



AUDIT AND GOVERNANCE COMMITTEE FINAL REPORT

CHILD AND FAMILY POVERTY IN HARTLEPOOL

MAY 2023

EXECUTIVE SUMMARY

Introduction

Despite the Government's commitment to eradicating child poverty by 2020, millions of families in the UK are unable to heat homes, pay rent, or buy essentials for their children. The prevalence and impact of poverty on a local, regional and national level is in fact continuing to rise, with the North East seeing the UK's biggest increase in child poverty.

In recognition of this, and the impact on family incomes of the pandemic, changes to national insurance levels and inflation, the Committee identified 'Child and Family Poverty in Hartlepool' as a critically important, crosscutting, priority issue for investigation.

Conclusions

- 1) Despite the Government's 1999 commitment to eradicating child poverty by 2020, it continues to affect millions of people in the UK, making them unable to heat homes, pay rent, or buy essentials for their children.
- 2) Child poverty is a cross cutting priority for the council and the reviewed Child and Family Poverty Strategy needs to be grounded in real life experiences, creative and innovative with support from experts, practitioners and residents.
- 3) The long term societal impacts of COVID-19 are not fully known, however, it is highly probably that this will further exacerbate poverty levels in Hartlepool.
- 4) The North East is seeing a much steeper rise in child and family poverty than the rest of the UK, this includes families both in and out of work. There are also direct causational links between higher levels of poverty and health inequalities.
- 5) Poverty services in Hartlepool are predominantly focused on mitigation which help in the 'here and now' and do not lead to impactful change. Mitigation services in Hartlepool are, however, exceptional and need to continue going forward, in conjunction with an increased emphasis on the provision of prevention and routes out of poverty.
- 6) Learning from the lived experience is at the heart of delivering socio economic equality and the adoption of the voluntary Socio Economic Duty would be a progressive step in tackling poverty, embedding collaboration, partnership working and resident led service design and development of services. It would also complement the anti-poverty, inclusive economy, and equalities approaches already being undertaken by the Council, including to some degree the Poverty Impact Assessments required as part of the process for submission of reports to Committee.
- 7) Additional activities would be required as part of the adoption and implementation of the Socio Economic Duty and a working group should be established to look further into:
 - What would be required to facilitate the formal adopt the Socio Economic Duty;
 - What would be the benefits of its adoption;
 - How might it reduce poverty; and
 - What all of the above mean in practical and financial terms for the Council.

- 8) A considerable amount of work is being undertaken by partners that could deliver examples of best practice and service improvement. Whilst it is recognised that time is needed for the true impact / benefits of these pieces of work to be known in time for consideration as part of the ongoing review of Hartlepool's Child and Family Poverty Strategy, a review of best practice / service change in other areas should be undertaken at a later date as part of a refresh of a refresh of the Strategy.
- 9) The needs of those in destitution are likely to be the most complex, with a need for the most intense support. As levels of destitution increase in Hartlepool, pressure on services and the budgets that provide them continue to rise and a review of welfare service provision is needed to:
 - Support an effective Child and Family Poverty Strategy;
 - Move away from responding to crisis; and
 - Focus on impactful interventions that make long term change was supported by the Committee.
- 10) Effective communication with residents (to really listen to them) is essential in the creation of an effective Child and Family Poverty Strategy, and the development of the services that support its implementation. The establishment of a Hartlepool Poverty Truth Commission, as an effective way of facilitating this, would not have to involve significant financial input, although it would require a genuine desire to bring residents around the table.
- 11) Whilst poverty and the pandemic have combined to hit people who are struggling the hardest, Hartlepudlians are resilient, good neighbours who come together to make change happen. The key to success is trust between people, agencies and organisations.
- 12) Whilst the investigation focused on child and family poverty, the factors that influence poverty, and the challenges identified in this report, are equally applicable across the whole population (individuals, couples, pensioners, etc.).
- 13) It is important that the development of schemes and strategies of the impact across individual wards. This being particularly relevant given that whilst 39% of children across Hartlepool live below the breadline, some wards have poverty levels in excess of 50%.
- 14) It is important that the implementation of the recommendations contained within the report are monitored by the Audit and Governance Committee.
- 15) Working with third sector organisations (VCS), hyper local needs are identified to inform the development and delivery of targeted activities / interventions at a local level. This includes the targeting of certain areas of the community for school holidays and play schemes, etc.
- 16) Mechanisms, including 'Hartlepool Now', are already in place to raise awareness of help available to residents. However, awareness of the help and support available did need to be explored, with resident involvement in the development process.

- 17) It is essential that mechanisms are in place to ensure that residents are aware of the help and support available to them. Mechanisms including 'Hartlepool Now' were already in place, however, evidence had shown that the effectiveness of signposting could be improved with input from residents.
- 18) Schools have a role to play in the identification of children and families that are experiencing the impacts of poverty. Assistance to help schools do this is available via the 'Poverty Proofing' exercise offered by Children North East. Indication are that only 30% of schools in Hartlepool utilise the service offered by Children North East.
- 19) It is essential that the impact of poverty and socio economic disadvantage be considered as part of the process for consideration of 'key' decisions and development of strategies.

Recommendations

- 1) Exceptional services are provided in Hartlepool to mitigate the effects of poverty and these are the predominant focus of Hartlepool Council poverty activities. However, going forward, strategies and services need to move towards a more hands up/prevention/route out of poverty focused model lead to deliver more impactful change. As is being planned by the Trussell Trust Foodbank and The Joseph Rowntree Foundation.
- 2) The voluntary Socio Economic Duty be potentially adopted with the assistance of a working group that will look into:
 - What is required to facilitate the formal adopt the Socio Economic Duty;
 - What would be the benefits of its adoption;
 - How might it reduce poverty; and
 - What all of the above mean in practical and financial terms for the Council.
- 3) The establishment of a Hartlepool Poverty Truth Commission be progressed with the assistance from Thrive Teesside and the Poverty Truth Network. The purpose being to incorporate lived experience of socio economic disadvantage at all levels of decision making and policy development.
- 4) As and when the outcomes of ongoing national work in relation to best practice and service improvement becomes available, a further refresh of the new Child and Family Poverty Strategy be undertaken.
- 5) The implementation of the recommendations contained within the report to be monitored by the Audit and Governance Committee. Alongside an update on the poverty position in Hartlepool.
- 6) National targets have been removed for the reduction of poverty, however, national indicators have been created. It would be beneficial to set a series of Hartlepool specific indicators, against which outcomes (including the activities of the Poverty Truth Commission and adoption of the Socio Economic Duty) can be measured.
- 7) Ward based poverty data to be sent to Cllrs on an annual basis.

