

Cabinet

16 July 2013

Joint report of the Leader and Cabinet Members for Health, Housing & Adult Social Services and Finance, Performance & Customer Services

Facing the Challenge of Poverty in York - Work

Summary

1. The purpose of this report is to provide Cabinet with:
 - An assessment of the poverty challenge in York.
 - A draft vision for a poverty free York agreed with external partners.
 - A series of initiatives for action over the next two years to make headway in achieving the vision.
 - A number of longer term work areas to make a step-change to achieve a poverty free York.
 - An outline of governance arrangements for the poverty programme.

2. Over the last few years, the Council has done much to support the most marginalised in York. Investment has been made in initiatives to help the most vulnerable, including innovative projects in Acomb, Tang Hall, Heworth and Westfield. These interventions have been life changing for many vulnerable people. The Council's work on financial inclusion will also continue to be critical over the next few years as the impact of reduced public spending begins to bite.

3. Poverty in York, although below national average, is on the increase. Critically for the city, the number of those at risk of falling into poverty is increasing at a rate beyond the ability of the Council, in isolation, to manage.

4. We have developed a poverty strategy in partnership with many across the city. We have assessed the scale of the challenge in the city and gained the commitment of partners to developing a city-wide response to tackle poverty.
5. Following the Cabinet decision on April 2, we have:
 - created the York's Poverty Action Group. Membership of this group included CYC, The Press, the faith sector, the NHS, the Citizens Advice Bureau, Joseph Rowntree Foundation, South Yorkshire Credit Union and the York Economic Partnership; and
 - developed a vision for a poverty-free York in partnership with the Poverty Action Steering Group and Without Walls and devised a number of initiatives to address poverty in the city to implement over the next two years.
6. It is clear that the vision for a poverty-free York will take more than two-years to achieve. We need to begin to take decisions now to eradicate poverty in the city in the long term. This will require detailed thinking to ensure that the steps we take in the medium term are the right ones for the city.

Background

An assessment of the poverty challenge in York

7. York is a relatively wealthy city compared to many others in our region. We score well on many national indicators. For example, we are in the bottom five cities for the number of JSA claimants, we have one of the highest skilled populations in the country, and we regularly feature at the top of quality of life league tables. The result of this is that the vast majority of our residents enjoy a good quality of life.
8. Despite the relative wealth of the city, nearly 14,000 York residents (including 4,500 children) live in poverty, mainly in the most deprived wards in the city. York is a very expensive city for many residents. For example, housing costs are 8 times the average wage¹. This makes York the least affordable city for

¹ Source: Department for Communities and Local Government / Office for National Statistics

housing in the region. This has an impact on health inequalities and the gap between life expectancy between the richest and poorest men is 10 years, wider than it should be for a city like York.

9. The core focus of our proposed strategy on poverty is to address these issues.

Existing Work to Tackle Poverty in the City

10. It is clear that poverty is not a new problem in the city and investment has already been made in some of our communities in initiatives helping the most vulnerable.

Last Autumn, we completed the Fairness Commission for York. This made us the first council outside of London to produce such a report. We are taking forward recommendations of this report, including our decision to pay all council staff a living wage from 2013.

11. The Community York Fund, set up by the council last year and administered by Your Consortium, has provided funding to the voluntary and community sector to support a number of initiatives in relation to poverty and financial inclusion.
12. In response to the recent changes to benefits policy, we have set up the York Financial Assistance Scheme. This provides help for residents in financial difficulty in specific circumstances. It replaces Community Care Grants (CCG) and Crisis Loans that were provided by the Department for Work and Pensions (DWP) until 31st March 2013.
13. We also continue to be core funding to the Council for Voluntary Services, Citizens Advice Bureau and the Welfare Benefits Unit who all make an ongoing contribution to tackling poverty in the city. New neighbourhood working proposals also continue to promote the engagement of communities in defining and delivering their own local priorities.
14. Along with partners, we have also agreed to two innovative work programmes to address poverty in the city:
 - (i) Financial inclusion (£300k)– to help individuals access appropriate financial services enabling them to maximise their

income, manage their money on a day-to-day basis, plan for the future and deal effectively with financial distress.

- (ii) Economic inclusion (£200k) – to help individuals gain the skills and knowledge to take advantage of the job opportunities available to them in the city and the region.

