

# Derbyshire's Anti-Poverty Strategy

## 2014-2017

Working together to tackle poverty in Derbyshire

# A guide to this strategy

## Introduction

Outlines the approach the partnership will take to reduce, and mitigate the impact of poverty in Derbyshire over the next three years.

## Background and the national context

Gives an overview of the national context and background.

## Poverty in Derbyshire

Provides an overview of poverty in Derbyshire and the challenges that the county currently faces.

## Partnership principles

Sets out the overarching principles which will apply to, and guide, all areas of work.

## Addressing the challenges

Summarises the four key challenges for Derbyshire and outlines the **existing plans** and **identified actions** which will drive forward work across the county over the next three years.

## Cross cutting partnership priorities

Outlines the cross cutting **priorities for action** which will be the focus of partnership effort and resource moving forward.

## Introduction

Working together to tackle poverty in Derbyshire is not new. There is a wealth of action and work already taking place through a range of partnerships and agencies such as the Financial Action and Advice Derbyshire Partnership, the Local Authority Energy Partnership and Public Health partnerships, aimed at improving financial inclusion and capability, reducing fuel poverty and reducing health inequalities.

However, the recent economic downturn, the rising costs of goods and services and extensive welfare reforms present significant challenges for partners at a time when public services across the county are facing significant cuts to their budgets.

This strategy sets out the approach that we will take to tackle poverty across the county against a backdrop of reducing public sector resources and a growing demand for services. Whilst we are ambitious, we have to be clear that partners are limited in their ability to make the structural changes required to end poverty in all its forms. Instead, we will focus effort on mitigating the effects of poverty and supporting those who are most at risk.

The strategy brings together the valuable work taking place across the Derbyshire, identifying the key challenges and the actions which are currently being undertaken by partners across the county. By bringing together action, partners have been able to identify opportunities for joining work and activity and better coordinating the strategic partnership response. It has also helped identify areas of potential duplication, gaps in current delivery and those areas where the Forum will add value, which will be essential if partners are to address the scale of the challenge ahead.

The strategy sets out a number of **cross cutting partnership priorities** to drive work forward over the next three years. These priorities focus on those actions where the collective weight of partners could be used to influence change at a strategic and local level.

## Background and national context

Poverty, in its various guises, is an issue that continues to dominate the political agenda in the UK. Despite a decline in the level of household poverty in the early 2000s, one fifth (21 per cent) of UK households were in relative poverty (after housing costs) in 2011/12<sup>i</sup>. In-work poverty is considered to be a particularly significant problem, with the number of working households in poverty (6.1 million) exceeding the number of workless households in poverty (5.1 million) in 2010/11<sup>ii</sup>. At a time when the UK's economy is beginning to show signs of recovery and unemployment is falling, there are growing concerns about the emergence of a two tier economy in which the incomes of households on benefits and low pay either stagnate or increase at a slower rate than those on higher incomes.

The problem of in-work poverty can be attributed to rises in the cost of living (inflation in the UK remained above 3 per cent throughout 2010 and 2011) together with low pay and low growth in earnings. One in five employees (5.1 million people) in the UK were on low pay in 2013 and, when adjusted for inflation, annual median pay in the UK is now £3,300 lower than its pre-recession peak in 2005-06<sup>iii</sup>. The Government recently accepted the Low Pay Commission's recommendation to increase the rate of the National Minimum Wage to £6.50 per hour later this year<sup>iv</sup>, but the new rate will remain below the level of the living wage (currently £7.65 per hour outside of London<sup>v</sup>). Furthermore, people on low pay find it difficult to move on to higher wages: 73 per cent of people who were on low pay in 2002 were still on low pay in 2012 and 27 per cent of people had been on low pay in every single year during that period<sup>vi</sup>.

There have also been concerns that underemployment is contributing to the problem of low pay and in-work poverty. In the first half of 2013 6.2 million people in the UK were underemployed, 23 per cent (1.4 million) of which were people who were in part-time jobs but wanting full-time work<sup>2</sup>. People working in part-time jobs are less likely to earn a living wage than people in full-time roles (43 per cent as opposed to 12 per cent)<sup>vii</sup>.

The proportion of children in poverty in the UK declined during the 2000s and, despite rising slightly during the economic downturn, fell below 20 per cent in the early part of this decade. However, research by the Institute of Fiscal Studies suggests that the Government

### UK poverty in numbers

**43** per cent of part-time workers earn less than the living wage

**21** per cent of households are in poverty

**20** per cent of employees are on low pay

**18.2** per cent of children in England are in poverty

**10.4** per cent of households in England are in fuel poverty

**6.2** million people are underemployed

will fail to meet its statutory target of halving child poverty by 2020; it forecast that the number of children in poverty would rise from 2.6 million in 2009/10 to 3.3 million in 2020<sup>viii</sup>. The Social Mobility and Child Poverty Commission recently warned the Government that even helping more parents into work would not bring about big reductions in child poverty, because families would simply be moving from being low income workless households to low income working households<sup>ix</sup>.

Households on low incomes are at much greater risk of being in fuel poverty - that is to say they are more likely to spend an above average amount on heating their homes and be left below the poverty line as a result. Fuel poverty has been a continuing problem in the UK over the last decade as domestic energy prices have reached historic highs: an estimated 10.4 per cent (2.28 million) of households in England were in fuel poverty in 2012<sup>x</sup>. Fuel poverty has been found to have a wide range of negative health outcomes for those affected, including physical ailments such as asthma, excess winter deaths amongst the elderly and mental health problems<sup>xi</sup>.

The issue of poverty also needs to be considered in the context of recent changes to the UK's welfare system. April 2013 saw the implementation of arguably the most dramatic changes to the UK's welfare system since the 1950s, changes that are affecting millions of working age adults and families across the country. Although robust evidence about the impact of the reforms remains limited, one recent study concluded that four out of five households affected by the changes would need assistance from their local authority<sup>xii</sup>. There have also been reports of increasing numbers of people using food banks<sup>xiii</sup> and social housing tenants facing arrears<sup>xiv</sup>.

