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**YORKSHIRE FUNDERS ONLINE ROUNDTABLE**

**2 DECEMBER 2021**

**POVERTY: PREVENTION OR CRISIS?**

**SESSION SUMMARY**

***Katie Schmuecker, Deputy Director of Policy and Partnerships, JRF***

We went into the pandemic in bad shape. 2019/20 data – 22% people were in poverty overall, but big difference in risk:

* Children – 31%
* Families containing a disabled person – 27%, 31% if you don’t count benefits for extra costs as income.
* BAME – 40%, and higher still for certain ethnic groups e.g. Bangladeshi households 55%

Overall changes have been very muted for more than 15 years, with trends since 2012/13 broadly worsening for children and pensioners (despite pensioners previously being a major success story).

And while the overall trend has been fairly static, there’s a lot of movement beneath the surface – deepening and intensification of poverty at the bottom; lots of people moving in and out of poverty in a given year as circumstances change.

Focusing in on families with children, more likely to be in poverty when:

* You’re a young parent
* A lone parent
* Children are very young
* If you have a large family (3+ children)
* From a BAME background
* Someone in the household is disabled

Nearly half of children in lone parent families live in poverty, compared with one in four of those in couple families.

The child poverty rate for children in families with three or more children is almost twice as high as the rate for children in one or two child families (47% vs 24%). [HBAI 2019/20]

We all think work should be a route out. But 75% children in poverty are in a working household.

Low pay, not enough hours and high levels of insecurity leave people exposed. There have been some good things - a rising minimum wage, very recent improvements to in-work UC – but there a lack of attention to job quality and cuts to social security contributed to a decade of stagnant pay, poor productivity and rising in-work poverty.

How can you plan family life and budgets when you don’t know how much or when you’re working. A particular problem for low earners – unsurprisingly occupations with higher levels of insecurity also tend to have higher in-work poverty rates (e.g. hospitality, retail, care) Flexibility at work is also key, especially for parents. Take a low paid job to get flexibility you need then find yourself stuck.

The combination of high housing costs in the private rented sector and falling support from Housing Benefit has created a strong current pulling low-income families into poverty. A third of children in poverty now live in the private rented sector. This has risen from 17% in 2005/6.

The proportion of households in the UK’s private rented sector has increased dramatically in the past 20 years, doubling from around 1 in 10 in 1998/99 to around 1 in 5 in 2018/19. Around a third of these households were in poverty. Fewer households are renting social housing as this option is often unavailable, and fewer people are buying with a mortgage, because they can’t afford to.

Lack of social housebuilding over the past decade has meant that fewer of those who need it can access an affordable secure home in the social rented sector. Between 2010/11 and 2018/19, the number of homes built for social rent in England as a proportion of new homes fell from 33% to 3%, with just 7% of the number of social rents needed in a year built.

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What is the picture of poverty at the start of 2022, coming up to two years after a global pandemic struck?  To an extent the picture is unclear: we don’t yet have official poverty data covering the pandemic period.

The Coronavirus storm battered the labour market, with increasing unemployment and reducing earnings. But the Government responded with an unprecedented range of labour market support and temporary benefit increases. The Coronavirus Job Retention Scheme and Self-Employment Income Support Scheme were hugely significant and successful. But a lot of people still took a hit to their incomes so average incomes will have fallen as benefits were boosted, meaning the rate of relative poverty may well have fallen.

And the story will look different for different parts of the population following the SR/Budget

* Significant measures for people in working poverty - National Living Wage up, increases in the Universal Credit work allowance and reductions in the taper rate
* No such luck for those out of work. Incomes cut by £20 if they’re on UC, faced with a government narrative about work despite disproportionately hitting people who aren’t working because they’re sick, disabled or caring for others.

We are at real risk of a two-tier recovery – in addition to the above, the impact of the pandemic has layered on top of pre-existing inequalities…

* Sectors that already had high rates of working poverty – like hospitality and retail – were hit hard.
* Others – like care workers and taxi drivers – carried on working but put their health at risk by doing so.

During the pandemic, low-income households’ financial situations have suffered far more than those on high incomes. Working age households in the bottom 20% of incomes were almost twice as likely to have seen a fall in earnings than the top 20% (27% of households compared to 14%)

Unsurprisingly this has manifested in a significant debt overhang. Better off households: forced savings and asset values increased. Worst off households: ran down saving, got behind on bills and built-up debt. This autumn: 3.8 million low-income households (33%) in some form of household arrears, and 4.4 million low-income households (38%) have taken on new borrowing or increased their existing borrowing during the pandemic. There is significant overlap between these two groups [69% HH taken on new or increased lending during the pandemic are also in arrears].

A large majority (87%) of low-income households now behind with their bills report they were always or often able to pay all their bills in full and on time before the pandemic, underlining the pandemic’s extraordinary hit to household balance sheets. Many of these households are behind on multiple types of bills, and debts owed to the state feature heavily for those in multiple kinds of debt.

Looking among low-income households, some were more exposed than other:

* Working aged people in general, young people in particular
* BAME
* People with children
* Universal Credit recipients
* Londoners
* Disabled people

Deeply concerning given the current cost of living pressures – cold and hunger this winter

The picture in Yorkshire

* High rate of poverty in the region – generally a couple of ppts above the UK and English average. 1/4 overall; 1/3 children; 23% w/a adults – so nearly ¼; 18% pensioners - getting on for 1/5
* Child poverty rates - Local authority map – nowhere is in the >40% category (although Bradford came close!) Bradford – 38%; Hull, Kirklees, Sheffield – 36%; Leeds, NE Lincs, Doncaster – 35

We have seen that families and households face a squeeze from a range of pressures that limit their options and trap them in economic insecurity. Key pressures we focus on here are:

* The interaction between relationships, material resources and financial pressures
* Low paid and insecure work
* An increasingly threadbare social security lifeline
* Expensive housing

Thinking about person and family centred services that prevent poverty and destitution and support people to build firm foundations to move on when things do go wrong.

