

REPORT TO:	HEALTH AND WELLBEING BOARD (CROYDON) 5 April 2017
AGENDA ITEM:	6
SUBJECT:	Household Income and Child Poverty
BOARD SPONSOR:	Barbara Peacock Executive Director of People, Croydon Council
BOARD PRIORITY/POLICY CONTEXT:	
<p>Joint health and wellbeing strategy priorities: Priority 1.6 Reduce the proportion of children living in poverty Priority 4.5 Reduce levels of worklessness and long term unemployment</p> <p>Children and Families Partnership priority:</p> <ul style="list-style-type: none"> • Reduce child poverty and mitigate the impact of child poverty. 	
FINANCIAL IMPACT:	
Not applicable	
1. RECOMMENDATIONS	
1.1 To note and comment on progress to date.	

2. EXECUTIVE SUMMARY

- 2.1 This report confirms progress against the council's Household income and child poverty paper update agreed at cabinet on 13th April 2016.
- 2.2 It sets out the background behind the work the council has undertaken, clearly defining our rationale. How we have then linked these issues to wider pieces of work such as our approach to financial inclusion, considering whole family solutions through gateway and outcomes from the Opportunity and Fairness Commission (OFC).
- 2.3 The report sets out the work completed to date, the number of customers that have been assisted and our plans, and next steps for the future.

3. BACKGROUND

- 3.1 Reducing child poverty is a key priority for both the Health and Wellbeing Board and the Children and Families Partnership. Supporting families, particularly lone parent families, in achieving financial stability and finding sustainable employment enables them to meet their child care responsibilities and contributes to reducing child poverty. It will also summarise key outcomes from work undertaken through the gateway teams which underpin some of these objectives.

- 3.2 The most recent data shows that around three quarters of children living in poverty in Croydon live in lone parent families (estimated at 15,000).
- 3.3 These families will include workless families and those with low paid jobs. Although the official figures from 2006-2012 (latest available) show that in Croydon there is a decreasing proportion of children living in workless households, the indications are that for some, the move into employment has been into low paid jobs . Proportion of children living in workless households: 2006 – 19%; 2012 – 12%. The proportion of children in low income working households (i.e. receiving Child Tax Credit / Working Tax Credit) increased by 5.1 percentage points between 2006/7 and 2010/11 (HMRC – Children in out of work benefit households).
- 3.4 An issue was identified by Croydon Jobcentre Plus in engaging with lone parents to understand barriers to them finding sustainable jobs with sufficient net benefits to enable them to lift their families out of poverty. In response to this a survey of lone parents in Croydon was carried out by council officers in early 2014 in partnership with Jobcentre Plus and children’s centres. The parents, all of whom used children’s centre services, reported that barriers to finding sustainable work were high costs of childcare and a lack of part-time and flexible jobs which allow parents to combine caring responsibilities with work.
- 3.5 Around half of responders recognised that beyond the additional income, being in work would increase their independence and to provide a positive role model to their children. In addition a sense of purpose (by one in four) and social contact (by one in five) were identified as factors.
- 3.6 However disadvantages of being in work were identified as less time to care and support their children, cost of childcare and availability of flexible childcare, for example at weekends, and therefore potentially having overall less money once childcare costs were taken into account.
- 3.7 The majority were seeking work which would enable them to work term time only, school hours or flexible hours but were concerns about zero hours contracts were raised and the ability to earn enough.
- 3.8 In addition to lack of flexible jobs and affordable childcare, lack of skills, lack of confidence with applying for jobs, worrying about interviews and inability to afford appropriate clothes for interviews and work were also reported as obstacles to working.
- 3.9 The Child Poverty plan is addressing these issues by:

During 2016, developing a young people led Child Poverty Plan.

<https://www.croydon.gov.uk/healthsocial/families/ccfpartnership/ccfpartnership>

The plan identifies the young people’s top priorities and how they are being addressed.