- 8) In terms of Schools, a poverty update is to be provided at a Head Teachers Briefing, as part of which schools:
- Will be reminded of the value of the 'Poverty Proofing' exercise offered by Children North East;
 - Be encouraged to seek guidance and advice from external source where available, such as the SHINE Trust; and
 - Asked to promote the second hand uniforms scheme (Hartlepool Preloved Clothing) as a means of reducing costs for parents.
- 9) In terms of decision making:
- Impact assessments are a part of the 'key' decision making process and development of strategies and Child and Family Poverty Impact Assessment and Equability and Diversity Impact Assessments are to be amalgamated to simplify the process; and
 - Where the process for monitoring the implementation of decisions identifies a potential 'new' or 'increased' poverty impact, the Impact Assessment should be revisited to gain a full understanding of the position and any action that may be required.
- 10) In terms of debt collection:
- The impact of debt collection on those experiencing poverty needs to be evaluated with a view to supporting the provision of focused assistance and support; and
 - Where debt is poverty related, options for changes to procedures for debt collection be explored in terms of the provision of additional support / assistance.
- 11) In terms of advice and support:
- Citizens Advice and other debt counselling services to be promoted to local groups and the VCS.
 - Awareness rolled out to partners/voluntary sectors on initiatives such as Baby Bank/Sensory spot.
- 12) The Council to seek from the Joseph Rowntree Foundation (JRF) an ongoing strategic commitment to work with Hartlepool Borough Council on Hartlepool's poverty issues.

1. PURPOSE OF REPORT

- 1.1 To update on the findings of the Audit and Governance Committee's investigation into Child and Family Poverty in Hartlepool.

2. SETTING THE SCENE

2.1 As part of the requirements of the Health and Social Care Act 2012, the Council's Audit and Governance Committee consideration of a range of potential topics for investigation under its statutory health scrutiny responsibilities. One topic identified as being of particular interest to the Committee was Child and Family Poverty in Hartlepool.

2.2 The Committee was exasperated to find that despite the Government's commitment to eradicating child poverty by 2020, millions of families in the UK are unable to heat homes, pay rent, or buy essentials for their children. The prevalence and impact of poverty on a local, regional and national level continues to rise. Initial data¹ showing that:

- 4.3million children remained in poverty in the UK in 2019/20, which represented an increase of 200,000 from the previous year and up 500,000 over five years;
- In the three years before the Covid-19 pandemic, the North East had the second highest rate of child poverty in the UK at an average of 37% (behind London at 38%, and compared with a UK average of 31%). This equated to 11 children and young people in a classroom of 30 in the North East;
- The North East saw the UK's biggest increase in child poverty from 2014/15 to 2019/20 (rising by over a third from 26% to 37% - meaning child poverty in the North East has risen from just below the UK average to the second highest of any region, after London). One third of this overall increase came between 2018/19 and 2019/20; and
- Of the 20 Parliamentary constituencies across the UK with the highest increases in child poverty rates from 2014/15 to 2019/20, more than four fifths are in the North East. Hartlepool's rates for the percentage of children in poverty being 27.4% (2014-15) and 37.8% (2019/20) which represents a 10.4% increase over the period.

2.3 Whilst the pre-covid data was in itself shocking, Members were exceptionally concerned that the true impact on family incomes of the pandemic, changes to national insurance levels and inflation were not yet known. With this in mind, the Committee identified 'Child and Family Poverty in Hartlepool' as a critically important, crosscutting, priority issue for investigation by the Audit and Governance Committee. The Committee's decision to focus on this issue was further justified by the cost of living crisis that has faced during 2022.

2.4 The Committee met formally on five occasions, during 2021/2022, to discuss and receive evidence relating to this investigation. A detailed record of the issues raised during these meetings is available from the Council's Democratic Services.

¹ Prof. Donald Hirsch and Dr Juliet Stone (Centre for Research in Social Policy at Loughborough University)

3. AIM AND TERMS OF REFERENCE FOR THE INVESTIGATION

3.1 Key to the success of the investigation was clarity in terms of the Committee's aim for the outcome of the piece of work, a defined terms of reference and agreed methods of investigation. All of these were agreed by the Committee on the 29th July 2021 and are detailed below:-

i) Investigation Aim:- To evaluate the true impact of child poverty and identify what the Council, and its partners, can do to make the positive changes required to reduce / eradicate it in Hartlepool.

ii) Terms of Reference:-

a) Agree a definition of child poverty for the purpose of the investigation.

b) To gain an understanding from a local, national, regional and peer perspective of the:-

i) Scale and extent of child poverty;

ii) Causes of child poverty; and

iii) Impact of Covid-19.

c) To examine barriers out of child poverty and explore their prevalence and impact in Hartlepool.

d) To explore the effectiveness of activities and services currently in place to prevent, eradicate and remove barriers out of child poverty:-

i) In Hartlepool; and

ii) Across other geographical areas and sectors (areas of potential best practice).

e) To identify service improvements or additions through which tangible reductions in child poverty levels across Hartlepool can be delivered.

4. MEMBERSHIP OF THE AUDIT AND GOVERNANCE COMMITTEE

4.1 The membership of the Audit and Governance Committee was as detailed below:-

Councillors Ashton (replaced by Hall during the course of the investigation), Boddy*, Cook, Cowie*, Feeney, B Loynes, D Loynes, Picton*, Richardson and Riddle.

* Added to the membership during the course of the investigation.

5. WHAT IS POVERTY

5.1 The Committee welcomed evidence from the Head of Housing, Hardship and Welfare Services, on behalf of the Director of Children's and Joint Commissioning Services, and as a starting point for its investigation gained an understanding of the drivers of poverty, the ways in which poverty data is presented and potential definitions for the purpose of the investigation.

