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**Title of meeting:** Health and Wellbeing Board

**Subject:** Tackling poverty in Portsmouth

**Date of meeting:** 29<sup>th</sup> November 2023

**Report by:** Helen Atkinson, Director of Public Health

**Report Author:** Mark Sage, Tackling Poverty Co-ordinator

**Wards affected:** All

**1. Requested by** Director of Public Health

**2. Purpose**

- 2.1. To provide an update to the Health and Wellbeing Board on the tackling poverty priority area of the strategy, building on the evidence base and needs assessment provided by the Public Health Annual Report 2023.
- 2.2. To outline action to date and the next steps to strengthen and develop this area of work, highlighting resource pressures and the role of the Health and Wellbeing Board member organisations and other partners.
- 2.3. The City Council's Cabinet has been updated and a link to that report is shown in the document table.

**3. Information Requested**

- 3.1. The Health and Wellbeing Strategy outlines why tackling poverty underpins health improvement outcomes, building on the work of the Marmot Review<sup>1</sup> to identify the wider determinants of health.

<sup>1</sup> <https://www.instituteofhealthequity.org/resources-reports/fair-society-healthy-lives-the-marmot-review>

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- 3.2. Social inequality is considered the fundamental underlying cause of poor health outcomes and therefore tackling poverty is central to addressing health inequalities.
- 3.3. The Strategy includes a shared commitment across the services represented by the Board to take action to help local residents to escape poverty, and to reduce the impact of poverty for those affected.
- 3.4. This report provides an update on the work that has taken place since the last update on this priority area in September 2022.
- 3.5. This report also highlights the significant role for Board member organisations working collectively to take action to tackle poverty.

### **3.6. Poverty in Portsmouth**

- 3.6.1. The Public Health Annual Report 2023: Poverty and the cost of living crisis in Portsmouth - Needs Assessment<sup>2</sup>, provides an updated evidence base to support the city's tackling poverty work and response to the cost of living challenges facing many residents.
- 3.6.2. The report highlights the challenges many residents face, with one in six children (6,408 children) in the city growing up in poverty. It also demonstrates the inequalities within the city, with one in four (1,041) children in Charles Dickens ward in poverty, compared to one in fourteen (175) in Drayton and Farlington.
- 3.6.3. Although children in out of work families are more likely to be in poverty, two thirds of children in poverty in Portsmouth live in families where at least one parent works.
- 3.6.4. Nationally, almost one in six adults are in poverty after their housing costs are taken into account, but this increases to more than one in four adults living in a family with a disabled member. In Portsmouth the 2021 Census showed 18% of residents (36,600) identified as having a disability.
- 3.6.5. The report outlines how poverty intersects and interacts with other forms of disadvantage and exclusion, highlighting groups of residents in greater need of support.

### **3.7. Cost of living pressures for households**

- 3.7.1. Although inflation is beginning to fall, the higher prices caused by inflation and interest rate pressures are not expected to reduce rapidly. Wages and welfare benefit entitlements have not kept pace with inflation, leaving an ongoing shortfall in household spending power.
- 3.7.2. Two of the primary causes of cost of living pressures for lower income households since 2022 have been energy prices and food prices.

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<sup>2</sup>

<https://democracy.portsmouth.gov.uk/documents/s47960/Director%20of%20Public%20Healths%20Annual%20Report%20-%20Full%20report.pdf>

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- 3.7.3. The energy price cap from October is £1,923 a year for a typical dual-fuel household paying by direct debit. This has reduced from £2,074 in July, and £2,500 for the period October 2022 to June 2023, under the Energy Price Guarantee<sup>3</sup>.
- 3.7.4. However, the price cap this October remains 50% higher than in 2021, and the standing charge element of the price cap has increased, so the less energy a household uses, the less money they will save under the new price cap.
- 3.7.5. The Resolution Foundation has estimated that a third of households will face higher energy bills this winter compared to last year<sup>4</sup>, following the removal of the Energy Bills Support Scheme, which provided every household paying energy bills with payments totalling £400 last winter. Therefore energy bills and cold homes continue to be a significant concern.
- 3.7.6. Food price inflation peaked at 19.2% in March this year, the highest rate in over 45 years<sup>5</sup>. Since then it has slowed, and was at 10.1% in the year to October 2023. Although inflation is reducing, this only means that prices are increasing at a slightly slower rate; food prices remain one of the biggest pressures on household budgets.
- 3.7.7. The Bank of England's Monetary Policy Committee has been increasing interest rates since December 2021<sup>6</sup>, in an attempt to curb inflation. This increases the cost of borrowing including mortgages, which increases housing costs for homeowners and places additional pressure on the rental market, with increased demand from those unable to afford a mortgage, and higher mortgage costs being passed on to tenants in rent increases.
- 3.7.8. With many mortgage holders in fixed term deals, rising mortgage rates affect households at different times, so some household budgets will not yet be affected, but will face a sudden increase when their fixed term expires.
- 3.7.9. Interest rate rises feed through more quickly into unsecured personal borrowing, with the Money Charity reporting that nationally average credit card debt stood at £2,394 per household in August 2023, an increase of 8% on the year before<sup>7</sup>.

