

Cabinet

11 September 2019

Welfare Reform and Poverty Issues

Ordinary Decision



Report of Corporate Management Team

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Electoral division(s) affected:

Countywide

Purpose of the Report

- 1 To update Cabinet on:
 - (a) the implications of the government's welfare reform programme and the impacts on the county;
 - (b) progress with the council and partners' efforts to address and alleviate poverty; and
 - (c) the development of the poverty action strategy and plan.

Executive summary

- 2 Welfare reform has been a priority for successive governments since 2010. The main changes initially introduced under the Welfare Reform Act 2012 included:
 - (a) the introduction of Universal Credit (UC);
 - (b) the abolition of Council Tax Benefit (CTB) replaced with Local Council Tax Support;
 - (c) changes to Housing Benefit, including the application of a size criterion in social-sector houses (the so-called 'spare room subsidy' or 'bedroom tax');
 - (d) the abolition of the Social Fund;

- (e) replacing Disability Living Allowance (DLA) with Personal Independence Payments (PIP);
- (f) the introduction of a cap on the total benefits to which an individual or couple is entitled from out of work benefits;
- (g) a four-year freeze on most working-age benefits and tax credits;
- (h) limiting the amount of time that people can receive contribution-based Employment Support Allowance (ESA);
- (i) the abolition of the 'Youth' provision, which enabled disabled young people to qualify for the benefit without paying National Insurance contributions;
- (j) limiting the amount of the child element of UC paid for third or subsequent children.

3 Since the last update to Cabinet, the main policy developments include:

- (a) a delay to the planned "managed migration" process for UC, which will now start next year rather than this;
- (b) the introduction of a range of measures to offer more support to UC claimants including a revised approach to advances and delays in payment;
- (c) Department for Work and Pensions (DWP) funding for Citizens Advice to provide a new 'Help to Claim' service to support vulnerable claimants up until their first full UC payment coinciding with the withdrawal of funding to local authorities for previous support arrangements;
- (d) reversal of the decision to bar 18- to 21-year-olds from receiving housing benefit;
- (e) a move to join-up the assessment processes for PIP, Employment and Support Allowance (ESA) and UC;
- (f) a lighter touch review programmes for people receiving Personal Independence Payments (PIP) who have reached State Pension age;
- (g) the inclusion of questions on food buying and eating habits in the annual Family Resources Survey;
- (h) the removal of free TV licences for the over 75 year olds;

- (i) access to free sanitary products for all girls attending secondary schools from this year, and primary schools from next;
 - (j) a new and revised remit for the Low Pay Commission, with a report and recommendations on tackling low pay anticipated this autumn.
- 4 The government's welfare changes are affecting people in the county however it is difficult to distinguish between changes resulting from welfare reforms and the continuing impact of wider economic trends associated with recession and recovery and Brexit, all of which affect the underlying issues of poverty and wealth.
- 5 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 remains the case however, the government has announced that new analysis for poverty based on the work by the Social Metrics Commission will be developed. These experimental statistics will be available in the second half of 2020.
- 6 Since 2010, the council has been monitoring the impact of welfare reform and benefit changes on the residents in the county. Compared with our initial estimate, the overall number of households affected by the transition to Universal Credit has reduced over the last seven years, in part due to increases in employment but also due to delays and changes to the rollout of the welfare reform changes introduced by the government.
- 7 In 2012, we estimated that 109,500 households would be affected by UC; we now estimate that this will be 85,400 households, with the proviso that 63,200 households are still to migrate to UC due to the delay in the rollout programme. There will therefore be an even more significant impact on the numbers of working age families affected, when the 63,200 households migrate across to the new benefit.
- 8 The county experiences higher rates of poverty amongst children and working age people than national averages. The one exception is poverty amongst older people which is around the same level as the country as a whole, in part due to the protection the government has given to pensioners through its welfare changes.
- 9 The council plans and coordinates its work with partners to mitigate poverty. The council has an overarching Poverty Action Steering Group to oversee and co-ordinate its approach and has developed a comprehensive network of statutory, voluntary and community organisations who work together to provide advice services across the county through the Advice in County Durham Partnership.

Considerable progress has been made implementing the existing poverty action plan, as outlined in appendix 2.

- 10 The steering group has developed a new poverty action strategy, the vision for which is to *“improve the standard of living and daily lives of those residents in County Durham who are currently experiencing poverty; and to help alleviate issues that can lead households on low incomes to experience poverty”*.
- 11 To achieve the best possible outcomes for residents experiencing poverty, the strategic aims of the strategy are:
 - (a) to improve our understanding of the types of poverty and its impacts on County Durham residents;
 - (b) to increase employability, personal wellbeing and sense of worth for residents;
 - (c) that residents receive the best support and advice available concerning their financial situation; and
 - (d) that children, young people and families have the resources to meet their basic needs including accessing opportunities to take part in society.
- 12 To realise the strategy, the poverty action plan has been reviewed and revised in order to improve and develop service provision and assistance to people in need. The revised action plan is attached as appendix 3.
- 13 Financial pressures on lower-income households have increased considerably in recent years. A combination of depressed real wage growth, the government’s programme of welfare reforms, and longer term challenges in the labour market are creating serious financial problems.
- 14 The economic uncertainty caused by Brexit and anticipated impacts on employment and prices, together with the impending migration of significant numbers of households onto UC, means that hard-pressed individuals and communities in the county are likely to be particularly vulnerable while the country adjusts to life outside of the European Union.
- 15 The council will therefore continue to work closely with partners to anticipate and manage impacts and support individuals and communities vulnerable to poverty in the county.

Recommendation(s)

16 Cabinet is recommended to:

- (a) note the progress being made by the council and its partners in addressing welfare reform and the wider poverty issues in the county;
- (b) agree the draft updated Poverty Action Strategy and Poverty Action Plan included in the report.

Background

- 17 On 13 September 2017, Cabinet considered the most recent report on the implications for the government's welfare reform programme and the progress being made by the council and its partners in addressing welfare reform and the wider poverty issues in the county.
- 18 This report provides an aide-memoire on the raft of changes introduced by government to reduce spending on welfare and an update on recent policy announcements and changes. It focuses in particular on the most recent welfare, economic and poverty indicators for the county and the council's response to date including the review of the council's Poverty Action Plan, and a revised approach to addressing poverty in County Durham building on the achievements and learning to date.
- 19 The financial pressures on lower-income households have increased considerably in recent years. A combination of depressed real wage growth, the government's programme of welfare reforms, and longer term challenges in the labour market is creating serious financial problems.
- 20 The government's flagship Universal Credit (UC) was supposed to be up and running by April 2017, but is now not expected to be fully operational until December 2023, however full plans for the next stage of UC rollout, including managed migration (transferring those residents still claiming legacy benefits to UC) have yet to be announced by the government, and the full impacts are yet to be seen by our residents.
- 21 In November 2017, the Local Government Association commissioned the Learning and Work Institute and Policy in Practice to review the cumulative impact of welfare reform on people, communities and services. It concluded that "the average working-age household will be on average £40.52 per week worse off by 2020 as a result of welfare reform, while a total of 2.14 million working-age households, more than half of which are in work will be facing losses of over £50 per week".
https://www.local.gov.uk/sites/default/files/documents/The-cumulative-impacts-of-welfare-reform-a-national-picture_full-report.pdf
- 22 However, the resources available to councils to help address the financial problems of low-income residents are now severely constrained. Local councils face a £5.8 billion funding gap in the next two years (<https://www.local.gov.uk/local-government-finance-settlement-2018>).
- 23 On 10 July 2019, Cabinet considered an update report on its Medium Term Financial Planning forecasts. In that report it was highlighted that local government continues to operate in a period of significant financial uncertainty brought about by a combination of on-going austerity,

significant budget pressures in social care and special educational needs and disability services and other unfunded pressures arising from demographic and pay and price inflation.

- 24 The financial outlook for the council is forecast to continue to be extremely challenging for the foreseeable future.
- 25 There continues to be significant uncertainty in terms the financial settlements for local government in the future and how available funding will be shared between local authorities. The government was expected to publish a Comprehensive Spending Review (CSR) in summer 2019 covering a three year period however this has been delayed and we will only receive a one year settlement for 2020/21.
- 26 The delay in the CSR is driven by lack of clarity on the outcome of Brexit and the views of the new prime minister. It was also expected that the outcome of the Fair Funding Review (FFR) including the move to 75 percent Business Rate Retention would be published during 2019. In line with the delay in the CSR the outcome of the FFR will not now be published until 2020.
- 27 The lack of clarity in relation to the CSR and FFR, are exacerbated by uncertainties in relation to future council tax referendum levels, the Improved Better Care Fund, delays in the publication of the Social Care Green Paper, short term funding provided to local authorities in 2019/20 for adult and children social care pressures and funding for the High Needs Dedicated Schools Grant. This level of uncertainty is making financial planning extremely difficult and requires the council to be flexible and adaptable in its financial planning.
- 28 The strong financial position of the council will ensure that the council is well placed to react effectively to any outcome, however planning with this level of uncertainty is not conducive to effective long term decision making.
- 29 Our financial planning at this stage assumes that the council will lose a further £10 million of government funding over a five year transition period as a result of the FFR implementation in 2021/22. This position primarily reflects ongoing concerns regarding the expected utilisation of the Advisory Council for Resource Allocation (ACRA) methodology for apportioning Public Health Grant which would result in a loss of £18 million of funding. It has been assumed, that the £4.8 million of one off funding received in 2019/20 for Adult and Children's social care pressures will continue on a recurrent basis.
- 30 The MTFP forecasts reported to Cabinet in July showed savings of £34.2 million were required to balance the budget over the 2020/21 to 2023/24 period. Despite the funding constraints that we face, we

remain committed to providing help and support for residents in financial difficulty as part of our vision for County Durham. It is important that the council and its partners continue to respond through the comprehensive approach we now have to welfare reform and poverty issues, overseen by the council's Poverty Action Steering Group (PASG).

Changes to welfare

- 31 Since 2010, welfare reform has been a major theme of government policy and a raft of changes to reduce government spending on welfare have been introduced. The changes, which are intended to encourage people to support themselves through work rather than welfare, have seen people affected by reductions in benefit entitlements as well as the amount of benefit people may receive. People of pension age continue to be protected from many of the wider reform changes.
- 32 The Welfare Reform Act 2012 consolidated a raft of changes intended to reduce government spending on welfare by £18 billion by 2015 (and summer budget statement in July 2015 committed to reduce welfare spending by a further £12 billion by 2018) by encouraging people to support themselves through work rather than welfare.
- 33 The main changes already introduced 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 for new claimants 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') and abolishing automatic entitlement for housing benefit for 18-21 year olds (this was reversed in 2018);

- (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 'one off' 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. These amounts were reduced to £20,000 and £13,400 in November 2016;
- (g) the 2015 Budget introduced a four-year freeze on most working-age benefits and tax credits. This meant that in 2016 and onwards their value remained as it had been in 2015 rather than rising with inflation;
- (h) 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;
- (i) the abolition of the 'Youth' provision, which enabled disabled young people to qualify for the benefit without paying National Insurance contributions;
- (j) limiting the amount of the child element of UC paid for third or subsequent children born on or after 6 April 2017 (there is provisions for exceptional circumstances like "multiple births").

Policy update

34 The government has continued with its policy of welfare reform and has made further welfare and benefits policy announcements since the last report to Cabinet in September 2017. Key headlines include:

- (a) the planned "managed migration" process for UC is now due to start in 2020 rather than 2019, following the Government's announcement that it plans to first run an initial pilot with 10,000 claimants this year. Benefit claimants in Harrogate who still receive old style benefits will be the first people moved onto UC under this pilot;

- (b) the introduction of a range of measures to support UC claimants including:
 - (i) revising the approach to advances;
 - (ii) removing the seven waiting days;
 - (iii) providing an additional transitional payment of two weeks of Housing Benefit;
 - (iv) changing how claimants in temporary accommodation receive support for their housing costs;
 - (v) the maximum rate at which deductions can be made from a Universal Credit award from 40 percent to 30 percent of the standard allowance, with the period over which these recoveries are made extended from 12 to 16 months in October 2021;
 - (vi) payment of Income Support and the income related elements of Employment and Support Allowance and Jobseeker's Allowance will continue for two weeks after a claim for Universal Credit has been made, effective from July 2020;
 - (vii) from April 2019, there will be a £1,000 increase in work allowances;
 - (viii) working parents on UC can have up to 85 percent of their childcare costs reimbursed with additional flexibility on support for up front childcare costs.
- (c) Department for Work and Pensions (DWP) now fund Citizens Advice and Citizens Advice Scotland to provide a new 'Help to Claim' service from 1 April 2019 to support vulnerable claimants in making a claim to UC - up to their first full UC payment. Funding previously provided to local authorities for local support was withdrawn in April 2019 to coincide with these new arrangements;
- (d) the government has reversed its year-old decision to bar 18- to 21-year-olds from receiving housing benefit and announced that all people in this age group would qualify for the housing element of Universal Credit;
- (e) from 2021 the DWP will combine the separate assessment processes for PIP, Employment and Support Allowance (ESA) and UC into one integrated service;

- (f) people receiving Personal Independence Payment (PIP) who have reached State Pension age will no longer have their awards regularly reviewed, instead moving to a light touch review every 10 years; and
- (g) the DWP will add 10 questions about food buying and eating habits to its annual Family Resources Survey, which will be sent to 20,000 UK households in April. The data will be reported publicly in March 2021;
- (h) the BBC will remove free TV licences for the over 75 year olds;
- (i) access to free sanitary products for all girls attending secondary schools from September 2019 and primary schools from 2020
- (j) Low Pay Commission to receive a new remit beyond 2020, with the ultimate objective to end low pay in the UK. The government will engage with employers, TUC and the commission to gather evidence and listen to views with report and recommendations to be made by October 2019.

Homelessness Reduction Act 2017

- 35 Homelessness legislation introduced in 1977 gave households in 'priority need' a right to statutory assistance and an offer of settled accommodation, but in doing so excluded most single homeless people.
- 36 The Homelessness Reduction Act 2017 (the Act) came into force on 3 April 2018. It places new legal duties on English Local Authorities and some public bodies, with a focus on preventing homelessness. In a significant change, anyone who is homeless or at risk of homelessness will be able to access support, regardless of their priority need status.
- 37 The key measures in the Act are:
 - (a) an extension of the period 'threatened with homelessness' from 28 to 56 days;
 - (b) a new duty to prevent homelessness for all eligible applicants threatened with homelessness, regardless of priority need;
 - (c) a new duty to relieve homelessness for all eligible homeless applicants, regardless of priority need; and
 - (d) a new 'duty to refer' - public services will need to notify a local authority if they come into contact with someone they think may be homeless or at risk of becoming homeless.

- 38 There are no specific duties on housing associations and the Act requires local authorities to develop homelessness strategies based on a review of all forms of homelessness in their district and outlining how local partners will work together.