Drivers of Poverty

- 5.2 Attention was drawn to the common perception that poverty relates predominantly to the availability of financial resources, and the absence of paid work. It was recognised that money management, and debt, were important contributing factors with most people receiving their financial support from the government monthly, resulting in them struggling to reach the end of the month with enough to pay for food and energy. Debt and interest repayment schedules also meant that residents never had the 'full' amount of benefit to make ends meet.
- 5.3 It was, however, clear to the Committee that an array of additional factors also drive poverty. These include:
- Unemployment - linked to this is skills and abilities of the workforce, ill-health (too sick to work), caring responsibilities and the cost of childcare.
 - Low skilled, low paid, part time work, insecure jobs and zero hours contracts, with 75% of children living in relative poverty in households where at least one adult works.
 - Housing costs – linked to this is the use of the Private Rented Sector due to lack of availability of social housing and/ or renters unable to meet social housing criteria.
 - The benefit system – administratively burdensome, difficult to navigate and currently not able to meet the needs of those that have to use it when times are hard.
- 5.4 It was not unexpected to find that all of the above drivers are present in Hartlepool, alongside other significant problems around money management and debt. Most people receive their financial support from the government monthly and are struggling to reach the end of the month with enough to pay for food and energy and debt / interest. Repayment schedules often also mean that people never have the 'full' amount of benefit to make ends meet, even at the start of the month.
- 5.5 All of these factors having the capacity to:-
- i) Impact on the severity of poverty experienced by residents, with the below groups of individuals most at risk of poverty:
 - Lone parents.
 - Families with young children under the age of five.
 - Families with three or more children.
 - Families with an adult and/ or child with a disability.
 - Black and minority ethnic families.
 - Women (more likely to have lower paid work or not work at all due to caring responsibilities).
 - ii) Quickly escalate poverty from below the minimum income standard to not being able to eat or keep warm, as detailed in Diagram 1 over the page.

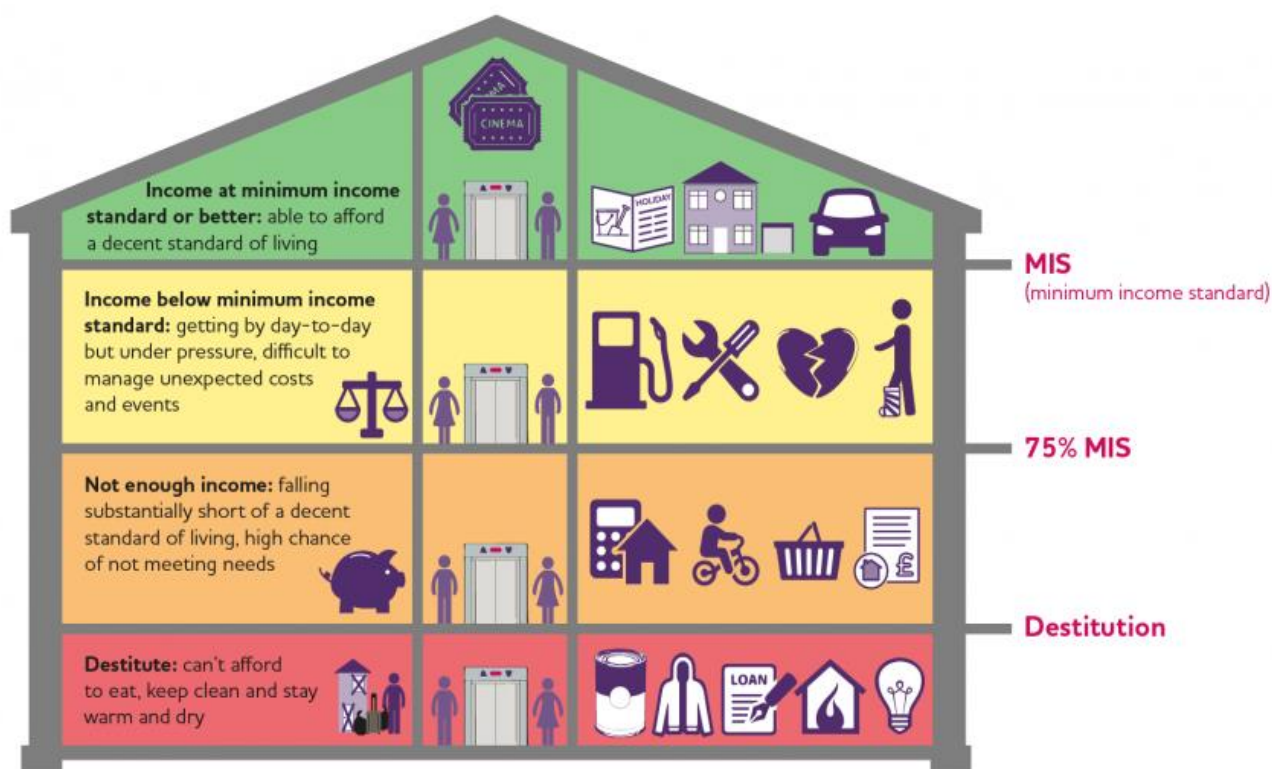


Diagram No. 1 – Levels of Poverty - Joseph Rowntree Foundation

6. HOW IS POVERTY DEFINED?

6.1 As part of the process for the identification of a definition of poverty the Committee was surprised to find that no unilaterally agreed definition was applied by bodies / organisations across the sectors. Attention was, however, drawn to the annual Government survey of income poverty in the UK, called 'Households below Average income' (HBAI), which set the poverty line in the UK at 60 per cent of the median UK household income. This formed the base for two potential definitions of poverty for consideration by the Committee:-

- i) **Relative**: the level below which a citizen has the economic capacity to participate fully in the society in which they live and is routinely set as below 60% of the median UK household income. Relative poverty is sometimes described as "relative deprivation" because the people falling under this category are not living in total poverty, but they are not enjoying the same standard of life as everyone else in the country; and
- ii) **Absolute**: when household income is below 60 per cent of the median as it stood in 2011, below which people lack the necessary food, clothing, or shelter to survive. This being a less widely used definition.

6.2 A further consideration in the identification of a definition was the way in which poverty data is produced with two potential indicators used in the form of income 'before' and 'after' housing costs. Members were of the view that calculating poverty 'after' housing costs was the most accurate, and relative, way to measure the true impact on families and on, this basis, the below definition was to be used for the purpose of the investigation:-

Relative Poverty - The level below which a citizen has the economic capacity to participate fully in the society in which they live and is routinely set as below 60% of

the median UK household income. Relative poverty is sometimes described as “relative deprivation” because the people falling under this category are not living in total poverty, but they are not enjoying the same standard of life as everyone else in the country.

7. POVERTY DATA - WHAT DOES IT TELL US?

7.1 At the meeting of the Committee on the 9th September 2021, evidence from the Head of Housing, Hardship and Welfare Services provided an understanding of poverty levels across the country, regionally and more specifically in Hartlepool.


