

**Welfare reform and poverty issues**

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**Report of Corporate Management Team**

**Lorraine O'Donnell, Assistant Chief Executive**

**Don McLure, Corporate Director, Resources**

**Ian Thompson, Corporate Director, Regeneration and Economic Development**

**Councillor Simon Henig, Leader of the Council**

**Councillor Alan Napier, Deputy Leader and Cabinet Portfolio Holder for Finance**

**Councillor Jane Brown, Cabinet Portfolio Holder for Corporate Services and**

**Councillor Eddie Tomlinson, Cabinet Portfolio Holder for Assets, Strategic Housing and Rural Issues**

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**Purpose of the Report**

- 1 To provide an update to Cabinet on the government's welfare reform programme and related policies affecting residents in the county and seeks approval to consult on a draft County Durham Poverty Action Plan to build a more comprehensive response to the changes to welfare and the wider poverty issues within the county.

**Executive summary**

- 2 Given the scale of welfare reform and its potential impact on families and communities in the county, regular updates on policy implications and their impacts have been prepared for members and shared with partners.
- 3 The first large scale change, the Welfare Reform Act 2012, was analysed in a report to Cabinet on 30 May 2012. Since many of the changes in the Act have either yet to be implemented or have not yet had a major impact in the county, a summary and update is provided in this report.
- 4 Universal Credit, which was originally intended to be live in the county in October 2013, has only just been implemented in September 2015 and only for a very small cohort of people. An update on the council's work with partners to prepare for Universal Credit and its likely expansion is provided in this report.

- 5 There was a clear manifesto commitment to save a further £12bn from additional welfare reform measures and details of how the Government intends to deliver this are emerging. This report summarises the content of the summer budget in July 2015 and the Welfare Reform and Work Bill, including legislation to freeze working-age benefits for four years, Tax Credit changes, lowering of the Benefit Cap and changes to the Child Tax Credit and the child element of Universal Credit.
- 6 Previous reports on welfare reform highlighted the lack of a cumulative impact assessment of the various components of welfare reform at national level and drew from a number of sources to understand the potential impact in the county. This trend has continued – the current report highlights, where possible, estimates of impacts across the county. The main impacts are as follows:
  - a) The gap between the national rate for child poverty and that in the county has widened by 2.7 percentage points between 2007 and 2012.
  - b) Over 71,000 households will be affected by the introduction of Universal Credit which has just started to be rolled out in the county. This is equivalent to over one third of all households.
  - c) 18,900 fewer families are now claiming tax credits compared to 2011. The number of families claiming has fallen from more than one in four households then, to less than one in five now.
  - d) The number of people claiming the main out of work benefits has fallen from 56,000 in 2009 to 42,490 in 2015, which is the lowest level for 16 years.
  - e) There has been an increase in the percentage of Job Seeker's Allowance (JSA) claimants receiving adverse sanctions since new rules were introduced in October 2012. The rate in the county now stands at 5.6 percent compared to the national average of 4.1 percent.
  - f) 20,000 residents will be affected by the shift from Disability Living Allowance to Personal Independence Payments.
- 7 The reason for providing such an analysis is to understand as far as possible who might be affected, particularly those at risk of losing significant income, and to communicate changes and provide support into work and to offer sources of support as far as possible. We are also continuing to work with the Association of North East Councils (ANEC) on monitoring the impact of welfare reform and measures to address it across the region.
- 8 The council has responded to welfare changes by working corporately and in partnership with a wide variety of stakeholders. A Poverty Action Steering Group has been established to coordinate a broad programme of work. This has included a comprehensive communications and training programme for council staff, the introduction of a local Council Tax Reduction Scheme in 2013 which has protected vulnerable people from potential reductions in benefit entitlement following the Government's 10 percent cut in grant for council tax support, the use of Discretionary Housing Payments and the establishment of a Welfare Assistance Scheme to support people affected by

benefit changes, coordinated support through housing and training providers to help people help themselves, measures to tackle fuel poverty and financial inclusion, and the establishment of a coordinated advice partnership in the county.

- 9 It is difficult to distinguish between changes resulting from welfare reform, economic trends associated with recession and recovery and underlying issues including poverty. For this reason, the council agreed to widen our response to welfare reform, to include addressing those aspects of poverty that can be tackled locally. A draft poverty action plan is attached, for which approval is sought to consult widely. It includes proposed actions to:
- a) raise awareness of poverty within the council and amongst our partners;
  - b) get our services and partners to understand poverty and how we can all work together to help address it;
  - c) establish ways of monitoring how people are affected by poverty; what other issues result from poverty; and what gaps in support exist that can be addressed within the resources available;
  - d) focus closely on child poverty, issues surrounding credit and debt, fuel poverty, the impact of further changes to welfare and benefits, and initiatives to help people into work.

## **Background**

- 10 Since 2010, welfare reform has been a major theme of government policy and indications are that this is set to continue under the new Conservative administration following the general election in May 2015.
- 11 The Welfare Reform Act 2012 consolidated a raft of changes intended to reduce government spending on welfare by £18bn by 2015 by encouraging people to support themselves through work rather than welfare.
- 12 Changes already legislated for include:
- a) the introduction of Universal Credit (UC), a single benefit to be paid on a monthly basis, to replace Income Support, income-based Job Seeker's Allowance (JSA), income-related Employment and Support Allowance, Housing Benefit, Child Tax Credit, and Working Tax Credit. The effective date for the introduction of Universal Credit in Durham was 21 September 2015;
  - b) the abolition of Council Tax Benefit (CTB) which was administered by local authorities on behalf of the Department for Work and Pensions (DWP). The Act replaced centralised support for CTB with local Council Tax support with effect from 1 April 2013, with funding from un-ringfenced grants paid directly to local authorities. Government funding was reduced by 10 percent before being devolved to local authorities to implement locally;
  - c) changes to Housing Benefit, including the application of a size criterion in social-sector houses, with any working-age household deemed to be

- under-occupying their home having part of their Housing Benefit removed (the so-called 'spare room subsidy' or 'bedroom tax');
- d) the abolition of the Social Fund with effect from 31 March 2013, which used to fund 'last resort' benefits such as crisis loans, and its replacement with a non-ring fenced welfare assistance grant paid to local authorities to fund local schemes;
  - e) replacing Disability Living Allowance (DLA) for all working-age claimants with a new Personal Independence Payment (PIP);
  - f) the introduction of a cap on the total benefits to which an individual or couple is entitled from out of work benefits. The cap was introduced in April 2013, and set at £26,000 a year (a maximum of £500 per week) for lone parents and couples with or without children, and around £18,000 a year (a maximum of £350 per week) for single people without children or whose children for whom they have responsibility do not live with them;
  - g) limiting the amount of time that people can receive contribution-based Employment Support Allowance (ESA) to 365 days for those claimants in a work-related activity group or in the assessment phase;
  - h) the abolition of the 'Youth' provision, which enabled disabled young people to qualify for the benefit without paying National Insurance contributions.

### **Recent policy announcements**

- 13 Welfare reform was a significant issue during the general election in May 2015 and a key commitment within the Conservative Party's manifesto.
- 14 Following the outcome of the general election, it is clear that further welfare reforms will be implemented which may affect local residents and communities in the county.

### **Summer Budget statement**

- 15 On 8 July 2015, the Chancellor of the Exchequer made a summer budget statement, which provided more detail on the government's initial policy ideas and its commitment to reduce welfare spending by a further £12bn by 2018.
- 16 Specific announcements included:
  - a) legislation to freeze working age benefits for four years from 2016/17, with the exception of maternity pay, personal independence payments, disability pay and Employment and Support Allowance;
  - b) a 'Youth obligation' for 18-21 year olds to "earn or learn" in return for welfare support;
  - c) abolishing automatic entitlement for housing benefit for 18-21 year olds;
  - d) Employment and Support Allowance to be cut to the level of Jobseeker's Allowance for those deemed fit to work (this applies to future claimants only);
  - e) rents paid in social housing will be reduced by one percent a year for the next four years;

- f) the use of lifetime tenancies in social housing will be reviewed;
- g) a number of technical cuts to tax credits including a reduction in Universal Credit work allowances, which will also no longer be awarded to non-disabled claimants without children;
- h) the rate at which a household's Tax Credit award is reduced as they earn more will be increased, by raising the taper rate to 48 percent. The income rise disregard will be reduced from £5,000 to £2,500 – the same level at which it was originally set in 2003;
- i) the benefits cap will be reduced to £20,000 (£23,000 in London) from £26,000 a year;
- j) no extra tax credit, Universal Credit, or housing benefit support for a third child after 2017 (there will be provisions for exceptional circumstances like "multiple births");
- k) reducing the income threshold in tax credits, from £6,420 to £3,850.

17 In addition, the Chancellor also announced some mitigating actions, including:

- a) the introduction of a compulsory national living wage at £7.20 from April 2016 rising to £9.00 by 2020, with future rises recommended by the Low Pay Commission. The intention is that the National Living Wage will be at least 60 percent of median earnings by 2020;
- b) £800m of funding for Discretionary Housing Payments will be provided over the next five years (this compares to £470m between 2012/13 to 2015/16);
- c) All working parents will receive up to 30 hours a week free childcare from September 2017.

### **Welfare Reform and Work Bill**

18 On 9 July 2015, the government published the Welfare Reform and Work Bill to legislate for the reforms it wants to make. The bill makes provision for:

- a) reporting on progress towards full employment and the apprenticeships target, child poverty measures and the effect of certain support for troubled families;
- b) reform of the social mobility and child poverty commission;
- c) the benefit cap;
- d) freezing social security and tax credits;
- e) loans for mortgage interest;
- f) social housing rents.

19 The bill passed its second reading in the House of Commons on 20 July 2015. MPs also agreed a programme motion which scheduled the bill to be considered in a public bill committee, where they can consider the bill in detail and make amendments to it. The first meeting of the public bill committee

took place on 15 and 17 September 2015 and proceedings are scheduled to conclude by Thursday, 15 October 2015.

### **Benefit cap**

- 20 The benefit cap was introduced by the Welfare Reform Act 2012 with the intention of increasing incentives to work, promoting fairness between the tax and welfare systems and helping to reduce the financial deficit. The Act allows the Secretary of State to set a cap on the total amount of welfare payments a household can receive in a year. The level of the cap is determined with reference to estimated average weekly earnings and reviewed each tax year.
- 21 Currently, the cap stands at £26,000. The Welfare Reform and Work Bill will lower the benefit cap, so that the total amount of benefits to which a family on out of work benefits can be entitled to in a year, will not exceed £20,000 for couples and lone parents, and £13,400 for single claimants, except in Greater London where the cap is set at £23,000 and £15,410 respectively. The legislation will remove the link between the level of the cap and average earnings and the requirement for the Secretary of State to review the cap each year, replacing it with a requirement to review the cap at least once in each Parliament and allowing the Secretary of State to review it more regularly at their discretion.

### **Benefits freeze**

- 22 The Bill enables the Secretary of State to freeze the following benefits and tax credits for four tax years starting from April 2016:
- a) the main rates of income support, jobseeker's allowance, employment and support allowance, housing benefit and universal credit;
  - b) the work-related activity group component of Employment and Support Allowance, the work-related activity component of Housing Benefit and the limited capability for work element of Universal Credit;
  - c) the individual element of Child Tax Credit payable to a child or qualifying young person who is not disabled or severely disabled;
  - d) the basic, 30 hour, second adult and lone parent elements of working tax credit; and
  - e) both elements of child benefit, that is, the "enhanced rate" for the eldest child and "any other case" for any other child.
- 23 Pensioner and disability-related benefits and statutory payments such as statutory maternity pay and ordinary and additional statutory paternity pay are not affected by the proposed freeze.