Rough sleeping strategy

- 39 On 13 August 2018, the government published a policy paper laying out the government's plans to help people who are sleeping rough now and to put in place the structures to end rough sleeping by 2027. The rough sleeping strategy takes a three-pronged approach to ending rough sleeping through prevention, intervention, and recovery.
- 40 The government committed to updating the Rough Sleeping Strategy annually, as well as developing a new separate strategy to tackle homelessness in its wider forms.

Increases to social housing rents

- 41 On 4 October 2017, Department for Communities and Local Government (DCLG) announced that "increases to social housing rents will be limited to CPI plus one percent for 5 years from 2020." Consultation on a new rent direction took place between September and November 2018. The response to the consultation was published on 26 February 2019 – the government confirmed the October 2017 announcement.

Intensive Personalised Employment Support (IPES)

- 42 On 10 December 2018 the DWP announced a new employment support programme to start in 2019 for people living with a disability who are unlikely to move into work within the next year or longer and may need additional support. The Intensive Personalised Employment Support (IPES) programme will provide highly personalised packages of employment support for people who are at least a year away from moving into work. The support comes from a new £40 million fund and is expected to benefit 10,000 people.
- 43 People on the scheme will get a dedicated key worker who will work with them to overcome complex barriers which may be preventing them from entering work, ensuring they have a personal support network in place. It is thought that the programme is aimed at jobseekers who need more intensive support than is offered through the Work and Health Programme but who would not be eligible for the current Supported Employment Proof of Concept.

- 44 The voluntary scheme will be rolled out across England and Wales in 2019, and applicants will receive support for up to 21 months, including six months of in-work support for those who get a job.

Brexit

- 45 Following the outcome of the European Union membership referendum in 2016, the country is heading towards exiting the European Union. Since 2017 when the government triggered the Article 50 process, the government and parliament have been consumed with what approach to take to managing and negotiating the exit process.
- 46 The immediate impact of this has been parliamentary and policy preoccupation with Brexit, which has overshadowed consideration of other policy issues including welfare reform.
- 47 In addition, the economic uncertainty caused by the referendum outcome and lack of progress in agreeing the terms of the UK's exit from the Union have impacted on the economy.
- 48 Depending on the outcome of the Brexit process, it is probable that the county will experience wider impacts during the transition period, as businesses adjust and the government negotiates new trade agreements and economic accords outside of the EU framework.
- 49 A number of studies have suggested that the North East including the county is one of the most vulnerable parts of the country to Brexit, likely to experience detrimental impacts before the economy adjusts and recovers. In part this is due to the strength and competitiveness of the regional economy as is, and its reliance on sectors and employment likely to be most affected by Brexit.
- 50 In addition, concern has been expressed about the impact of suppressed growth, devaluation and potential price rises on individuals and communities already experiencing economic hardship.
- 51 Government contingency planning has primarily focussed on contingency planning for a 'no deal' Brexit and how to manage and respond to the immediate impacts when the country leaves the EU.
- 52 As part of this, the council and its partners have been assessing local risks and developing contingency plans, which have included consideration of how we can support vulnerable individuals who may be more affected by price and cost increases and supply issues.
- 53 While the government is tending to focus on immediate contingency planning, the council and its partners are also taking a longer term focus, conscious that hard-pressed communities and individuals in the

county may experience detrimental impacts over a longer period of time. This has been taken into account in the development of the poverty action strategy and action plan outlined below.

- 54 With the change in leadership of the government and the formation of a new Cabinet, this is a very fluid situation. While the new Prime Minister has asserted his commitment to exiting the EU with or without a deal on 31 October 2019, it remains to be seen how the EU responds and also whether there are any moves in parliament to take a different approach.
- 55 Although the situation is very uncertain, the council and its partners are planning as best they can.

Impacts on the county

- 56 The government's welfare changes are affecting people in the County however it is difficult to distinguish between changes resulting from welfare reforms and the continuing impact of wider economic trends associated with recession and recovery, all of which affect the underlying issues of poverty and wealth.
- 57 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.
- 58 In May 2019, the government announced that new analysis for poverty based on the work by the Social Metrics Commission will be developed and improved further to increase the value of statistics to the public.
- 59 DWP will publish these experimental statistics in the second half of 2020 after and in addition to the government's annual official Households Below Average Income (HBAI) publication. The HBAI figures are based on households' incomes and will continue to be the main measure of poverty in the UK whilst these experimental statistics are developed.

Welfare impacts

- 60 Since the Welfare Reform Act was introduced in 2012, the council has been monitoring the anticipated impacts on residents and the local economy. Our latest assessment is attached as appendix 2. Our principal conclusions are as follows:

Universal credit

- 61 Compared with our initial estimate, the overall number of households affected by the transition to Universal Credit has reduced over the last seven years, in part due to increases in employment but also due to the

rollout of welfare reform changes introduced by the government. Initially we estimated that almost half all households in County Durham could be affected by the transition to UC. Our latest estimate, largely based on 2018 data, shows this estimate has fallen by over a fifth to around 83,900 claimants – principally because of the delayed rollout to UC, increases in employment and a reduction in the number of families claiming in-work benefits (Tax Credits).

Impact of uprating caps and freezes since 2010

- 62 Since 2010, successive government budgets have implemented various uprating caps and benefit freezes, which have had the effect of restricting increases in many benefits. Trends show that many DWP benefits and Tax Credits paid to working age families have not kept pace with long term inflation and earnings increases.
- 63 In March 2019, the Joseph Rowntree Foundation reported in its briefing “end the benefit freeze to stop people being swept into poverty” that after three years of the freeze, “people in poverty are on average £340 a year worse off than they would have been had this support not been eroded by the freeze” and if the freeze does not end until April 2020 (as currently planned), people living in poverty will be on average £560 worse off, equivalent to around three months of food shopping for an average low-income family.

Employment Support Allowance/Incapacity Benefit (ESA/IB)

- 64 In February 2014 the number of County Durham residents claiming ESA/IB¹ fell to 25,700 claimants, the lowest number claiming sickness related benefits since comparable records began. The number of claimants then increased to 28,300 in November 2015 but fell back to 24,700 claimants in May 2018 (the most recent data). This might indicate people returning to sickness-related benefits in due course after being moved onto ESA following their work capability assessment.

Housing Benefit

- 65 The number of working age HB claims in County Durham has not varied greatly since 2011.
- 66 While the number of claimants has fallen to 25,600 by October 2017 from a recession peak of over 30,000, it should be noted that anecdotally, social landlords are now starting to report an increase in rent arrears for those tenants who are claiming UC compared to before.

¹ DWP Benefits, Working age client group – ESA/IB/Income Support, accessed via www.nomisweb.co.uk

Other Welfare Reform Changes

Personal Independence Payments/Disability Living Allowance

67 Just before Personal independence Payments (PIP) were rolled out in 2013 there were around 23,100 people on Disability Living Allowance (DLA) aged 16-64. Since then, this number has fallen, but not by as much as PIP has increased. The DLA caseload fell by over 7,200 with the corresponding PIP figure rising to 14,700, (November 2016). However, the latest data shows 25,900 people are now claiming PIP (July 2018).

Spare Room Subsidy

68 The total number of tenants under occupying as at April 2013 was 8,001. Over the years, this has decreased significantly to 5,971 in April 2018, a reduction over five years of 2,030 households. As at April 2018, the number of under-occupiers (5,971) has reduced by 505 since April 2017.

Benefit cap

69 The government's latest reductions to the Benefit Cap were announced in November 2016. Initial indications from DWP were that approximately 620 families may be affected in the county. The reduced cap came into effect in January 2017 and as of July 2017, there were 424 active claims in the county with a cap applied. The average amount benefits were capped by was £37.62.

Economic trends

Gross Disposable Income and Earnings

70 Gross Disposable Household Income (GDHI) per head of population in County Durham stood at £15,445 in 2017 – 79.1 percent of the UK average of £19,514. GDHI has grown in the county by 13.5 percent since 2011, almost the same rate as for the North East region (13.6 percent) but at a slower growth rate than the UK (17.8 percent growth).

Earnings from Employment²

71 The average full-time weekly wage for County Durham residents in 2018 was £503. This was slightly lower than the regional average (£507), but much lower than the national average which stood at £575.

² Annual Survey of Hours and Earnings – Median Wage

- 72 The average part-time weekly wage for County Durham residents in 2018 was £194, slightly higher than regional average (£187) and higher than the national average of £188.
- 73 Local part time wages have increased by 28.9 percent since 2011, higher than the North East region at 25.4 percent growth and higher than the UK increase at 22.4 percent.
- 74 Further information can be found in the Annual Survey of Hours and Earning factsheet on www.durhaminsight.info

Poverty trends

- 75 In the North East one in four children (25 percent) live in a household in relative poverty, i.e. with a weekly household income of £304 per week or less. This is five percentage points higher than the national average at 20 percent. If housing costs are considered, the proportion rises to more than one in three: 35 percent, which is four percentage points higher than the national average of 30 percent.
- 76 In the region, just under a fifth of working age people (18 percent) live in a household in relative poverty, higher than the national average of 15 percent. If housing costs are taken into account, the proportion rises to around one in four, or 23 percent, which again is higher than the national average of 21 percent.
- 77 In the North East just under a sixth of pensioners, or 16 percent live in a household in relative poverty compared with the national average of 17 percent. Taking into account housing costs, the proportion decreases to 15 percent compared with 16 percent nationally.
- 78 In 2018, new Minimum Income Standard (MIS) research³ took an alternative approach to measuring poverty and has recalculated from scratch the minimum budgets for pensioner and working-age households without children, while reviewing the budgets set in 2016 for families with children.
- 79 MIS is based on the items that members of the public think UK households need to be able to afford in order to meet material needs such as food, clothing and shelter, as well as to have the opportunities and choices required to participate in society.
- 80 The main finding is that benefit levels and incomes available to lower-earning working households have not kept up with rising costs, and

³ Joseph Rowntree Foundation 'A Minimum Income Standard for the UK in 2018'.
<https://www.jrf.org.uk/report/minimum-income-standard-uk-2018>

these barriers are preventing people from reaching a decent standard of living. In 2018, benefits provide only a third of what working-age adults without children need, down from 42 percent in 2008.

Employment trends

- 81 Overall, the employment rate has been improving steadily in County Durham but remains significantly below national levels. However, latest data show just under three in four of the 16-64 population are in employment in County Durham (74.2 percent) compared to just over three-quarters nationally (75.5 percent).
- 82 Employment rates vary considerably between different population groups and further information can be found in the Employment Factsheet on www.durhaminsight.info.

Unemployment trends⁴

- 83 Unemployment levels have improved over the last three years. Latest data⁵ show 10,500 people were unemployed in the period between April 2018 to March 2019. This is equivalent to 4.2 percent of the 16-64 population, lower than the regional rate of 5.8 percent and the same as the national rate of 4.2 percent. It should also be noted that unemployment is now lower than pre-recession levels (which averaged around 5.4 percent between 2004 and 2007). Further information can be found in the Economic Inactivity Factsheet on www.durhaminsight.info.

Economic inactivity

- 84 Since 2004, levels of economic inactivity have been greater in County Durham than in England and Wales, with a slight downward trend over this period. Economically inactive people are defined as being outside of the labour market, as they are either not actively seeking work or are not currently available for work. This could be for a variety of reasons, commonly including being a full-time student, retired from work (but not yet reached state pension age), looking after a family and being unable to work because of sickness or disability.

⁴ ONS Employment Rate aged 16-64, Annual Population Survey extracted from NOMIS, for the latest period April 2018 to March 2019. The unemployment rate differs in its calculation from Employment rate as the denominator used is the economically active population rather than the 16-64 population.

⁵ ONS, Annual Population Survey extracted from NOMIS, for the latest period April 2018 to March 2019

Zero hours contracts

- 85 The latest Office for National Statistics (ONS) for zero hours contracts covers the period April to June 2018 with comparison data from the previous year⁶. During this period 2.2 percent of people in employment in the North East were on 'zero hour' contracts totalling 26,300 contracts - a fall from 3.7 percent (44,600 contracts) from the previous year.
- 86 This data gives the North East the second lowest rate out of all English regions in April to June 2018 and is lower than the England rate of 2.5 percent (671,400 contracts) and the UK rate of 2.4 percent (779,600 contracts). However, nationally the percentage and number has fallen from 2.8 percent (757,800 contracts) in England and 2.8 percent (883,500 contracts) in the UK in the period April to June 2017.

Wider poverty and social impacts

Shoplifting

- 87 It is difficult to identify whether there is a link between trends in shoplifting and rollout of Universal Credit without DWP data. However, working with Durham Constabulary, we have examined localised crime data in relation to shoplifting, compared with the phased roll out of Universal Credit and concluded that although there were increases within a number of areas coinciding with the roll out of UC, in the main they were either not significant or after initial increases, returned to normal levels of variance. Two areas demonstrated significantly higher levels of shoplifting compared with previous years and continuing increasing trends as opposed to initial spikes: Crook and Spennymoor.

Foodbanks

- 88 The Durham Foodbank report they have provided enough food to feed 16,004 people (10,432 adults and 5,572 children) in the 10 month period to 31 January 2019. Based on the average use of the foodbank being 1.6 times, this would give a total of 10,000 unique individuals receiving food parcels in the first 10 months on this year. This is a 10 percent increase year on year.
- 89 The FEED project which operates in East Durham has distributed 1,375 food parcels in the 10 month period to 31 January 2019, which is a 44 percent increase year on year.

6 ONS - People in employment on a zero-hours contract:
<https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/datasets/emp17peopleinemploymentonzerohourscontracts>

Public Health funerals

- 90 Under the National Assistance Act 1948 and the Public Health (Control of Disease) Act of the same year, the council has a duty to dispose of a deceased body, if the person who died has no assets or if there are no relatives who can make funeral arrangements.
- 91 Since the roll out of Universal Credit in 2017 and 2018 the number of unrecovered public health funerals has remained relatively static, compared with previous years. However, because the numbers are so low, it is not possible to draw any correlation between the incidence of such funerals and the introduction of UC.

The council's response

- 92 The council is in the front-line of responding to these challenges through the services we provide and our network of Area Actions Partnerships (AAPs) supporting local action. Working with our partners, we are at the heart of our local areas and interact with residents lives on a daily basis and are committed to achieving greater social mobility, fairness and community cohesion.
- 93 We have a direct financial relationship with our residents: collecting council tax payments, administering benefits and other discretionary payments. This provides us with an opportunity to identify households in financial difficulty and provide them with support and to manage the nature of that relationship in a way that supports financial inclusion.
- 94 The council has taken a lead through a strategic and co-ordinated approach to the changes made to the welfare system and the impacts of poverty 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.
- 95 To provide clear political stewardship for this work, the council has also created a specific Cabinet portfolio for social inclusion which includes responsibility for welfare reform and impact.
- 96 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.
- 97 The council's 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.

