

# OVERVIEW & SCRUTINY VIEWS AND RECOMMENDATIONS

TO CABINET 15 JULY 2015

Report Title	RECOMMENDATIONS OF THE OVERVIEW AND SCRUTINY COMMITTEE – POVERTY IN THE TOWN
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**Agenda Status: PUBLIC**

## 1. Purpose

- 1.1 To present to Cabinet for consideration, the comments and recommendations of the Overview and Scrutiny Committee on the findings of the Review – Poverty in the Town.
- 1.2 Members of Cabinet have been issued with a copy of the full report. All Overview and Scrutiny review reports are published on the Overview and Scrutiny page on the Council's Webpage and a copy of this report can be located:  
[www.northampton.gov.uk/scrutiny](http://www.northampton.gov.uk/scrutiny) - Previous Scrutiny Reviews.

## 2. Recommendations

- 2.1 The Overview and Scrutiny Committee recommends to Cabinet that:
- 2.1.1 The definition of poverty, as devised by the Scrutiny Panel (Poverty in the Town), is used by Northampton Borough Council:
- Have nothing set aside for emergencies
  - Cannot replace broken goods or furniture
  - Can't afford their children's school uniforms, or the cost of school trips
  - Have no spare money for holidays, hobbies or leisure activities
  - Can't afford to keep their homes warm
  - Can't afford to participate in social activities and customs of their community
- 2.1.2 Northampton Borough Council actively promotes of the work of Voluntary Sector organisations, such as Charity Link, Citizens Advice Bureau and Community Law via the Council's website, within the One Stop Shop, as part of outreach activities, such

as tenants' conferences, and by having a regular information stand on the town's market.

- 2.1.2 Northampton Borough Council works with the Director of Health, Northamptonshire County Council, in the promotion of national health and wellbeing awareness campaigns in Council facilities such as the One Stop Shop and through links available on the Council's website.
- 2.1.3 Northampton Borough Council works with the Voluntary and Community Sector regarding the introduction of a strong referral network amongst Agencies.
- 2.1.5 Northampton Borough Council allotment holders are informed of the Restore Northampton Project and provided with details of how they can provide assistance to the Project.
- 2.1.6 Northampton Borough Council and Voluntary Impact Northampton work together to inform people of, and promote both the smaller charities and the high profile charities.
- 2.1.7 Northampton Borough Council promotes the work of smaller scale charities in the Council's One Stop Shop, through links on the Council's website and considers how it can link businesses with smaller charities.
- 2.1.8 Northampton Borough Council promotes the work of Northamptonshire Credit Union to encourage people to use it as an alternative to payday loans.
- 2.1.9 Northampton Partnership Homes is asked to provide budget management training and money advice (including information about avoiding and mitigating sanctions) for its tenants; ahead of the introduction of Universal Credit.
- 2.1.10 Northamptonshire Partnership Homes is asked to promote the work of Northamptonshire Credit Union to its tenants.

### **3. Background and Issues**

- 3.1 The purpose of the review was to review poverty in the town to ascertain whether it is a serious issue:
  - Whether it growing and more generally what are the trends (including migration)
  - What are the causes of poverty locally?
  - What can public services do in this time of austerity?
  - What can other groups/individuals do to help?
  - What the impact is, if any, is there on the economy, crime, health and education
- 3.2 The Overview and Scrutiny Committee, at its work programming event in March 2014, agreed to include a review of poverty in the town. This was an issue that had been suggested by the public as an area for future Scrutiny review. The Overview and Scrutiny Committee commissioned Scrutiny Panel 2 to undertake the review. An in-depth review commenced in May 2014 and concluded in March 2015.

- 3.3 A Scrutiny Panel was established comprising Councillor Elizabeth Gowen (Chair); Councillor Brian Sargeant (Vice Chair); Councillors Rufia Ashraf, and Lee Mason; together with other non-Executives Councillors Dennis Meredith, Christopher Malpas and Beverley Mennell. County Councillor Winston Strachan, Chair Transport Scrutiny Committee, Northamptonshire County Council, (NCC), was co-opted to the review.
- 3.4 This review links to the Council's corporate priorities, particularly corporate priority 7 - promoting health and wellbeing and corporate priority 8 – responding to your needs.
- 3.5 The Scrutiny Panel established that the following needed to be investigated and linked to the realisation of the Council's corporate priorities:

- Background data, including:
  - Presentation to set the scene: To identify the prevalence of the problem locally
  - Relevant national background research papers, such as poverty and welfare strategies
  - Relevant findings from the Scrutiny Review: Impact of the Welfare Reform Act
  - Relevant Legislation
  - Relevant data, including relevant data such as payroll information, poverty indicators, activity costs, employment trends, demographics (national and local)
- Best practice and successful initiatives in Northampton and comparable Local Authorities
- Witness Evidence:

