

# London Borough of Tower Hamlets: **Poverty Review**

**Report and recommendations  
September 2021**



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## Foreword

Tower Hamlets is a fantastic place to live. It's a place rich in history, where for hundreds of years people have come in search of a better life, put down roots and called Tower Hamlets home. Our residents have contributed immeasurably to London's economy and culture. We have a thriving economy, a rich cultural and arts scene, and an amazing community spirit built on a tradition of solidarity stretching back nearly two centuries. Our diverse, young population is full of energy and talent, supported by families who want the very best for their children. In the past twenty years, education in the borough has transformed, and more residents are in work.

Yet against this backdrop of a rich and thriving borough of opportunity, we have people living in some of the highest levels of deprivation in the country.

Poverty in Tower Hamlets is nothing short of an emergency. On the eve of the pandemic, in a typical classroom of thirty children, seventeen were living below the poverty line. More than four in ten older people were living in low-income households. A completely inadequate social security system, high housing costs and insecure work in the gig economy has left many of our residents unable to afford even basic essentials.

Social justice is at the heart of our administration's programme for the borough. Our Tackling Poverty programme has helped many residents improve their financial position through ensuring they are claiming what they are entitled to. Every primary school child in the borough receives a free lunchtime meal as part of the Mayor's Free School Meals programme, and we have protected funding for Children's Centres, supporting families and children during the precious early years of life. Nearly 22,000 residents on low incomes pay no council tax under one of the most generous council tax reduction schemes in the country. Our Resident Support Scheme provided over £750,000 last year in crisis grants. The council and its partners are investing over £7 million to ensure that residents get the information and advice they need on benefits, debt, and their legal rights. Over the difficult times we have all faced over the past eighteen months, we are proud of the way the council has worked shoulder to shoulder with faith, community, and voluntary groups to meet our residents' needs.

This Poverty Review has come at the right time. Listening to residents, young people, and our partners, the review team was struck by the shared determination to come out of this emergency with a fairer, stronger borough.

This means speaking up on behalf of residents so that the systems which trap people in low paid work and debt are tackled. It means action against the injustices of race discrimination, gender inequality and the barriers to disabled residents' inclusion in society and at work.

But it also means doing everything in our power as a council to prevent residents in Tower Hamlets from falling into poverty or financial crisis, and to equip our young people with the skills, wellbeing, and confidence they will need to thrive in adult life and move out of poverty.

The immediate priority we identify is supporting residents in every way possible to recover from the financial impact of the pandemic. Many people, possibly for the first

time, are facing unemployment, and it is important that we are providing clear, consistent and timely information so residents can access the benefits and support they are entitled to.

Looking to the future, our wide-ranging review points to several different things the council can consider doing differently to make its anti-poverty work more effective. To make the biggest practical difference to residents, we recommend that the council works in partnership with other organisations and the community to achieve a step change in three main areas -

- early financial intervention - taking a whole systems approach to increasing incomes, reducing costs, and averting financial crisis and homelessness
- employment and skills – developing and extending our joint partnership programme to improve skills, and improve access to decent work with opportunities for progression
- a bright future for the new generation – sustaining a relentless focus on achieving the best for all our children and young people, so that they have the skills, confidence, and best possible mental and physical health they need to flourish as adults

We would like to take this opportunity to thank all the residents (young and old) who contributed to the review, the partner organisations who contributed to and hosted discussions, members of the review's External Reference Group and Toynbee Hall, who carried out community peer research to support the review.



Councillor Mufeedah Bustin,  
Chair of the Poverty Review, Cabinet member for Social Inclusion



John Biggs  
Executive Mayor of Tower Hamlets

## Summary

### About the review

1. The poverty review took place from March to June 2021.
2. Councillor Mufeedah Bustin, Cabinet Member for Planning and Social Inclusion (Job Share) in Tower Hamlets chaired the review. Other members of the review team were Councillor Asma Begum, Councillor Rachel Blake, and Councillor Motin Uz-Zaman. Over 300 people took part in discussions and consultations.
3. The review team looked at what Tower Hamlets council has done to support residents who are living on a low income. It focused on child poverty and pensioner poverty.

### Poverty in Tower Hamlets

3. In 2019/20, 28 per cent of children in Tower Hamlets were living in a low-income family. Once housing costs are taken into account, 56 per cent of children in Tower Hamlets were living in a low-income family. That's about 17 children in a class of 30.
4. This is the highest level of child poverty in the UK. Over the past 5 years, the number of children estimated to be living in low-income families in Tower Hamlets increased by more than 6000.
5. 44% of older people in Tower Hamlets live in low-income households. This is the highest proportion in England.
6. In 2018/19, 1.21% of Tower Hamlets households were estimated to be destitute. Tower Hamlets is in the 20 local areas in the country with the highest rates of destitution.
7. The review found a number of factors contribute to high levels of poverty in Tower Hamlets:
  - more families in Tower Hamlets have nobody in work than average, despite a decline in unemployment in recent years
  - a growing number of working families are on a low income - more than 3 in 4 children in poverty are in a family where at least one person works
  - the cost of living is high in the borough, particularly the cost of housing.
  - changes to the social security system mean that many people cannot afford essentials - larger families and lone parents with dependent children have been particularly affected.
8. Inequality and poverty go hand in hand. Across London, some families have a much greater risk of being in poverty, including families with a disabled family member, families from Black and Minority Ethnic backgrounds, lone parents with children, and larger families.

## Findings

9. The review looked at many of the services which the council provides or funds for residents who live on a low income.
10. The council's budget has been cut by £200 million since 2010. Even so, it provides many services to help residents get work, increase their income, reduce their living costs, and avoid financial crisis.
11. Programmes such as children's centres, the Tackling Poverty Programme, the Council Tax Reduction Scheme, the Mayor's Free School Meals programme, information and advice, and the Resident Support Scheme get more support in Tower Hamlets than in many other local areas.
12. The review found that residents often found it difficult to know where they could get support with financial issues. Coordination between different council services, and with funded information and advice organisations means that residents do not always get the right help at the right time with financial and related concerns.

## Recommendations

13. The main short term recommendation of the review is
  - 13.1 In 2021 to 2022, as the country recovers from the pandemic, the council should work with partners to make sure residents get the help available to them if they are in financial difficulty.
14. In the longer term, the council should focus on three areas which will make the biggest difference to poverty:
  - 14.1 Early financial intervention: The council should support people to increase their income, reduce the cost of living and avoid problem debt and homelessness. Organisations should work together so that residents get the right support at the right time.
  - 14.2 Employment and skills: The council and other organisations should collaborate to support more people into work. They should also investigate how to tackle low pay, poor conditions and dead-end jobs.
  - 14.3 A bright future for the new generation. Children in Tower Hamlets should get the best possible start in life. Every service and organisation should make sure children from low-income families have the same opportunities as other children.
15. During the pandemic, many organisations and local community and faith groups worked very effectively together to support residents. The recommendations should be implemented in partnership.
16. The review makes detailed comments about communications, coordination, evaluation and informing national policy. It also recommends more work on some specific issues such as access to free education for disadvantaged pre-school children, supporting people who work in the 'gig economy', and support for residents who have no recourse to public funds.

## Introduction: about the Poverty Review

### Aim and focus

The aim of the Poverty Review was to develop strategic recommendations to inform future poverty reduction interventions by the council and its partners. The review had a particular focus on child poverty and poverty affecting older residents.

Although the review focused on council-supported programmes, the recommendations reflect the important role that families, faith, voluntary and community groups, public sector organisations, and businesses play.

This was a short but wide-ranging review. The review team, supported by a small group of council staff, worked hard to arrive at a balanced picture of the strengths and weaknesses of the council's response to poverty. There are many perspectives on poverty in Tower Hamlets and how best to tackle it. We look forward to working together with our diverse communities and partners as we strive for a strong, inclusive, and fair Tower Hamlets.

### The review process

Between March and June 2021, the review team heard from over 300 residents and partners, as well as council staff, through -

- 6 themed review meetings looking at council programmes
- 5 partnership groups: The Children and Families partnership; Tower Hamlets Housing Forum; Local Economy partnership; the Somali Task and Finish group; the Partnership Executive Group
- 3 workshops for residents: led by community researchers and Toynbee Hall
- 10 focus groups: The VCS children and youth forum; Somali parents' group; the Parent and Carer Council; Disabled residents & carers' organisations; Mulberry Academy Shoreditch; Mulberry School for Girls; school leaders; Youth Council; parent/carer group; staff group.
- A call for evidence on the online 'Let's Talk' portal. Boxes for written comments were placed in Idea Stores.

### The review team

Review chair: Councillor Mufedah Bustin, Cabinet Member for Planning and Social Inclusion (Job Share)

Councillor Asma Begum, Statutory Deputy Mayor and Cabinet Member for Children, Youth Services and Education

Councillor Rachel Blake, Deputy Mayor and Cabinet Member for Adults, Health and Wellbeing

Cllr Motin Uz-Zaman, Deputy Mayor and Cabinet Member for Work and Economic Growth



## The external reference group

The reference group met with the review team in March and June 2021. They provided invaluable insight and guidance. The review team would like to thank all members of the group for their contribution. The group had an advisory role, and members do not necessarily endorse every one of the report's findings or recommendations.