### **Changes to the Child Tax Credit and the child element of Universal Credit**

- 24 The Bill also enables the government, from the 2017/18 tax year, to restrict the child element of Child Tax Credit and Universal Credit to two children per family.

- 25 One of the main principles of Universal Credit is that people who can, must look for work in return for the benefit.
- 26 Currently, carers of young children do not need to look for work, however, the Bill seeks to change the rules so that:
- a) those with a child aged three or four years old should be subject to all-work related requirements;
  - b) those with a child aged two should be subject to work-focused interview and work preparation requirements; and
  - c) those with a child aged one should remain subject to work-focused interview requirements only.
- 27 This will apply to families who become responsible for a child or children born on or after 6 April 2017.

### **Loans for mortgage interest**

- 28 The Bill will enable interest-bearing loans to be made to eligible owner-occupiers in respect of their liability to pay mortgage interest for their home, which will be secured by a second charge on their property. It will replace the existing scheme which allows owner-occupiers who are receiving an income-related benefit to claim additional help towards their mortgage payments. This help will be replaced by the opportunity to apply for a loan which will only be granted if individuals satisfy certain requirements, including that they have received financial advice, and the loan will be secured against their property. The provision of help in the form of a loan rather than a benefit, is intended to continue to help avoid repossessions, while providing better value for the tax payer.

### **Universal Credit roll-out**

- 29 In April 2013, the government's flagship Universal Credit started to roll out to single people (without children) in 11 pathfinder areas. Since then it has been implemented in the North West and the eligibility criteria have recently been expanded in some Jobcentres to include families. Although it was initially anticipated that the roll-out of Universal Credit would be completed across the UK by 2017, this has subsequently been amended and it is currently expected that the benefit will be fully introduced to all claimants by 2019.
- 30 In February 2015 the Public Accounts Committee's inquiry into progress with the introduction of Universal Credit concluded that it could not judge the value for money of the DWP's £700 million expenditure on Universal Credit to date. The Department justified spending large amounts of money on Universal Credit on the promise of benefits in the future, such as from higher employment. However, with just 17,850 claimants receiving Universal Credit in October 2014, out of around seven million expected in the longer term, the Department had only rolled it out to around 0.3 percent of the eligible population. Despite this, the Department had spent £344 million with suppliers developing its live service systems, which were found to be technically limited and expensive to operate because they require manual

intervention, and expects to re-use just £34 million of these systems when it launches the digital service.

- 31 In November 2014 the government announced that the national roll out of Universal Credit would continue and be introduced in four tranches between February 2015 and April 2016. This is a phased roll-out of Universal Credit and first claimants are single new applicant jobseekers without dependents and without mortgage costs.
- 32 In the North East, Hartlepool and Newcastle councils were included in tranche one (February to April 2015) whilst Gateshead was the only local authority to roll out Universal Credit in tranche two (May to July 2015). It was confirmed that Durham would be included in tranche three (which commenced on 21 September 2015).
- 33 Even if the government meets its target to have the benefit rolled out to all jobcentres by 2016, this does not mean that everyone will be able to access it. It is being introduced stage-by-stage to different groups - singles, couples then families - to ensure the system can cope with complex claimants.

### **Independent Living Fund**

- 34 The Independent Living Fund (ILF) has provided financial support to people with disabilities across the UK. ILF was closed to new users in 2010 and in December 2012 the government announced it would close the ILF permanently on 30 June 2015. From 1 July 2015 responsibility for supporting ILF users in England passed to local authorities.

### **Child Poverty**

- 35 On 1 July 2015, the Secretary of State for Work and Pensions announced that the government intended to scrap the current measure of child poverty and associated targets.
- 36 Under the current framework, a child is defined as being in poverty when living in a household with an income below 60 percent of the United Kingdom's average.
- 37 The government believes that the current measure is flawed and a poor test of whether children's lives are improving.
- 38 Under the Welfare Reform and Work Bill, it is intended to drop the four UK-wide targets and measures around relative low income, combined low income and material deprivation, absolute low income and persistent poverty, and to introduce new statutory measures focused on levels of work within a family and improvements in education attainment, which are seen as two key areas in improving social mobility.
- 39 The government will also develop a range of other indicators to measure other causes of poverty, including family breakdown, debt and drug and alcohol dependency, reporting annually on how these indicators affect life chances.
- 40 The bill contains provisions to bring the proposed changes into effect. It also contains provisions to remove most other duties and provisions in the Child



Poverty Act 2010 (other than provisions relating to devolved administrations) and to amend the Act to become the Life Chances Act.

- 41 Amongst the duties to be removed are the duty on local authorities to co-operate to reduce child poverty in their area, including the preparation of a joint child poverty strategy and the duty to publish an assessment of the needs of children living in poverty in their area.

### **Fuel Poverty**

- 42 Fuel poverty arises from a household's inability to afford the energy required to power and heat their home to a satisfactory standard necessary for good health. This standard is defined as domestic temperatures of 21°C in the primary living area (living room) and 18°C in the secondary living areas (other occupied rooms).
- 43 Since 2010 a range of new national fuel poverty funding programmes and reporting requirements have been introduced by the government.
- 44 On 23 July 2015 the government confirmed that in the light of low take-up and concerns about industry standards there would be no further funding to the Green Deal Finance Company and for Green Deal Home Improvement Funds, which provided financial assistance for those installing qualifying energy efficiency measures in accordance with the criteria of the improvement funds programme. Any existing vouchers and applications that were applied for by individuals would not be affected.
- 45 The Fuel Poverty Strategy for England 2015-2030 was released on 3 March 2015. There are over 320,000 fuel poor households in England who live in properties rated below band an "E" level EPC rating who need to spend on average £1,000 a year more on energy to heat their home compared to a typical home. Through the Energy Act 2013, the government established a new duty to adopt a fuel poverty target. The new fuel poverty target for England sets out an ambition that as many fuel poor homes as reasonably practicable achieve a Band C energy efficiency standard by 2030 and this became law in December 2014.
- 46 Government policies relating to the Energy Company Obligation scheme are still being supported for this year but the future of the Energy Company Obligation scheme will be discussed as part of a government review of standards, consumer protection and enforcement of energy efficiency schemes, along with collaboration and partnership working between the Department of Energy and Climate Change and the Department of Communities and Local Government.

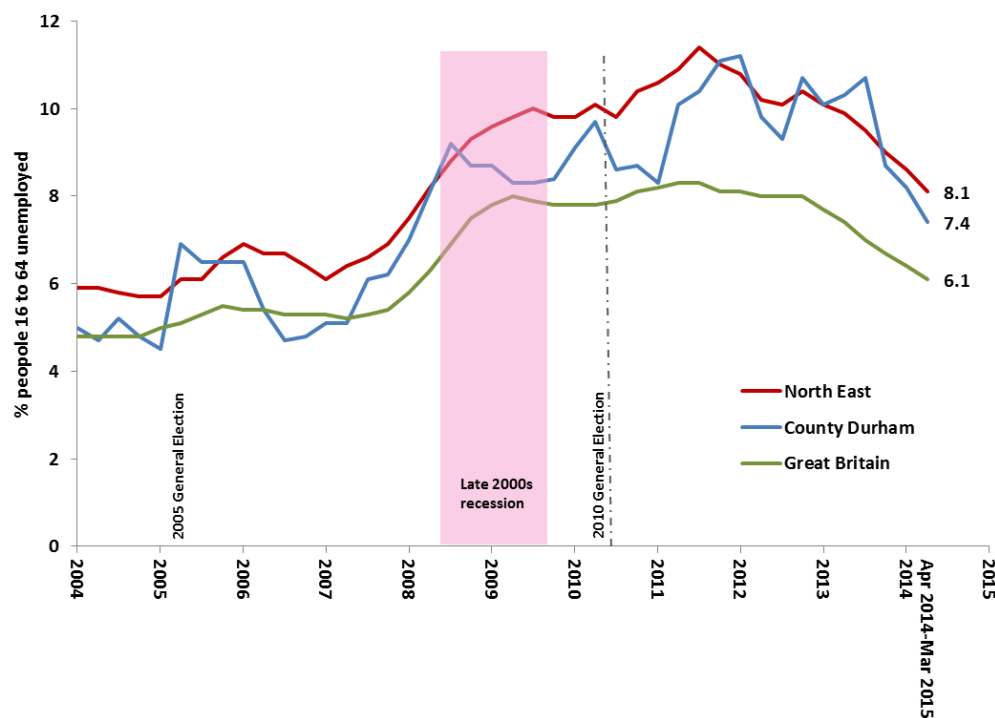
### **Impacts of welfare reform and poverty**

- 47 It is difficult to conclusively distinguish between changes resulting from welfare reform, economic trends associated with recession and recovery and underlying issues including poverty.

## Unemployment trends

- 48 Unemployment both locally and nationally has been falling. Latest estimates show unemployment in County Durham is 7.4 percent - the lowest since the recession started in 2008. Unemployment is still relatively high when compared nationally and with pre-recession averages (figure 1).

**Figure 1: Unemployment trends**



- 49 Correspondingly, employment rates have increased in County Durham since 2012. Nationally trends show employment levels and rates are at their highest ever. Locally, however, rates remain well below the pre-recession peak, The North East has seen recent upward trends but County Durham remains some way off the 72.1 percent achieved during 2006, approximately 4 percent lower than pre-crisis levels.
- 50 It should be noted however, that improved employment prospects since the recession have not benefited all groups in the same way:
- Gender:** the male employment rate in the county is increasing and at 74.9 percent is at a relatively high point since the recession. It is however still 2.8 percent below UK levels. Female employment rates remain relatively low at 62.4 percent, well below the UK (67.6 percent) and approximately 2.5 percent below the North East female employment rate.
  - Age:** the 16-24 employment rate has steadily increased since 2012 and is now around the UK average, but remains relatively low compared to other age groups and pre-recession levels. The 25-49 employment rate in County Durham is around the same as the national average. Employment rates in this age group tend to be highest, but had been relatively low over the last few years. There are relatively low numbers of workers in the older working-age group (50-64). The gap is also relatively large at 10.4

percent - much wider than other age groups. Recent trends show a decline in rates at a county level but this may not be significant because of sampling variation.

### ***Disposable income***

- 51 Gross disposable household income (GDHI) in the county has increased since 2012 at a faster rate than the national average, but at £14,659 is still below the North East (£14,927) and £2,900 less than the national average of £17,559.

### ***Child Poverty***

- 52 The latest release of the Children in Low-Income Families Local Measure shows the gap between County Durham and England continues to widen.
- 53 Levels of child poverty have remained relatively stable over the last six years with the biggest increase between 2008 and 2009 as the recession took hold and between 2011 and 2012 as the economy struggled to recover. The number of children affected between 2007 and 2012 remained between 20,000 and 21,000.
- 54 In 2007, 22.9 percent of County Durham children aged under 16 were in families receiving less than 60 percent of median national income. This was only slightly higher than the national rate of 21.8 percent. However, the latest data from 2012 indicates the gap has grown to three times the size (County Durham 22.7 percent, England 18.9 percent). If the level of child poverty in the county had followed national trends, there would have been over 3,000 fewer children in poverty in 2012.
- 55 Meanwhile, between 2011 and 2012 there was a greater decrease in regional child poverty when compared with County Durham, with regional and county rates being within 1 percent of each other for the first time since 2007.

