



**Anti-
Poverty
Strategy
2014 - 17**

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1. Foreword

The Anti-Poverty Strategy sets out the County Council's ambition to take positive steps to address the pressures felt by low income households in Cumbria.

The strategy also acknowledges the policy and financial challenges faced by local authorities and the wider public sector, and that partnership working, and community level actions will be critical.

Through our focus on household incomes, community resilience and tackling child poverty we will put in place a comprehensive package of activities and services to make a difference. We hope that by working in a joined up way, we can focus effort to look at how make best use of local resources and assets to help communities.

In shaping this strategy we have listened to our customers, the third sector and key partners who have made clear, that there is much we can do by sharing our resources, and promoting a range of support from money advice, to credit unions, to promoting the Living Wage. Feedback has been clear about making sure we tailor our activities to suit both the rural and the urban pressures that low income households face.

We would like to take this opportunity to offer our thanks to all those involved in the development of the strategy and look forward to working with you to ensure its effective implementation – making the best use of resources to deliver on the Council's priorities.

Patricia Bell: Portfolio holder for Public Health and Community Services and Anne Burns: Portfolio Holder for Children's Services.

2. Introduction

In February 2014, the County Council agreed the Council Plan 2014-2017 setting out the Council's vision for Cumbria and priorities against a backdrop of reduced public expenditure. The Council Plan Delivery Plan sets out in detail how the Council will meet the priorities in the Council Plan.

The Council Plan 2014-17 sets out the Council's vision for Cumbria - for the people of Cumbria to benefit from sustainable economic growth and an enhanced quality of life. The Council will work within its available resources to protect the vulnerable, work with others in the community to shape services and help find solutions for the future.

Faced with the challenges of a reducing budget and a growing demand for services the Council will focus on a clear set of priorities where the Council will focus its resources and activity for the next three years.

The priorities are:

- To safeguard children, and ensure that Cumbria is a great place to be a child and grow up;
- To enable communities to live safely and shape service locally;
- To promote health and wellbeing and tackle poverty;
- To protect and enhance Cumbria world class environment;
- To provide safe and well maintained roads and an effective transport network;
- To promote sustainable economic growth and create jobs;
- To support older and vulnerable people to live independent and healthy lives;
- To be a modern and efficient council.

The Council Plan Delivery Plan describes the action the Council will take to deliver the commitments set out in the Council Plan. The development and agreement of an updated Anti -Poverty Strategy is an important action in the Delivery Plan which will help the Council to promote health and wellbeing and tackle poverty.

One of the County Council's priorities, as set out in the Plan, is to **“promote health and wellbeing and tackle poverty”**. This Anti-Poverty Strategy and delivery plan describes how the Council will take forward work to address poverty and what we hope to achieve over the next three years as a result of our work.

The strategy describes the current picture of poverty in Cumbria along with the outcomes the Council is seeking to achieve, our priorities for addressing poverty and the actions the Council will commit to over the next three years in order to respond to these challenges.

The Council has a duty to publish a Child Poverty Needs Assessment and Strategy and in order to meet this duty the Anti-Poverty Strategy incorporates the Council's approach to tackling Child Poverty.

Over the next three years the Council's priorities will be around:

- Maximising household incomes;
- Building community resilience
- Tackling child poverty.

By 2017 it is the Council's aim to have supported:

- The maximisation of household incomes;
- Jobs growth that is sustainable and pays a fair living wage;
- People accessing local support to help deal with financial challenges;

- To improve the life chances of children in poverty compared to children not living in poverty.

3. Our Vision, Outcomes and Priorities

Since 2009 the County Council has been committed to tackling poverty in Cumbria. The Council's first Anti-Poverty Strategy was launched as a response to the recession that resulted from the financial crisis. Five years on there is a recognition that the Council needs to consider the longer term implications of poverty in Cumbria.

Key international research points to ongoing turbulence in the world economy. Increasingly governments are under pressure to adopt austerity policies. Nationally this has played out with the ongoing stagnation or reduction in incomes for the bottom 50% of the population. Changes to the welfare system combined with continued reductions in government spending, means that the Council can anticipate ongoing pressures on low income households.

It is against this background that the Council has to be clear that this strategy is not about eradicating poverty, but focusing on how best the Council can mitigate the effects of poverty, through acting as a leader, working in partnership, commissioning activity or delivering services.