Anabel Palmer, Southern Housing/ Tower Hamlets Housing Forum

Fahim, Tower Hamlets Youth Council

Farida Yesmin, The Limehouse Project

George Dunstall, Children's Society

Jane Caldwell, Age UK – East London

Joy, Older people's Reference Group

Joyce Archbold, Society Links

Khoyrul Shaheed, Shadwell Response

Shahana, Tower Hamlets Parent and Carer Council

Sophie Howes, Child Poverty Action Group

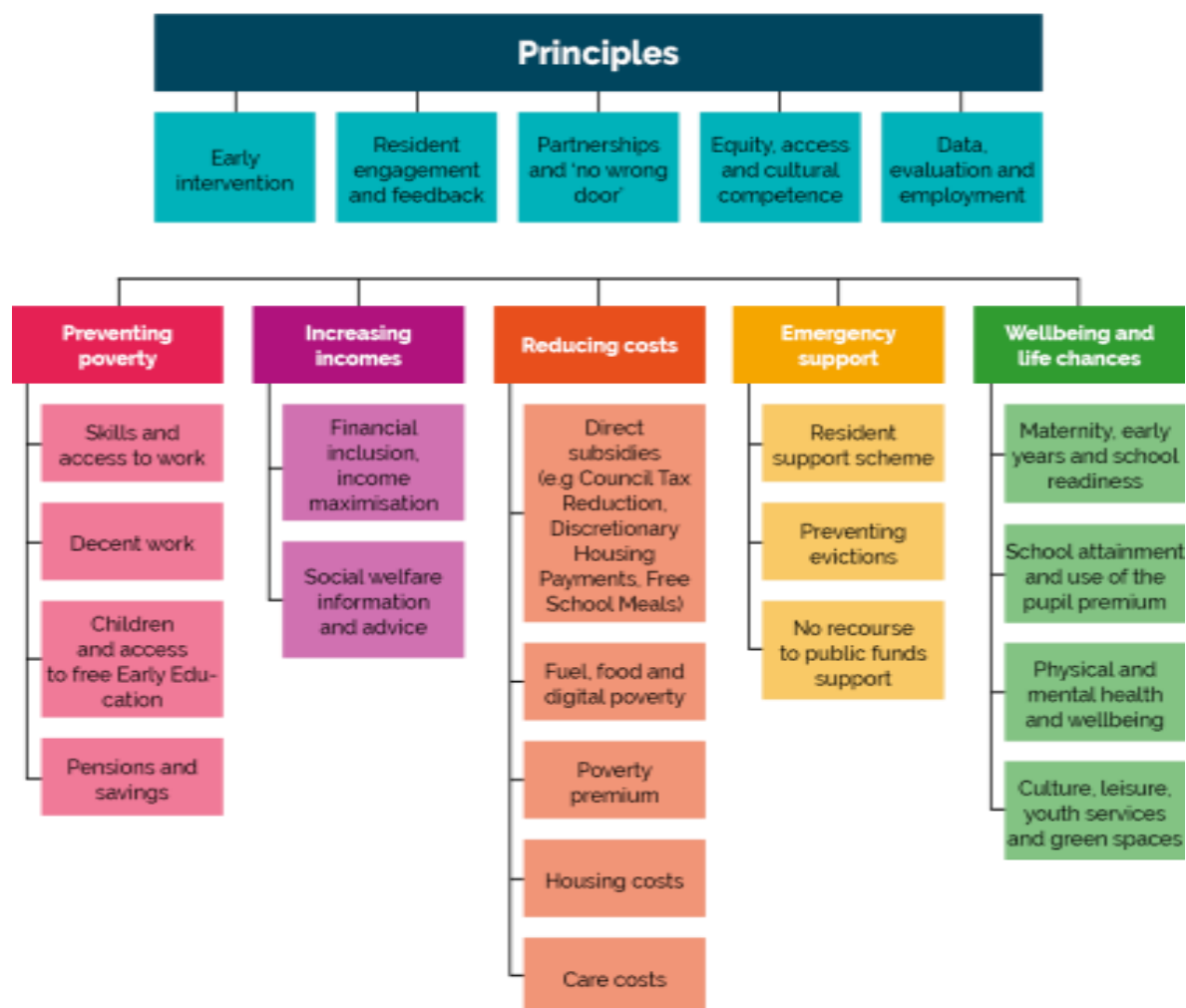
Xia Lin, Toynbee Hall

Yasmin Alam, East End Cab

Sufia Alam, Maryam Centre, East London Mosque

## Local action to tackle poverty

The review had a practical focus on local anti-poverty actions. Discussions were guided by a working framework of principles and intervention-areas, shown below.



## The context

### Poverty and why it matters

In modern Britain, everybody should have a decent standard of living. We understand poverty as being unable to afford the essentials for life in London today. Poverty is fundamentally about finances: about incomes, and the cost of living.

Poverty causes material and psychological harm. Residents told the review team how they had gone without food, had not been able to afford new uniforms for their children, lived in poor housing, and could not afford the devices their children needed for online learning. They talked about anxiety when they could not buy what their family needed, and shame when they had to use food banks or tell strangers about their circumstances to get help. Young people told us how worried they felt about their parents when they were struggling to make ends meet.

Living in poverty has long term as well as immediate consequences. There is overwhelming evidence that children growing up in poverty are likely to experience worse than average outcomes across a range of developmental domains during childhood and adulthood, particularly when childhood poverty is deep, persistent, or occurs in the early years of life. Recent research shows that extra money for low-income families can make a real difference for children's learning, social development, and wellbeing.<sup>1</sup> Throughout life, poverty shapes the decisions people make – about education, relationships, starting a family, and the impact of illness, bereavement, and old age. Several people highlighted financial difficulties faced by people experiencing domestic violence.

Poverty and inequality go hand in hand. We know that systemic inequalities place some Londoners at greater risk of living in poverty. Disabled people, people from Black Asian and Minority Ethnic backgrounds, and lone parents (the majority women) are more likely to live in poverty. Some residents have faced hardship over many years, others are just about managing on insecure incomes, while some people experience destitution, where they cannot afford the very basic necessities of life.<sup>2</sup> Poverty cannot be understood separately from social exclusion, discrimination, and racism.

Finally, poverty has costs not just for the individual, but also wider costs for society and for public services. Across London, poverty, unemployment, and local area deprivation are associated with lack of safety, ill-health, and poor social cohesion.<sup>3</sup> An estimated £1 in every £5 spent on public services is spent making up for the way that poverty damages people's lives.<sup>4</sup>

## Key poverty statistics for Tower Hamlets

Child poverty	28% of children in the borough are in low-income households before housing costs (2019/20).
	56% of children are in low-income households after housing costs (2019/20), increasing by an estimated 6000 children between 2014/15 and 2019/20.
	10% of local neighbourhoods (14 out of 144) are in the most deprived in England, according to the 2019 income deprivation affecting children index.
Poverty affecting older adults	44% of older people in the borough live in income-deprived households in 2019, according to the 2019 income deprivation affecting older adults index.
	69% of local neighbourhoods (100 out of 144) are in the 10% most deprived in England, according to the 2019 income deprivation affecting older adults index.
Destitution	1.21% of households are estimated to be destitute, meaning Tower Hamlets is amongst the 20 boroughs with the highest rate of destitution (2018/19)
Indices of Multiple Deprivation	1.4% of the borough's local neighbourhoods were in the 10% most deprived areas in England (2019).
	2019's figures were a major improvement compared to 2015, when 40% of local neighbourhoods were in the 10% most deprived areas in England.

Data sources: HMRC/DWP (2021)<sup>5</sup>; Stone & Hirsch (2021)<sup>6</sup>; MHCLG (2020)<sup>7</sup>; Joseph Rowntree Foundation (2020)<sup>8</sup> For more information see the review background paper: Evidence base and updated poverty profile 2021.

## The changing face of poverty in Tower Hamlets

Tower Hamlets is a borough of great change, diversity, and creativity, with a rich social and cultural heritage. The borough has one of the fastest growing economies in the country. Educational attainment has transformed in the last two decades.

But not everyone feels the benefits of growth. Levels of child and pensioner poverty are amongst the highest in the country. The review identified four main drivers for the continuing high levels of poverty in Tower Hamlets.

- **Worklessness.** Fewer adults are in work than the London average. This is despite a steep decline in workless households, from 28% in 2005 to 11.2% in 2018. With low levels of female labour force participation, just 3 in 10 (31.4%) children live in a household where every adult works, the lowest proportion of any London borough.
- **In-work poverty.** At the same time, in-work poverty has risen. Over three in four children growing up in a low-income family in the borough have a working adult in their household. The growth in low paid, insecure work is a factor in this rise. Many residents highlighted how hard it is for working families to make ends meet.
- **Rising living costs.** The high cost of living, and particularly of housing, contributes to high poverty levels. Taking housing costs into account increases the proportion of children living in poverty from 28% to 56%. This is a bigger difference than anywhere else in the country.
- **Benefits levels.** Social security reform has left families unable to afford essentials. Since 2010, the benefits freeze, local housing allowance reform, the benefits cap and two-child limit have combined with an approach to recouping advances to leave residents short of money and risking debt and arrears. Some groups, including larger families and lone parents with dependent children have been particularly affected.<sup>9</sup>

These factors are compounded for some residents by challenges such as domestic abuse, having no recourse to public funds, or poor health and disability.

There is some evidence to suggest that the poverty data disguise a more dynamic picture. Recent analysis by the Social Mobility Commission ranks Tower Hamlets as amongst the ten most socially mobile local areas in England: with the median earnings of young adult men who were socio-economically disadvantaged as children in Tower Hamlets amongst the highest in the country.<sup>10</sup> Tower Hamlets has some of the highest levels of population movement in the country. Research using pupil mobility data across London indicates that families with school age children who move from inner London towards the edges of the city tend to be less disadvantaged.<sup>11</sup> This suggests an outward flow of better off families out of the borough, possibly as their situation improves and they seek more affordable housing. In due course, data from the 2021 census should provide current insights into some of these population changes.

Since March 2020, residents have experienced the pain and disruption of the Coronavirus pandemic. People from Black, Asian and Minority Ethnic backgrounds,

and those in low paid jobs such as retail and hospitality have been hard hit. Unemployment rose steeply amongst young adults and the over-50's. Schemes like furlough and the temporary increase in universal credit have helped some, but not all.

Following the pandemic, there is a risk of a sustained increase in unemployment with disabled people, people from Black, Asian and Minority Ethnic backgrounds, and lone parents impacted more and for longer.<sup>12</sup> A further concern is the dual impact of the pandemic on young people's employment and job security prospects, and on their mental health.<sup>13</sup>

### **Poverty and the pandemic**

*"They say 'oh we give you an extra £20 a week in your universal credit for the coronavirus. But really and truly what is £20 a week? When the children are home that just covered the electric.'" (Parent, focus group)*

*"One family had 3 disabled children. Dad passed away from Covid and mum was really sick, she spent a couple of days in hospital. And in the end, the older sister had to leave her job to look after those three, because all services were closed." (Disability organizations focus group)*

*"The people who were working, they thought they were doing quite well, and suddenly this pandemic hit them and they went down. That was quite a shock for the system." (Staff focus group)*

*"Paying back monthly instalments to pay off [funeral] costs to funeral directors and companies is taking a large cut out of monthly allowances and impacting on food and fuel." (Community organisation, reference group member)*

*"Some disabled people have had to purchase additional personal protective equipment for themselves and carers alongside maintaining an increased supply of cleaning equipment, turn to expensive convenience food, or rely on taxis to appointments in order to avoid public transport. Disabled people report that they are struggling to adapt to social distancing requirements, which can involve spending longer in shops, which aggravates conditions, and difficulties accessing supermarket online delivery slots, which often carry a minimum delivery charge." (Disability organization focus group)*

## What residents told the review

### The causes of poverty

In online and focus group discussions and other participatory research considered by the review, residents said there were multiple causes of poverty: with a particular focus on unemployment, low pay, low welfare benefits, housing costs, disability, and poor mental health:

*“There are SO many reasons! Just as there are SO many types of poverty.”*

Some people said that poverty was the result of the social and political system:

*“Structural racism, aka top jobs go to white public school educated MALES.”*

*“It is the elderly and poor who are suffering, the government does not care.”*

*“The economy is deliberately rigged by Central Govt to give tax cuts to the highest earners”*

Population change was mentioned in several contexts:

*“Gentrification is rampant which is forcing people to move away or making their life hard due to increased cost.”*

A smaller number of people linked poverty to aspirations or social barriers:

*“Lack of inspiration to young children - they need to be encouraged to look at different fields.”*

*“Lifestyle of those who live in traditional relationships, which are centred around having lots of children. “*

A very small number disagreed that poverty was such a big problem:

*“The measurements are incorrect. Most people claiming poverty aren’t necessarily poverty stricken.”*

### The experience of poverty

Stigma and dignity were big themes in the way people talked about poverty:

*“To be honest, you shouldn’t have to tell people your private stuff to get something.”*

*“Our parents wouldn’t just randomly go to a community organization, there’s lots of pride and lots of gossip from others”.*

Many people talked about the connections about the difference that not having money meant to having a social life and to mental wellbeing:

*“Those relying on support to access the community face having to pay for their carer to go places with them, such as cinema and leisure activities. Support agencies do not contribute to the costs and this limits what people can do and this contributes to social isolation.”*

Many people mentioned digital and language barriers to accessing support:



Fairness and transparency were important themes, with several people referring to issues trying to access free school meals and laptops for children during the pandemic.

### **Council services**

Many people wanted easier access to information and there were a few mentions of one stop shops:

*“if I need some information, I really need to think, where do I go? I have to ask someone ... We had one stop shop before, it was easy just to get a ticket and speak to someone.”*

Various service cuts were discussed:

*“We’re saying we care about poverty, but at the same time the services that are now available, they’re not affordable. So not every service is now free anymore - youth services have had massive cuts and people can’t pay.”*

Some people said there was a lack of trust:

*“It’s not in their interest to help you, is it? I’m almost sure that they have, they have targets in there. You know like the council tax support line has a target of how many people to not help.”*

Discussions with primary pupils (for the poverty proofing the school day project) found that Free School Meals and stigma did not seem to be an issue in Tower Hamlets. This is in contrast to other areas.

