

Rother District Council

Report to: Overview and Scrutiny Committee

Date: 7 June 2021

Title: Recommendations of the Anti-Poverty Task and Finish Group

Report of: Head of Service Housing and Community

Ward(s): All

Purpose of Report: For the Overview and Scrutiny Committee to consider the findings of the Anti-Poverty Task and Finish APT&FG and make recommendations to Cabinet.

Officer

Recommendation(s): It be **RESOLVED:** That Cabinet be requested to agree that:

- 1) an Anti-Poverty Strategy and Action Plan be developed for the district between partner services, led by the Council in partnership with Rother Voluntary Action and the Local Strategic Partnership;
- 2) the Council Tax Reduction Scheme Hardship Fund be reviewed by officers and report back to the Overview and Scrutiny Committee on options for improving the promotion of the scheme and the potential of establishing a mechanism for public donations to supplement the Hardship Fund;
- 3) the maximum support under the Council Tax Reduction Scheme be increased above the current 80% when the Council achieves its financial stability ambition, as set out in the draft Corporate Plan; and
- 4) consultation takes place with the public and key stakeholders on improving access to Council Tax Reduction Scheme for self-employed people who are also carers and those self-employed residents who are registered disabled, as outlined in this report.

Introduction

1. In January 2020 the Overview and Scrutiny Committee approved the formation of an Anti-Poverty Task and Finish Group (APT&FG) and set its Terms of Reference, attached at Appendix A. The aim of the APT&FG is to investigate the effects of income, health and housing poverty on local people and the local services that support them. The original timetable for the activity of the APT&FG has been revised due to the impact of COVID-19.
2. The Council's emerging Corporate Plan 2020-2027 includes a number of objectives that aspire to improve the economic, housing, health and wellbeing outcomes of its residents; therefore, adopting measures and supporting local initiatives that address some of the causes of income, health and housing

poverty (and alleviate its effects) will support the Council in its wider corporate ambitions.

3. The APT&FG held two events to gather evidence from external partners and internal Council colleagues to meet its objectives. The objectives are:
 - To undertake a review of the accessibility of appropriate financial products, including an analysis of the forms of less appropriate forms of credit and the extent of their use.
 - To assess how residents are educated about finances and consider what improvements can be made to financial literacy in the District.
 - To consider the impact of Council Tax Reduction policy and the accessibility of Council Tax Reduction to those experiencing financial hardship.
 - To consider the impact of Council administered discretionary housing benefit payments (DHP) its accessibility and the processes used to allocate DHP to those at risk of homelessness.
 - To investigate the availability of financial advice, homelessness advice, employment and training advice and the role of the Council in supporting these.
 - To investigate the availability of affordable fuel, food and other provisions and the Council's role in supporting these.
4. The first event was held on 17 November 2020 and invited a range of partner agencies to inform the APT&FG of the extent of poverty locally. The APT&FG asked the agencies invited to summarise the services they offer and provide details of the types of service user that access their services. The APT&FG also invited partner agencies to describe the main challenges service users experience in relation to poverty and where the main gaps in service provision exist.
5. The second event was held on the 9 December 2020 and focussed on examining the role of Rother District Council services. The APT&FG received presentations from the Council's housing needs, revenue and benefits and environmental health services and explored how these might be delivered differently to relieve poverty.
6. There was also a presentation to Members on the Council Tax Reduction (CTR) Scheme delivered by the Council's technical consultant on the 27 April 2021. This summarised the range of CTR schemes nationally and how the Rother scheme compared.
7. The evidence gathering sessions provided reassuring evidence of the levels of commitment from the professionals present to alleviating the symptoms of poverty. There is a great deal of service activity locally and an impressive level of knowledge and expertise within both Council and partner services. In addition, Rother Voluntary Action (RVA) is commissioned to support the voluntary and community sectors and successfully coordinates much of the existing activity in this area. The existing partnership between RVA and RDC is effective and successfully coordinates the Local Strategic Partnership (LSP), providing a forum where voluntary and community agencies can collaborate with statutory partners.
8. However, the evidence gathering sessions identified areas for improvement in how Council and partner services are delivered. The way in which services are

coordinated is sometimes disjointed and there was evidence of service duplication, particularly in the provision of benefits and budgeting support. In addition, while a wide range of specialist services are available to residents, they are not always delivered in a way that makes them accessible so that crisis situations can be prevented from developing; and finally, the way in which service information is promoted to service users and between professionals is uncoordinated at times and very focussed online. A multi-agency Anti-Poverty Strategy may well offer partners a means of achieving improvements in these areas.