**Not going to tell you what to fund but 3 questions to think about:**

1. **Sharing power: are we drawing on all the expertise available to understand problems and think about solutions? JRHT’s York Committee has an Advisory Group of people with experience of poverty who review a select grant applications, offering their advice and guidance to the Committee to help with their decision-making. There are lots of other models that could be used.**

**2 & 3. What sort of responses are you funding? No right answers here but between us we should be delivering a mix.**

***Cathy Stancer, Director, Lankelly Chase***

Was a traditional funder for many years and then the new CEO came in and brought a new challenge – we have the resources and the freedom to work how we want, so let’s change and work to drive radical change.

* Put a strong emphasis on using good data.
* Started to resource really good practice in the hope it will be picked up and mainstreamed.
* Became clear the commissioning environment and wider system in the third sector needed to change.
* Started to fund systems and develop new service pathways rather than give individual grants.
* Demanded a different way of engaging and worked to solve systemic and complex problems by working with dynamic and interconnected people and organisations.
* The team had to learn how to work in new ways and it was, and can still be a struggle at times. They devolved decision making to the whole staff team and now much of the decision making is done by local people on the ground with lived experience
* Lankelly Chase funded people to ‘mess up the systems and challenge the status quo – mess with the wiring’.
* Have worked with organisations such as MCN in York and its key to resource people who have lived experience and mess with the dynamic.
* Other funders can think about how and who makes the decisions and shifting structures – consider breaking out of the traditional patterns which can often hold us back. Shift their mindset.

**A few things Lankelly Chase have found useful:**

- [Peter Senge: The Dawn of System Leadership](http://www.academyforchange.org/the-dawn-of-system-leadership) and [The Water of Systems Change](https://www.fsg.org/blog/new-article-water-systems-change)

- Explanation of structural, systemic and enabling approaches in [‘Transformations to Sustainability’](https://www.sciencedirect.com/science/article/pii/S1877343519300909)

- Donella Meadows: ‘[Places to Intervene in a System](http://donellameadows.org/archives/leverage-points-places-to-intervene-in-a-system/)’ (and other work)

[- ‘Embracing Complexity’](http://www.embracingcomplexity.com/complexity/) and other work by Jean Boulton

- Overview of the [Cynefin Framework](https://hbr.org/2007/11/a-leaders-framework-for-decision-making)

[- How to Organize a Children's Party | Dave Snowden – YouTube](https://www.youtube.com/watch?v=5vBQ4_G8mrM)

[- A Handbook on Systems Convening](https://wenger-trayner.com/systems-convening/)

**Andrew Grinnell, Founder & Facilitator, Leeds Poverty Truth Commission with Christine a Community Commissioner**

* The organisation focuses on ensuring the wisdom of local people living in disadvantaged areas of Leeds is heard by and shared with leaders in the city in order to make sure positive change happens.
* Andrew heard about the work in Scotland and was living in an inner-city Leeds housing estate and felt the model would work well in Leeds.
* He has set up and facilitated three cycles of ‘the Commission’ which involved 15 people with lived experience and members of Leeds City Council and local businesses – bringing their wisdom to the decision makers.
* Trust and empathy are key to the process and sharing wisdom from both sides to unlock and open up to new future possibilities leads to change.
* The Leeds Poverty Truth Commission works to change communities and leaders’ attitudes towards people living in poverty for the better, as well as coming up with solutions of how to tackle it.
* Christine shared that she had always lived in poverty and felt that it was her fault and she felt guilty. She felt worthless and wanted to hide away. There was a lack of opportunities for her and she was in care, but being part of the Truth Commission has really given her a sense of worth.

**Richard Colbrook, Founder & Chair, Flourishing Families Leeds**

* The charity works with families where 60% of the parents have a reading age of less than 10 and are trapped in intergenerational poverty. 40,000 people in Leeds are living in poverty and 180,000 live in deprived areas.
* Need multiple solutions to solve the poverty problem. FFL act as a catalyst to change young people’s lives through their cookery clubs, literacy support with children and their parents, YouTube channel to tackle the obesity problem, one-to-one mentoring and budgeting sessions for children and parents. The charity tries to find holistic solutions and they to start working with the children at a young age to break the poverty cycle.
* The charity has 80 volunteers, many of whom are students in Leeds and this enables them to run a very cost-effective delivery model.

**Kim Shutler, CEO, The Cellar Trust & Chair of Bradford VCS Alliance**

* The mental health charity has grown four times in size since Kim joined seven years ago.
* 100% of its peer support workers have/had mental health problems so they understand what the beneficiaries are going through.
* Key insights from Kim were:
  + Frontline charity CEOs and staff in Bradford are exhausted. Funders should invest in core, long term funding as so many charities are on their knees and it is so time consuming to keep having to write multiple bids just to keep afloat.
  + Must invest in leadership of charities of all sizes and provide funding for what the organisations really need money for – IT, management systems, an operational staff member, volunteer infrastructure, etc. – ask them
  + Small grassroots charities are so vital for communities, but they need money to change, upskill and build capacity. Larger charities like the Cellar Trust can act as mentors and funders could fund partnerships like this
  + When reviewing applications and a charity has volunteers, check if the volunteers have lived experience – fund people who have the right volunteers
  + Would like to see more funder collaboration and funders funding new models for frontline groups to work together more.