Digital exclusion is increasingly becoming an issue of growing concern in relation to poverty. A fifth of UK households do not have basic internet services in their home. This rises to a third of households in the lowest socio economic groups and increases further to forty-five per cent for those households with an annual income of less than £17,500<sup>xv</sup>. This is concerning given the growing number of job opportunities, goods and products, public services and educational opportunities which are becoming available online. The Carnegie UK Trust have indicated that if these citizens are excluded from online access, then this is likely to widen existing inequalities and that the lack of internet access will increasingly come to represent both a symptom and a cause of poverty.<sup>xvi</sup>

## Poverty and health

There is a strong association between poverty and health. Poverty is one of a number of wider determinants, or influences, that contribute to health, wellbeing and illness. Positive health factors – such as economic and food security, good quality social relationships and adequate housing – contribute to the maintenance of health. People living in poverty may live in poorer quality housing compared with others and be less able to access essential services. It also means that, in comparison to others, those living in poverty may have less power to protect their health or feel that they have low status in society. People who live in relative poverty 'lack the resources to obtain the types of diet, participate in the

activities and have the living conditions which are customary, or at least widely encouraged or approved, in societies to which they belong<sup>xvii</sup>.

Living in poverty is particularly harmful to children, in terms of both their current health and development and their long-term socioeconomic and health prospects. The conditions of early life have a close association with child health and lay the foundations for health later in life. For example, children who grow up in disadvantaged circumstances are at greater risk of premature mortality in adulthood, due to coronary heart disease and stroke. Early childhood is an important period for social, cognitive and physical development, as well as for the development of behaviours and lifestyles. The conditions of early life influence child development, with direct influences on health. They also have a powerful influence on adult socioeconomic position, with an indirect effect on adult health. Ensuring good quality and equitable schooling and improving educational achievement among disadvantaged children should therefore be considered a prerequisite to improving their pathways into adulthood.

## Poverty in Derbyshire

Despite positive and encouraging signs that Derbyshire's economy is returning to growth, there remains considerable variation in levels of poverty and economic prosperity across the county. For instance, whilst levels of deprivation and child poverty in Bolsover and Chesterfield are above the national average, those in Derbyshire Dales and South Derbyshire are significantly below average. The most deprived area within Derbyshire (in Cotmanhay) is amongst the top three per cent most deprived areas in England. Inequality in the county is evident in a range of indicators, such as the percentage of children registered for free school meals, unemployment rates and the proportion of out of work benefits claimants. It is also reflected in health outcomes, including mortality rates, life expectancy at birth and the proportion of early deaths.

There is evidence locally that more working families have needed the assistance of food banks, with many family incomes falling in real terms due to inflation and stagnating wages. There are currently around 25 food banks in Derbyshire (and a further eight in Derby) run by charities and non-profit organisations that distribute food parcels to those who are most in need. The number of charitable food banks is growing across the county, tripling since the end of 2012. In order to cope with the increasing demand, Derbyshire County Council has provided £113,000 to help the county's network of food banks to provide three-day emergency food parcels for 3,000 people, and to help them become more sustainable and ensure that help gets through to the most vulnerable residents. This is important because having insufficient food to eat can impact on people's physical and mental health as well as their long-term life opportunities, which in turn can lead to increased pressure on local authority and health support services.

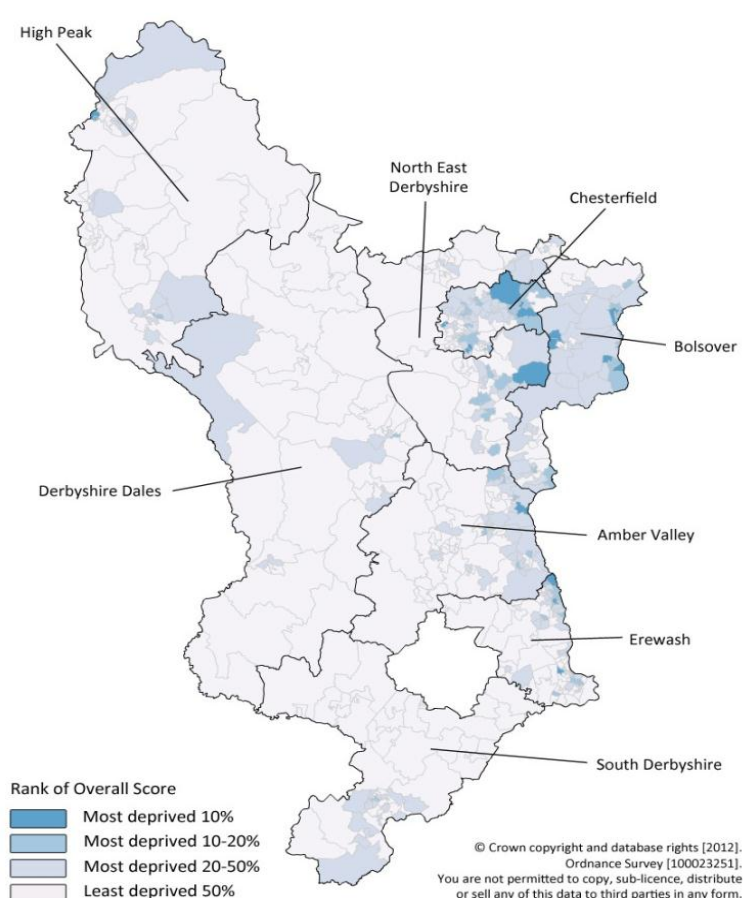


Figure 1: Index of Multiple Deprivation (2010)

On average, residents of Derbyshire have less money available to spend or save than residents in other areas of the UK. In 2011 gross disposable household income in Derbyshire was £14,625 per person, 8.8 per cent lower than the national average figure of

£16,034. A recent study by the Low Pay Commission found that Bolsover was the area in Great Britain with the highest proportion (18.2%) of minimum wage jobs<sup>4</sup>. These figures underline the importance of attracting better paid and higher skilled jobs to Derbyshire, particularly to more deprived areas such as Bolsover, where residents have lower levels of educational attainment and a higher proportion of workers are in lower tier occupational groups. Derbyshire's traditional lower-skilled manufacturing sector remains an important part of the local economy and plays a key role in higher-value supply chains, but it also means that gross annual earnings of people employed in the county are below the national average and many highly skilled residents commute out of the county to work.

