



Agenda for Overview Committee Thursday, 14th November, 2019, 6.00 pm

Members of Overview Committee

Councillors: N Hookway (Chairman), V Johns (Vice-Chairman), M Allen, S Chamberlain, B De Saram, I Hall, M Hartnell, S Hawkins, F King, J Loudoun, M Rixson, T Woodward and P Millar

Venue: Council Chamber, Blackdown House, Honiton

Contact: Susan Howl;

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(or group number 01395 517546)

Tuesday, 5 November 2019

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1 Public Speaking

Information on [public speaking](#) is available online.

2 Minutes of the previous meeting (Pages 3 - 11)

3 Apologies

4 Declarations of interest

Guidance is available online to Councillors and co-opted members on making [declarations of interest](#).

5 Matters of urgency

Information on [matters of urgency](#) is available online.

6 Confidential/exempt item(s)

To agree any items to be dealt with after the public (including press) have been excluded. There are **no** items that officers recommend should be dealt with in this way.

7 Presentation from Jurassic Fibre

Members will be joined by Michael Maltby, CEO of Jurassic Fibre, for a presentation followed by a brief Question & Answer session.

8 Economic Development update (Pages 12 - 36)

9 Update on Draft Drone Policy

10 Poverty in East Devon (Pages 37 - 73)

- 11 Update on the High Street Task & Finish Forum
- 12 Report back from the Overview Committee Working Group on Governance held on 17 October 2019 (Pages 74 - 76)
- 13 Overview Forward Plan (Pages 77 - 78)

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[Decision making and equalities](#)

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EAST DEVON DISTRICT COUNCIL**Minutes of the meeting of Overview Committee held at Council Chamber, Blackdown House, Honiton on 29 August 2019****Attendance list at end of document**

The meeting started at 6.00 pm and ended at 8.30 pm

19 Public Speaking

Adam Powell, Secretary for the Tiverton and Honiton Constituency Labour Party, read out the following statement:

“On behalf of the Tiverton and Honiton Labour Party I would like to offer some comments and observations on East Devon’s recent Review of Policies on Poverty. The report is obviously a result of detailed research.

Despite East Devon being an affluent region of the U.K., poverty is a real issue, and getting worse.

To quote:

11,956 households having two or more scores for deprivation,
7 wards with more serious deprivation [scores on 3 or 4 measures] in over 100 households,
6344 children growing up in poverty in East Devon,
Half the people in poverty live with someone registered disabled.

This is clearly not a credit to our affluent East Devon, that people flock to visit.

This report is academic, how many people in this room have experienced:

Not being able to feed their children in the summer holidays,

Not being able to ever afford a family holiday,

Not being able to afford school uniforms,

Not being able to afford to the rent,

Living in damp, housing where the children have no space to do their homework,

Or a case I heard about recently ‘Only being able to afford Weetabix for Sunday lunch for a family of four’.

Firstly this review needs an action plan of how to locate these East Devon people who are clearly needing extra help. A law was passed a few weeks ago in Sweden making it illegal to beg on the streets unless you registered on line for a permit to beg. The aim was not to punish beggars, but to make contact so they can be helped. East Devon we need to identify children, families, disabled people, and even working people who are simply, for whatever reason, are not able to afford their basic needs. The data needs joining up; free schools meals registers, ESA [employment support allowance] claimants, etc.

Secondly this council has failed in its target to build more truly affordable homes, dry and warm, and spacious enough for human beings not just to survive but to thrive. When we have a secure home we can benefit from good education; from the early years to sixth form and beyond to adult education as well. This can break the cycle of poverty and make society richer.

This council has failed to build quality social housing, we have failed to invest in education, the results are a poor society that suffers from physical and mental health prematurely. This is proven, now we need to act.

Many families in poverty are working, individuals holding down two or three low paid jobs are common. These people are not only financially poor, but also short of time to spend with their families. This council needs to positively nudge employers to pay the living wage [at least £10/hour] and champion those that do. East Devon falls short of their own targets on job creation.”

20 **Minutes of the previous meeting held on 25 July 2019**

The minutes of the previous meeting held on the 25 July 2019 were confirmed as a true record.

21 **Declarations of interest**

Minute 25. East Devon Policies on Poverty.
Councillor Ian Hall, Personal, Devon County Councillor.

Minute 25. East Devon Policies on Poverty.
Councillor Mike Allen, Personal, Volunteers for local food bank.

22 **Matters of urgency**

There were no matters of urgency.

23 **Confidential/exempt item(s)**

There were no items classified in this way.

24 **Council Plan draft**

The Chairman welcomed the Portfolio Holder for Corporate Services to the meeting, to present the emerging draft Council Plan 2020 – 2024.

The Portfolio Holder explained the purpose of the plan is to set the strategic priorities for the Council. Drawing up the plan was a collaborative process, and she welcomed any input on it from the Committee and other councillors present. The draft plan would also be considered by the Scrutiny Committee, before going to Cabinet on the 30 October, with the final revised version being presented to Council on the 11 December. She specifically thanked the Strategic Lead Organisational Development, Transformation and Equalities for all her hard work in helping prepare the plan.

Questions on the plan, and suggestions for amendments generally, included:

- Summary information in the plan was based on data held by the Council, and information provided by Exeter University specifically on CO₂;
- That the plan was not sufficiently creative or aspirational;
- That budget shortfall figures should be consistent through the document.

Specifically on priority one: outstanding place and environment:

- a. Expand on working with Natural England to include working with East Dorset on a new national park;
- b. What was the latest decision on the Greater Exeter Strategic Plan;
- c. CPRE report wants to build more homes than are needed;
- d. What was meant by promoting open spaces on a commercial basis;
- e. Accessible green space at Cranbrook should be credited to Cranbrook Town Council, not the District;
- f. There is no reference to the playing pitch strategy – suggested that there is reference both to that, and to providing opportunities for sport, culture and leisure as part of preparations for the next Local Plan and the GESP;
- g. Proposals for housing design have drifted and should be a focus for planning
- h. Make specific reference to working with health support groups (there are a number, based in each town and in other areas) across the District, as well as enable links to local community hospitals;
- i. Include cycle paths in future infrastructure, in reference to Cranbrook;

In response to the points on priority one: outstanding place and environment:

- a. Building a case for a new national park covering the AONB areas in Dorset and East Devon is expected to take ten years or more, outside the period of the draft plan, and therefore it was deemed sensible to wait for an outcome of the review, before configuring that into a council plan;
- b. No decision has been taken on the GESP; an update report on progress by the new councils on it would be provided to the Strategic Planning Committee in November;
- c. Location of new housing will take into account all evidence, including the CPRE report, as has been set out in previous reports to the Strategic Planning Committee; the GESP and Local Plan are subject to consultation processes;
- d. Events run on council land is what is meant by promoting open spaces on a commercial basis, to help generate additional income;
- i. The development plan document is currently with the Inspector – if cyclepaths are not part of the plan that the Inspector has to consider, there isn't provision to include that – if the plan is found to be sound, the suggestion could subsequently be examined;

Specifically on priority two: outstanding homes and communities:

- a. What is the level of tenancy fraud;
- b. What are current levels of deprivation, broken down by town;
- c. How devolution of assets will be delivered – will it be on a town by town basis or collectively across the District;
- d. Divert the budget for an online ticketing service from section 106 funding to delivering the Beach Management Plan (BMP) for Sidmouth;
- e. Not enough affordable homes delivered and no news from the Housing Company; diminishing housing stock issue needs to be addressed and incorporated into the plan.

In response to the points on priority two: outstanding homes and communities:

- a. Tenancy fraud level is low, confirmed by an amnesty run in 2018;
- b. Specific data would come forward in a future report to the committee following the work of the Devon Strategic Partnership Welfare Task Group;
- c. Asset Management Forum have a report on the next steps for the agreed devolution of assets, which will come back to Cabinet along with the outcome of the pilot undertaken at Beer Parish Council;

- d. Section 106 funding is limited to where it can be spent by the agreement set up – it must relate directly to tourism and therefore cannot be utilised for the BMP.

Specifically on priority three: outstanding economic growth, productivity and prosperity:

- a. Where are the high skilled and better paid job opportunities in the District;
- b. What is the innovative approach to promoting tourism and what are the footfall figures for Seaton Jurassic;
- c. No comprehensive view of the rural and coastal community, the plan could be interpreted as only having focus on higher paid jobs being provided by the science park;
- d. Weighting high skilled/paid jobs to the west of the district meant that those who reside in the east would need to travel – there needs to be an even distribution across the District to reduce travel distances;
- e. Consider expanding on supporting infrastructure providers, as there will be a shortfall in the CDS project in delivering broadband across the District; having a good broadband service in place allows rural communities to better develop local businesses that can operate remotely and therefore helps boost the local economy. There needs to be action to enable a better penetration of broadband in the District;
- f. More promotion of the services available to SMEs, and work to deliver small business units that are needed in the District

In response to the points on priority three: outstanding economic growth, productivity and prosperity:

- a. The plan sets out to try to provide different land for different jobs, to encourage higher paid jobs – examples being the airport and the science park;
- b. Number of visitors to Seaton Jurassic can be provided to the councillor; previous attempts had been made to join up the tourism offer to promote the district as a whole, but towns had been reluctant to buy into that and had preferred to promote themselves on a single destination basis, so not pursued by the previous Council. This would be reviewed under the new administration;
- d. The Portfolio Holder for Corporate Services commented that the plan had the aspiration for all towns in the District to be able to offer highly skilled/paid jobs.

Specifically on priority four: outstanding council and council services:

- a. In regard to relocating to Blackdown House and Exmouth Town Hall, the savings are less than claimed; was the Project Manager still employed, what is the total consultation bill and the total refurbishment bill for Exmouth Town Hall;

In response to the points on priority four: outstanding council and council services:

- a. Cabinet will receive a report one year after the relocation that will outline the savings achieved and various elements related to the relocation;

The Leader explained to the committee his desire, and that of his Cabinet, to work towards delivering for the District's towns to enable them to become as self-sufficient as possible. He also shared his ambition for all towns to have their own business centres in the future, and the expansion of small business units to again help the degree of self-sufficiency each town could develop. Through the Heart of Devon partnership, an economic strategy was due to be presented to Government in the New Year outlining plans to expand growth in the enterprise zone areas.

He also commented that work was underway to try to change the diminishing housing stock, and that it would take time to ensure that the right policies were in place, and that

any new stock built would not be taken away by Government. He looked forward to hearing ideas from Councillors on how to address social housing, weighing up what could be delivered and within the law.

The Chairman brought the debate to a conclusion, adding that three elements would impact what the Council could deliver: Brexit; a general election; and climate change. It was likely that the plan would have to adapt over time to deal with those outcomes.

RECOMMENDED to Cabinet to accept the draft Council Plan, subject to revision taking into account the comments made during the debate by the Overview Committee; specifically that that there is reference both to the playing pitch strategy, and to providing opportunities for sport, culture and leisure as part of preparations for the next Local Plan and the GESP.

25 **East Devon Policies on Poverty**

Cllr Allen presented his paper to the committee. His paper outlined how poverty is defined currently, and how a new way of measuring poverty the Department of Work and Pensions takes account of factors other than income.

His paper covered the many causes of poverty, and the practical implications for those living in poverty. The paper also covered statistics for the District.

He suggested a number of measures that the Council could use to take action on local poverty, which are detailed in the recommendation to Cabinet below.

Debate on the item included:

- Further discussion should take place on the issue when a report prepared by officers was presented to the committee in November, which included the work undertaken to date alongside the Devon Strategic Partnership Group;
- Data from intelligence already held from council tax and benefit records needed to be presented to get a clear picture of what impact there is on the District;
- Any measures for alleviating poverty must include helping people with dealing with personal debt;
- More officer resource should be considered in order to build on work already undertaken by officers in both revenues and benefits, and the housing service, to help signpost where help could be found;
- Concentrate on the root causes of poverty and look to educate where possible; including working with housing providers to help identify those who need help;
- Not enough housing stock is key issue, as is the impact of universal credit;
- Wait for report in November and consider alongside the proposals in Councillor Allen's paper.

RECOMMENDED to Cabinet:

that in the preparation of the Council Plan, and subsequent service plans and related budgets, the following proposals on dealing with poverty are taken into account:

1. Council should have two basic aims, that:-

- 1.1. No one in East Devon is destitute without immediate help, and
- 1.2. Nobody is in poverty for more than two years duration.

2. To achieve this we should address the following key issues:

- 2.1. Boost incomes and reduce relative housing costs;

- 2.2. Work with partners to deliver an effective benefit system;
 - 2.3. Deliver actions with Business and Public Sector to improve education standards, raise skills and improve work placements;
 - 2.4. Strengthen families and communities to help those at risk of poverty; and
 - 2.5. Promote long-term economic growth to reduce dependency on agriculture, tourism and catering industries
3. **Cabinet should organise lobbying of Government Policymakers by the Council and with Partners** Aimed to improve Welfare, Housing Policy and Employment Law using this report as a basis.
4. There is now a general power to give financial assistance for home repairs, providing the Council has a published policy for providing such assistance. Council should develop a clear Private Sector Housing strategy which plays a key part in delivering the various duties and powers the Council has regarding housing, such as:
- 4.1. assessing the quality, condition and management of the housing stock in the private sector
 - 4.2. tackling poor housing conditions and take action where the meet the requirements of the Decent Homes Standard is not met
 - 4.3. developing measures to bring empty properties back into use
 - 4.4. helping to drive up standards of property management in the private sector
 - 4.5. helping to improve homes through grant assistance in respect of Disabled Facilities Grants (DFGs)
 - 4.6. preventing and reducing homelessness
 - 4.7. improving energy efficiency and reducing carbon emissions from housing. From April 2018, it is unlawful for a landlord to rent out a residential property that does not reach a minimum energy efficiency standard. The intention is for the minimum standard to be set at EPC rating E.;
 - 4.8. administering and enforcing mandatory HMO (house in multiple occupation) licensing
- We cannot deliver the aims of such a strategy alone and it will only be achieved with the assistance of partners and with Devon Home Choice
5. **Devon Strategic Partnership** should report on poverty mapping and should include actions regarding:
- 5.1. Welfare Benefit Policies
 - 5.2. Homelessness
 - 5.3. Exeter and Heart of Devon local Economy actions on jobs
 - 5.4. Health and wellbeing integrated developments
 - 5.5. Broadband
 - 5.6. Food Banks
 - 5.7. Discretionary funding and match-funding with grants
 - 5.8. Review of Priorities
6. **Action with DCC and Skills Agency** Can improve skills and employment career advice to schools and links with SMEs through coordination with Jobcentres:-
7. **Work with EHOD Partners** including Skills Agency to enhance skills in Admin. Food Supply, Wholesale/Retail and Agriculture especially to counter Brexit damage
8. Work with Partners to support low-income residents into higher paid employment and raise skills, attainment and life chances.
9. **Encourage Clinical Commissioning Group** and County Council focus on poverty alleviation through coordination with the District Council
10. Work with partners to improve health outcomes for people on low incomes, including physical and mental health.
11. Apply rigour with transport licensing to improve rural and town access

Potential key areas of focus for the Council's own action going forward:

12. All relevant services and policies to be subject to “poverty proofing” by a report to Overview when each Service Plans and budget is being developed
13. Economic Development to prioritise Business support for Technology, Professional Services and Manufacturing businesses.
14. Economic Development to counter stereotypes of age in employment practises by suitable fact-based engagement with employers
15. Planning to be supportive in Planning applications for Technology, Professional Services and Manufacturing businesses.
16. Contract to AED or similar entity to crowdfund (and raise donations and legacies) and then administer an emergency help fund to help with catastrophic life events. Find grant funds for emergency bridging loans and signpost help
17. Specific EDDC local action integrated with volunteers to focus on key families based on the success of the Troubled Families Programme including creche, early years and childcare facilities; food clubs to improve nutrition; mums and dads clubs to improve parenting and homework and food facilities for children
18. A specific EDDC action research project to focus on disability and chronic ill health:
 - 18.1. Evaluation by Housing Department of disability affects in our social housing stock
 - 18.2. Research by Policy Planning Department on design standards which inform policies to address poverty amongst disabled people.
 - 18.3. Advisory help on home adaptations grants and methods for the disabled and elderly using Disabled facilities grants, Warm Home grants etc.
19. Mechanisms for mapping and enabling key volunteer agencies with committed 3-year funding support based on performance goals
20. Strengthening Community team action to build self-help among community volunteers
21. A Grant fund contributing to revenue funding of Foodbanks for the next 3 years
22. EDDC Community team to engage the Faith and Voluntary sector in an audit of what help exists in East Devon and plan how to help this sector can efficiently harmonise with statutory bodies
23. Support residents to access benefits and respond to the impacts of welfare reform and Brexit.
24. Work with voluntary sector partners to provide debt advice and financial advice - For example UC claimants are able to access the Jobcentre Plus Flexible Support Fund (FSF)—a discretionary fund, controlled by Work Coaches—to cover the up-front costs of childcare, if these would otherwise present a barrier to work. Universal Credit claimants are required to pay for childcare upfront, and claim the money back from DWP. Initial costs, including deposits, can run to hundreds of pounds: costs that may be prohibitive for people with no savings or immediate income. The Flexible Support Fund can be used to meet these costs.
25. Promote and signpost residents to sources of affordable finance.
26. Support residents in fuel and water poverty to reduce their energy and water bills.
27. Continue to promote the Living Wage to employers through Economic Development.
28. Work with local businesses to identify ways that they might use their skills, capacity and resources to support the achievement of shared objectives around poverty and disadvantage.
29. Continue to promote digital access for residents on low incomes with a PC loan fund.
30. Continue to promote volunteering as a means to develop skills and employability and build communities.
31. Promote community pride and cohesion through supporting a range of community events and celebrations to raise funds to alleviate immediate poverty.
32. Construct new Council homes, working with social landlords and developers to deliver more affordable homes.
33. Provide housing, employment and skills support for homeless people.