In the Council Plan, these issues have been acknowledged, and tackling poverty is one of the Council's priorities for the next three years. Critical to the success of the strategy is working in partnership.

As a way of responding to the changing environment, the Anti-Poverty Strategy recognises that the Council is limited in its ability to make fundamental structural changes that would reduce or eradicate poverty. The main focus will need to be on mitigating the effects of poverty, and supporting people who experience poverty. With this in mind the strategy has been developed with three priorities: maximizing household income, building community resilience and tackling child poverty.

Priority 1: Maximising Household Income

The strategy will focus on activities that increase household income. This priority recognises that poverty is an issue both for people in and out of work, and that Cumbria has a high proportion of people in work who struggle with the cost of living and are reliant on tax credits and other means of financial support. This means that maximizing household income will include supporting people to access well paid employment, promoting the living wage and introducing a living wage within the Council. The Council will also bring together services that support people on low incomes, including crisis support, money advice and advocacy under the Director of Public Health.

Priority 2: Building Community Resilience

The strategy will focus on developing the capacity of communities to build their own solutions to addressing financial hardship, based on the existing strengths they already have. The Council's approach to working with communities, development of service hubs and community services will help tackle poverty in a way that meets local need and builds on local strengths. Local services provided by the Council such as Community Development Centres, libraries and Children's Centres will play an important part in this. The support on offer from the Council will range from offering basic budgeting skills, to supporting social enterprises in areas with high levels of poverty, to establishing toy libraries and supporting people to grow their own food or save money by reducing food waste. The Council will also support people to develop personal resilience so that they can mitigate the effects that poverty might have on their lives

Priority 3: Tackling Child Poverty

Addressing child poverty continues to be a statutory duty under the Child Poverty Act (2010) and will need to remain a focus for the County Council. Evidence shows that child poverty is intertwined with all aspects of poverty, and for this reason, Child Poverty is integrated as a theme within the broader strategy. The focus is on supporting children from low income households to have to improve life chances. Continuing to narrow the educational attainment gap between children in poverty and the county average will be a priority, as will more targeted programmes where child poverty is a factor, such as Focus Families. Effective management of new national initiatives, such as the roll out of free school meals to 5-7 year olds, and the new free early years nursery offer to 2 year olds, will contribute to tackling child poverty.

Building on the Achievements of the last Anti-Poverty Strategy

The last Anti-Poverty Strategy had four main pillars: Financial Inclusion, Child Poverty, Work and Skills and Affordable Warmth. The key achievements against these pillars are set out below

- **Financial inclusion:** The support of approximately 2000 people per year through the Money Advice Service funded by the Council - resolving an average of 7 debts per person. For every £1 of Council spend, £85 of debt has been rescheduled due to the commissioning of this service which has been provided by Citizens Advice Bureaux. The Credit Union movement across Cumbria has also grown with new credit unions established in Barrow and Eden, and a steady increase in the total number of members, amounts on the loan book and the share ratios.
- **Child Poverty:** In West Cumbria and Barrow there have been examples of work with families linked with the Love Families Barrow and the Family Passport projects that has effectively enabled some of the poorest families in those areas to live more sustainably, join credit unions and be better engaged with services. The rate of eligible children who are taking up a Free School Meal is above the national average and has remained at approximately 85%, and the Council has effectively narrowed the Early Years Foundation Stage attainment gap.
- **Work and Skills:** Cumbria County Council won a national award for its apprenticeship scheme, and has recruited over 150 apprentices who have been supported into long term employment. Work with social enterprises has led to Alston being the world's first official social enterprise town, and this has acted as powerful model for developing a jobs led approach that can be applied in rural towns with pockets of deprivation.
- **Affordable Warmth:** Adult Social Care successfully drew down national funds to provide targeted winter warmth interventions that have been managed in partnership with Cumbria Community Foundation.

The priorities for the Anti-Poverty Strategy 2014-17 have been developed out of a review of activity under the previous strategy.

Fair Finance Pledge

The Fair Finance Pledge was developed by a partnership based in the North East called the Financial Inclusion and Capability Network (FINCAN) and has been adopted by a number of North-East authorities. The pledge involves the following commitments:

- Support the use of planning and licensing rules to limit further expansion of high cost credit shops on high streets in the local area.
- Limit the promotion of high cost pay day lending in the local area.
- Sign up to a payroll deduction scheme with all the Credit Unions in the local area and

ensure the scheme is promoted to all staff.