### **Suggestions**

Suggestions included a strong focus on community. Residents taking part in Toynbee Hall’s workshops proposed community hubs:

*“... if there’s a way of bringing everyone together so that we can all work together.”*

Some people wanted a unified helpline, more social prescribers, or a more immediate way to access help:

*“they should start listening to the residents and set up something where immediate help can be accessed by people, make it easier for them to access.”*

Several people focused on making it easier for residents on low incomes to stay happy and healthy: with proposals for trips, activity vouchers and youth clubs with training opportunities for young people.

Some people said it was important to recognize that employment was not a suitable option for everyone, including for some disabled people and women with caring responsibilities for larger families and/or elders. They noted the difficulties for children when parents were working on multiple, low-income jobs.

Parents and young people talked about the importance of advice on money and budgeting, particularly when parents did not have much knowledge about financial products.

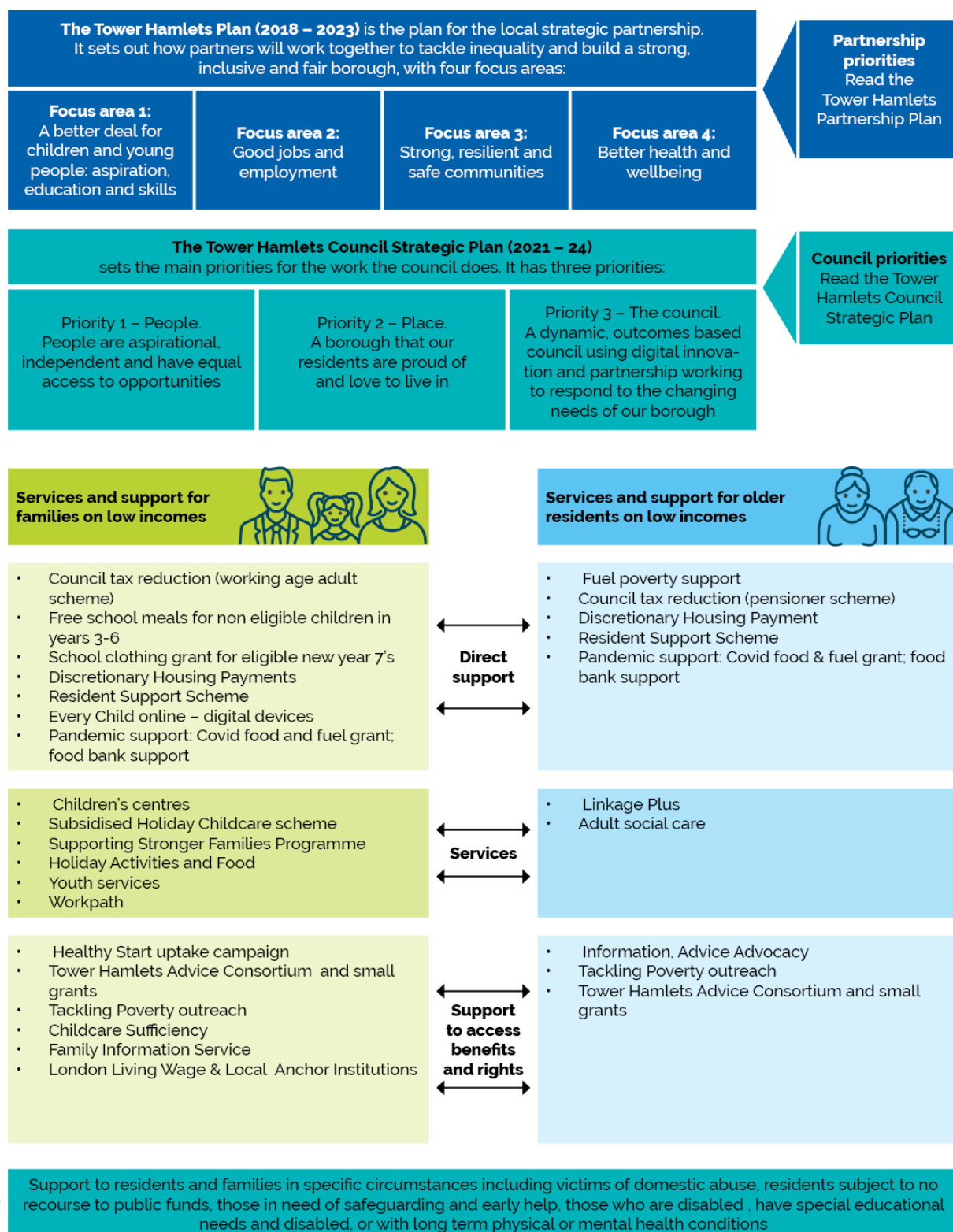


## Findings

### Finding 1: investment in tackling poverty

**The council implements and funds a range of interventions to prevent poverty, increase incomes, reduce costs, and support residents through financial crisis. It has protected investments in tackling poverty in the face of large funding cuts. The review recommends three areas of strategic focus in order to enhance the impact of the council's investments, in particular through a proactive and joined-up early financial intervention and an effective local safety net for low-income residents.**

Despite a £200 million reduction in central government funding since 2010, the council has maintained and added to a large and relatively-well funded portfolio of poverty-focused programmes. The figure below shows some of the direct support, services, and interventions which assist families and older residents to improve incomes and realise their rights.



Comparisons are difficult since local areas are no longer required to publish local child poverty reduction strategies. However, investments in a number of specific programmes compare favourably with that of other local areas. A striking feature is the stability of the programme, with multi-year commitments for the largest initiatives offering predictability for residents and partners.

The review found many areas where the council has sustained or increased support to anti-poverty work, including:

- sustaining twelve children's centres - providing play, early learning, health, and employment and skills support, through universal and targeted provision - at a time when spending on children's centres declined significantly, with a 60% real-terms fall in Sure Start funding nationally from 2011/12 to 2016/17 <sup>14</sup>
- universal primary free school meals since 2014, through additional annual funding of £3.02 million - this extends coverage to an extra 19,000 children in year 3 to 6. Tower Hamlets is one of only four London boroughs to provide this support
- maintaining the council's status as an accredited London Living Wage employer since 2008 ensuring that all directly employed, outsourced and agency staff are paid at least the London Living Wage
- since 2017, a Tackling Poverty programme which has invested £6.6 million in supporting residents moving onto Universal Credit, financial inclusion, grassroots community and voluntary sector programmes and several 'test and learn' initiatives
- a grant of £3.2 million to the Tower Hamlets Advice Consortium for social welfare advice (2019–23).
- a Residents Support Scheme which provided over £750,000 in 2020/21 for households at risk of financial crisis (food, clothing, nappies, utility bills, basic furniture, and white goods) - funding for the scheme has been protected in Tower Hamlets, even though local welfare scheme funding has declined by 55% in real terms in England since 2010 <sup>15</sup>
- a Council Tax Reduction scheme which remains one of the most generous in England, with those in the poorest households – including care leavers – receiving a 100% discount on council tax - in 2020/21 the scheme cost £31.8 million, with 37920 claims and 21,965 cases receiving a 100% discount on 31st March 2021

Poverty-focused interventions sit alongside wider partnership and council programmes supporting a strong, inclusive, and fair Tower Hamlets. These include the vital work of the voluntary and community sector, as well as support for learning and achievement, physical and mental health and wellbeing, community safety, and tackling discrimination and racism (for example through the Black, Asian and Minority Ethnic Inequalities Commission).

## Finding 2: local action and national policy

**Most drivers of poverty levels lie outside local control. Generally, there is little evidence that local authorities can shift headline measures of poverty in the short term. Local partners have a key role in supporting residents, but also in campaigning for national investment and policies which provide a decent standard of living and a route out of poverty.**

As described in the 'Context' section above, the proportion of children living in low-income households in Tower Hamlets has increased since the current approach to measuring child poverty in local areas began in 2014/15. This followed a period of declining child poverty in London and across the UK during the 2000's. These increases in children living in low-income households also reflect broader changes in other wider factors that impact poverty measurement notably those relating to social security policy, and the labour and housing markets. Levels of poverty amongst older residents remain the highest in England.

Local areas have limited scope to affect poverty levels. However local services can be transformational for individuals and families. Local partners also have a key role to play in ensuring wider policy debates are informed by evidence of the causes and consequences of poverty.

Poverty has remained stubbornly high in Tower Hamlets over the past five years. We know from the progress in reducing child poverty during the 2000's that poverty is not inevitable. However, councils have no direct influence over some key determinants of poverty rates: particularly benefits levels and the cost of housing and childcare. As Rounds and Longlands (2020) note *"We are realistic about the impact of any action taken at the local or regional level if this is not accompanied by a substantial national commitment to reducing child poverty, with adequate investment and strategic policy decisions that address the key issues of income (from employment and through social security transfers) and access to decent and decently-paid employment."*<sup>16</sup>

The challenge for Tower Hamlets council is how to use available resources and tools to maximum effect. The review recommendations focus on interventions where the council and its partners can make the biggest difference. Even where poverty levels are very high, an effective local safety net, access to decent work, and excellent and equitable health and education services can be transformational for individuals and families. And through its partnerships across the borough and with research institutions, the council can contribute to a national dialogue about the causes and consequences of poverty in local areas.

### Case study: supporting income maximisation can transform lives

A disabled couple attended one of the council resident support team's outreach sessions. The couple had a young child and were expecting a baby. A follow up meeting was arranged at their local Children's Centre with an interpreter to clarify their situation. The couple had transferred from legacy benefits to Universal Credit but had not received the correct housing entitlement or the Limited Capability for Work and Work-Related Activity element. The team supported their appeal and the couple received both entitlements. An application to the council's Discretionary Housing Fund was made, enabling the couple to clear £3000 in accumulated rent arrears and avoid eviction.

### Finding 3: transformation and opportunity

**Communications and approaches to poverty should include a focus on aspects of the borough's story that are transformative – including education and employment, and the aspirations and achievements of residents.**

Residents had contrasting views on poverty. Some people the review team spoke to warned against what they saw as a negative focus on chronic, unchanging poverty. Young people in particular felt the borough and its population were stigmatised by its association with poverty.

They argued for a more inspiring and outward-looking narrative, including a focus on the creativity and energy of residents, the opportunities of living in a global city, the transformation of education and employment, and the contributions and resources which the voluntary, creative, and business sectors bring to the area.

*“We seem to have a bit of reputation management issue ... how do we talk about poverty in the borough and how we start to shift that language and so Tower Hamlets is seen as a place to live and to thrive and to be a part of.”*  
(VCS focus group)

While the challenges of poverty, inequality and discrimination are real, the council's support to residents on low incomes plays an important role in supporting life chances, social integration and opportunity, and the high-quality education that many of the borough's children receive has the potential to be life-changing.

Tower Hamlets has one of the fastest growing economies in the country. Worklessness across all households declined steeply from the 2000's: falling from 28% at the end of 2005, to 11.2% by December 2018.

The borough has a young, diverse, and creative population. Since the early 2000's, education has been transformed. In 1997, only 26% students obtained 5 or more good GCSEs, the worst achieving borough in the country. Today, average attainment is higher than average, and the Education Policy Institute (2020) estimates that the average 16-year-old on free school meals is just one month behind their (national) peer group, compared to a gap of 9 months for England as a whole. Analysis by the Social Mobility Commission finds that in areas of high social mobility “educational achievement alone predicts labour market success – [socio-economic] family background has no lasting influence”. Education provides a route out of poverty for many, although the Black, Asian and Minority Ethnic Inequalities Commission has rightly highlighted the barriers which hinder too many young people from Black, Asian and Minority Ethnic backgrounds as they enter into the labour market .