The economic disparities in Derbyshire were reflected in a recent national study of household debt, which ranked Bolsover 26th out of 406 authorities, with a third (32.6 per cent) of the population struggling with debt, and Chesterfield 51st, with 29 per cent of residents affected by debt. However, in South Derbyshire (ranked 211) and Derbyshire Dales (ranked 329), 14.1 per cent and 6.6 per cent of the population have serious debt problems, respectively<sup>xviii</sup>. There are currently six credit unions in Derbyshire (including Derby City) providing a range of financial help, from competitive loans through to support for people to develop a regular savings habit. All are reporting an increase in the number of people approaching them for assistance. To support the work that credit unions are doing, Derbyshire County Council is increasing the provision of safe and affordable loans to people on low incomes by providing £300,000 of additional funding to credit unions locally.

Fuel poverty is an issue on which Derbyshire performs poorly when compared with the country as a whole, reflecting the fact that it has many rural areas (where fuel poverty tends to be more prevalent), a higher proportion of elderly residents (one of the groups most at risk of fuel poverty) and pockets of very deprived urban areas (in which high proportions of households are on low incomes). The proportion of households in fuel poverty in Derbyshire (12.8 per cent) is well above the national average figure of 10.4 per cent and in 2012 Derbyshire was ranked 23<sup>rd</sup> out of 152 counties in England, with the county ranked 1<sup>st</sup> being the one with the highest proportion of fuel poor households<sup>xix</sup>. None of the districts in Derbyshire have a fuel poverty rate below the national average and

## Derbyshire poverty in numbers

**25** per cent of households are deprived

**17** per cent of children live in income deprived households

**15** per cent of children are eligible for free school meals

**12.8** per cent of households are in fuel poverty

**12** per cent of people are income deprived

**9.8** per cent of people claim out of work benefits



four districts (Amber Valley, Derbyshire Dale, Chesterfield and High Peak) have fuel poverty rates above 13 per cent.

## Challenges

Tackling poverty in Derbyshire will involve addressing four interrelated challenges:

**Increasing financial inclusion and capability** amongst residents in Derbyshire who do not have the opportunity or ability to access mainstream financial services. Such residents may be disadvantaged in a variety of ways, for instance by paying higher interest rates or energy tariffs. Tackling financial exclusion will involve overcoming a complex range of barriers, including geography, poor credit histories, and cultural or psychological issues<sup>xx</sup>.

**Alleviating fuel poverty and increasing affordable warmth** amongst residents in Derbyshire who spend an above average amount of money on heating their homes and are left in poverty because of this. Fuel poverty is a particular problem for vulnerable consumers – pensioners, families on low incomes and people with disabilities or long-term health problems. Tackling fuel poverty will involve overcoming physical barriers (e.g. low levels of energy efficiency in homes) and social barriers (e.g. the low levels of consumer engagement with the energy market.)

**Reducing child poverty** in households in Derbyshire, particularly in districts with above average rates of children in poverty, such as Bolsover, Chesterfield and Erewash. Child poverty is a function of a range of factors, including unemployment, low pay and inadequate benefits. Tackling child poverty will therefore involve addressing these underlying causes but also ameliorating the negative impacts of child poverty, such as poor health outcomes and low educational attainment.

**Improving employment prospects and skills** in Derbyshire, both of which have a direct influence on the propensity for people to be in poverty. Although unemployment in the county has continued to fall and remains below the national average, there is a need to create more jobs in better paid, knowledge-intensive industries. Tackling this challenge will also involve raising skill levels in Derbyshire, where average levels of educational attainment are lower than in the country as whole.

## Partnership Principles

During the development of the strategy the following overarching principles have emerged. These will guide all aspects of the partnership's work to reduce poverty in Derbyshire moving forward.

Value for money	
Work to tackle poverty will be taking place at a time when public sector resources are being cut. To remain effective, partners will need to work closely together to reduce duplication of both effort and resource, always seeking to have maximum impact with the scarce resources that are available. Partners will also need to look for new resources to support this work, recognising and maximising the use of assets that are available in local communities.	<p>Partners will:</p> <ul style="list-style-type: none"><li>• Agree priorities for action and ensure resources are allocated where they are needed the most</li><li>• Identify and eradicate duplication wherever this is identified</li><li>• Facilitate joint approaches to achieve additionality or increase productivity when appropriate</li><li>• Monitor and evaluate the impact of programmes before replicating them in different locations or situations</li><li>• Decommission programmes that are shown not to work or have unintended harmful impacts</li></ul>
Good practice and innovation	
Good practice taking place to help people in poverty can be found across Derbyshire and the UK. A key principle will be to learn about, learn from and apply good practice and innovative approaches – on the basis that the tools which work can help us be more effective in the work we do to reduce poverty and the impact it has on people in Derbyshire	<p>Partners will:</p> <ul style="list-style-type: none"><li>• Identify opportunities for sharing ideas, good practice, success and innovation across the county</li><li>• Improve methods of communication between partners</li><li>• Look for new ideas and ways of working from local, national and international sources</li></ul>
Sustainability	
Making sure that actions undertaken by the partnership are sustainable and look to the long term is an essential principle moving forward, particularly in the current climate of reducing public sector resources. Adopting a long term approach is more likely to have a lasting impact and should avoid scarce resources being spent on actions which ultimately do not meet the underlying needs of individuals and communities.	<p>Partners will:</p> <ul style="list-style-type: none"><li>• Ensure the partnership response is flexible and agile whilst considering the long term impact of decisions and activities</li><li>• Make sure that agreed actions provide sustainable solutions</li></ul>

## Challenging negative perceptions

Negative perceptions of those affected by poverty and inequality, which make a distinction between the “deserving” and “undeserving” poor, dominate the media. Such perceptions divide communities, widen the gap between “the haves” and “the have nots” and divert attention away from the real issues at play in local communities. These perceptions do not reflect the circumstances and position of the majority of families in Derbyshire.

Partners will:

- Ensure that there is a shared understanding of poverty within their own organisations
- Identify opportunities to promote the real stories of those experiencing poverty
- Robustly challenge negative perceptions

# Addressing the challenges

## Challenge 1 - Financial inclusion and capability

Financial inclusion can be defined as everyone having access to appropriate financial products and services in order to manage their money effectively and the knowledge skills, confidence, understanding and motivation to manage their money well. Households on a low income, particularly lone parents, the long-term unemployed or those in receipt of benefits, the long term sick or disabled, lone pensioners, particularly widows, and households headed by students or part-time workers, have an above average likelihood of being excluded financially.