- Liaise with workplace Trade Unions and other appropriate agencies to carry out a financial healthcheck survey for all staff.
- Review our protocols for recovering debts to ensure best practice is in place.

In January 2014, the Council’s Cabinet agreed to explore the opportunity to sign up to the Fair Finance Pledge as part of the development of this strategy. The Council is committed to taking forward those elements of the pledge it is able to deliver on directly; and will work with partners to develop a shared approach to fair finance.

Working in Partnership

The strategy focuses primarily upon what the Council can do over the next three years. Feedback from the consultation on the strategy indicates that the Council’s priorities in addressing poverty are shared by a number of organisations. Joint work is proposed in relation to:

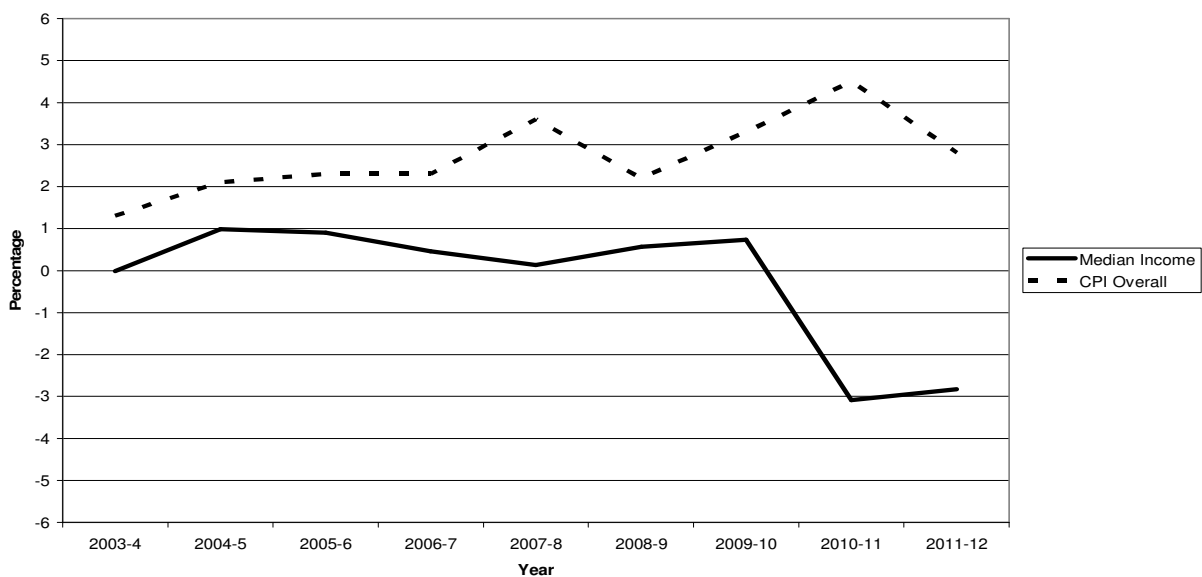
- Working with the Cumbria Leadership Board to develop a shared approach to Fair Finance for Cumbria.
- Working with the Health and Wellbeing Board to integrate anti-poverty activity with the implementation of the Health and Wellbeing Strategy.
- Supporting existing partnership activity in relation to addressing fuel poverty.

4. The National and Local Context

National Context

Incomes and Inflation: Changes to the economy since 2008 have been marked by a growing gap between incomes and cost of living (measured by Consumer Price Index, known as CPI)¹. The graph below traces this trend from 2003-2012.