- 98 The council has a number of key policies such as the Discretionary Housing Payments Policy, Welfare Assistance Scheme and Residential and Non-residential charging policies, which are approved by Cabinet. In the review of the council's Constitution in January 2019, Cabinet agreed that the Corporate Director of Resources will now have delegated authority to make minor changes to these policies in consultation with the relevant portfolio holders, removing the requirement for Cabinet approval.
- 99 There is a comprehensive network of statutory, voluntary and community organisations who work together to provide advice services across the county through the Advice in County Durham Partnership. This is underpinned by comprehensive communications programme to ensure that claimants understand changes and are signposted to the most appropriate sources of advice, help and support, and council employees, particularly those in customer-facing roles, receive regular information and training to help them understand the changes to welfare and poverty issues and how the council and partners can help.
- 100 The council has commissioned Policy in Practice (PinP), a software and consulting company with a social focus to analyse the data held by the council and other partners which will allow for the targeting of take up to be directed at our most vulnerable residents who are either in crisis or at risk of being in crisis. The aim is to make the welfare system simpler to understand and importantly to identify past, current and future impacts on individual households. This will then assist in the planning for future service requirements and have application aligned to the Poverty Action Plan.
- 101 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.
- 102 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.

- 103 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.
- 104 The council has worked closely with many key partners since 2011 to help County Durham residents cope with the changes to welfare and issues relating to poverty. In recognition of the wider impact of the changes on the county, the scope of the PASG was broadened in 2015 to take a more comprehensive overview of the poverty issues, and the council's first Poverty Action Plan was approved by Cabinet in October 2015.

Poverty Action Plan

- 105 The action plan aimed to “*work together to reduce and prevent poverty as far as possible across County Durham*” and 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) Credit and debt;
 - (d) Further welfare reform and benefit changes; and
 - (e) Work and personal wellbeing and sense of worth.
- 106 New sub-groups of the Poverty Action Steering Group, such as the ‘Child Poverty Working Group’ and ‘Universal Credit Working Group’ etc., were established to deliver some of the actions where necessary, although a lot of the activity and initiatives were delivered through mainstream service budgets and existing resources and organisations. Working with our partners across the public, private and third sector was key to underpinning our approach.
- 107 To help deliver actions, where possible, additional discretionary funds such as prior years’ underspend from the council’s Welfare Assistance Scheme budget have also been made available, for example:
- (a) £120,000 to Managing Money Better project;
 - (b) £1 million to employment initiatives scheme;
 - (c) £840,000 to AAP projects and initiatives helping with welfare and/or poverty;
 - (d) £100,000 to the Durham Foodbank;

- (e) £64,000 to the Wheels to Work Scheme; and
 - (f) £5,400 to East Durham Trust Feed project.
- 108 Delivery of the actions was monitored by the council's PASG and progress and achievements were regularly reported to Cabinet and partners.
- 109 Appendix 3 provides a summary of progress against the five themes in the action plan, the highlights of which include:
- (a) a comprehensive internal and external communications programme including the training of front-line customer-facing staff;
 - (b) 50 organisations and over 400 delegates engaged through a programme of poverty and welfare conferences;
 - (c) the establishment of the Advice In County Durham (AiCD) partnership, bringing 180 organisations/advisors together with advice and assistance provided to over 11,500 people to date;
 - (d) the council's Welfare Rights service and Citizens Advice County Durham have assisted claimants to secure over £25.66 million of benefits claims in 2018/19;
 - (e) over 80 welfare and poverty related projects delivered through the council's AAPs, supporting over 21,000 beneficiaries. The £840,000 provided by the council to of support to this work has attracted £1.38 million in match funding;
 - (f) the introduction of a triage process by Housing Welfare Reform Group to help tenants affected by the under-occupancy charge;
 - (g) initiatives to address child poverty including 'cutting the costs of the school day, promotion of Free School meals take-up and the introduction of 'holiday hunger' schemes
 - (h) the council's Local Council Tax Support Scheme, its Discretionary Housing Payments (DHP) policy and Welfare Assistance Scheme which have had a positive impact on preventing people falling into rennet arrears and being at risk of eviction and helping those that fall into financial crisis;
 - (i) the County Durham Energy and Fuel Poverty Partnership which since 2013 has assisted over 9,100 residents with over £13.4 million worth of energy saving solutions.

- (j) the Durham Savers project which raises the profile of credit unions as an alternative to loan sharks and payday lenders
- (k) collaboration with foodbanks in the county including financial support to Durham Foodbank and the FEED project;
- (l) work to improve employability and employment opportunities as a route to economic independence.

Review

- 110 A review of the Poverty Action Plan was undertaken by the PASG earlier this year which included attendees from across council services attending a practical workshop. The workshop was facilitated by our Partnerships and Community Engagement team and looked back on what we have delivered and achieved so far and identified new/revised practical interventions that would mitigate or prevent the impacts of poverty and help shape the revised action plan.
- 111 There were a significant number of examples of good practice mentioned by attendees, particularly those which highlighted joint working across council services such as the targeted work in preparation for the introduction of the spare room subsidy by the Housing Solutions and Revenues and Benefits teams, and, the provision of free healthy snacks and free holiday activities during the 2018 summer holiday period by teams in the council's One Point service, Culture and Sport and Direct Services.
- 112 Attendees recognised the importance of working with our partners and examples of good practice noted included: support to, and promotion of Credit Unions as a safer and more cost-effective alternative to payday lenders; the 'Routes out of Poverty' sessions which promote awareness of council and partners' service provision to frontline staff and volunteers; and the UC working group which saw partners from council services, DWP, Citizens Advice Bureau and the voluntary and community sector work together to ensure that those residents affected by the roll out of UC in County Durham received sufficient levels of advice, support and guidance. Our approach to the rollout of UC has been recognised by DWP as an exemplar model of best practice.
- 113 Attendees also highlighted the positive impacts we had seen by using intelligence more effectively and combining data to better target people and intervene before people get into crisis, for example: the council's Welfare Assistance Scheme and Discretionary Housing Payments; the council's benefits take-up campaign; and Employment Initiatives etc.
- 114 Some attendees identified some positive impacts seen as a result of changes to welfare which they described as including increased

community spirit and increased volunteering opportunities. However there was also recognition that UC has still yet to be fully rolled out for a large number of the population and therefore impacts will inevitably get worse.

- 115 Through group discussions it was apparent that many actions have been adopted as permanent ways of working i.e. 'business as usual' as they complement and help collectively address the underlying issues around the county, such as the council's work on financial inclusion, fuel poverty and child poverty etc. Gaps in current service provision, projects and initiatives were also highlighted and new priorities and actions were identified and discussed.
- 116 The importance of utilising data to proactively identify groups that have been affected by welfare reforms, or are experiencing poverty related issues to provide immediate assistance was noted, however it was agreed that more robust data collection and evaluation needs to be done to inform more proactive, preventative approaches which may be more cost-effective than dealing with residents at crisis point.
- 117 The review concluded that responding to welfare reforms and the impacts of poverty cannot be responded to cost effectively by a single service. We therefore need to strengthen our systems, to further coordinate and join up services and partners to support residents and make it everyone's business to respond to poverty and the risk to financial exclusion and homelessness.

Poverty Action Strategy

- 118 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, so we have developed a poverty action strategy to help us mitigate the effects and make some of the impacts less severe, where possible. The strategy aims to provide focus and direction on the priorities for improving services and opportunities for residents in County Durham who are experiencing poverty and will cover a two-year period up to 2021.
- 119 We want to do more than just support residents to claim benefits and pay their rent. We want to improve our evidence and analysis to make it everyone's business to support residents and mitigate the impacts of welfare reforms and poverty. We aspire to develop a compassionate coherent culture that seeks to maximise the value of our collective resources and appreciates the obstacles that internal and external silos create to supporting vulnerable residents.

120 Our vision is to *“improve the standard of living and daily lives of those residents in County Durham who are currently experiencing poverty; and to help alleviate issues that can lead households on low incomes to experience poverty”*. To achieve the best possible outcomes for residents experiencing poverty, our strategic aims are:

- (a) to improve our understanding of the types of poverty and its impacts on County Durham residents;
- (b) to increase employability, personal wellbeing and sense of worth for residents;
- (c) that residents receive the best support and advice available concerning their financial situation; and
- (d) that children, young people and families have the resources to their basic needs including accessing opportunities to take part in society.

Revised action plan

121 The strategy is underpinned by a revised Poverty Action Plan which focuses on new actions and commitments which will enable us to deliver the key priorities we have identified as being most important for reducing poverty levels in County Durham and achieving our vision.

122 The revised plan is attached at Appendix 3. These new actions complement existing projects, initiatives and services and will be delivered alongside to further enhance and improve outcomes.

123 The existing relevant services, projects and initiatives from the first action plan will continue to be monitored and reported via the appropriate service reporting channels and also regular updates will be given to the PASG, which will be fed into updates for the poverty action strategy. Annual updates for the strategy will be provided for Cabinet, the County Durham Partnership, AAPs and other partners etc. The strategy will be reviewed in 2021.

Conclusion

124 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.

125 Since the welfare reforms commenced in 2012, 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. It is expected that this trend will continue.

- 126 The forthcoming migration of residents currently claiming the old style benefits to Universal Credit in the county will have a further impact on residents and communities in the county.
- 127 In such circumstances, it is vital that the council maintains its partnership-based approach in delivering its' Poverty Action Strategy and Action Plan to ensure we make it everyone's business to respond to poverty and the risk to financial exclusion and homelessness.

Background papers

- None

Other useful documents

- [Cabinet report, Welfare reform and poverty issues, 13 September 2017](#)
- [Cabinet report, Welfare reform and poverty issues, 21 October 2015](#)

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Appendix 1: Implications

Legal Implications

There are no direct legal implications arising out of this report, which is provided by way of update to Members. The UK's exit from the European Union will have significant legal implications. The nature and extent of these implications are dependent on whether we leave with or without a deal. Officers continue to monitor changes in primary legislation and Brexit proposals to assess the likely impact on the council and residents of the county.

Finance

The council supports welfare provision and poverty alleviation through a number of service budgets across the council, such as the Welfare Assistance Fund and Discretionary Housing Payments (DHP) policy which are administered by the council's Revenues and Benefits Service. The council also offers discretionary County Tax relief to individuals and households in financial hardship and has protected residents from government reductions in Council Tax Benefit through the approach it has taken to local Council Tax Support.

Consultation

The review of the Poverty Action Plan was informed by feedback following consultation events at poverty conferences and the Health and Wellbeing Board's 'Big Tent Event'. Views of practitioners and partners were also taken into account during the review process.

Equality and Diversity / Public Sector Equality Duty

The council's Welfare Assistance Scheme, Discretionary Housing Payments policy and Local Council Tax Support Scheme have been subject to equality impact assessments where appropriate.

Human Rights

Note applicable.

Crime and Disorder

Not applicable.

Staffing

There are no staffing implications.

Accommodation

Not applicable.

Risk

Not applicable.

Procurement

Not applicable.

Appendix 2: welfare reform and poverty impacts in County Durham

Welfare impacts

- 1 When the Welfare Reform Act 2012 was being introduced, the council evaluated the anticipated impact on residents and the local economy.

UC impact on individuals and families

- 2 Compared with our initial estimate, the overall number of households affected by the transition to Universal Credit has reduced over the last seven years, in part due to increases in employment but also due to the rollout of welfare reform changes introduced by the government.
- 3 Table 1 sets out the estimated number people affected by the transition to Universal Credit based on number of households claiming relevant DWP benefits and Tax Credits. In total we estimated that almost half all households in County Durham could be affected by the transition to UC. The latest estimate, largely based on 2018 data, shows this estimate has fallen by over a fifth to around 83,900 claimants.
- 4 Over this period there has been substantial increases in employment both nationally and locally as the country recovered from recession. For 2018 the employment rate in County Durham showed that almost three out of four people aged 16-64 were in employment (74.6 percent). This is a 9.8 percentage points higher than in 2012, narrowing the gap with national employment rates which have grown at half our pace. Locally this is the equivalent of an additional 35,000 people in employment.
- 5 Such a large increase in the employment could explain the fall in the number of out of work benefits claimants, which reduced by 9,000 claimants over the same period. However, the estimates below suggest that the largest driver of this reduction overall, is the drop in the number of families claiming in-work benefits (Tax Credits).

Table 1: Estimated number of families affected by UC

	2012	2018
Total Tax Credits families ⁷	53,200	34,000
UC claimants-in work ⁸	-	6,600
Total in-work benefits	45,500	29,600
UC claimants - out of work ⁴	-	15,600
JSA ⁹	11,700	2,300
ESA ¹⁰	4,300	23,500
Incapacity Benefits/SDA ⁶	24,100	600
Income Support ⁶	16,500	6,000
Out-of-work benefits claims	56,700	47,800
UC eligible Housing Benefit claims ¹¹ , of which;	32,500	23,300
Social Rented	19,400	14,000
Private Rented	13,100	9,300
Non-passported working age HB	7,300	6,500
UC Claims with a Housing ¹² Entitlement;	-	10,500
Of which;		
Social Rented		4,600
Private Rented		5,900
Estimated number of households affected by UC¹³	109,500	83,900

6 While this may seem counter-intuitive, given there are more people in work it should be noted that there have been significant policy changes to tax credit eligibility over this period. Most notably the removal of the

⁷ Personal tax credits: finalised award statistics - geographical statistics 2017 to 2018, <https://www.gov.uk/government/statistics/personal-tax-credits-finalised-award-statistics-geographical-statistics-2017-to-2018>

⁸ People on Universal Credit estimate Nov 2018, <https://stat-xplore.dwp.gov.uk/webapi/jsf/dataCatalogueExplorer.xhtml>

⁹ Jobseekers Allowance Nov 2018, <https://www.nomisweb.co.uk/>, Nov 2018

¹⁰ DWP Benefits, Aug 2018, <https://www.nomisweb.co.uk/>, Aug 2018

¹¹ Housing Benefits, Aug 2018, <https://stat-xplore.dwp.gov.uk/webapi/jsf/dataCatalogueExplorer.xhtml>

¹² Household on Universal Credit, Aug 2018, <https://stat-xplore.dwp.gov.uk/webapi/jsf/dataCatalogueExplorer.xhtml>

¹³ These estimates are not definitive and offer an indicative guide to the number of households affected

second income threshold¹⁴ from April 2012 onwards, meant that over a million 'middle income' families were no longer eligible for tax credits.