- Poor education- low educational achievement, lack of qualifications and training

- Environment-poor quality housing and living condition, rundown areas that lack facilities
- Unemployment-joblessness, lack of income and less opportunity
- Poor health-young people can experience poor physical and mental health

The young people's priorities demonstrate that child poverty extends beyond financial poverty and includes intellectual poverty, environmental poverty, lack of opportunity and poor health.

- Local strategies being developed to increase opportunities for flexible working through developing a Flexible Working Borough policy to increase the number of flexible working opportunities in the borough.
 - Croydon has also developed a Good Employer Charter which aims to encourage local businesses to pay the Living Wage, maximising income for local residents.
 - Piloting a course, aimed at lone parents commenced (devised and delivered by CALAT and a local children's centre), to provide targeted support to help lone parents into work
- 3.10 Financial inclusion means stability of a resident's household budget; making educated financial decisions that are right for their needs and developing their skills to realise their personal ambitions in employment - making employment work for them. For the Council, financial inclusion represents providing the infrastructure that enables customers to maximise each of these aims; utilising engaging digital services, closer third party partnerships, the local community and volunteer groups. Promoting proactive intervention to all, but also responding where customers are in most need.
- 3.11 Realising financial inclusion for customers will have significant wider social and economic benefits; greater capacity generated from their income can be moved away from high interest debt repayments into spend within the local economy and also reduced effects from the mental health issues caused through debt. The approach will be built to support those directly accessing council services, to improve links and referrals from other local support and public bodies and where the council pro-actively aims to support local residents.
- 3.12 Enhancing residents' opportunities to utilise on-line/digital services is a key element of helping many families. It is estimated that household's offline are missing out on savings of £560 per year from shopping and paying bills online, or being able to keep in touch with family members and friends. The internet also provides improved job prospects as being digitally capable is critical in finding and securing employment opportunities.
- 3.14 The approach to Financial Inclusion is being led by the Council although it is recognised that in order to best reach out to those most in need, and to provide the broadest range of support, it needs to ensure the right engagement and support with third party partners and local community organisations.

3.17 The financial inclusion principles underpinning the strategy are shown in Table 1 with particular issues identified being addressed to ensure families living in poverty benefit from the plan.

Table 1: Ensuring financial inclusion principles contribute to reducing family poverty

Principle	What does this mean	Examples of consideration to ensure families living in poverty benefit from Financial Inclusion plan
Ensuring customers have access to financial products; such as bank accounts and insurance	Allowing customers to maximise the most of financial products; receive faster payment, direct debit cost savings (and to assist budget management) and cover for unexpected events	Ensuring the primary carer has necessary control of family income.
Educate and develop the skills for all residents to allow them to budget and manage money, or plan for the unexpected	Through budgeting each resident can understand the reality of their income and expenditure, ways to maximise their income, prioritise debts, make lifestyle choices, understanding ways of saving money – food banks, charity shops, energy suppliers, transport etc.	Encouraging families to register for free school meals. Planning ahead for costs in relation to children for example replacing school uniform and other clothes and shoes and having access to second-hand school clothes.
Enabling people to make the most of their money through digital services	Each customer to recognise and have access to the financial benefits of using digital services (paying rent online, requesting benefits) and opportunities to save money through internet deals; freegle, uSwitch, shopping deals, ways to eat healthily for less	Both the benefits of savings but also accessing job websites, IT use for children's homework, accessing course and training materials and preparation for job interviews. This will not always be practical in a library or children's centre depending on childcare demands.
Ensuring there is access to affordable credit	Residents can source the credit that is required for unplanned unexpected events and what impact does this have on their budget. Promotion of Credit Unions, or social fund as an alternative to high interest credit (pay day lenders etc.)	Promotion of safe lending in Children's Centres. Making use of school payment plans for school trips for example when these are available.
Provide skills and opportunity to enter and own their future in employment	Residents understand their capability and the skills required to realise their ambitions. Having access to employment opportunities that match their skills, and keenly recognise the value of employment to them and society.	Having access to employment opportunities which would provide sustainable work because it will flex round available and affordable childcare. This will need to take into account the local child care market for example availability of weekend or evening childcare and differential costs of child care at different times of day for example for before school care or after school care.