Financial exclusion can have a devastating effect on individuals and families. It contributes to poverty and social exclusion, can cause mental health issues and family breakdowns. Those who are financially excluded pay more for everyday transactions. Many people who are financially excluded do not have a bank account and without a bank account it costs more to cash a cheque, pay a bill or pay for goods and services - with high cost items such as energy being significantly more expensive. Credit availability is limited and very expensive and often individuals resort to high cost lenders to borrow money. This can often result in spiralling debt.

Progress in tackling financial exclusion requires a twin track approach which addresses insufficient or discriminatory supply as well as improving financial capability amongst individuals.

### Current position

Derbyshire has 32 wards in the worst septile for financial exclusion<sup>1</sup> according to the Financial Exclusion Task Force who ranked every ward in England on a range of indicators including income, financial product holdings, affluence, outstanding borrowings, proportion of disposable income spent on fuel mapped against demographic data such as deprivation indices. Of the 32 wards ranked in the worst septile, 18 are amongst the worst 10% nationally with Gamesley in High Peak, and Shirebrook North West in Bolsover, being in the worst 1% nationally.

Access to financial products is a key part of financial inclusion. It is estimated that 1.54 million people nationally do not have any bank account at all (H M Treasury. However, more recent research estimates that this figure could be nearer 3 million. It can be difficult to get a bank account if you have County Court Judgements, have been declared bankrupt, a poor credit history, or have been in prison. Homeless people or those who are living in a refuge for victims of domestic abuse with no permanent address are often refused a bank account. A mystery shopper exercise carried out in Derby and Derbyshire revealed that only 58% of the banks visited offered a basic bank account and only 8% promoted the availability of such accounts through literature on display in the branch. Basic bank accounts offer very limited services, no cheque book and no overdraft facility. Some restrict ATM use to their own machines.

Many financially excluded people rely on short term credit because it is easy and they can get credit quickly, often with no questions asked. However, around a third of loans are either repaid late, or never repaid and a similar amount are “rolled over” or refinanced incurring hefty charges and interest costs. APRs for short term loans from doorstep lenders or payday lenders can typically be more than 250%.

---

• <sup>1</sup> Experian – Financial Inclusion Task Force 2011

Many people in Derbyshire now have access to a credit union. Credit Unions offer an ethical and affordable alternative to short term loan providers. Some credit unions also offer basic bank accounts. Currently 0.8% of the Derbyshire population, 6,123 people, are credit union customers, with x% saving and x% borrowing.

Debt is becoming polarised, with a third of borrowers having unsecured debts of over £10,000. A recent survey showed that 43% of adults struggled to make their finances last until payday, quoting higher costs for food and energy causing problems. Of the survey respondents, 4% had used a payday loan, while 2% had borrowed from a credit union.

Having the right level of financial skills and knowledge is a fundamental part of financial inclusion. There is a direct correlation between low level numeracy skills and financial exclusion. Around half of all adults in the UK have numeracy skills no better than those expected of an 11 year old. Recent reports have found that numeracy is a bigger determinant of future life chances and disadvantage than literacy. More than a quarter of working age adults in Derbyshire have no qualifications at all. This is higher than the England average of 22.5%<sup>2</sup>. 1 in 4 people aged 55 and over could not understand a bank statement. 16% could not correctly identify the balance available on the account.<sup>3</sup> 12% believe the current Bank of England base rate to be over 10%<sup>4</sup>

Financial resilience is extremely important in terms of financial inclusion. More than 16 million people in the UK have no savings whatsoever. Savings provide an important cushion that is also cheaper than borrowing. 71% of householders experienced unforeseen costs or bills of over £1000 last year. Even small savings have a positive impact on health and wellbeing.

More people are experiencing hardship due to welfare reforms and increasingly tougher sanctions imposed by agencies such as Job Centres. Sheffield Hallman University have estimated that welfare reforms will remove £219 million a year from the Derbyshire economy<sup>xxi</sup>. Often people resort to food banks because they have been sanctioned and have no money for food. Many social housing tenants have had their housing benefit reduced because they have more bedrooms than they are deemed to need. Similarly, more people will be paying a proportion of their Council Tax for the first time since 2013. This squeeze on income is putting families under pressure and many report that they are struggling to cope financially.

The County Council administers a 'Discretionary Fund' for people in Derbyshire and their families who find themselves under exceptional financial pressure as a result of a disaster or crisis. The Derbyshire Discretionary Fund (DDF) is the safety net under the safety net (of means tested welfare benefits) and it provides emergency cash payments for food, heating and emergency transport and grants to help people equip their homes with essential items so they can live in the community. Without it many more vulnerable residents would suffer considerable hardship.

Take up of some benefits is low due to perceptions about being seen as a "scrounger" or simply due to a lack of awareness of entitlement. Pension credit take up in the UK is estimated to be around 62% of those eligible, meaning that up to £2.8 billion was unclaimed.<sup>xxii</sup> The County Council estimate that £112m of income related benefit is unclaimed each year by Derbyshire residents. Free school meals is another area where families can be reluctant to take up their entitlement due to being stigmatised. However, the introduction of Universal Infant Free School

---

<sup>2</sup> Source Census 2011

<sup>3</sup> Money Advice Service 2013

<sup>4</sup> Money Advice Service 2013

Meals, will mean that from September 2014, all KS1 pupils will be entitled to a free school meal. This is likely to save families around £400 a year as well as providing a hot and nutritious meal.

Low income households are twice as likely to be burgled, 30 times more likely to be a victim of arson and eight times more likely to live in a high flood risk area. 91% of people in social housing have no home contents insurance and as a result some housing associations (e.g. Rykneld Housing) are offering affordable home contents insurance to their tenants.

Shelter reports that nearly half of all working UK residents say that they would struggle to meet their next rent or mortgage payment if they lost their job. With no savings to fall back on, month to month living has become a reality for millions of people. A sudden drop in income can put homes at serious risk. CABs reported a 16% increase in rent arrears last year.

## Financial Action and Advice Derbyshire

The Financial Action and Advice Derbyshire partnership is responsible for coordinating action on financial inclusion and capability as well as delivering the Strategic Action Plan 2014. The aims, objectives and planned actions are set out below. Progress against identified actions and agreed milestones will be monitored and reported back to the Forum on a regular basis.