A draft vision for a poverty- free York

15. The council is an important player in addressing poverty in York. However, residents and partners can and should play a part in addressing poverty. This is why we have been engaging with partners in the city to develop our vision:
 - On 27 March, Poverty was the focus of the Without Walls board, which discussed (i) how we become a more affordable city; (ii) how we eliminate the stigma attached to poverty; (iii) how we become a living wage city and (iv) how we address destitution.
 - Following Cabinet, a cross city Poverty Action Steering Group was developed. This group included CYC, The Press, a representative from the faith sector, the NHS, the Citizens Advice Bureau, Joseph Rowntree Foundation, South Yorkshire Credit Union and the York Economic Partnership
16. Through York's Poverty Action Group, we have agreed that our vision is that York becomes a poverty-free city. If we take the decision to make this our vision, we will be the only city in the country to have this ambition.
17. The steering group also agreed a series of objectives as well as interim targets to achieve a long-term vision. These are outlined in the table below.

Table One: The Vision and Targets for a Poverty-Free York

Objective	Outcomes	2 year Targets *
Healthy city where we break the cycle between poverty, ill-health and reduced life expectancy	Reduced gap in life expectancy between richest and poorest	<i>Achievement of other poverty targets will contribute to reduction in life expectancy gap</i>
Job-rich city providing job opportunities for all with pay levels that tackle in-work poverty	More people in work (3-year target) Less people unemployed (3-yr target) New private sector jobs More businesses paying Living Wage Reduce the pay gap between median and bottom 25% earnings	5% above national ave 40% reduction 1,000 a year 50 more businesses per year 1% reduction
Money-wise city with joined-up advice for all and financial awareness as part of education from an early age	More financial education in schools Reduced personal debt	Increase by 50% 10% more money-advice
Affordable city with a city-wide offer, and an adequate supply of affordable housing and childcare	Increased take-up of free school meals Reduced cost of living	100% take-up Set for each project – fuel, food and white goods
Supporting and Giving city where tackling poverty is everybody's business and poverty is not stigmatised and people know where to go for support	More people accessing advice and support Fewer rough sleepers Increased giving to local charities	Increase by 10% Reduce to 2 (by 2018) 100 businesses taking part

Action over the next two years to address poverty in the city

18. Through the Poverty Action Steering Group, we have discussed a number of initiatives to move us towards the vision in the short term. Some of these initiatives will be delivered by those in the partnership. For example:

- The Press are leading on a campaign to tackle the stigma of poverty in the city
 - Networks within the faith sector are working with us to develop and promote a charitable giving scheme
 - The CAB is developing the York Advice and Information Partnership to create a joined-up network of expert benefits and money advisers across the city
 - The South Yorkshire Credit Union has agreed to work with us to deliver low-cost solutions for people's household needs
 - The York Economic Partnership has agreed to work with us through its business networks to promote the adoption of the Living Wage
19. We have also discussed with partners a number of potential initiatives that we require cabinet approval to progress. These are outlined in table 2 below, further detail on the initiatives can be found in Annex B. Many of these proposals have support from others in the city. For example, the proposals below on school meals follow representations made by the Youth Council.
20. There are already a number of funding streams that have been approved to deliver against our poverty strategy. This includes the York Financial Assistance Scheme and the Economic Inclusion Fund (£200k) and the Financial Inclusion Fund (£300k). To fund the additional projects identified in the anti-poverty programme additional funding of £100k is required. This will help us make developments on free school meals take-up, affordable eating and the living wage.
21. Going forward, we also want to work more with our communities to understand the issues and solutions to poverty in York. Through the revised neighbourhood working model agreed in cabinet on April 2 will provide greater opportunities for groups in each ward to have a greater engagement with us on all issues, including on poverty.

Table two: Proposals for immediate action to tackle poverty in the next two years

Objective	Proposals for immediate action	Est additional costs £	
		Year 1	Year 2
Healthy city	Extend GP Advice Surgeries and allocate funding to coordinate healthy/affordable eating projects in the city (to be considered for funding through the Financial Inclusion workstream) Campaign on affordable eating (£6k),	£6k	£0k
Job-rich city	Economic Inclusion work already cleared by CMT/ Cabinet and underway Campaign on Living Wage	Funding already agreed £5k	Funding already agreed £0k
Money-wise city	CAB work on money advice (already funded). Training for contact centre staff to identify illegal money lending victims (no additional cost); Support for SYCU (already funded through FI scheme); financial education in schools	£0k	£0k
Affordable city	Increase free school meal take up (£85k), Reduction in energy costs – Energy Switch and ECO project manager (to be funded through FI), Support for White goods (to be funded through FI)	FSM Campaign £85k	
Supporting and giving City	York Financial Assistance Scheme (already funded). Work with our own comms and the media to reduce stigma.	£0k	£0k
	Total Additional funding required	£100k	£0k

Longer-term work

22. In addition to the immediate actions for approval, we have identified other longer-term ideas emerging from York's particular characteristics and needs where further work is needed to ensure that a step-change is made to achieve a poverty-free York. These options are not exhaustive and we would welcome the views of cabinet on further projects we might wish to undertake.