7.2 Particular reference was made to data compiled by Loughborough University’s Centre for Research and Social Policy², as an independent source of poverty data for over 10 years. The study utilised the ‘relative’ poverty indicator and Members noted with concern that, as of May 2021, Hartlepool featured 8th in the top 20 authorities across the country with the highest increase in relative poverty in a year (See Table 1 below).

Poverty from a National Perspective

7.3 Data provided gave the Committee an understanding of the noted with interest that:-

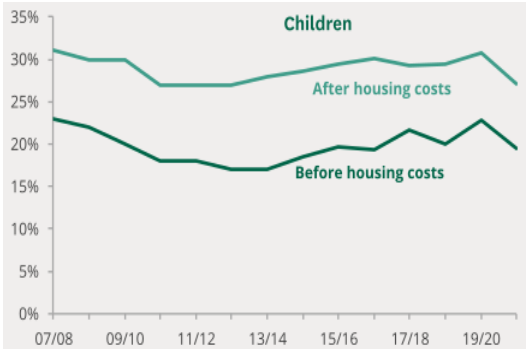
- i) Across the UK 31% of children live in a household 60% below median income after housing costs (relative poverty).
- ii) The top 20 local authorities with the highest child poverty rates range from 55.8% (Tower Hamlets) to 39.0% (Lewisham). Middlesbrough features in the top 20 list at 39.4%.
- iii) Across the UK there has been an average 2% increase in relative poverty however, the top 20 authorities with the highest increase in poverty range from Newcastle upon Tyne (12.8% increase in five years years) to North Lincolnshire (5.9% increase in five years).
- iv) Levels of poverty had fluctuated over a number of years, as detailed in **Table 2** over the page, with attention drawn to the relationship between trends and changes to the tax and benefits regime (e.g. when the Government increased investments in families’ social security, there was a notable reduction in child poverty).

Table 2 - % Over a 3 year average³

Relative Poverty (After housing costs) Percentage of whole population in poverty in England		
Year	% - 3 year average	Poverty Trends
1999/00 - 2001/02	23%	 Between 1998/9 and 2004/5 child poverty rates declined at a steady rate and research studies concluded that this stemmed from a number of policy interventions, including: - Efforts to increase employment for lone parents; - Additional benefits targeted specifically at children (such as child tax credit; and - Significant investments in early year’s education and care.
2000/01 - 2002/03	22%	
2001/02 - 2003/04	22%	
2002/03 - 2004/05	21%	
2003/04 - 2005/06	21%	

² Loughborough University - ‘Local indicators of child poverty after housing costs’ (May 2021)

³ Source: DWP, [Households Below Average Income](#), 2020/21

2004/05 - 2006/07	22%	<p>↑ Between 2004/5 and 2009/10 the child poverty began to drift upwards again at the beginning of this period, but it started to decline again from 2008/09.</p>
2005/06 - 2007/08	22%	
2006/07 - 2008/09	23%	
2007/08 - 2009/10	23%	
2008/09 - 2010/11	22%	<p>↓ Child poverty rates declined.</p>
2009/10 - 2011/12	22%	
2010/11 - 2012/13	21%	
2011/12 - 2013/14	21%	
2012/13 - 2014/15	21%	
2013/14 - 2015/16	21%	
2014/15 - 2016/17	22%	<p>↑ The 2010 Child Poverty Act had been dissolved in 2016 and replaced with the Welfare Reform and Work Act, removing the duty for local authorities to have a Child Poverty Strategy, Needs Assessment and Plan. In addition to this, the government had moved its focus to social mobility, away from its commitment to eradicating child poverty.</p>
2015/16 - 2017/18	22%	
2016/17-2018/19	22%	
2017/18-2019/20	22%	
2019/20 - 2020/21	20%	<p>↓ Child poverty rates declined.</p> 

7.4 Updated data, however, brought to the Committee’s attention an unexpected fall in relative, and child poverty, between 2019/20 and 2020/21, although the reduction in relative poverty could have been due to uncertainty in the data over the period of the pandemic. Two potential reasons for the fall had been identified as⁴:-

- i) Median incomes fell due to furloughed workers receiving 80% of their pay and job loss among low paid workers, pushing down the relative poverty line; and
- ii) An increase in benefits such as the £20 per week Universal Credit uplift increased the incomes of benefit recipients.

Poverty across the Tees Valley / North East

7.5 Evidence provided demonstrated that:-

- i) Poverty levels across the Tees Valley had increased by between 9.8% and 10.6% between 2014 and 2020 (as detailed in Table 1 over the page).

Table 1 – Poverty Levels (Tees Valley - 2021)

Local authority	2014/15 indicator	2019/20 indicator	% point increase
Middlesbrough	29.2%	39.4%	10.3%
Hartlepool	27.4%	37.8%	10.4%
Darlington	25.7%	36.1%	10.4%
Redcar & Cleveland	26.2%	36.8%	10.6%
Stockton on Tees	25.5%	35.3%	9.8%
UK	29%	31%	2%

⁴ the Joseph Rowntree Foundation

- ii) 'Child poverty was expected to continue to grow at an alarming rate across the urban areas of the North East, whereas the greatest changes elsewhere are more localised. This was likely to be influenced by the presence in the region of a large proportion of low-paid workers who had only been just above the poverty line, and were being pushed below by the freeze in their in-work benefits.'⁵
- iii) Projections from The Institute for Fiscal Studies suggested that rates would continue to rise and that by 2025 relative poverty would have risen by 50%, unless significant intervention are put in place;
- iv) The North East has the second highest rate of child poverty in the UK at 37% (behind London at 38%)⁶;
- v) The North East saw the UK's biggest increase in child poverty from 2014/15 to 2019/20 (rising from 26% to 37% - meaning child poverty in the North East has increased from just below the UK average to the second highest of any region in that time)⁷; and
- vi) All 12 North East councils are included in the 20 UK local authority areas which saw the highest increases in child poverty from 2014/15 to 2019/20⁸.

Poverty in Hartlepool

7.6 Members discovered that work with residents had shown that all of the factors outlined in Section 5.3 are experienced in Hartlepool and were shocked to find that in 2021 poverty rates in Hartlepool were such that:-

- i) Destitution is becoming increasingly prevalent in the town and those who are destitute are likely to have the most complex needs, requiring the most intense support;
- ii) As of 2022, 39% of children in Hartlepool now live below the breadline (i.e. living in relative poverty in a household with less than 60% of the national median income), in some areas of the town this is in excess of 50%. On this basis, out of a class of 100 children, 39 live in poverty, as **Diagram 2** demonstrates;



Diagram 2 – Children in a class of 100 who are in poverty.