By contrast, some residents held a less optimistic view. Some focus groups and respondents to the online call for evidence focused on people who are ‘stuck’ in poverty, with a strong current of concern about gentrification and what some residents saw as a harmful impact on the cost of living, small businesses and on places of local cultural importance.

*“Causes of poverty: Poor education; lack of willingness to take up opportunities that are beyond historical neighbourhoods.”* (online response)

*“All I see are closed down shops around me, the rich people are taking over now and opening galleries, expensive clothes shops and bars/restaurants.”*  
(online response)

*“I’ve never seen a Bangladeshi or a minority ethnic person sit in a vegan restaurant. ... you’re stripping away what we already have just so you can have the new money making”* (young person, focus group)

## Finding 4: resident voice

**Involvement of residents with experience of living on a low income in developing strategic approaches and action plans on poverty reduction has been limited. More could be done to put residents and community organisations at the heart of thinking and action to tackle poverty.**

There is a rich tradition in Tower Hamlets of community activism and organising. The council has supported a lot of community-based action projects such as Communities Driving Change, social prescribers, and many initiatives funded by the Local Communities Fund.

The review team worked to make sure that the views of people with first-hand experiences of poverty were heard. Community researchers supported by Toynbee Hall ran workshops with residents. Residents were represented on the external reference group and focus groups were held with parents and young people.

There is potential to include residents more systematically in tackling poverty programmes. A growing body of evidence on co-production and from the Poverty Truth Commission movement shows how this might be done.

*“We need some effective people who can make a noise, make a fuss and make changes, and we need some leaders who can lead on the issues that you’ve brought up today.”* (Resident, Toynbee Hall, community research)<sup>17</sup>

*“It’s really hard for one person to be heard properly right and if the community got together, if they all expressed the same concerns and the same worries, I think they’re most likely to be heard, the change is most likely to happen.”*  
(Resident, Toynbee Hall ‘Pandemic Stories’)<sup>18</sup>

### Case study: Tower Hamlets’ Youth Council campaign on period poverty

In spring 2021, Tower Hamlets’ Youth Council held a discussion on poverty during their weekly Zoom meeting. They talked about the impact the pandemic and lockdowns were having on young people. One of the issues that was raised was the expense of sanitary products. Fahim, a Youth Council member and a member of the Poverty Review Reference Groups says “Some of my friends and other young people were brave enough to share their personal experiences with me and highlight the extreme level of seriousness of period poverty. This has been significantly exacerbated by the pandemic and subsequent lockdowns. That is why we have initiated a campaign to tackle period poverty in our borough.” The Youth Council is working alongside the Corporate Director of Children’s Services to ensure every school in the borough taps into the national government period product scheme so that there is an accessible supply of period products for pupils.



## Finding 5: trusted institutions and community leadership

**Positive experiences of partnership working during the pandemic show what can be achieved by working in partnership with trusted local institutions such as community groups, schools, and faith groups. This focused, purposeful collaboration with an emphasis on local and resident priorities should continue.**

Much has been learned about partnership working during the pandemic:

- how quickly things can get done when necessary
- the value of trusted organisations such as schools, faith, community, and the voluntary sector
- the potential to reach many – but by no means all – residents through online and remote support
- the importance of clear messages, consistently delivered with cultural competence and a focus on fairness
- the need to link in-kind support such as food banks with longer term interventions such as access to information and advice
- the value of in-house council teams with good local knowledge and links: teams such as the Tackling Poverty team were swiftly redeployed to work on the emergency response
- the importance of mutual aid and volunteering as residents came together to help each other, and of spaces and places which facilitate communities to come together

Many people said the pandemic recovery provides an opportunity to work with energy and focus to tackle poverty and injustice. They wanted to see clarity of purpose, strategic leadership and a focus on achieving specific results.

The key lesson for the poverty review is the need to work effectively alongside different local institutions and groups, such as schools, community and faith groups. These are well used and trusted by residents, have good community network, and bring additional resources and capacity to poverty reduction.

*“I didn’t have any idea about how anything works. When people come here, they don’t know how anything works. When my daughter got a place in primary school, I got all the information, if you want to get this, you go there. School is a great place.”* (Parent, focus group)

*“Faith communities and faith-inspired projects are already involved in a plethora of poverty-related initiatives ... places of worship and community halls offer safe spaces for poverty-related work, both organised activities and informal help. Many faith communities are able to tap into a rich seam of volunteers and people offering professional help. Faith leaders have their own distinctive leadership and pastoral skills in tackling disadvantage, discrimination and poverty-related issues.”* (Tower Hamlets Interfaith Forum)

## Finding 6: impact and learning

**A more consistent and rigorous approach to understanding impact and lessons learned is required to support a strategic approach to addressing poverty. The review team found that in some areas of anti-poverty work, there is limited information about the difference interventions makes to residents' lives.**

This is particularly the case with in-house council-programmes. It represents a missed opportunity because it makes it difficult to assess whether programmes make a difference and are cost effective. Limited impact evidence also means the evidence base on which to argue for national scale-up of local programmes is limited.

New programmes and ongoing research collaborations offer an opportunity to embed a more rigorous approach to assessing impact, using data and evidence effectively, and involving service users in monitoring impact. Approaches need to be flexible and proportionate, particularly in partnerships with smaller organisations.

There are many different programmes that gather information about users and impact:

- More information (at least on outputs) was available from organisations implementing commissioned or grant-funded programmes. Some people said the council should be more inquisitive about the real-life impact of these activities: asking if they were actually resolving residents' issues, as well as delivering against targets.
- The Tackling Poverty Team documented outcomes from their income maximisation and financial inclusion interventions, and commissioned an evaluation of its 'test and learn' innovation programme from East End Community Foundation
- Some collaborative interventions bring access to research and evaluation expertise: examples include the Coordinated Community Support programme led by the Children's Society; and the Act Early City Collaboratory research programme. Act Early in particular, provides an unmissable opportunity to learn about the impact of current programmes and to test new initiatives to support low-income families with children.

However, for large areas of expenditure such as council tax reduction, universal free school meals, children's centres, or the residents support scheme, feedback from residents, lesson-learning and evidence of impact could be strengthened. It was not always clearly defined what success would look like, how programme design reflected lessons learned, and how the council would know if they were making a difference.

This limited local learning is compounded by limited national evaluation of poverty-related programmes. National government has not produced recent evaluations of local action on child poverty for around a decade, and – for example - there has been no recent national evaluation of current children's centres approaches.



## Finding 7: seeking support

**Both residents and staff reported difficulties getting the information they needed about council services and understanding what services were available. The borough appears still some way away from a ‘no wrong door’ approach, and communication could be much improved.**

Confusion about how to get information and support was one of the most striking and consistent messages from the review. A lack of clear information and communication prevents people from getting the help they need and is a source of preventable demand for services. This echoes previous reviews and is a priority for detailed investigation and improvement.

*“Everything could be a lot easier to have it, more information, know how to get stuff. You know what services and stuff is available, but they make it hard to get it.”* (Older male resident; Toynbee Hall research)<sup>19</sup>

*“... you know when you receive those council tax letters from government, it is not really put into a sentence or wording, it just seems like all you’re seeing is figures and numbers and it doesn’t make any sense. You need someone physically to explain, they have to simplify the language”* (Resident quoted in Coordinated Community Support project research)<sup>20</sup>

*“As somebody who’s gone through depression, I don’t want to hear somebody snap at me, because I find it hard, that’s my experience from the council.”* (resident, focus group)

The council provides information about services to residents through its website, additional microsites such as Tower Hamlets Connect and the Local Offer, phone lines and through its frontline staff. Difficulty navigating information dominated many of the review team discussions, with issues including:

- the council’s website was described as confusing, hard to navigate, and often out of date
- some stakeholders commented on the loss of one-stop shops
- many stakeholders said that digital exclusion and language barriers meant that many residents could not access online information
- some residents reported difficulties and an unsympathetic reception when contacting the council by phone

These findings on council and other providers’ communications echo earlier research by Social Finance, which also noted unclear written communications as a source of preventable demand on advice services. Residents also report difficulty getting through to the council by phone in the Annual Residents Survey.<sup>21</sup>

Digital exclusion and language barriers were a major topic of discussion in focus groups. The pandemic shone a light on digital exclusion. A digital action plan is under development. Some of the barriers related to lack of skills, access to devices and data costs. However, the absence of a user-friendly, plain English digital platform that could be easily navigated using a smartphone was a major contributor to people’s difficulties. Even two years ago, Social Finance reported that lack of a

device was not the main barrier for a large proportion of those unable or unwilling to use online services.

At least two microsites – the Local Offer for Children and Families and the new Tower Hamlets Connect digital portal - aim to collate information about services for different audiences. They provide a very useful service for residents. However, it is important that the entire system offers a consistent, easy and accessible experience. Residents should not have to understand how government works to use public services.

Some of the reported difficulties stem from the sheer complexity of the welfare benefits system and the multiple needs of some residents on low incomes. Some of residents' frustrations seemed to be linked to the intense pressure on resources: access to housing, and support for children with SEND were mentioned several times. Information and communications alone will not solve every problem. However, a clearer gateway and information designed around the needs of residents is an important start.

## Finding 8: universal access

**The council should sustain support for universal provision in key areas such as early childhood provision. New models of locality working offer opportunities for effective partnership working between universal services, specialist support on incomes, costs and employment, and community and faith groups. The council should provide guidance and practical support to trusted local institutions such as children's centres, schools and other universally accessible services in order to scale up efforts to make early financial intervention available to as many residents at risk of poverty as possible.**

The 2010 Marmot Review argued for 'proportionate universalism': *'action to reduce health inequalities must be proportionate, with more intensive action lower down the social gradient, but action must also be universal to raise and flatten the whole gradient'*.<sup>22</sup> In Tower Hamlets, universal services – through schools, children's services, and youth provision - have been substantially protected, and played an important role in supporting residents during the pandemic. There are many positive examples where schools and children's centres have linked up residents with advice agencies, or support with job-hunting or money management. The review considered how this work could be scaled up.

*"There's not much difference between the children who are pupil premium, and those who aren't. The ones not on pupil premium, their parents are in the gig economy, or uber, low skilled, low-income unstable jobs. ...We don't recognise a binary approach."* (Headteacher, focus group)

*".. our frustration at the lack of a coordinated approach. It seems that so many places are doing such good work, but we are all working incredibly hard to receive the same output in our different settings."* (Headteacher, focus group)

Stakeholders told the review team that universal and inclusive provision was important because:

- it is the best response to a combination of concentrated deprivation, high numbers of precarious 'non-poor' families, and those with no recourse to public funds
- it improves access for the most disadvantaged children and families by reducing stigma
- it provides a gateway to targeted services
- it supports social integration by bringing children and families from different backgrounds together

However, there are also challenges:

- Universal services are only an effective gateway if used by those in the greatest need - inclusion needs to remain a priority as focus of children's centres broadens to include older children.<sup>23</sup>
- schools and other services are under intense pressure, with limited technical expertise and diminishing capacity and budgets with which to support residents on issues like housing or benefits
- not every family will be receptive to receiving additional support such as financial advice
- there is no equivalent service to schools for adults without children. It will be important to identify the best way to reach older and younger adults, directly or through services such as GPs or Job Centre Plus, or through place-based provision such as community hubs. Direct targeting of older residents may be more appropriate, given the smaller numbers (although high percentage) of older people living in poverty.

### Case study: Universal and targeted services in Children's Centres

Twelve children's centres combine open 'Stay & Play' sessions with more targeted advice and guidance for families who need it on issues such as social welfare advice, mental health support and well-being. Staff also put families in touch with early help, training, and employment support. To increase take up from more disadvantaged families, the Integrated Early Years Service reached an agreement with local hospitals on sharing birth data, allowing them to reach out to new parents with information about what's on offer.