Childcare

23. York's ambition to become a more affordable city must address barriers to work. The affordability of childcare is one such barrier to work for many in the city. The supply of childcare in the city is already under pressure and our plans to attract new businesses and create more jobs also demands better provision.
24. The cost of childcare in York is higher than average for the region, and just under half of all families find the current cost of childcare to be unaffordable. There is already a shortfall in supply in many areas and a further 1,000 places are needed to meet the growth in demand for free childcare for disadvantaged 2 year-olds from September 2013.
25. The options we will assess to identify a solution that will both increase supply and reduce the cost of childcare are to:
 - expand places through existing private sector providers
 - increase the number of childminders
 - encourage employer-subsidised nurseries
 - look at feasibility of CYC new-build (eg on York Central) or re-use of existing CYC premises with an invitation for community/social enterprise bids to run the provision
 - look at 'transitional' childcare subsidy scheme to help young parents into work

Giving

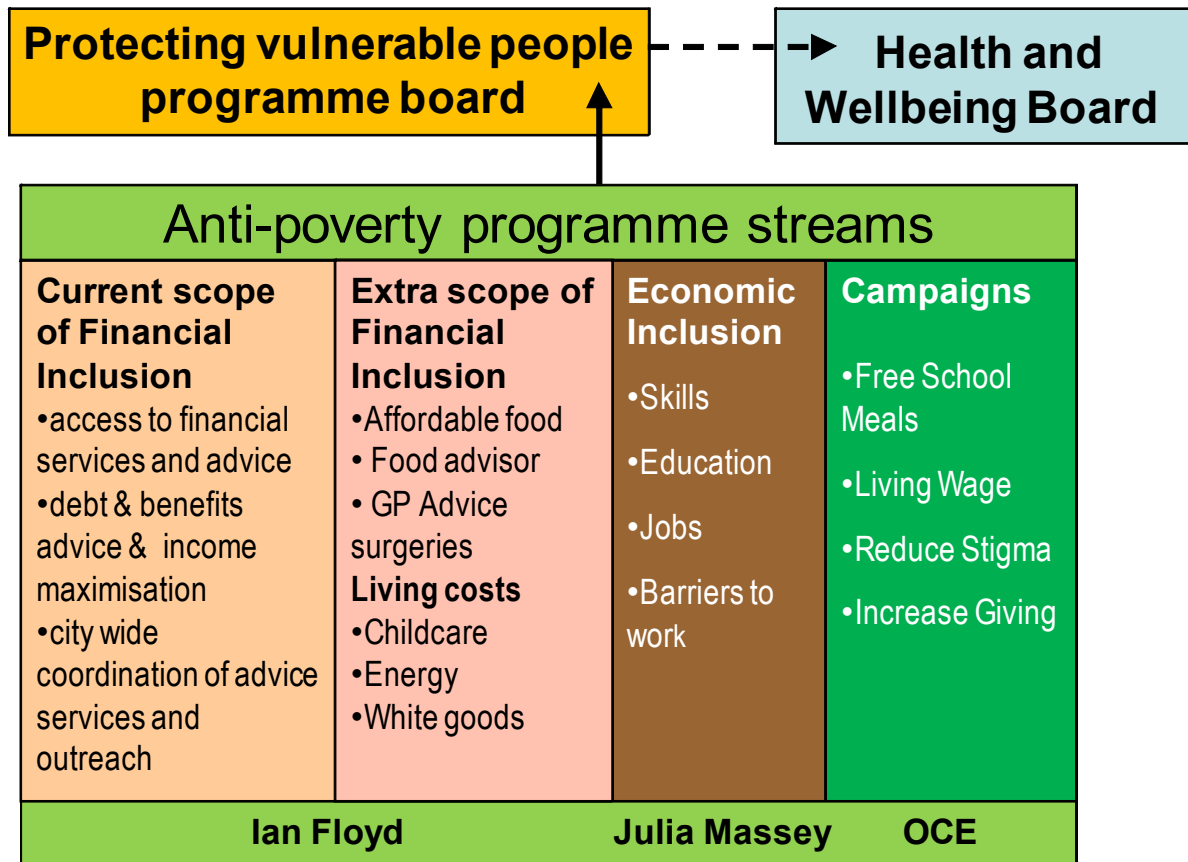
26. Partners were particularly keen to recognise and harness the generosity of the people of York and as part of an overall approach provide the opportunity for businesses and individuals to be more community-minded.