34. Deliver a range of projects to support groups of people that are more likely to experience poverty, including women, children and substance abuser.

RESOLVED that the proposals be considered alongside a report on Poverty at the November meeting of the committee, with a view to making further recommendations to Cabinet.

26 **Review of the Council's Governance Arrangements - update**

The Chairman advised the committee that circumstances had prevented a meeting between him and the Portfolio Holder for Transformation, but that work would continue on this issue.

An additional meeting for the committee was set for the 17 October 2019 to debate this issue only. Further discussion had also been timetabled in for the scheduled meeting in February 2020.

27 **Overview Forward Plan including update on active scopes**

The Chairman updated the committee on two issues:

- High Streets Task and Finish Forum would get underway later in the year, following discussion with the Portfolio Holder Economy in relation to his plans for a wider economic review of key towns of the District. A [recently published report by Manchester Metropolitan University](#) on the subject would be circulated to councillors;
- Broadband work continued, being actioned by Councillor King. A recent announcement had been made by Government of a [Rural Connected Communities competition](#).

The forward plan for the committee was noted.

Attendance List

Councillors present:

N Hookway (Chairman)
V Johns (Vice-Chairman)
M Allen
S Chamberlain
I Hall
M Hartnell
S Hawkins
F King
M Rixson
T Woodward

Councillors also present (for some or all the meeting)

M Armstrong
P Arnott
J Bailey
K Blakey

K Bloxham
S Bond
P Faithfull
B Ingham
S Jackson
A Moulding
G Pook
J Rowland

Officers in attendance:

Amy Gilbert-Jeans, Service Lead Housing
Libby Jarrett, Service Lead Revenues and Benefits
Debbie Meakin, Democratic Services Officer
Karen Simpkin, Strategic Lead Organisational Development, Transformation and Equalities
Anita Williams, Principal Solicitor (and Deputy Monitoring Officer)
Mark Williams, Chief Executive

Councillor apologies:

B De Saram
J Loudoun
C Wright

Chairman

Date:



Report to: **Overview Committee**

Date of Meeting: 14 November 2019

Public Document: Yes

Exemption: None

Review date for release None

Subject: **EDDC Economic Development Update**

Purpose of report: The purpose of this report is to provide an update on the work programme of Economic Development and to summarise the findings of this year's HOL Select Committee inquiry into Rural Economies

Recommendation:

- 1. Members note the progress made in delivery of local economic development activity**
- 2. Members note the local evidence submitted by EDDC to the HOL Select Committee enquiry and the main findings of the rural strategy report**

Reason for recommendation: To ensure the delivery of an effective economic development service

Officer: Robert Murray - Economic Development Manager
rmurray@eastdevon.gov.uk 01395 517514

Financial implications: There are no direct financial implications resulting from the recommendations of this report.

Legal implications: There are no specific legal implications requiring comment.

Equalities impact: Low Impact

Climate change: Low Impact

Risk: Comments
 Low Risk

There are no specific risks associated with this update report

Links to background information:

- [Service Plan: Economy & Regeneration Services, Apr 2019-Mar 2020](#)
- [Shared Economic Strategy \(2017-20\) A Collaborative Approach to Growth and Productivity. EHOD Economic Partnership](#)
- [All Business Great and Small, The East Devon Economy Report, March 2017](#)
- [EDDC Business Engagement Update Report, 22 Mar 2016](#)
- [OVC Economic Development Briefing Paper, 22 Sep 2015](#)
- [OVC Report: East Devon Local Economy, 6 March 2017](#)
- [OVC Report: Local Economic Development Activity, 5 October 2017](#)

Link to Council Plan: Developing an outstanding local economy
 Continuously improving to be an outstanding council

1. Economic Development: Key Updates

Headline Economic Indicators: East Devon

| Indicator | 2018 Position | Key Points: Local Economic Assessment, April 2018 | Devon () = % of |
|--|----------------|---|--------------------|
| Employment | 79.1% | <ul style="list-style-type: none"> East Devon is slightly below the county level (79.2%), but above the national level (75%) | 79.2% |
| Unemployment Rate | 2% | <ul style="list-style-type: none"> Below the county and national average | 2.4% |
| Economic Inactivity Rate | 15,600 (20.9%) | <ul style="list-style-type: none"> With an aging demographic, East Devon has a higher level of economic inactivity than the county average, but it is below the national average (21.7%) | 18.6% |
| Population | 142,265 | <ul style="list-style-type: none"> Largest district by population in Devon | (18.1%) |
| Gross Value Added | £2,496m | <ul style="list-style-type: none"> Second largest district by overall output in Devon after Exeter | (15%) |
| GVA per Head [2016] | £17,246 | <ul style="list-style-type: none"> East Devon is below the county and national average. Not the lowest in Devon & increasing (mid-table increases in terms of UK LAs since 2010) | £21,099 [2017] |
| Businesses | 7,295 | <ul style="list-style-type: none"> East Devon is the largest district by number of businesses in Devon. Business numbers have been expanding since 2013. | (16.7%) |
| 3 Year Business Survival Rate | 64.4% | <ul style="list-style-type: none"> Below the county and national average | 65.4% |
| Business Density (firms per 1,000 res) | 83.3 | <ul style="list-style-type: none"> East Devon has a slightly higher business density than the county as a whole | 81.2 |
| NVQ Level 2+ | 79.1% | <ul style="list-style-type: none"> Below the county, but above national average | 80% |
| NVQ Level 4+ | 41.8% | <ul style="list-style-type: none"> Above the county and national average East Devon has the third highest proportion of top skilled qualifications in Devon | 40.3% |
| Resident Earnings (Weekly FTE) | £486.3 | <ul style="list-style-type: none"> East Devon weekly FTE earnings are slightly below the county and regional average. We have higher levels of part-time workers. Due to variance of data gathering, in previous years East Devon showed higher than average (given out-commuting for higher pay) | £496.50 |
| Workplace Earnings (Weekly FTE) | £476.1 | <ul style="list-style-type: none"> Fairly consistently below the county and the national average, but increasing. As before, due to variance of data gathering in some years we have been above the Devon average. The district has higher levels of part-time workers and out-commuting for higher pay. | £498.30 |
| Number of Pensioners | 42,660 | <ul style="list-style-type: none"> East Devon has the largest proportion of pensioners by District in Devon | (21.6%) |
| House Price Ratio | 9.87 | <ul style="list-style-type: none"> Our house prices are above the county and regional average when compared to median earnings | 9.36 |

East Devon Businesses: Top Employers by Numbers of Employees

| Company/Employer Name <i>[public sector italicised]</i> | Postcode | Number of Employees |
|---|-----------------|----------------------------|
| SOUTH WEST HIGHWAYS LIMITED | EX5 2HB | Over 600 |
| FLYBE LIMITED | EX5 2BD | Between 500 and 600 |
| <i>EAST DEVON DISTRICT COUNCIL</i> | <i>EX10 8HL</i> | <i>Between 500 and 600</i> |
| HAVEN LEISURE LIMITED | EX8 5BT | Between 400 and 500 |
| <i>EXMOUTH COMMUNITY COLLEGE</i> | <i>EX8 3AF</i> | <i>Between 400 and 500</i> |
| FLYBE AVIATION SERVICES LIMITED (Engineering) | EX5 2BA | Between 300 and 400 |
| THE DONKEY SANCTUARY | EX10 0NU | Between 300 and 400 |
| EXETER & DEVON AIRPORT LTD | EX5 2BD | Between 300 and 400 |
| TESCO STORES LTD (Exmouth) | EX12 2PB | Between 300 and 400 |
| <i>DEVON AND SOMERSET FIRE AND RESCUE</i> | <i>EX3 0NW</i> | <i>Between 300 and 400</i> |
| TESCO STORES LTD (Seaton) | EX8 2NP | Between 200 and 300 |
| OTTER NURSERIES LIMITED | EX11 1LZ | Between 200 and 300 |
| RIVER MEDIA DEVON LTD (One Media, Woodbury B Park) | EX5 1AY | Between 200 and 300 |
| AXMINSTER TOOL CENTRE LTD | EX13 5PH | Between 200 and 300 |
| <i>EXMOUTH HOSPITAL</i> | <i>EX8 2JN</i> | <i>Between 200 and 300</i> |
| TESCO STORES LTD (Honiton) | EX14 2XD | Between 200 and 300 |

Source: Bureau van Dijk MintUK database. NB: data as recorded Sept 2017.

East Devon Enhancing Productivity – Tailored Business Support

Understanding the national and regional HoTSW LEP drive to increase productivity across core sectors, Economic Development have developed The East Devon Enhancing Productivity (EDEP) Programme. The initiative offers a range of fully funded workshops and one-to-one support for pre-start and existing businesses across East Devon.

The team implemented the Devon County Council local procurement framework, eventually appointing [Business Information Point](#) and local IT experts [Cosmic](#) to provide local businesses with the support they need to plan and launch a business and be more productive and sustainable by using the latest technology.

A wide range of business ideas were supported by BIP under the pre-start support area of the project including several health and wellbeing businesses, tourism, retail, graphic design services, gardening, personal trainers, a special events venue, a bakery and manufacture of beauty products. One to one consultancy support was provided by Cosmic for existing businesses across a diverse range including scientific consultants, holiday accommodation, health & fitness, ethical products and gifts, and dog clothing and accessories, reflexology and nutrition, and craft courses. Feedback on the support provided by both BIP and Cosmic has been positive, with satisfaction and advisor knowledge ratings of excellent across the board.

The Programme initially ran from October 2018-March 2019. After reviewing the success and value of this EDEP programme, Economic Development have now commissioned BIP and Cosmic for a further programme of support for the current financial year. Once more, this support programme is being offered free of charge to East Devon businesses and individuals needing help to get their business ideas off the ground and to improve productivity.

Our most recent progress report shows demand is such that the programme is soon to meet its targeted delivery of 318 hours of support 5 months ahead of schedule. We are now looking at how best to deliver additional EDEP support provision.

See **Appendix 2** for examples of individuals and businesses supported through the EDEP programme.

Growth Hub Business Support in East Devon

The August 2019 dashboard performance report shows that since the launch of Heart of the South West Local Enterprise Partnership Growth Hub service in 2016, more businesses have benefitted from Growth Hub support in East Devon than in any of the other 14 LEP districts.

The Growth Hub service provides a free single point of contact for all businesses seeking advice and support on any issues relating to the operations and aspirations of their business.

To Aug 2019, a total of 629 enterprises in the district have received help to become established or to plan for growth. Of the businesses supported, 83% are already trading, with the majority being sole traders (47%) or limited companies (36%). Most have fewer than three employees and are predominantly in professional, scientific and technical, manufacturing, wholesale, retail, motor repair, accommodation and food sectors.

This is a significant achievement for the district's economy, demonstrating the appetite and capacity for enterprise in East Devon. Its success is due to effective partnership working by East Devon District Council, plus promotion of the Growth Hub through the council's own business newsletters, as well as increased engagement with East Devon's business base and direct referrals.

Case Study: The Granary, Larkbeare Grange

Set in eight acres of picturesque East Devon countryside, The Granary offers luxury self-catering accommodation to holiday makers looking to explore Devon.

The Granary's owners were seeking help to find new customers, improve their digital marketing, investigate online booking systems and explore how to build their brand.

They received 1 to 1 business advice around their growth aspirations and how the business is currently utilising digital marketing techniques with specific reference to website optimisation and SEO top tips, information about online booking system plugins and advice about social media and email marketing set up and organisation.

The business owner found the advice and support invaluable to direct future marketing activity and build confidence. Ongoing support includes guidance covering an extensive range of content and tools; referral to the Business is GREAT Britain online guidance; further information about the Access to Finance programme and the Better Business for All partnership initiative.

To find out more information about the Heart of the South West Local Enterprise Partnership Growth Hub service visit: <https://www.heartofswgrowthhub.co.uk/>

Economic Development enabling growth - Propeller Exmouth

The Propeller Group in Exmouth has been successfully growing its collaborative incubator space in Exmouth after Economic Development brought together a successful business case for discretionary rate relief to help establish the initiative in acknowledgement of its remarkable local economic benefits.

Located in Victoria Road, the centre opened in October 2018 offering a range of support and resources aimed at attracting entrepreneurs to use the centre as a networking base.

As well as providing a workspace for people to collaborate, the group is developing an education programme that will allow new and existing businesses to grow and provide new well paid jobs in the developing local tech sector. The aims are to create new, more productive careers which will

encourage skilled young people to stay and develop businesses in Exmouth, and to establish a stronger enterprise culture in the town which will enable local businesses to adapt and modernise.

Propeller Exmouth now has over 100 members who regularly attend their talks which have covered a number of topics such as 'First steps in starting your business', a hosted panel event exploring how three companies started and the issues they experienced in scaling, including how technology helped them. The panel consisted of three local entrepreneurs bringing a wide range of experience.

Propeller has also been busy growing its social media presence and relationship building with other institutions including Exeter University and other co-working spaces in and around Exeter. This work is starting to pay off as local businesses and community groups are dropping in to see what is going on, how they can use the space and how they can collaborate.

Propeller also recently featured as workspace of the month in the prestigious [.net magazine](#) which is widely recognised as the premiere print publication for web designers and has a global reach.

See the Propeller Exmouth [website](#) for more information and connect with them on [Facebook](#) and [Twitter](#) to keep up to date with upcoming events.



Propeller Exmouth collaborative incubator space – Supported by EDDC [propellerexmouth.co.uk]

Employee Increase - Business Register and Employment Survey:

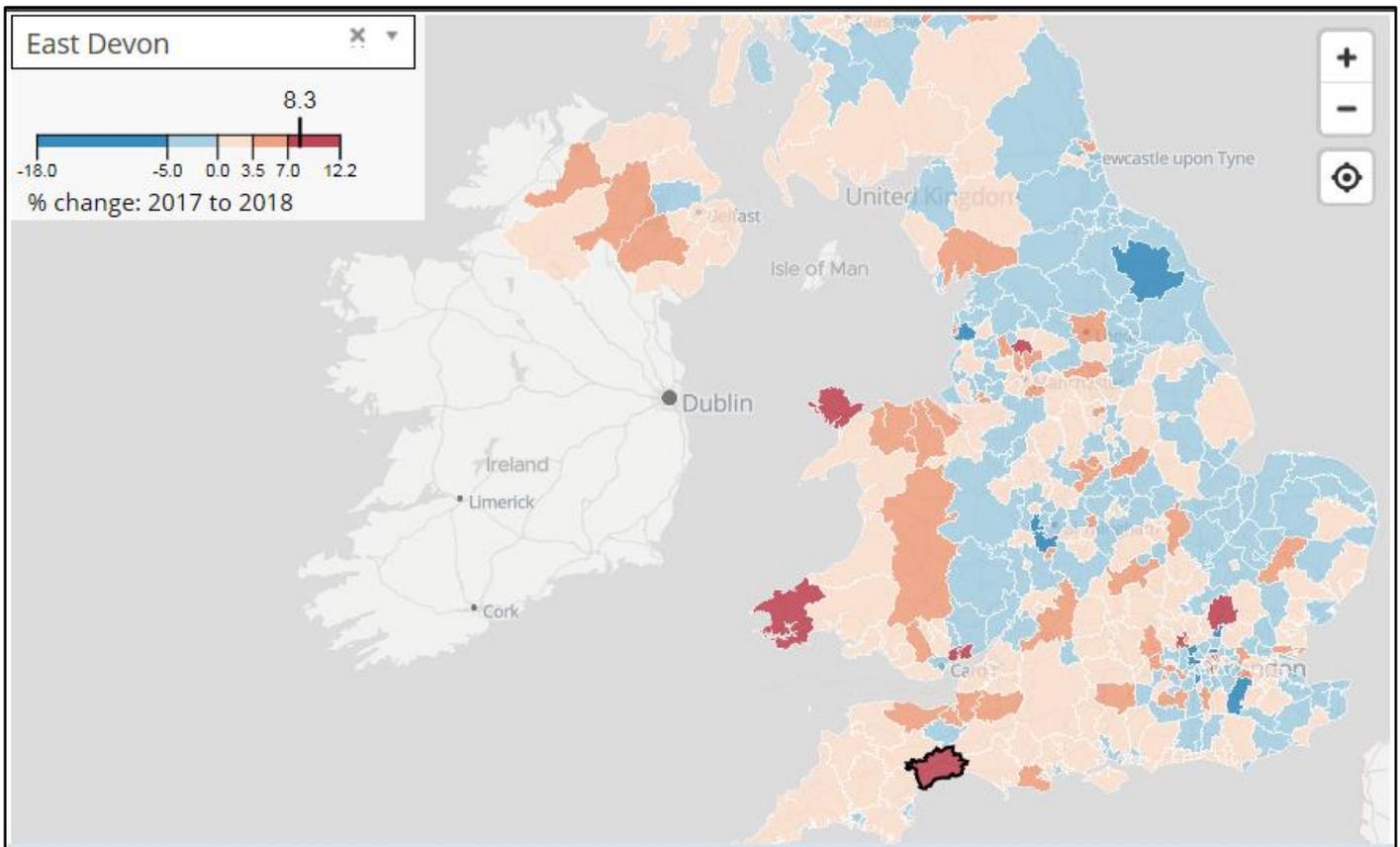
The Sept 2019 ONS data release featuring 2018 data on Employees in the UK by regions shows that between 2017-18, East Devon recorded an 8.3% increase in total employees. Only a handful of local authority areas across the country have recorded such a significant increase in total employees. An employee is defined as anyone aged 16 years or over who is paid directly from the payroll, in return for carrying out a full-time or part-time job or being on a training scheme.