3.18 As the new operating model in the Council's People Department evolves we are reviewing how we join up services to improve financial outcomes and support for residents. Our new Gateway and Welfare division leads on this. We are focusing on maximising income by reviewing current entitlements and supporting residents in making new applications where appropriate, finding work and support in overcoming barriers to find work, stabilising finances by carrying out budgeting support and offering debt advice.

4. PROGRESS TO DATE

The progress made for each theme during 2016/17 is as follows:

4.1 Enable our staff to engage effectively with customers regarding financial inclusion.

- Ongoing training has been provided to staff within the following services to provide basic budgeting support to residents:
 - Enablement and Welfare
 - Service Development
 - Housing Needs and Assessments
 - Revenues and Benefits
 - Corporate Debt Recovery
 - Housing Income
- Development of a staff toolkit shared across the above services containing a budgeting guide, budgeting tips, acceptable spend criteria along with cheaper alternatives
- Residents and all staff across the above services, our third and voluntary sector partners and our Jobcentre Plus (JCP) co-workers using one online budgeting tool
- Campaigns and debt awareness workshops have taken place to promote financial inclusion to our residents and staff:
 - Regular debt awareness workshops
 - 12 saves of Christmas

4.2 Undertake improvements to make tools and advice easier to navigate:

- The council's website continues to be reviewed and all money management advice and tools are now located on one web page for easy access for our residents and staff at <https://www.croydon.gov.uk/advice/yourmoney>
- A Croydon branded budgeting tool was developed for both residents and staff. This went live on the council's website in May 2015 and will be superseded in March 2017.
- Gateway has worked closely with Croydon Plus (Credit Union) to develop an *engage classic* account which enables members to access their credit union account on line, provides them with a debit card and a

“money envelope” facility which enables them to manage money for bills etc.

4.3 Promote the adoption of London Living Wage across the borough’s businesses

- The council is an accredited London living wage employer
- It is also now a requirement for all new contractors to pay the London living wage and is working with existing contractors to make the transition
- The council is now a flexible working borough and achieved accreditation from Timewise in December 2016. Our Improvement Plan identifies how the Council will increase flexible working opportunities for its existing staff as well as influence other employers in the borough to adopt flexible working practices.

4.4 Building 3rd party relationships to support financial inclusion

- In June 2015, the council became a Universal Credit (UC) digital pilot site. In partnership with the Department for Work and Pensions (DWP) and JCP, budgeting support has been provided to 1,807 residents migrating to UC who are deemed medium or high risk.
- The council continues to meet bi-monthly with our third and voluntary sector partners to promote services, support and products available to our residents
- A consistent approach to engagement and referral continues to be constantly refined as well as monitoring of outcomes
- This work continues to support the council’s outcome based commissioning review and community empowerment agenda
- Working with Croydon Plus the Council continues to promote new products and services and work collaboratively to meet the needs of our residents.

4.5 Develop skills and opportunities for citizens to maximise income

- The Gateway and Welfare directorate was established as part of the People Department in April 2015. Within the division, the Enablement and Welfare service provide holistic solutions for residents to prevent crisis. Financial stability is at the core and support provision includes:
 - Budgeting support
 - Income maximisation
 - Debt management
 - Employment support
 - Support in finding an affordable home
- Financial stability also supports two of the themes identified by Croydon’s Opportunity and Fairness Commission; finding homes for all and supporting residents to better times. Over 1,700 residents have been able