- 7 It should also be noted, that despite of the wider rollout of UC in the county over the previous 18 months, around three quarters of those eligible for Universal Credit have yet to migrate to the new benefit.
- 8 New claims to UC were supposed to begin from October 2013 onwards, with full migration to UC by October 2017. The rollout was however, delayed due to a number of policy and operational issues. Initially, UC roll out was limited to new claims from single claimants who were fit to work, without children, and who could claim UC with or without housing costs (not mortgages) and have savings under £6,000. This 'live service' was introduced to 10 jobcentre offices in the county in September 2015.
- 9 From May 2016, a national roll out of a 'full service' UC commenced. The roll out across County Durham was initially scheduled to take place in three tranches – East Durham, North/Central Durham and the rest of Durham (principally the A167 corridor) over a six month period starting in October 2017. However, the schedule was revised¹⁵ with rollout to the most populous area (rest of Durham) delayed until June 2018.

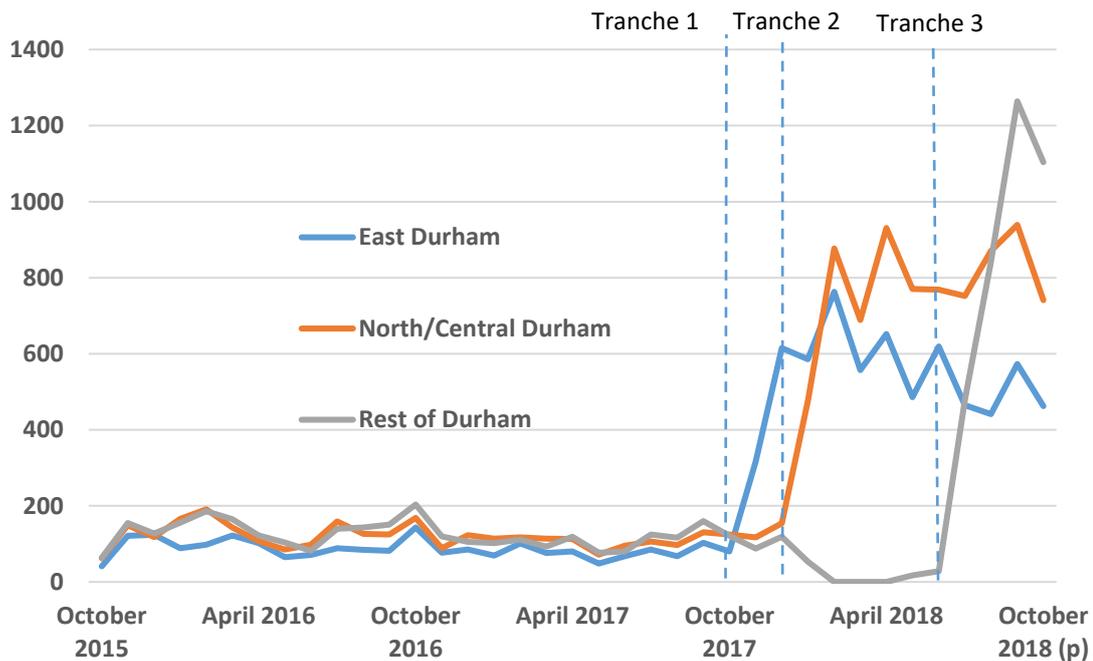
Universal Credit Starts

- 10 A 'starter' to Universal Credit is defined as an individual who has completed the Universal Credit claim process and accepted their UC claimant commitment.

¹⁴ The change in the rules from April 2012 means that the second income threshold (£40,000 in 2011/12), which protected the family element until income reached a certain level, has been scrapped.

¹⁵ The progress was scheduled to be complete in March 2018, however the third tranche was delayed to June 2018.

Chart 1: UC rollout in County Durham



- 11 From the introduction of UC in the county in September 2015 to the roll out of the first tranche of full service UC in October 2017, there were over 8,000 'starts' to UC. This number then increased to nearly 27,000 in the latest data, October 2018 (see Chart 1).
- 12 As part of the new benefits regime, the government strengthened the use of benefits sanctions to encourage compliance with its new policy. While the number of adverse sanctions rose to over 1,000 in February 2017, the rollout of UC has been associated with a fall in the number of adverse sanctions since then – for example, the number of sanctions applied in May 2018 stood at 363.

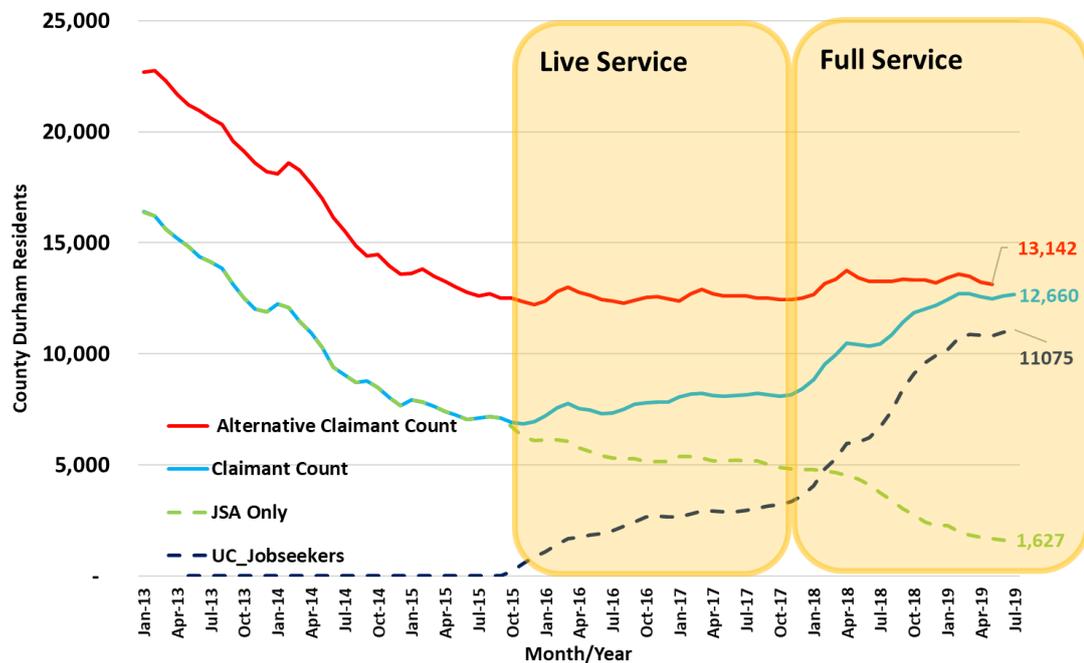
Impact of Universal Credit on Unemployment Statistics

- 13 Under Universal Credit, a broader span of claimants are required to look for work than under Jobseeker's Allowance. This has the effect of increasing the Claimant Count and Office for National Statistics (ONS) have stated that the figures are no longer a reliable economic indicator.
- 14 To address this, the new recently released Alternative Claimant Count (ACC) statistics measure the number of people claiming unemployment benefits by modelling what the count would have been if Universal Credit had been in place since 2013 with the broader span of people this covers.
- 15 The statistics provide a consistent measure of local levels of unemployed claimants over time and across areas and a better indication of labour market change. These statistics do not replace the

Claimant Count but, given the implementation of Universal Credit and the natural increases to the Claimant Count that this brings, the statistics do provide a consistent unemployed claimant series and a better indicator of local labour market change over time, than the Claimant Count.

- 16 The Claimant Count is a measure of the number of people claiming unemployment related benefits. Before 2013 this was simply the number of people claiming Jobseeker's Allowance.
- 17 Since the introduction of UC from April 2013, the Claimant Count is measured as the number of people claiming Jobseeker's Allowance and the number of UC claimants placed in the 'Searching for Work' conditionality group.
- 18 However, as more people were brought within the coverage of UC, the Claimant Count started to rise noticeably over time. This happened irrespective of how the economy has performed and is a feature of the design of Universal Credit which brings additional groups of people into 'Searching for Work' conditionality (for example partners of claimants, people who previously only claimed Housing Benefit or Child Tax Credits).
- 19 As a result, the ONS withdrew the Claimant Count from their national Labour Market Statistics Bulletin in March 2017, stating that the Claimant Count was no longer a reliable economic indicator. ONS stated that the change in composition of the count could leave users with a misleading representation of changes in the labour market. To address this, these new statistics show the number of people claiming unemployment related benefits comprising Jobseeker's Allowance; Universal Credit – Searching for Work conditionality (excluding those on the health journey pre-Work Capability Assessment); and estimates of those additional claimants who would have been Searching for Work under Universal Credit had it existed over the entire time period from 2013.

Chart 2: Alternative Claimant Count in County Durham



- 20 The impact of UC on local Claimant Count statistics in the county has been considerable. Chart 2 above sets out the modelled historical trend of the ACC plotted alongside the previous claimant count, the number of Jobseeker Allowance claimants and the subcategory of UC claimants who are searching for work.
- 21 As might be expected, when the rollout begins the number of JSA claims fall and the number of UC claims increase at a similar rate. The Claimant Count also increases sharply at full-service rollout reflecting ONS analysis about these trends.
- 22 There is also a notable that difference between the ACC and the official Claimant Count. At the time of the 'live service' rollout in the county in September 2015, the then official Claimant Count figures indicated that there were 6,920 residents in the county claiming JSA. Conversely, the ACC data series indicates that 12,510 people fitted the UC model criteria to count as an unemployment statistic: 81 percent higher than the official figure.
- 23 The implication of this is that under the new UC regime, vastly more people will be subject to job searching conditionality than under the previous DWP regime. More detailed breakdowns of the ACC data show that this group of additional job seekers has a different composition. In the two years prior to the 'live service' rollout, on average two-thirds of JSA claimants (67 percent) were male. The

gender balance of the additional claimants over the same period is almost reversed with 58 percent female.

Impact of uprating caps and freezes since 2010

24 In addition to changes in eligibility and the rollout of Universal Credit, various successive government budgets implemented various uprating caps and benefit freezes from 2010 onwards. These measures had the effect of restricting increases in many benefits, the consequence of which would have far reaching impacts for many people on working age benefits. Using analysis produced for the House of Commons Library¹⁶ Table 2 sets out changes in typical amounts paid for selected benefits and Tax Credits based on the following changes:

- Autumn Statement 2010: **Working Tax Credit: freeze in the basic and 30-hour elements for three years from 2011-12**
- Autumn Statement 2011: **Working Tax Credit: freeze in the couples and lone parent element for one year (2012-13)**
- Autumn Statement 2012: **Working age discretionary benefits and tax credits: increase by one percent for three years from 2013-14**
- Summer Budget 2015: **Uprating: freeze working-age benefits, tax credits and Local Housing Allowances for 4 years from 2016-17**

¹⁶Real value of working age benefits versus inflation and earnings, House of Commons Library, <https://researchbriefings.parliament.uk/ResearchBriefing/Summary/CBP-8458>

Table 2

Benefits (£ per week)	2011/12	2017/18	% change	Tax Credits (£ per year unless stated)	2011/12	2017/18	% change
Basic State Pension				Child Tax Credit			
Individual	£ 102	£ 122	19.7%	Family element	£ 545	£ 545	0.0%
Couple	£ 163	£ 196	19.7%	Child element	£ 2,555	£ 2,780	8.8%
Pension Credit				Disabled child element	£ 2,800	£ 3,175	13.4%
Individual	£ 137	£ 159	16.0%	Severely disabled child element	£ 1,130	£ 1,290	14.2%
Couple	£ 210	£ 243	16.0%				
ESA, Income Support, JSA				Working Tax Credit			
Personal allowances (selected rates):				Basic element	£ 1,920	£ 1,960	2.1%
Single under 25/lone parent under 18	£ 53	£ 58	8.3%	Couples and lone parent element	£ 1,950	£ 2,010	3.1%
Single 25+ / lone parent 18+	£ 68	£ 73	8.3%	30 hour element	£ 790	£ 810	2.5%
Couple (both over 18)	£ 106	£ 115	8.4%	Disabled worker element	£ 2,650	£ 3,000	13.2%
UC - Standard allowances				Severely disabled adult element	£ 1,130	£ 1,290	14.2%
Single under 25		£ 58		50+ return to work payment (16-29 hrs)	£ 1,365	..	
Single 25+		£ 73		50+ return to work payment (30+ hrs pw)	£ 2,030	..	
Couple, one or both over 25		£ 115		Childcare element (£ per week)			
Work-related activity group	£ 27	£ 29	8.6%	Maximum eligible costs allowed			
Support Group component	£ 32	£ 37	13.0%	Eligible costs incurred for 1 child	175	£ 175	0.0%
Incapacity Benefit				Eligible costs incurred for 2+ children	£ 300	£ 300	0.0%
Long-term	£ 94	£ 106	12.9%	Percentage of eligible costs covered	70%	70%	
Severe Disablement Allowance							
Basic rate + higher age-related	£ 77	£87	12.9%	Benchmark		% increase 2011/12 to 2017/18	
				CPI		12.2%	
				RPI		16.5%	
				Earnings		11.5%	

- 25 Generally, these trends show that many DWP benefits and Tax Credits paid to working age families have not kept pace with long term inflation and earnings increases. For example, in 2011/12 a single person aged over 25 (or a lone parent aged over 18) claiming Income Support was entitled to a weekly personal allowance of £68. By 2017/18 this allowance had increased by 8 percent to £73 (also the equivalent personal allowance under UC). However, when compared with inflation and earnings, which grew by 12.2 percent and 11.5 percent respectively over the same period, we can see benefits for this claimant group growing slower than cost of living measures.
- 26 Some on disability related out-of-work benefits did fair better, as benefits tended to grow at around the same rate as inflation. But this specifically applies to those in the Support Group component of ESA (and UC), and the small number of residual claimants on long-term Incapacity Benefits or Severe Disablement Allowance. Those people who have been assessed and judged capable of some work, as part of the Work Related Activity Group have seen their personal allowances grow at a rate similar to those on income support, which as outlined above has not kept pace with inflation and earnings growth.
- 27 Tax Credits have increased in a similar way. Those entitled to disability elements of Child Tax Credits and Working Tax Credits have seen around inflation level increases but non-disability elements have increased at much lower rates, particularly for Working Tax Credit.
- 28 By way of comparison, the basic state pension has grown by around almost 20 percent, well above inflation and earnings. This is because of the policy stance of successive governments to increase this allowance by the same rate as inflation, or earnings or by 2.5 percent whichever is greater (known as the 'triple lock').
- 29 In March 2019, the Joseph Rowntree Foundation reported in its briefing "end the benefit freeze to stop people being swept into poverty" that after three years of the freeze, "people in poverty are on average £340 a year worse off than they would have been had this support not been eroded by the freeze" and if the freeze does not end until April 2020 (as currently planned), people living in poverty will be on average £560 worse off, equivalent to around three months of food shopping for an average low-income family.

Employment Support Allowance/Incapacity Benefit (ESA/IB)

- 30 In February 2014 the number of County Durham residents claiming ESA/IB¹⁷ fell to 25,700 claimants, the lowest number claiming sickness

¹⁷ DWP Benefits, Working age client group – ESA/IB/Income Support, accessed via www.nomisweb.co.uk

related benefits since comparable records began. The number of claimants then increased to 28,300 in November 2015 but fell back to 24,700 claimants in May 2018 (the most recent data). This might indicate people returning to sickness-related benefits in due course after being moved onto ESA following their work capability assessment.