On the face of it, this appears to be a positive development, but with the reduction in weekly average earnings being recorded in East Devon between 2016 and 2018 we need to dig deeper to understand the changes taking place in our economy.

See:

<https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/bulletins/employeesintheukbyregion/2018>

The following map shows change in employee estimates by local authority district, 2017 to 2018. Those areas in red have experienced the highest increases in employees:



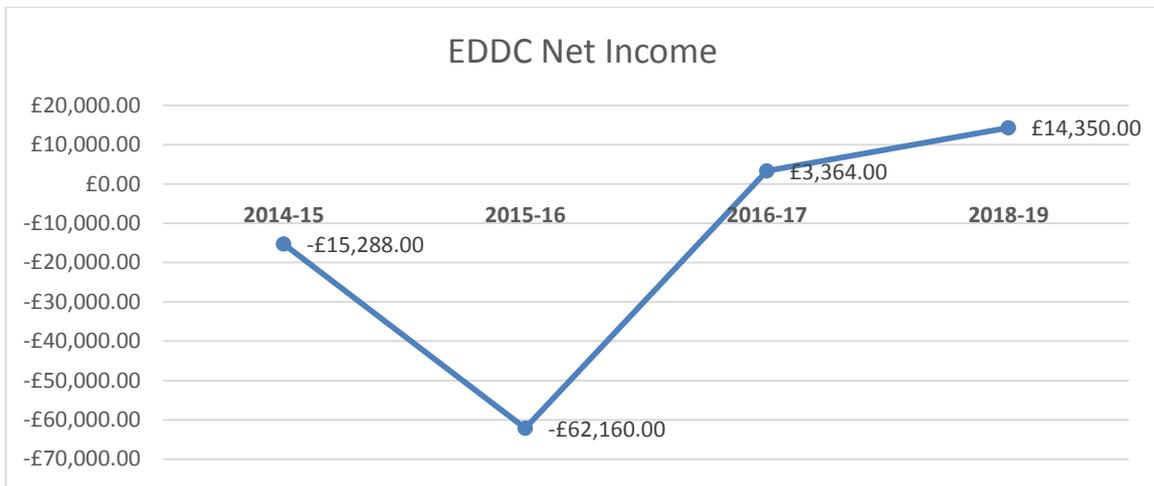
Source: Office for National Statistics – Business Register and Employment Survey (BRES). BRES is the definitive source of official employee statistics and can be used to derive employment estimates at varying industrial and geographical levels.

Support that Pays: East Devon Business Centre

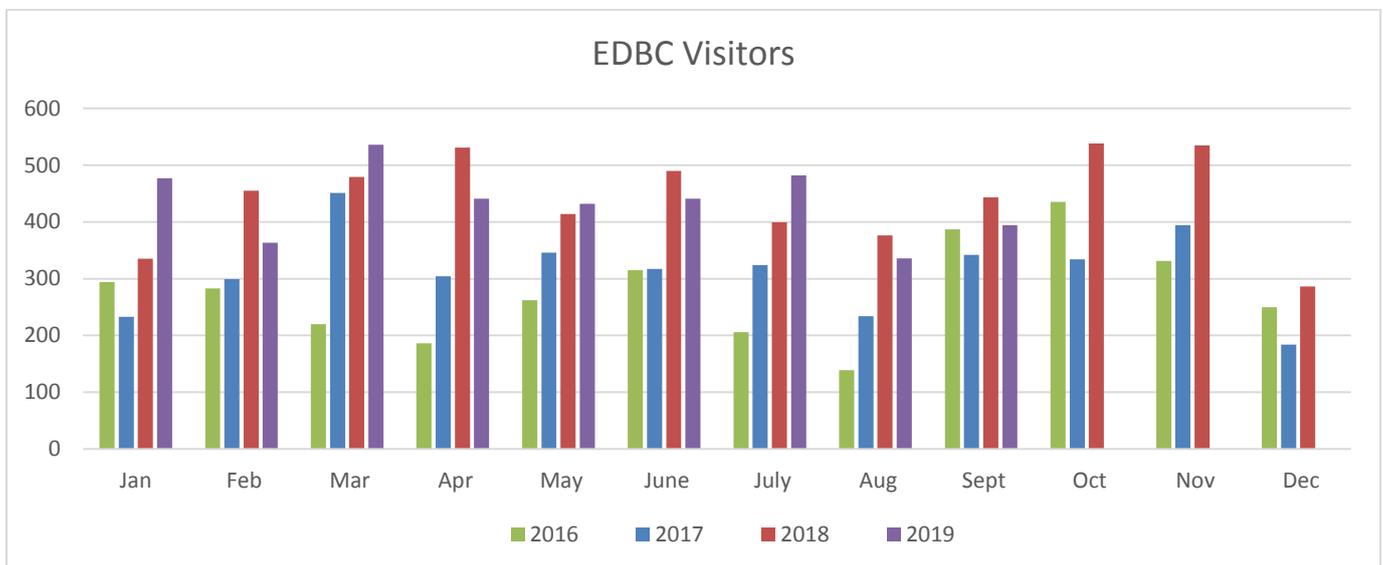
Through a focussed process of improvement, marketing and communications (inc. social media) we have turned East Devon Business Centre into a positive net income generator to EDDC with 100% of offices let and meeting room income increased by 67% compared with 2014-15.

We are maximising income further by making additional space available to rent to growing local business and increasing external use of our meeting rooms.

Having filled the Centre and maximised opportunities for income generation, Economic Development are now implementing the installation of three measures to further improve efficiencies and achieve future savings through the installation of a video intercom, an online meeting room booking and payment system and the provision of self-serve refreshment stations. Whilst we continue to staff EDBC reception and provide administrative support, we are also now transitioning the facilities and tenancy management of EDBC to our colleagues in Property & Estates.



We've recorded the number of visitors to EDBC and have seen a **59.6% increase** from 2016 to 2018. The current year is set to see even higher numbers of Business Centre users with 3,900 having visited between Jan and Sept 2019.



EHOD Economic Partnership Strategy (2017-2020)

East Devon has led on the production of the [Shared Economic Strategy for Exeter and the Heart of Devon](#) (EHOD) which sets out our growth ambition, priorities and approach to enable growth of the regional economy. This is a joint agenda across the four Councils that make up the EHOD sub-region, taking into account the different opportunities and challenges across our local authority areas of Exeter City, East Devon, Mid Devon and Teignbridge.

It is based on a collaborative approach which recognises that far more can be achieved by working in partnership, given our shared functional economic market area, than alone.

Four common objectives were identified as benefitting from working together as part of a Greater Exeter economic geography and each local authority has taken ownership for delivering a theme:

Strategic Planning is led by East Devon and Business Transformation by Mid Devon. Teignbridge have represented our authorities on Employment and Skills while Exeter City led on Inward Investment.

The Strategy won the ['Most Innovative Strategy'](#) award in Nov. 2017 from the Institute of Economic Development (IED). The EHOD partnership have now jointly commissioned EMSI to produce an updated industry cluster and gap analysis evidence base which will inform a refresh of the Strategy to shape the future work of the economic partnership.

Brexit Guidance for Businesses:

In recognition of the urgent need to provide local businesses with the most up to date and legitimate sources of information on the planned departure from the EU, including on what preparations different sectors needed to make to ensure as seamless a transition as possible, Economic Development completed a detailed review of available information in Feb, 2019.

EDDC then became one of the first local authorities in the country to publish detailed online guidance to inform and support businesses preparing for Brexit.

This was not a planned project, but was deemed a necessary response to ensure as many local businesses as possible were provided access to the right advice and guidance in preparing for Brexit. The available information was brought together and published at:

http://eastdevon.gov.uk/business-and-investment/brexit-government-guidance-for-businesses-preparing-for-brexit/?utm_medium=email&utm_source=govdelivery

Specific areas covered include:

- Government guidance covering potential scenarios and suggested actions for small and medium-sized businesses on a range of topics like importing and exporting, data, goods and other topics
- the new digital leaflet designed to help small businesses with their preparations for the UK leaving the EU
- link to the [“Preparing for EU Exit”](#) website
- the Government [tool specifically for businesses](#) to help them prepare for the UK exiting the EU. It asks businesses seven questions which cover core operation areas that may be impacted. Depending on responses provided, the toolkit draws together guidance which is most relevant to the businesses individual circumstances.

Page visits have numbered 150-300 per 30 days throughout Aug - Oct 2019.

Honiton Gate to Plate – 28th September 2019

By popular demand the [‘Gate to Plate’](#) event returned to Honiton High Street on Saturday 28th Sept, 2019. Celebrating more than 50 stall holders, featuring live music and expert cooking demonstrations, the event was a huge success and was attended by thousands of visitors.

Gate to Plate is organised by Economic Development with support of project team partners. The event celebrates East Devon’s high quality local food and traditional craft produce.

Our aim is not simply to increase visitor numbers and promote trade, but specifically to help localise food and drink supply chains - improving sustainability. We’re also passionate about East Devon becoming recognised as being home to some of the finest food, drink, and craft produce in the country.

Business & Economy Bulletins – Promoting best practice and access to support

Further to the Oct 2017 recommendation of Overview Committee, Economic Development have been developing and publishing Business Bulletins to increase awareness in our local business base of training, funding and wider support opportunities. After losing our Funding and Information Project officer post, we are grateful to be receiving expert support from our Marketing and Communications Officer within the Growth Point team. Our current newsletter includes Brexit guidance, details of our EDDC business support programme, updates on the Enterprise Zone and

Ultrafast Broadband delivery and local success stories. This is published at <https://eastdevon.gov.uk/news/e-newsletter-articles/business-newsletter/autumn-2019/>

Previous Business Bulletin articles have covered:

- Promotion of free Growth Hub support and key contacts to help businesses grow
- News of major inward investment successes and funding opportunities
- Invitations to EDBC's free 'Jelly' co-working events
- Econ Dev team national award from Institute of ED
- Availability of Broadband vouchers to increase uptake
- Changes to EDDC Street Trading and promotion to traders
- Inviting businesses to feedback on Productivity and Brexit
- Enterprise Zone promoting information and engagement
- Promotion of national awards and news of local winners
- Sharing success of Gate to Plate for local Food & Drink
- Available local workspace

Redundancy Response – Axminster Carpets Ltd:

In response to the recently announced redundancies at Axminster Carpets, EDDC Economic Development designed and delivered a redundancy response information and advice session on 3rd October 2019. Staff at risk of redundancy at Axminster Carpets were offered the opportunity to come and speak to a variety of relevant organisations to access direct support, advice and guidance.

The event featured Job Centre Plus, Business Information Point, Citizen's Advice, Learn Devon, Axminster Job Club, Education + Training Skills and the Careers Service. One to one assistance was available on universal credit/benefits, council tax, options for retraining and skills development, finding alternative work, support for self-employment and more.

The support was well received by staff attending, the network of support providers, the company management team and Union. It's important to understand the affected staff are skilled and we encourage local employers to benefit from this recruitment opportunity. One competitor has approached the company enquiring about staff.

We maintain contact with the management team and can hold further session on request. This key support network is now an established team and can respond to further redundancy events.

Federation of Small Businesses Award (Oct, 2019): Building Greater Exeter

EDDC's Economic Development team are founder sponsors of Building Greater Exeter (BGEX). The partnership is an active collaboration between Exeter City, East Devon, Teignbridge District Councils and industry to support local people into local jobs in the construction sector. BGEX aims to support the growth and development of our economy, delivering career and job opportunities.

In Oct 2019, the project won a Federation of Small Businesses (FSB) Award for its work to support apprenticeships and skills. The initiative directly benefits our small business base through the promotion non-agency employment and stronger local supply chains for infrastructure, civil engineering, residential and commercial building projects across the area. See: <https://www.buildinggreaterexeter.co.uk/>

South West Audit Partnership (SWAP): EDDC Economic Development Audit

In March 2019, the SWAP completed an audit of the EDDC Economic Development Service resulting in a positive assurance opinion. This follows a SWAP audit of East Devon Business Centre in 2018 which also provided a positive assurance to EDDC.

The most recent Economic Development Audit report noted that “The Economic Development (ED) team are making a positive impact on the economic development of East Devon despite the limited resource and the changing priorities. They have been involved in several successful projects during the last 12 months including the Honiton Gate to Plate Event, supporting the Making it Local, Local Action Group and informing the Axminster masterplan in addition to their regular responsibilities”.

Useful improvements were suggested in ensuring smarter Service Plan objectives and KPIs; the benefit of transferring EDBC facilities management operation to Property & Estates (now it is operating at capacity) and; the opportunity to improve the automated planning consultation processes. SWAP audits continue to be useful in continuously improving service delivery and action has been taken on all three suggested areas.

Effective Engagement with Planning

Tangible workspace, economic, employment and skills delivery has been unlocked through the direct engagement and support of Economic Development with developers and investors through a number of significant planning applications in the last 18 months. Positive outcomes of this work include:

- Successful defence at planning appeal of the allocated employment site at Redgates, Exmouth against residential development
- The inclusion of new workshop space (consistent with local evidence of need) in Homes England’s planned redevelopment of the former CeramTec site in Colyton
- Support to the extension of Darts Business Park to create 10 additional units
- Development of a premium cider and sparkling wine production facility at Deer Park Hotel
- Delivery of 35,000 sqft of workspace and an additional 71 high GVA skilled jobs at Blackhill Engineering
- Negotiation and delivery of Employment & Skills Plans as part of the S106 agreement for major developments (inc. the new Amazon facility)

LGA Peer Review (Sept, 2019)

As part of the Peer Review, numerous business leaders and representatives were invited to take part in a full and frank review of Economic Development in East Devon. Based on the feedback provided by businesses, the review team singled out the Economic Development team’s engagement with business for specific praise, concluding that the service is positively regarded by the business community and encouraged the importance of an economic focus for the district.

Economic Development Priorities 2019-2020

As recently presented to Joint Overview and Scrutiny by Cllr Blakey and the DCO, the following are two key priorities for Economic Development in the coming year:

- **Business Centre extension & additional locations in East Devon**

Council managed workspace and serviced office accommodation are popular and provide an important option for East Devon micro and small business. The council is keen to promote the delivery of additional workspace. This will continue through support to the council’s planning and estates professionals and also focussing on the council’s opportunities to directly delivery workspace through existing land ownership e.g. an extension to East Devon Business Centre and the Cloakham Lawns site in Axminster. Economic Development will lead a project to advance

development of these two sites, engaging appropriate partners, feasibility work, collating evidence of workspace demand and making the case for investment to deliver workspace on the site.

- **‘Our Towns’ Study and Delivery Plan – Detailed and consultative evaluation of East Devon towns and intervention opportunities**

Economic performance and the vitality of the mix of town centre activities is core to an attractive and resilient town. Equally, there is more to our towns than just their high streets or their economic performance e.g. variety and balance: age profile, population movement, housing and household mix, accessibility and public realm, planning constraints and land use, transport, traffic and congestion, cultural and social activity, community cohesion, local employment offer, business diversity and vitality.

