

Evidence Paper: Poverty in Poole

Produced by Corporate Research, Corporate Strategy and Communications Team,
Borough of Poole. March 2015



Purpose of this Paper

To summarise learning and draw conclusions from the series of reports on poverty that have been considered by Borough of Poole's Communities Overview and Scrutiny Committee during the 12 months to March 2015.

What we know

Poole is set in an attractive natural environment, has a vibrant and diverse local economy with low levels of unemployment, a buoyant housing market and high levels of good health. Most residents (88 percent) are satisfied with their local area as a place to live¹.

In contrast we know that poverty is an issue in Poole; it is a complex and multi dimensional issue that is difficult to prevent and address. Never the less, central Government, the Borough of Poole and local agencies are taking action designed to prevent and address the consequences of poverty.

What is poverty?

Income poverty

Poverty affects 1 in 10 people in Poole. Those most likely to be affected live in parts of Alderney, Hamworthy West, Newtown and Poole Town Wards. In the two most deprived small areas of Poole 1 out of every 2 children live in income deprived households. In part of Poole Town Ward 4 out of 10 elderly residents are income deprived.

Cost of Living

Households with lower incomes spend a higher proportion of their incomes on fuel, water and food compared to other households. Until recently inflation for these items was higher than the overall headline figure. In the year to July 2014 fuel price inflation was three times higher than the headline Consumer Price Index (CPI).

Citizenship poverty

While people are classified as being in poverty because they have relatively low incomes, poverty is not just about a lack of income. Poverty can also mean a reduced level of citizenship. Lack of choice and control brought about by low levels of disposable income can lead to apathy and low expectations. Of those registered to vote in Poole, those in poorer wards are less likely to vote in local elections.

¹ 2014 Shaping Poole Survey, Borough of Poole. March 2015

Community poverty

Individual experiences of poverty can be exacerbated by community poverty which occurs where a lack of money to support local businesses and services leads to a negative spiral that creates an impoverished environment and economy.

Fuel poverty

We learned that an estimated 4,805 households are fuel poor, 7.3% of all households in Poole. Members were briefed on the difficulty in defining and measuring fuel poverty and its impact on people's health and wellbeing. The Committee were also updated on the potential development of an Energy Services Company for Poole and some of the work undertaken to improve energy efficiency and increase the use of renewable energy

In work poverty

In Poole four out of ten (2,739) working age housing benefit claimants are in work². The majority of those in work and claiming housing benefit are aged 25 to 44 years. They are more likely to have dependent children and to be private tenants. One in five employees resident in Poole earned less than the living wage (£7.65)³. Although there was no data available on the number of employees with very low or zero hours contracts in Poole, poor employment practice in their use is an area of concern. Companies can use flexi contracts to avoid paying such benefits as holiday pay, sick pay and national insurance contributions.

Housing

There is a high dependence on the private rented sector for people on low incomes in Poole. Seven out of ten 'in-work' housing benefit claimants in Poole are private tenants; this is higher than England where about half are private tenants. Average monthly rents in the private sector in Poole are higher than England. The help people can receive with private sector rents is capped at the Local Housing Allowance (LHA) rate⁴. People with low pay who could not find a property for rent below the LHA rate would need to make up any shortfall themselves.

Health

Poverty contributes to health inequalities with the consequence that some people are not expected to live as long as others. Life expectancy for men in the poorest areas of Poole is 8.1 years less than more affluent areas. The corresponding figure for females is 5 years.

The Borough of Poole's role in tackling poverty

Poverty is not a new issue for Poole and the Borough of Poole is not alone in trying to prevent and address its consequences. Nationally the current and previous Governments have set ambitious targets for the eradication of poverty, passed legislation and made resources

² Department of Work Pensions, May 2014.

³ Annual Survey of Hours and Earnings, Office of National Statistics. 2013

⁴ Local Housing Allowance (LHA) Rate is the maximum amount of Housing Benefit that can be claimed, it is set at the 30th percentile of local private rents. That is, 3 out of 10 local private rents will be at or below this level.

available, for example in the areas of health and social care, work and pensions and education. Local agencies in the public and voluntary sector are also working to address the consequences of poverty in Poole.

The Borough of Poole, as the responsible elected local authority for Poole, has two primary roles in tackling poverty. Firstly it is the principal community leader for Poole and secondly it is the commissioner and provider of essential public services, the most resource intensive of which, are designed to meet the needs of the most vulnerable members of our community.

Community leader

Legitimate elected authority

As the elected local authority the Borough of Poole can legitimately question and lobby central Government for changes to policy. For example, the Communities Overview and Scrutiny Committee agreed that, "*The Chair write to the Local Government Association outlining the Committee's concern with in-work poverty and asking for available data on zero hours contracts*"⁵.

Also as a consultee on public policy and service provision the Borough of Poole can also ensure that the impacts on poverty are duly considered.