### Aim

To take action and give advice to make sure that Derbyshire people have enough to live on

### Objectives

There are three overarching objectives which are to:

- Improve access to financial products by increasing participation in credit unions
- Improve financial capability and numeracy skills through training and education
- Improve financial resilience by helping people to maximise their income, promoting a saving and insurance culture, and by providing access to good quality advice.

### Key actions

Key actions include:

- Promoting the need for, and delivering, financial capability training across the county
- Exploring the potential to develop volunteer money mentors and budget buddies
- Building on financial capability in schools by delivering money management training
- Promoting supportive services including credit unions and access to personal bank accounts
- Looking at the collective purchasing of home insurance
- Undertaking a range of campaigns on issues such as Welfare Reform, Money Lenders, Pensions and the Living Wage
- Highlighting the impact of new Welfare Reforms on local communities
- Ensuring the continuation of the Derbyshire Discretionary Fund in Derbyshire beyond 2015
- Directly assisting people through the provision of advice, representation and supporting appeals in relation to welfare benefits, employment, debt action and housing and fuel related problems.
- Ensuring that all partner organisations are able to effectively signpost to direct support services

## Challenge 2 - Fuel poverty and affordable warmth

Every year, mortality rises by 19% in the winter months in England. This amounts to an average of 27,000 excess winter deaths or about 1,560 more people per week dying between December and March compared with the rest of the year. Whilst there are many factors that influence these deaths, there is no doubt that poor heating systems and lack of insulation in many British homes is a significant cause. Cold weather brings about an increase in ill health, particularly for those people with a long-term health condition and can increase heart attacks and strokes, whilst mould and damp contribute to asthma and bronchitis

With the rising cost of energy, more and more people struggle to afford their heating bills. Living in a cold home can affect physical and mental health and well-being, damaging health and affecting quality of life. The elderly, children and those with a disability or long-term illness are especially vulnerable. A rural household is twice as likely as an urban household to struggle to afford to heat their homes. This is primarily because properties in rural areas are often older, are not suitable for cavity wall insulation, are off the gas network and have to rely on more expensive fuels such as oil. National Energy Action estimated that the number of rural households having difficulties heating their homes reached 1.1 million in 2010. This is a significant issue for Derbyshire where 204,695<sup>xxiii</sup> people are classed as living in a rural household.

A household is said to be in fuel poverty if they have fuel costs that are above average (the national median level) and if the amount they were to spend would leave them with a residual income below the official poverty line. Fuel poverty is caused by three factors – inadequate heating and insulation, low incomes and the continued high cost of energy bills.

The solution is to provide households with affordable warmth although this may require action on a number of fronts - by improving the energy efficiency of homes and appliances, action to increase incomes, access to cheaper fuel tariff options, money management and debt advice alongside energy advice.

### Current position

There are an estimated 59,295 households living in fuel poverty in Derbyshire which equates to 13.7% of all Derbyshire households. There were also an estimated 463 excess winter deaths in Derbyshire in 2012/13 which arose from an increase in incidences of heart attacks/strokes, respiratory disease, influenza and falls and injuries.

There is a wealth of evidence on the impact of poorly insulated homes on excess winter deaths and the effect of excess cold and damp in dwellings. Evidence also shows that simple measures to improve housing conditions and increasing the ability to pay for energy, provides measurable health improvements. The recent Marmot Review Team report states that countries which have more energy efficient housing have lower excess winter deaths. This is due to better preparedness for cold weather and well insulated, well heated and energy efficient homes.

Over the last two years the Government has sought to deliver a balance between the needs of vulnerable individuals, achieving carbon savings and securing value for money from investment into energy efficiency that is ultimately paid for by all energy consumers. The Green Deal and the Energy Company Obligation are two measures introduced in 2013.

The Green Deal is a new financing mechanism that lets people pay for some of the cost of energy-efficiency improvements through savings on their energy bills. Green Deal applies to both the domestic and non-domestic sector.

The Energy Company Obligation (ECO) was introduced in 2013 and is split into 3 parts: affordable warmth (HHCRO), carbon saving obligation (CERO) and carbon saving communities obligation (CSCO). The Government is currently consulting on proposed changes to the obligation which could reduce access to help for many residents.

The affordable warmth obligation is designed to provide heating and insulation improvements for low income and vulnerable households. However, social housing tenants are not eligible. The eligibility for this obligation is complex, but Districts and Boroughs have been working with the County Council to identify how the eligible households can be proactively identified and supported. Derbyshire Public Health has invested in a scheme to identify and target households that are a vulnerable due to multiple causes in order to attract ECO funding, income maximisation and advice. This project involves Public Health, local authorities, CCGs and GP practices.

Carbon Emissions Reduction Obligation provides funding to insulate solid-walled properties (internal and external wall insulation) and those with 'hard-to-treat' cavity walls. This is not means-tested but can be used in conjunction with the Green Deal. The aim is to provide enough support to make these relatively expensive measures cost-effective.

Carbon Saving Communities Obligation provides insulation measures to people living in the bottom 15% of the UK's most deprived areas. It is expected that this element of ECO will particularly benefit the social housing sector but all tenures are eligible. The consultation is exploring whether this should be extended to the bottom 25%.

The Government has increased the time in which the Energy Companies have to meet the obligation and this has reduced the availability to support to those needing support from ECO. It is important to understand that what is available from the Energy Companies can vary considerably and be hard to explain to residents. This is a challenge for agencies in Derbyshire.

### **The Derbyshire Housing and Health Group and the Local Authority Energy Partnership**

The Derbyshire Housing and Health Group in conjunction with Local Authority Energy Partnership are responsible for leading partner agency activity on fuel poverty and affordable warmth. An affordable warmth strategy for Derbyshire has been jointly drafted by the Groups and they will oversee delivery of the strategy and associated actions at a county level.

Aim
To enable authorities and partners to tackle fuel poverty and affordable warmth in a consistent and strategic manner.