### ***Universal Credit***

- 56 Universal Credit (UC) began in County Durham on 21 September 2015 and it is estimated that over 70,000 people will be affected by Universal Credit once this has been fully rolled out.
- 57 UC is best understood as a repackaging of existing benefits. It introduces for the first time a consistent benefit withdrawal rate, intended to ensure that claimants are always financially better off in work, but the rules governing eligibility are essentially carried over from the existing benefits it replaces. Unlike the other welfare reforms covered here, Universal Credit is not expected to result in a net reduction in benefit entitlement.
- 58 The initial roll out will affect a small group of claimants and is only for new claims from single people without children and without mortgage costs, who would otherwise have been eligible for Jobseeker's Allowance, including those with existing Housing Benefit and Working Tax Credit claims. As existing benefits transfer to UC over time, more than a third of all households (71,200) in County Durham will be affected. Table 1 provides a breakdown of this estimate.

**Table 1: Estimate of claimants affected by Universal Credit**

<b>Benefit</b>	<b>UC element</b>	<b>Claimants</b>
<b>Tax Credit Families<sup>1</sup></b> (a)	<b>Total claimants</b>	<b>40,000</b>
(b)	out-of-work	11,700
<b>Income Based JSA<sup>2</sup></b> (c)	<b>16-64 Working Age Group</b>	<b>7,000</b>
<b>Income Related ESA<sup>2</sup></b> (d)	<b>16-64 Working Age Group</b>	<b>14,100</b>
<b>Income Support<sup>2</sup></b> (e)	<b>16-64 Working Age Group</b>	<b>8,800</b>
(f)	of which are on IB/SDA	1,400
<b>IB/SDA<sup>2</sup></b> (g)	<b>16-64 Working Age Group</b>	<b>2,600</b>
<b>Housing Benefit<sup>3</sup></b> (h)	<b>16-64 Working Age Group</b>	<b>33,700</b>
(i)	of which are on passported benefits (not including Pension Credit)	21,900
<b>Total estimated universal credit claims<sup>4</sup></b>		<b>71,200</b>

59 The following sections provide some detail as to recent trends in the main benefits affected by UC and other welfare reforms.

### ***Tax Credits changes and trends***

60 Since 2010 changes to tax credit as a result of welfare reform have included:

- freezes to the main, lone parent and couple elements of the working tax credit;
- increases in the hours-of-work requirements for couples with children to receive working tax credit;
- an increase in the rate at which tax credits are tapered away as income rises from 39p for every £1 of extra income to 41p;
- reductions in the incomes at which tapering away of tax credits begins, most notably for the ‘family element’ of the child tax credit;

<sup>1</sup> HMRC, Child and Working Tax Credits Statistics, December 2014,

<https://www.gov.uk/government/statistics/personal-tax-credits-provisional-statistics-2013-to-2009>

<sup>2</sup> DWP, Counts of County Durham residents claiming Income Based JSA, Income Related ESA and Income Support, November 2014, <http://83.244.183.180/5pc/tabtool.html>

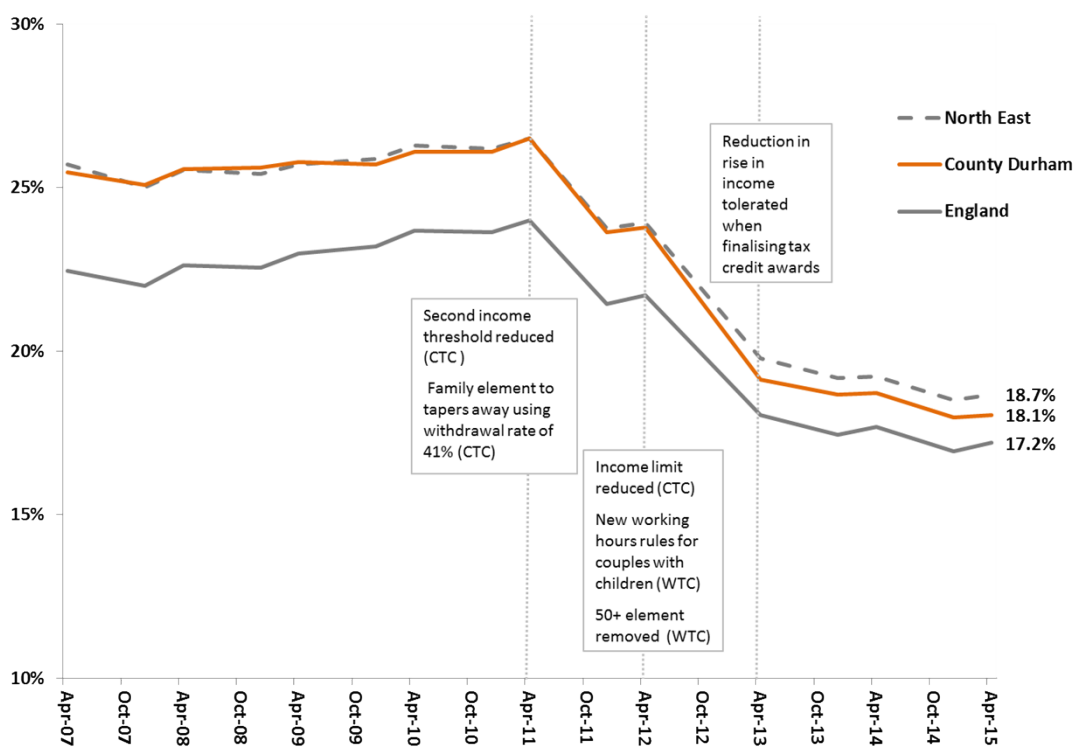
<sup>3</sup> DWP, Counts of County Durham residents claiming Housing Benefit, November 2014, <https://stat-xplore.dwp.gov.uk/>

<sup>4</sup> Total estimated families claiming existing benefits that will transfer to UC. This is estimated through attempting to remove any double counting across different benefits. The UC calculation involves; (a-b)+c+d+e+(g-f)+(h-i). Despite steps to remove double counting some may still remain, for example the number of working age families claiming tax credits and housing benefits cannot be derived from DWP sources. Also while efforts have been made to ensure that data are reflect the same reference point (2014) it should be noted that some data are quarterly and some are monthly.

- reductions in the proportion of childcare costs that can be claimed for, from 80 percent to 70 percent;
- removal of a number of elements of tax credits (such as the 'baby' element paid to families with a child aged under 1);
- and increases in the child element of the child tax credit.

61 The result of these changes is that the poorest (for example, non-working) families with children generally receive a little more support from tax credits than they otherwise would have, but that families with higher income receive less (especially if they claim support for childcare costs). In this way, the changes mean that support has become more targeted at those with the lowest incomes, but at the expense of a weakening of work incentives. In practice this has meant a sharp reduction in the number of families claiming child tax credit and/or working tax credit and a significant reduction in household income, if it is not replaced by earned income (Figure 2).

**Figure 2: Proportion of Households Claiming Child Tax Credit and/or Working Tax Credit**



62 Between April 2011 and April 2015 the total number of families claiming tax credits fell by 18,900, reducing from more than one in four (26.5 percent) of all households in County Durham to less than one in five (18.1 percent). The fall is largest for in-work families where now 17,600 fewer families claim tax credits.

63 Changes announced in the recent 2015 summer budget are likely to further affect both eligibility for tax credits and the amounts to which families are entitled. The income threshold beyond which tax credits are withdrawn will be reduced from £6,420 to £3,850; whilst the taper rate at which they are withdrawn will be increased from 41 percent to 48 percent. This will result in a

large cut in tax credit income for working families. All working-age benefits will be frozen for four years. In addition, tax credits – and their equivalent under Universal Credit – will be limited to two children, with larger families receiving no increase beyond that for the second child. This will apply to families who become responsible for a child or children or qualifying young person(s) born on or after 6 April 2017. Multiple birth families will, however, be exempt.

- 64 The Chancellor's announcement on the new Living Wage means that over 25s will be entitled to a compulsory National Living Wage of £7.20 from April 2016, with the Low Pay Commission being asked to ensure it reaches at least 60 percent of median earnings – expected to be over £9 per hour – by 2020. However, according to the Social Market Foundation<sup>5</sup>, the combination of cuts to tax credits and the introduction of the National Living Wage mean that many low paid working families claiming tax credits will receive a net reduction in income after taking into account Income tax, National Insurance contributions and falling tax credits.
- 65 This conclusion has also been highlighted by the Institute for Fiscal Studies<sup>6</sup>, which has identified that the average gain from the National Living Wage, which can be expected by the 8.4 million working households currently eligible for benefits or tax credits, amounts to £200 per year. This compares with an average loss of £750 per year from cuts to benefits and tax credits.

### ***Main out-of-work benefits***

- 66 The number of people claiming the main out-of-work benefits in County Durham has also been falling since it peaked in 2009 as a result of the recession, with in excess of 56,000 claimants resident in County Durham. Numbers have steadily declined since and are now lower than at any other time in the last 16 years at 42,490 claimants. This reduction is partly the result of improving employment but also influenced by policy changes by DWP, such as Employment Support Allowance. The vast majority of claimants of these benefits will transfer to UC but it should be noted that some JSA and ESA claimants on contributory based benefits will remain outside of UC.

### ***Jobseeker's Allowance (JSA)***<sup>7</sup>

- 67 JSA peaked in 2012 with over 15,800 claimants. Claimant numbers then declined until November 2014 (7,480 claimants) although this was still higher than before the recession. This decline may in part be due to the introduction of a new sanction regime in October 2012. There has however been a slight increase in the last quarter of 130 claimants.

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<sup>5</sup> <http://www.smf.co.uk/smf-response-to-the-summer-budget-2015/>

<sup>6</sup> <http://www.ifs.org.uk/publications/7975>

<sup>7</sup> DWP Benefits, Benefit Payments - Jobseekers Allowance, accessed via [www.nomisweb.co.uk](http://www.nomisweb.co.uk)

## ***Employment Support Allowance/Incapacity Benefit (ESA/IB)<sup>8</sup>***

- 68 The numbers of people claiming work-related sickness benefits declined steadily between 2008 and 2014 following the introduction of ESA. This allowance replaced Incapacity Benefit and Income Support paid on the grounds of incapacity for new claims from October 2008 and the work capability assessment (WCA).
- 69 In April 2011, a rolling programme was implemented by the previous government in which all existing Incapacity Benefit claimants were re-assessed using WCA. Those who passed the assessment were moved to ESA. Those who failed were disqualified from both ESA and IB, though they were able to apply for JSA if they satisfied its conditions. Nevertheless, many individuals continued to receive Incapacity Benefit during this period until their claims were re-assessed.
- 70 A new sanction regime was also introduced in December 2012, reducing the numbers of people claiming ESA further but the numbers affected are relatively low compared to JSA. Since February 2009, numbers of IB/ESA went through 20 consecutive quarterly falls. In February 2014 the number of County Durham residents claiming ESA/IS reached 27,600 claimants, the lowest number claiming sickness related benefits since comparable records began. However, there has been a recent increase of 1,460 ESA claimants over the two most recent quarters. This might indicate people returning to sickness-related benefits in due course after being moved onto ESA following their work capability assessment.

## ***Income Support***

- 71 The number of people claiming income support in County Durham has decreased from a peak of 22,900 in 2003 to 8,400 in February 2015. These reductions have been brought about by a number of policy changes which include the introduction of child tax credit in April 2003, but more recently through reductions in the entitlement age of the youngest child for lone parents (decreasing from age 15 to age 5 years in four phases over four years) and equalisation of the state pension change. The biggest change however was brought about by the introduction of ESA. Many Income Support claimants also claimed Incapacity Benefit – a combination which is not permitted under ESA, which is means tested in a way similar to Income Based JSA.

## ***Housing Benefit (HB)<sup>9</sup>***

- 72 The number of working age HB claimants in County Durham has not varied greatly since 2011. Numbers peaked in May 2013 at around 35,000 claimants (10.7 percent of the working age population). Since then the gap between the local and national housing benefit claimant rate has widened slightly. The number of working age claimants in the county in May 2015 is 33,871; 10.3 percent of the working age population, but nationally the rate dropped by 0.5 percent to 8.9 percent of the working age population.