Income and Inflation Percentage Changes 2004-2012

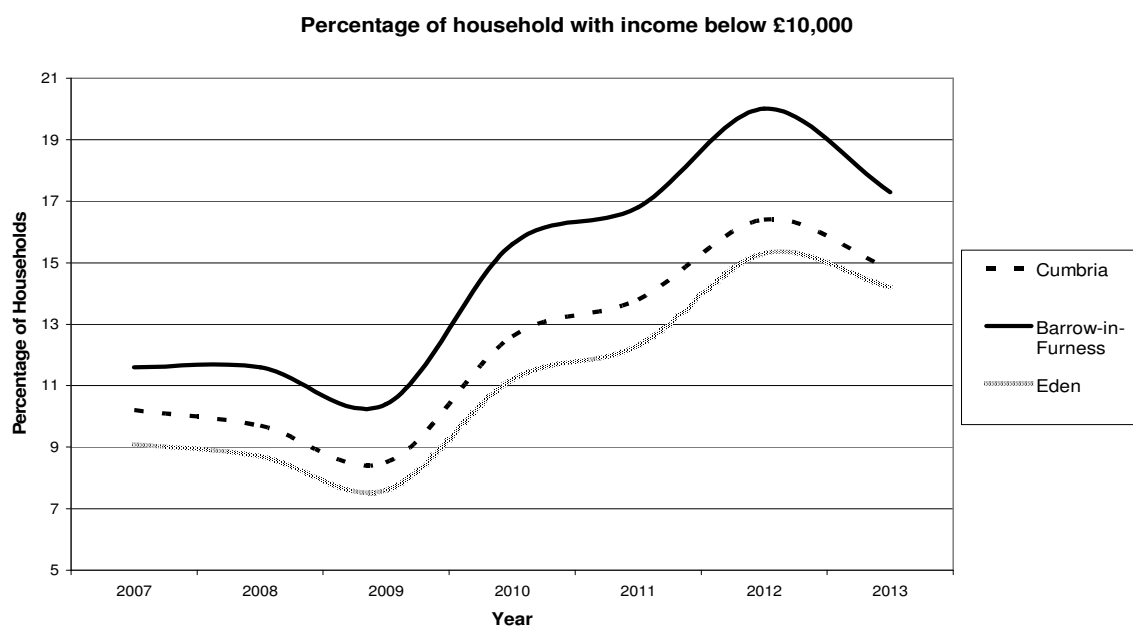


¹ Source: CACI Paycheck (2013)

The national data shows that poverty needs to be understood against the wider socio-economic trends following the banking crash towards increased income inequality, in-work poverty, shrinking average household incomes and pressures on the cost of living. This suggests that while poverty remains focused on households on low incomes, there is a wider group of people who are at risk of entering poverty as a result of circumstantial changes, such as an increase in interest rates, job losses, having to take lower paid jobs, indebtedness or changes in health and family circumstances.