The district council needs a level of understanding and evidence that it currently lacks. We will work with professional expertise and research capability alongside members and officers to drive a project toward understanding our towns and what we can do for them. The project will also work with our towns and local key stakeholders that know and care about the future wellbeing and functioning of their towns.

East Devon, like other local authorities, faces an increasingly challenged funding future. Our towns matter so, if the council is to support them, it needs to use its resources in an informed and cost effective way. Hence this detailed study will be carried out to advise where, what and when our interventions might be.

2. EDDC Evidence: House of Lords Select Committee on the Rural Economy

The House of Lords Select Committee on the Rural Economy was appointed on 17 May 2018. The remit of the Committee was “to consider the rural economy, and to make recommendations”. A call for evidence issued which sought informed views and responses from as wide a field of relevant individuals, organisations and authorities as possible between July and Sept 2018. The inquiry sought written views on the key issues covering Local services and amenities; Rural business and investment; Housing; Transport; Digital Connectivity; Employment; Demographic change; Deprivation and inequality and Rural isolation.

This presented a valuable opportunity for EDDC to contribute fully and from an informed perspective to the inquiry. Economic Development led and coordinated EDDC’s multi-service area response to this call for evidence. Our Planning Policy lead was especially helpful in providing evidence. The full submission by East Devon District Council to the Select Committee on the Rural Economy is provided in **Appendix 1**.

A detailed series of responses were provided to the questions set out by the Committee, covering changes to our rural economy; the role of workspace and challenges in meeting demand; Local Action Group successes; infrastructure, transport and digital connectivity; the need to provide essential services such as healthcare, education and banking in rural areas; labour skills shortages; aging population; business support; rural housing; the role of LEP’s and the need for Government to ‘rural proof’ initiatives and policies. Our responses were informed by first-hand experience, local intelligence, key findings and recommendations from the [South West Rural Productivity Commission report](#) (2017), the LGA enquiry response and specific evidence from the Rural Services Network [‘Time for a Rural Strategy’](#) report (2019).

The Select Committee published its final report [‘Time for a Strategy for the Rural Economy’](#) on 27th April 2019. The detailed report is 235 pages in length and covers a wide range of issues, calling for the Government to develop a clear strategy for the rural economy. The report proposals have three inextricably linked and mutually supportive key elements: a coherent rural strategy, re-

energised rural proofing, and a “place-based” approach which reflects the diversity of our countryside and the capabilities and knowledge of those who live and work there. The detailed recommendations within the report cover a diverse range of issues, reflecting the breadth of evidence they received.

Key Recommendations

(Source: <https://www.parliament.uk/business/committees/committees-a-z/lords-select/rural-economy/news-parliament-2017/report-publication/>):

Rural strategy

Rural economies are facing significant opportunities and challenges. Issues including the UK's impending departure from the EU, cuts to local authorities' budgets, digital connectivity, affordable housing, and an ageing rural population make this an ideal moment for the Government to develop a comprehensive rural strategy, to set out its ambition for rural areas

The Government needs to rethink and reform the rural proofing process to ensure that relevant policies and legislation are attuned to the needs of rural communities and rural economies

Local Government and other public bodies should develop their own local rural strategies consistent with the Government framework, and be responsible and accountable for their implementation.

Rural delivery and place-based approaches

For a national strategy and its underlying policies to be effective, it is crucial that they are delivered locally using a place-based approach. This must include effective partnership working from all relevant public, private and voluntary bodies, driven by the nature of each local area and with active community participation, breaking down the silos that too often characterise rural policy

The Government must bring forward the consultation on the Shared Prosperity Fund as soon as possible and give much more information on its proposed scope to enable rural businesses and communities to begin planning for the future

The Fair Funding Review must ensure that rural local authorities are properly compensated for the additional costs of service provision, and that rural areas are fairly treated in future funding settlements

National and local Government should review their procurement policies to ensure that small and local organisations have the genuine ability to bid for the delivery of services

Digital connectivity

Government should direct Ofcom to conduct a review of the Universal Services Obligation as soon as possible, focusing on what minimum commitment would be needed to sustain and support rural businesses and communities, especially in remoter areas, and including both download and upload speeds

Ofcom should also re-assess the £3,400 payment threshold so that rural homes and businesses are not excluded. This must include consideration of home workers and businesses operating from home in remote areas

We welcome the proposal that Ofcom should review the option of introducing roaming in rural areas to address partial not-spots and would urge them to begin this review as a matter of

urgency. Government and Ofcom should also encourage mobile network operators to share transmission masts more often in appropriate rural locations

Housing and planning

Government should provide a full and comprehensive exemption for all rural areas from the policy to limit affordable housing contributions on small sites

Government should consider suspending the local authority Right to Buy or making it voluntary for local authorities in specific locations, to ensure that much-needed affordable housing is not lost where it would be difficult or impractical to replace it

Government should revisit the merits of a spatial plan for England, particularly as it relates to rural areas, to ensure that planning policy operates in a framework where land use priorities are properly considered above the local level.

Skills and business support

The Government should review the impact that the revaluation and current multiplier levels for business rates are having on rural businesses. There is also an urgent need to review the impact of small business and rural rate relief provisions on rural pubs, local shops and other businesses

The Government should investigate whether the current tax system is putting off farmers and rural small businesses from investing in diversification. As part of its review into tenancy agreements, the Government should also address restrictions on tenant farmers that may prevent diversification

Local service delivery

Government should undertake a full review of funding streams to rural public transport. The aspiration should be to develop a "single transport investment pot" that could be used to better support rural transport using a place-based approach

More needs to be done by Government to better understand, track and respond to rural criminality

Government must ensure that the challenges and costs of providing health services in rural areas are properly reflected in funding allocations to Clinical Commissioning Groups

For the purpose of this update report to Overview Committee, a summary of the Select Committee's specific recommendations for Local Government are provided below. These have particular relevance for us:

Priorities: Recommendations for Local Government

- Develop **local rural strategies** and take responsibility for implementation (para.59)
- **Rural proof policy impacts** with monitoring and annual reports (para.104) [subject to required resource, there is a role here for Economic Development]
- Participate in a “**place-based approach**” to the rural strategy (para.119)
- Rural-facing authorities should adopt rural strategies as good practice (para.197)
- **Review procurement policies** to ensure small and local organisations have the genuine ability to bid for service delivery contracts (with national government) (para.216)
- **Town and parish** councils should be encouraged to use their discretionary powers to **promote local growth** (para.236)
- Local authorities should work with rural towns to introduce **town centre managers** (para.237)
- **Cooperate with education institutions and bus service providers** to cooperate on solutions for getting students to education institutions (para.451)
- Seek to reinvigorate “**wheels to work and training**” programmes (with LEPs and national government) (para.452)
- More local authorities should include establishment of, and funding for, **Rural growth networks in their growth Deals** (para.498)
- With LEPs, **be proactive in advising rural business** as to sources of financial assistance and advice, and work together to provide portals where sources of finance may be listed (paras.526-527)

The Government have provided a response to the report of the House of Lords Select Committee on the Rural Economy. The response is available here:

<https://www.parliament.uk/business/committees/committees-a-z/lords-select/rural-economy/news-parliament-2017/gov-response/>

It is clear that though ‘rural proofing’ of departmental policies is broadly supported, along with a commitment to expand on its strategic vision for rural areas, it has rejected the Lords Rural Economy Committee’s recommendation for a comprehensive Rural Strategy and a dedicated rural funding stream.

The Rural Services Network have reiterated the call for a Rural Strategy and called for a robust, open and accountable rural proofing framework to sit across all Government departments to ensure that the needs of rural residents are considered.

The government believes that local authorities are best placed to decide whether they should prepare strategies to support rural businesses and communities within their geographies. It identifies Local Industrial Strategies as being suited to accommodating such strategies.

EDDC will now consider the inquiry recommendations alongside the government’s response to identify how best we might respond to the issues and options highlighted.

Ends.

Appendix 1:

Submission of Evidence by East Devon District Council to the House of Lords – Select Committee on the Rural Economy

10th September 2018

The following views and question responses have been provided through consultation with representatives from economic development, planning policy and development management as well as with our rural district members. They reflect the concerns, issues and opportunities expressed and identified through a specific 'think tank' session held on Weds 29th Aug 2018.

Whilst this submissions covers matters that are likely to be of generic relevance to many rural areas, we have focused on considerations particularly relevant to East Devon. These specifically include the challenges we face in balancing the need to care for and look after an outstanding rural environment whilst also supporting the rural economy and accommodating and promoting a growth, productivity and development agenda.

East Devon is the largest district authority in Devon and is categorised as 'Largely Rural' by ONS with urban centres at Exmouth, Sidmouth and Honiton. The population of East Devon is 139,908, accounting for 18% of Devon's total population. The vast majority of our district comprises rural land and with two Areas of Outstanding Natural Beauty covering two thirds of the District. We benefit from a World Heritage site coastline and numerous other natural and built heritage designations. These environmental qualities help define the outstanding rural character of our District but they can also place constraints on scope for growth and development.

East Devon's economy comprises 48,000 jobs (BRES, 2016) with 6,320 registered businesses (ONS), 89% of which employ fewer than 10 people. Much of the employment in East Devon is concentrated in the retail; health; accommodation and food industries and we have stronger location quotients for construction, accommodation and food (tourism) and motor vehicles sectors than the UK ave. Higher skilled, more productive sectors such as finance & insurance; professional, scientific and technical; and business administration are underrepresented in East Devon though total gross value added (GVA) in East Devon has been increasing at a growth rate of 16.6% over the last few years (£2,069m in 2011 to £2,413m in 2016). We have an aging demographic which present us with both economic challenges and opportunities. Our large retired population restricts the per head output performance of East Devon to £17,246 whilst the average house price in the second highest in Devon (at £240,000), making it difficult for young people and families to find affordable housing.

Before responding to the current inquiry questions, we highlight that many of the specific issues addressed have been examined in some depth within The South West Rural Productivity Commission report of 2017. This was commissioned by the four south west Local Enterprise Partnerships. See: <http://heartofswlep.co.uk/wp-content/uploads/2017/10/HotSW-14332-A4-Overview-report-digital-doc-FINAL.pdf>

We would endorse the findings of this report (summarised in answer to Q.15) which we trust will form valuable evidence in informing your work alongside those of the Rural Services Network submission to this inquiry.

Response to Questions by East Devon District Council

General issues

1. What do you understand by the "rural economy"? How has it changed over recent years, and what has been the impact of these changes?

1.1 Although it's a somewhat artificial division the rural economy can be looked upon as having two component parts. The first comprises of business and activities that by their nature have to be or are most appropriately located in rural or countryside areas, with most obvious example being farming and forestry and trades directly allied to or processing or adding value to their outputs. The second comprises of businesses and economic activities that would not, by their nature, necessarily have to be in a rural area (often they will be found in urban areas) but such activities have developed and become established in rural locations, in part because of improved broadband connectivity.

1.2 The "rural economy" is, therefore, a composite of and these two parts but also it overlaps with and should not be seen as distinct from urban economies and areas; not the least because there is no definitive break between what is urban and what is rural. Market towns are a clear an obvious case in point. Honiton, for example, has a population of around 12,000 residents and sits in a central point in East Devon. By some definitions it would be classified as urban, but it very clearly forms a focal point for rural serves and provides economic and wider services for a substantial rural hinterland (despite, as with so many market towns, no longer hosting a weekly cattle market).

1.3 The most fundamental change in rural economies is the relevant decline in the traditional rural activities (most notably the number of people employed in agriculture – though not in agricultural productivity) with a growing job importance of activities that are not inherently required to be in rural areas.

2. Could you give examples of notable success stories and good practice in the rural economy? How might rural successes be replicated and better promoted?

2.1 In East Devon the District Council actively seek to support business units and drop-in desks for people to work from. These may be in towns, noting amongst other matters the typically better broadband connections that towns offer, but also it reflects the fact that many towns will support and be intrinsically linked to the wider rural hinterland.

2.2 We would identify a need for, and benefits to be gained from, more help to be given to support business unit provision. It was noted that rural business will often start off in a back bedroom but as they grow finding suitable larger business accommodation can be very challenging. Provision of 'grow-on' business units in rural locations was seen as potentially part of the answer.

2.3 In recognition of this issue, we funded the development of the East Devon Business Centre (EDBC) in Honiton in 1998 which provides a modern adaptable business space; competitive office lets with flexible tenancy terms; conference, training and display facilities and business support. Demand for flexible office accommodation from new and growing businesses is such that we have 100% tenancy levels and generate a positive net return to the council whilst supporting C.70 FTE local jobs. We've confident that additional B1 office accommodation development in other locations that share strong transport connectivity will see similar success. Promoting development of office accommodation by the private sector, however, still has its challenges.

2.4 One problem that was highlighted was that business land will invariably attract lower values than residential development land and often land owners will not bring business units forward in the hope that, at some future point in time, they will secure residential development. A sometimes perverse outcome is that employment development that does come forward in rural areas is on sites where any hope value for housing is extremely low. Such new business sites, on account of remoteness, can, however, be inaccessible to many rural (and urban) residents, especially those without cars that need jobs or want to access the services they may offer. Securing rural jobs close to where rural people live (including at villages) can be a real challenge.

2.5 When examining successes and good practice in our rural economy, we should draw attention to the remarkable achievements of our Local Action Group (<http://www.makingitlocal.org/>).

2.6 Rural businesses are generally more distant from funded business support delivery than urban counterparts and there is a need for dedicated support for rural enterprises to help them access funding opportunities. Project Sponsor support to LEADER applicants has been hugely beneficial for our district's economy. The expert support and guidance EDDC ensures has led to a far higher degree of funding being successfully awarded to our rural development initiatives than would otherwise have been possible. In fact, Making it Local is the highest committing

LAG in England. 16 East Devon rural economic development projects have so far received LEADER grants totalling £782k and unlocking approx. £1.65m of investment in the East Devon economy.

2.7 Despite this, rural business support is an essential requirement which is all too often overlooked. Until recently, land based agri-businesses have been excluded from accessing our ERDF funded Growth Hub, with no acknowledgement of the need for tailored rural provision from the LEP to address this. In East Devon, we have developed a dedicated rural business support programme to ensure rural land-based businesses receive the same quality and quantity of specialist support to promote new and existing business growth that our other business sectors are able to access – all free of charge. We're currently updating his service provision to focus on improved productivity support to rural enterprise.

3. How do you see the future of the rural economy? Where is the greatest potential for growth, and what might be the impact of technological and other changes?

3.1 Our rural economy will continue to respond to threats and opportunities but from an economic development perspective, the need for support in the provision of skilled labour, public transport provision, commercial premises and improved transport and broadband connectivity infrastructure will increase. We have already seen significant employment growth in the district's professional, scientific and technical sector. This isn't all down to the success of our renowned Science Park Centre and Met Office Super Computer facility, we have an increasing number of specialists operating businesses and consultancy practices from rural centres which previously lacked the fibre connectivity to allow remote working.

3.2 Having said this, both transport and broadband remains an inhibitor to rural economic development in certain areas (discussed below) and it is widely felt that our most dispersed/deeply rural settlements have been disadvantaged by the premises quantum delivery targets or our existing broadband delivery programme.

3.3 Recent work in developing our Greater Exeter Strategic Plan (<https://www.gesp.org.uk/>) has identified four transformational sectors (or areas) as having significant potential to develop across the functional economic market area (FEMA) we share with neighbouring local authorities. These are across Smart Logistics, Data Analytics, Knowledge Based Industries and Environmental Futures and a transformational Sectors Action Plan is in development to identify ways in which strategic planning policies can support the growth of employment in these areas. A clearer focus is required on how these priority sectors might play a part in rural economic development, especially since analysis of European industrial strategy has shown huge increases in (output focussed) productivity through technological engagement in rural and agri-sectors.

Infrastructure and services

4. How can access to transport be improved in rural areas?

4.1 In responding to this question it is assumed that reference is meant to be in respect of public transport (though maybe also cycling and walking?). Most rural households will have a car and driving a car, where available, will in most cases be the preferred, cheapest, quickest and most flexible means of transport.

4.2 When it comes to public transport the availability of services can be of variable quality, often very poor and frequently it will be expensive. Poor public transport availability in many rural areas to take children and young adults to education facilities, especially for 16 to 18 year olds to college, was highlighted as a particular concern. At this age, in comparison to education travel for younger pupils, there may be a requirement for pupils to pay for fares.

4.3 Diminishing levels of subsidies to support public transport, leading to service decline, was highlighted as a particular problem. It was though also suggested that reducing the need to travel to education centres, for example through better internet connections and educations programmes delivered at pupils homes, would be an initiative that was worthy of further exploration.