## Objectives

There are five overarching objectives which are to:

- Identify households that are in fuel poverty or are at risk of being in fuel poverty
- Encourage households to take up measures to increase their access to affordable warmth
- Secure investment for measures for fuel poor households and those whose health conditions put them at greater risk
- Raise awareness of the impact of fuel poverty and the solutions
- Seek to ensure that households that are at risk of being in fuel poverty are more systematically identified by partners and referred for energy advice

## Key actions

Key actions include:

- Supporting the promotion of Big Deals and other collective fuel switching and oil buying schemes
- Supporting residents in accessing and taking advantage of the best energy tariffs
- Encouraging vulnerable people to take advantage of the register of fuel providers
- Identifying and targeting support to residents whose health is at risk from cold related illnesses
- Securing funding to support awareness raising
- Promoting the importance of housing conditions through the use of the “Happy in Your Home” DVD
- Promote the Public Health Affordable Warmth project for those people at risk from cold related illness, low income and cold homes.
- Developing relationships with obligated energy suppliers and others to secure investment into the county
- Supporting the Local Authority Energy Partnership to maximise funding that can be attracted for fuel poverty investment.

## Challenge 3 - Child Poverty

Child poverty in this country occurs where children grow up in households which lack resources to obtain the types of diets, participate in activities, and the living conditions and amenities which are customary<sup>5</sup>. These resources can include access to money, access to healthcare, a decent and stable home, high quality education, or having a parent or guardian with life skills. The reality is that many families have to make tough choices day after day, sometimes throughout their lives, between having to heat their home, feed their children or pay the rent.

Ensuring a good environment in childhood, especially in early childhood, is important. Growing up in poverty damages children's health and well-being, adversely affecting their future health and life chances as adults. A considerable body of evidence links adverse childhood circumstances to poor child health outcomes and future adult ill health. Frank Field's 'The Foundation years: preventing poor children becoming poor adults', (2010) indicates that income deprivation is not necessarily the same as poverty nor can income alone resolve some of the issues of long term poverty. The report stresses that long term low income creates a complex vicious circle of factors which become cultural and inhibit children's outcomes and as such it proposes interventions to create a new culture of parenting and educational achievement. Reducing child poverty should have a significant impact on children, improving their experience of childhood in terms of health, well-being and educational outcomes and helping them acquire the skills, means and motivation to escape poverty as adults.

### Current position

In 2011, 3.5 million children (18.2%) in England were living in poverty<sup>6</sup>. The overall rate for Derbyshire is just below 15%. Around two thirds of children living in poverty have at least one parent who is unemployed. In Derbyshire the proportion of children living in poverty varies significantly from 20.9% in Bolsover to 9.3% in Derbyshire Dales. Whilst Bolsover and Chesterfield are the only districts which have rates above the average for England, child poverty rates vary markedly at the local level. For example, the highest rate in Derbyshire is to be found in Staveley (33.1%) whilst the lowest (3.7%) is in Walton.

### Children and Younger Adults

Derbyshire County Council will lead on child poverty working with partners through the Children's Trust.

#### Aim

To improve the life chances of children in poverty

#### Objectives

The overarching objectives are to:

- Support parents and carers to give their children the best possible start in life
- Improve children's readiness for school and early years outcomes
- Close the gap in outcomes for the most vulnerable children and children in care
- Raise the aspirations of young people and their families

<sup>5</sup> Townsend. P. (1979) Poverty in the United Kingdom.

<sup>6</sup> HM Revenues & Customs, 2011

- Ensure that young people have the skills they need for life and work

### Key actions

Key actions include:

- Providing evidence based support to children at risk of not achieving a good level attainment at age 3
- Extending early years provision for vulnerable two year olds
- Support schools to accelerate the progress and improve the attainment of children eligible for the pupil premium through the provision of good practice guidance, additional targeted 1-2-1 tuition and leadership support.
- Reduce school exclusions through a range of targeted action and support
- Promoting healthy lifestyles and giving advice on food to families through the healthy schools and healthy communities programme
- Ensuring access to breakfast clubs so that children get the best start to the day
- Providing healthy, nutritious and affordable school meals, encouraging the take up of free school meals where appropriate
- Provide CAB support in Children's Centres to families across Derbyshire
- Support those young people not in employment , education and training (NEET) by implementing the Youth Offer
- Develop and implement a young people's skills strategy for Derbyshire
- Improve family learning in priority areas

## Challenge 4 – Employment and skills

It is generally accepted that employment is the best route out of poverty for people of working age and as such it is vital that those people who can work have access to employment. However, it is not enough to ensure people have access to jobs. Partners must work together to improve the prospects for those trapped in low-wage, low-skilled work that doesn't enable them to make ends meet. For some people, it is recognised that work is currently not an option and barriers to employment must be understood and the relevant skills support made available to prepare people to enter and remain in employment.

The Employment and Skills agenda is complex and no single strategy exists that comprehensively brings strategic coherence to this area of work. To try and make sense of this, the Government have given Local Enterprise Partnerships (LEP) a new role setting local skills strategies. The Derbyshire/Nottinghamshire LEP, D2N2 has produced a Skills for Growth Strategy and recently submitted its Strategic Economic Plan (SEP) to Government which has a cornerstone priority of creating 55,000 jobs in the D2N2 area by 2023. The SEP makes the case to devolve Government funding from the Single Local Growth Fund and funding from the next EU programme to the D2N2 area.

To ensure Derbyshire has the best possible chance of maximising imminent opportunities from D2N2, a Derbyshire Economic Strategy has been formulated. This will be driven by the Derbyshire Economic Partnership. The Derbyshire Economic Strategy Statement (DESS) combines growth objectives of all the local authorities, private and third sector partners across Derbyshire and sets out the opportunities to drive economic growth over forthcoming years.

The priorities in the DESS have been informed by the EU Growth Programme and D2N2 priorities as set out in the Strategic Economic Plan. Strategic theme 3 of the DESS; *Creating the Workforce to Support Growth*, is concerned with Employment and Skills with many objectives aimed at supporting residents to enter the workforce.

### Current position

In April 2014, there were 10,096 people in Derbyshire aged 16 to 64 claiming job seekers allowance, 31.1% less than at the same time in the previous year (14,660). The county's claimant unemployment rate of 2.1% in April 2014 remained below the East Midlands and England with figures of 2.6% and 2.7% respectively. However, at district level there are stark differences: Chesterfield had the highest rate (2.9%), which is above both the regional and national averages. The lowest rates were in Derbyshire Dales (0.9%) and South Derbyshire (1.4%).

At the very local level, around one in five (37) of the county's 179 wards have an unemployment rate above the national average, mostly clustered in the urban areas in the east and north-west of the county. Of the 15 wards with the most severe unemployment problems, 5 are located in Erewash, 4 in Chesterfield, 3 in High Peak, 2 in Bolsover, and 1 in North East Derbyshire. Amber Valley and Derbyshire Dales had no areas with high concentrations of unemployed people.