- 31 The number of people claiming ESA/IB has fallen by 1,900 or 7.2 percent since August 2017, to represent 7.6 percent of the working age population. These benefits have been subject to a long-term transition where claimants have moved from Incapacity Benefits or Severe Disablement Allowance to ESA which is almost complete.

Housing Benefit

- 32 The number of working age HB claims in County Durham has not varied greatly since 2011. Numbers peaked in April 2013 at around 50,300 claims (21.5 percent of dwellings). Since then the gap between local and national housing benefit claims has widened slightly. The number of claims in the county in February 2017 was 46,400; 20.8 percent of dwellings, but nationally the rate dropped by 1.1 percentage points to 17.7 percent of dwellings.
- 33 Since October 2017 the number of housing benefit claims has fallen from 30,900 to 25,600, a fall of nearly 5,300 claims or 17 percent. This fall is greater than the falls regionally (10 percent) and nationally (11 percent) which are still in the process of rolling out a full UC service.
- 34 It should be noted that anecdotally, social landlords are now starting to see an increase in rent arrears for those tenants who are claiming UC.

Other Welfare Reform Changes

Personal Independence Payments/Disability Living Allowance

- 35 Just before Personal independence Payments (PIP) were rolled out in 2013 there were around 23,100 people on Disability Living Allowance (DLA) aged 16-64. Since then, this number has fallen, but not by as much as PIP has increased. The DLA caseload fell by over 7,200 with the corresponding PIP figure rising to 14,700, (November 2016). However, the latest data shows 25,900 people are now claiming PIP (July 2018).
- 36 Since September 2015 onwards, DLA claimants living in DH (Durham) postcodes have been contacted by DWP to be invited to apply for PIP 20 weeks before the claimant DLA entitlement ends. These transitional arrangements were completed by 2017, but it is not yet clear when DLA claimants in other parts of the county will be invited to claim.

- 37 Overall this means around 16,000 residents in County Durham currently on the DLA caseload were likely to move over to PIP over the next two years. The first independent review of the PIP assessment published in December 2014¹⁸ 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 Bureau¹⁹ (CAB) reported serious delays in the end to end process with PIP, from making a claim to getting a decision.
- 38 Ministry of Justice statistics for tribunal appeals from October to December 2016²⁰, identify that PIP accounted for 85 percent of all Social Security and Child Support (SSCS) appeals during the period. In October to December 2016, 46,230 SSCS appeal cases were disposed, up 24 percent when compared with the same period in 2015. Of these disposals, 39,696 (86 percent) were cleared at hearing and of these 63 percent were found in favour of the customer. The overturn rate varied by benefit type, with PIP having 65 percent in favour of the customer and DLA having 56 percent.

Spare Room Subsidy

- 39 The total number of tenants under occupying as at April 2013 was 8,001. Over the years, this has decreased significantly to 5,971 in April 2018, a reduction over five years of 2,030 households. As at April 2018, the number of under-occupiers (5,971) has reduced by 505 since April 2017.

Benefit cap

- 40 The government announced further reductions to the Benefit Cap and these changes took effect from 7 November 2016, when the total amount a household could claim in benefits (outside London) would be capped at:

¹⁸ 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

¹⁹ 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

²⁰ Ministry of Justice, 9 March 2017, ‘Tribunals and Gender Recognition Statistics Quarterly, October to December 2016 (provisional)’, https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/597905/tribunal-grc-statistics-q3-2016-2017.pdf

- £384.62 a week for couples (with or without children living with them). This equates to £20,000 per annum, a £6,000 reduction per annum or £115.38 per week on the previous Cap level;
- £257.69 a week for single people, which equates to £13,400 per annum, a £4,800 reduction per annum or £92.31 per week on the previous Cap level.

41 Initial indications from DWP last year stated approximately 620 families may be affected in the county. The reduced cap came into effect on 9 January 2017 in County Durham and as at 3 July 2017 there were 424 active claims with a cap applied. The average amount benefits were capped by was £37.62.

Economic trends

Gross Disposable Income and Earnings

42 Gross Disposable Household Income (GDHI) per head of population in County Durham stood at £15,445 in 2017 – 79.1 percent of the UK average of £19,514. GDHI has grown in the county by 13.5 percent since 2011, almost the same rate as for the North East region (13.6 percent) but at a slower growth rate than the UK (17.8 percent growth).

43 Further information can be found in the Gross Domestic Household Income factsheet on www.durhaminsight.info.

Earnings from Employment²¹

44 The average full-time weekly wage for County Durham residents in 2018 was £503. This was slightly lower than the regional average (£507), but much lower than the national average which stood at £575.

45 Local full-time wages have however, increased at a faster rate than the regional and national averages and at a rate above growth in inflation. Wages in the county have increased by 20.7 percent since 2011, compared with around 13 percent for the North East and the UK. Over the period, inflation increased by around 14 percent.

46 The average part-time weekly wage for County Durham residents in 2018 was £194, slightly higher than regional average (£187) and higher than the national average of £188.

47 Local part time wages have increased by 28.9 percent since 2011, higher than the North East region at 25.4 percent growth and higher than the UK increase at 22.4 percent.

²¹ Annual Survey of Hours and Earnings – Median Wage

- 48 Further information can be found in the Annual Survey of Hours and Earning factsheet on www.durhaminsight.info

Poverty trends

- 49 For children and working age people relative poverty is high in the north east. Relative poverty has been a key measure produced by DWP for a number of years and is defined as those in households living on an income of less than 60 percent of median income²². For 2017/18 the poverty line was set at a household income of £304 per week and if housing costs are taken into account, £262 per week.
- 50 In the North East one in four children (25 percent) live in a household in relative poverty, i.e. with a weekly household income of £304 per week or less. This is five percentage points higher than the national average at 20 percent. If housing costs are considered, the proportion rises to more than one in three: 35 percent, which is four percentage points higher than the national average of 30 percent.
- 51 In the region, just under a fifth of working age people (18 percent) live in a household in relative poverty, higher than the national average of 15 percent. If housing costs are taken into account, the proportion rises to around one in four, or 23 percent, which again is higher than the national average of 21 percent.
- 52 In the North East just under a sixth of pensioners, or 16 percent live in a household in relative poverty compared with the national average of 17 percent. Taking into account housing costs, the proportion decreases to 15 percent compared with 16 percent nationally.
- 53 In 2018, new Minimum Income Standard (MIS) research²³ took an alternative approach to measuring poverty has recalculated from scratch the minimum budgets for pensioner and working-age households without children, while reviewing the budgets set in 2016 for families with children.
- 54 MIS is based on the items that members of the public think UK households need to be able to afford in order to meet material needs such as food, clothing and shelter, as well as to have the opportunities and choices required to participate in society.

²² Households Below Average Income Series, <https://www.gov.uk/government/statistics/households-below-average-income-199495-to-201718>

²³ Joseph Rowntree Foundation 'A Minimum Income Standard for the UK in 2018'. <https://www.jrf.org.uk/report/minimum-income-standard-uk-2018>

- 55 A single person must earn £18,400 a year to reach MIS; each parent in a working couple with two children must earn £20,000. The minimum wage remains too low to reach MIS, with widening shortfalls for some groups. A lone parent with two children, working full-time, had disposable income 4 percent below MIS in 2008 but 20 percent below today.
- 56 Benefit levels and incomes available to lower-earning working households have not kept up with rising costs, and these barriers are preventing people from reaching a decent standard of living. In 2018, benefits provide only a third of what working-age adults without children need, down from 42 percent in 2008.
- 57 Despite tough economic times, the minimum household requirements identified by members of the public have remained mainly similar over the past decade.

Employment trends

- 58 Overall, the employment rate has been improving steadily in County Durham but remains significantly below national levels. However, latest data show just under three in four of the 16-64 population are in employment in County Durham (74.2 percent) compared to just over three-quarters nationally (75.5 percent):

	Employment rate April 2018 to March 2019	Change in employment rate since 2012	More people in employment since 2012
County Durham	74.2%	8.6	25,900
North East	71.1%	4.8	67,200
UK	75.2%	4.5	2,434,400

- 59 With regards to long term employment trends, the position in the county has improved at a faster rate than the region and the country as a whole since 2012, latest figures (April 2018 to March 2019) estimate that 74.2 percent (239,900 people) of the county's 16 to 64 population are employed. This is higher than the regional level of 71.1 percent but lower than national level of 75.2 percent.

- 60 Male employment is at a high of 78.9 percent (125,400 people) and higher than the pre-recession peak of 77.6 percent almost 10 years ago, (124,000 people, April 2007 to March 2008). The county rate is similar to the national average at 79.8 percent.
- 61 Female employment is also at a high of 69.7 percent (114,500 people), higher than the regional average at 68 percent but lower than the national average at 70.7 percent.
- 62 The employment rate of younger people (16-24 age group) is 57.3 percent (31,100 young people), an increase from a 2012 low of 38.3 percent. Levels have remained stable over 2015 and 2018 after years of post-recession volatility. This rate in the county is now above the regional average of 50.3 percent and the national average of 53.7 percent
- 63 Employment levels in the 25 to 49 age group are the highest out of all the age groups, currently standing at 83.7 percent (137,300 people). This is one of the highest levels recorded over the last 12 years.
- 64 68.1 percent of people aged 50 to 64 (71,400 people) were in employment in the period April 2018 to March 2019, which was similar to the regional level (67.5 percent) but lower than the national level at 72.0 percent.
- 65 Employment in the 65 plus age group has traditionally been low, but has steadily increased since 2004 from 3.0 percent to 9.1 percent. However it is still lower than national levels and is currently 1.6 percentage points behind the England & Wales level of 10.7 percent.
- 66 Between 2013 and 2016, part-time employment in the county grew, peaking at 28 percent during the period July 2015 to June 2016, of all resident based employment in the county. It has since fallen to 24.4 percent more recently.
- 67 The change in part-time employment has meant that the proportion of employed residents in full-time employment in the county has risen to a post-recession high of 75.6 percent from a low of 71.2 percent in 2016 and is now above both the regional (74.3 percent) and national (75.3 percent) averages.
- 68 Currently 75.6 percent of employed residents in the county (187,900 people) work in the private sector, which is a slightly higher proportion than the region (75.4 percent) but lower than the national average (79.0 percent).
- 69 The employment rate in County Durham for those with an Equality Act (EA) core or work limiting disability is 47.7 percent, much lower than the

rate for those without a disability (83.7 percent). Locally, for those with no disability, the employment rate in the county is slightly higher than the equivalent national average of 81.1 percent, however the employment rate for disabled residents in the county is 6.5 percentage points lower than in England & Wales where over half of those with an EA core or work-limiting disability are employed (54.2percent). Since 2014, the local gap increased from 37 percentage points to 46.6 percentage points in 2016, but has now fallen to 36 points, while the national gap has remained stable at around 27 percentage points.

- 70 Further information can be found in the Employment Factsheet on www.durhaminsight.info.

Unemployment trends²⁴

- 71 Unemployment levels have improved over the last three years. Latest data²⁵ show 10,500 people were unemployed in the period between April 2018 to March 2019. This is equivalent to 4.2 percent of the 16-64 population, lower than the regional rate of 5.8 percent and the same as the national rate of 4.2 percent. It should also be noted that unemployment is now lower than pre-recession levels (which averaged around 5.4 percent between 2004 and 2007). Further information can be found in the Economic Inactivity Factsheet on www.durhaminsight.info.

Economic inactivity

- 72 Since 2004, levels of economic inactivity have been greater in County Durham than in England and Wales, with a slight downward trend over this period. Economically inactive people are defined as being outside of the labour market, as they are either not actively seeking work or are not currently available for work. This could be for a variety of reasons, commonly including being a full-time student, retired from work (but not yet reached state pension age), looking after a family and being unable to work because of sickness or disability.
- 73 The latest data (Annual Population Survey extracted from NOMIS April 2018 to March 2019) show that the level of economic inactivity in the 16 to 64 population had fallen to 22.6 percent (72,900 people) from a 12 year peak in the mid-recession period of 29.5 percent (96,500 people, April 2009 to March 2010). Corresponding figures for the North East

²⁴ ONS Employment Rate aged 16-64, Annual Population Survey extracted from NOMIS, for the latest period April 2018 to March 2019. The unemployment rate differs in its calculation from Employment rate as the denominator used is the economically active population rather than the 16-64 population.

²⁵ ONS, Annual Population Survey extracted from NOMIS, for the latest period April 2018 to March 2019

and England and Wales were 24.5 percent/27 percent and 21.2 percent/23.6 percent respectively.

- 74 Another aspect of this dataset is the difference between those people economically inactive who want a job and those who do not. In County Durham, nearly four fifths of the economically inactive, (79.2 percent or 57,800 people) do not want a job. Although this is a fall from 84.9 percent in April 2004-March 2005 it is now similar to the share across the region (80.7 percent) and lower than nationally (79.5 percent). Further information can be found in the Economic Inactivity Factsheet on www.durhaminsight.info.

Zero hours contracts

- 75 There is no single agreed definition of 'zero-hours contracts'. While some contracts are explicitly called zero-hours contracts, there are other definitions available and used in published statistics. The common element to the definitions is the lack of a guaranteed minimum number of hours. This common element is used by the Office for National Statistics (ONS) in their business survey to estimate the number of 'zero hours' contracts in use with data being available from the national level down to the regional level.
- 76 The latest data from this survey covers the period April to June 2018 with comparison data from the previous year²⁶. During this period 2.2 percent of people in employment in the North East were on 'zero hour' contracts totalling 26,300 contracts - a fall from 3.7 percent (44,600 contracts) from the previous year.
- 77 This data gives the North East the second lowest rate out of all English regions in April to June 2018 and is lower than the England rate of 2.5 percent (671,400 contracts) and the UK rate of 2.4 percent (779,600 contracts). However, nationally the percentage and number has fallen from 2.8 percent (757,800 contracts) in England and 2.8 percent (883,500 contracts) in the UK in the period April to June 2017.

Wider poverty and social impacts

Shoplifting

- 78 It is difficult to identify whether there is a link between trends in shoplifting and rollout of Universal Credit without DWP data. However, working with Durham Constabulary, on an area by area basis, we have examined localised crime data in relation to shoplifting, compared with

26 ONS - People in employment on a zero-hours contract:
<https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/datasets/emp17peopleinemploymentonzerohourscontracts>

the phased roll out of Universal Credit. Although there were increases within a number of areas coinciding with the roll out of UC, in the main they were either not significant or after initial increases, returned to normal levels of variance. Two areas demonstrated significantly higher levels of shoplifting compared with previous years and continuing increasing trends as opposed to initial spikes: Crook and Spennymoor.