4.3 The worsening state of public transport provision to rural settlements remains an inhibitor to employment and skills development. This also has a direct adverse impact on the likelihood of employment generating development being approved in rural areas, since planning teams commonly cite 'dependence on motor vehicles' as

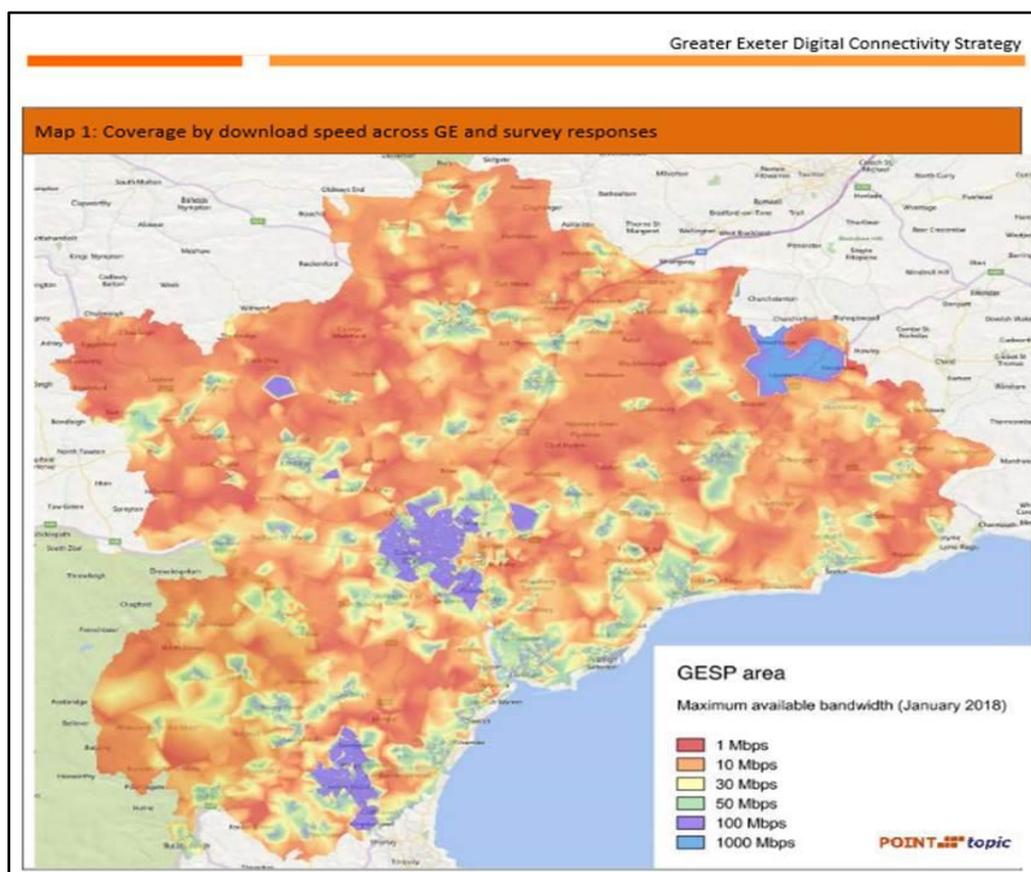
a material reason for refusal. The issue here is that in public transport planning, provision often follows demand and if there were a concentration of increased commuting requirement in appropriate rural centres, routes would be amended to serve this.

5. What barriers to growth are created by poor digital connectivity? How can connectivity be improved across the board?

5.1 It was highlighted at the East Devon think tank that the quality of broadband connectivity is critical to the success or otherwise of rural businesses. It was identified that nearly all businesses (whether urban or rural) are dependent to some degree, though increasingly a high degree, on the internet. There is, however, huge variation in broadband speeds across rural areas. To promote joint plan making with neighbouring authorities East Devon District Council commissioned Adroit Economics Ltd to produce a Greater Exeter Digital Connectivity Strategy, see: <https://www.gesp.org.uk/evidence/>

5.2 The map in the response to this question, taken from the report, illustrates the huge variation in broadband widths across a large swathe of Devon. The city of Exeter in the centre of the map and Newton Abbot (a town of 26,000 people) on the southern edge of the map are hotspots of connectivity. Elsewhere broadband speeds are hugely variable, a distinctly rural part of East Devon, on the Eastern side of the map, is a localised hotspot of high connectivity but this is a rare exception in what is predominantly a pattern of poor, and frequently very poor, connections.

5.3 The concerns are, however, not just about download speed, they also extend to reliability and resilience. Evidence suggests that demand for digital connectivity (both fixed and mobile) will continue to grow exponentially for domestic, employment and transportation needs. On this basis, and in line with Government policy, we should therefore be moving towards full-fibre connections (i.e. Fibre to the Premises and minimising reliance upon archaic BT copper wires at any point in the network). Fibre allows for gigabit (i.e. >1,000Mbps) speeds uncontended (contention is the sharing of a broadband signal by a group of customers which results in reduction of the bandwidth available to each individual customer) and stable (not affected by weather, flooding etc) internet connections. Growth in the demands for automated and guided vehicles, smart infrastructure, precision farming, mobile working and mobile streaming etc. will require similar improvements in mobile connectivity, likely to be delivered through 5G. 5G mobile connectivity will be reliant upon sufficient fibre backhaul from masts/broadcasters.



5.4 There is, and remains, a simple reality that fibre provision is very costly and currently massively dependent upon inadequate commercial rollout. It is therefore difficult to avoid the conclusion that it will remain the case that Government money (in the absence of other subsidy mechanisms) and innovative public sector support will be essential in order to secure full high quality rural area coverage. Because businesses, and economic activity in general, is increasingly dependent on high speed, reliable and resilient fixed and mobile digital connections any areas that lack good connections are inherently at a disadvantage. Furthermore as more business actively moves on-line the gulf of disadvantage between those with good access and those without grows wider.

6. What can be done to improve and maintain provision for essential services such as healthcare, education and banking in rural areas?

6.1 It was noted that maintenance of essential services is and will continue to be a critical challenge in many rural areas with no easy solutions, though elsewhere in this report it is noted that higher population levels bought about through additional house building offers some potential.

6.2 With respect to banking, and maintenance of many other services, it was stressed that universal post office provision will be critical in many villages.

7. What can be done to support local shops, community pubs and other rural amenities at risk of closure?

7.1 The threat to Post Offices in rural centres and their significance to businesses. Rural post offices should be promoted to both residents and local businesses as a beneficial opportunity to pay both council tax and business rates. This generates opportunity linked sales for the post offices which in turn are maintained as a resource for local businesses to be able to access, transfer and manage their cash. This is especially relevant to remote settlements with too poor a broadband provision for online banking to be an option.

Business, employment, skills and demography

8. How can rural businesses be helped to thrive, and how can new industries and investment be supported? How might labour and skills shortages be overcome?

8.1 It was noted that planning constraints can prevent development of new or extended premises from being build. Economic development report a common perception across rural areas that Planning remains a barrier to employment provision in more remote settlements. Potential visual or landscape impacts appear to factor more heavily in planning consideration than the evidenced economic benefit. We would encourage closer communication and a stronger shared understanding of the respective challenges facing both planners and rural businesses. Removal of pre-application fees for smaller scale commercial applications would go a long way to helping achieve this through facilitating greater dialogue.

8.2 However with significant environmental assets in East Devon there is a balance to be struck between maintaining high environmental quality (which is an economic asset in its own right) whilst also accommodating appropriate development.

8.3 The council works closely with applicants to seek to secure development proposals that are of the highest quality. Points can be reached, however, where rural businesses, especially when in sensitive locations, can become too big or dominant in an area. An issue then is to seek to provide or support alternative space, this may be in a close by town, and as such can still be located close to an existing businesses original home base and should still support local ties.

8.4 An issues that was noted was that thriving and expanding rural businesses may actually need urban residents to travel out of towns to fill jobs, including better paid and more skilled jobs.

9. How can deprivation and inequality in rural areas be tackled?

10. How can more young people be encouraged to stay in or return to rural areas and contribute to their communities?

10.1 By providing better opportunities for education and training and better jobs and homes to rent or buy that are close by.

10.2 There is also a role for Exeter University in promoting Knowledge Transfer Partnerships and student placements with local rural employers. We have some very well established and successful major employers across our rural economy, fewer of whom proportionally are engaged with the University.

11. What can be done to address the challenges associated with an ageing rural population, such as social isolation and social care provision? What opportunities are there for the older retired population to help support the rural economy?

Rural housing and planning

12. How can the affordability of rural housing be improved? What are the other challenges associated with rural housing and how can these be addressed?

12.1 It was considered that local authorities should be given much greater scope and financial freedoms to build Council Houses and secure other forms of social and affordable housing.

12.2 The view was forcefully expressed that Homes England should be tasked with the job of offering support (specifically including funding) to local authorities to build council houses. Whilst on a more general level Council's should be given greater freedom and flexibility to undertake rural council house building.

12.3 Planning policies should actively encourage and require affordable housing on rural development sites with no lower threshold on cases where affordable housing will be sought as a developer contribution for schemes that are providing open market housing.

13. How have recent planning policy reforms affected rural housing and the wider rural economy? What changes, if any, are needed to planning rules?

13.1 Concern was expressed that the planning system suppresses scope and potential for positive development in rural areas. It was considered that allowing some development in villages, specifically those with a range of facilities, would help (to some degree at least) to sustain facilities through increasing population levels and therefore potential customers. It was recognised, however, that to secure new facilities, or resurrect those closed down, could require substantial levels of new development, especially house-building, and especially in areas of high environmental quality, such as East Devon, this could run counter to other conservation related planning objectives and may not receive public support.

13.2 It was also noted that building new homes, with more residents, would not only help facilities such as the village shop or pub but would also provide more customers for any number of business based in rural areas, from builders building new homes through to gardeners tending gardens and for any other service of product that residents may wish to purchase.

13.3 A concern expressed around failure to build houses in rural areas, specifically including affordable housing, was that it restricted opportunities for young people to move into villages. One result of this is an increasingly aging profile of many villages. Amongst other matters it was highlighted that a consequence on restrictions on new housing was that younger family members can find it difficult to live close to older (rural and village dwelling) family members and therefore to be close enough to actively look after them at their home.

Government policy, devolution and local government

14. Do the Government and other public bodies pay sufficient attention to the rural economy and if not, why not? What might be done to ensure that Government and other public bodies hear and act on rural voices?

14.1 One of the problems that was identified was that the Government will frequently not 'rural-proof' the initiatives and proposals that they bring forward. The Government, when defining new policies or initiatives, can

show an urban (and especially big city) bias in the way they understand problems or seek to realise opportunities and therefore fail to take into account the difference that apply in rural areas. In the future it was seen that more attention should be placed on considering implications for rural areas (as well as urban areas) when defining policies and initiatives.

15. What is being done in local government to support rural economies? How effectively do other public bodies such as Local Enterprise Partnerships operate in rural areas, and how might coordination between bodies be improved?

15.1 The South West Rural Productivity Commission was established by four LEPs in the South West to explore and understand how the economy in rural areas of the South West is performing and identify opportunities to stimulate rural productivity and growth. The commission found huge potential for economic growth if key opportunities are seized and challenges addressed. This new report shows examples of tangible projects that will deliver benefits throughout the community. The full report is here: [SW Rural Commission Report](#) and the evidence here: [SW Rural Report Evidence](#)

The most important themes that emerged from the work are:

- Digital connectivity presents a game changing opportunity but without further urgent action businesses and communities will become left behind
- Smart technologies have the potential to create solutions to many of the challenges faced by rural areas and the development of an innovation platform on a regional scale has the ability to create higher value jobs
- The rural SW hardworking and entrepreneurial culture, coupled with its stunning natural environment, with the right support, can become a hothouse of enterprise
- Our agri-food-tourism economy is a strength upon which we can build globally recognised propositions as THE place to start and build and grow a food business
- There are genuine concerns that our rural communities are spiralling downwards towards ‘fossilised retirement villages’ unless Government and local leaders take prompt action. Local and national policy must move away from the ‘one size fits all’ approach that fail to recognise that rural areas are different.
- Brexit has the potential to shake the foundations of our rural economy – providing either a much needed boost or sudden economic shock. Now is the time for action if we are to reap the benefits in line with the commission’s recommendations.

15.2 Summary of Key Findings

The commission opened with a call for evidence, which was promoted by all four LEPs over a three month period and received 67 responses and over 200 items of evidence. This was supported by five panel sessions with one in every county covered by the commission, where we heard over 40 hours of testimony from a broad range of witnesses. This has been distilled into 10 key themes, each with a series of key recommendations, summarised as follows:

1. **Rural identity and Sectors.** This section looks to address the issues surrounding supporting the traditional low wage, low productivity sectors of agriculture, forestry, fisheries, food and drink and tourism and encourage the continued emergence of knowledge based businesses which arises from improved connectivity and an outstanding natural environment and quality of life.

Key recommendations include:

- Raising the profile of the area
- Develop an action plan for each sector
- A South West LEP’s coalition to support the evolution of the food sector
- Upgrade and expand network of rural work hubs
- Proactively seek out relocation opportunities for organisations incl. gov. agencies to SW rural areas

2. **Small and Scale-up Businesses.** This section seeks to address issues associated with the higher proportion of self-employed, micro and small businesses in rural areas and the fact that while satisfying for those employed by them they are generally low paid with a lower success rate at scaling up compared to urban areas.

Key recommendations include:

- Encourage collaboration and sharing of resources, knowledge and experience to create a supportive environment
- Target support for women's enterprises and their untapped potential
- Utilise the train the trainer concept to improve the quality of business support
- Effective mentoring and networking programmes
- Develop business start-up apprenticeships with local colleges
- Support programmes for scale up businesses
- Seek government review of impact of tax regime on micro-businesses

3. **Workforce and Skills.** This section looks at issues of recruitment, training and skills in rural businesses. Key recommendations include:

- Develop an exceptional rural leadership and management programme with delivery partners and work with higher education institutions
- Establish a strategic approach to low pay by working with industry
- Look at alternative apprenticeship models to overcome barriers to apprentices in rural areas

4. **Brexit.** This section considers impacts of Brexit such as leaving CAP, loss of funding for economic development, loss of EU workers, changes to tariffs. Key recommendations include:

- Encourage DEFRA to reform system of support payments to agriculture and use the SW as pilot
- Ensure future rural development programme is fit for purpose
- Seek clarity on transition and long term arrangements for migration and trade
- Develop a Brexit response plan to provide support to information to rural businesses

5. **Transport and Accessibility.** This section looks at issues with the quality of strategic road and rail network and the need for improved speed and resilience, public transport integration, accessibility to rural employment, importance of rural cycling and walking, stifling development through planning

Key recommendations include:

- Work with DoT to bring forward improvements
- Develop a challenge fund to design, pilot and roll-out innovative solutions to rural accessibility such as social enterprise models.
- Government should rural proof its funding formulae so as not to disadvantage rural areas
- DEFRA should safeguard the future of national trails and provide funding

6. **Broadband and Mobile Connectivity.** This section identifies the issue of slow broadband speeds and the severe and protracted issues experienced by both residents and businesses in more remote rural areas. Key recommendations include:

- Government should ensure 30Mbps achieved in rural areas by 2020 and increased to more than this by 2025
- Government should require providers to provide roll-out plans to allow alternative projects to be developed where rural needs not to be met
- Provide practical support to community broadband schemes and pilot these and other alternative delivery models
- SW LEP's to conduct independent review of broadband provision in the area
- Government should improve rural mobile phone coverage
- SW LEP's to support businesses to understand how to make best use of digital opportunities

7. **Housing, Planning, Communities and Workspace.** This section identifies housing affordability as a significant issue, issues of delivering workspace when often end market value is less than build cost, threats to rural services through funding reductions.

