumn 2021: this is affecting those living on the lowest incomes the most. Those living on low incomes spend more of their income on food and fuel and have little or no room to reduce their outgoings. If you are living on a low income, you are more likely to have a pre-payment fuel meter, which means that your energy costs are higher. The costs of staple foods such as rice, pasta and bread are rising at a disproportionately high rate. Your costs of borrowing are likely to be higher if you're on a low income, and if you're in work, that work is more likely to be insecure 'gig economy' or zero-hours contract work. While most Wokingham residents are affected by the cost-of-living crisis, with many seeing their utility bills double, it is those on the lowest incomes who are suffering the most.

Living in poverty affects peoples' life chances significantly. Poverty reduces people's choices and affects physical and mental health. It can make individuals vulnerable to abuse by predatory lenders and other forms of exploitation. It may leave them with damaged credit scores and employment prospects. We have a particular responsibility to support children who are growing up in poverty and ensure as far as possible that the effects on them are minimised.

Poverty has complex causes and effects and there are not simple solutions. We are committed to supporting people as individuals and to empowering them in their unique situation. As a council we aim to ensure that our support co-ordinates all the relevant departments of the council and our partners.

The background to the strategy

In 2021 Wokingham Borough Council decided to develop a strategic approach to addressing poverty in the Borough, working with partners across the Voluntary and Community Sector (VCS). This builds on our existing work to prevent poverty and support residents on low incomes, including schemes to support people into employment, provide affordable or social housing and lessen financial burdens (for example the Council Tax Reduction Scheme).

It also builds on the council's partnership with the VCS which was strengthened as we worked together to support residents during the Covid-19 pandemic. This partnership with the Voluntary and Community Sector is fundamental to the design and delivery of the Tackling Poverty Strategy.

In September we made the decision to work together to create a strategic approach to poverty in Wokingham. This led to the creation of the Hardship Alliance in December.

The Hardship Alliance is a partnership between Wokingham Borough Council and four key VCS partners, who help link us to the wider VCS sector. The Hardship Alliance helps us to work with the wider Hardship Alliance Action Group, which engages more VCS organisations working to support people with poverty-related challenges.

The Council and Hardship Alliance jointly drafted an Anti-Poverty Strategy which went to public consultation in January 2022. The results of this consultation have informed the final Tackling Poverty Strategy and the Year 1 action plan presented with this report. The public consultation helped us to shape the objectives and our understanding of the different groups of residents which we will support.

Much of the work on this Strategy took place before the events of 2022 worsened the situation. We as a council recognise that inflation tightens our own finances and this is an additional challenge in our ability to support our residents. We recognise the need to be flexible and change as the situation changes.

Strategic Approach

The aim of the Tackling Poverty Strategy is to **do everything we can to prevent and work towards ending poverty in our Borough.**

We aim to support and empower our residents who are living in hardship to meet immediate challenges, and also to do what we can to identify and tackle the root causes of hardship in the Borough.

The Strategy has three objectives:

1. Support people and help them out of poverty
2. Strengthen community resilience, preventing more people falling into poverty
3. Improve life opportunities for residents who are living in poverty

The strategy recognises that ending poverty is a long-term aspiration, with many hurdles to overcome. In the life span of this 4-year strategy we aim to:

- Lessen the short-term effects of poverty
- Prevent more people falling into poverty
- Better support our residents who are living in poverty
- Enable residents to better address the barriers to overcoming poverty

Each situation and each resident is unique and faces their own challenges. In order to help us to respond best to hardship and poverty, the strategy is structured around three of the main groups of residents facing hardship:

Persistent Hardship – These residents are living on the lowest incomes which may include a combination of wages, pension income, universal credit and other benefits, and are struggling to meet their basic needs.

Just About Managing – These are people who are just about able to meet their basic needs on an income which may include wages or a pension, which may be supplemented by benefits or borrowing money to make ends meet. They have little or no savings and may be in debt.

Asset Rich, Cash Poor – These are residents who own their own home but who are struggling to pay for essentials and who do not have savings or other assets which are easily accessible. The increasing numbers of UK pensioners who are living in poverty will often fall into this group.