## Finding 9: worklessness

**Investing in employment and skills for those who are not 'job-ready' is high-cost but remains one of the few avenues through which local agencies can prevent poverty. Council employment interventions are part of a broader landscape of programmes in the borough and across London. Partners should work together in an ambitious programme to increase residents' access to the range of economic opportunities in the borough, scale up worklessness interventions and to tackle insecure work.**

Moving into work has a strong poverty payoff<sup>24</sup> and helps to reduce the consequences of unemployment on wellbeing and demand for local services.

Reducing unemployment requires a joined-up approach which brings together different programmes and recognises the barriers which make it difficult for residents to get and stay in employment.

The council's Workpath programme provides a range of support for residents wishing to get into employment. Its Supported Employment programme has high job retention rates (76% of participants secure and retain work) for residents who face multiple barriers to employment and are very likely to be on low incomes. It is well focused on women returning to work and the over 50's: two groups in the borough with low levels of labour force participation. The potential benefits of the programme include a stable job and increased income for residents, but also wider social and health benefits.

No organisation can support the employment agenda alone. Workpath is a high cost and high intensity programme which is available to only a limited number of residents and is currently funded through the Mayor's Growth programme. Its potential for scale up is limited. Stakeholders such as housing associations are keen to work together on employment, building on existing positive partnerships and areas of comparative advantage, and beginning by making best use of national recovery programmes such as Kickstart and Restart. The partnership between the council and JCP and the establishment of a youth hub to support implementation of the Kickstart programme for 16- to 24-year-olds is one example of such collaboration.

There is an appetite from partners to combine forces in a strategic approach to employment and skills, supporting both the long term unemployed and the newly out-of-work. This approach needs to look particularly at support for women from Black, Asian and Minority Ethnic backgrounds, disabled residents and those with caring responsibilities, and how employment and good mental health can be linked. It needs to go hand in hand with the implementation of the Black, Asian and Minority Ethnic Inequality Commission recommendations, and with access to financial/benefits advice and access to childcare to tackle barriers to work.

The pandemic is creating additional challenges including a rapid increase in unemployment. Between March 2020 and April 2021, the number of 18- to 24-year-old residents claiming out of work benefits rose from 1,330 to 3,745. Many will find work, but the review team is concerned about the long-term effects on the finances and wellbeing of those who do not. The over 50's were also badly affected, and some of these residents may not find work again, with long term consequences for their wellbeing and income in retirement. The newly unemployed will be competing for jobs against those who have been out of work for a long time. Stakeholders were also worried that businesses who are facing a tough time may not prioritise employing disabled people, even though the pandemic has demonstrated that flexible or home-based work is workable.

Many stakeholders reported a notable increase in mental health worries during the pandemic, particularly amongst residents who are financially insecure. Their concerns are backed up by emerging findings from the Act Early study which found elevated levels of mental health problems amongst parents of young children. The potential exists for a virtuous circle where improved mental health and decent employment go hand in hand.

Work is not the answer for everybody. Some people reminded the review team that

*“Not everybody can work, and for some people with caring responsibilities for children and older family members, work does not pay.”* Disability organisations focus group

### Case study: Workpath

When I first stepped foot into Workpath I was completely out of my comfort zone. I would have sleepless nights of financial worry not seeing how I could change my current situation.

The training was not easy, but it pushed me each week into learning a new skill, changing my attitude, and allowing me to understand what potential I had. I had struggled for a long time on most days to be sociable however now I had a reason to get out and engage on a positive level. I gained qualifications in Business and Administration, Prevent and safeguarding, I.T skills and learned how to manage my financial income. These women invested their time in me, one by one, week by week. I gained more respect for them and could genuinely see that they cared and believed in me. I valued their opinions and knew that what they was advising me was honest, they had nothing to gain from me continuing as they had candidates on the programme that would see it through.

I was in incredible amounts of debt and the transition from being on benefits for a long period of time frightened me but gaining a paid employment position supported me immensely.

(Resident supported by Workpath through the Women and Health Programme, currently employed in the NHS, feedback to Workpath team as part of evaluation)

### Finding 10: insecure work

**Further investigation is required to develop an effective response to the increase in low-paid insecure work – in the ‘gig economy’ and amongst the self-employed. In the medium term, support to post-16 and adult learning to level 3 is key.**

With a large majority of children in poverty living in households where somebody works, tackling low paid, low hours, insecure work and low paid self-employment should be a priority.<sup>25</sup>

Many residents work in sectors with concentrations of insecure employment: including 19% who are employed in distribution, hotels and restaurants.

Compared to other London boroughs, Tower Hamlets has a low, but rapidly growing, proportion of self-employed workers. Self-employment in London has grown rapidly over the last decade and was responsible for much of the jobs recovery after the 2008 economic recovery, with high concentrations in construction and the arts.<sup>26 27</sup>

The council has taken some important steps to address low pay and insecure work. It was an early adopter of the London Living Wage. Through funding for the Tower Hamlets Advice Consortium, it supports employment advice delivered through four

consortium members, ranging from initial ET1 form-filling to representation at employment tribunal.

In the short term, the opportunities for the council to make a difference to precarious and low paid employment and self-employment may be limited. The Tower Hamlets partnership is in the early stages of aligning its employment practices through a local 'anchor institutions' charter with a commitment to work towards the [London] Mayor's Good Work Standard. However, most insecure work is outside the public sector, with public administration (and defence) only accounting for 5% of workers on less secure work arrangements nationally. Only 19% of jobs in Tower Hamlets are in public administration, education and health. There are therefore limits to the potential of a 'local anchor institutions' approach to tackling wider issues of insecure work and poor employment practices in the borough. Further work to develop approaches and options is recommended, possibly exploring some of the following:

- promoting information and advice about employment rights particularly if the long-awaited Employment Bill is enacted into law, learning from neighbouring Newham's new Employment Rights hub,<sup>28</sup> and/or exploring trades unions' role in raising awareness
- reviewing the council's own employment practices so there are opportunities for training and progression for staff at low pay grades, apprentices can progress to level 3, the In-House Temporary Resourcing Service can be used more routinely, and that applicants with the right skills are not screened out through unnecessary requirements (for example, for a degree)
- considering security and progression in relation to the health and social care workforce in the borough

In the medium term, focusing on post 16 and adult education so that as many residents as possible are qualified to level 3 is important. This matters because level 3 (A level equivalent) acts as a threshold beyond which workers are much more likely to experience pay progression: workers qualified to level 3 have a 19% lower chance of being on low pay. Nationally and locally, too many learners are stuck at level 2.

## Finding 11: early years and childcare

**Access to affordable quality childcare and early years provision helps to reduce the cost of living, and is essential for children's development, supporting working parents, and promoting gender equality. The recent decline in take-up of childcare and the Free Early Education Entitlement is a threat to economic recovery and to children's healthy development. Focused promotion based on an understanding of the barriers to uptake is recommended.**

In London, childcare is one of the key drivers of high living costs for families with young children. For example, the average weekly price of a full-time nursery place for a two-year-old in inner London is estimated at £310.45.<sup>29</sup> For families on Universal Credit, a cash limit on support for childcare costs (an 85% rebate on costs of £175 per week for one child) limits work options for many families by effectively locking them out of paid childcare. Work commissioned by the Child Poverty Action



Group estimates that the universal credit system provides enough support to keep childcare affordable and make work pay in London up to about only half of a full-time job for parents with young children. More work may be affordable where a three- or four-year-old (and in some cases a two-year-old) gets some 'free' hours under the early years entitlement.<sup>30</sup>

The council does not provide childcare but conducts regular assessments under its Childcare Sufficiency duty and provides some sector support. Providers currently face a challenging financial environment because of low hourly rates and the removal of pandemic protections for providers with low occupancy. These are national/London issues over which the local authority has little control.

High quality early years provision offers important developmental benefits for children as well as allowing parents to work. Alongside its sufficiency duty, the council also promotes take-up of the various Free Early Education Entitlements funded by central government, some targeted at disadvantaged families.

Tower Hamlets has historically had one of the lowest take up rates in London of this entitlement. Focused promotion of the two-year-old free entitlement (for example) increased take up from 37% in summer 2017 to 56% of eligible children in the autumn term of 2019.

Childcare attendance and Free Early Entitlement uptake reduced during Covid as a result of parents' safety concerns and a lower number of Covid-safe places. For example, by December 2020, there were an unprecedented 1,034 vacant Covid-safe places in local childcare providers and take up of Free Early Education for disadvantaged two-year-olds fell to one of the lowest levels in the capital. The long-term impact on childcare providers' financial sustainability is unclear, although most have survived the immediate impact of the pandemic.<sup>31</sup> Addressing uptake as a priority will help to enable parents (particularly mothers) to develop skills and return to the workplace and support development and school readiness amongst young children.

Longer term, declining birth rates in the borough suggests that women's and families' aspirations around careers, family size and caring may be changing. This has implications for the council's duty to ensure enough childcare places for working parents and parents who are studying or training for employment. A clearer profile of family size and demographics in the borough will be available following the 2021 census.

## Finding 12: income maximisation

**There is unmet potential to adopt a more systematic approach to income maximisation. This should include embedding use of the LIFT dashboard and benefits and budgeting calculator across council services and in key partnerships.**

There is a compelling case for systematic early financial intervention to help residents increase their incomes and avoid financial crisis. But effective early intervention depends on identifying who is at risk and providing them with support which is relevant to their individual circumstances.

Its access to administrative data provides the council with an important comparative advantage for early intervention: allowing it to reach out to residents who might benefit from targeted information and support. Through the Tackling Poverty team, the council subscribes to the [Low Income Families Tracker](#) (LIFT) dashboard, provided by the organisation Policy in Practice and using administrative data inputted by the council. It also purchases a comprehensive [benefit and budgeting calculator for use by advisers](#) which has the potential to be used widely across the council to support residents.

The Tackling Poverty Team has demonstrated the potential of this approach through the targeted work and benefit take up campaigns of its resident support team. Interventions such as the council tax arrears project, commissioned by the Tackling Poverty team but implemented by the Citizens Advice Bureau, demonstrate how information about residents can be used – with appropriate safeguards – in the context of joint working. However, the LIFT dashboard is an under-utilised resource: some of the council teams which needed to identify and reach out to low-income residents were unaware of its existence. More could be done to embed use of data and a systematic approach to identifying residents who might benefit from income maximisation and financial inclusion support.

In looking to embed and scale up its use of these tools, the council might look to other London boroughs, such as the Royal Borough of Greenwich, where a holistic approach and use of the Benefits and Budgeting Calculator is embedded across a range of council services. In a six-month period, Greenwich identified up to £20 million per year of unclaimed benefits.<sup>32</sup>

### **Case study: Using data for Pension Credit Take-up**

In 2019, the Tackling Poverty team ran a campaign to increase uptake of Pension Credit. Using information from the Low-Income Families Tracker, residents who were likely to be eligible for Pension Credit were sent a letter offering support with applications. Eighty older residents – seventy per cent of whom were women - successfully claimed an average of £1,952 a year each: a total annual increase in income of £156,170. The team is currently repeating the take-up drive: letters have been sent out to those residents thought to be eligible, and a publicity campaign is under development with posters on notice boards and a planned stall in Roman Road Market.

### **Box: Access to data about Universal Credit claimants and the benefits cap**

Between January 2020 and February 2021, households claiming universal credit increased by 135% from 15,972 to 37,566 households.