Evidence Gathering

9. The two events underlined to Members that the causes of poverty are complex and driven by a range of interrelated forces across income, health, housing, employment and education. Good working relationships exist between many of these services, notwithstanding the scope for improvement that has been identified; for example, the Local Strategic Partnership is a well-established forum delivered between RDC and RVA and has already identified many of the needs relating to income, health, food and housing poverty in the past; further, the Council already commissions benefits and budgeting advice services through Citizens Advice, as well as specialist legal advice to alleviate poor landlord practices through BHT Sussex.
10. The APT&FG was able to address at least three of its objectives through the process of listening to evidence from the range of providers that attended the first event. The APT&FG heard from local providers, who described using their specialist knowledge and expertise to successfully deliver a range of services to a large cohort of service users. The relative accessibility of financial products as well as the levels of financial literacy in the district are understood by these specialist partner services and there does not appear to be a gap in these expertise; further, there is seemingly no shortage of available housing and employment advice in the district.
11. The second event focussed on the Council's housing needs, revenue and benefits and the private sector housing team services. A series of briefings were delivered to Members, describing the detail of the services the Council offers to residents. In a similar vein to the first event, it was noted that the Council provides a great deal of advice and support in these areas; however, the modes of service delivery are perhaps reactive and designed to be administratively efficient rather than to be accessible. It was also identified that these services could be more proactively promoted to residents, Members, and other service providers.
12. However, there was plenty of evidence to suggest that some families are routinely being forced to choose between heating their homes, feeding themselves or paying their rent. In addition, the level of unmet need – while unquantified – is very likely to be high, given the increase in food bank use, presentation to benefits advice services, and levels of homelessness in recent years and more recently following COVID-19. It was also identified that the stigma associated with poverty makes some residents reluctant to seek help or 'be seen' to access services from a location associated with supporting those experiencing hardship.

Challenges

Service Coordination

13. The two events held identified challenges relating to the coordination of services and the confusion experienced by service users forced to navigate between an array of statutory, voluntary and community services. In addition, there did seem to be some evidence of a duplication of services.
- There are a high number of services available locally and there was concern that these may not be being coordinated between service providers and commissioners effectively at strategic levels.
 - There was evidence that there is no group locally coordinating the operational delivery of benefits advice, homelessness support, housing quality and food and fuel poverty services.
 - Every contact counts: a similar concern that front-line staff did not know what services are available locally and are unable to advise people holistically.
 - Barriers to data sharing need to be overcome so that organisations can share information between teams and organisations to share information to assist individuals effectively.
 - There is a strong link between financial and housing poverty and poor health outcomes and there is scope for greater coordination between support services and health providers.
 - The provision of affordable childcare is crucial in supporting access to employment as well as lifting children out of the effects of poverty through improved educational attainment.
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Service accessibility

14. Further challenges identified related to the accessibility of services and their promotion:
- Access to the internet is imperfect, particularly in rural areas and service providers should not assume internet access is effective across all demographics and geographical locations.
 - There is a lot of reliance locally on signposting individuals to services through online routes and the telephone when many vulnerable people may not be able to access online or telephone services.
 - Service locations are distant from one another and not always in convenient locations.
 - Rural areas are challenging places in which to deliver services; however, there is limited use of technology and utilising existing community locations such as parish / town council buildings to deliver services.
 - There needs to be an upskilling of RDC staff so that residents are provided with information and the right advice at the right time – making every contact count.

Service promotion

- There is a low level of knowledge amongst professionals and service users of the existing East Sussex Community Information Service.

- Literacy levels among some is limited - with the average reading age being nine years old nationally - are services therefore reaching those with low literacy levels effectively, through written communication and promotion?
- There is an overwhelming amount of information produced that promotes different services and it is not coordinated through a central group that could target vulnerable groups collectively.