The average pay in Derbyshire for a full time worker is £24,364. Amber Valley has the highest average pay (£25,018) and Bolsover (£22,737) being the lowest. The recently published report on the National Minimum Wage by the Low Pay Commission also reported that Bolsover was the area in Great Britain with the highest proportion (18.2%) of minimum wage jobs.

## Derbyshire Economic Strategy

The Derbyshire Economic Strategy Statement will support the employment and skills agenda and progress of the DESS will be monitored and reported on a regular basis.

### Aim

For Derbyshire residents of all ages to have the skills required to access good quality employment opportunities.

### Objectives

The overarching objectives are to:

- Influence those responsible for delivering and/or funding employment and skills interventions to ensure provision meets the needs of individuals and employers and is delivered in the areas of most need
- Raise aspirations to ensure that people from disadvantaged backgrounds have the opportunity to access further education and employment opportunities

### Key actions

Key actions include:

- Working alongside D2N2 to highlight Derbyshire's strengths, weaknesses and opportunities in relation to driving forward the Employment and Skills Agenda in Derbyshire.
- Supporting the Derbyshire Economic Partnership to realise the aims of the DESS.
- Exploring how all public sector bodies across Derbyshire can use the Social Value Act to create employment opportunities.
- Promoting lifelong learning and training opportunities, building on existing partnerships to reduce the confusion surrounding the employment and skills agenda for individuals and employers alike
- Ensure young people are aware of the employment options which are available to them and further promote quality traineeship and apprenticeship opportunities.

## Cross cutting partnership priorities

### Where do we want to be?

Derbyshire's priorities are to...	So that...
<b>Develop strong and effective leadership which seeks to reduce and mitigate the impact of poverty in Derbyshire</b>	<ul style="list-style-type: none"> <li>Partners have a shared vision for Derbyshire, are clear about priorities for reducing poverty and are able to champion on behalf of those who are most affected</li> <li>Partners can individually and collectively challenge actions and activity that exacerbate poverty in the county</li> <li>Partners are aware of the impact of their services and activities in relation to poverty in local communities and utilise existing resources to reduce poverty where they can</li> </ul>
<b>Develop and promote a shared understanding of poverty and inequality across the county</b>	<ul style="list-style-type: none"> <li>People have a greater understanding of poverty and the impact that this has on families and communities across the county</li> <li>Negative perceptions of people who experience poverty can be robustly challenged</li> </ul>
<b>Maximise household income</b>	<ul style="list-style-type: none"> <li>Fewer people across the county are in, or experience, poverty</li> <li>People have more choice and control over their own lives</li> </ul>
<b>Develop a coordinated and sustainable approach to tackling food poverty</b>	<ul style="list-style-type: none"> <li>People do not have to rely on food banks to provide meals for themselves and their families</li> <li>People have better knowledge on buying, preparing and cooking food, supporting good health and help making limited resources go further</li> </ul>
<b>Visibly work to tackle poverty and inequality, building resilience within local communities</b>	<ul style="list-style-type: none"> <li>Everyone has access to the same life opportunities, employment and services</li> <li>The gap between the "haves" and the "have nots" is reduced</li> <li>Local people and communities have the skills, confidence and capacity to help themselves</li> <li>There is less reliance on diminishing public sector resources</li> </ul>

## How will we get there?

We will be working over the next three years to ensure that the priorities identified in this strategy are delivered, targets are achieved and outcomes for local people are improved.

Whilst much is already being done by agencies in the county to reduce poverty, both individually and collectively through a range of delivery partnerships, this strategy seeks to identify those areas where we need to do more.

The following are actions which we will be taking to address recognised gaps:

### **Develop strong and effective leadership which seeks to reduce and mitigate the impact of poverty in Derbyshire**

#### **To achieve this priority we will:**

- Ensure that there is a clear vision and strategic direction for reducing poverty in Derbyshire and maintaining momentum
- Use the collective weight of partner organisations to promote good practice and to lobby and campaign on key poverty issues for Derbyshire
- Ensure that the reduction of poverty is mainstreamed into the strategies, plans and broader service developments within partner agencies
- Identify external funding streams and maximise the amount of funding into the county which could be used to reduce poverty
- Learn from, and share good practice, with agencies and experts from areas, particularly those who have well established Fairness Commissions, with similar problems

### **Develop and promote a shared understanding of poverty and inequality across Derbyshire**

#### **To achieve this priority we will:**

- Share research and consultation and further develop the partnership's understanding of poverty and the impact that this has on communities in Derbyshire.
- Establish and maintain a poverty baseline and develop effective mechanisms for monitoring progress in Derbyshire
- Increase awareness of the wide range of activities to reduce poverty that are already taking place in Derbyshire
- Undertake additional research into housing and poverty identifying potential challenges and gaps in current activity.

### **Maximise household income**

#### **To achieve this priority we will:**

- Encourage partner organisations and other key employers in the public, private and voluntary sectors to pay the Living Wage
- Work with the Derbyshire Economic Partnership to ensure that disadvantaged communities and those living in poverty experience the benefits of economic growth
- Ensure that partnership activity and strategies for growth reflect and have realistic plans in place to address the growing levels of poverty in the county
- Develop a coordinated and cross agency programme of activity aimed at maximising the amount of income Derbyshire residents can access through the benefits system

- Promote credit unions, working harder to increase membership across Derbyshire, particularly amongst employees
- Increase people's knowledge of their rights and confidence to appeal against negative decisions

### **Develop a coordinated and sustainable approach to tackling food poverty across the county**

#### **To achieve this priority we will:**

- Work with the growing number of food banks across Derbyshire, coordinating effort and support and targeting those areas in greatest need
- Explore opportunities for other sustainable solutions to address food poverty such as social enterprise models that bulk buy food or avoid food waste
- Monitor trends and the use of food banks so that partners have accurate data on which to monitor progress

### **Visibly work to tackle poverty and inequalities, building resilience and capacity to support people to help themselves**

#### **To achieve this priority we will:**

- Use existing data and customer segmentation tools to identify the most vulnerable communities and groups requiring support across the county
- Develop a targeted programme of support to those communities in greatest need, building on the good practice exemplified by the Wealth, Health and Wellbeing Outreach project in Gamesley
- Work with partners to ensure that those who are digitally excluded are able to access online services
- Work with individuals and families in local communities to identify the factors which prevent people from helping themselves
- Explore with communities what additional activities can be undertaken to develop local capacity and resilience
- Commence work on the identification of community assets across Derbyshire



## Implementing the Strategy

The **Derbyshire Partnership Forum (DPF)** is responsible for driving the priorities identified within this strategy forward and for ensuring that progress to reduce poverty in Derbyshire is made over the next three years. The Forum is supported by the **DPF Anti-Poverty Working Group** which has been charged with leading the development of this strategy and coordinating and overseeing the implementation of agreed action plans across the county.