⁵ Loughborough University
⁶ End Child Poverty coalition
⁷ End Child Poverty coalition
⁸ End Child Poverty coalition

- iii) Hartlepool featured 8th, in the top 20 authorities across the country, with the highest increase in relative poverty in a year (up 10.4% since 2014/15);
- iv) Hartlepool was ranked as 18 in the top 20 towns and cities experiencing destitution. Middlesbrough was 1st, Newcastle was 5th. According to JRF 1.21% of the total number of residents was destitute⁹;
- v) 11 Hartlepool children in every classroom of 30 are living on or below the poverty line (37.8%);
- vi) Hartlepool has the second highest growth in poverty across the North East in the last five years; and
- vii) Pensioner poverty is increasing and is more prevalent in women, currently this stands at 18%.

7.7 With due regard to the overall data provided, attention was drawn to the differing needs of those in poverty and destitution, as detailed in Diagram 1. It was noted that the needs of those in destitution are more likely to be the most complex with a need for the most intense support. As a result of this as the levels of destitution increase in Hartlepool, pressure on services and the budgets that provide them also continue to rise. This is a significant issue as funding challenges continue to face the local authority and the need for a review of welfare service provision to support an effective Child and Family Poverty Strategy was supported by the Committee.

7.8 Whilst it came as no surprise to the Committee that poverty rates in the Tees Valley and Hartlepool continue to be higher than the national average; The failure of national and local activities / interventions to reduce poverty levels below 20% over the last twenty plus years was, however, a contentious issue for Members. Members were also concerned to learn that:-

- i) An increasingly large proportion of the UK was experiencing the very deepest level of poverty;
- ii) The proportion of people living 50% or more below the poverty line being 7% in 2019/20 (compared to 5% in 2000/01);
- iii) Child poverty rates were predicted to rise and that by 2020, relative child poverty would rise by 50% unless significant intervention is put in place¹⁰;
- iv) There is increasing evidence to show a direct causal link between poverty and the significant levels of rising child protection intervention and numbers of children becoming looked after;
- v) A number children who hover 'above' the relative poverty line live in a low income family (and are ineligible for a free school meal);
- vi) Persistent poverty leads to physical and mental ill health and can lead to low educational attainment;
- vii) Persistent poverty (living in relative poverty for at least three out of the last four years) leads to a greater likelihood of physical and mental ill-health and has a lasting impact on a child's life chances, education and aspirations; and

⁹ JRF report Destitution in the UK 2020,

¹⁰ Institute for Fiscal Studies

viii) The proportion at all other depths of poverty had remained stable, or had fallen over the same time period¹¹, reflecting a disproportionate impact on the most vulnerable members of communities.

8. THE IMPACT ON POVERTY OF COVID-19 AND THE RISING COST OF LIVING

8.1 With the assistance of the Head of Housing, Hardship and Welfare Services, the Committee explored the societal impact of the COVID-19 pandemic and the unprecedented pressure placed upon everyone, especially those who were already deemed 'vulnerable'.

8.2 It was clear that the long term societal impacts of COVID-19 were not fully known, however, it was highly probably that it would further exacerbate poverty levels in Hartlepool, with those most severely affected by the pandemic being more likely than average to already be in poverty. The reasons for this being:

- Low paid workers:
 - Median wages in the sectors shut down by the pandemic were among the lowest in the economy;
 - Low paid workers were less likely to be able to work from home which meant that they were more likely to have lost their jobs or been furloughed; and
- Minority ethnic groups: workers from minority ethnic groups make up a larger than average proportion of the jobs in sectors vulnerable to the coronavirus pandemic;
- Lone parents: lone parents are more reliant on local jobs, and more likely to have struggled with childcare during lockdown;
- Private renters and social renters: private renters have higher housing costs and social renters tend to have lower incomes; and
- People living in areas of the UK where there were already higher levels of unemployment, poverty, and deprivation.

8.3 Members appreciated that interventions had been put in place on a local and national basis to respond to the challenges facing residents (e.g. furlough, business grant support, extra £20 Universal Credit, stay on evictions). There was, however, concern at the time of the investigation that these measures were coming to an end, in particular around the withdrawal of the £20 universal credit support, with evidence showing that 75% of children who live in relative poverty are in a household where at least one adult works. This was largely due to zero hours contracts, part time and low paid work.

8.4 Moving forward emphasis was placed upon the importance of the continued provision of measures that are developed / influenced by the use of research¹² in order to identify the correct actions to re-shape life after COVID. Potential measures being:

¹¹ Commons Library Research Briefing, 29 September 2022

¹² The British Academy (the UK's national academy for the humanities and social scientist)

- Empowering participation, engagement and cooperation to strengthen local capacity and help people to respond and meet local needs. – local ‘actors’ with a strong sense of social justice.
- Improving the way data and information is shared to enable a shared understanding of facts so that help and support can be directed to the right people at the right time.
- Digital infrastructure as critical to public service not only for communication but for education and employment.
- Empowering ‘local actors’ to work together with a sense of social purpose to help drive a solid strategy for recovery across the board.
- Collaboration with key stakeholders across the town and the region to secure support to change.
- Explore best practice in other areas and harness knowledge, skills and experience of other leading agencies.
- Talking to residents about their experiences and enabling local people to reduce the stigma surrounding poverty and work to effect change.
- Utilise the power of the collective response to influence whole system change.

Socio Economic Duty

- 8.5 As part of the Committee’s examination of ways to reduce poverty, and the consequences of social economic disadvantage, Members gained an understanding of the Equality Act, as a legal framework to protect the rights of individuals and advance equality of opportunity, and the statutory obligations contained within it.
- 8.6 Of particular interest was Section 1 of the Act (the socio economic duty) which requires *‘public bodies to adopt transparent and effective measures to address the inequalities that result from differences in occupation, education, place of residence or social class.* In considering the potential benefits of adopting the Duty it was noted that the Council would be required to consider how their decisions and policies could increase or decrease inequality that results from socio economic disadvantage. Members learned that from a practical perspective the Council would need to:
- Formally incorporate poverty and socio economic disadvantage in decision making processes and strategies (already incorporated to some degree in Hartlepool’s decision making processes and strategies via Poverty Impact Assessment);
 - Recognise the value of engaging with people with lived experience of socio economic disadvantage at all levels of decision making and commit to valuing this engagement in finding new ways of making policy;
 - Work with residents and the voluntary and community sector to develop strategies to tackle socio economic disadvantage; and

- Identify what works through evaluation, skills sharing and innovative ways of working.