Key recommendations include:

- DCLG should ensure that all sites for housing in rural areas contributes to affordable housing

- SW LEP's to engage more with LPA's on provision of housing in all settlements
- SW LEP's to liaise with LPA's on how to use best practice nationally to implement second homes policy
- SW LEP's to engage with LPA's on private sector solutions for provision and running of affordable housing schemes
- Local authorities to investigate potential for high quality hostel to address local labour needs
- Government should enable permission in principle to support small scale commercial developments
- SW LEP's to work with LPA's to create more positive and constructive relationships with businesses and follow NPPF
- DCLG should recognise costs of delivering services in rural areas and support pilot innovative solutions
- SW LEP's and LA's should support community and social enterprise businesses

8. **Natural and Cultural Heritage.** This section recognises the importance of heritage to economic success and the need to balance economic growth with protecting heritage or risk longer term damage to these assets. Key recommendations include:

- SW LEP's should invest in improving areas natural and cultural assets as key driver to economic growth
- SW LEP's should build on expertise in natural capital markets
- SW LEP's and LA's should ensure economic development projects safeguard natural and cultural assets
- Explore and develop concept of environmental enterprise zones creating opportunities for businesses to capitalise on these assets

9. **Geography, Hubs and Spheres of Influence.** This section considers urban bias of devolution, city and growth deals, identifies that rural areas within city regions perform better and the role that market and coastal towns could play in addressing this with the right support. Key recommendations include:

- Government should ensure funding deals are equally available outside city regions, develop funding processes that do not disadvantage rural areas by competing with urban projects
- SW LEP's to explore 'distributive' spatial growth with LPA's which recognises opportunities for growth in rural towns and villages creating growth hubs
- SW LEP's should identify opportunities for mutual growth between cities and rural areas e.g. matching rural job opportunities to urban unemployed, local supply chains
- DCLG should extend coastal communities model to cover market towns

10. **Science, Technology, Energy and Innovation.** This section considers how science and technology solutions could drive economic and social change and how rural areas need to keep up with that and maximise opportunities from it. Key recommendations include:

- Develop regional smart rural research platform creating a critical mass of scientists, entrepreneurs and investors
- SW LEP's to develop collaborative approaches to develop local renewable energy solutions including using crowd funding
- DEFRA should fund more on farm trials of new and innovative practices

Appendix 2:

Examples of individuals and businesses supported through the EDEP programme:

Ann Harrison is looking to start her own business manufacturing bespoke wet pastry pies. Her business goal is to move into her own premises and create employment to enable her to focus on the business development of her brand.

Although she has previous experience in the catering business Ann recognised the importance of a robust business plan at the start of the process. Thanks to the East Devon business support programme she was able to talk through her business idea with an advisor from Business Information Point who helped Ann to shape her business plan in terms of operational regulations, marketing opportunities and pricing strategy.

Speaking of her experience with BIP, Ann said ‘the advisor was able to look at my business idea and suggested alternative approaches I had not thought of, such as using village halls in the short term. I just need the confidence that I know the steps that I need to take and that I am going in the right direction. I have since been in touch on a number of occasions; it is really comforting to know I have an advisor I can relay my progress to.’

Ian Richards is behind Little Oak Meadow, a wedding and special occasion venue which will cater for locals and visitors looking for a rural location with exceptional views. Ian has previous management experience but has not been self-employed before. His challenge, supported by an advisor from Business Information Point, was to develop a business plan which clearly identified the required actions to ensure the business would be viable and sustainable.

Ian summed up his experience with BIP as follows, “The whole experience was completely just what was needed – not only at the initial meeting but in follow up conversations to discuss progress. It really was positive and informative with lots of information and advice shared in a short space of time”.

Suzanne Pashley is Managing Director of Happy Dogs. Suzanne attended three Cosmic workshops in February and March: Digital Tricks, Moving to the Cloud, and Boost your Website with SEO and Google Analytics.



When asked what helped her the most from these sessions Suzanne responded that “It highlighted areas of Office 365 that I didn’t know were available, for example the Periodic Table. I’ll be looking on the form for customer self-reservation bookings.” Suzanne also felt that advice on how to incorporate Twitter and blogs into company websites was valuable as well as tips on how to link these things together into a recognisable brand.

In terms of the difference the workshops have made to her business, Suzanne said that she has investigated looking after her passwords, using Gmail and One Note. Suzanne also identified how she will be able to implement productivity improvements, “Tools such as Toggl and TripLog will be especially useful for our business as we have a number of dog walkers out in the van and we can log their mileages and put that straight into spreadsheets for the tax returns.”

Suzanne also expressed her desire to attend future workshops – “I find these workshops useful as it’s a confirmation that I’m going in the right direction with my own self-learning. Working within your own business you need the external help to keep you up-to-date”.

Leanne Fennell from Articulacy attended two Cosmic workshops in March: Moving to the Cloud and Boost your Website with SEO and Google Analytics. Leanne found the sessions to be of immediate benefit to her businesses. “Immediately after the session we were able to create a self-booking form for schools to book themselves online, rather than sending a Word document. I love training that teaches you something that you can do straight away. We have downloaded Google Analytics to help boost our website. I have set it up on a couple of pages and I plan to use this tool in the future.”



In terms of the difference the workshops have made to the business, Leanne said “It has already helped us become more professional, for example using App links instead of attaching documents. As a direct result of working with Cosmic we now have an Exeter University data analytics student working with us on a part-time placement. The university pay him to work with us as part of his course. We will be bringing the student to further sessions – both to continue with my learning and understanding and also to help the student.”

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|--------------------------------|---------------------------|
| Report to: | Overview Committee |
| Date of Meeting: | 14 November 2019 |
| Public Document: | Yes |
| Exemption: | None |
| Review date for release | None |



Subject: **Poverty – A Local Picture**

Purpose of report: **To note:** The main report that sets out the local picture is attached at the end of this covering report. The supporting appendices are in the background links.

This main report provides Members with a detailed assessment of a number of factors that relate to poverty within East Devon. The report outlines work that is already undertaken that links with poverty as well as information around how customers are currently supported. The content is focused around the following areas;

- Debt and financial vulnerability
- Homelessness
- Employment and Earnings
- Health and Wellbeing

From this we have established a series of recommendations as set out below. The recommendations put forward have been identified to better support people living in East Devon who may be impacted by poverty.

This work is a follow up to the recommendation made by Cabinet on 6th March 2019.

Recommendation:

That Cabinet;

1. Consider funding the creation of an East Devon Poverty Strategy to further develop and target the areas identified within this report that we are able to influence and to support a corporate approach to ensure consistency across Council Services.
2. Carry out a review of the funding and delivery arrangements for Money Advice to ensure that we're focussing on the key issues identified in the report.
3. Recommend that Council protect the existing funding levels contributed for Money Advice to Homemaker South West and Citizens of circa £120,000 for 2020/21 to enable the review (Recommendation 2) to be undertaken.
4. Update Corporate Debt Policy to include; Breathing Space in-line with proposed Government changes & to consider any other supportive measures that may be beneficial.
5. Agree to the Council's frontline services, in collaboration, setting up a series of local events across the District with key stakeholders that focus on Universal Credit, Money/Debt advice (including how to avoid Loan sharks), budgeting, fuel poverty, etc with the over-

arching aim of supporting people to become more financially resilient.

6. Consider lobbying central Government directly and/or through our MPs in the following areas;
 - Right to Buy
 - Removing the freeze on Local Housing Allowance Rates in order to be reassessed to reflect market rents.
 - Universal Credit – More financial support to be given to customers to help with the transition. More funding to be given to local Councils to reflect the support that customers need with moving onto this Benefit.
7. Continue to explore opportunities to increase our supply of social housing through either redevelopment of existing stock and/or building new Council Housing, in conjunction with a review of the current Housing Revenue Account business plan.
8. Agree to the Council working alongside East Devon foodbanks to better understand demand and eradicate dependency that could lead to a reduction and possible extinction of the need for foodbanks in the district.
9. Undertake a detailed analysis of fuel poverty in the district with a view to developing a separate action plan.

Reason for recommendation:

The work undertaken to date is a snapshot into some of the areas that we as a District Council have direct oversight and understanding of. This is a complex topic, with no simple definition or way of truly capturing everything that poverty means. In reality much of the causes of poverty are as a result of national social policy that we have little influence over.

The recommendations provide a starting point for the development of work in this area in order to better understand how we can continue to assist people in the most effective ways by focusing our work on the causes of poverty.

Much of work in the area is closely linked with a view to developing and strengthening work that is already being undertaken with partners.

The report closely aligns with the following Corporate strategies/ policies:

- Homelessness Strategy (2019-2023)
- Public Health Strategic Plan (2019-2023)
- Discretionary Housing Payment Policy
- Council Tax Reduction Scheme Policy
- Corporate Debt Policy
- Discretionary Rate Relief Policy
- HotSW Productivity Strategy
- Exeter and Heart of Devon shared Economic Strategy 2017-20
- Local Industrial Strategy (Draft 2019)

Officer:

Libby Jarrett, Service Lead- Revenues, Benefits, Customer Services
Amy Gilbert-Jeans, Service Lead- Housing

Financial implications:

The direct financial implications of recommendations outlined in this report are:

The report has been led and written by the Services Leads Revenues & Benefits and Housing with input from other officers; this has however

taken a significant amount of time and is an addition to the day job of these Officers. It is therefore proposed with the creation of an East Devon Poverty Strategy (Recommendation 1) this will require temporary resource to produce, this resource can also assist in the review of money advice as outlined in Recommendation 3. A new budget of £16k is being requested for this work.

The report requests the continued funding of CAB and money advice, currently at £120k a year. This was an area where possible savings were being considered in the 2020/21 budget (£20k), but this report recommends (Recommendation3) that this funding remains in place.

- Legal implications:** All of the recommendations / proposals are permissible from a legal point of view. Obviously some of the proposals are recommending further work and possibility of changes to policy / strategy and the legal impacts of this will be considered on a matter by matter basis.
- Equalities impact:** Low Impact as the report is not recommending any adverse changes that will have an equalities impact on vulnerable people. It is likely that these recommendations will have a positive impact on many of our most vulnerable residents in the district.
- Climate change:** Medium Impact
Factors that relate to fuel poverty can be linked with the climate change agenda.
- Risk:** High – the report highlights issues of inadequate equality and impact assessments on national policy.
- Links to background information:** • [Appendices that link to main report](#)
- Link to Council Plan:** Outstanding communities, Outstanding Local Economy and an Outstanding Council

1. Introduction

- 1.1 The main poverty report sets out the local picture and is attached. The supporting appendices are available here [Appendices that link to main report](#). The main themes of what the report covers are set out in section 2.0 below.
- 1.2 At Full Council on the 23rd October 2019 a motion was agreed to include the following aspirations within its Corporate Plan:
- That no one in East Devon is destitute without immediate help
 - That nobody should be in involuntary poverty for more than two years duration
 - All Corporate plans, strategies and service plans shall be subject to poverty proofing which means a poverty impact assessment will be undertaken and reported to Overview Committee of the effect of the strategy or service plan on those in poverty.
- 1.3.1 The main report intends to inform of East Devon's current position in relation to issues linked to poverty. This provides a basis for taking forward measures, such as an East Devon Poverty Strategy that could better support and help alleviate poverty in the district.

2.0 Poverty: A Local Picture

2.1 The report covers the following areas as previously agreed:

Section 3 – What is Poverty

Section 4 – Assessing the Local Picture (this summarises the data used that is contained within the appendices. (See background link)

Section 5 – Debt & Financial Vulnerability - we have looked at the levels of indebtedness, customer's abilities to budget, the use of foodbanks, the impact of Universal Credit and other welfare cuts.

Section 6 – Homelessness – focussed on rough sleepers, people accessing our housing options services and the reasons why, rent levels, the impact of the Housing Reduction Act 2017, numbers in temporary accommodation, people registered on Devon Home Choice, our housing stock, the role of Housing Associations, stock being lost through right to buy and current partnership arrangements

Section 7 – Earnings & Employment – focussed on employment rates and earnings, the East Devon economy, impact of seasonal and agriculture employment, economic development and support available to help people into work plus support available for existing and new businesses.

Section 8 – Health & Wellbeing - we have looked at the early results of our Your Home, Your wellbeing study, considered the work of our Mobile Support Officers who work across sheltered housing, reviewed homelessness data, reviewed Devon County Council data that relates to health and wellbeing and considered both our own Homelessness Strategy 2019-2023 and our Public Health Strategic Plan 2019- 2023.

3.0 Key issues identified in the main report

3.1 The main report provides a detailed analysis of the issues that we have identified (based on the agreed themes) that contribute to the overall picture of poverty in East Devon:

The key issues are:

- Customers needing support with budgeting and accessing other benefit entitlements to better improve financial resilience. **(Recommendations 2 & 3)**
- High levels of indebtedness which means people are living on the edge of financial crisis. **(Recommendations 2,3,4 & 5)**
- High cost of private rents means that the majority of customers are having to make up the shortfall due to the widening gap between Local Housing Allowance rates and actual rents. **(Recommendation 6 & 7)**
- High levels of part time workers (higher than the South West). This means there is higher risk of them being in poverty compared to households who work full-time. **(Recommendation 1)**
- The need to consider wider support for foodbanks including the importance of understanding root causes in order to create independency. **(Recommendation 8)**
- The need to improve consistency in the referral process to foodbanks. **(Recommendation 8)**
- Those claiming Universal Credit are more likely to be in arrears with their rent and Council tax compared to those claiming other types of benefits. **(Recommendation 5 and see note 1 below)**

- Demand for housing advice is continuing to increase with the two most common reasons for people contacting us being the loss of a private sector tenancy and a family/relationship break- up. (**Recommendation 6 & 7**).
- Demand for our social housing stock is continuing to increase, recognising the priority of delivering more affordable housing. (**Recommendation 6 & 7**).
- Customers claiming Council Tax Reduction have disproportionately higher levels of council tax arrears compared to the proportion of net collectible debit. (**Note 1 below**)
- Further work to be done on a number of areas, such as fuel poverty, etc (**Recommendation 1 & 9**)

Note 1:

Members of Cabinet on 4 September 2019 agreed to consult on changing our Council Tax Reduction Scheme to better align with Universal Credit. The proposed changes also include increasing financial support.

4.0 Summary

4.1 A summary of the poverty report is under section 9 and this links in with the key issues and the recommendations as set out above.

5.0 Moving Forward

5.1 It is important to remember that this topic is not only vast but also complex. Even keeping within the above themes there will clearly be data and information that we will not have captured or evaluated in the poverty report. The significant amount of local data that we have assessed and the issues identified we hope will provide a greater insight into the local picture and therefore a good starting point in how the Council may want to take this forward. The first recommendation to create a Poverty Strategy would provide a mechanism to allow Members to continue to develop work in this area.

6.0 Main report – see attached.

Poverty: A Local Picture

1.0 Introduction

1.1 A motion was put to Council on 12 December 2018 to better understand:

- The impacts of welfare reform within the District and
- What more EDDC could do to help customers affected.

This motion which was unanimously supported followed two reports that were published in 2018 which highlighted the detrimental effects of cuts in welfare spending.

1.2 The reports are:

- [Cumulative impact of tax and welfare reforms](#) by the Equality and Human Rights Commission (2018). This revealed that the largest negative impacts of changes to taxes, benefits, tax credits and Universal Credit (UC) will be felt by those with lower incomes. The poorest 20% will lose, on average, approximately 10% of net income, with the changes having a disproportionately negative impact on several protected groups, including disabled people, certain ethnic minorities, and women.
- The [Statement on Visit to the United Kingdom](#), by Professor Philip Alston, United Nations Special Rapporteur on extreme poverty and human rights. The Special Rapporteur's report documented the growth of poverty in the UK, with 14 million people, a fifth of the population, living in poverty. The implementation of Universal Credit was identified as a cause of hardship, with detrimental effects on many claimants' mental health, finances, and work prospects.

1.3 The scope of this work was considered by Members of Cabinet on 6 March 2019 where it was agreed that the areas of focus would be:

- Poverty analysis – (in particular how Universal Credit affects people across different housing tenures)
- Homelessness (including the increases in homelessness and the causes)
- Employment and earnings (including employment rates, income levels, numbers of people in work/out of work poverty)
- Debt and financial vulnerability (including reliance on foodbanks, payday loans, rent and Council Tax arrears, general indebtedness and budgeting abilities)
- Health & Wellbeing of individuals

See

<https://democracy.eastdevon.gov.uk/documents/g142/Public%20reports%20pack%2006th-Mar-2019%2017.30%20Cabinet.pdf?T=10>

2.0 Background

2.1 Spending on welfare benefits nationally has shrunk by nearly a quarter over the last decade. By 2020/21, it is forecasted that £37 billion less will be spent on working age welfare benefits compared with 2010. By contrast, spending on the state pension will be £1.7bn higher by 2021. As working age customers have experienced the majority of cuts the focus of our analysis is mainly directed at this demographic.

2.2 It is inevitable that Government cuts in welfare spending will have left those affected worse off. As the national reports highlight the cuts are regressive – the largest impacts are felt by those with lower incomes. Nationally more children are now living in poverty compared to 2015 despite the UK being the fifth largest economy in the world. There are many areas where poverty has an impact that are outside of our control or we will have limited influence. This report aims to provide a starting point into what measures EDDC could take to better support

customers and how we need to work with other public bodies and the voluntary sector if we really want to make a difference.