Public Health funerals

- 79 Under the National Assistance Act 1948 and the Public Health (Control of Disease) Act of the same year, the council has a duty to dispose of a deceased body, if the person who died has no assets or if there are no relatives who can make funeral arrangements.
- 80 Where no one is prepared to accept responsibility for the funeral or estate, the council deals with the matters and seeks to recover the costs if there are sufficient funds available.
- 81 Table 2 shows the number of such 'public health funerals' and the number where costs were not recovered.
- 82 Since the roll out of Universal Credit in 2017 and 2018 the number of unrecovered public health funerals has remained relatively static, compared with previous years. However, because the numbers are so low, it is not possible to draw any correlation between the incidence of such funerals and the introduction of UC.

Table 2: Public health funerals in 2013-2019

Year	No. of public health funerals	No. unrecovered
2013	14	11
2014	15	12
2015	18	11
2016	11	7
2017	23	13
2018	25	12
2019	3	3

Appendix 3: Key achievements against the poverty action plan

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

- 1 The Council's response to the welfare changes and poverty issues across the county has been shared widely with the County Durham Partnership and has involved working closely with many key partners.
- 2 A communications programme has been delivered to ensure that claimants understand proposed changes and are signposted to the most appropriate sources of advice, help and support when new changes were implemented e.g. the reduction in the benefit cap in 2016 and the introduction of Universal Credit (UC) from 2015.
- 3 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, and sessions such as the 'Routes out of Poverty' events continue to be delivered to continue to raise the awareness and understanding of frontline staff on welfare and poverty issues.

County Durham Partnership

- 4 The council and the County Durham Partnership held four conferences themed around welfare reform and poverty issues in 2012, 2013, 2014, and 2016.
- 5 All conferences include market places for display stands highlighting the work of over 25 organisations and schemes across the county already helping residents. Representatives from these organisations were also available to talk about their innovative work and the impact on local communities.
- 6 The conferences focused on:
 - (a) issues faced by communities managing the impacts of welfare reform;
 - (b) examples of good practice from around the county;
 - (c) identifying gaps and building on partnership working; and
 - (d) issues around changing employment opportunities.
- 7 Approximately 400 delegates from over 50 organisations attended the four conferences in total.

- 8 All events were well received and feedback was presented to the County Durham Partnership and comments and suggestions relating to the Poverty Action Plan were captured and fed into the plan where appropriate/practical.

Advice in County Durham Partnership

- 9 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.
- 10 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 (AiCD).
- 11 In 2014 the council initially 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. Following this initial period, this role has now been included into the council's permanent staffing structure and the council has granted additional funding of £90,000 over two years to fund a Partnership/Network Development Officer, employed by Citizens Advice County Durham, to help develop the partnership further. This has allowed the partnership to grow considerably.
- 12 There are now 180 members of the AiCD partnership, and there have been over 11,500 referrals via the AiCD partnership to date.
- 13 In January 2019 the AiCD were successful in securing £43,195 from the Big Lottery's Reaching Communities Fund to develop a new portal and updated website.
- 14 The AiCD regularly facilitate network meetings, training courses and held a conference on UC in 2018. Sessions such as the 'Routes out of Poverty' sessions, delivered in partnership with the council's Housing Solutions team, and designed to highlight the work of different organisations and services in a table talk format are always well received with positive feedback from all attendees.
- 15 Demand continues to be high for all events with nearly 700 attendees to the 29 events delivered in 2018-19, including representatives from Durham Constabulary, MP Offices, NHS, social housing landlords, and the voluntary and community sector.

Citizens Advice

- 16 The council currently commissions advice services from Citizens Advice County Durham. The Service Level Agreement covers the core advice services provision, plus three specific commissions from: Housing Solutions; One Point; and Public Health. Monthly liaison meetings take place with CACD and quarterly reports are presented to the council and summarised in reports to the PASG.

- 17 Generally there continues to be good outcomes being achieved across all these areas, with significant financial outcomes being secured through additional income and through management/write off of debt.

Area Action Partnerships

- 18 Many of the council's 14 Area Action Partnerships (AAPs) had previously identified welfare reform and/or poverty as one of their key priorities and had already supported various projects in their areas, focussing on the issues which are particularly relevant to each local community.
- 19 The council has provided to date £840,000 of additional funding to each of the 14 AAPs from the Welfare Assistance Scheme in the form of an annual grant of £10,000 since 2014.
- 20 This has helped to ensure a vast range of varied interventions across the county, including projects linked to employability, training, helping residents with transport for work, and helping residents cope with welfare changes or poverty, such as access to guidance on benefits, foodbank projects and food provision for children during school holidays.
- 21 To date the AAPs have delivered 86 projects reflecting the diverse needs of the county's residents and have attracted £1,381,000 of match funding. These projects have supported over 21,000 beneficiaries.
- 22 These projects are designed to tackle issues at a local level such as employability, food poverty, fuel poverty, housing and isolation etc. Projects included:
- Derwent Valley AAP – financial support to the foodbank provision in Consett to provide additional advice for clients attending the foodbank on money and budgeting;
 - Weardale AAP – financial support to fund a rural advice worker to provide home visits to help residents check benefit entitlement and make claims;
 - Bishop Auckland and Shildon, and Spennymoor AAPs – financial support to employability skills projects to assist unemployed individuals on the road to future employment;
 - Great Aycliffe and Middridge Partnership AAP – financial support to the Pioneering Care Trust to deliver a series of community roadshows in partnership with statutory and voluntary partners which aim to support local people affected by welfare reform and the associated issues; and
 - East Durham AAP – funding to provide activities and meals for families with children during the school summer holiday period.

Social justice pilots

- 23 During 2014-16, partnership work in the Crook area and East Durham area improved understanding of how the new benefits regime was 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.
- 24 The approach took 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 helped identify the impact on individuals with mental health issues, drug and alcohol dependency and recent offending.
- 25 Participants in the project included the DWP Regional Office, local Jobcentre Plus, Probation Service, NHS, Salvation Army, Citizens Advice Bureau, and council service teams including the area action partnership, Housing Solutions, Revenues and Benefits, Stronger Families and Welfare Rights.
- 26 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.
- 27 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.
- 28 Building on the work undertaken, formal complaints to the Department for Work and Pensions concerning clients in the area decreased and there was now a sense of shared responsibility amongst the organisations involved to work together, particularly between the voluntary and public sectors.

Housing providers

- 29 The Housing Welfare Reform Group was established in 2012 and has worked successfully to understand and plan for the changes brought about by welfare reform and to monitor the impact. It provides an opportunity for the larger social landlords in County Durham to come together and share best practice, coordinate their work, monitor the impact and plan for the future, and is facilitated by the council's Housing Solutions and Revenues and Benefits teams.
- 30 The group continues to work together in relation to the poverty agenda and the impact on housing in County Durham, and it supports the delivery of the Poverty Action Plan through activities such as the 'triage' process which was

adopted in 2012 and is still delivered by the group to help advise and support tenants in achieving positive outcomes for their personal circumstances. The outcomes can include maximising income, addressing and resolving debt, and gaining employment.

- 31 As a result of this partnership working, the expected rise in rent arrears has generally been prevented and there have been no evictions where the arrears were as a result of the under-occupancy charge only.

Focus on child poverty

Child poverty workshop at 'Big Tent Event'

- 32 The Health and Wellbeing Board hosted a Big Tent Engagement Event in 2016 to gather the views of stakeholders.
- 33 The event was well attended by stakeholders ranging from service users, patients, carers, representatives from the voluntary and community sector and other NHS and local authority partners.
- 34 The PASG facilitated a workshop at the event on child poverty. This workshop looked to share information and gather views from participants in relation to the partnership actions to reduce child poverty, with a particular focus on health.
- 35 Feedback from this event was extremely positive and captured and fed into the Poverty Action Plan where appropriate/practical.

'Cutting the cost of the school day'

- 36 This group is currently delivering the 'Cutting the cost of the school day' programme which aims to: raise awareness of child poverty within schools and educational establishments in County Durham; identify where costs are negatively affecting low income families and increasing financial pressure; and provide guidance and suggestions to how to reduce all costs associated with sending a child to school.
- 37 The original target was to deliver this training to 100 schools during the 2018/19 academic year, however it is expected that approximately 140 will have accessed training by end of July 2019. Feedback to date is very positive.

Child Poverty Charter

- 38 A 'Child Poverty Charter' has been developed by the Child Poverty Working Group in consultation with partners and young people, and will be rolled out from September 2019. We will be asking all partners across County Durham to join together to mitigate the effects of poverty on children and young people by signing this charter, and committing to a series of actions to help ensure we meet our aim "*children, young people and families have the resources to their basic needs including accessing opportunities to take part in society*".

Family Centre offer

39 The council's family centres have increased their offer to help cater for the more practical needs of their residents who may be experiencing poverty issues. For example, all 15 Family Centres now provide:

- access to a community pantry with free non-perishable foods;
- signposting and awareness raising of community fridges and food banks;
- clothes rails including winter coats, smart clothes suitable for interviews etc;
- personal hygiene packs, including Red Box period poverty packs; and
- access to Citizen Advice Bureau, Credit Unions and budgeting training programmes.

Head teachers conference

40 The council's Education Development Service held a conference in 2016 for County Durham head teachers and other school staff on child poverty and transforming the lives of vulnerable children.

41 The event focussed on poverty-proofing the school day and ensuring best effective use of the pupil premium.

Review of take-up of Free School Meals

42 The Children and Young People's Overview and Scrutiny Committee conducted a review of the take-up of free school meals (FSM) during 2016-17.

43 Take-up in primary schools remains consistently high and there is universal provision of free school meals in key stage one (reception, year one and year two). However, in secondary schools there has been a decreasing roll number and academies are not required to report their meal figures to the local authority. Information presented to the Children and Young People's Overview and Scrutiny Committee in February 2016 suggests that there is a lower take up of free school meals by secondary school pupils.

44 Feedback on the FSM checking system operated by the authority was sought from schools to identify benefits and where improvements may be needed, and a campaign was delivered to schools, parents, carers and frontline staff to promote the council's eligibility checking system to help increase the take-up of free school meals and remove the stigma associated with FSM.

45 Since 2013, children in all families moving to Universal Credit have been eligible for free school meals. The government introduced this as a temporary

measure, which expanded eligibility, and in April 2018 introduced a new income threshold to replace this.

- 46 Government guidance for schools is clear that during the roll-out of UC, once a child is eligible they do not lose entitlement to free school meals and no further eligibility checks will be required. Therefore during the run up to this change, colleagues in Children and Young People's Service targeted schools and families to ensure that residents applied for free school meals, even during a short period of eligibility, as this will give their child ongoing entitlement for the next four years or more.

Free 30 hours' Early Years places

- 47 In September 2017, the government introduced 30 hours a week free child care for three and four year olds to support working parents, with childcare being available anytime between 6.00am and 8.00 pm, seven days per week (to support shift workers).
- 48 In September 2019 the take up figure of children accessing a 30 hour place is 3,735 which represents an increase of 11.13 percent term on term.
- 49 Initial concerns that the provision of additional 30 hour places would potentially negatively impact on the availability and take up of places for disadvantaged two year olds has not happened, with the number of two year olds accessing a place for September 2019 coming in at 1,982 which is only slightly down on the 1,993 accessing in September last year. In fact the numbers of eligible children provided by the DWP has gone down recently so we have done very well to maintain the numbers accessing, and on the basis of the most recent list for June 2019 we are showing an up take of 96 percent.

Early Years Pupil Premium

- 50 Early Years Pupil Premium (EYPP) is a grant that gives providers of early years education extra funding to support disadvantaged three and four year olds. Early years providers use this extra funding to improve the quality of education for disadvantaged children and it is the equivalent of an extra 53p per hour on the funding rate or £302 per year for each qualifying child.
- 51 Providers have been encouraged to ensure that they claim the grant on behalf of parents with eligible children. and the take up for this additional grant has increased from 1,462 children claiming in September 2018, to 1,665 children claiming in September 2019.

Financial awareness in schools

- 52 Staff in Regeneration and Local Services are also currently working with schools to establish 'financial literacy champions' to raise financial awareness and promote a savings culture in conjunction with work already being delivered around credit unions. Over 2,500 children have started saving with credit unions and staff are also working with Durham Housing Group and Leisureworks to engage with any schools which they work with.

Holiday Hunger

- 53 The Child Poverty Working Group has been looking at the issue of holiday hunger. Its sub-group, the Holiday Activities with Food Group's work has included: capturing and publicising holiday activity provision (with or without food); joining up and co-ordinating activities within local areas; and delivering a programme of activities and healthy food provision for some of our most vulnerable children and young people during 2018's six week summer school holiday and October half term.
- 54 Whilst the focus has been on holiday hunger there are additional benefits of doing this work around promoting healthy activity and encouraging children to get involved in group/social activities.
- 55 In 2018 we: gave out 76,800 healthy snacks to children and young people using our leisure centres and libraries; provided week long activities and lunches for 74 young people; provided 369 complimentary swim sessions for children and young people; and 260 children and young people benefitted from free healthy lunches whilst they attended our week long FISCH programme (Family initiative supporting children's health).
- 56 Despite being unsuccessful with a recent bid for Department for Education funding to co-ordinate the delivery of summer 2019 holiday activities with food, the council has continued to support and develop work with providers across County Durham for the 2019 summer holidays, focussing mainly on co-ordination and support. The group has also secured £150,000 from the PASG to support and enhance the co-ordination, delivery and evaluation of sustainable, universal, food and holiday activity provision across County Durham for the period July 2019 to September 2020.

Credit and Debt

Council Tax Reduction Scheme

- 57 Through our Local Council Tax Reduction Scheme, the council continues to protect economically vulnerable working age people from the 10 percent national cut which was made to Council Tax Support. This scheme has been extended for a further year into 2019/20 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. Durham County Council is now the only local authority in the North East to provide residents with this same level of support.
- 58 The policy has protected vulnerable residents at a time when welfare reform changes have had a significant adverse impact with over 27,000 of all claimants currently receiving 100 percent council tax discount. Since 2013, the following levels of financial support have been offered through council tax reductions:

Year	Amount awarded	No. of claims
2013	£52,420,852.28	77962
2014	£52,220,575.09	75938
2015	£51,571,814.20	73583
2016	£51,739,546.83	71981
2017	£52,899,286.12	70034
2018	£54,639,371.30	69277
2019	£57,435,186.15	62972

- 59 In 2017 Cabinet agreed the introduction of a care leavers' Council Tax reduction scheme, aimed at helping young people adjust to living on their own. This policy means that anyone aged under 25 and leaving care will not have to pay council tax if they are the only person paying the bill. Additionally, any care leaver who moves into another household will see the bill reduced by 50 per cent. Since 2017, Since 2013, the following levels of financial support have been offered to care leavers through council tax reductions:

Year	Amount awarded	No. of records
2017	£55,268.37	129
2018	£102,837.97	219
2018	£138,181.98	200

'Triage'

- 60 A 'triage' process was adopted in 2012 and is still delivered by the group to help advise and support customers in achieving positive outcomes for their personal circumstances. These outcomes can include maximising income, addressing and resolving debt, gaining employment and finding affordable alternative accommodation. Since the triage process was introduced almost 12,000 tenants and residents in poverty have been assisted and supported by housing providers and staff within Housing Solutions.