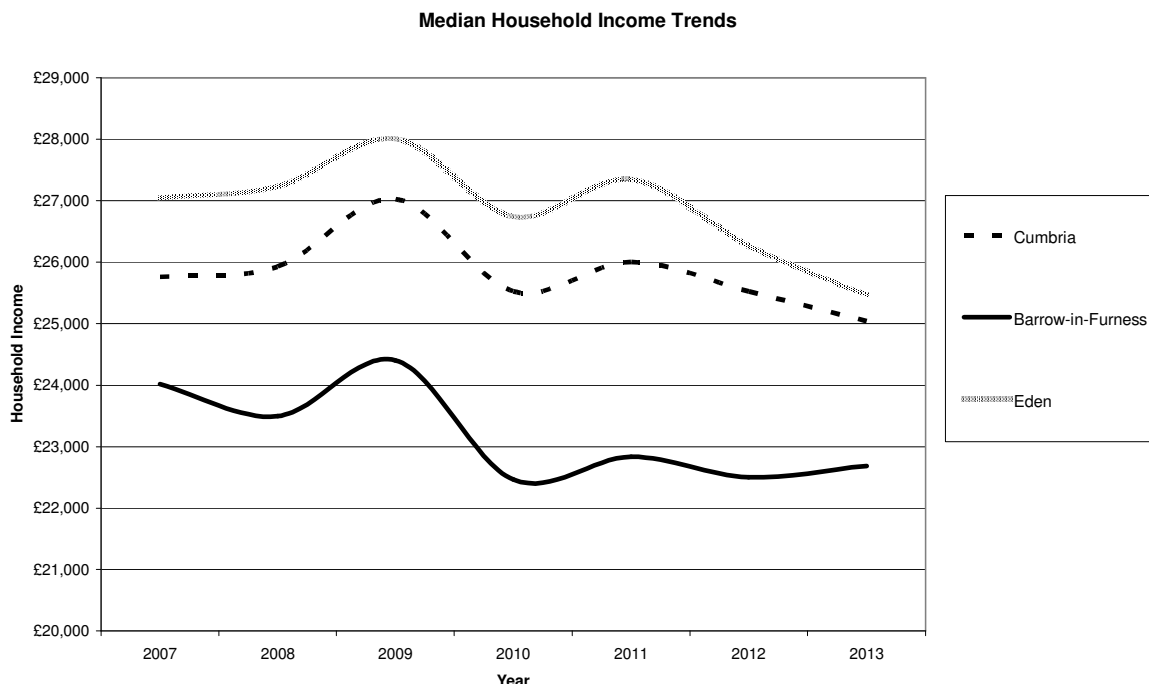
Local Context

Poverty and standards of living in Cumbria: On the whole Cumbria reflects the broader national picture, and this can be seen most graphically when we look at the rise in the number of households with an income below £10,000.



For clarity, the chart focuses upon the national average and the districts in Cumbria with the highest and lowest percentages of households earning less than £10,000 per annum. This shows that the growth of low income households is a countywide issue which has affected both rural and urban households.

The fall in average household incomes since 2009 is illustrated below, and it is clear that this trend has also affected the entire county.



Just as household incomes in urban areas of Carlisle, Barrow and West Cumbria, and Kendal have fallen since 2009, average household incomes in predominantly rural wards such as Shap, Alston and Appleby have also fallen since 2009.

Although these trends in household income reflect national trends, Cumbria also stands out as an area with a high proportion of jobs that are at minimum wage, and that average incomes in some rural areas have declined very rapidly.

Cumbria as a Low Pay Economy

A particular challenge for Cumbria in relation to poverty is around ‘in work’ poverty. Although Cumbria has below average rates of unemployment, employees tend to be paid lower wages, particularly for part-time employment. This trend is very clearly illustrated by comparing hourly wage levels for all jobs (part time and full time) in Cumbria, the North West, and England. This is illustrated in the 2012 Annual Survey of Hours and Earnings.

	Median gross hourly pay £	Bottom 10% hourly pay £	Bottom 25% hourly pay £
Cumbria	£9.91	£6.25	£7.42
North-West	£10.52	£6.36	£7.68
England	£11.46	£6.50	£8.00

This is mainly due to the economic structure of Cumbria, in which the main industrial sectors are made up of tourism, the public sector and retail. The agricultural base and the low fertility of the land mean that rural employment tends to be low paid, with high rates of underemployment.

Urban Poverty in Cumbria

The highest rates of poverty remain in key urban areas such as central Workington, South Whitehaven, South Carlisle and Maryport. Barrow, as can be seen in the graph above, has by far the highest rates of poverty overall in Cumbria. The Furness Poverty Commission

(2013)² published its report into the extent and impact of poverty in Barrow, and provides detailed case studies that can be used as a basis to address similar issues in other urban parts of the county.

Rural Poverty in Cumbria

Rural poverty is a hidden issue that is linked to a number of factors, including under-employment and low wages as suggested above. According to the ACT Rural State of Poverty Report (2013)³ there were 16,612 people in Cumbria in receipt of working age DWP benefits who live in rural areas in 2012. Over one third of people living in low income households in Cumbria live in rural areas – the highest proportions are in Eden, Copeland and Allerdale.

National research shows that people in rural areas have additional costs, which can deeply affect people in work. Joseph Rowntree's report, 'A Minimum Income for Rural Households' found that:

- People in rural areas typically need to spend 10–20 per cent more on everyday requirements than those in urban areas. The more remote the area, the greater these additional costs.
- The biggest difference is the greater availability of public transport in urban areas, whereas rural households depend more on cars. Domestic fuel costs are also higher in some rural areas, because of less fuel-efficient housing and lack of mains gas.
- Single, working-age adults need to earn at least £15,600 a year in rural towns, £17,900 in villages and £18,600 in hamlets or remote countryside to reach what the researchers regarded as a minimum living standard, compared with £14,400 in urban areas.
- For couples with two children, the annual earnings requirement is much higher, about £33,000 to £42,000, depending on whether one or both partners work and the remoteness of the community.⁴

Child Poverty in Cumbria

The Child Poverty Act (2010) set out four income-related definitions of poverty that focus upon Relative Child Poverty, Absolute Child Poverty, low income and material deprivation, and finally persistent poverty. Appendix 2 sets out the Council's Child Poverty Needs Assessment, which uses these definitions to compare rates of child poverty against the national average. Although overall child poverty in Cumbria is below the national average (14.9% compared to 20.1%), it is noticeably higher in Barrow (22.5%). At a Census ward level, seven wards across the county fall into the top 10% wards nationally for high levels of Child Poverty.