- to maximise their income through discretionary funding allowing them either to remain affordably in their home or move to an affordable home
- Croydon Healthy Homes is now in place; a project to provide energy efficiency / fuel poverty advice for vulnerable households in the borough with home visits for residents beginning in March 2016

5. OUTCOMES DELIVERED TO DATE

- 5.1 Since the last update April 2016 Gateway has engaged with over 10,000 households. Over £9 million has been claimed in additional welfare entitlements and over 1,800 residents yearly have access to in-work and out-of-work benefits through phone advice, case work advice and one to one support: the welfare rights service operates in health settings, children's health centres, home visits, and outreach in community centres. Included in this figure is a specific service targeting families whose child(ren) have a disability: since April 2016 it has supported over 290 families to claim disability benefits and in/out of work financial support worth over £1.8 million so far. This work is vital in supporting families who are then able to access the free 2-year-old nursery funding offer.
- 5.2 Financial stability also supports two of the themes identified by Croydon's Opportunity and Fairness Commission (OFC); finding homes for all and supporting residents to better times and Gateway has supported over 1700 residents maximise their income through discretionary funding allowing them either to affordably remain in their home or move to an affordable home suited to their need, 546 households have been supported with a move to a more affordable home (a 67% increase from 2015/2016).
- 5.3 Gateway and Welfare has supported nearly 240 households struggling with external debt and whose total debt was just over £1.5 million. By providing support, the overall debt owed has been reduced by over £73,000 with payment plans and budgeting support in place. In addition 4000 budget planners have been completed for households to help stabilise family income.
- 5.4 5,290 children have been identified as being eligible and have been provided with Free School Meals and take-up continues to be promoted across services to increase this figure.
- 5.5 To help tackle fuel poverty Croydon Healthy Homes worked with Gateway and other service areas to deliver a project to provide energy efficiency / fuel poverty advice and equipment for vulnerable households in the borough with home visits for residents beginning in June 16. 200 households at financial risk have benefited from a home visit enabling them to be lifted out of fuel poverty and have a healthy home.
- 5.6 Gateway is working collaboratively with Croydon Plus to pilot and roll out further innovative products such as a "jam jar" account which will enable customers to have income paid into a budgeting account which will not only ensure that standing orders are in place for bill payments but will encourage and support a cultural change in terms of saving. This approach will have significant wider social and economic benefits; with greater capacity

generated from their income, families can move away from high-interest debt repayments and reducing the effects of debt on mental health. The approach will be built to support those directly accessing council services, to improve links and referrals from other local support and public bodies and where the council pro-actively aims to support local residents.

- 5.7 Gateway has developed a Gateway Employment Support Service which works in partnership with Croydon Works and Jobcentre Plus (JCP) to support residents into work and training: reducing poverty by developing skills and opportunities. JCP are co-located within the People Department and work alongside Gateway and Welfare, the leaving care service and the troubled families programme. Of the most vulnerable families referred to Gateway and Welfare for employment support 128 (44%) have successfully gained sustainable employment.
- 5.8 Service areas within the People's department that provide employment support have supported the development of Croydon Works which maximises benefits from regeneration and growth; delivers preferential routes into sustainable work for our residents; and provides opportunities for better paid employment for our lowest paid households.
- 5.9 Gateway and Welfare have worked in conjunction with colleagues in Croydon Works to identify specific training needs and have developed a Childminding pathway for households affected by the increase of the benefit cap. Using intelligent data we have identified over 9,000 residents, currently on housing benefit, whose earnings are at or below minimum wage, enabling specific targeted support for those households.
- 5.10 Gateway and School Standards have worked collaboratively since Sept 2016 to identify young people not in education, employment or training (NEETS) - cross referencing housing benefit and school standards data. Using the segmented data, a cross service approach to support NEETs and their families into employment, education or training was initiated with over 160 young people now EET and over 20 families assisted with wider support needs.
- 5.11 Using funding secured from the DWP, Early Help and Gateway developed a Local Family Offer identifying and supporting financially unstable parents/co-parents at risk of poor parental relationships, thereby not only contributing to reducing the incidence of children in poverty but improving outcomes for those families in general, 9 of the 44 participants were assisted into sustainable employment, with all receiving budgeting support.
- 5.12 Following on from the 3 Think Family Panels held during 2016, the Family Link pilot has worked directly with 31 families and advised on a further 38. These families typically require multiple complex interventions and are high cost to the Council. The Family Link pilot has not only achieved positive outcomes for those residents but has reduced costs to the Council.