Partner

The Borough of Poole is an active and supportive partner. Where the Borough of Poole is represented on bodies such as the local Health and Well-being Board it can bring to bear the available evidence to ensure poverty in Poole is taken into account when services are being planned and reviewed. Those agencies and community groups, often working on the front line directly supporting those experiencing poverty, are supported by the Borough of Poole. The value of these agencies and local workers was highlighted in new evidence on the impact of welfare reforms published by the Borough of Poole in April 2014.

As a lead player the Borough of Poole supported and contributed to a Poverty Summit that was held at Bournemouth University in June 2014.

Enabler

The Borough of Poole enables a healthy local economy, encouraging new businesses into the area by promoting Poole as a place to grow new and existing businesses. Strategically, Borough of Poole engages with Central Government and the LEP to secure funding to make Poole an attractive place for businesses to locate and develop.

Working in partnership with others the Borough of Poole ensures opportunities are available to improve education, skills and training for children and young people as well as adults.

⁵ Communities Overview and Scrutiny Committee, COS18.15, In work Poverty. 16 September 2014.

Policy and Service Planning and Delivery

In recent years, the Council has sought to better understand and integrate its work on poverty in Poole. To this end, officer working groups were established on managing and delivering welfare reforms and on supporting employment and reducing worklessness. These working groups include officers from across the authority and partner agencies including PHP and DWP. Recently, the groups have merged into a single Employment and Welfare Reform Group.

The focus of the authority's work has been on reducing poverty by supporting people to enter and sustain employment. Where people are unable to work, for example, due to age or disability, our approach to welfare reform has been to protect these groups from changes. Reporting to Members has been via the appropriate Overview and Scrutiny Committee.

With the support of elected Members, officers have been able to roll out an in house apprenticeship scheme, support local jobs hubs which are delivering excellent outcomes in terms of employment, secure funding to pilot an innovative approach working with GPs and people with health barriers to employment, develop draft procurement guidance on employing people with limited capability (e.g. lower level learning disability or a mental health condition) through our contracting arrangements alongside a range of other project and mainstream services to support skills development and employability.

The Borough has an adopted Child Poverty Needs Assessment and Strategy which is monitored via the Children's Trust and delivers a range of activities designed to reduce the impact of poverty on child outcomes. For example, Children's Services have supported the roll out of early years' education to eligible 2 year olds and supported Children's Centres to recruit more vulnerable families, including those living in poverty. The Borough's Families with Futures programmes has supported 240 families to tackle their issues and has supported some previously workless families into employment.

Unemployment in Poole has continued to fall, although it is important that we do not become complacent as the review has revealed concerns over levels of pay and low hours contracts which can leave employees trapped in a cycle of poverty. Further work on this issue, with particular regard to the care sector, is ongoing currently.

The Access to Leisure and Learning scheme reduces the cost of some Borough of Poole services and is available to those on low incomes in receipt of benefits.

Where possible the Borough of Poole has taken the opportunity to access new funding to provide additional services to reduce the impact and consequences of poverty. For example, working with Bournemouth Borough Council the Borough of Poole was able to access £600,000 from the Government's Department of Energy and Climate Change (DECC) to combat fuel poverty.

Conclusions

Poverty is an issue in Poole it is a complex and difficult issue to address. Action is being taken by the Borough of Poole, central government and other agencies in the public and third sector to reduce poverty and its impacts on residents and communities in Poole. As the responsible local authority for Poole the Borough of Poole should continue to consider its role in addressing poverty. The Borough of Poole can continue to:

- Learn about and understand poverty in Poole;
- Lead and speak up for people and communities experiencing poverty, especially those that may be less able to speak up for themselves;
- Encourage and support other local agencies in their role in addressing the causes and consequences of poverty;
- Make policy and service decisions that take into account the impact on poverty; and
- Develop and maintain services that address the causes and consequences of poverty in Poole.

The stated purpose of the Borough of Poole is to improve the quality of life of all people in Poole. People experiencing poverty have less opportunity to benefit from the excellent quality of life that Poole has to offer.

Background Papers

Poverty in Poole, Communities Overview and Scrutiny, Borough of Poole. 17 March 2014.

Impact of Welfare Reform, Communities Overview and Scrutiny, Borough of Poole. 9 June 2014.

In Work Poverty (including zero hours contracts), Communities Overview and Scrutiny, Borough of Poole. 16 September 2014.

Fuel Poverty, Communities Overview and Scrutiny, Borough of Poole. 27 January 2015.

Fairness for All Policy, Promoting Equality, Celebrating Diversity, Borough of Poole. Updated July 2014.

Further Details

For further details or queries about this report, please contact Pete Stratford, Corporate Strategy and Communications Team, Borough of Poole. Tel 01202 633306, or email p.stratford@poole.gov.uk.

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