Private rented tenants

- 61 There are currently four posts within the council's Housing Solutions service whose role is to support tenants affected by welfare reform and poverty issues. These posts are funded up until March 2020 and the staff are mainly engaging and working with tenants in the private rented sector. The staff support approximately 1,000 clients per year who contact Housing Solutions stating they are in financial difficulty.
- 62 From April 2018 to June 2019 over 357 cases dealt with by Housing Solutions have resulted in positive outcomes, in addition to the 220 cases which are either ongoing or require advice only.

Discretionary Housing Payments

- 63 Through its Discretionary Housing Payments policy, the council has made awards to over 8,400 tenants, which has helped towards meeting their housing costs during the period 1 April 2013 and 7 July 2019.
- 64 The policy has been monitored closely and detailed regular forecasts presented to the PASG to assess levels of expenditure and demand on budget. Where necessary the policy has been reviewed and revised to ensure it reaches those most in need.
- 65 Since 2013 the council has overspent its government grant and topped up from council funding such as the Welfare Assistance Scheme to ensure that no residents are turned down due to lack of budget. To date we have added circa £544,000 to the DHP budget from council funding, and in total will have spent over £8.6 million helping tenants who have a shortfall in their housing benefit by the end of this financial year.

Welfare Assistance Scheme

- 66 The council continues to provide its Welfare Assistance Scheme, which provides emergency and crisis support to fill the gap left by the termination of the government's Social Fund and Crisis Loans. 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, with a £1 million budget (including administrative costs).
- 67 Since April 2013, the council has awarded over 5,920 daily living expenses to residents to help with their daily living costs, and over 3,920 settlement grants to help residents settle or remain in the community. This equals nearly £3.4 million of awards made to County Durham residents.
- 68 The scheme is kept under review to ensure it as accessible as possible for those who need it. Recent changes have been made to provide additional support for those affected by UC and to include items such as baby milk, nappies and hygiene products with the daily living expenses element.

- 69 Research released in September 2018 by Greater Manchester Poverty Group Action shows there has been a collapse in crisis support in some parts of the country and that local authorities across England are struggling to maintain well-funded effective Welfare Assistance Schemes. This research recognised that Durham County Council's scheme is one of a few across the country to be still in operation and providing a similar level and type of support to the government's Social Fund and Crisis Loans.
- 70 This research commented *"funding for Durham County Council's scheme has been held constant in each of the last three financial years and the number of applications for support has remained steady."*

Benefit take-up and income maximisation initiatives

- 71 The council's Welfare Rights Campaigns Team has been and continues to run a core take-up campaign aimed at County Durham residents aged 75 or over. The goal is to reach out to potential claimants in that age group to ensure that they are in receipt of all benefits which they are eligible for, and to aid with any appropriate claims identified.
- 72 In the 2018/2019 financial year, the team raised £1,012,400, including arrears or £848,050 excluding arrears. In April 2019, the team have recorded gains of £241,603 including arrears, or £217,157 excluding arrears in relation to the same.
- 73 In addition to this team, a further Welfare Rights post has been funded, from PASG reserves, to work with Children and Young People's Services to support care leavers. During the last quarter appointments have taken place with 82 young people. The outcomes from this work have resulted in a total value of awards for care leavers amounting to £28,187, bringing the total value of awards secured to date for care leavers to £160,977.
- 74 Overall, the council's Welfare Rights service and Citizens Advice County Durham have assisted claimants to secure over £25.66 million of benefits claims in 2018/19.

Fuel poverty

- 75 The County Durham Fuel Poverty Strategy and Action Plan co-ordinates actions with partner organisations to reduce levels of fuel poverty in County Durham and is co-ordinated by the County Durham Energy and Fuel Poverty Partnership.
- 76 As well as the promotion of government initiatives, included in the action plan are a number of projects delivered by the council to help address fuel poverty by: providing energy switching guidance; energy debt advice and support; and fuel poverty grant application process support etc.
- 77 Since 2013, the County Durham Energy and Fuel Poverty Partnership has assisted over 9,100 residents with over £13.4million worth of energy saving solutions.

- 78 Included in this figure is the council's Managing Money Better project which commenced in 2017 and in the first two years the Energy Advisor has carried out over 1,000 home visits to residents and achieved over £132,500 savings on energy bills, fuel debt write-off and Warm Homes Discount grants.
- 79 This project also received national recognition when Lynne Grange, Managing Money Better Energy Advisor was presented with a Heat Hero award at Westminster by NEA, the national fuel poverty charity, for helping residents reduce their home energy bills and writing off fuel debts for vulnerable households.

Financial Inclusion

- 80 The Durham Savers project continues to raise the profile of the credit unions, and staff savings with the credit unions are over £1,770,000. The project also continues to work with local business and so far 30 businesses are engaging with the project, most recently Banks Group, Learning Curve and Taylor Made Timber.
- 81 The council continues to work closely with the local credit unions and training around financial awareness, dangers of using doorstep and payday lenders and credit union promotion has been delivered to frontline staff in the council's Housing Solutions, Public Health, Customer Services and Think Family teams. A new training programme for the council's People and Talent Management teams rolls out in September 2019.
- 82 Following the review of the Welfare Assistance Scheme in 2017/18 Cabinet agreed to allocate £10,000 to the NE First Credit Union to augment the settlement grant element of the Welfare Assistance Scheme and to help prevent residents turning to payday lenders etc. The £10,000 was provided to under-write the provision of low-cost loans for replacement white goods and furniture. The Council effectively acts as guarantor for the loan to the applicant for the purchase of the goods from a nominated supplier.

Adult learning and skills/community learning provision

- 83 The council's Adult Learning and Skills Service uses its community learning grant to support learners to develop new skills, increase their confidence, and improve their health and well-being. During 2018/19 the service delivered learning through 31 sub-contractors, the majority of which are small VCS providers, to almost 7,000 learners. The service prioritises individuals who are disadvantaged and least likely to participate in learning, including those who are unemployed; have learning difficulties and/or disabilities; have mental health issues; are experiencing poverty; do not have English as first language; are Care Leavers; are recovering from substance misuse; and are experiencing domestic violence.
- 84 For the first time in 2018/19 the service commissioned holiday activities to support the delivery of the Child Poverty Action Plan. Activities, which focus on healthy lifestyles and include the provision of food, supported approximately 800 adults and over 1,000 children this summer just gone.

Foodbanks

- 85 The provision of support to foodbanks has been an element in a significant number of AAP projects since 2014, both in providing foodbank assistance, but also in building on the delivery of food assistance to offer vulnerable clients additional services.
- 86 The Durham Foodbank report they have provided enough food to feed 16,004 people (10,432 adults and 5,572 children) in the 10 month period to 31 January 2019. Based on the average use of the foodbank being 1.6 times, this would give a total of 10,000 unique individuals receiving food parcels in the first 10 months on this year. This is a 10 percent increase year on year.
- 87 The FEED project has distributed 1,375 food parcels in the 10 month period to 31 January 2019, which is a 44 percent increase year on year.
- 88 In 2018 Cabinet also agreed to provide financial support to the foodbanks, for example:
- The Durham Foodbank – £50,000 annual grant to fund part of their core countywide infrastructure, on the basis that this complements and augmented the Daily Living expenses provided under the Welfare Assistance Scheme;
 - FEED Project (East Durham Trust) – £2,700 annual contribution to increase capacity/ability to support residents in East Durham, on the basis that this complements and augmented the Daily Living expenses provided under the Welfare Assistance Scheme and via the Foodbank coverage in this area.
- 89 Staff at the council tirelessly support many good causes year after year, and beneficiaries include some of the organisations which are helping those residents impacted by the government's changes to welfare and austerity. This includes providing much needed donations of basic food items and Christmas treats to the Durham Foodbank.

Further Welfare Reform and Benefit Changes

- 90 The Poverty Action Steering Group is overseeing the council's response to the change and where possible we work closely with our partners including the DWP to understand who is affected, the level of impact and the dates when the changes will be introduced.
- 91 This has helped us deliver targeted work with partners to ensure that we support those residents affected, through our 'triage' process and the use of Discretionary Housing Payments to provide short term financial support, where required etc.

Under Occupancy

- 92 While the total number of tenants under occupying as at April 2013 was 8,001, there have been no evictions where the rent arrears were as a result of the under-occupancy charge only. In part this is due to the targeted proactive support and intervention the council and its partners delivered prior to April 2013, and the introduction of new protocols including 'triage' which still remain in place to intervene and assist tenants to prevent eviction. The total number of tenants under-occupying was decreasing slowly and in May 2016 stood at 6,733 however we are now unable at the moment to track those tenants who are claiming UC as this data is now held by DWP.

Benefit Cap

- 93 Residents impacted by the benefit cap, and the reduced cap were also targeted in advance of implementation to offer advice and support from the council's Welfare Rights team for benefit maximisation purposes and the Housing Solution team visited affected household to discuss the changes and to offer help and support such as advice on more affordable housing, budgeting to help tenants manage their household income, and employment and training advice. No County Durham residents have been evicted solely due to the benefit cap.

Independent Living Fund

- 94 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.
- 95 All service users with ILF have been reviewed and these services have been incorporated into individual care plans.
- 96 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.

Disability Living Allowance to Personal Independence Payments

- 97 The Welfare Rights Service undertook a campaign to assist people with learning disabilities with their transition from DLA to PIP. They identified people living in Shared Lives Placements and Supported Accommodation who would be financially better off by electing to claim PIP and completed the work with Shared Lives placements. Any new placements coming forward are checked and migrated over if appropriate. All those migrated received an increase in their Daily Living component and the majority have received an increase in the mobility component payable.

Universal Credit

- 98 The strong collaboration and partnership both internally within Durham County Council and with key stakeholders including the DWP, local housing providers, Citizens Advice County Durham and Advice in County Durham Partnership has led to the council's approach in planning for the roll out to UC in County Durham being identified as a best practice model by the DWP.
- 99 As a result of the adopted approach of delivering a comprehensive action plan, complimented by a comprehensive communications and engagement plan and a separate training plan we were able to ensure that:
- (a) all UC claimants entitle to Council Tax Reduction were made aware and have reclaimed - we have not seen a reduction in our Council Tax Reduction caseload as many authorities have;
 - (b) process maps were developed to illustrate how we closed the Gateway for Housing Benefit claims. These processes have been used by both the Customer Services and Assessment teams to successfully support claimants and mitigate the impact of incorrect applications;
 - (c) to mitigate the impact of the Council Office closures over the Christmas period, 25 December 2017 to 2 January 2018 and in light of the fact that Jobcentres were open during this period. Pre-emptive action was taken to mitigate delays;
 - (d) since the roll out of Universal credit, we provided support for claimants across the County. With funding provided through the DWP we provided vital face to face and telephone support for over 6,000 claimants. We assisted 2,060 people in making their online claim; given general advice to 3,529; dealt with 406 change of circumstances; signposted 41 to foodbanks; helped 29 to get advice on debt management; advised 162 on information relating to the services of the DWP; and offered personal budgeting support to 75;
 - (e) we deployed skilled and well-trained Digital Assistants into communities through our libraries, leisure centres and customer access points as well as working with partners including housing provider's jobcentres and Citizens Advice Bureaus (CAB);
 - (f) a conference on Universal Credit in September 2017 was organised and hosted by the Advice Partnership prior to roll out which emphasised the Council's commitment to partnership working, and it made it clear that Universal Credit was a multi-agency issue and that every organisation was part of the delivery solution; and
 - (g) the training and development strategy was delivered and proved to be both successful and well received by colleagues in all service areas and partnership organisations.

Work, increasing employability, personal wellbeing and sense of worth

Employment and Employability Initiatives

- 100 Using employment initiatives as a way of responding to the changes to the welfare system, the PASG set up to £1.65 million from the Welfare Assistance Scheme budget to develop a specific employability and wage subsidy scheme to help disadvantaged people into work. The overall aim of the project was 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.
- 101 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 July 2019, the scheme has provided skills training to 920 individuals, assisted 1010 individuals into employment and supported 70 people into self-employment.
- 102 Some examples of the skills training provided include: HETAS 03 (Registered installer of solid fuel, wood and biomass heating solutions); CPCS Dumper Truck; 17th Edition Electrical Installation; LGV Class 2; Gym Instruction; CPCS Crane Supervisor; Slinger and Signalling; Site Management; Level 3 Education and Training; Cytech Bicycle Mechanics; and ADR Transporting Hazardous Goods.
- 103 Examples 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.
- 104 The self-employment strand of the programme was 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 were an initial diagnostic to assess eligibility and the type of 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.

The County Durham Apprenticeship programme

- 105 The County Durham Apprenticeship programme was funded from November 2011 to January 2017 and provided comprehensive support to help young people progress into apprenticeships and to ensure that young people had the skills that local businesses needed. The initiative supported 1,073 young people into apprenticeships.

DurhamWorks

- 106 The DurhamWorks Programme has been led by Progression and Learning team with the Children and Young People's Services working with a number of delivery partners including the Economic Development (Employability) team. The programme is aimed at the progression of young people (16-24 years old) into employment, education and training. DurhamWorks has grown into a £29 million programme which is seeking to support almost 10,000 unemployed 16-24 year olds by summer 2021. To date, it has engaged with 6,072 participants of which 3,166 have completed the programme. Of those who have completed, 88.1 percent have progressed, the majority into employment. The success of the programme was recognised when it was granted an extension and a further £12 million of funding last year. Further programme funding applications are in hand, which if successful, would enable the scheme to continue to support unemployed young people in the county through to the end of 2023.

Durham Advance

- 107 The Durham Advance initiative was launched in July 2018 and provides support to unemployed residents (25 years and older) who have health conditions and specifically to over 50s with other barriers to employment. To date, 396 participants have been registered to the programme and 108 have moved into employment or self-employment. The programme is funded until March 2021.

Community Led Local Development

- 108 The Community Led Local Development (CLLD) programmes – North Durham Assist and Employability Mentoring were approved in October 2018 and support unemployed residents (25 years and older) in the specific areas of Spennymoor, Bishop Auckland, Chester-le-Street and Stanley. To date, 175 participants have registered with the programme and 69 have moved into employment, training or job search activities. The CLLD initiatives are approved until September 2021.

LINKCD

- 109 The LINKCD initiative has been approved from 1 July 2019 until 30 June 2022. This is a £3.3million programme to support unemployed housing tenants, ex-offenders, homeless and members of the Gypsy Roma Traveller community. The project is delivered through internal and external partners: LIVIN Housing; Karbon Homes; Changing Lives; and Housing Solutions. The aim of the programme is to support individuals into employment, training, education or volunteering and will support over 1,200 participants.