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<sup>3</sup> <https://commonslibrary.parliament.uk/research-briefings/cbp-9714/>

<sup>4</sup> <https://www.resolutionfoundation.org/publications/gotta-get-through-this/>

<sup>5</sup> <https://www.ons.gov.uk/economy/inflationandpriceindices/articles/costoflivinginsights/food>

<sup>6</sup> <https://commonslibrary.parliament.uk/research-briefings/sn02802/>

<sup>7</sup> <https://themoneycharity.org.uk/money-statistics/>

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3.7.10. To inform the local response to the cost of living crisis, the council's Public Health Intelligence Team created a cost of living dashboard, bringing together key local and national data. This has now been published on the council's Joint Strategic Needs Assessment webpage<sup>8</sup>, providing statutory, voluntary and private sector organisations and residents with access to data, to better understand the impact of the crisis and needs in the city.

### **3.8. Action to tackle poverty and the cost of living**

3.8.1. The council continues to deliver support to residents under the Household Support Fund (HSF), provided to local authorities by the Department for Work and Pensions (DWP). A report to Cabinet in June outlined the council's plan to use this resource to support residents in financial hardship during 2023/24<sup>9</sup>.

3.8.2. The guidance for this round included a new requirement for councils to extend the provision of application-based support, where instead of identifying residents in need of additional support, the council would invite residents to apply for assistance.

3.8.3. As in previous rounds, Portsmouth's scheme has four main principles:

3.8.3.1. To make full use of the funding available;

3.8.3.2. To fund a range of provision to meet different needs;

3.8.3.3. To target assistance towards those missing out on other forms of support;

3.8.3.4. To provide a holistic offer of support where possible.

3.8.4. The requirement for councils to extend the provision of application-based support was not achievable within existing resource, and required the creation of a new delivery team.

3.8.5. Portsmouth's HSF delivery team (four full time equivalent posts) is now fully operational, consisting of a project lead, two local welfare assistance officers and a business support officer, with the Tackling Poverty Co-ordinator providing the overall strategic lead. The team are complemented by dedicated support from the council's city helpdesk and cost of living support worker.

3.8.6. These are fixed term posts funded by the Household Support Fund grant under administration costs, and therefore this service to residents is dependent on continued funding from the DWP.

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<sup>8</sup> <https://www.portsmouth.gov.uk/services/health-and-care/health/joint-strategic-needs-assessment/>

<sup>9</sup> <https://democracy.portsmouth.gov.uk/ieListDocuments.aspx?CIId=126&MIId=5352>

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- 3.8.7. Delivery is assisted by the digital customer team, who build and manage the application systems, marketing and communications, and other corporate services, including finance, legal and procurement support.
- 3.8.8. The team have launched the first two application-based schemes; Household Support Fund Family Vouchers and Household Support Fund Cost of Living Payments. Full details of these schemes and how customers can apply are published at [portsmouth.gov.uk/household-support](https://portsmouth.gov.uk/household-support) and via the dedicated HSF helpline 023 9268 8010.
- 3.8.9. The team are working at pace to develop further application-based provision, including a warm home payment for disabled people and a discretionary grant scheme for people in hardship.
- 3.8.10. The focus of these schemes is to reach people who are missing out on other forms of support, who are struggling financially but do not qualify under other means-tested provision.
- 3.8.11. The schemes are being developed in partnership with a number of agencies that support people in financial hardship, and uptake will be cross-referenced with needs identified in the cost of living dashboard, to ensure assistance is reaching residents in need.
- 3.8.12. Alongside the application-based provision, HSF is being used to support and extend the food support offer, including foodbanks, larders and pantries, holiday activities and food provision, and support for people at risk of fuel poverty.
- 3.8.13. The council also delivers additional hardship support through Discretionary Housing Payments (DHP) to assist with rental costs, and the Council Tax Support Exceptional Hardship Fund.
- 3.8.14. DWP funding for DHP was insufficient in 2022-23, and the council provided an additional £40,000 to meet the needs of residents. DWP funding has been frozen at £428,432 in 2023-24, so the council has allocated additional funding of £50,000 from its Cost of Living Hardship Fund.
- 3.8.15. A further £27,500 made available by the council for this Hardship Fund has been used to extend the provision of outreach money advice services by Advice Portsmouth and Citizens Advice Portsmouth.
- 3.8.16. The annual report provides further information on customer demand and outcomes from the council's dedicated cost of living support.