We recognise that within these groups there will be residents who are facing an immediate and acute crisis and those living in long term hardship. We recognise the problem of in-work poverty and the fact that many people on low or even average wages may struggle to afford housing in the Wokingham area. This disproportionately affects young people and young families and we are also aware of the issues caused by women's lower average earnings. Residents may have other specific needs around, for example, physical and mental health, disability, debt, addiction, employment, domestic violence, housing or family crisis.

This strategy therefore considers both our residents who rely on benefits and many other residents who are struggling financially even though they are working or have a pension due to the high cost of meeting their basic needs.

This strategy lays out how Wokingham Borough Council will respond as a council, with immediate actions contained in our Year 1 action plan (contained as Appendix 1 to the strategy). We are working very closely with our partners in the Hardship Alliance and with the Hardship Alliance Action Group. A number of the actions in the strategy lie with the Hardship Alliance and we will continue to work with them closely as our partners throughout the life of this strategy.

Responding to the consultation on the strategy

The draft strategy went to public consultation and as a result of the feedback we received, we have changed the name of the strategy to the Tackling Poverty Strategy, which better describes our aims.

The consultation confirmed that many residents recognise the need to address poverty, especially in light of the recent steep increases cost of living. People expressed a concern that we need to support those who are just above the breadline and who could be pushed into poverty by the cost-of-living crisis.

Respondents strongly feel that it is much more difficult to ask for support in an affluent borough such as Wokingham. This shows that we need to make it easier for people to ask for the help that they need.

Respondents supported the adoption of a carefully targeted approach to helping residents access the help that they need for their individual situation.

Some of the other main points raised and addressed in this final version of the strategy are:

- Inclusion of a clear aim for the strategy to do everything we can to prevent and work towards ending poverty in our Borough (as set out in the strategic approach above).
- The three objectives had a high degree of support but have been reframed to emphasise the desire to help people out of poverty and prevent more people falling into poverty.
- There was strong support overall for the target groups. A lot of respondents viewed themselves as being in the Just About Managing group. We recognise that there was less support and some active disagreement with Asset Rich, Cash Poor group as a focus of council assistance. We recognise that we need to review the particular needs of this group and ensure that we communicate clearly on this. We have clarified the definitions of each group and recognised the growing issue of in-work poverty.
- We have increased emphasis on measures to prevent residents from falling into poverty.
- There was strong support for the No Wrong Door approach, and a desire to understand more about how it will work. This is a key part of our planned work with the Hardship Alliance and other partners over the next year.
- There was a mixed response to the use of data within the strategy. Some respondents wanted to understand more and others did not want to see data included in the strategy document itself. In response most of the data has been moved to an appendix, and the data provided here has been expanded from the initial content of the draft strategy. The 2021 Census data will become available later in the year. We will produce profiles for the Borough and specific areas within the Borough, expanding the data available to us.
- Case studies have been developed which help to bring the strategy to life and demonstrate some of the challenges faced by people and planned initiatives to support them.
- Recognition that the council cannot achieve everything that is needed to address poverty within the borough. We have therefore adopted lobbying central government as part of the action plan.

BUSINESS CASE

We have a moral imperative as a council to do everything in our power to fight poverty and to prevent long term damage to the life chances of our residents.

There is also a strong economic case for taking action. In fighting poverty in the Borough we will raise the skills and the spending power of our residents and reduce the harmful long term effects of poverty.

By tackling the issues faced by residents at the earliest opportunity, by taking a proactive, problem-solving approach and by seeking to help with holistic solutions which address the needs of each individual, we aim to reduce the most severe and long-term effects of poverty and stop problems from becoming harder and more expensive to manage.

By acting in a way which co-ordinates action across the council and our partners, we will reduce wasted effort and duplication of resources.

At the meeting in March 2022, the Executive agreed to allocate the grant funding of £500,000, funded from an earmarked reserve from the Local Council Tax Support Schemes Grant for 2021-22, to enable delivery of the strategy. This funding will be used to develop the capacity of Wokingham Borough Council and our partners to deliver this strategy and tackle poverty in the longer term and is therefore different from the grants we've received or allocated to provide immediate assistance to residents who are living in hardship.