8.7 It was noted that voluntary implementation of the duty would complement the anti-poverty, inclusive economy, and equalities approaches already being undertaken by the Council, including to some degree the Poverty Impact Assessments required as part of the process for submission of reports to Committee. However, it was recognised that additional activities would be required and establishment of a working group to look further into what is required to formally adopt the duty, its benefits, how this might reduce poverty and what this means in practical terms for officers of the council prior to adoption of the duty was considered.

Cost of living

8.8 Whilst information provided as part of the initial evidence gathering sessions did not specifically explore the impact of the rising cost of living, additional information provided drew attention to its specific impact on poverty levels.

8.9 The correlation between rises in the cost of living and poverty, Members were exceptionally concerned to find that rising prices was expected to increase material deprivation and increase absolute poverty by over 3 million people between 2021/21 and 2022/23¹³. Rising energy / food prices also disproportionately affect low-income households who spend a larger than average proportion of their income on these items¹⁴.

9. ACTIVITIES AND SERVICES PROVIDED TO PREVENT, ERADICATE AND REMOVE BARRIERS OUT OF CHILD POVERTY

9.1 Details of the services provided nationally and locally, via statutory, voluntary and community sectors, were provided to the Committee, including examples of Best Practice:

- North East Child Poverty Commission (NEDPC). A network that believes all children should have an equal chance in life and is hosted by Newcastle University. The Committee welcomed confirmation of Hartlepool Borough Council's active involvement in the group and noted the extensive research that had been undertaken into local welfare support (LWS) provision¹⁵ which drew attention to the role of the LWS in the provision of a safety net that the current welfare system does not.
- Thrive Teesside. An award winning organisation working in Teesside aiming to close the gap between the rich and the poor by supporting low-income communities to enact change.
- Poverty Truth Commissions. Evidence provided by Tracey Herrington from Thrive Teesside provided Members with an oversight for the Poverty Truth Commission that operates in Stockton on Tees. The aim of the commission being to ensure that local voices are heard and involved in all aspects of day to day service

¹³ The Resolution Foundation

¹⁴ In 2019/20, households with the lowest tenth of incomes spent 13.8% of their overall spending on food and 7.1% on electricity and gas. In comparison, households with the highest tenth of incomes spending 8.5% of their overall spending on food and 2.5% on electricity and gas.

¹⁵ <https://www.nechildpoverty.org.uk/news/time-to-strengthen-the-safety-net>

development. They are also places where transformational relationships are formed / nurtured.

- The Poverty Truth Network. Offers support, advice and guidance to local areas looking to develop a Poverty Truth Commission.
- 'Addressing Poverty through Lived Experience (APLE)' Collective. Based in Stockton for over 15 years the collective has spoken at national party conferences, etc. and are consulted on matters relating to welfare and lobby tirelessly on issues such as Universal Credit.
- Brent Council. Levels of poverty led to the establishment of an Independent Poverty Commission bringing together experts, practitioners and people with lived experience of the issues.
- The North of the Tyne Combined Authority. Has embarked on a child poverty prevention programme and have agreed a plan to:
 - Introduce poverty interventions at a school level;
 - Provide welfare and benefit advice in schools; and
 - Work with employers to reduce in-work poverty.

9.2 The Committee was particularly interested in the poverty truth commission model, the basis of which was that lasting social change couldn't happen unless those who experience the struggle participate in generating change ("Nothing about us, without us, for us"). In order to enable the Committee to make an informed decision on the viability of implementing the voluntary duty, evidence was provided on the additional impact of adopting the duty in Hartlepool and the implementation of the practical steps contained within the guide to local authorities. Subsequent clarification was welcomed that the creation of a Hartlepool Poverty Truth Commission would not have to involve significant financial input, although it would require a genuine desire to bring residents around the table.

9.3 With due regard to all of the information provided, the value of 'lived experiences' could add to the development of interventions / strategies, this was recognised by the Committee and exploration of the establishment of a Hartlepool Poverty Truth Commission was supported by the Committee. The offer of assistance from Thrive Teesside and the Poverty Truth Network in the development of the commission was welcomed by Members.

Hartlepool Borough Council Services

9.4 Attention was drawn to the wide range of support measures in place directly through government funding:

- Some support is universal;
- Some is benefit dependent or means tested;
- Some you have to apply for; and
- Some are automatically paid.

9.5 A full list can be found at www.helpforhouseholds.campaign.gov.uk. The range of services offered specifically in Hartlepool include:

- The Household Support Fund
- Warm Hubs
- Discretionary Housing Payments
- Free School Meals (financial)
- Energy efficiency schemes, inc. Energy Bills Support Scheme – (universal payment of £400 towards energy costs between October and March 2023)
- The Winter Fuel Payment – (between £100 and £300 per pensioner depending on circumstances).
- The Cost of Living Payment (means tested, £650 in two lump sums)
- The Household Support Fund - www.hartlepool.gov.uk/household-support-fund
- Childcare
- Healthy Start
- The Bread and Butter Thing
- Local Council Tax Support Scheme
- Welfare Support Service (crisis and non-crisis)
- Access to the Trussell Trust Foodbank
- Recycled School Uniform Scheme
- Action against holiday hunger
- Routes to Work
- Community Hubs and navigation to support services
- Social prescribing
- Links to voluntary and community sector services
- Additional help for Disability and Pensioner households (benefit / means tested)
- And more... as detailed on the Hartlepool Now website (<https://www.hartlepoolnow.co.uk/>)

9.6 In addition to these, the Committee discussed the partnerships arrangement the Council participates in, with the aim to tackle poverty. Including but are not limited to:

- ‘Hartlepool Food Council’ – a group of organisations that aims to reduce food waste and ensure there is adequate food for all;
- ‘Hartlepool Financial Inclusion Partnership’ – a group of organisations that aims to support residents at risk of exclusion and to secure support from agencies that in turn can help reduce financial burdens; and
- Hartlepool Action Lab (HAL) which provides an opportunity for a diverse range of organisations and individuals to join together to better understand the challenges experienced by people in Hartlepool and develop working solutions to provide routes out of poverty.

9.7 The significant role of the VCS in the provision of support was also recognised. This included:

- The Hartlepool Food Council – a collective of food aid groups in the town offering food poverty relief;
- Worrying About Money – a directory of money advice agencies and services;
- School Uniform – now offered via ‘Hartlepool Uniform Recycling’; and
- The range of information provided by ‘Hartlepower’ and ‘HOP’.