Appendix 4: Durham County Council – Poverty Action Steering Group

Poverty Action Strategy 2019-21 v1.1

Purpose

This is our Poverty Action Strategy (PAS) which aims to provide focus and direction on the priorities for improving services and opportunities for residents in County Durham who are experiencing poverty. This strategy covers a two-year period to September 2021.

For those responsible for delivering services, any future work programmes should contribute to achieving the aims set out in this strategy.

Introduction

The Council has worked closely with many key partners since 2011 to help County Durham residents cope with the changes to welfare introduced by the Welfare Reform Act 2012. In recognition of the wider impact of the changes on the County, the scope was broadened in 2015 to take a more comprehensive overview of poverty issues.

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 seeks to identify actions to support residents and help address identified inequalities through our Poverty Action Plan (PAP).

The PAP was approved by Cabinet in October 2015 and progress on delivery has regularly been reported to Cabinet and to our partners via the County Durham Partnership and our 14 Area Action Partnerships (AAPs).

Following regular progress updates to the council's Cabinet and partners, we have recently revised this PAP. This provided us with the opportunity to consider whether our current approach is the right one, and whether the strategic aims we had in place enabled us to deliver our goal of working with our partners to reduce and address poverty as far as possible across County Durham.

We know there are considerable challenges ahead if we are to deliver on our vision. In order to overcome these challenges, we have introduced a new Poverty Action Strategy which includes the revised Poverty Action Plan (PAP) and sets out what needs to be achieved in the next two years, in relation to each of our key priorities. The PAP includes a renewed focus on ensuring our strategies, policies, plans and programmes all link together to ensure a consistent and ongoing focus on our residents who are experiencing poverty. It includes new actions and commitments which will enable us to deliver the key priorities we have identified as being most important for reducing poverty levels in County Durham.

Vision

Our vision is *to improve the standard of living and daily lives of those residents in County Durham who are currently experiencing poverty; and to help alleviate issues that can lead households on low incomes to experience financial pressures.*

Strategic Aims

The reduction in local authority funding is set to continue and over the next few years will inevitably impact further 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 spending and service delivery, we can continue to mitigate the impacts where we can, through well thought-out and targeted approaches. To achieve the best possible outcomes of our vision for residents experiencing poverty, our strategic aims are:

- *To improve our understanding of the types of poverty and its impacts on County Durham residents;*
- *To increase employability, personal wellbeing and sense of worth of residents;*
- *Residents receive the best support and advice available concerning their financial situation; and*
- *Children, young people and families have the resources to meet their basic needs including accessing opportunities to take part in society.*

Key Priorities

Underpinning our strategic aims are the key priorities and detailed actions in our revised Poverty Action Plan 2019-2021. This plan ensures we build on improvements already made and deliver new initiatives required to support our residents experiencing the various types and levels of poverty.

Resources

New working groups will be established to deliver some of the actions where necessary, although it is expected a lot of the activity can be delivered through existing resources and organisations. Working with partners from across the public, private and third sector will continue to underpin our approach. The council has consistently recognised we cannot reduce poverty on our own: collaboration and a focus on delivering common outcomes remains a top priority.

Governance

The council's Poverty Action Steering Group will continue to provide leadership and direction in delivering against the PAP.

The PASG will:

- Monitor the situation across the County;
- Make practical recommendations for policy and action to address the issues identified;
- Improve co-ordination and co-operation between service groupings and organisations working to address poverty at a local level; and
- Monitor the delivery of the PAP established to respond to the issues identified.

Monitoring and Review

Annual reports will be provided to the council's Cabinet and the County Durham Partnership, as well as updates to partners and other organisations.

The PAS will be subject to review every two years when the aims and priorities are revisited, and the strategy and action plan will be revised to ensure that it is current and reflects the communities in County Durham and what our residents are telling us.



Poverty Action Steering Group

Poverty Action Strategy Plan on a Page 2019-2021

Vision: *to improve the standard of living and daily lives of those residents in County Durham who are currently experiencing poverty; and to help alleviate issues that can lead households on low incomes to experience financial pressures.*

Strategic Aims

1. To improve our understanding of the types of poverty and its impacts on County Durham residents

2. To increase employability, personal wellbeing and sense of worth of residents

3. Residents receive the best support and advice available concerning their financial situation

4. Children, young people and families have the resources to meet their basic need, including accessing opportunities to take part in society

Key Priorities

1.1. Have a greater understanding of population needs, pooling all data/intelligence across a broad range of services/partners and analysing data to inform practice and use of resources.
1.2. All staff providing frontline services and Members understand poverty and how it affects communities and families within County Durham and information is easily available to help residents.
1.3. All partners work collectively and think about how their work can help address the issues associated with poverty.

2.1. Have a greater understanding of inequalities in employment and analyse data to identify increased opportunities to support residents into training and/or work.
2.2. Residents who experience health/mental health issues and are affected by poverty/changes to welfare receive the most appropriate advice and support from DCC.

3.1. Durham County Council continues to provide financial support for residents affected by poverty and/or changes to welfare where it can.
3.2. Residents receive the financial support which they are entitled to (i.e. non DCC financial support).
3.3. Young people in County Durham have a high level of knowledge for basic personal finance.
3.4. Residents are aware of the dangers of using pay day and doorstep lenders and have access to alternative means of support.

4.1. Narrow the gap in access to culture, leisure, sport and health for children and young people.
4.2. Raise aspirations and resilience of children and young people in County Durham making the move into work easier so they reach their full potential.

Durham County Council – Poverty Action Steering Group

2019-2021 Poverty Plan v1.1

Aim	Key priorities	Actions	Due date	Owner
<p>1. To improve our understanding of the types of poverty and its impact on County Durham residents</p>	<p>1.1. Have a greater understanding of population needs, pooling all data/intelligence across a broad range of services/partners and analysing data to inform practice and use of resources.</p>	<p>1.1.a. Produce Joint Service Needs Assessment (JSNA) factsheets on poverty and share via Durham Insights to help inform practice/service development/partnership working etc.</p> <p>1.1.b Use internal and where available external data to develop insight and profiles of groups (including housing data), likely to be impacted by poverty in order to improve communications and engagement with target groups.</p>	<p>Refreshed six monthly: March 2020 September 2020 Full programme completed by March 2021</p>	<p>Michael Fleming Paul Darby</p>

Aim	Key priorities	Actions	Due date	Owner
	<p>1.2. All staff providing frontline services and Members understand poverty and how it affects communities and families within County Durham and information is easily available to help residents.</p>	<p>1.2.a. Develop content for induction programme and existing employees and Member communications covering poverty in the county, impacts on residents, alleviation measures and signposting to advice and support, so that staff are able to spot poverty and know what to do to help</p> <p>1.2.b. Include financial wellbeing in the council's Better Health at Work Award programme</p> <p>1.2.c. Review and revise information and correspondence on council tax, benefits and concessionary support to reduce jargon, simplify and make more customer friendly (in line with the council's 'outside-in' principle).</p> <p>1.2.d Review and revise customer service procedures and processes in order to join-up welfare advice and support at the first point of contact with a resident. To provide a holistic support offer for residents</p>	<p>December 2019</p> <p>December 2019</p> <p>March 2020</p> <p>March 2020</p>	<p>Emma Gardner/Alison Lazazzera/Michelle Atkinson</p> <p>Amanda Healy</p> <p>Michelle Atkinson</p> <p>Victoria Murray</p>
	<p>1.3. All partners work collectively and think about how their work can help address the issues associated with poverty.</p>	<p>1.3.a. Research and develop poverty alleviation measures including the Durham Living Wage through social value provisions in procurement contracts. Promote through procurement processes and Business Durham business liaison.</p> <p>1.3.b. Develop toolkit for local organisations to help their employees, for example signposting information, promotion of salary savings schemes with local credit unions, access to ICT to make online claims.</p> <p>1.3.c. Promote and increase Durham Living Wage accreditation among employers in County Durham.</p> <p>1.3.d. Coordinate a partnership with landlords to share best practice and understand the impacts of poverty.</p>	<p>March 2020</p> <p>March 2020</p> <p>September 2020</p> <p>June 2020</p>	<p>Darren Knowd</p> <p>Graham Wood/Brian Archer</p> <p>Brian Archer</p> <p>Marie Smith</p>

Aim	Key priorities	Actions	Due date	Owner
2. To increase employability, personal wellbeing and sense of worth of residents	2.1. Have a greater understanding of inequalities in employment and analyse data to identify increased opportunities to support residents into training and/or work.	<p>2.1.a. Undertake a health and social needs analysis including case studies of people not in or at risk of not being in education, employment or training to overcome barriers to work and improve employability.</p> <p>2.1.b. Review baseline mapping exercise to identify holistic support available for basic skills and employability. Refresh programme of support, in the light of findings of the mapping exercise.</p>	<p>March 2020</p> <p>June 2020</p>	<p>Graham Wood/Michael Fleming/Michelle Baldwin</p> <p>Graham Wood</p>
	2.2. Residents who experience health/mental health issues and are affected by poverty/changes to welfare receive the most appropriate advice and support from DCC.	<p>2.2.a. Include specific objectives and actions on poverty alleviation in the reviewed Health and Wellbeing Strategy.</p> <p>2.2.b. scope which appropriate frontline health and social care staff, housing staff could provide welfare advice and signposting as part of their core remit e.g. primary care, health visitors. Develop workforce training sessions to increase skills and competence to do the brief intervention.</p> <p>2.2.c. Understand the needs and assets of older people and the impact poverty has. Develop actions from identified needs and assets.</p> <p>2.2d. Develop joint working practices between housing and health team to assist homeless people and those threatened with homelessness where people experience mental health issues.</p>	<p>March 2020</p> <p>June 2020</p> <p>March 2020</p> <p>June 2020</p>	<p>Amanda Healy</p> <p>Gill O'Neill/Michelle Baldwin</p> <p>Michael Fleming/ Jane Sunter</p> <p>Marie Smith</p>

Aim	Key priorities	Actions	Due date	Owner
3. Residents receive the best support and advice available concerning their financial situation.	3.1. Durham County Council continues to provide financial support for residents affected by poverty and/or changes to welfare where it can.	3.1.a. Develop an early identification and support programme to prevent residents falling into financial hardship. See also: 1.1.b. 1.2.c.	June 2020	Graham Wood/Paul Darby/Lynn Hall
	3.2. Residents receive the financial support which they are entitled to (i.e. non DCC financial support).	3.2.a. Research feasibility of a multi-agency advice/support service to work generically with family. 3.2.a. Continue to train frontline staff across DCC and partners to use AiCD portal. 3.2.c. Undertake feasibility study of using AiCD portal for all poverty-related referrals. See also: 1.1.b. 1.2.d.	March 2020 June 2020 March 2020	Martyn Stenton Paul Darby Paul Darby
	3.3. Young people in County Durham have a high level of knowledge for basic personal finance.	3.3.a. Produce a baseline of financial literacy training available to primary and secondary schools and the FE sector. 3.3.b. Develop a coordinated programme of financial literacy and personal finance training to the above. 3.3.c. Develop learning materials for primary and secondary schools to improve financial literacy and personal finance.	March 2020 June 2020 June 2020 June 2020	Graham Wood/Richard Crane Graham Wood Graham Wood/Richard Crane

Aim	Key priorities	Actions	Due date	Owner
		<p>3.3.d. Develop a financial literacy and personal finance module for inclusion in the DCC apprenticeship programme, with a view to rolling out to other employers.</p> <p>3.3.e. Explore feasibility of DCC providing Looked After Children with a credit union account and a nominal annual payment.</p> <p>3.3.f. Working with training providers to build personal resilience amongst trainees.</p>	<p>June 2020</p> <p>June 2020</p>	<p>Graham Wood/Alison Lazazzera</p> <p>Karen Robb/David Tinmouth</p> <p>Graham Wood</p>
	<p>3.4. Residents are aware of the dangers of using pay day and doorstep lenders and have access to alternative means of support.</p>	<p>3.4.a. To work with partner agencies to deliver a programme of multi-agency community roadshows across the county (six per year).</p> <p>3.4.b. Explore feasibility of restricting access to payday lender webpages from DCC public access computers, linking instead to credit union lenders.</p>	<p>March 2021</p> <p>December 2019</p>	<p>Joanne Waller/Graham Wood</p> <p>Alan Patrickson</p>

Aim	Key priorities	Actions	Due date	Owner
<p>4. Children, young people and families have the resources to meet their basic needs, including accessing opportunities to take part in society.</p>	<p>4.1. Narrow the gap in access to culture, leisure, sport and health for children and young people.</p>	<p>4.1.a. Undertake a health equity audit of who is currently accessing council leisure facilities to understand how we target our offer better to reduce inequality of access and opportunity.</p> <p>4.1.b. Undertake a feasibility study of establishing a budget to support improving access to leisure facilities (e.g. discounts, promotion and transport) for children and families referred by social care and health agencies</p> <p>4.1.c. Explore the funding options for the provision of personal male and female hygiene products to young people through primary, secondary schools, One Point centres and family centres etc.</p> <p>4.1.d. Review and evaluate pilot of family centres providing food, clothing, personal hygiene products etc.</p> <p>4.1.e. Review and evaluate pilot of free activities with food provision during 2019/2020 school holidays and undertake a feasibility study of establishing a budget for future provision.</p> <p>4.1.f. Explore linkages with 'Cutting the cost of the school day' project.</p> <p>See also:</p> <p>1.1.a.</p> <p>1.1.b.</p>	<p>June 2020</p> <p>June 2020</p> <p>March 2020</p> <p>March 2020</p> <p>September 2020</p> <p>March 2020</p>	<p>Karen McCabe</p> <p>Helen Fergusson, Martyn Stenton and Steve Howell</p> <p>Michelle Baldwin</p> <p>Karen Davison</p> <p>Karen Davison</p> <p>Richard Crane</p>

Aim	Key priorities	Actions	Due date	Owner
	<p>4.2. Raise aspirations and resilience of children and young people in County Durham making the move into work easier so they reach their full potential.</p>	<p>4.2.a. Develop 'My Future is Durham' initiative into a wider programme for schools and colleges.</p> <p>4.2.b. Explore the development of specialist careers advice and pathways for Looked after Children, Care Leavers and SEND to enable young people to realise their aspirations.</p> <p>4.2.c. Explore future funding options to further develop DurhamWorks programme.</p> <p>4.2.d. Review options to encourage career development and aspirations through DCC's apprenticeship programme for 2020/21.</p>	<p>June 2020</p> <p>June 2020</p> <p>December 2019</p> <p>December 2019</p>	<p>Michelle Atkinson</p> <p>Helen Fergusson</p> <p>Stuart Timmiss</p> <p>Alison Lazazzera</p>