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<sup>8</sup> DWP Benefits, Working age client group – ESA/IB/Income Support, accessed via [www.nomisweb.co.uk](http://www.nomisweb.co.uk)

<sup>9</sup> Housing Benefit trend stats, DWP stat-xplore, accessed via <https://stat-xplore.dwp.gov.uk/>

- 73 Overall, the proportion of people claiming HB who are also claiming other DWP benefits has fallen but only slightly (from 69.7 percent of all claims in January 2011 to 66.3 percent in May 2015).

### ***Freeze to Working Age Benefits***

- 74 One of the policy announcements in the 2015 Queen's Speech was a two-year freeze on the majority of working-age benefits. Beginning in 2016, the main rates of working-age benefits, tax credits and Child Benefit will be frozen. Pensioners and benefits relating to disability costs will be protected, as well as statutory payments such as Maternity, Paternity and Adoption Pay.
- 75 The policy is intended to make large savings by spreading spending reductions over a broad spectrum of benefits. It follows similar measures brought in under the last parliament. The previous Government made significant savings by switching the indexing of benefit rates from RPI to the less generous CPI rate of inflation. From 2013, the increase of most working-age benefits was capped at 1 percent per year in nominal terms for three years. The Institute for Fiscal Studies<sup>10</sup> (IFS) has calculated that together these changes made a very significant contribution to the £16.7bn worth of cuts made to the welfare system during the last parliament, amounting to £6bn by 2015-16.
- 76 There is evidence that despite inflation being low recently this policy has placed significant financial pressure on millions of low income households. The Citizens Advice Bureau note that over the last four years, there has been a sharp increase in their clients seeking advice on debt. The composition of debt about which their clients seek advice is also changing, with a shift away from consumer credit issues towards problems in meeting basic household bills.
- 77 The planned uprating freeze will therefore take effect at a point when many households are already financially vulnerable. With inflation projected to increase over the next two years, these risks should be considered against the savings intended; growth in problem debt entails very significant costs, both for those affected and the Exchequer, and affects work incentives, health outcomes and family life.

### ***New Sanctions regime<sup>11</sup>***

- 78 DWP introduced a new sanctions regime for JSA from October 2012. The new rules introduced three categories of sanction – higher, intermediate and lower – depending on the nature of the offence and also introduced different levels of sanction for first, second and third offences. The new regime has increased the rate of adverse sanctions for individuals claiming JSA both nationally and within County Durham. Overall, the impact of these changes

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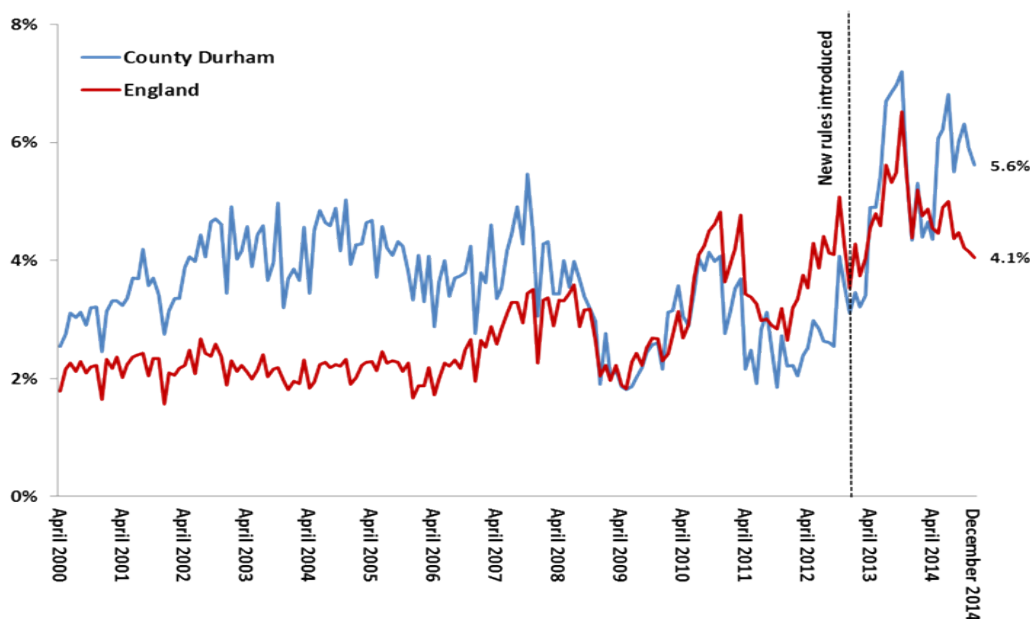
<sup>10</sup> Hood and D. Phillips (2015), Benefit Spending and Reforms: The Coalition Government's Record, London: Institute for Fiscal Studies, <http://www.ifs.org.uk/uploads/publications/bns/BN160.pdf>  
Citizens Advice (2015), Citizens Impact Assessment: Freeze to Working Age Benefits, CAB, <https://www.citizensadvice.org.uk/Global/CitizensAdvice/welfare%20publications/Benefit%20freeze%20impact%20assessment.pdf>

<sup>11</sup> DWP JSA sanctions stats accessed via <https://stat-xplore.dwp.gov.uk/>, chart data represents three month average of individuals sanctioned as a proportion of three month average of JSA claimants



has increased the frequency of sanctions on JSA claimants, with a higher percentage of local claimants affected compared to England overall (figure 3).

**Figure 3: Increase in percentage of JSA claimants receiving adverse sanctions with new rules introduced in October 2012**



### **Personal Independence Payment (PIP) and Disability Living Allowance (DLA)**

- 79 Personal Independence Payment (PIP) is a benefit for people aged 16 to 64 with a long-term health condition or disability which has replaced Disability Living Allowance (DLA) for anyone who is not getting DLA and who wants to make a new claim.
- 80 The underlying rationale for moving from Disability Living Allowance (DLA) to PIP is that help toward extra costs because of a long term ill-health condition or disability should be based on how a person's condition affects them, not the condition they have.
- 81 Just before PIP was rolled out in 2013 there were around 23,100 people on DLA aged 16-64. Since then, this number has fallen but not by as much as PIP has increased. The DLA caseload fell by almost 3,000 but latest data shows almost 5,000 people are now claiming PIP.
- 82 The number of PIP claimants is likely to increase more rapidly over the next year as the gradual rollout accelerates during 2015. From September 2015 onwards, DLA claimants living in DH (Durham) postcodes will be contacted by DWP to be invited to apply for PIP 20 weeks before the claimant DLA entitlement ends. These transitional arrangements are planned to be completed by 2017, but it is not yet clear when DLA claimants in other parts of the county will be invited to claim.
- 83 Overall this means around 20,000 residents in County Durham currently on the DLA caseload are likely to transition to PIP over the next two years. The

first independent review of the PIP assessment published in December 2014<sup>12</sup> noted that the PIP assessment process “gives a disjointed experience for claimants” and that improvements are required in the short-term. As part of their evidence to the Independent Review, the Citizens Advice Bureau<sup>13</sup> (CAB) reported serious delays in the end to end process with PIP, from making a claim to getting a decision.

- 84 CAB reported delays of over six months for a decision and, in some extreme but not uncommon cases, delays of nine months or more. This includes major delays with both assessment providers Atos and Capita arranging face-to-face assessments of up to six months and reporting back to DWP decision makers after assessments of up to three to five months.
- 85 Despite some feedback of improvements, they also noted delays in ‘special rules’ cases with some terminally ill clients – not expected to live longer than six months - waiting longer than four weeks for a decision. The delays are having a serious impact on clients and support services, who report that they are regularly seeing cases of clients who needed urgent support with extra costs, (for example, having experienced a life-changing event – diagnosed terminally ill, an accident, sudden onset disability or significant deterioration in an existing condition) faced with financial difficulty, and many whose condition has worsened during the wait or as a result of the uncertainty and stress caused by the delays.
- 86 CAB went on to outline real difficulties for clients navigating the claims process, including issues with the scheduling of face-to-face assessments and last minute cancellations, and communication from DWP helpline staff and assessment providers. Throughout this submission they also highlighted the difficulties disabled clients face with access and reasonable adjustments,
- 87 Understanding the impact on local communities of welfare reform is very difficult, in part because the reforms are not uniform and involve a complex range of factors, but also because there has been no attempt to assess the collective impact of the government’s welfare reforms.
- 88 The same applies to the continuing reduction of local government funding and reforms, including the removal of area-based grants and the shift away from the principle of local government funding being based on need. The lack of adequate impact assessments and the knock-on effect of policy change in one area on another, have been highlighted on a number of occasions by the Public Accounts Committee and the National Audit Office.
- 89 As highlighted to Cabinet on 15 July 2015, the reduction in local authority funding is set to continue and over the next few years will inevitably impact on frontline services. We therefore need to continue to increase our understanding of the local impacts of change, so that when we have to reduce

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<sup>12</sup> Gray, Paul, An Independent Review of the Personal Independence Payment Assessment, December 2014, [https://www.citizensadvice.org.uk/Global/Migrated\\_Documents/corporate/citizens-advice-pip-first-independent-review-response.pdf](https://www.citizensadvice.org.uk/Global/Migrated_Documents/corporate/citizens-advice-pip-first-independent-review-response.pdf)

<sup>13</sup> CAB, Response to Personal Independence Payment (PIP) Assessment – first Independent Review, September 2014, [https://www.citizensadvice.org.uk/Global/Migrated\\_Documents/corporate/citizens-advice-pip-first-independent-review-response.pdf](https://www.citizensadvice.org.uk/Global/Migrated_Documents/corporate/citizens-advice-pip-first-independent-review-response.pdf)

spending and service delivery, we can continue to mitigate the impacts where we can, through well thought-out and targeted approaches.

- 90 Clearly, many of the drivers of poverty - such as the strength of the economy, employment, wage rates and inflation - are beyond the council's control, but we can attempt to mitigate the effects and make some of the impacts less severe.

### **Response to date in the county**

- 91 The council has taken a lead through a strategic and co-ordinated approach to the changes made to the welfare system to date, including how the funding available from government has been used to support people affected by the changes. This has identified the benefit of joining services across service groupings. In doing so, it has become apparent that alongside the welfare reform changes there are areas of work already being delivered which are complementary and collectively address the underlying issues around the county, such as the Warm up North scheme and the council's work on financial inclusion.
- 92 The council's response to the welfare changes has been shared widely with the County Durham Partnership and has involved working closely with many key partners. In recognition of the wider impact of the changes on the county, the scope of the welfare reform policy work and the Welfare Reform Steering Group has been broadened to take a more comprehensive overview of poverty issues in the context of welfare reform.
- 93 On 17 December 2014, Cabinet considered the latest update on welfare reform and poverty issues and the progress made in establishing a Poverty Action Steering Group for the county.
- 94 Members agreed that the council should work with partners to focus on the following themes:
- a) Attitudes to poverty and raising its profile;
  - b) Focus on child poverty;
  - c) Involvement of agencies with direct involvement in poverty;
  - d) Credit and debt;
  - e) Further welfare reform and benefit changes;
  - f) Work and personal wellbeing and sense of worth.
- 95 The council's Poverty Action Steering Group (PASG) co-ordinates the delivery of a range of new and existing policy work which seeks to achieve a much broader understanding of the issues affecting residents, resulting from continuing changes to welfare and other issues which mean that residents can experience poverty. Building on this understanding, the group will seek to identify actions to support residents and help address identified inequalities.
- 96 As well as considering recent policy developments in relation to welfare, this report also considers the draft poverty action plan for the county, developed by the PASG based on the agreed themes.