Activities identified under each of the key themes will be delivered by the **responsible delivery partnerships** outlined within the strategy, with progress being reported back to the Forum on a quarterly basis. Responsibility for the delivery of partnership priorities will sit with the **Working Group**. A detailed action plan and performance measures to support implementation will be developed and reviewed on an annual basis to ensure the strategy remains current and fit for purpose.

Agreed actions for each of the key themes and partnership priorities will be monitored and progress will be reported back to the Forum on a quarterly basis.

## For more information

For information about this strategy and activity undertaken on the key themes please contact the following:

Theme	Contact Details
General Enquiries	<b>Policy and Research Division</b> Derbyshire County Council County Hall Matlock Derbyshire DE4 3AG  Email: <a href="mailto:policy@derbyshire.gov.uk">policy@derbyshire.gov.uk</a> Call Derbyshire: 01629 533190
Financial inclusion and capability	<b>Bev Parker</b> Policy and Partnerships Manager Rural Action Derbyshire Town Hall Bank Road Matlock Derbyshire DE4 3NN  Telephone: 0845 3138800 Email: <a href="mailto:b.parker@ruralactionderbyshire.org.uk">b.parker@ruralactionderbyshire.org.uk</a>

<b>Fuel poverty and affordable warmth</b>	<p><b>David Arkle</b>  Housing Manager  Amber Valley Borough Council  Town Hall  Market Place  Ripley  DE5 3BT</p> <p>Telephone: 01773 841334  Email: david.arkle@ambervalley.gov.uk</p>
<b>Child poverty</b>	<p><b>Rosie Kightley</b>  Acting Assistant Director Quality And Performance  Children and Younger Adults Department  Derbyshire County Council  County Hall  Matlock  Derbyshire DE4 3AG</p> <p>Call Derbyshire: 01629 533190  Email: rosie.kightley@derbyshire.gov.uk</p>
<b>Employment and skills</b>	<p><b>Andy Williams</b>  Regeneration  Economy, Transport and Environment  Derbyshire County Council  County Hall  Matlock  Derbyshire DE4 3AG</p> <p>Call Derbyshire: 01629 533190  Email: andy.williams@derbyshire.gov.uk</p>

## References

- <sup>i</sup> Joseph Rowntree Foundation (2014) *Absolute and relative poverty before and after housing costs over time*. <http://data.jrf.org.uk/data/relative-absolute-time/>
- <sup>ii</sup> MacInness, T., Aldridge, H., Bushe, S., Kenway, P. and Tinson, A. (2013) *Monitoring poverty and social exclusion*. Joseph Rowntree Foundation, London.
- <sup>iii</sup> Whittaker, M. and Hurrell, A. (2013) *Low Pay Britain*. Resolution Foundation, London.
- <sup>iv</sup> Low Pay Commission (2014) *National Minimum Wage*. Department for Business, Innovation and Skills, London.
- <sup>v</sup> <http://www.livingwage.org.uk/>
- <sup>vi</sup> Hurrell, A. (2013) *Starting out or getting stuck? An analysis of who gets trapped in low paid work - and who escapes*. Resolution Foundation, London.
- <sup>vii</sup> Markit (2013) *Structural analysis of hourly wages and current trends in household finances*. KPMG, London.
- <sup>viii</sup> Brewer, M., Browne, J. and Joyce, R. (2011) *Child and working-age poverty from 2010 to 2020*. Institute of Fiscal Studies, London.
- <sup>ix</sup> Social Mobility and Child Poverty Commission (2014) *Response to the consultation on the Child Poverty Strategy 2014 to 2017*. Social Mobility and Child Poverty Commission, London.
- <sup>x</sup> DECC (2014) *Annual Report on Fuel Poverty Statistics*. Department of Energy and Climate Change, London.
- <sup>xi</sup> Geddes, I., Bloomer, E., Allen, J. and Goldblatt, P. (2011) *The Health Impacts of Cold Homes and Fuel Poverty*. Friends of the Earth and the Marmot Review Team, London.
- <sup>xii</sup> Wilson, T., Morgan, G., Rahman, A. and Vaid, L. (2013) *The local impacts of welfare reform*. The Local Government Association, London.
- <sup>xiii</sup> The Trussell Trust (2013) *Biggest ever increase in UK foodbank use*. The Trussell Trust, Salisbury. <http://www.trusselltrust.org/stats>
- <sup>xiv</sup> Ipsos MORI (2013) *The impact of welfare reform on housing association tenants – baseline report*. National Housing Federation, London.
- <sup>xv</sup> OfCom, Communications Market Report (2012)
- <sup>xvi</sup> White, D. *Across the Divide - Tackling Digital Exclusion in Glasow*. The Carnegie UK Trust
- <sup>xvii</sup> Townsend, P. (1979) *Poverty in the United Kingdom*. Allen Lane and Penguin Books, London.
- <sup>xviii</sup> The Money Advice Service (2013) *Indebted lives: the complexities of life in debt*. The Money Advice Service, London.
- <sup>xix</sup> DECC (2012) *Sub-regional fuel poverty data: low income high costs indicator*. Department of Energy and Climate Change, London.
- <sup>xx</sup> Mitton, L. (2008) *Financial inclusion in the UK: review of policy and practice*. Joseph Rowntree Foundation, London.
- <sup>xxi</sup> Beatty C, Fothergill S. *Hitting the poorest places hardest – the local and regional impact of welfare reform*. Sheffield Hallam University (2013) – Centre for Regional Economic and Social Research
- <sup>xxii</sup> HM Gov DWP June 2013
- <sup>xxiii</sup> Census 2011, Nomis