- 5.13 Our Community Connect project is delivering the Gateway approach into the community, developing a first response community hub model run by the community for the community, developing partnerships with stakeholders, removing barriers to access services and improving residents lives. Already 35 households in New Addington have engaged with the service with 5 homeless preventions and 4 people moving into work.
- 5.14 The reconfiguration of our statutory homeless service has meant that 322 vulnerable families have been prevented from becoming homeless. 196 have been assisted to find alternative suitable accommodation and 126 have remained in their homes following support.

6. NEXT STEPS

- 6.1 The continuing ambition of the People's department is to bring together existing support arrangements to promote household independence through an aligned financial, training/work and housing support offer, build it into business as usual and scale, moving towards a single front door. To include:

Developing a single view of the household - cross referencing multiple council systems to identify households who have multiple interventions and therefore cost the Council the most amount of money.

Further strengthening the combined financial offer to residents, Croydon has been transforming its services, and the continuing ambition is to bring together existing support arrangements to promote household independence through an aligned financial, training/work and housing support offer.

- 6.2 Enable our staff to engage effectively with customers regarding financial inclusion
- Continue to develop effective customer insight to proactively engage with vulnerable customers
 - Develop online learning for staff on financial inclusion to increase take up of our services
- 6.3 Undertake improvements to make tools and advice easier to navigate
- In line with the council's digital inclusion plan and through its digital and enablement programme, continue to expand the use of MyAccount, digital zones and online provision of financial inclusion information, advice and tools
 - Continue to develop and promote self-serve tools
- 6.4 Continue to promote the adoption of the London Living Wage and Flexible Working practices across the borough's businesses.
- Enforce the requirement for all new contractors to pay the London living wage and flexible working practices.
 - Continue working with existing contractors to make the transition

6.5 Building third party relationships to support financial inclusion

- Following the re-launch of Croydon's credit union, continue to develop financial products to meet local resident's needs. Initial ideas for jam jar accounts and flexible loans have been discussed. A timeline and approach is now to be agreed with a view to launch during 2017
- Agree approach to providing advice, be this signposting or working in partnership with the third sector
- Continuous development of the new operating model, including agreeing measures, monitoring and review timings

6.6 Develop skills and opportunities for residents to maximise income

- Join up our customer insight on residents seeking employment with Croydon Works
- Link CALAT provision to the skills gaps identified for our residents
- Further enhance our links with provision already available in the third sector
- Contribute to the council's commissioning review to support outcome based commissioning

6.7 Continue to develop our working relationship with "Croydon Plus" (the newly branded credit union). Increasing the accessibility for all to financial products that best support families to achieve stability.

7. EQUALITIES IMPACT

7.1 An Equality impact assessment was carried out in relation to the development of the Child Poverty Strategy

7.2 The Financial Inclusion plan sets out the key principles and activities around financial inclusion that the Council is proposing to use to provide better support to residents, especially the most vulnerable (including those that share a protected characteristic), who are facing economic challenges and financial exclusion. These principles will be used to achieve a financially inclusive Croydon where residents have access to a comprehensive range of appropriate financial and money advice services, as well as the knowledge, skills and confidence to maximise their own financial well-being. An equality analysis will be undertaken as part of the development of the business case and the delivery plan for the key principles that the Council will use to promote financial inclusion as set out in the January 2015 Cabinet report.

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BACKGROUND DOCUMENTS: None