- 97 Council employees, particularly those in customer-facing roles, have received information and training to help them understand the changes and how the council and partners can help.
- 98 A comprehensive communications programme has been instigated to ensure that claimants understand proposed changes and are signposted to the most appropriate sources of advice, help and support.
- 99 In addition, as a matter of course when the council considers policy changes or service restructurings, it undertakes thorough impact assessments to understand the effect of proposed changes and to identify what could be done to mitigate any detrimental effects on disadvantaged communities and vulnerable groups, where possible.
- 100 This is particularly important as the recession and public spending reductions have disproportionately affected northern and poorer areas such as the county, which have lower levels of economic growth, higher rates of benefit dependency and disproportionately higher levels of public sector employment.
- 101 Reductions in welfare support, at a time when public sector employment is falling and private sector growth has yet to create sufficient numbers of replacement jobs, present the county and local partners with a significant and major challenge.

### **Council Tax Reduction Scheme**

- 102 Through its Local Council Tax Reduction Scheme, the council has protected economically vulnerable working age people from the 10 percent national cut in Council Tax support. This scheme has been extended for a further year into 2015/16 in order to maintain the same level of benefit support provided before the scheme was changed in 2013, providing valuable support to many in need. Council is to consider a recommendation to extend this for a further year when it meets on 28 October 2015.

### **Benefit Cap**

- 103 The council continues to engage with those claimants affected by the benefit cap including working with the Stronger Families programme to maximise the opportunity to join up the support required. The number of claimants affected by the benefit cap remains low. When it was introduced in County Durham in July 2013 approximately 120 households were affected and the latest figures indicate that there are 97 households affected by the cap in the county, with the average reduction being £45.16 per week, ranging from £0.43 per week to £137.00 per week. The small number of claimants affected by the benefit cap reflects the ongoing movement of individuals into and out of benefits
- 104 In May 2015 there were approximately 22,500 households in the UK affected by the current benefit cap. The DWP impact assessment for the new reduced benefit cap states around 92,000 additional households over and above those affected by the current cap will have their benefits reduced in 2017/18. Within those households the additional number of adults affected is 112,000 and the number of children 224,000. The assessment points out that these are 'static'

estimates that do not take account of behavioural factors such as the cap encouraging more people to move into work.

- 105 Research conducted by the National Housing Federation compared the amount of housing element a range of household types were able to get before hitting the benefit cap. This was compared with the average rents and eligible service charges for different housing association properties in the different regions of the UK, for couples with two children and again with three children. Results showed the housing element for families with three or more children in the North East would not be sufficient to cover rent and services charges, with a shortfall ranging from £21.38 per week to £67.05 per week depending on the property type.
- 106 Given changing individual circumstances, the final number affected by the reduction will not be known until the DWP provides confirmed details. However, modelling based on the DWP figures in paragraph 103 would suggest a crude estimate of an additional 300 families will be affected by the reduced benefit cap in County Durham.

### **Under occupancy**

- 107 With the introduction of the under-occupancy size criteria in the social rented sector in March 2013, housing benefit was reduced for 8,003 tenants in County Durham. Despite a decrease to 6,916 in December 2013, the number affected as at March 2015 was 7,162, with the majority of tenants under occupying their property by one bedroom.
- 108 To help tenants with their housing costs, the council has been working very closely with social housing providers through the 'triage' process where tenants receive detailed advice and support specific to their circumstances. The council is also using Discretionary Housing Payments (DHP) to provide short term financial support to tenants, whilst we work with tenants through the 'triage process' to improve their long term situation. At the end of August 2015, over 40 percent of the DHP budget for 2015/16 had been allocated to payments due to under occupancy.
- 109 Alongside this, there has been a clear downward trend in social housing rent arrears. This can be attributed in part to the positive work the council and housing providers are delivering, although anecdotally, there is an assumption that tenants are prioritising their housing costs over other living expenses.
- 110 The number of tenants requesting smaller properties via Durham Key Options (the choice based lettings scheme operated for social housing providers across County Durham) still remains high, compared with the numbers that have been able to move to a smaller property. For 2014/15 over 1,100 tenants requested a move to a smaller property of which only 823 were successful. The council is working closely with housing providers to analyse turnover of stock, trends in the number of empty properties, existing supply/demand and trends in the private sector.

## **Discretionary Housing Payments**

- 111 Through its Discretionary Housing Payments policy, the council has made awards to nearly 4,100 people, which has helped towards meeting their housing costs during the period 1 April 2013 and 28 September 2015.
- 112 Following a High Court ruling earlier in the year about the consideration of income from Disability Living Allowance (DLA) in the financial assessment of Discretionary Housing Payments, the DHP Assessment Officer Procedures have been amended with effect from 30 March 2015 to allow for the disregard of DLA (care and mobility components) income.
- 113 The existing policy will continue for 2015/16, but will be reviewed to assess levels of expenditure and demand on budget. It is expected that the £982,000 DHP grant allocation for 2015/16 will be fully expended.

## **Welfare Assistance Scheme**

- 114 In 2013 the council established a Welfare Assistance Scheme, to provide emergency and crisis support to fill the gap left by the termination of the government's Social Fund. The scheme was initially delivered with Civica and Five Lamps, promoted as Help and Advice Network Durham. In 2014/15 the scheme made 1,938 awards and granted assistance to individuals amounting to £914,224.
- 115 The council's budget for 2015/16 makes provision for £1m of expenditure on the Welfare Assistance Scheme (including administration costs) and this will be maintained on an on-going basis until the scheme is reviewed.
- 116 In April 2015, the scheme was brought in-house and is now being delivered directly by the council, using existing service teams in Revenues and Benefits.
- 117 To ensure cost-effective assistance to residents in need, the council developed its own fulfilment solutions for recycled white goods and furniture, working with East Durham Partnership and Durham Furniture Help Scheme. This has been further developed with the introduction of Asda food baskets, to provide prompt, consistent support to individuals in crisis throughout County Durham.
- 118 In the first three months of operating the scheme in-house, the number of awards made decreased, with 372 awards made in the period January to March 2015, and 287 awards made in the period April to June 2015. Whilst the number of awards has decreased, the average amount allocated increased.
- 119 Although the existing policy is being applied, the reduction may be the result of agreed amendments to the policy implemented in January. These clarified the circumstances for the award of settlement assistance to help individuals set up home in the community as part of a planned resettlement programme following an unsettled way of life, support to move out of inappropriate accommodation and an upper limit of £500 for the cost of carpets, restricted to those rooms which are essential to enable an applicant to move into a property, or where an existing floor covering may present a risk to the health and wellbeing of the applicant.

- 120 The existing welfare assistance policy, together with associated expenditure, will be reviewed during the first six months of 2015/16. Forecasted spend on awards during 2015/16 is £495,600, plus £140,000 for AAP welfare assistance project funding.

### **Housing Solutions**

- 121 The council's Housing Solutions Service provides assistance and support to residents affected by welfare reform who are experiencing financial difficulties, funded by government new burdens funding.
- 122 The team works in partnership with landlords (mainly in the social sector) across County Durham supporting the triage process introduced as part of the application process for Discretionary Housing Payments (DHP). This includes East Durham Homes, Durham City Homes and Dale and Valley Homes, which are now part of the County Durham Homes Group, and Livin. Home Housing has also received support.
- 123 Between April 2014 and March 2015 the team worked with more than 2,000 clients. The outcomes achieved include clients gaining employment, having their hours of work increased, their income increased and being rehoused.
- 124 Assistance is provided to other clients who access the Housing Solutions Service requesting help with their financial situation. The number of people accessing the Housing Solutions Service is approximately 2,500 per quarter. The main reason for clients requesting general housing advice is due to financial hardship. This continues to increase.
- 125 In the light of the increasing demand, the Poverty Action Steering Group agreed to allocate £35,000 from the welfare assistance budget to enable the Housing Solutions Team to continue to support people affected by welfare reform who are experiencing financial difficulties in 2015/16.

### **Employment and Employability Initiatives**

- 126 Partners have continued to maintain and expand programmes to help local residents into employment, including the County Durham Apprenticeship Programme, the Rural Employability Programme, local delivery of the Work Programme and targeted support programmes funded by individual partners and the area action partnerships.
- 127 Using employment initiatives as a way of responding to the changes to the welfare system, £500,000 has been set aside from the Welfare Assistance budget to develop a specific employability and wage subsidy scheme to help disadvantaged people into work. The overall aim of the project is to support individuals affected by welfare reform and either support them in becoming closer to the employment market or to assist those who would like to explore self-employment as a route to improving their life chances and achieving a positive outcome.
- 128 The priority beneficiaries are:
- a) Residents living in the county's most deprived settlements.

- b) Unemployed residents in receipt of JSA who would like to become self-employed but who were unable to meet the criteria or timescales of New Enterprise Allowance.
  - c) Under-occupancy – those liable to pay the spare room subsidy or ‘Bedroom Tax’.
  - d) Benefit cap - those families whose benefit entitlement has been reduced to the maximum of £26,000 per annum.
  - e) ESA - those in the Work Related Activity Group (although those in the support group willing to progress towards the labour market will be supported).
  - f) Private rented sector - those who have to contribute to their rent from out of work benefits should their local housing allowance not cover the whole rent of the property.
  - g) Ex-forces - those discharged from the regular forces.
- 129 The scheme provides access to training and work-based learning, skills provision, financial support, wage subsidies for employers and targeted discretionary support where required. To 9 July 2015 the scheme has provided skills training to 63 individuals, assisted 114 individuals into employment and supported 20 people into self-employment.
- 130 Some examples of the skills training provided include: HETAS 03 (Registered installer of solid fuel, wood and biomass heating solutions), CPCD Dumper Truck, 17th Edition Electrical Installation, LGV Class 2, Gym Instruction, CPCD Crane Supervisor, Slinger and Signalling, Site Management, Level 3 Education and Training, Cytech Bicycle Mechanics and ADR Transporting Hazardous Goods.
- 131 Examples of where the discretionary spending has been used include licences, food and fuel subsistence until salary payments begin, rent and council tax payments, DBS applications, personal protection equipment, tools, a moped to support travel to employment in a rural area with poor transport links and travel to work.
- 132 The self-employment strand of the programme is managed by Business Durham but delivered through County Durham Enterprise Agencies: Derwentside, Chester-le-Street, South Durham and East Durham. The key elements of the project are an initial diagnostic to assess eligibility and support needed, vouchers to buy one-to-one personalised support and advice (which can be used pre and post start) and access to a small start-up grant if needed.
- 133 One hundred and seventeen initial diagnostic sessions with clients have been undertaken with a member of Agency staff to assess their suitability for support. Of those who were not deemed suitable for support (around 30 percent of diagnostics) from the programme, the majority were referred to alternative, more appropriate support from the agencies.