27. The relative affluence of the majority of York residents who will give if they know where the money is going is a unique opportunity for a York charitable giving scheme that could benefit those facing real hardship in the city. The overwhelming response recently experienced by the York Foodbank appeal for donations provides powerful evidence of this at work.
28. The options we want to explore in partnership with the faith sector and businesses in the city are to:
- develop a 'York Poverty Action fund' that can be used to supplement funding to Your Consortium and support anti-poverty work through a Call to Action
 - set up a York Giving/Fairer York accreditation scheme for local businesses who support the York Poverty fund with an optional extra charge on their goods/services
 - encourage individual to individual giving by promoting Archbishop's charity

Governance Arrangements

29. The strategy on poverty is cross cutting in its nature. Careful Governance of this work is required to ensure that work is managed efficiently and decision making lines are streamlined. We are currently undertaking a review of how cross cutting projects are governed, including how the Protecting Vulnerable People Group oversees the work on poverty.
30. We also want to continue to benefit from the valuable input of the partners who have supported the Poverty Action Steering Group. Members of the steering group will be invited to join the most relevant Board or Steering Group within the governance structure in line with their expertise and areas of interest.
31. For the Governance of more detailed projects:
- New areas of work around cost reduction and a more affordable city will be consolidated within the remit of the existing Financial Inclusion Steering Group.

- One-off campaign work (eg. the affordable meals campaign) will be led by OCE policy and communications staff in partnership with internal and external teams.



Council Plan

32. Addressing poverty is a key priority and this work was outlined in the council plan refresh, presented to Cabinet in June. Whilst this work sits under Protecting Vulnerable People, there are many areas of the council plan that this programme of work supports including Growing the Economy and Jobs and Building Strong Communities.

Implications

33. Financial –
There are already a number of funding streams that have been approved to deliver against our poverty strategy. This includes the York Financial Assistance Scheme and the Economic Inclusion Fund (£200k) and the Financial Inclusion Fund (£300k). To fund the additional projects identified in the anti-poverty programme additional funding of £100k is required. We recommend that this funding is delivered from the Delivery and Innovation Fund. This will help us

make developments on free school meals take-up, affordable eating and the living wage.

34. Those proposals which come within the revised remit of the Financial Inclusion Steering Group, which will extend the existing remit of the group to include measures relating to living costs. Measures will be considered by the Financial Inclusion Group in more detail with a view to agreeing the best way to tackle individual issues.
- Human Resources (HR) – no implications
 - Equalities – the anti-poverty programme proposals are designed to alleviate the financial hardship of York’s most deprived residents.
 - Legal - no implications
 - Crime and Disorder – no implications
 - Information Technology (IT) – no implications
 - Property – no implications
 - Other - no other known implications
35. The governance arrangements proposed at paras 26-29 are designed to ensure that proper programme management and financial controls are in place to manage the proposed initiatives and deliver them within the requested resources.

Recommendations

36. Members are asked to:

i. Agree the vision for a poverty-free York

Reason: To ensure effective delivery of the Protecting Vulnerable People objective in the council plan.

ii. Agree £100,000 funding from the Delivery and Innovation Fund.

Reason: To ensure effective delivery of the Protecting Vulnerable People objective in the council plan.

iii. Agree a work programme to develop longer term measures to address poverty in York.

Reason: To ensure effective delivery of the Protecting Vulnerable People objective in the council plan.

iv. Agree the proposed Governance arrangements described in paragraphs 29 to 31.

Reason: To ensure effective delivery of the Protecting Vulnerable People objective in the council plan.

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Report Approved



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Wards Affected: *List wards or tick box to indicate all*

All

For further information please contact the author of the report

Annex A – Vision for a Poverty Free York

Annex B – Proposals for Immediate Action to Tackle Poverty