5. Delivering the Strategy

The three priorities in the Anti-Poverty Strategy 2014-2017 are:

1. Maximising Household Income
2. Building Community Resilience
3. Tackling Child Poverty

In focusing on these three priorities, the Council is able to tackle poverty through the different roles the organisation has:

² <http://www.greengate-inf.cumbria.sch.uk/getfile.php?src=92/0458+FPC+Report+DL+FINAL.pdf>

³ <http://www.cumbriaaction.org.uk/Portals/0/ACT%20Publications/PUB018%202013-12-19%20The%20State%20of%20Rural%20Cumbria.pdf>

⁴ Joseph Rowntree Foundation (2010), <http://www.jrf.org.uk/publications/minimum-income-rural-households>

- **Leadership:** The Council as a single organisation and through elected members as individuals can use their role to influence public policy, raise issues as a major public sector organisation, campaign for change; and bring together local communities and other organisations to find local solutions
- **Service Delivery:** The Council delivers a broad range of public services, many of which benefit individuals or families experiencing hardship. The Council also delivers libraries that help people access information and guidance to help them stay in work or access benefits.
- **Commissioning and Investment:** The Council commissions work and has contracts in place that help deliver activities that meet the needs of people facing financial challenge. Where the Council uses grants to invest in local communities and organisations; there is an opportunity to focus this on securing activity which would benefit people facing financial challenges – or to support capacity building in communities in order to strengthen their resilience.

Maximising Household Income

Aim: To reduce absolute and relative poverty by raising household income.

Leadership: The Council will:

- Sign up to elements of the North East Fair Finance Pledge that the Council is able to deliver on, including introduction of credit union payroll deduction scheme, offer of finance health checks for staff and exploring a shared approach to Fair Finance with the Cumbria Leadership Board.
- Introduce the Living Wage within the Council.
- Encourage other employers to introduce a Living Wage through the council's procurement activity and through engagement with key employers.
- Support the Cumbria independent commission into the effects of the changing welfare system and provide a response to its findings.
- Keep council tax increases as low as possible.
- Work as part of the Local Enterprise Partnership to deliver a Growth Strategy for Cumbria that will secure investment and create jobs.
- Support partnership working to address issues related to affordable housing, and support for people renting in the social housing and the private rental sectors.
- Explore possibilities of investing in large scale schemes that would reduce the costs of living such as through bulk buying of energy to bring down fuel poverty, or exploring innovative ways of procuring goods to provide local employment and cheaper goods.

Service Delivery: The Council will:

- Bring together low income support services into one place under the Director of Public Health. This will support people facing financial challenge through a range of services such as money advice, credit unions, the Ways to Welfare service and school uniform grants.

Commissioning & Investment: The Council will:

- Continue to invest in advice and advocacy services as part of a broader approach to delivering support services.
- Facilitate delivery of growth programmes through the Council's accountable body role on behalf of the Local Enterprise Partnership.

Building Community Resilience

<p>Aim: To develop the capacity of communities to build their own solutions to addressing financial hardship, based on the existing strengths they already have.</p>
<p>Leadership: The Council will:</p> <ul style="list-style-type: none"> • Through Local Committees, identify local need around poverty and work in partnership to build community resilience. • Continue to support partnership efforts to tackle poverty in areas with the highest rates of low income households. • Raise awareness of health inequalities and the health impacts of poverty including: support to the Health and Wellbeing Board and the locality health forums to develop an approach to tackling poverty, assist the Health and Wellbeing Board to address fuel poverty and to integrate poverty into the Joint Strategic Needs Analysis.
<p>Service Delivery: The Council will:</p> <ul style="list-style-type: none"> • Continue to provide support to people in crisis, and support personal resilience for those most at risk of social isolation. • Develop the role of the Community Development Centres to support people on low incomes to access training and build confidence. • Develop locality based service hubs to enable access to a range of core council services. • Support implementation of the Universal Credit Local Services Support Framework alongside other partners. • Work with communities to develop sustainable transport solutions to enable individuals and communities to access learning, training and employment.
<p>Commissioning & Investment: The Council will:</p> <ul style="list-style-type: none"> • Work with food banks and the third sector to tackle the effects of poverty, and introduce food bank collection points in council buildings. • Work with the network of credit unions to support coverage and sustainability across the county. • Oversee delivery of the contract to deliver superfast broadband. • Maximise the role of Children’s Centres to deliver community resilience activities.