Solutions

15. In addition to the challenges identified many solutions were proposed by attendees to the evidence gathering sessions, which are summarised here:

- **Hubs** – can we harness existing hubs and increase the number of services located together in different venues e.g. Council buildings, The Pelham, CAB.
- **Street sheet** – a leaflet summarising services and where they are located might support greater accessibility.
- **Making every contact count** – Scale of activity and number of different services and grant-funding opportunities – we could inform the public and officers on the frontline what is out there more effectively.
- **Homelessness** - We might invest more in services that seek to prevent homelessness – particularly regards support with damp/disrepair and eviction.
- **Digital exclusion** – encourage parishes and community groups to open their offices to residents to access internet and support.
- Linked to the above is ‘virtual hubs’ and Zoom to improve access to services esp. rural residents.
- **Local Strategic Partnership** – logical vehicle for delivering an anti-poverty strategy – more partnership focussed.
- **Communication** – a need to ensure services communicate in plain English and websites utilise software such as Recite, to support comprehension.
- **Philanthropy** - residents who can afford to make a donation to the Council to enhance the level of support provided to those in need of Council Tax relief; other Councils have used such mechanisms as crowd funding.
- **Customer Services** – the Council’s Customer Services Team need to be up to date with all initiatives / grants / charitable organisations so they can advise residents and enable residents to access the support they require to access services effectively.
- **Artificial Intelligence (AI) & algorithms** – the use of AI and algorithms may improve accessibility and be less complicated than on-line forms that used algorithms to guide claimants; more assistance to those in community that have a learning disability.

Council Tax Reduction Scheme

16. The CTR presentation in April 2021 illustrated that Rother is ahead of many local authority areas in having an income banded system in operation and that the level of financial support offered was typical. The income banded scheme had many advantages for the claimant and simplified the administration. Further work would be undertaken in time for any final decisions in June, to illustrate the impact of increasing the amount of help given. It was, however, clear that moving towards a 100% CTR scheme would have significant implications on the Council and other organisations who receive a share of council tax revenue.

17. The Group did however agree three actions to recommend to the OSC:

a. that the current Council Tax Reduction Scheme Hardship Fund should be reviewed and a plan for better promoting the scheme in the community be developed. In addition it was suggested that the Council should establish a donations page on the Council website to supplement the Hardship Fund.

b. that Cabinet be requested to consider increasing the maximum support under the Council Tax Reduction Scheme above the current 80% when the Council achieves its financial stability ambition, as set out in the draft Corporate Plan

c. that Cabinet be requested to consult with the public and key stakeholders on improving access to Council Tax Reduction Scheme for self-employed people who are also carers and those self-employed residents who are registered disabled. The current scheme reflected previous national benefits in assuming a minimum level of working and income. Experience has shown that the current scheme disadvantages those households where full-time work is not possible, in particular where they are carers or where they are disabled. Details of the current scheme and the proposed changes are shown at Appendix B.

Conclusion

18. It is clear from the evidence gathering sessions that the causes of poverty are multiple and complex and its symptoms wide ranging. The effects of poverty are felt by a range of different sectors of the community across different demographic groups and geographic locations. Therefore, strategic objectives should be developed between partner services alongside a Strategy Action Plan the delivery of which should be led by the Council and Rother Voluntary Action, in partnership.
19. The recommended aim of the strategy is for statutory and community services operating in the Rother district to work together to reduce levels of poverty. The main objectives of the strategy are recommended as follows:
 - **Coordination:** develop local strategic commissioning and operational structures to coordinate services designed to alleviate poverty
 - **Access:** maximise the accessibility of services so that those in the greatest need can be reached
 - **Promotion:** promote information, advice and support to service users and professionals
20. The delivery of the strategy is also a consideration and it is recommended that the development and delivery of the proposed strategy be coordinated in partnership with RVA through the Local Strategic Partnership.
21. Elsewhere on this Agenda the OSC will consider its Annual Work Programme and what Task and Finish Groups it wishes to maintain / re-appoint for the new municipal year. This will determine whether the resulting draft strategy will be considered by a further meeting of the APT&FG or reported back direct to the main OSC.

Legal Implications

22. An Equalities Impact Assessment will need to be completed before a final Strategy is adopted.

Environmental Implications

23. Current and future district environmental strategies and interventions will need to consider the needs of those experiencing poverty of access to adequate income, health, housing and education and ensure these needs are met.