Welfare Support Service

9.8 A key element of the Councils support measures is the provision of ‘crisis’ support to residents via the Local Welfare Support Schemes. Members were shocked to learn

over the past 18 months a total of £4,864 of crisis awards, and £2,385 of non-crisis awards had been allocated. **Table 3** outlines the allocations in greater detail.

Table 3

Crisis awards approved – (daily support) – 4,017	Non Crisis awards approved - (settling into community) – 2,217
1,009 gas / electricity top ups	931 white goods awards (one or more items) 1,209 furniture awards (one or more items) 56 carpets (one or two rooms or a full house) 21 misc. awards (baby items, bedding, clothes, travel etc.)
3,008 shopping vouchers, bags of food, food parcels	
Crisis awards declined – 847	Non-crisis awards declined - 168
Total: 4,864	Total: 2,385

NB – all ‘declined’ applicants are supported to gain help elsewhere.

- 9.9 It was noted that the scheme had been revised on a number of occasions following its creation in 2013 and it was to be looked at again to determine how it can support a plan to reduce poverty. Given the concerns raised around welfare support and proposed budget savings, Members supported an urgent review of welfare support.
- 9.10 Members were impressed by the level of services provided to mitigate the effects of poverty but were exceptionally concerned about the level of foodbank activity. Data showing that from January to December 2021, 1,887 foodbank vouchers had been used. Table 4 breaks down the use of these vouchers.

Table 4

Total No. of Food Vouchers - 1,887 (January to December 2021)	
No. of People Supported	Groups Supported
3557 people	218 couples
	116 families
2447 adults	1098 single people
	337 single parents
1110 children.	74 other (including residents seeking asylum and those who were furloughed)

- 9.11 It was apparent to the Committee from the evidence provided that poverty services in Hartlepool are predominantly focused on mitigation and concern was expressed that whilst they help in the ‘here and now’, they do not lead to impactful change. In addition to this, the continuing increase in the level of child poverty in Hartlepool reinforced the opinion that a mitigation only focus service model is not working. This view was shared by a number of national organisations, including the national Trussell Trust Foodbank and The Joseph Rowntree Foundation, with changes planned to move from a ‘hand outs’ to ‘hands up’ model.

- 9.12 Despite these concerns, the Committee was keen to emphasise that mitigation services in Hartlepool are exceptional and need to continue going forward. This, however, needed to be in conjunction with an increased emphasis on the provision of prevention and routes out of poverty. The change in emphasis to be delivered alongside a review of the Child and Family Poverty Strategy, the child poverty needs assessment and development of a different response for crisis, poverty and destitution.
- 9.13 It was recognised that considerable amount of work is being undertaken which could deliver examples of best practice and service improvement, however, they are not yet in a position where the impact of change can be effectively evaluated. On this basis, the Committee recommended that when the Child and Family Poverty Strategy currently being developed is reviewed, a review of best practice / service change in other areas should also be undertaken.

10. CONCLUSIONS

10.1 The Audit and Governance Committee concluded that:-

- 1) Despite the Government's 1999 commitment to eradicating child poverty by 2020, it continues to affect millions of people in the UK, making them unable to heat homes, pay rent, or buy essentials for their children.
- 2) Child poverty is a cross cutting priority for the council and the reviewed Child and Family Poverty Strategy needs to be grounded in real life experiences, creative and innovative with support from experts, practitioners and residents.
- 3) The long term societal impacts of COVID-19 are not fully known, however, it is highly probably that this will further exacerbate poverty levels in Hartlepool.
- 4) The North East is seeing a much steeper rise in child and family poverty than the rest of the UK, this includes families both in and out of work. There are also direct causational links between higher levels of poverty and health inequalities.
- 5) Poverty services in Hartlepool are predominantly focused on mitigation which help in the 'here and now' and do not lead to impactful change. Mitigation services in Hartlepool are, however, exceptional and need to continue going forward, in conjunction with an increased emphasis on the provision of prevention and routes out of poverty.
- 6) Learning from the lived experience is at the heart of delivering socio economic equality and the adoption of the voluntary Socio Economic Duty would be a progressive step in tackling poverty, embedding collaboration, partnership working and resident led service design and development of services. It would also complement the anti-poverty, inclusive economy, and equalities approaches already being undertaken by the Council, including to some degree the Poverty Impact Assessments required as part of the process for submission of reports to Committee.
- 7) Additional activities would be required as part of the adoption and implementation of the Socio Economic Duty and a working group should be established to look further into:

- What would be required to facilitate the formal adopt the Socio Economic Duty;
 - What would be the benefits of its adoption;
 - How might it reduce poverty; and
 - What all of the above mean in practical and financial terms for the Council.
- 8) A considerable amount of work is being undertaken by partners that could deliver examples of best practice and service improvement. Whilst it is recognised that time is needed for the true impact / benefits of these pieces of work to be known in time for consideration as part of the ongoing review of Hartlepool's Child and Family Poverty Strategy, a review of best practice / service change in other areas should be undertaken at a later date as part of a refresh of a refresh of the Strategy.
- 9) The needs of those in destitution are likely to be the most complex, with a need for the most intense support. As levels of destitution increase in Hartlepool, pressure on services and the budgets that provide them continue to rise and a review of welfare service provision is needed to:
- Support an effective Child and Family Poverty Strategy;
 - Move away from responding to crisis; and
 - Focus on impactful interventions that make long term change was supported by the Committee.
- 10) Effective communication with residents (to really listen to them) is essential in the creation of an effective Child and Family Poverty Strategy, and the development of the services that support its implementation. The establishment of a Hartlepool Poverty Truth Commission, as an effective way of facilitating this, would not have to involve significant financial input, although it would require a genuine desire to bring residents around the table.
- 11) Whilst poverty and the pandemic have combined to hit people who are struggling the hardest, Hartlepudlians are resilient, good neighbours who come together to make change happen. The key to success is trust between people, agencies and organisations.
- 12) Whilst the investigation focused on child and family poverty, the factors that influence poverty, and the challenges identified in this report, are equally applicable across the whole population (individuals, couples, pensioners, etc.).
- 13) It is important that the development of schemes and strategies of the impact across individual wards. This being particularly relevant given that whilst 39% of children across Hartlepool live below the breadline, some wards have poverty levels in excess of 50%.
- 14) It is important that the implementation of the recommendations contained within the report are monitored by the Audit and Governance Committee.
- 15) Working with third sector organisations (VCS), hyper local needs are identified to inform the development and delivery of targeted activities / interventions at a local level. This includes the targeting of certain areas of the community for school holidays and play schemes, etc.