Tackling Child Poverty

<p>Aim: To improve the life chances of children in poverty compared to children not living in poverty.</p>
<p>Leadership: The Council will:</p> <ul style="list-style-type: none"> • Work with partners to understand the impact of welfare changes and low pay on children and families. • Work with schools to share best practice around using the pupil premium to tackle child poverty. • Track and promote best practice in local areas around tackling child poverty, with a focus on transition from primary to secondary school, and from secondary school to further education, training or employment. • Continue to support local initiatives in areas of high levels of Child Poverty such as the Love Barrow Families and the West Cumbria Family Passport projects.
<p>Service Delivery: The Council will:</p> <ul style="list-style-type: none"> • Support families on from low income households to access a range of support including: access to free school meals and school clothing grants. • Take steps to narrow the educational attainment gap between children from low income

households and the county average.

Commissioning & Investment: The Council will:

- Explore with Children's Centres the offer of a range of support to families from low income households on fuel poverty, and to develop projects that offset the cost of living such as toy libraries and food growing projects.
- Explore with Children's Centres and early years providers arrangements to meet the extension of free nursery placements for 2 year olds.
- Develop the Early Help Strategy to support children and families to access support and to link through the Focus Families programming, so that people participating in the programme access support relating to child poverty.
- Focus on supporting young people who are NEET in addressing the Raising Participation agenda, and the extension of learning and training to 16-18 year olds.
- Make sure that all new contracts relating to children and families have in place appropriate measures to tackle child poverty. This would be linked to poverty related to disability, risk taking, NEET and Child Looked After.

6. Shaping the Strategy

In shaping the strategy the Council published an Anti-Poverty Framework that set out the three priorities and mapped activity against the three functions of Leadership, Service Delivery and Commissioning and Investment. This was put out to consultation along with an online questionnaire that has been used to develop the strategy.

The Council has also engaged with District Councils, Third Sector organisations, the Health and Wellbeing Board and the Cumbria Financial Inclusion Forum. Feedback from these discussions has also been incorporated into the strategy.

It is critical that the Council continues to engage with communities, organisations and partnerships throughout the lifetime of the strategy. To facilitate ongoing engagement the Council will chair two working groups, the Cumbria Financial Inclusion Forum and the Child Poverty Steering Group, as well as contributing to poverty related aspects of other key partnership strategies.

7. Monitoring and Reporting on the Strategy

Progress in delivering the Anti-Poverty Strategy will be reported annually to Cabinet. Specific activities outlined in the strategy will be managed and monitored at a service level, and will be incorporated into Area and Service Delivery Plans.

The overall performance of the strategy will be reported quarterly to Cabinet as part of the Council's Corporate Performance Scorecard. The focus on performance will be on measures that reflect council activity, can be quantified and reported quarterly at an area level. A composite performance measure for each of the three priorities of the Anti-Poverty Strategy.

Performance measure 1: Maximising household income

This will be based on the following:

- Value of debt written off due to people receiving Money Advice Services.
- Ratio of advocacy cases that related to financial exclusion.
- Increase in earnings for Council staff due to adoption of the Living Wage.

Performance measure 2: Building Community Resilience

This will be based on the following:

- Ratio of savings to loans across Credit Unions.
- Numbers of people supported by Community Development Centres to develop skills relating to employability and financial capability.
- Value of grants relating to community resilience.

Performance measure 3: Tackling Child Poverty

This will be based on the following:

- Narrowing the attainment gap between pupils on Free School Meals and the average at Key Stages 2 and 4.
- Young people who are Not in Education, Employment or Training (NEET) supported to access work, education or training.
- Uptake Free School Meals and to free early years educational offer for 2 year olds.
- Percentage of children in areas of Multiple Deprivation being reached by Children's Centres.

8. Conclusion

The Anti-Poverty Strategy 2014-17 positions the Council to address poverty and aspects of standards of living in Cumbria in the light of the longer term consequences from the financial crisis of 2008-9. By focusing upon the themes of household income, community resilience and child poverty, the Anti-Poverty Strategy will make an important contribution to delivering the Council Plan.