Other Implications	Applies?	Other Implications	Applies?
Human Rights	No	Equalities and Diversity	No
Crime and Disorder	No	External Consultation	No
Environmental	Yes	Access to Information	No
Risk Management	No	Exempt from publication	No

Chief Executive:	Malcolm Johnston
Report Contact Officer:	Joe Powell, Head of Service Housing and Community Robin Vennard, Assistant Director Resources
e-mail address:	Joe.powell@rother.gov.uk robin.vennard@rother.gov.uk
Appendices:	A - Terms of Reference - Anti-Poverty Task and Finish Group B - Council Tax Reduction Scheme – Proposed Minimum Income Floor
Relevant previous Minutes:	None.
Background Papers: Reference Documents:	None.

Terms of Reference

Anti-Poverty Task and Finish Group

1. Aims and origin

- 1.1 The Council has a longstanding role in tackling poverty and raising aspirations with its partners, something that is at the centre of the aims of its Corporate Plan 2014-2021:

- **An Efficient, Flexible and Effective Council**
- **Sustainable Economic Prosperity**
- **Stronger, Safer Communities**
- **A Quality Physical Environment**

- 1.2 The aims of the Group are to:

- contribute to the development of an Anti-Poverty Strategy for Rother; and
- identify new ways of working to reduce poverty and hardship within the district.

2. Objectives

- 2.1 To undertake a review of the accessibility of appropriate financial products, including an analysis of the forms of less appropriate forms of credit and the extent of their use.
- 2.2 To assess how residents are educated about finances and consider what improvements can be made to financial literacy in the district.
- 2.3 To consider the impact of the Council Tax Reduction Scheme policy and the accessibility to the scheme by those experiencing financial hardship.
- 2.4 To consider the impact of Council administered discretionary housing benefit payments (DHP), its accessibility and the processes used to allocate DHP to those at risk of homelessness.
- 2.5 To investigate the availability of financial advice, homelessness advice, employment and training advice and the role of the Council in supporting these.
- 2.6 To investigate the availability of affordable fuel, food and other provisions and to consider if the Council has a role in supporting these.

3. Background

- 3.1 At its meeting on 14 September 2019 the Overview and Scrutiny resolved to establish a Task and Finish Group to consider how to deal with issues of poverty and hardship within the district.
- 3.2 Due to substantial changes in the benefits system, the services that the Council operates, the increase in the cost of living and the current economic

climate, the Council needs to identify measures it can take with its partners to help alleviate hardship.

- 3.3 At the Cabinet meeting held on 4 November 2019, it was resolved as part of the fees and charges report that this Task and Finish Group be tasked with looking at how the Council could support residents on low incomes across the district by reducing certain charges for residents who were in receipt of certain benefits.

4. Resources

- 4.1 Six Members to be appointed to the Task and Finish Group.
- 4.2 The group will be supported by officers from the Corporate Core, Policy and Housing and Community services and such others as the Group deems appropriate.
- 4.3 The Overview and Scrutiny Committee will be invited to input into the review and will be kept informed of the Group's progress.
- 4.4 The Task and Finish Group will determine which external organisations will be invited to give evidence to the Group.
- 4.5 It may be necessary for the Group to appoint expert witnesses to assist with its work.

5. Timetable

- 5.1 It is proposed that the work of the Anti-Poverty Task and Finish Group is scheduled as follows (a further detailed timetable will be determined following agreement of these Terms of Reference):

	Purpose
1	Evidence/Information Gathering Collate evidence against all objectives <i>Indicative time frame: June 2020</i>
2	Consolidation Meeting To consider the evidence and any additional information, and agree recommendations <i>Indicative time frame: July 2020</i>
3	Final Report To agree the final Draft Report before referring it to the Overview and Scrutiny Committee for consideration and approval. <i>Indicative time frame: Dec 2020</i>

Minimum Income Floor

The minimum income floor affects those claimants who are currently self-employed. Financial support is given for a start-up period of one year after which it would be assumed that the claimant is achieving a minimum level of income when assessing CTR. This would be based on 35 hours multiplied by the National Minimum Wage and this is in line with the approach taken under Universal Credit.