By February 2021, 2,384 households in Tower Hamlets were subject to the benefits cap. 2137 of these were in receipt of Universal Credit, including nearly 500 households losing over £100 each week. The cap meant that many families did not benefit fully from pandemic protections and has now been imposed on residents who lost their jobs at the start of the pandemic.<sup>33</sup> During the pandemic, few residents have been able to get work or increase their hours as intended by the policy. The cap systematically disadvantages lone parents with children and larger families, leaving many without essentials and in debt.



Yet the council has no way of identifying and getting in touch with many of the affected residents to offer support. Currently, administrative data is limited to legacy benefits and the council is only provided with DWP-held data on people receiving universal credit cohort in an extremely limited range of circumstances. London boroughs continue to press for access to this information - proportionately and for a specific set of purposes.

### **Finding 13: poverty and other council services**

**The local authority has an opportunity to do more to address poverty and deprivation, and to mainstream income and financial inclusion through its existing relationships with residents and families.**

Through the provision of early help, social care and safeguarding support for residents, the council has relationships with individual residents and families.

Services should consider whether there are more opportunities for such services to explore how residents' needs for money, housing, warmth, and food can be met.

Poverty and deprivation affect the lives of many residents and families using local authority services.<sup>34</sup> National research highlights the social determinants in inequalities in which families become involved in child welfare services.<sup>35</sup> The British Association of Social Workers has produced materials to support the practice of social workers working with people living in poverty.<sup>36</sup>

Although there are huge pressures on such services, the review team heard - for example - that adult social care services will work with residents to access information, advice and housing services. Some stakeholders said that they felt service reviews were often carried out under time pressure and it was difficult to consider wider issues: they felt that more time spent identifying opportunities for income maximisation, tackling debt, and reducing costs would be well-spent.

Prevention and early help programmes such as Supporting Stronger Families and Linkage Plus offer examples of how information and signposting on income and finance issues could be included as part of broader programmes.

#### **Case study: Linkage Plus: tackling poverty as part of preventative support for older residents**

Linkage Plus is a longstanding programme for residents over fifty, and an example of an integrated programme with an embedded information and signposting element. It is currently delivered by a consortium led by Toynbee Hall and made up of St Hilda's Community Centre East, Neighbours in Poplar, Peabody Trust, and Age UK East London, with an annual spend of £643,000 for 2017 – 2022, funded jointly by the council and the clinical commissioning group. The programme currently supports around 1000 older residents each year in a broad programme which tackles isolation and encourages residents to get involved in physical and social activities, volunteering and work, and health promotion activities.

Involvement starts with an initial assessment, and it is at this point that issues around poverty become clear and that work to prevent financial hardship crisis takes place. Some of the most common issues include dealing with DWP deductions for overpaid

benefits, or dealing with rent charges, debt, lack of essential household items, and access to food. Often these issues have arisen because of language barriers, online applications which make it hard for residents to claim what they are entitled to, non-user-friendly forms for applying for exemptions, or because of lack of awareness – for example, of council tax exemption for people living with dementia. The project addresses the most pressing issues by making calls on residents' behalf to DWP or landlords, or support with form filling. Referrals are made to accredited advice services - often those run by consortium members – when required. The programme also supports residents to improve their financial position by encouraging them to apply for pension credit or attendance allowance, helping them to find a cheaper energy supplier, or helping with grants.

## **Finding 14: information and advice**

**In the council's funding and commissioning of information and advice provision, more could be done, and faster, to support moves towards a 'no wrong door' approach.**

Information and advice on social welfare law and debt is a key component of an early intervention approach to poverty. People who are vulnerable to poverty - those with a long-term illness or disability, young and older adults, people on low incomes and those living in temporary accommodation - have a high likelihood of experiencing justiciable problems.<sup>37</sup> Good quality advice can help people sort out a range of issues include benefits, financial inclusion, problem debt, and issues including immigration, housing and employment.

With 33 identified advice services, the largest number of any London borough, Tower Hamlets has a diverse and active advice sector.<sup>38</sup> The sector is a source of strength and support for the borough's diverse communities and a vital tool for realising their rights.

A LBTH cabinet paper in 2019 reported that "information and advice [was] being provided in a disjointed and inconsistent way, leading to duplication, gaps and confusion about where a resident should go if they require information and advice."<sup>39</sup>

Discussions with the review team suggested there is a long way still to go to address these concerns. Research commissioned from the Social Market Foundation and Toynbee Hall in 2019 found the greatest unmet advice needs in Tower Hamlets were in housing and welfare benefits, with many residents needing support for several issues. Some demand for advice was preventable and the result of national and local systems not functioning as they should.

The council provides substantial funding for advice provision from its Local Community Fund and through jointly commissioned information, advice, and advocacy through Tower Hamlets Together. It also funds a range of other programmes with an information or signposting element and employs staff who provide information to residents.

Funding from the Local Community Fund supports the 13-member Tower Hamlets Advice Consortium for £3.2m for 2019 to 2023. In the year to September 2020, the consortium supported 19,828 residents on 36,579 issues, including 4722 residents supported to maximise their income. £2.9 million in residents' personal debt was

reduced or written off, and residents received £18.6 million per annum in increased or backdated income. The consortium has a reach across the borough and its different communities. The team noted that 16 – 24-year-olds make up less than 4% of clients, even though this age group is an estimated 13% of the population and has faced unprecedented challenges because of the pandemic.<sup>40</sup>

A new Information, Advice and Advocacy project (the successor to the Local Link Project) will commence shortly funded by Tower Hamlets Together partners and to be implemented by Age UK and partners.

There are a range of other initiatives designed to link residents with appropriate advice and information, such as Community Navigators funded by Public Health, Care Navigation provided by ELFT and Social Prescribing commissioned by the CCG, as well as council staff from a range of services who provide information and signposting as part of their support and prevention for residents.

There is an active Tower Hamlets Community Advice Network which is working in partnership with the Children's Society Coordinated Crisis Support programme to develop a referral system.

Yet, despite all of these positive initiatives, confusion, and lack of access to information and advice was one of the most common issues that came up in stakeholder discussions. This reflected the 2019 research described above, where providers reported that people tended to seek advice only at a late stage.

The review team also heard some concerns that residents were being signposted from service to service (involving both the voluntary and council services), and some people were seeking advice repeatedly on the same issue. Some felt that residents in crisis were not given enough support to address the complex range of issues they face. Some noted that it was difficult for residents to access some of the more specialist areas of advice (such as immigration or employment advice). Currently there does appear to be potential for improvement so that advice provision overall in the borough is as accessible, well-integrated and effective as it can possibly be.

## Finding 15: housing and homelessness

**Housing costs and housing conditions – particularly overcrowding – featured in nearly every discussion the review team held about poverty in Tower Hamlets. The review recommends that prevention of homelessness forms part of an early financial intervention approach.**

Affordable, decent housing, overcrowding, rent arrears and evictions emerged as key issues in the review. Tower Hamlets has high value homes, high land values, and this leads to affordability challenges because the most socially and economically excluded households are on very low incomes. These are far-reaching issues which are already a priority for the administration.

Housing and poverty are connected in multiple ways:

- high housing costs reduce residents' disposable incomes. Twenty-eight per cent of children in the borough live in low-income households before housing costs, but this figure increases to 56% after housing costs are accounted for –

the largest differential in the country. Tower Hamlets has one of the largest gaps between local housing allowance and rents in London.

- low and unpredictable incomes can lead to indebtedness and ultimately to homelessness. The pandemic is adding to pressures. By November 2020, the proportion of households claiming state support for housing costs had risen to 36.2%<sup>41</sup>. National funding for Discretionary Housing Payments fell by over 40% to £1.1 million in 2021/22, reducing the council's ability to respond to residents' additional needs for support with housing costs.
- the benefit cap is a major obstacle in the council's preventative approach supporting households who are homeless or at risk of homelessness. The cap makes it very difficult indeed to find affordable accommodation in the private rented sector to prevent homelessness, makes identification of temporary accommodation in London for homeless residents challenging, and makes it hard to find areas of London with accommodation which residents can afford when moving on from temporary accommodation. With 2853 households in temporary accommodation in December 2020, the pressures on residents and the costs for the local authority are considerable.
- housing is one of the main channels that connects poverty to lower well-being, physical health, and achievement. In May 2021, more than 9,000 out of the 21,246 households on the housing register were overcrowded

*"It affects children as they grow up. You know if they're living in overcrowded housing. I've got a 16-year-old who's doing GCSEs, who shares a room with his 12-year-old sister, and his 8-year-old brother. So, it affects him going forward."* (Resident, Toynbee Hall research)

*"We went to flats where the windows were not opening, or didn't work, or where there was just one tiny window for a whole flat. The amount of people in the flats was huge. This is the worst housing I've ever visited in the capital."* (School leaders focus group)

*"There has to be work done in the council on the link between poverty and housing. We have two bubbles down at the moment: year 5 and nursery. Our Year 5 has missed 10 weeks of school because of this. It's really linked to overcrowded housing."* (School leaders focus group)

The council and partners work to address these issues through several channels:

- delivery of affordable housing - in the year to October 2020, LB Tower Hamlets delivered more new affordable homes than any other local authority
- housing quality - the council has long-standing Mandatory Licensing for Houses of Multiple Occupation, an additional licensing scheme (from 2019) and a selective landlord licensing scheme covering privately rented property in Weavers, Whitechapel and Banglatown & Spitalfields (since October 2016 and recently renewed)
- a range of different initiatives – from parks, to liveable streets, and breakfast and homework clubs in schools - recognise the pressure on indoor space

Nevertheless, the housing issues facing low-income families remain pressing, and the council remains constrained by a shortage of land, of funding, powers, and tools

from central government. The percentage of properties in the private rented sector has increased steeply in Tower Hamlets from 18% in 2001 to an estimated 41% currently, and the council is limited in its ability to license and oversee the activities of private sector landlords.

The main recommendation of the poverty review is that stronger links are developed between homelessness prevention activity and early financial intervention, so that wherever possible, residents get early support and can maintain their tenancies.

## Finding 16: free school meals provision

**The Mayor's Free School Meals programme is a major investment and there is evidence that universal free school meals have a range of benefits for family finances, health, and learning. Evidence of impact from Tower Hamlets would help to build the case for more generous national provision.**

The Mayor's Free School Meals programme extends free school meals provision to 19,000 children in years 3 to 6 who would not otherwise be eligible. Effectively, this extends the national Universal Infant Free School Meals programme to all primary pupils. Tower Hamlets is one of only four London boroughs to provide this level support.

The cost of the Mayor's Free School Meals programme is £3.02 million a year, funded from the public health budget and reserves. This equates to a saving for families of £450 per child (estimated in 2019). Clearly, some of this subsidy goes to families who could otherwise afford to pay for free school meals. However, the programme benefits many low-income families who are above the net income threshold of £7,400 per annum, addressing a significant cliff edge for families on Universal Credit, as well as families not eligible for public funds. It is of particular benefit to those larger families who would not otherwise be eligible for benefits-linked free school meals.

Although the impact of the Tower Hamlets programme has not been evaluated, the wider evidence base for universal free school meals was reviewed internally in 2019. Most evidence comes from the introduction of the national Universal Infant Free School Meals programme in 2014. It shows modest (although mixed) evidence of some learning and health gains from universal meals provision:<sup>42</sup>

- Increased uptake of FSM amongst benefits-eligible as well as non-benefits eligible pupils
- Improved nutritional content of food consumed during the school day. There is some emerging evidence of a positive impact of UIFSM on bodyweight
- Improved learning behaviours, and improved attainment

The additional funding provides more work for catering staff: including those employed by council's contract services and paid at a rate substantially above the London Living Wage. The vast majority of these are residents.

It is important to note that some schools felt the programme reduced the incentive for parents of eligible children in years 3 to 6 to register for Free School Meals, meaning that schools missed out on pupil premium funding (£1,345 per primary pupil in 2021/22) allocated for children who have received FSM in the last 6 years.