- 2.3 Universal Credit, the most significant reform, is now being rolled out in Devon with a potential total of 109,000 claimants by 2023. Universal Credit aims to bring positive changes including stronger work incentives, increased employment and an easier transition into work. However it is recognised that the delivery of this new benefit is causing hardship. Many vulnerable customers are finding the transition to Universal Credit difficult and have a wide range of support needs. There is clear evidence to show that the 5 week payment time delay in customers moving over to Universal Credit is a key driver behind the increase in food bank use. This is not surprising when 37.4%¹ of the South West adult population have less than £100 in savings; meaning people don't have anything put aside to deal with this type of situation.
- 2.4 There are many links to be made when considering housing and poverty and as part of this report we have begun to look at a number of data sets to help us understand the position for people accessing our homelessness services, as well as our own housing tenants. Our landlord role places us in an informed position to take a deeper insight into the lives of our tenants and to consider the impact of work we already undertake to support tenants who are struggling.
- 2.5 One of the themes was to get a better understanding of the use of foodbanks because it is known that the demand for this support is increasing. We were keen to work with one of the foodbanks to understand the customer demographic (single, family, working, not working etc), reasons for needing a food parcel and how many times they have received help. Due to restrictions over data protection, we are reliant on the foodbanks carrying out their own analysis for us. Unfortunately at the time of submitting this report the information from one of the foodbanks that we had been working with had not been provided. We realise that the foodbanks are run by volunteers and therefore will have different priorities. This means that we have only been able to analyse our own foodbank referrals together with published data.
- 2.6 It is important to remember that this topic is not only vast but also complex. Even keeping within the above themes there will clearly be data and information that we will not have captured or evaluated in this report. The significant amount of local data that we have assessed and the issues identified we hope will provide a greater insight into the local picture and therefore a good starting point in how the Council may want to take this forward.
- 2.7 Lifting people out of poverty is not something that East Devon can achieve on its own as there are many areas that are outside of our control or influence. We recognise that we don't have all the answers but we have identified a number of additional measures (through the creation of 9 recommendations) that could be taken to better support our residents who are struggling. Alongside this, we can also see the importance of working more closely with the voluntary sector and other public bodies.

3.0 What is Poverty?

- 3.1 There is more than one definition of poverty and it can mean different things to different people, but it is generally considered that someone is in poverty when they are not able to heat their home, pay their rent, pay for food or buy the essentials for their children.
- 3.2 There are 4 levels of poverty (Joseph Rowntree Foundation, 2019):
- **Income at minimum income standard or better** – able to afford a decent standard of living
 - **Income below minimum income standard** – getting by day-to-day but under pressure, difficult to manage unexpected costs and events

¹ <https://www.moneyadviceservice.org.uk/blog/millions-at-risk-with-savings-of-100-or-less>

- **Not enough income** – falling substantially short of a decent standard of living, high chance of not meeting needs
- **Destitute** – can't afford to eat, keep clean and stay warm and dry

3.3 Poverty is most commonly measured using either:

- People in relative low income – living in households with income below 60% of the median in that year;
- People in absolute low income – living in households with income below 60% of (inflation adjusted) median income in some base year, usually 2010/11.

3.4 For example using the 2019 Median UK household income which is £29,400. 60% represents £17,640 which is equivalent to £1,470 per month or £339 per week. (Minimum wage at £8.21 x 37 hours per week = £304). These figures then have to be adjusted to reflect household size. See appendix 1.4.²

3.5 In the UK there are currently 14.2 million people in poverty and 48.3% are living in families with a disabled person. 7.7 million people live in persistent poverty (people who would also have fallen below the poverty line in at least two of the last three years).

3.6 In East Devon **15.5%** of households live below the 60% of median income, falling 5.6% below the national average. For East Devon it is estimated that 10,899 households are below the poverty line.

3.7 The poverty rate in the UK has been fairly consistent over the past 15 years staying between 21% and 24%. However, this trend hides significant changes in rates of poverty among different groups. The poverty rate for working age adults over the last 15 years has increased slightly (by 1.5 percentage points) and since 2011 there has been a rise in child poverty rates (see appendix 1) and is now 34%. East Devon's child poverty rate falls far below this but is still at a concerning 22.3%.

3.8 Poverty levels are much higher in families where either adults only work part-time and those that don't work at all compared to those in full-time work. Also those households that are in poverty nearly half are living in families with a disabled person.

3.9 More information about the national picture of poverty is available at appendix 1.

4.0 Assessing the local picture

4.1 As we already deliver a number of services that support low income households, it's important that we analysed our own data. These hold a wealth of information that will provide a more informed understanding of the local picture rather than just drawing on published data. This means that there is an appropriate link that we can make between those living in poverty and the local data we have assessed. However that doesn't mean that we can assume that everyone is in poverty but what we are saying is that they are at greater risk of being in poverty. We have also been able to overlay some of them in order to see what else we can draw from this. For example; awarding a discretionary housing payment (DHP) to one of our council tenants that has the effect of clearing their rent arrears, does that achieve a successful outcome of them not falling back into rent arrears? Alongside this we have included some case studies that will hopefully add another dimension to understanding the local picture by focusing on a 'lived experience' of an East Devon resident/household.

4.2 For each of the different sets of data we have reviewed and analysed we have provided a full breakdown of the demographics and the issues identified. We felt that it was important to capture all this information within the report but have included this within the appendices as set out below:

². <https://www.gov.uk/government/publications/how-low-income-is-measured/text-only-how-low-income-is-measured>

| Data analysed | Appendix | Pages |
|---|----------|-------|
| Housing Benefit & Universal Credit | 2 | 5-9 |
| Council Tax – Council Tax Reduction Caseload, profile and arrears | 3 | 10-16 |
| Discretionary Housing Payments (DHPs) | 4 | 17-20 |
| Housing Rents | 5 | 21-23 |
| Homelessness and Housing Data | 6 | 24-39 |
| Foodbanks | 7 | 40-43 |
| Money Advice/ Budgeting Support – Homemaker Southwest & Citizens Advice | 8 | 44-47 |
| Wellbeing | 9 | 48-54 |
| Employment data | 10 | 55-63 |
| Case Studies | 11 | 64-65 |

The link to the appendices are here [Appendices that link to main report](#)

- 4.3 The report is broken down against the agreed areas of focus (see para 1.3) which are:
- Debt & financial vulnerability
 - Homelessness
 - Employment & earnings
 - Health & Wellbeing

5.0 Debt & financial vulnerability

5.1 We have been looking at the levels of indebtedness, budgeting and money management, the use of foodbanks, the impact of UC and other welfare cuts.

5.2 The main headlines from this are summarised in the table below:

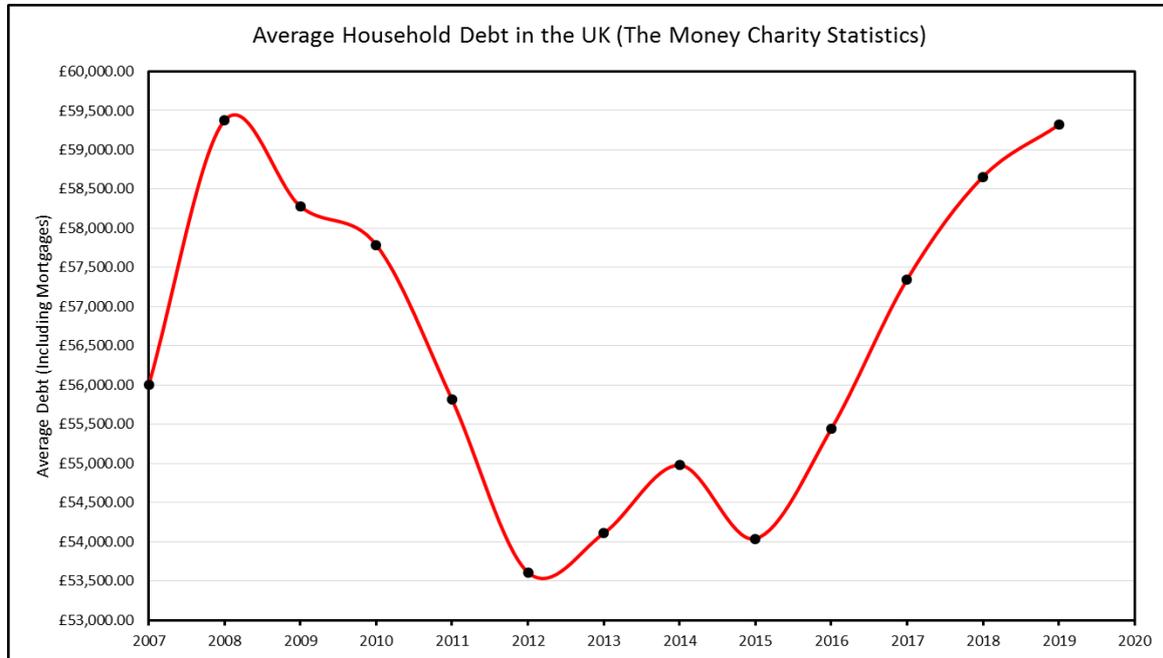
| Headlines: Debt & financial Vulnerability | Evidence |
|--|----------------|
| 10,899 household in East Devon are below the poverty line and 14,068 of our adult population are over indebted | Appendix 1 |
| <p>Council Tax:</p> <ul style="list-style-type: none"> 13% of all Council Tax arrears relates to working age Council Tax Reduction (CTR) claims despite only liable to pay 1.12% of the net collectible debit Council Tax has risen by just over 23% since 2013/14 but people claiming Benefits will have seen these frozen and wages have risen just 11% nationally Highest proportion of households claiming CTR who are in arrears with their Council Tax live in the Cranbrook & Broadclyst areas. There is no face to face money advice service offered in these areas. They have the two highest precept charges in East Devon. 80% of our claimants are not working and of the 20% that are working the average hours per week would equate to 18.6, suggesting that the majority of workers are part-time. | Appendix 3 |
| <p>Housing Benefit (HB):</p> <ul style="list-style-type: none"> 72% of Local Housing Allowance (LHA) Housing Benefit (HB) cases have rent higher than the LHA rate with an average shortfall of £29.03 per week (£1,509.56 per annum) 42% of HB claims are in the private rented sector 47% of the caseload have a disabled person in the household which is similar to the national picture. 80% of HB claimants are not working – similar to CTR. | Appendix 2 |
| <p>Discretionary Housing Payments (DHP) claimants:</p> <ul style="list-style-type: none"> Paying on average £270.10 per year more on water and energy than the national average. 55% of DHP claimants is awarded to those in the private rented sector 29% of claimants are on UC 57.7% of successful HB DHP claimants are awarded to single claimants. 24% were lone parents and 10% were couples with children. Customers are spending more than the national average on broadband/internet | Appendix 4 |
| <p>Universal Credit:</p> <ul style="list-style-type: none"> Customers that have moved over to UC are more likely to be in arrears with their Council Tax and rent compared to those claiming other types of benefits 382 (9.3%) housing tenants are on UC of which 60.5% are in arrears with their rent. They account for 19.8% (£71,359.58) of the total rent arrears. UC cases claiming CTR are the highest category of benefit claimant in arrears with their Council Tax. 40% of East Devon UC claimants received support with their UC claim despite this being a digital process. | Appendix 3 & 5 |
| Two out of the top four issues that customers present themselves to Citizens Advice are linked to financial vulnerability: | Appendix 8 |

| | |
|--|----------------|
| <ul style="list-style-type: none"> • Benefits – customers need help applying for DWP benefits or appealing decisions- PIP, ESA, UC, DLA, HB etc. • Debt – highest issue is customers having lots of different debt that they need help with. This is also linked with poor budgeting skills. <p>98% of Personal Independent Payments (PIP) appeals that Citizens Advice lodge on behalf of the customer are successful.</p> | |
| <p>Customers not accessing all the Benefits they are entitled to receive, lack of budgeting/money management which is supported by:</p> <ul style="list-style-type: none"> • Homemaker Southwest referrals for 2018/9 show on average yearly financial gains of £3,033.05 & budgeting uplift £187.89 per client that customers could access. • DHP data shows customers paying more than the national average for energy and water tariffs, broadband/internet packages, etc. <p>Feedback from staff & the voluntary sector identify the lack of budgeting skills that customers have.</p> | Appendix 4 & 8 |
| <p>Foodbanks:</p> <ul style="list-style-type: none"> • Increase in foodbanks due to five week delay in Universal Credit payments • There is a high risk of people becoming dependent on the use of foodbanks • Need for foodbanks to be supported by other organisations to help address root cause. | Appendix 7 |

5.3 Level of Indebtedness – national & local picture

5.4 Nationally one in three workers are “one pay day away from not being able to pay their rent or mortgage³”. This means that millions of people are living (not just those on low incomes) on the edge of a financial crisis as they don’t have any safety net.

5.5 At the end of July 2019 UK residents owed **£1,647 billion** at an average of **£59,319** per household⁴. This is an increase of **£888** per UK adult since July 2018 and a constant increase from July 2015.



5.6 1 in 6 individuals living in the UK are over-indebted, 8.2 million, of which 54% have children.

5.7 The following table shows that the percentage of East Devon’s population that are considered over-indebted is 11.6%, this is 4.5% below the national average⁵. Our district also has the lowest percentage out of all the Devon authorities. However in East Devon this means with an adult population (18 & over) of 121,276 that **14,068** are over indebted.

³ https://england.shelter.org.uk/media/press_releases/articles/one_paycheque_away

⁴ The Money Charity (2019) <https://themoneycharity.org.uk/money-statistics/september-2019/>

⁵ The Money Advice Service (2016) https://masassets.blob.core.windows.net/cms/files/000/000/334/original/A_Picture_of_Over-indebtedness.pdf

| Area | % Over-Indebtedness |
|--------------------|---------------------|
| National | 16.1% |
| South West | 14.5% |
| Devon | 14.0% |
| East Devon | 11.6% |
| <i>Exeter City</i> | 16.7% |
| <i>Mid Devon</i> | 14.0% |
| <i>North Devon</i> | 14.1% |
| <i>Plymouth</i> | 17.9% |
| <i>South Hams</i> | 11.8% |
| <i>Teignbridge</i> | 13.0% |
| <i>Torbay</i> | 14.6% |
| <i>Torrige</i> | 13.4% |
| <i>West Devon</i> | 12.7% |

Definition: Someone is defined as being over-indebted when they find keeping up with bills and credit commitments a heavy burden and/or fallen behind or missed payments in at least three of the last six months.

5.8 The Money Advice Service identifies that nationally there are five key factors that link with over-indebtedness:

- Renting – 1 in 4 renters are over-indebted
- Having a large family – 25% of adults with three or more children
- Being a Lone Parent – 28% of lone parents
- Low Incomes – 24% of households with income below £10,000 per year are over-indebted
- Age – someone between the ages of 24 and 35 is four times more likely to be over-indebted than someone who is 65 or older

5.9 Working age customers claiming a Council Tax Reduction (due to low income) represent 13% of all outstanding Council Tax arrears despite the proportion of Council Tax they pay in relation to other Council Tax payers represents only 1.12% of the net collectible debit. Over the past 6 years Council Tax has risen by 23% but those on low incomes will have either experienced cuts to their benefits or had their benefits frozen. It will therefore not come as a shock that the level of Council Tax arrears that we have are disproportionately higher for those on low incomes compared to what they are liable to pay. Members of Cabinet at their meeting on 4 September 2019 (report available [here](#)) approved to consult on changes to our existing scheme. One of the main changes is to increase the amount of financial support. This is a positive measure the Council is taking to address the inequity.