- 134 Eighty residents affected by welfare reform have been accepted onto the self-employment programme.
- 135 To date, 78 clients have been issued with vouchers of £700 per client, giving a total potential spend of £54,600.
- 136 To date, 22 grants have been awarded at an average of £832.42 per client.
- 137 Twenty individuals have now progressed into self-employment.
- 138 To 9 July 2015, the average spend to help clients into employment has been £1,499 and £832 to help those into self-employment. This compares very favourably with the scheme's agreed initial target for provision at an average cost per outcome of £3,300 (employed) and £2,500 (self-employed).
- 139 The lower level average spend means that funding is available to support more individuals within the targeted cohort.
- 140 To continue to support the development of the project and promote both assistance to individuals and the partnership arrangements already in place with triage colleagues and others, an element of the existing budget has been utilised to extend the contract of the Employability Performance Officer, initially appointed to a twelve month fixed term post, by three months (1 August – 31 October, 2015). This will allow the project to continue through a period of transition within the service, whilst the outcome of a number of employment, training and funding programmes are finalised.
- 141 The current provision of employability support is changing both in response to adjustments to the programmes and finance available, but also in line with new government policy.
- 142 A large proportion of the programmes to support unemployed residents are funded through the European Programme. Between April and July 2015 all support programmes from the previous round of European monies have ceased accepting new referrals and are completing work with existing participants. Many aspects of the provision will be re-procured under the 2014-2020 European Programme, as part of the £48 million allocation of European Social Fund (ESF) for County Durham.
- 143 Unfortunately, delays in the agreement of the programme with the Commission mean that the majority of new activity will not commence until autumn at the earliest, leaving a reduced package of support for residents in the months leading up to the roll out of Universal Credit in County Durham.
- 144 Recognising the lack of programme support and the cumulative impacts of changes to welfare legislation, a great deal of effort has been made to ensure some form of provision across the county. The triage review in conjunction with registered landlords and their tenants has identified that there has been a complicated network of provision which is inconsistent and difficult to refer into. Consequently, a priority through 2015 is to develop a consistent and streamlined employment support framework to operate across County Durham that can ensure consistent, high quality advice and support to assist residents into work. This will be achieved by building upon the common aspects of the current and emerging provision which includes:

- Youth Employment Initiative / Generation North East;
- Mental Health Trailblazer;
- Employability Mentoring Programme;
- Welfare Reform Support Programme.

145 In addition, aligned programme activity such as the Building Better Opportunities Fund, an ESF-funded social inclusion programme currently being commissioned by the Big Lottery, as well as a range of locally resourced employment support initiatives such as the community jobs clubs and County Durham Apprenticeship Programme, are being developed and utilised to ensure that, regardless of age, location or benefit type, all residents can gain access to an appropriate level of support.

### **Universal Credit**

146 The introduction of the government's flagship Universal Credit went live to new applicants in Durham on 21 September 2015. Initially, the change will affect a small number of claimants, as it will be available only for new applicants who are single without dependents and without mortgage costs.

147 A working group was established to prepare for the implementation of Universal Credit in the county. The group included representatives from all council services, the DWP and housing providers. An action plan was developed and was continually reviewed as more detail became available about the government's roll-out plans.

148 Two Universal Credit workshops, delivered by the DWP and facilitated by the council, took place in June for social housing providers and private landlords, to assist in planning for the introduction and supporting residents affected by the change.

149 A communications plan was prepared to ensure that anyone affected by the change to Universal Credit was made aware and knew what the changes involved. Alongside this, training has been provided to frontline staff across the council so that they are able to advise people accordingly.

### **Independent Living Fund**

150 In County Durham it was agreed that all council service users receiving ILF (114 people) would have a social work review prior to the end of June 2015 and that the same level of service currently being received via ILF and the council would continue until a full review has been undertaken later in 2015/16.

151 All service users with ILF have been reviewed and these services have been incorporated into individual care plans.

152 All funding has been ring-fenced to those individuals already accessing it, but all services will be subject to review in the future in line with the Care Act and eligibility criteria.

## **Working in Partnership**

- 153 It is essential that we develop a strong partnership approach, working across sectors and with partner organisations, to understand impacts and to support individuals and communities affected by welfare reform and related poverty issues.
- 154 The council's response to the welfare changes has been shared widely with the County Durham Partnership and has involved working closely with many key partners.
- 155 Using established partnership structures, welfare reform and poverty is regularly reported to partners, including the Strategic Board, local councils, the voluntary and community sector, armed forces, AAPs, the faith network, foodbanks and the Community Wellbeing Partnership.
- 156 The council has worked across service groupings and with partners to anticipate benefit changes, mitigate impacts and support benefit claimants to become more independent where possible.
- 157 Two major welfare conferences have been held in the county, bringing delegates together from a variety of sectors to share thoughts and practice and cement our multi-sector approach. A further conference to consider the wider issues of poverty and welfare is planned for later this year.
- 158 Teams in housing, revenues and benefits, economic development and adult social care have worked together with housing providers to develop specific packages of support to help residents and service users adapt.

## **Area Action Partnerships**

- 159 Many of the AAPs have identified welfare reform as one of their key priorities and have supported various projects in their areas, focusing on the issues which are particularly relevant to each local community.
- 160 The council provided £10,000 of additional funding to each of the 14 area action partnerships from the Welfare Assistance Scheme to support local action to address welfare issues in 2014/15. The range of interventions has varied across the county, including projects linked to employability, training and helping residents cope with the changes, such as access to guidance on benefits and foodbank projects.
- 161 Derwent Valley AAP Apprenticeship Project, led by the council's Employability Team, is creating additional apprenticeship opportunities for young people in the area by providing a wage subsidy to SMEs. The partnership's investment, matched by funding from the National Apprenticeship Service, will focus on employers which have not previously recruited an apprentice, or have not recruited an apprentice in the previous year, to encourage businesses to offer opportunities for young people in the area.
- 162 Bishop Auckland and Shildon AAP and Spennymoor AAP have supported employability skills projects, to assist unemployed individuals on the road to future employment by responding to specific training needs and removing barriers that prevent clients from accessing training. Funding specialist

training linked to employment opportunities supports clients to move closer to or into employment.

- 163 Stanley AAP's assistance to a project providing face to face local Welfare Rights advice, through a series of surgeries throughout the area, has provided support to residents affected by welfare changes and who are experiencing difficult times. The service is being further enhanced by partnership links with Macmillan Cancer Support, Stepchange debt charity, sensory support services and local mental health support projects.
- 164 In recognition of the effectiveness of the local initiatives developed, an additional £10,000 has been allocated to each AAP for 2015/16, to support projects and schemes which deliver the best outcomes for communities.

### **Foodbanks**

- 165 Foodbanks in the county have helped more than 14,300 people in the last 12 months, with the majority of funding being through the charitable sector.
- 166 The provision of support to foodbanks has been an element in a significant number of AAP projects, both in providing foodbank assistance, but also in building on the delivery of food assistance to offer vulnerable clients additional services.
- 167 In mid-Durham, the AAP has used funding to support the expansion of the services offered at County Durham Foodbank, which has operated in the area for more than a year. This has allowed the development of a one stop shop for advice, information and support, including debt support and access to the internet. More recently this has been enhanced with the provision of a clothes bank, the first of its kind in County Durham. The service operates twice a month alongside the foodbank and offers residents who are on benefits, have been sanctioned or are homeless access to clothing and toiletries. Since its opening in October 2014 it has assisted over 300 individuals.
- 168 The 4-Together AAP is supporting the work of the local foodbank, offering a range of wrap-around support services and filling an identified gap in what the foodbank service can provide, with items and assistance not usually made available at distribution networks in Ferryhill and Chilton. This includes funding for energy, fresh produce and access to cooking on a budget and healthy eating classes.

### **Working with Housing Providers**

- 169 The Housing Welfare Reform Group was established in 2012 and has worked successfully over the last three years to understand and plan for the changes brought about by welfare reform and to monitor the impact.
- 170 As a result of this partnership working, the expected rise in rent arrears has been prevented. Rent arrears across the social housing sector in the county have reduced by 11.6 percent over the last year. This is a very different picture in other parts of the country, where huge increases have occurred.

- 171 There have been no evictions where the arrears were as a result of the under-occupancy charge only. Protocols are in place to intervene and assist tenants to prevent eviction.
- 172 Over 7,000 tenants have been assessed since a triage process was introduced in April 2013. A number of these tenants have gone on to find employment, enter into training or reduce their debts. The triage process is continuously under review to develop it further to assist tenants.

### **Fuel Poverty**

- 173 High energy costs, low incomes and energy inefficient dwellings are impacting on many elderly and vulnerable low income households in County Durham. Cold homes, cold-related illness, increased winter deaths, housing in poor repair and high healthcare costs are all visible signs of fuel poverty. In 2012, 11.4 percent of households in County Durham suffered fuel poverty with up to 30 percent in rural off gas areas, the regional average is 11.6 percent.
- 174 The council's Affordable Warmth Strategy has been refreshed to cover the period 2015-2020 in order to align it to the new national fuel poverty indicator, the National Fuel Poverty Strategy 2015-2030 which was launched in March 2015 and to comply with the reporting requirements under the Home Energy Conservation Act 1995.
- 175 The seven key aims of the Affordable Warmth Strategy are based around targeting schemes to reach those households most in need of assistance:
- a) Maintain a strategic partnership to co-ordinate delivery of affordable warmth and energy efficiency programmes in County Durham;
  - b) Maintain a countywide housing energy database to target assistance and report on fuel poverty, energy efficiency and carbon reduction programmes;
  - c) Maximise the uptake of all current energy efficiency programmes in private sector properties;
  - d) Maximise awareness of energy efficiency programmes in Social and Registered Provider properties;
  - e) Signpost vulnerable households to income maximisation and debt management services;
  - f) Improve the health and well-being of residents and reduce health inequalities by minimising the negative health impacts of cold homes;
  - g) Provision of energy efficiency advice services.
- 176 The council is part of the regional Warm up North Partnership (British Gas). Most work through the partnership for Durham residents has been related to Energy Company Obligation funding provided by British Gas as the supplier. This provides subsidies for insulation and central heating measures to improve stock condition, drive down bills, assisting vulnerable and low income households.

- 177 From April 2014 to March 2015 there were a total of 2,042 referrals to Warm up North (WUN) for the Durham locality, leading to 423 energy efficiency measures being installed in 404 properties (19 properties had two measures installed). These measures included 15 external wall insulations, 59 cavity wall insulations measures, 168 loft insulation measures and 173 central heating boiler replacements. The remaining eight measures included a combination of boiler repairs, heating control repair and draft proofing.
- 178 The Warm and Healthy Homes Project funded by public health, assists private sector householders who have a cold-related health condition as a result of living in a cold damp home. From April 2014 to March 2015, 130 referrals were made by health practitioners and social care staff resulting in 52 energy efficiency measures being installed and 169 front line staff received briefings and promotional information.

### **Social Justice Pilot**

- 179 Partnership work in the Crook area has improved understanding of how the new benefits regime is affecting individuals. Through a greater awareness of how benefits are processed and the requirement to avoid sanctions, support agencies are better informed and are helping to improve welfare and wellbeing outcomes for customers receiving DWP benefits and ensure that clients do not lose their entitlement, particularly those who are vulnerable and/or have particularly challenging circumstances.
- 180 The approach takes a 'customer centric' view of the support that customers may receive at the same time from different organisations and considers whether relevant agencies can improve the effectiveness of this support for individual customers. This has identified the impact on individuals with mental health issues, drug and alcohol dependency and recent offending.
- 181 Participants in the project include the DWP Regional Office, local Jobcentre Plus, Probation Service, NHS, Greater Willington Town Council, Willington Community Association, Tow Law Community Association, Signpost, Salvation Army, Citizens Advice Bureau, and council service teams including the area action partnership, Housing Solutions, Revenues and Benefits, Stronger Families and Welfare Rights.
- 182 A number of issues were identified by partner agencies including a lack of basic skills within some customer groups, increasing numbers of people with financial difficulties and debt problems, travel and transport difficulties for customers in attending venues where support is available, the impact of benefit sanctions and the difficulties some customers with chaotic lifestyles experience in prioritising appointments.
- 183 The project raised awareness amongst partner agencies of the support available locally. This included Jobcentre Plus briefings, a Jobcentre Plus open day, a benefit sanctions workshop and mapping of local resources.
- 184 Building on the work undertaken, formal complaints to the Department for Work and Pensions concerning clients in the area have decreased and there is now a sense of shared responsibility amongst the organisations involved to work together, particularly between the voluntary and public sectors.