During the pandemic, free school meals and holiday hunger became a topic of national concern. Local and devolved governments are considering options such as extending universal free school meals to secondary schools, universal breakfast provision, longer term holiday meals support, and extending FSM to all families eligible for universal credit.<sup>43 44 45</sup> Additional evidence from Tower Hamlets and other boroughs supporting primary provision could help make the case for national adoption of more generous approaches to free school meals provision, and to protect the existing national Universal Infants FSM programme.

## Finding 17: council tax reduction

**A growing body of national evidence on the impact of localized council tax reduction schemes suggests there is a strong case for generous schemes such as the one operated by LBTH.**

In 2013, local authorities in England became responsible for administering local council tax reduction schemes, with reduced central funding available. Local authorities are required by law to have a scheme but have discretion over scheme terms. Local schemes for pensioners are protected, with a full reduction for those with an income below the applicable amount.

Tower Hamlets is one of 74 authorities in 2020/21 to have no minimum payment<sup>46</sup>. This means that working age adults on the lowest incomes pay no Council Tax. This, combined with the large number of people receiving support (the second highest in London in 2021) makes the LBTH scheme one of the most generous in England. Since 2017, Tower Hamlets' care leavers under 25 have also been exempt. An additional fund provides further discretionary reductions in Council Tax for residents in exceptional hardship: this provided £45,000 to 109 households in 2018/19.

In 2020/21, the scheme cost £31.8 million, with 37,920 claims, and 21,965 cases with 100% discount on 31st March 2021. The most recent figures show an increase in the number of people supported by 12.3% over the past year.<sup>47</sup> Additional support was provided by central government to help meet the extra costs associated with council tax support during the pandemic.

Assessing the impact of such a large and costly programme is difficult. However, there is good comparative evidence to show council tax debt is particularly difficult for people to manage, that collection rates are higher in areas with more generous exemptions, and that harsh enforcement practices do not improve collection rates.

- Council tax debt has risen sharply across England and is now the most common form of arrears for those seeking debt advice, with 9 in 10 of those approaching Citizens Advice for help with council tax arrears also struggling with other debts.<sup>48</sup> In many parts of the country, council tax is also one of the household bills with the harshest consequences for non-payment, with central regulations pushing councils to take inflexible and aggressive action. Being in arrears can be extremely stressful as people struggle to pay bills, pay for food, and fuel, and seek to manage their debts through doorstep lenders or unsecured loans.<sup>49</sup>

- As well as benefiting low-income residents, more generous council tax reduction schemes can also improve collection rates. Tower Hamlets' collection rates for 2020/21 were 97.5%, compared to an average collection rate of 96.8% across England and 95.6% for Inner London. Across the country, those councils adopting minimum payments schemes have seen an increase in the number of households in arrears. Across London boroughs, collection rates are positively associated with more generous Council Tax Reduction schemes (such as Tower Hamlets'), although on average poorer boroughs have lower collection rates.<sup>50</sup>
- Analysis conducted for the GLA found no evidence that such flexible, customer-centric policies lead to lower collection rates than harder enforcement policies.<sup>51</sup> Tower Hamlets council is one of eight London boroughs to have adopted the Citizens Advice/Local Government Council Tax Protocol.<sup>52</sup> The protocol aims to help people avoid getting into debt in the first place, and to ensure enforcement agents act within the law, thereby avoiding poor collection practices which make people's debt problems worse.

### **Finding 18: food poverty, fuel poverty and digital poverty**

**A more joined-up and strategic approach to initiatives on food poverty, digital poverty, and fuel poverty is needed to tackle the underlying drivers of need, ensure such programmes reduce the cost of living for residents in the greatest need, and deliver sustainable benefits.**

There are many initiatives in the borough which aim to address food, fuel, and digital poverty. The scale of in-kind provision of food and digital devices increased dramatically during the pandemic. It was not possible to do justice to these diverse programmes during the review. Many are positive and well designed. The council's role in these different initiatives ranges from delivery, coordination, collaboration, to very limited involvement.

Beyond the unique circumstances of the pandemic, there is a need to tackle the poverty which underlies the need for food banks and other types of in-kind support. The council should work with other organisations in the borough to ensure residents accessing food banks get timely and effective support so they can improve their situation in a sustainable way.

Some programmes aim to reduce the cost of living by introducing economies of scale in purchase of food or fuel: these are positive but need careful appraisal so that they are genuinely sustainable.

Food bank use was increasing nationally before 2020, and demand rose rapidly during the pandemic. Modelling by the Trussell Trust shows this demand to be driven by growing need, insufficient income from social security, compounded by ill-health or adverse life experiences and lack of informal and formal support.<sup>53</sup> Nearly one in three adults across London's City and East constituency were food insecure in 2019, with single parents, those in the lowest income quintile, unemployed, people from Black, Asian and Minority Ethnic backgrounds, and disabled people most affected.<sup>54</sup> While some people visited foodbanks for the first time during the pandemic, much

foodbank use was by people who had previously experienced persistent or recurrent severe poverty.

During the pandemic, Tower Hamlets council's Tackling Poverty team established a food hub providing over 635 tonnes of food to 37 local organizations, including five schools. It also supported several food banks with help finding funding. A short evaluation found the council's performance was felt by community organizations to be satisfactory although some issues were reported about the volume and freshness of the food, and lack of healthy food options.<sup>55</sup> The council also coordinated the delivery of food to shielding households, as well as implementation of the Holiday Activities and Food programme funded by the Department for Education. Working alongside the Coordinated Community Support programme, the team supported Mulberry School for Girls' food and care service, providing food parcels, household necessities, toiletries, and sanitary hygiene kits. The service included welfare referrals to the school social worker and local advice agency, Island Advice – for examples, 31 referrals were made in May 2020.<sup>56</sup>

The council belongs to and supports the Tower Hamlets Food Partnership, a multi-sector network hosted by Women's Environmental Network bringing together charities, businesses and statutory services who have a shared interest in food. Alongside meeting immediate food needs, the partnership is committed to work towards upstream solutions to tackle the causes of poverty and reduce the need for food banks, and to champion models of food provision that are sustainable, dignified, offer choice, and provide pathways to other advice and support services.<sup>57</sup> As part of the partnership, the council contributed to the start-up costs for the Food Store at Limborough House and is exploring how the social food pantry model might be rolled out.

### **Case study: First Love Foundation's model**

Tower Hamlets has been the home for several innovative approaches. For example, First Love Foundation has developed a 'hub style' model of support for people in financial crisis. Developed in response to the needs of First Love's clients, and through a longstanding partnership with the Child Poverty Action Group, the model has informed the Trussell Trust's new national income maximization strategy, and the Foundation is working to support the London Food Strategy Food Roots incubator programme. First Love Foundation argue that this approach makes a real and lasting difference to people's lives and should form the basis of crisis response.

## **Finding 19: problem debt and arrears**

**There is some promising practice on supporting residents with financial inclusion, over-indebtedness and arrears. The financial inclusion approach and a focus on debt and arrears should be scaled up as part of an early financial intervention approach.**

Levels of over-indebtedness in Tower Hamlets are exceptionally high. There were relatively few mentions of debt in discussions with residents and stakeholders. However, an estimated thirty-one per cent of Tower Hamlets residents – the highest proportion in the country – were over-indebted in 2018.<sup>58</sup> Nationally, an estimated



four in five of those already experiencing problem debt have experienced an income shock since the beginning and the pandemic.<sup>59</sup>

Low incomes and high costs create ongoing financial difficulties for residents which can drive them towards crisis, particularly if they have to deal with an unexpected cost. These difficulties are exacerbated by delays and errors in the social security system, excessive deductions, the five-week wait for Universal Credit, and the benefit cap.<sup>60</sup> Uncoordinated debt collection by public authorities is an important contributor to destitution. Debt and money worries are linked to mental health problems including anxiety and depression, and to difficulties in relationships with family and friends. Some residents have specific issues: for example, residents who have been rough sleeping and need support to reduce debts as part of a broader programme of support.

Financial inclusion - ensuring residents have access to useful and affordable financial products that meet their needs and improving financial capability and resilience – is an important element of a local safety net.<sup>61</sup> A focus on financial inclusion and tackling over-indebtedness were amongst the recommendations of the Tower Hamlets Fairness Commission in 2013.

The review identified a number of debt-related interventions:

- Debt advice is a core element of advice provision funded through the Local Community Fund.
- A grant of £100,000 from the Tackling Poverty Fund was agreed to help the London Community Credit Union meet a pandemic-related increase in demand for loans while maintaining its capital adequacy ratio.
- Tower Hamlets' Tackling Poverty team worked with East End CAB in 2020-2021 in a similar project, designed to provide targeted support for residents in significant and persistent council tax arrears. Letters were sent to 979 residents. 101 clients engaged with the service with a total gain of £85,850. The pandemic means it is difficult to assess the impact of this intervention: not only was it difficult to engage residents, but the council stopped pursuing residents for payment of council tax during the pandemic.

Beyond these examples, there is limited evidence of sustained work on financial inclusion. Proactive and joined-up debt support can make a big difference to residents. Pilot projects in Newcastle and Barking and Dagenham supported by the Cabinet Office helped to reduce arrears, and improved employment, housing and living standard, demonstrating a 24 to 34 times return on investment.<sup>62</sup>

## **Finding 20: residents subject to No Recourse to Public Funds restrictions**

**Additional work is needed to understand whether the council's support to residents facing financial hardship and subject to No Recourse to Public Funds restrictions could be improved, and to understand how best to support EEA+ nationals with pre-settled status.**

The complexity of the issues surrounding local authority support for residents who are subject to No Recourse to Public Funds restrictions, meant that it was not

feasible for the review to address the council's work in this area in sufficient detail to make well-evidenced recommendations.

Key considerations include

- how effectively statutory powers and duties are used to support residents
- the adequacy of subsistence payments
- how far immigration advice and other resources are used to resolve cases, and policies and protocols enabling residents to access other services
- how effectively the council works with the Home Office where decisions are outstanding
- how the council works in a strategic way to understand needs that cannot be met under its duties and meets them in partnership with non-statutory organisations

There are an estimated 1.376 million people in the UK with no recourse to public funds. They cannot access certain welfare benefits, homelessness assistance or social housing and are particularly vulnerable to destitution.<sup>63</sup> The introduction of the ten-year route to settlement for those who apply to stay in the UK on Family and Private Life grounds means that many families are currently living on low incomes for a very prolonged period.<sup>64</sup> A further group of undocumented people – of whom there were an estimated 397,000 in London in the UK at the start of 2017 – are at particular risk of insecurity, destitution, and exploitation.<sup>65</sup>

The council supports a number of adults, families, and care leavers with no recourse to public funds whose rights under the Human Rights Act are being violated or are in danger of being violated, using powers under the Children Act 1989 and the Care Act 2014:

- There has been an overall rise in council expenditure supporting families subject to NRPF with accommodation and financial subsistence under section 17 of the Children Act. Expenditure was just over £350,000 (2016/17) and £620,000 (2019/20) and was expected to be around £523,000 in 2020/21. Around forty to fifty families are generally supported at any one time. During the pandemic, more families required support. They included some parents who had been working cash in hand and lost work (this peaked at the start of 2021); and families where a working parent died from Covid, and their partner has no recourse to public funds and no way of supporting their children.
- For adults with NRPF, the council has duties under the Care Act 2014 to meet needs arising from or related to a physical or mental impairment or illness, and under the Human Rights Act 1998 for people excluded from support under schedule 3 of the Nationality, Immigration and Asylum Act 2002. Such residents usually approach the council for assessment with the support of a solicitor or advice agency. Most are homeless, although a number of residents each year are supported while applying for the destitution domestic violence concession.