- 16) Mechanisms, including 'Hartlepool Now', are already in place to raise awareness of help available to residents. However, awareness of the help and support available did need to be explored, with resident involvement in the development process.
- 17) It is essential that mechanisms are in place to ensure that residents are aware of the help and support available to them. Mechanisms including 'Hartlepool Now' were already in place, however, evidence had shown that the effectiveness of signposting could be improved with input from residents.
- 18) Schools have a role to play in the identification of children and families that are experiencing the impacts of poverty. Assistance to help schools do this is available via the 'Poverty Proofing' exercise offered by Children North East. Indication are that only 30% of schools in Hartlepool utilise the service offered by Children North East.
- 19) It is essential that the impact of poverty and socio economic disadvantage be considered as part of the process for consideration of 'key' decisions and development of strategies.

11. RECOMMENDATIONS

- 11.1 The Audit and Governance Committee has taken evidence from a wide range of sources and is clear in its support for the prevention of Child and Family Poverty in Hartlepool. The Committee's key recommendations are that:-
 - 1) Exceptional services are provided in Hartlepool to mitigate the effects of poverty and these are the predominant focus of Hartlepool Council poverty activities. However, going forward, strategies and services need to move towards a more hands up/prevention/route out of poverty focused model lead to deliver more impactful change. As is being planned by the Trussell Trust Foodbank and The Joseph Rowntree Foundation.
 - 2) The voluntary Socio Economic Duty be potentially adopted with the assistance of a working group that will look into:
 - What is required to facilitate the formal adopt the Socio Economic Duty;
 - What would be the benefits of its adoption;
 - How might it reduce poverty; and
 - What all of the above mean in practical and financial terms for the Council.
 - 3) The establishment of a Hartlepool Poverty Truth Commission be progressed with the assistance from Thrive Teesside and the Poverty Truth Network. The purpose being to incorporate lived experience of socio economic disadvantage at all levels of decision making and policy development.
 - 4) As and when the outcomes of ongoing national work in relation to best practice and service improvement becomes available, a further refresh of the new Child and Family Poverty Strategy be undertaken.

- 5) The implementation of the recommendations contained within the report to be monitored by the Audit and Governance Committee. Alongside an update on the poverty position in Hartlepool.
- 6) National targets have been removed for the reduction of poverty, however, national indicators have been created. It would be beneficial to set a series of Hartlepool specific indicators, against which outcomes (including the activities of the Poverty Truth Commission and adoption of the Socio Economic Duty) can be measured.
- 7) Ward based poverty data to be sent to Cllrs on an annual basis.
- 8) In terms of Schools, a poverty update is to be provided at a Head Teachers Briefing, as part of which schools:
 - Will be reminded of the value of the 'Poverty Proofing' exercise offered by Children North East;
 - Be encouraged to seek guidance and advice from external source where available, such as the SHINE Trust; and
 - Asked to promote the second hand uniforms scheme (Hartlepool Preloved Clothing) as a means of reducing costs for parents.
- 9) In terms of decision making:
 - Impact assessments are a part of the 'key' decision making process and development of strategies and Child and Family Poverty Impact Assessment and Equability and Diversity Impact Assessments are to be amalgamated to simplify the process; and
 - Where the process for monitoring the implementation of decisions identifies a potential 'new' or 'increased' poverty impact, the Impact Assessment should be revisited to gain a full understanding of the position and any action that may be required.
- 10) In terms of debt collection:
 - The impact of debt collection on those experiencing poverty needs to be evaluated with a view to supporting the provision of focused assistance and support; and
 - Where debt is poverty related, options for changes to procedures for debt collection be explored in terms of the provision of additional support / assistance.
- 11) In terms of advice and support:
 - Citizens Advice and other debt counselling services to be promoted to local groups and the VCS.
 - Awareness rolled out to partners/voluntary sectors on initiatives such as Baby Bank/Sensory spot.
- 12) The Council to seek from the Joseph Rowntree Foundation (JRF) an ongoing strategic commitment to work with Hartlepool Borough Council on Hartlepool's poverty issues.

12. ACKNOWLEDGEMENTS

- 12.1 The Committee is grateful to all those who have presented evidence during the course of our investigation. We would like to place on record our appreciation, in particular of the willingness and co-operation we have received from the below named:-

Hartlepool Borough Council:

- Danielle Swainston, Assistant Director, Joint Commissioning
- Penny Thompson, Head of Housing, Hardship and Welfare Services

External Representatives:

- The Joseph Rowntree Foundation / Housing Trust (Richard Sorton)
- Thrive Teesside / APLE Collective (Tracey Herrington)
- Incontrol-Able (Michael Slimmings)
- Trussell Trust (Lisa Lavender)

Councillor Rob Cook
CHAIR OF THE AUDIT AND GOVERNANCE COMMITTEE

13. Contact Officer:

Joan Stevens, Statutory Scrutiny Manager
Legal Services
Hartlepool Borough Council
Tel:- 01429 284142
Email:- joan.stevens@hartlepool.gov.uk

14. BACKGROUND PAPERS

- 14.1 The following background papers were consulted or referred to in the preparation of this report:
- Local indicators of child poverty after housing costs 2019/20, Hirsch & Stone, Loughborough University, May 2021.
 - Shaping the Covid Decade: addressing the long term societal impacts of Covid-19, The British Academy, March 2021.
 - Child Poverty Action Group, www.cpag.org.uk.
 - UK Poverty 2021/21, Joseph Rowntree Foundation, January 2021.
 - North East Child Poverty Commission briefing, Amanda Bailey, Newcastle University, May 2021.
 - Joseph Rowntree Foundation - <https://www.jrf.org.uk/>
 - Thrive Teesside - <https://thrive-teesside.org.uk/>
 - North East Child Poverty Commission - <https://www.nechildpoverty.org.uk/>
 - Brent Council - <https://www.brent.gov.uk/media/16416717/poverty-commission-report-launched-17-august-2020.pdf>
 - Just Fair - <https://justfair.org.uk/>
 - The Poverty Truth Network - <https://povertytruthnetwork.org/>
 - Audit and Governance Committee Investigation - Child Poverty and Financial Inclusion in Hartlepool (2010)
 - Audit and Governance Committee – Reports and minutes (9 September 2021, 12 October 2021, 11 November 2021, 16 December 2021, 13 January 2022 and 28 February 2022).