- 3.6 After all of the evidence was collated the following conclusions were drawn:

### **Definition of Poverty**

- 3.6 The Scrutiny Panel noted that there is no one definition of poverty used in the UK and therefore felt it was important for its own definition of poverty to be agreed and used throughout this review:

- Have nothing set aside for emergencies
- Cannot replace broken goods or furniture
- Can't afford their children's school uniforms, or the cost of school trips
- Have no spare money for holidays, hobbies or leisure activities
- Can't afford to keep their homes warm
- Can't afford to participate in social activities and customs of their community

## Statistical data and general trends

- 3.8 Evidence gathered highlighted that Northampton is no different to many large towns in the country, in that deprivation is present in a number of areas. As detailed in section 3.2.1 of the Overview and Scrutiny report, seven out of the 129 local “super output areas” in Northampton are in the top 10% most deprived, 27 in top 20%. These are in wards such as Castle, Spencer, Lumbertubs, Thorplands, St Davids, Delapre. These statistics are in relation to the old Borough wards. 66% of Northampton Borough Council (NBC) tenants are in receipt of full or partial housing benefit.
- 3.9 The Scrutiny Panel noted that there are 3.5 million children living in poverty in the UK (27 per cent of children). As at May 2013 there were 8,360 children (18.7%) in Northampton living in families in receipt of out of work benefits. As at 31 March 2013, long-term unemployed figures indicate that in Northampton 3,970 Job Seekers Allowance /Income Support claimants have been claiming benefits for at least three out of the preceding four years. In 2012, the number of households in fuel poverty in England was estimated at around 2.28 million, representing approximately 10.4 per cent of all English households. The East Midlands had the second highest rate of fuel poverty (with a fuel poverty rate of 13%).
- 3.10 Evidence received detailed that Welfare Reform changes have greatly increased the number of customers who face a reduction of Housing Benefit and there has been a corresponding increase in Discretionary Housing Payment (DHP) applications. The Scrutiny Panel realised that awards of DHP can be the difference between a tenant affording to pay their rent and thereby avoiding falling into arrears.
- 3.11 Evidence received demonstrated that some individuals and families on low incomes and/or in receipt of state benefits (working age) are struggling financially and in some cases this is leading to the accrual of debt. Reported factors being the impact of a series of Welfare Reforms, wage restrictions and the cost of living increase.
- 3.12 The overall Council Tax collection rate fell by 0.4 percentage points, only its second fall since its inception in 1991. Collection rates fell in 15% of Councils that introduced low minimum payments and in 63% of those with high minimum payments.
- 3.13 Statistics showed that employed claimants make up around 21% of housing benefit claimants compared to 11% five years ago. The number of Northampton households capped (total number of benefit) from 15 April 2013 to May 2014 was 135. 1,068 Northampton Social Rented Sector tenants are currently subject to a weekly reduction in their housing benefit. The average reduction equates to £16.10. In 2011/12 NBC made 333 Discretionary Housing Payment (DHP) awards to 69 individual DHP applicants. In 2012/13 the number of DHP awards increased by 81% and in 2013/14 the increase [over 11/12] was 310%.

## **Initiatives in identifying and delivering solutions to tackle poverty in Northampton**

- 3.14 Local Authorities, and other key Agencies, have a number of processes in place to assist people in poverty, such as advice and support, aimed at preventing debt as well as that designed to assist tenants who are already in arrears offered is by Housing Services, Northampton Borough Council. The advice and support is aimed at preventing debt as well as that designed to assist tenants who are already in arrears.
- 3.15 The Scrutiny Panel welcomed the fact that the Tenancy sign up process has recently been amended and is now undertaken within the one stop shop at the Guildhall.
- 3.16 The Scrutiny Panel was pleased to note that work is complete on improving the energy efficiency of Council dwellings in St James and Semilong. Similar energy efficiency improvements are planned and costed in the Asset Management Strategy that Northampton Partnership Homes will be adopting.
- 3.17 The Scrutiny Panel felt that promoting the services of the Credit Union could help to prevent individuals obtaining loans with huge interest rates.
- 3.18 The Scrutiny Panel emphasised the need for people to be aware of the services and assistance available by service providers, Agencies and Charities.
- 3.19 During the review, the Scrutiny Panel was pleased to note that Northampton Borough Council confirmed that it would ensure that all of its employees are paid at least the living wage. However, evidence detailed that an estimated 5.24 million people are being paid less than the living wage, up 400,000 in the past year (based on analysis by accountancy firm KPMG).