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### **3.9. Capacity and resources**

- 3.9.1. As outlined above, significant support is being delivered to residents in financial hardship through short-term, granted funded measures, which cannot be sustained beyond April 2024 unless further funding is identified.
- 3.9.2. The council's Housing service currently fully funds the role of Tackling Poverty Co-ordinator, who works corporately across the council and with partner agencies to promote and coordinate work to reduce poverty in the city, and for Portsmouth City Council tenants living in Havant. This role also provides the overall strategic lead for Portsmouth's local welfare provision, including Household Support Fund delivery.
- 3.9.3. The Government's autumn budget statement is expected on 22 November, after the publication date for this report, and is expected to include a decision on whether further funding will be made available to local authorities through the HSF to provide local welfare assistance.
- 3.9.4. HSF funding has remained the same across the first four rounds of the scheme, with no increase to reflect increasing cost of living pressures and demand, and therefore if further HSF funding is made available, there remain significant challenges in how to prioritise and allocate funding across a wide range of needs,
- 3.9.5. Once the funding decision is known, the Tackling Poverty Co-ordinator will bring forward to the council's Cabinet a set of recommendations to support residents in financial hardship during 2024/25.
- 3.9.6. If HSF funding is withdrawn, this will significantly reduce capacity to support people in financial hardship, both in terms of access to advice and support, and in direct financial assistance and meeting other essential needs for residents, with the Tackling Poverty Co-ordinator role being the only remaining funded role focussed solely on this agenda.
- 3.9.7. Alongside work to provide immediate support and advice to people in financial hardship, the Tackling Poverty Co-ordinator is the lead for a wider programme of work to lift people out of poverty and mitigate the effects of poverty for people in Portsmouth, outlined in a local tackling poverty action plan.
- 3.9.8. The Health and Wellbeing Strategy outlined three areas for key activity in the short term:
  - 3.9.8.1. providing immediate support to people in financial hardship;
  - 3.9.8.2. helping people access the right employability support at the right time;
  - 3.9.8.3. supporting a community-level response to local needs.

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- 3.9.9. These three areas formed the basis of the tackling poverty action plan for 2022-2023, overseen by the Tackling Poverty Steering Group, the local partnership group for action on poverty.
- 3.9.10. This partnership group is now a formal sub-group of the Health and Wellbeing Board (HWB), and brings together representatives of HWB member organisations with other services and voluntary sector groups in the city that have a role in tackling poverty.

### **3.10. Developing and strengthening work to tackle poverty and support residents with the cost of living**

- 3.10.1. The next quarterly meeting of the Tackling Poverty Steering Group on 30 November will focus on the evidence base and learning from the Public Health Annual Report 2023, including the review of approaches in other areas, stakeholder views and local communities' perspectives.
- 3.10.2. Building on the conclusions and recommendations of the report, the group will review and refresh its purpose, aims and composition to ensure it holds a shared vision and an effective structure for action.
- 3.10.3. This includes an important role in aspiring to break intergenerational cycles of poverty and drive transformative change to tackle deep-rooted and longstanding issues in the city.
- 3.10.4. The partnership group should provide a strong voice for action that can influence and guide HWB member organisations in how they respond to these challenges.
- 3.10.5. The Annual Report recommendations focus on four areas for action:
  - 3.10.5.1. To provide adequate financial support for families and services;
  - 3.10.5.2. To champion policy innovation to maximise available support;
  - 3.10.5.3. To monitor the long-term health impacts of poverty and the cost-of-living;
  - 3.10.5.4. To support and empower the workforce so they can support us all.
- 3.10.6. Developing the effective work already taking place, within the resource constraints facing services and residents, the approach aims to maintain the current work that has the greatest impact, enhance and expand the use of resources and methods that have been proven to be effective, and extend activity into areas where gaps and opportunities have been identified.
- 3.10.7. The work will continue to operate across three levels of intervention:
  - 3.10.7.1. Providing an immediate response to the needs of residents in financial hardship;



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- 3.10.7.2. Providing a holistic offer of support to complement the immediate response and help residents prevent future or recurring financial crises;
- 3.10.7.3. Taking action to understand and address the root causes of poverty and financial hardship.
- 3.10.8. The partnership group will continue to develop and scrutinise activity to tackle poverty and address cost of living pressures, and act as the formal sub-group with responsibility for the tackling poverty priority reporting to the HWB, while HWB member organisations will be asked to play their part in contributing to, and learning from, the work of the sub-group.

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Signed by Helen Atkinson FFPH, Director of Public Health

**Appendices:** None

**Background list of documents: Section 100D of the Local Government Act 1972**

The following documents disclose facts or matters, which have been relied upon to a material extent by the author in preparing this report:

Title of document	Location
Public Health Annual Report 2023: Poverty and the cost of living crisis in Portsmouth - Needs Assessment	<a href="https://democracy.portsmouth.gov.uk/documents/s47960/Director%20of%20Public%20Healths%20Annual%20Report%20-%20Full%20report.pdf">https://democracy.portsmouth.gov.uk/documents/s47960/Director%20of%20Public%20Healths%20Annual%20Report%20-%20Full%20report.pdf</a>
Cabinet 31 <sup>st</sup> October 2023	<a href="https://democracy.portsmouth.gov.uk/documents/s48507/Update%20on%20cost%20of%20living%20and%20Household%20Support%20Fund%20provision.pdf">https://democracy.portsmouth.gov.uk/documents/s48507/Update%20on%20cost%20of%20living%20and%20Household%20Support%20Fund%20provision.pdf</a>