It is proposed to amend the Minimum Income Floor as follows:

- For self-employed applicants with caring responsibilities for a vulnerable person (excluding care for dependent children) the Council will have the discretion to reduce the assumed hours worked from 35 per week to take into account the care and support being provided.
- For self-employed applicants who are lone parents, the income from self-employment will be calculated using the greater of either their actual income taken from their profit and loss accounts or 16 hours at the national living wage.
- For self-employed applicants who also undertake PAYE employment the Council will have discretion to use the number of self-employed hours at the national living wage that, when combined with the hours worked during the PAYE employment, does not exceed 35 hours per week.
- For self-employed applicants in receipt of a disability benefit, the income from self-employment will be calculated using the greater of either their actual income taken from their profit and loss accounts or 16 hours at the national living wage.

Extract from the current Council Tax Reduction Scheme**20.0 Earnings of self-employed earners**

20.1 Subject to paragraph 20.2, 'earnings', in the case of employment as a self-employed earner, means the gross income of the employment plus any allowance paid under section 2 of the 1973 Act or section 2 of the Enterprise and New Towns (Scotland) Act 1990 to the applicant for the purpose of assisting him in carrying on his business unless at the date of claim the allowance has been terminated.

20.2 'Earnings' shall not include any payment in respect of a person accommodated with the applicant under arrangements made by a local authority or voluntary organisation and payments made to the applicant by a health authority, local authority or voluntary organisation in respect of persons temporarily in the applicant's care) nor shall it include any sports award.

20.3 This paragraph applies to –

- a. royalties or other sums paid as a consideration for the use of, or the right to use, any copyright, design, patent or trade mark; or
- b. any payment in respect of any
 - (i) book registered under the Public Lending Right Scheme 1982; or
 - (ii) work made under any international public lending right scheme that is analogous to the Public Lending Right Scheme 1982, where the applicant is the first owner of the copyright, design, patent or trade mark, or an original contributor to the book of work concerned.

21.0 Calculation of net profit of self-employed earners

- 21.1 For the purposes of the average weekly earnings (of self-employed earners) the earnings of an applicant to be taken into account shall be:
- a. in the case of a self-employed earner who is engaged in employment on his own account, the net profit derived from that employment;
 - b. in the case of a self-employed earner whose employment is carried on in partnership or is that of a share fisherman within the meaning of the Social Security (Mariners' Benefits) Regulations 1975, his share of the net profit derived from that employment, less-
 - 1. an amount in respect of income tax and of national insurance contributions payable under the Act; and
 - 11. one-half of the amount calculated in respect of any qualifying premium; and
 - 111. £25, this deduction shall apply once only irrespective of whether a person is also employed or self-employed in a number of occupations. For the avoidance of doubt a single £25 per week disregard shall be granted to any claim. Irrespective of the household composition, the number of employed persons within the household or the type or number of employment (s) or self-employment(s).
- 21.2 The net profit of the employment shall be calculated by taking into account the earnings of the employment over the assessment period less any expenses wholly and exclusively incurred in that period for the purposes of the employment.
- 21.3 Subject to paragraph 21.4 no deduction shall be made, in respect of -
- a. any capital expenditure;
 - b. the depreciation of any capital asset;
 - c. any sum employed or intended to be employed in the setting up or expansion of the employment;
 - d. any loss incurred before the beginning of the assessment period;
 - e. the repayment of capital on any loan taken out for the purposes of the employment;
 - f. any expenses incurred in providing business entertainment, and
 - g. any debts, except bad debts proved to be such, but this sub-paragraph shall not apply to any expenses incurred in the recovery of a debt.
- 21.4 The authority shall refuse to make deduction in respect of any expenses where it is not satisfied given the nature and the amount of the expense that it has been reasonably incurred.
- 21.5 For the avoidance of doubt deduction shall not be made in respect of any sum unless it has been expended for the purposes of the business;
- 21.6 Where an applicant is engaged in employment, as a child minder the net profit of the employment shall be one third of the earnings of that employment, less an amount in respect of
- a. income tax; and
 - b. national insurance contributions payable under the Act; and
 - c. one-half of the amount in respect of any qualifying contribution; and