These are important statutory duties but entirely unfunded by national government. Across the UK, local authorities incur significant costs: an average of £17,887 per year for a household, with households receiving support for an average of two years.

77% of households exiting support do so because they are granted leave to remain, meaning that costs could be substantially reduced with swifter decision-making in resolving immigration issues.<sup>66</sup>

Residents subject to NRPF were particularly financially vulnerable during the pandemic. NRPF conditions were not lifted, although the 'everyone in' policy included people with no recourse to public funds, and there is now a pressing concern around future support for those people who have been housed during the pandemic under public health support measures.

A rapid research project on local authority responses to people with NRPF during the pandemic showed variable information and provision between authorities. Voluntary sector organisations reported that many people with NRPF struggled to access food, shelter and subsistence support, and faced difficulty accessing local authority support. Recommendations for local authorities included links with support organisations, providing suitable accommodation and adequate subsistence support, clear referral and assessment procedures, and clear information about how to seek support. Tower Hamlets was not one of the authorities with specific information for people with NRPF on its website early in the pandemic.<sup>67</sup> A small emergency fund was made available via Praxis during the pandemic, in addition to funding for Praxis as part of the Local Community Fund's support for Advice Tower Hamlets.

The passing of the deadline for EEA+ nationals to make an application to the EU settlement scheme, poses additional challenges as some residents who are EEA+ nationals may lose their rights to work, rent and welfare support. Local authorities are likely to have to bear the costs of supporting residents – including many of the most vulnerable - to make a late application and for those with pre-settled status to reapply for settled status.<sup>68</sup>

## **Finding 21: the local safety net and crisis support**

**The Council has relatively generous arrangements for supporting residents in financial crisis and was able to use these effectively during the pandemic. Local welfare assistance schemes provide an important local safety net for residents who are facing a one-off crisis which has left them unable to afford essentials.**

Effective support can help to mitigate the damaging impact of crisis on families and particularly children's wellbeing, avoid escalating crises such as illness and homelessness, and provide an opportunity for financial advice and income maximisation support for residents.<sup>69</sup> In a study cited by the National Audit Office, an investment of £0.5million into local welfare assistance generated £9.7million in savings to other public services.<sup>70</sup>

With the closure of the national Discretionary Social Fund in 2013, local authorities were given the responsibility of setting up Local Welfare Assistance Schemes. There is no statutory obligation on authorities to run such a scheme and from 2015/16, central government funding for this duty ceased to be ringfenced. Nationally, by 2020/21, notional funding allocated in the Revenue Support Grant for local welfare assistance was 55% of the 2010/11 allocation in real terms. Research by the Children's Society prior to the pandemic found that 1 in 7 local authorities no longer

have a local welfare assistance scheme, and that – of those that do – just 39% of the notional central government allocation is spent.<sup>71</sup>

In Tower Hamlets, the current scheme – known as the Residents Support Scheme - was introduced in 2018. It replaced a Local Welfare Assistance Policy which provided around £500,000 per year from 2013 to 2017 in crisis grants and support grants. The RSS provides a combination of goods and services, combined with pre-paid cards for residents who do not have the funds to pay for fuel, food or essential household furniture or white goods. Processing of claims to the scheme has been administered by Northgate Public Services on behalf of the council since 2018. In the year to 31 March 2021, the scheme made 1212 awards totalling £769,050. During the pandemic, the scheme also operated as a vehicle for Covid fuel and food support: 2139 applications were agreed with a total value of £190,203, and the limit of one application per households per year was lifted.

Monthly data returns provide timely and comprehensive information on decision-making times, client profiles and the immediate needs met by the scheme. In 2018, work was undertaken to identify and address the reasons for low take up by residents from Bangladeshi backgrounds, private tenants and pensioners, and the scheme has been promoted to key stakeholders and landlord forums.

Tower Hamlets has therefore sustained support to local welfare assistance at a time when other local authorities have reduced funding, or ended such schemes altogether. The scheme is generally considered to be broad enough to allow for provision of a range of items, has a quick turnaround and works with different partners. The Tackling Poverty team believe that their well-established scheme with good local connections allowed them respond quickly to deliver Covid-related support. This chimes with broader evidence gathered by the Trussell Trust who found that areas with good local welfare assistance schemes in place were able to use the Covid Emergency Assistance Grant more quickly and effectively than those who lacked well-established schemes.<sup>72</sup>

One of the original objectives of the scheme was to provide short term support to residents allowing them to adjust to and cope with changes in welfare benefits: transitioning onto Universal Credit, becoming subject to the benefit cap or the bedroom tax. The initial case for the scheme noted that the new scheme would review each resident making an application to see if they would benefit from further assistance (on income and benefits, education training and employment opportunities, or social well-being and reducing isolation). It is hard to evaluate the extent to which this objective has been met, however the provision of welfare and benefits advice will be part of the new RSS contract.

Tower Hamlets is one of seven councils with longstanding involvement in the LGA's Reshaping Financial Support action learning programme, feeding into good practice guides, and informing a growing network that now includes more than 120 councils.<sup>73</sup> Through participation in the Coordinated Community Support project, the Tackling Poverty team has been part of an effort to embed the Resident Support Scheme in the wider borough effort to respond effectively to financial hardship and crisis. The project is run by The Children's Society in partnership with several organisations (including the Local Government Association) in four local areas. It aims to address gaps in emergency support provision through better networking of local agencies and to address the underlying causes of crises. Findings from the first year of

implementation are not specific to the Resident Support Scheme but highlight the need to build on strong informal networks in Tower Hamlets to develop more systematic referral arrangements, to build on the more proactive communications during the pandemic with a range of advertising routes to reach residents, and to build on the role and commitment of schools.<sup>74</sup>

Going forward, there are opportunities to ensure enduring benefits from the scheme, by linking it more effectively to advice and income maximisation, developing a loan element and links to financial inclusion, identifying whether there are groups (including residents who do not access online services) who are not able to access the scheme, and building a business case for investment in the scheme through impact measurement. The scheme will only ever be one part of the different ways that people can get support. A more joined-up approach, underpinned by the referral mechanisms developed through the Coordinated Community Support project, will help ensure that residents in need can access a wider range of local and community support alongside the Resident Support Scheme.

## Recommendations

### The short term: recovery priorities

Between now and Spring/Summer 2022, the review recommends a focused and well-coordinated programme of communications and outreach in conjunction with schools, advice agencies and the VCS as government protections put in place during the pandemic are withdrawn. This should ensure that residents get the very best information, advice, and access to opportunities. The focus should be on mobilising existing avenues of support effectively to reach residents in a timely way.

Specific recommendations are that the council -

1. Scales up efforts to promote take-up of benefits through targeted communications, and a broader promotion campaign: including Healthy Start vouchers, the Free Early Education Entitlement, nationally funded Free School Meals (for those who are benefits-eligible), Pension Credit and other benefits.
2. Develops a campaign so that residents who are negatively affected by the withdrawal of pandemic protections or at risk of homelessness know where to get help and are encouraged to seek advice, through direct communication with residents and via VCS, children's centres, schools, and GPs, using the Tower Hamlets Connect digital portal to provide accurate information and signposting.
3. Maps which council services may be able to use the LIFT dashboard and/or the Budgeting and Benefits Calculator and begins a rollout which is supported and monitored to check that the approach is manageable and produces results.
4. Supports delivery of the Kickstart and Restart programmes to secure and sustain the very best opportunities for young and older adults in Tower Hamlets, and in a way which builds collaborative working.
5. Introduces short term measures to improve joint working. During the remainder of FY2021/22, the review team recommends that the council works with the following key partners to identify and implement practical poverty reduction measures as follows:
  - With schools: key messages for parents on income maximisation, access to information and advice, resources, and good practice, sharing lessons from poverty proofing the school day.
  - With advice agencies: supporting inter-agency referrals, improving awareness of information and advice to residents; ensuring link up between Tower Hamlets Advice Consortium and Tower Hamlets Connect.
  - With food banks: to promote access to information and advice for residents in need
  - With housing providers: to build on the interest on joint work on employment and skills, starting with the Restart and Kickstart projects.
  - With the ActEarly research programme: identify a programme of research to understand the impact of existing interventions, and to develop new proposals.

## Strategic directions: recommendations

Beyond the immediate recovery, the review recommends that the council works with partners and voluntary, community and faith groups to develop a strategic approach to poverty reduction. This should be focused on local actions that will make a real and sustainable difference to residents who are at risk of poverty, using scarce resources effectively and at the right time to avoid the human and public cost of financial crisis and homelessness.

Short term impact Early financial intervention	Medium term impact Employment and skills	Long term impact A bright future for the new generation
<b>What?</b>  A whole systems approach to increasing incomes, reducing costs and arrears, and averting financial crisis.	<b>What?</b>  A partnership programme to improve skills, and access to decent work with opportunities for progression	<b>What?</b>  A relentless focus on achieving the best possible outcomes for all children.
<b>Desired outcome</b>  Tower Hamlets residents on low incomes increase their incomes, reduce levels of problem debt and arrears, and reduce their risk of homelessness.	<b>Desired outcome</b>  More Tower Hamlets residents are in work, and there is a reduction in the percentage of working residents in insecure and low paid work.	<b>Desired outcome</b>  Children from low-income households achieve educational outcomes and enjoy the same standard of physical and mental health as their national peers.
<b>How?</b>  Understanding and building on the different contacts that residents have with services at different points in their life.  Proactively and effectively using all available relationships with residents, working with partners and community organisations, and making the best use of data, digital channels and clear accessible communications and commissioned services to help residents maximise their incomes, reduce the cost of living including food and fuel, and avoid becoming over-indebted.  Supporting strong community links and working with staff, volunteers, residents, and trusted institutions to increase trust and uptake of advice and support.	<b>How?</b>  Building on and extending existing relationships to build an ambitious partnership borough-wide work programme, which builds on the comparative advantage of different partners and links to London initiatives. The programme should address inclusion, inflexible working practices, the barriers – including childcare and other care – which prevent women, carers and disabled residents – from accessing employment. It should link to relevant recommendations of the Black, Asian and Minority Ethnic Inequalities Commission.	<b>How?</b>  Based on the best evidence and starting from investment in the early years, addressing inequalities in physical and mental health, sustaining the gains in school achievement of the last twenty years, and extending these to support older teenagers to develop excellent qualifications, confidence, and capabilities to thrive and progress in adulthood. This should include a particular focus on progression from level 2 to level 3 qualifications as a basis for accessing decent work and progression. Poverty proofing interventions and services to ensure children from low-income families thrive.



## Recommendations: areas for further consideration

The review team recommends that the council considers how it might best respond to other issues identified in the review:

1. Communicating about poverty in a balanced way which highlights aspects of the borough's story which are transformative, as well as the real challenges.
2. Involving residents with lived experience of living on a low income in developing and overseeing strategic approaches and action plans on poverty.
3. Approaches to partnership work and social infrastructure which facilitate community action and mutual support to tackle poverty.
4. Adopting a more consistent and rigorous approach to understanding impact and lessons learned across poverty-focused interventions, including major investments such as the Mayor's Free School Meals and Council Tax Reduction programmes.
5. Further scoping to consider what an effective local response to insecure, low paid work might look like.
6. Actions to increase take up of childcare and free early education places.
7. Whether there are opportunities for more coordinated and strategic approaches to digital poverty, fuel poverty and food provision.
8. Reviewing the council's support to adults and families with no recourse to public funds.

## Background papers

- A. Poverty Review Scope
- B. Review process and resident and stakeholder engagement
- C. Mapping of council implemented and supported poverty interventions (March 2021)
- D. Evidence base and updated Poverty Profile 2021
- E. Toynbee Hall Poverty Review Summary Report

## References

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