Some of the main ways the Council is increasing capacity through this funding are:

- Continuation of the One Front Door within Citizen's Advice to enable easy access for people needing support;
- Appointment of an Inclusion Officer for 2 years to focus Council work and action planning;
- Creation of a part time Funding Officer to source and create funding opportunities for projects across the VCS;
- Establishment of a project officer for the Hardship Alliance to lead VCS action planning and delivery;
- Increased debt support through provision of another Debt Advice worker within Citizen's Advice Wokingham; and
- Provision of Community Coaching support within the VCS helping people develop the skills to break out of poverty.

This work will be supported by an extensive communications campaign to encourage people to access the support they need, claim funding they are eligible for and raise awareness of how support can be accessed, as well as publicising the organisations who can provide them with support.

This work to fight poverty links with the government's levelling up agenda and the outcome measures in the strategy are aligned to delivery of both. We will continue to look to access government funding and grants to fight poverty in Wokingham. We will also be working with partners, businesses and other interested parties on the delivery of this strategy.

THE FURTHER DEVELOPMENT OF THIS STRATEGY

Since work started on this strategy, Russia has invaded Ukraine, Covid-19 has continued to challenge the country in a way that many did not expect and an acute cost of living crisis has doubled fuel bills for many residents. We have a number of new Wokingham residents who were forced to flee Ukraine and who we are committed to supporting as they rebuild their lives in the Borough.

This developing situation means that both the strategy and its action plan need to be reviewed. We are committed to working in a transparent and cross-party way to do this. We will therefore continue with the working group so that we can do this and will report back to the Executive on our progress.

We recognise that our residents living on low incomes have the best understanding of the challenges that they face. We are committed to listening to them and to responding to their needs as the best way of understanding how we can tackle poverty in the Borough. We know that we need to engage in a continuous dialogue with residents and our partners in the community to understand the developing needs of residents living on low incomes and ensuring that these are integrated into all our thinking. We understand that some groups, such as residents who have disabilities or who are from marginalised groups, may have particular requirements and we need to ensure that we are considering these.

We are committed to a data-driven approach where we understand where the problems lie, where we can make the greatest difference and to developing and prioritising our aims in the light of this. We are committed to setting targets to address the priorities, and to holding ourselves accountable for the achievement of these. We are also committed to planning for changes likely to happen in the future.

We will look for best practice in fighting poverty which can be integrated into our approach, as we work towards our aim of becoming an example of best practice ourselves.

FINANCIAL IMPLICATIONS OF THE RECOMMENDATION

The Council faces severe funding pressures, particularly in the face of the COVID-19 crisis. It is therefore imperative that Council resources are focused on the vulnerable and on its highest priorities.

	How much will it Cost/ (Save)	Is there sufficient funding – if not quantify the Shortfall	Revenue or Capital?
Current Financial Year (Year 1)	See other financial information	No - additional funding will be brought in to support delivery of the strategy	Revenue
Next Financial Year (Year 2)		Yes – to be carried forward from above	
Following Financial Year (Year 3)		Yes – to be carried forward from above	

Other Financial Information

The Tackling Poverty Strategy will be delivered through the targeting of resources across the Council and includes £500k specific funding agreed at the meeting in March 2022. Overall resources will be further supplemented by additional external funding attracted, the further utilisation of organisations beyond the Council and if necessary, a supplementary budget bid to a future Executive.

Stakeholder Considerations and Consultation

Consultation has taken place with the public, VCS partners, Town and Parish Councils, interested people and various stakeholder groups. O&S Management Committee have been engaged and a Cross-Party Working Group has provided oversight of the development processes.

Public Sector Equality Duty
Implications for the PSED are at the forefront of the strategy and an EqIA has been completed alongside finalisation of the strategy and covering the Year 1 Action Plan.

Climate Emergency – <i>This Council has declared a climate emergency and is committed to playing as full a role as possible – leading by example as well as by exhortation – in achieving a carbon neutral Wokingham Borough by 2030</i>
This report will have no implications on carbon neutrality.

List of Background Papers
None

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