- d. £25, this deduction shall apply once only irrespective of whether a person is also employed or self-employed in a number of occupations. For the avoidance of doubt a single £25 per week disregard shall be granted to any claim. Irrespective of the household composition, the number of employed persons within the household or the type or number of employments or self-employments.
- 21.7 For the avoidance of doubt where an applicant is engaged in employment as a self-employed earner and he is also engaged in one or more other employments as a self-employed or employed earner any loss incurred in any one of his employments shall not be offset against his earnings in any other of his employments.
- 21.8 The amount in respect of any qualifying premium shall be calculated by multiplying the daily amount of the qualifying premium by the number equal to the number of days in the assessment period; and for the purposes of this section the daily amount of the qualifying premium shall be determined
- a. where the qualifying premium is payable monthly, by multiplying the amount of the qualifying premium by 12 and divided the product by 365;
 - b. in any other case, by dividing the amount of the qualifying premium by the number equal to the number of days in the period to which the qualifying premium relates.
- 21.9 In this section, 'qualifying premium' means any premium which is payable periodically in respect of a personal pension scheme and is so payable on or after the date of claim.

22.0 Deduction of tax and contributions of self-employed earners

- 22.1 The amount to be deducted in respect of income tax under these sections shall be calculated on the basis of the amount of chargeable income and as if that income were assessable to income tax at the basic rate of tax applicable to the assessment period less only the personal relief to which the applicant is entitled under section 257(1) of the Income and Corporation Taxes Act 1988(personal allowances) as is appropriate to his circumstances; but, if the assessment period is less than a year, the earnings to which the basic rate of tax is to be applied and the amount of the personal reliefs deductible under this paragraph shall be calculated on a pro rata basis.
- 22.2 The amount to be deducted in respect of national insurance contributions under this part shall be the amount of Class 4 contributions (if any) which would be payable under section 15 of the Act (Class 4 contributions recoverable under the Income Tax Acts) at the percentage rate applicable to the assessment period on so much of the chargeable income as exceeds the lower limit but does not exceed the upper limit of profits and gains applicable for the tax year applicable to the assessment period; but if the assessment period is less than a year, those limits shall be reduced pro rata.
- 22.3 In this section 'chargeable income' means-
- a. except where sub-paragraph (b) applies, the earnings derived from the employment less any expenses deducted; or
 - b. in the case of employment as a child minder, one-third of the earnings of that employment.

23.0 Minimum Income Floor

- 23.1 Where no start up period (as defined within 23.2) applies to the applicant and the income from self-employment of the applicant or partner is less than an amount determined by the national living wage per hour multiplied by 35 hours per week (the Minimum Income Floor), the income used by the authority in the calculation of their award will be substituted to that appropriate amount. This amount shall not be less than 35 x the national living wage, or where higher the number of hours declared by the applicant multiplied by the national living wage. From that, the authority will deduct only an estimate for tax, national insurance and half a pension contribution (where a pension contribution is being made).
- 23.2 The authority shall determine an appropriate start up period for the employment activity being conducted by the claimant or partner. This will normally be one year from the date of claim, or one year from the date of commencement of the employment activity, whichever is sooner. During this period no Minimum Income Floor shall be applied. The start-up period ends where the person is no longer in gainful self-employment.
- 23.3 Where a claimant or partner holds a position in a company that is analogous to that of a sole owner or partner in the business of that company, he shall be treated as if he were such sole owner or partner and in such a case be subject to the Minimum Income Floor where appropriate.
- 23.4 Ordinarily, no start-up period may be applied in relation to a claimant where a start-up period has previously been applied, whether in relation to a current or previous award of a Council Tax Reduction. The authority may allow a subsequent employment to qualify for a start-up period based on the previous history of the claimant and an assessment of such evidence that would support a decision to allow for a subsequent start up period.
- 23.5 In order to establish whether to award a start-up period, or at its discretion a subsequent start up period, the claimant must satisfy the authority that the employment is:
- Genuine and effective. The authority must be satisfied that the employment activity is being conducted.
 - Taking up at least 35 hours per week
 - Being conducted with the intention of increasing the income received to the level that would be conducive with that form of employment.
- 23.6 For the purposes of determining whether a claimant is in gainful self-employment or meets the conditions for a start-up-period, the Council will require the claimant to provide such evidence or information that it reasonably requires to make that decision, the Council may also require the self-employed person to attend an interview for the purpose of establishing whether the employment is gainful or whether the conditions for a start-up period are met.