- 185 Whilst the benefit sanctions rate in the area rose sharply following the introduction of new sanctions in October 2012, this has since reduced and is similar to Great Britain and Jobcentre Plus North East regional averages.
- 186 Future work will focus on the consideration of specific cases, as organisations continue to focus on individuals who may ‘fall between the cracks’.
- 187 In addition, steps have been taken to improve the sharing of data between agencies, so that they understand the commitments which are being placed on individuals by Jobcentre Plus and other agencies, and can take this into account in their planning, in order to avoid having to resort to sanctions.
- 188 Early indications are that the approach is proving effective and it is likely to be extended to other Jobcentres in the area.

### **Advice in County Durham**

- 189 To help co-ordinate and develop capacity to provide welfare and poverty advice in the county, the council has worked with partners to support the Advice in County Durham Partnership.
- 190 The council has agreed to allocate £70,000 over two years to fund a partnership co-ordinator and take a more active role in the Advice in County Durham Partnership. The partnership seeks to bring together statutory and community and voluntary sector organisations under a ‘no wrong door’ approach, to improve the co-ordination of advice services and ensure agencies work together to support the needs of our communities.
- 191 The partnership has a number of key objectives and issues which will need to be tackled, including:
- a) developing the advice delivery pathway, to ensure seamless, effective, responsive and equitable services for residents in County Durham, ensuring the pathway provides a seamless, yet comprehensive range of advice services for all levels of need and types of advice;
  - b) working together to attract funding from external sources to deliver advice more effectively;
  - c) providing strategic direction for advice services, ensuring effective collaboration amongst service providers and integration of service delivery;
  - d) the development and co-ordination of a standard performance management framework that will help inform demand, capacity and performance;
  - e) developing a co-ordinated approach to the delivery of training that will ensure all front line staff, including those in key access points across the council, are kept informed on a regular basis and trained to support service users.

## Financial inclusion

- 192 Activity in support of financial inclusion continues to be developed and delivered in line with the financial inclusion action plan focussing on the four priorities of employment and skills, debt and credit, financial capability and partnership working.
- 193 Some of the key activity to support the priorities includes:
- a) The Big Lottery funded Monkey project, delivered through County Durham registered providers, has just been given permission to extend its offer to non-social housing tenants; extending to 25 percent of target users.
  - b) The project has a range of discounts it has negotiated and is commissioning partners to deliver some courses, including budgeting and cooking on a budget.
  - c) The Monkey project is also working with the area action partnerships in south Durham to support the credit union expansion.
  - d) East Durham AAP has funded the debt first-aiders, and community job clubs based in community venues. A bid will be considered shortly by Chester-le-Street AAP for one in Bullion Hall.
  - e) Local partnerships have been established in east and south Durham, to promote NEFirst credit union in those areas.
  - f) The Prince Bishop Community Bank schools project, funded by mid-Durham AAP, has signed up 172 young people, 15 adults and 5 staff to the salary deduction scheme. Bids are being compiled for the extension of the project in other areas.
  - g) Prince Bishop Community Bank Smarterbuys project has been franchised into other areas with the support of social housing providers, with staff being employed in Stanley.
  - h) The council's salary deduction scheme has been taken up by almost 350 staff (a greater take-up than Middlesbrough, Darlington and Gateshead councils combined).
  - i) Northern Money received funding from the Northern Rock Foundation to develop a short-term loan platform which is presently being piloted, and both County Durham credit unions are interested in adopting this.
  - j) NEFirst was successful in its bid to become Durham University's credit union partner and is currently developing the service.
  - k) 15 local businesses have been engaged in salary deduction schemes, linking them with the two local credit unions to improve the finance offer to their employees.
  - l) Lloyds has agreed the 350 hours of support available to the council as part of the social values element of the new corporate banking contract and has already engaged with the credit unions to support back office



function, and referral to credit unions by in-branch staff. Lloyds has committed to supporting schools as part of the push to improve financial awareness/financial literacy.

- m) Lloyds also supported the council's loan shark week of action in Woodhouse Close, Bishop Auckland at the end of July.

## **Next Steps**

- 194 To ensure a greater understanding of the challenges and to develop effective responses, it is vital that we continue to work with partners, particularly those with direct experience of the impact of welfare reform and poverty issues facing residents, such as health providers, GPs and schools.
- 195 In order to focus on the actions necessary to respond to the challenges facing the county's residents, the Poverty Action Steering Group has developed a draft Poverty Action Plan based on five key themes agreed by Cabinet in December 2014:
  - a) attitudes to poverty and raising its profile;
  - b) focus on child poverty;
  - c) credit and debt;
  - d) further welfare reform and benefit changes;
  - e) work and personal wellbeing and sense of worth.
- 196 The draft Poverty Action Plan is attached (Appendix 2) and through the consultation, all partners will be encouraged to comment and contribute to the development of the plan, as this will be fundamental to its successful delivery and achieving better outcomes for the residents of County Durham.

## **Conclusion**

- 197 As expected, the government intends to continue with its programme of welfare reform in order to tackle what has been described as a dependency culture and to reduce public spending on welfare.
- 198 While a number of poverty-related measures are showing improvement as the economy has started to grow, it is apparent that the county still lags behind national averages.
- 199 Since the welfare reforms commenced in 2011, the council and its partners have experienced increases in demand for welfare-related services, including advice and assistance, applications for Discretionary Housing Payments and Welfare Assistance, foodbank and charity referrals and personal financial action planning.
- 200 It is expected that this trend will continue. The forthcoming implementation of Universal Credit in the county and the additional reforms outlined in the summer budget statement will have a further impact on residents and communities in the county.

201 In such circumstances, it is vital that the council maintains its partnership-based approach to understanding and tackling poverty and welfare-related issues.

### **Recommendations and Reasons**

202 Cabinet is recommended to:

- a) note the contents of this report and the progress being made by the council and its partners in addressing welfare reform and the wider poverty issues in the county;
- b) approve the draft Poverty Action Plan for County Durham for consultation with partners and stakeholders.

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**Contact:** Roger Goodes **Tel:** 03000 268050

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### **Background papers**

Cabinet, 17 December 2014, Welfare reform and poverty issues

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## **Appendix 1: Implications**

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**Finance** – The £140,000 for Area Action Partnership welfare-related projects will be met from provision carried forwards from the 2014/15 welfare assistance budget; the £35,000 additional support for the Housing Solutions Service will also be met in this way; the estimated £70,000 cost over two years for the Advice in County Durham partnership co-ordinator is being funded by welfare reforms new burdens funding; the £7,374 (plus travel expenses) to extend the contract of the Employability Performance Officer by three months will be met from the existing allocation to the employability project from the welfare assistance budget.

**Staffing** – There are no new staffing implications contained within the report.

**Risk** – N/A

**Equality and Diversity / Public Sector Equality Duty** – The council's Welfare Assistance Scheme and Discretionary Housing Payments policy have been subject to equality impact assessments where appropriate.

**Accommodation** – N/A

**Crime and Disorder** – N/A

**Human Rights** – N/A

**Consultation** – The draft County Durham Poverty Action Plan would be subject to consultation with other organisations and groups, including the County Durham Partnership

**Procurement** – N/A

**Disability Issues** – N/A

**Legal Implications** – N/A

## Appendix 2

# Poverty Action Plan for County Durham

## Vision

*To work together to reduce and prevent poverty as far as possible across County Durham.*

## Objectives

- *To raise awareness of poverty within the council and amongst our partners.*
- *Ensure our services and partners understand poverty and how we can all work together to help address it.*
- *Identify practical solutions which the council and partners can implement to help reduce and prevent poverty.*

*Actions identified will be co-ordinated under five themes:*

- *Attitudes to poverty and raising its profile through partnership with agencies and individuals with direct involvement in poverty.*
- *Focus on child poverty.*
- *Credit and debt.*
- *Further welfare reform and benefit changes.*
- *Work, increasing employability, personal wellbeing and sense of worth.*

# Poverty Action Plan

## Attitudes to poverty and raising its profile through partnership with agencies and individuals with direct involvement in poverty

Goal	How will we do this (Actions)	Timeframe	Lead
Ensure staff providing frontline services understand poverty and how it affects communities and families within County Durham	Raise awareness amongst council frontline staff on the issues surrounding poverty through existing training programmes, to include information to help staff understand levels of poverty and the impact this is having on residents. Include in this training information on how staff can signpost residents in need of support to services and appropriate organisations	January 2016	Head of Policy & Communications
Make information easily available for frontline staff to help residents affected by poverty	Bring together in one place information about the support available to low income families and ensure that all staff are made aware of this	January 2016	Head of Policy & Communications
	Review how people currently get information and the different places they can find it, for example websites including LOCATE, leaflets and other means of making information available. Rationalise information where necessary to simplify how the information can be accessed	March 2016	Head of Policy & Communications
Understand poverty and how it affects communities and families within County Durham	Establish processes to collect feedback from council frontline services and partners to understand how changes to poverty and welfare are affecting residents and to identify new issues affecting residents	March 2016	Head of Policy & Communications
	Establish a framework that includes agreed indicators of poverty and definitions of poverty. The framework will include information on Department for Work and Pensions (DWP), including benefit sanctions and delays	March 2016	Head of Policy & Communications
	This framework will be monitored regularly and results reported through the Poverty Action Steering Group	Ongoing	Head of Policy & Communications

# Poverty Action Plan

## Attitudes to poverty and raising its profile through partnership with agencies and individuals with direct involvement in poverty

Goal	How will we do this (Actions)	Timeframe	Lead
All partners working collectively and thinking about how their work can help address the issues associated with poverty	Put in place methods for two-way communication both within and outside of the council to include all partners that would be able to support work to identify gaps and possible solutions	March 2016	Head of Policy & Communications
	Arrange a conference on poverty, building on previous conferences on welfare reform, which will showcase how organisations are addressing issues and encourage discussion on what gaps currently exist in responding to poverty	March 2016	Head of Policy & Communications
	Work with DWP to establish a social justice programme across the County; to better understand the sanction regime; to ultimately work together to reduce the frequency and impact of benefit sanctions and delays	March 2016	Head of Policy & Communications
	Establish the Advice in County Durham Partnership (ACDP)	September 2015 <b>(completed)</b>	Head of Financial Services
	Identify role of ACDP in helping to address issues arising from poverty and establish a series of actions to maximise the resources available to provide residents with support. Actions to be captured and monitored in the County Durham Poverty Action Plan	March 2016	Head of Financial Services
Ensure we have captured all of the actions identified to help address poverty and monitor implementation and effectiveness	Review, in consultation with partners, the effectiveness of the County Durham Poverty Action Plan and update this as necessary	March 2016	Head of Policy & Communications
	Responsibility for monitoring implementation of the actions will sit with the Poverty Action Steering Group	Ongoing	Assistant Chief Executive

# Poverty Action Plan

## Focus on child poverty

Goal	How will we do this (Actions)	Timeframe	Lead
Ensure that poverty does not prevent young people from achieving their potential	Develop an understanding of how poverty is affecting children within County Durham. This will be done through engagement with existing forums and organisations including: <ul style="list-style-type: none"> <li>Schools; Durham Schools Forum, Durham Association of Primary Headteachers and Durham Association of Secondary Headteachers</li> <li>Youth organisations</li> </ul>	January 2016	Assistant Chief Executive
	Understand the impact our fees and charges policy has on young people from low income families	January 2016	Head of Financial Services
	In response to the issues identified we will: <ul style="list-style-type: none"> <li>Undertake a review of the Council's existing key strategies and policies to identify how they address child poverty</li> <li>When updating key strategies and plans ensure they include actions to address child poverty</li> <li>Establish a process to ensure all new strategies and policies address child poverty, where appropriate</li> <li>Review the way we work with families who come to us through the children's service single assessment process to ensure they're given appropriate support into benefits and housing services</li> </ul>	March 2016	Consultant in Public Health/Medicine
	Ensure the Poverty Action Steering Group is updated each term on the numbers of children receiving free thirty-hour early years places through the Early Years Strategy	Ongoing	Lead Childcare Development
	Resource initiatives aimed at preventing poverty and supporting children affected by utilising the pupil premium funding within schools. To facilitate this we will: <ul style="list-style-type: none"> <li>Arrange a conference specifically to target the use of pupil premium funding to combat the impact of poverty with 50 schools attending</li> <li>Ensure half of those attending commit to develop projects in their area that</li> </ul>	December 2015	Strategic Manager