## **Economy, crime, health and education**

- 3.20 The Scrutiny Panel concluded that it is difficult to establish if poverty is actually a main causal factor of crime within these areas without undertaking detailed analysis, utilising a wide range of data and demographic information. To date no specific analysis looking specifically at poverty and crime has been undertaken for Northampton.
- 3.21 The Scrutiny Panel realised that if people do not have the basic resources in life such as keeping warm, nutrition, access to physical activity, there is potential for social isolation. Poverty is a big agenda and there is a need to focus on the areas that make a difference to health and wellbeing.
- 3.22 People have lifestyle choices but choices are often limited when living in poverty; such as what to eat, keep warm and leisure activities; there is a need to look at where the Local Authority can intervene.
- 3.23 Living conditions, such as damp, can be a key concern; this is most important for the frail, elderly and young children.
- 3.24 Regarding the gap in life expectancy between the most affluent and those living in poverty, the Scrutiny Panel felt that education is key. For example encouraging

people, in particular men, to visit their GP to have regular health checks and stop smoking.

- 3.25 The evidence received highlighted that University education helps to raise the aspirations of the local economy; by having better school education outcomes and more University educated people in Northampton more high quality and high paying employers will be attracted to the town. The University of Northampton offers a number of vocational courses such as lift technology, computer gaming technology and waste management.
- 3.2.6 There is often a link between mental health issues and the ability to cope. For example, individuals who lack the ability to prioritise, organise and manage.
- 3.27 The number of young people not in education, training or work has decreased by 25% over the past three years.

### **Other Groups and Agencies**

- 3.28 The majority of key Agencies know about each other's services and are able to make effective referrals. The Scrutiny Panel felt that this could be improved by an information hub being developed, virtual and physical, which could have a database of literature/information on relevant Agencies/services. The Scrutiny Panel considered that this could be very helpful for, not only Agencies wishing to make referrals, but could also be accessible for the public to find services they need.
- 3.29 The Scrutiny Panel highlighted the need for a strong referral network amongst local Agencies (statutory and voluntary). Signposting is often not always effective for people as they have too many places to visit and relay their situation to. An effective referral network allows full and specific referrals to be made and is less likely to result in the individual not accessing the services they need. Networking events and a robust framework for all Agencies to be clear about their services and access would be a useful tool.
- 3.30 The Scrutiny Panel acknowledged the good work of Restore Northampton recognising the need to see where the Council could add value to the process. For example, how the Council could work together to inform people of the smaller charities in existence; in addition to the high profile ones; how they could donate and how information about the smaller charities could be disseminated; such as promoting the work of smaller scale charities in the Council's One Stop Shop and linking businesses with smaller charities. The Scrutiny Panel further felt that it would be useful to make allotment holders aware of the Project and ask whether they could provide some support to the Restore Northampton project.
- 3.31 The Scrutiny Panel welcomed work that is currently being undertaken with Clinical Commissioning Groups (CCGs) regarding a national awareness programme about cancers.
- 3.32 The Scrutiny Panel reiterated the three recommendations of the Scrutiny Review – Impact of the Welfare Reform Act, noting the link between these and mitigating the impact of poverty:

- Close links into and between the Voluntary Sector and Northampton Borough Council are promoted.
- Active promotion of the work of Voluntary Sector organisations, such as (Charity Link, Citizens Advice Bureau and Community Law) takes place on the Council's website, within the One Stop Shop and as part of outreach activities such as tenants' conferences.
- Service Level Agreements with Voluntary Sector organisations are explicit in relation to the necessity to provide support and advice to customers facing sanction.

### **Other Public Services**

3.33 The Scrutiny Panel conveyed concerns regarding Universal Credit and the fact that the claimant would receive all of their benefits and be expected to budget. It highlighted the need for training on budget management.

3.34 It was felt that sanctions are a key issue to benefit claimants and there is a need for more awareness raising regarding sanctions.

## **4. Options**

4.1 Cabinet will need to consider the possible options as part of its response to the recommendations.

## **5. Implications (including financial implications)**

### **5.1 Policy**

5.1.1 The work of Overview and Scrutiny plays a major part in the development of the Council's policy framework through its work programme.

5.1.2 The report and its recommendations have policy implications in relation to poverty in the town. Cabinet's response will need to consider these issues in detail.

### **5.2 Resources and Risk**

5.2.1 Cabinet will need to consider the resourcing issues for the recommendations made.

### **5.3 Legal**

5.3.1 Legal issues will need to be considered as part of Cabinet's response to the recommendations.

## **5.4 Equality**

5.4.1 Equality issues will need to be considered as part of Cabinet's response to the recommendations.

## **5.5 Consultees (Internal and External)**

5.5.1 The Committee consulted and took evidence from a variety of sources as detailed in paragraph 3.5 of this report.

## **6. Background Papers**

- Overview and Scrutiny Committee report – Poverty in the Town (March 2015)
- Minutes of the meeting of the Overview and Scrutiny Committee – 23 March 2015

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