	<p>will tackle poverty.</p> <ul style="list-style-type: none"> <li>Share learning by reporting back findings on an online community (with findings published more widely) or a follow-up marketplace event, to which a range of schools and settings would be invited</li> </ul>		
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# Poverty Action Plan

## Credit and debt

Goal	How will we do this (Actions)	Timeframe	Lead
Residents have the best support and advice available concerning their financial situation	<p>Review the information we have on the range of financial support and advice currently available to understand how effective this is. Use the findings to improve the information and advice available, working with the Advice in County Durham Partnership, credit unions and other organisations</p> <p>Build on the existing triage process already established for welfare reform to extend to all appropriate frontline services and partners to ensure residents are provided with advice and support which helps address the underlying issues</p> <p>Increase Family Learning programmes in tackling poverty, particularly Family Literacy, Language and Numeracy programmes to raise the basic skills of parents/carers. Target programmes in areas of high deprivation</p> <p>Ensure future commissions for Community Learning provision include anti-poverty measures</p>	<p>March 2016</p> <p>December 2016</p> <p>July 2016</p> <p>October 2016</p>	<p>Head of Financial Services</p> <p>Housing, Project &amp; Service Improvement Manager</p> <p>Strategic Manager Progression and Learning Strategic Manager Progression and Learning</p>
The Council to continue to provide financial support for residents affected where it can	<p>As part of the annual budget setting process review the DCC Local Council Tax Support Scheme with the aim of maintaining the scheme, recognising this has been a key part of our support for people experiencing poverty since 2013</p> <p>Extend the existing loans scheme offered by the Housing Solutions Service through the Financial Assistance Policy</p>	<p>October 2015 onwards</p> <p>October 2015</p>	<p>Head of Financial Services</p> <p>Housing Solutions Manager</p>
Promote financial awareness in young people	Working with four schools, establish 'financial literacy champions' in each. The plan will be to reach at least four schools per year to raise financial awareness and promote a savings culture	March 2016 onwards	Strategic Manager



	Ensure participants on the Youth Employment Initiative 'DurhamWorks' (approx. 5,000 unemployed young people) are supported to develop their financial management skills	Ongoing until July 2018	Strategic Manager Progression and Learning
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# Poverty Action Plan

## Credit and debt

Goal	How will we do this (Actions)	Timeframe	Lead
Raise awareness of the dangers of using pay day and doorstep lenders and promote alternative means of support	Continue to introduce and review activities to target illegal money lending, working with Trading Standards	Ongoing	Economic Development Manager
	Continue to reduce the influence and impact of payday and doorstep lenders and weekly payment stores by linking into advice and credit union opportunities	Ongoing	Economic Development Manager
	Continue to raise the profile of credit unions	Ongoing	Economic Development Manager
	Promote salary deduction schemes for credit unions to employers across County Durham	Ongoing	Economic Development Manager
Maintain a strategic partnership to co-ordinate delivery of affordable warmth and energy efficiency programmes in County Durham	Establish a working group to coordinate energy conservation and affordable warmth programmes across County Durham and ensure energy conservation activities are at the heart of all services we deliver	April 2015 <b>completed</b>	Housing Regeneration Manager
	Update the countywide Affordable Warmth Action Plan	Review annually	Housing Solutions Manager
	Review and monitor implementation of the Home Energy Conservation Act Report to ensure actions are addressing poverty issues	Review annually	Housing Solutions Manager
Provide an energy efficiency advice and signposting service	Through the DCC Housing Regeneration Team provide a countywide one stop shop relating to ECO and Warm up North	October 2015	Housing Regeneration Manager
	Promote the support that is available to private households from the Home Improvement Agency	Ongoing	Private Sector Housing Manager
	Hold briefing sessions with organisations that work face-to-face with vulnerable members of the community	Ongoing	Housing Regeneration Manager

# Poverty Action Plan

## Credit and debt

Goal	How will we do this (Actions)	Timeframe	Lead
Maximise the uptake of energy efficiency improvement programmes	Seek to maximise the uptake of all national energy efficiency and fuel poverty grant schemes utilising DCC's Warm Homes Campaign to co-ordinate a countywide area based delivery programme	Ongoing	Housing Regeneration Manager
	Distribute affordable warmth information to residents through the Warm Homes Campaign newsletter which is delivered to community venues, AAPs and Members	Ongoing	Housing Regeneration Manager
	Get more people to apply to the energy conservation programmes by carrying out area-based promotions	Review annually	Housing Regeneration Manager
	Promote Energy Company Obligation Grant information in Council Tax communication	Review annually	Housing Regeneration Manager
	Work with registered providers to ensure that any improvements to their housing include energy efficiency measures	Ongoing	Housing Regeneration Manager
Maintain a countywide housing energy database to target and report on fuel poverty, energy efficiency and carbon reduction programmes	Continue to maintain a countywide housing energy database to co-ordinate all relevant energy data	Ongoing	Housing Regeneration Manager
	Establish energy targets for priority housing areas identified via the housing strategy	March 2016	Housing Regeneration Manager
	Monitor achievement of targets and success of programmes and report through to Poverty Action Steering Group	Ongoing	Housing Solutions Manager
Enable the Council and partners to respond effectively when residents are affected by fuel poverty	Train frontline staff including social workers, health workers and housing to understand the signs of fuel poverty and be able to refer residents for further help and advice, particularly where acute conditions are experienced e.g. cold damp homes	January 2016	Consultant in Public Health/Medicine
	Work with partners to ensure they are aware of signs of fuel poverty and can refer residents for further help and advice	January 2016	Consultant in Public Health/Medicine

# Poverty Action Plan

## Further welfare reform and benefit changes

Goal	How will we do this (Actions)	Timeframe	Lead
Respond as appropriate to changes in the Welfare system and seek to understand and manage the impact on residents within County Durham	Continue to develop the relationship with the Department for Work and Pensions (DWP) both strategically and operationally	Ongoing	Assistant Chief Executive
	Through the Poverty Action Steering Group (PASG) manage how the council responds to the implementation of Universal Credit, including the establishment of the Universal Support local support framework, joint working with housing providers and other partners, preparing the Council for the change:	May 2015 <b>completed</b>	Head of Financial Services
	<ul style="list-style-type: none"> <li>Establish working group to lead the preparation for the implementation of Universal Credit</li> <li>Identify initial action plan to support implementation of Universal Credit in County Durham</li> <li>Establish partnership with DWP in order to implement the Universal Support framework</li> </ul>	January 2016	Head of Financial Services
	Increase the understanding of the impact of Personal Independence Payment (PIP), building on the current work being undertaken by Welfare Rights and our Children and Adult Services (CAS).	Ongoing	Housing, Project & Service Improvement Manager
	Continue to work with housing providers and private landlords to respond to welfare reform and the impact of Universal Credit by helping tenants get the maximum support available, including Discretionary Housing Payments	Ongoing	Head of Policy & Communications
	Appropriate training programmes for frontline staff to be established to provide information on changes to welfare in order that staff can advise and support residents affected	Ongoing	Assistant Chief Executive
	The council will continue to work collaboratively with other councils across the North East in responding to the changes and work with ANEC and the ILG to identify impacts and share best practice		

# Poverty Action Plan

## Further welfare reform and benefit changes

Goal	How will we do this (Actions)	Timeframe	Lead
Continue to provide support and assistance to residents affected by changes in welfare	The Welfare Assistance Scheme to be brought in-house with a new scheme implemented from 1 April 2015	April 2015 <b>Completed</b>	Revenue & Benefits Manager
	Expand the scope of support available through the scheme throughout 2015, ensuring the help provided to people is better integrated across the range of support services available within the Council	March 2016	Revenue & Benefits Manager
	Develop a proposal for continuation of Welfare Assistance Scheme from April 2016 building on the development work above	December 2015	Revenue & Benefits Manager
	Continue Welfare Right's preventative work and ensure it is targeted at those most in need, using a priority system that delivers the required response	Ongoing	Revenue & Benefits Manager
Residents understand the impact of the changes to welfare	The communication programme established for welfare reform will continue. Information already produced will be updated to reflect the ongoing changes, for example the implementation of Universal Credit	Ongoing	Head of Policy & Communications

# Poverty Action Plan

## Work, increasing employability, personal wellbeing and sense of worth

Goal	How will we do this (Actions)	Timeframe	Lead
<p>Increase opportunities to support residents into work</p>	<p>Review the overall structure of employment-related training, skills, funding and employability provision in County Durham and revise to improve effectiveness</p>	<p>TBC</p>	<p>Economic Development Manager</p>
	<p>Review existing employability programmes and critically evaluate these to identify those that are successful and where gaps currently exist. Identify opportunities to fill any gaps</p>	<p>December 2015</p>	<p>Economic Development Manager</p>
	<p>Develop a robust and accurate ongoing monitoring programme to evaluate the effectiveness of the schemes and the value for money they provide, i.e. establishing unit costs within the scheme</p>	<p>December 2015</p>	<p>Economic Development Manager</p>
	<p>Extend the 'Mentoring and Brokerage Service' which provides help with job-hunts, CVs and applications from South Durham to other AAP areas</p>	<p>December 2016</p>	<p>Economic Development Manager</p>
	<p>Continue using the planning framework to encourage businesses to employ local people through the Targeted Recruitment and Training Programme</p>	<p>Ongoing</p>	<p>Economic Development Manager</p>
	<p>Review how we promote local employment when new employers move into County Durham</p>	<p>December 2015</p>	<p>Head of Economic Development &amp; Housing</p>
	<p></p>	<p></p>	<p></p>

# Poverty Action Plan

## Work, increasing employability, personal wellbeing and sense of worth

Goal	How will we do this (Actions)	Timeframe	Lead
Increase opportunities to support young people into work	Carry out the County Durham Apprenticeship Action Plan. Use it to provide comprehensive support to help young people progress into apprenticeships; provide career opportunities and ensure young people have the skills that local businesses need	TBC	Economic Development Manager
	Seek to increase Apprenticeship provision delivered through the DCC Adult Learning and Skills Service	March 2016	Strategic Manager Progression and Learning
	Implement the DCC Traineeship Programme for vulnerable young people (initial focus on Looked After Children) with identified progression pathways to Apprenticeship provision. Following this undertake an evaluation to determine the schemes effectiveness	March 2016	Strategic Manager Progression and Learning
	Implement the Youth Employment Initiative, 'DurhamWorks' which seeks to support 15-24 year old unemployed County Durham residents into employment, education or training through intensive and long-term support; innovative and engaging activities to develop motivation, work-related skills and work experience and increased employment opportunities	Ongoing until July 2018	Strategic Manager Progression and Learning
Increase the opportunities for training to improve skills	Review all current training programmes across the county and develop a plan to introduce further programmes to fill any gaps	December 2015	Economic Development Manager
	DCC Adult Learning and Skills Service to prioritise delivery of training programmes for the unemployed targeting: unemployed adults, especially those long term unemployed and those living in deprived areas; adults with low or no skills; learners with learning difficulties and disabilities and those with mental health issues; adults recovering from substance misuse; and those suffering from domestic violence	July 2016	Strategic Manager Progression and Learning
	Consider how volunteering can play a part in helping residents into long-term employment	March 2016	Economic Development Manager