5.10 We have a consistently high rent collection rate but analysis of our rent arrears data reveals a number of key issues (appendix 5) which are relevant when thinking about poverty within East Devon:

- The number of current tenants who owe <£500 has increased from 105 in 2017 to 255 in 2019
- 78.6% of tenants that were in rent arrears in September 2018 were also in arrears in September 2019
- The amount of arrears owed is significantly different across the areas of East Devon
- 60.4% of current tenants on UC are in arrears in September 2019
- Since December 2018 there has been an increase of 35.2% of the number of UC claimants who are in rent arrears of 8 weeks or more

- 5.11 We forecast the amount of rent arrears will increase as UC is rolled out across the district and we will need to continue to support these tenants as best we can whilst being mindful that this will impact on our rent collection rate.
- 5.12 One of the top two issues that customers are accessing Citizens Advice for is in relation to debt where money is owed to many creditors (loans, credit cards, store cards, etc). Customers on low incomes are more likely to be at risk of paying higher rates of interest and susceptible to pay day lenders. Getting out of debt then becomes increasingly difficult.
- 5.13 Customers abilities to budget/ manage money
- 5.14 One of the big concerns that is common across much of this work links back to a lack of budgeting and money skills (including customers not accessing their full entitlements). There is a problem in customers not understanding or recognising priority essential household expenditure over non-essential items. This is evidenced from our DHP data and Homemaker Southwest reports we have analysed and through some of the case studies we have looked at in more detail. It is also supported from feedback from our own staff, Citizens Advice, Homemaker Southwest, foodbank volunteers, etc.
- 5.15 Customers who are struggling to pay their rent can apply for a DHP (see appendix 4). From the analysis carried out we can see that our policy is targeting support to those customers on the lowest incomes with the lowest levels of expenditure which is what you would expect. In order to be considered for a DHP customers have to provide a full breakdown of income and expenditure. We can see from our DHP data that out of the 387 Housing Benefit applicants who applied in 2018/19, 29% had debts/arrears in excess of £3,000. 54% had debts/arrears in excess of £1,000. Alongside these arrears/debts, 30% of customers are paying mobile phone bills in excess of £40 per month, despite the cheapest SIM only deals starting at £10-£15 per month. 40% are spending more than the average of £30.30 on Internet/Broadband which includes TV package.
- 5.16 An example of this is Customer A who is a lone parent with one child and has been claiming Housing Benefit for a number of years. At the time of their DHP application the customer had arrears in excess of £6,000 split between rent, heating company, online retailers and a credit card. They were spending £150 per month on Sky TV/Broadband and Mobile Phone contracts. If this customer reduced their spending on non-essential items then they would be able to pay the shortfall in their rent. (Appendix 11, case Study 4)
- 5.17 From our DHP data, these customers are spending on average £4.71 per day on water and energy which is 74p higher than the national average of £3.97. This equates to £270.10 per year that these customers are spending over national averages. This is predominantly linked to higher water charges even compared to others in the South West. This is a worrying statistic and is something that needs exploring further to better understand the real reasons behind this because paying an extra £270 a year on water and energy is a lot of money for people to find who are already struggling.
- 5.18 One of the areas looked at was whether giving someone a backdated DHP to cover their shortfall in rent; in essence clearing their arrears - had meant that they would be able to cover the future payments after that period ended. In 2018/19 there were 227 DHP's awarded and 10% of these were to Council Tenants meaning that we could analyse whether customers were managing to maintain rent payments after the DHP because EDDC are the landlords. Of the Council Tenants who were given a DHP in the last financial year a third are still in rent arrears, as well as having Council Tax arrears. One of these cases highlighted a very complex situation where by arrears were accumulating because of a Non-Dependent not paying their way as well as the claimant not necessarily being on the benefits they were entitled to (Appendix 11, case Study 3).
- 5.19 As we are unable to measure the success of DHPs awarded to customers in the private rented sector (over 50%) there is a risk that customers may not be achieving sustained

outcomes because of the pressure on household income including the higher levels of rent in the private sector.

5.20 As part of the DHP process we may also refer customers for Money Advice which is a service delivered by Homemaker Southwest. They deal with referrals made by our Housing (Homeless prevention work, Housing rents) and Revenues & Benefits (DHP's and Council Tax arrears) teams. They provide independent financial advice to customers on budgeting, debts and access to other benefits, etc. Having impartial independent money advice is key in helping to provide that wider support to our customers in creating financial resilience rather than just dealing with issues in isolation. This is demonstrated in the financial outcomes that were identified for the 392 customers that were referred in 2018/19. The average gain if they act on the advice given would be:

- Financial gains (applies for Benefits such as PIP, Carers Allowance, Council Tax Reduction, UC, etc) - £3,033.05 average annual uplift per client
- Budgeting uplift (changing to cheaper tariffs, etc) £187.89 per client.

This further supports the view that customers are not accessing all their entitlements or are paying more for things than they need too.

5.21 Use of foodbanks (see appendix 8)

5.22 It is highly publicised that the use of foodbanks is on the increase both at a national and local level and one of the reasons we know for the increase is because of customers moving onto UC.

5.23 What is believed to be the UK's first children's book about foodbanks was recently covered in the Guardian. The article was headed up 'A children's book about foodbanks is a grim sign of our failure as a society'. Despite being the fifth largest economy in the world this is a stark reminder of how foodbanks are becoming part of some people's everyday life.

https://www.theguardian.com/commentisfree/2019/oct/30/food-banks-childrens-books-britain-hungry-election?CMP=Share_iOSApp_Other

5.24 We recognise that foodbanks are not just providing support on a short term basis as they are seeing an increase in customers with longer term needs. This is concerning when the use of foodbanks should not be a solution as their purpose was about providing short term support to those most in need.

5.24 As the majority of the East Devon Foodbanks are run independently this means that they can all operate and distribute food parcels in different ways. Some take the 'we don't ask any questions and we don't judge' approach and some attempting to get to the root cause. It would appear that foodbanks are relying on the organisations that make referrals to have carried out some form of 'gateway assessment'. There is a risk that this will create inconsistencies in how foodbank referrals are made by various organisations including ourselves. Also, opportunities for providing that wider support in identifying 'root causes' especially for those with longer term need are not necessarily being provided.

5.25 The new Chief Executive at Citizens Advice recognises the importance of working more closely with our foodbanks and also shares the view that linking in with other agencies and providing support to address the root cause is key if we are to reduce dependency on foodbanks.

5.26 Feedback from two of the volunteers at Exmouth Larder highlighted:

- An increase in people with addictive disorders, such as gambling, drugs and alcohol and reported many instances where the same people were being referred continuously, appearing to be without specialist support or perhaps choosing not to engage with services that are attempting to support them.

- High levels of people are presenting with some sort of mental health issues whether it be short term stress and anxiety or longer term depression.
 - Inability of people to manage their own finances. Particularly amongst younger people a real lack of awareness of what a priority debt is compared to luxuries such as Sky TV and expensive mobile phone contracts.
 - Lack of basic living skills, such as the ability of younger people to cook fresh food. They have seen an increase in more people requesting ready-made type produce.
- 5.27 They also highlighted the reliance on agencies, such as us to ensure the right people were being referred. There were inconsistencies highlighted that indicated they had instances where the same person was being referred by two different departments within East Devon and this has highlighted the need for us to consider our referral process to ensure a consistent approach is being taken every time.
- 5.28 We should consider a Council wide referral process and procedure that can be held in a central database. Officers referring can then quickly identify trends and cases where perhaps repeated usage may mean other underlying issues. Consideration over GDPR will need to be fully explored.
- 5.29 Volunteers at one of the foodbanks have raised concerns that the long term use of foodbanks could have serious impacts on mental health, motivation and addiction in our rural towns.
- 5.30 This has identified that there is a clear need or opportunity for EDDC to work closely with all foodbanks in the area, as well as other voluntary services, to eradicate the dependency and replace it with independency for our customers. Unless foodbanks are supported by other organisations then helping to get to the root cause will be difficult.
- 5.31 Impact of Universal Credit (UC)
- 5.32 With the introduction of UC which has a five week wait for the first payment, it is not surprising that an increasing number of people will need to rely on other forms of help in order to stay afloat - foodbanks, discretionary housing payments, borrow money, etc. This means that it is inevitable for people moving onto UC that don't have savings are likely to fall into arrears with other bills, such as; rent, Council Tax, utilities, etc.
- 5.33 When we look at the impact of UC on our own current housing tenants we can see that despite only having 9.3% (382) of Council tenants being on UC they account for 19.8% of total rent arrears (appendix 5.3.4). Looking closely at the actual reason for the arrears we can pull out some themes;
- an inability to manage their online UC account (understanding the importance of checking the details and financial information to ensure it is correctly linked to their circumstances)
 - Lack of awareness and in some cases a reluctance to pay rent at the time the claim is received by them without an understanding that housing costs are now included in this and they now have to pay us directly
 - The claim is paid in arrears so the first 5 week wait for the first payment is seeing a spike in arrears.
- 5.34 Council Tax is showing a similar trend where 33% of UC claimants are in arrears with Council Tax. This is significantly higher than other claimant's types such as Job Seekers at 23%. This means that on average customers are in arrears by £280. Members of Cabinet approved at their meeting on 4 September 2019 to consult on changing our Working Age CTR scheme to an income banded scheme and at the same time to increase the maximum support from 80% to 85%. The Council is currently consulting on these changes and then the final scheme will need to be approved by Full Council. A copy of the report that was considered by Cabinet is available [here](#).

- 5.35 29% (97) DHP applicants in 2018/19 were UC claimants.
- 5.36 48% of the foodbank referrals that EDDC made between September 2018 and May 2019 were because of issues in relation to UC in particular the 5 week wait but also due to incorrect awards.
- 5.37 DWP data shows that during 2018/19 there were an additional 1,266 claimants in East Devon who moved onto UC. During this same period Citizens Advice saw 308 clients over UC and between July 18 and March 19 East Devon helped 195 customers to apply. This may suggest that 40% of East Devon UC residents received support with their UC claim. This does not take account of other unrecorded support that would have been given by staff within East Devon or other agencies. Considering this is a working age benefit that has been designed as a digital process there is clearly additional support that customers need, that is much higher than the Government estimated when UC was designed.
- 5.38 Rental Officers are spending a significant amount of time supporting tenants with administering their UC account and more generally offering day to day budgeting advice. This goes above and beyond focusing on how tenants can pay their rent. Advice is regularly given in relation to how to manage creditors, switch energy tariffs and access the voluntary sector for wider support. (Appendix 11, case study 6).
- 5.39 Impact of other Welfare Cuts
- 5.40 We have looked at customers impacted by the changes to the Local Housing Allowance (the maximum amount we can pay up to in Housing Benefit - Housing costs under UC) to understand what impact this is having in the District. 72% are above the LHA rate. Customers are having to make up the shortfall putting more pressure on their household budgets. The range of average shortfall is as low as £0.22 up to £194.65 per week. See appendix 2.5.
- 5.41 We looked at customers impacted by the Size restriction and how many of housing tenants were in arrears with their rents. It was found that 72 (35%) of Council tenants with the size restriction are in arrears with their rent, with 23 (11.3%) in excess of £100.00. This doesn't appear to be having a significant impact as the percentage with arrears in excess of £100 is relatively low. However, what we don't know is whether this position is similar with other Social Housing providers.

6.0 Homelessness

6.1 For the purposes of this report we have focused on rough sleepers, people accessing our housing options services and the reasons why, rent levels, the impact of the Housing Reduction Act 2017, numbers in temporary accommodation, people registered on Devon Home Choice, our housing stock, the role of Housing Associations, stock being lost through right to buy and current partnership arrangements.

6.2 The main Headlines from this are summarised in the table below;

| Headlines: Homelessness | Evidence |
|---|------------------------------------|
| <p>East Devon has relatively low numbers of rough sleepers. However we must be aware of the difficulties of capturing a truly accurate number within our rural environment. We are already successfully utilising a number of central government funding streams (albeit time limited) and in line with the Governments current focus on reducing rough sleepers, we must remain vigilant to such opportunities in the future and be able to respond quickly.</p> | Appendix 6.2 |
| <p>Demand for housing advice services is steadily rising in East Devon with a marked increase of over 50% of the number of people approaching our service since 2014/15. This is consistent with the national picture.</p> | Appendix 6.3.1 |
| <p>Loss of a private sector tenancy and relationship breakdowns are the most common reason for people approaching us for housing advice</p> <p>Tenancies in the private sector are not being retained due to affordability, this is due to particularly high rents and low wages. There is a significant difference in social rent between housing association properties and East Devon rents, this is also contributing to financial difficulties and problems with housing affordability not just in the private sector.</p> | Appendix 6.4 Appendix 6.4.1 |
| <p>The majority of our customers (63.8%) are of working age and 26.5% approaches to us were from families with at least 1 child under the age of 18.</p> | Appendix 6.6 |
| <p>Our highest need is for 1 bed unit accommodation, this is concentrated highest within Exmouth (29.4%).</p> | Appendix 6.12.2 & 6.12.4 |
| <p>Within East Devon and nationally there has been an increase in the number of households who were owed a duty and over two thirds have had a support need (s)</p> | Appendix 6.6.1 |
| <p>Like the national picture, the number of people in temporary accommodation has been rising over the last 4 years.</p> | Appendix 6.7.1 & 6.7.5 |
| <p>As at April 2019 there were 4668 applicants on the housing register, we have seen an increase of 38% since 2017 of applicants in Band A to Band D. 26% of people on the Housing Register are at risk of becoming homeless 42.6% said their health and/or wellbeing was made worse by their current home</p> | Appendix 6.12.1 |
| <p>9.3% of housing in East Devon is social rented, this is low compared to the 17.6% national average. Nationally more than a quarter (27%) of all people living in social rented accommodation live in persistent poverty and 20% in the private rented sector compared to just 6% of those living in mortgage owned accommodation. Also a high proportion of households in the social rented sector are one parent families.</p> | Appendix 6.8 |
| <p>East Devon 72% of housing benefit claimants under the LHA scheme have rent higher than the LHA rate</p> | Appendix 2.5 |

6.3 Homelessness- Rough Sleeping: National and Local Picture

6.4 Homelessness can be one of life's most traumatic and disruptive events. It is also one of the most onerous statutory duties the council has to manage and therefore an area where we can directly influence and work to improve the local picture. Measuring homelessness is multi-faceted with a number of factors to consider. One of the most visible forms of homelessness is rough sleeping and the chart below captures the position nationally which indicates a particularly sharp rise since 2010⁶ with a slight decrease within the last year. A similar trend has been observed for the South West and East Devon with actual numbers listed in Appendix 6.2.

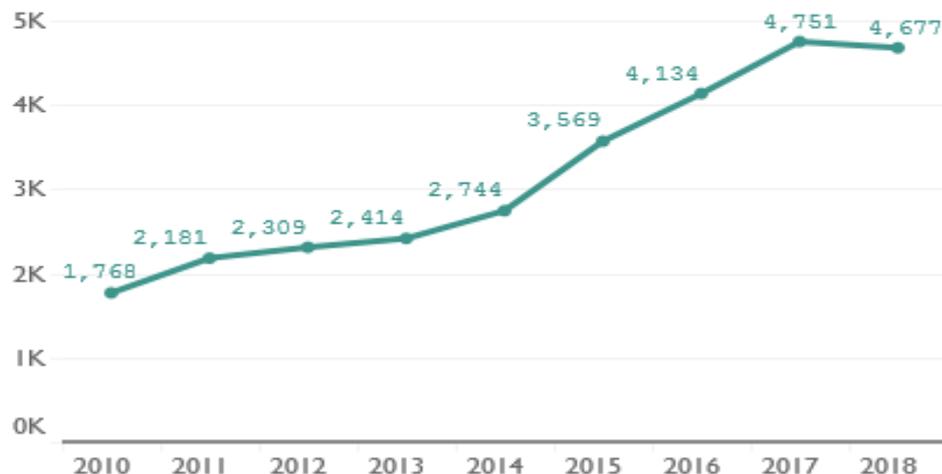
The data is based upon formal counts undertaken by each Authority, but it should be noted that this figure is impossible to gauge accurately particularly in rural districts such as East Devon.

Our rough sleeper figures remain low when compared to the rest of the South West, with the highest figures in Exeter and Plymouth.

Rough sleeping across England

The number of people sleeping rough is rising nationally

All charts - Number of rough sleepers from MHCLG 2010-2018



6.5 Rough sleepers, although a relatively small group of people who are homeless within the district, represent those who have the greatest housing need and who generally face the biggest barriers in obtaining accommodation. The impact of rough sleeping is detrimental⁷ with national figures reporting;

- 86% reporting some form of mental health issue
- 41% reporting to take drugs or be recovering from drug usage
- 27% have or are recovering from an alcohol dependency problem

⁶ Homeless Link (2019) <https://www.homeless.org.uk/facts/homelessness-in-numbers/rough-sleeping/rough-sleeping-explore-data>

⁷ Homeless Link (2019) <https://www.homeless.org.uk/facts/homelessness-in-numbers>

- 6.6 Due to the severity of rough sleeping and the challenges we know exist, we are focusing resources on outreach work to intensely support this group and we have prioritised this area as one of our 4 priorities in our recently revised homelessness strategy. Rough sleepers are a group that are typically hard to engage requiring a specialist, sometimes alternative approach to engagement. Significant time is often required to build up trust and understanding and there can be a considerable amount of time before any progress is made to improve an individual's situation. Case Study 2 is a lived experience of a rough sleeper in East Devon.
- 6.7 As a follow up to the Government's 2018 Rough Sleeping Strategy ⁸, funding has been made available in this area and we have been working with our local district partners to maximise these opportunities.
Over the past 12 months we have successfully secured external funding under two initiatives;
- **Rapid Rehousing Pathway**- A joint bid with Teignbridge, Mid Devon, South Hams and West Devon with the award to each District of £41,000 to fund a Navigator post for 12 months.
 - **Rough sleeper initiative**- A joint bid with Mid Devon with funding of £42,000 to recruit a shared navigator post and £35,000 to fund a support worker for a Housing First project for up to 6 properties.
- 6.8 Both funding streams are for a period of 12 months only, which presents uncertainty over future funding. There are also significant physical challenges in carrying out an effective outreach service for rough sleepers throughout a large rural, geographical area such as East Devon and we remain particularly reliant on the public reporting rough sleepers to us.
- 6.9 The additional resources have only been put in place recently although there are already successful outcomes being measured, these include:
- A reduction seen in the monthly figures of verified rough sleepers, compared to the same periods last year. Rough sleeping within the region fluctuates seasonally, with higher numbers in the summer months.
 - 12 successful outcomes for verified rough sleepers since April 2019 including 5 being accommodated in supported accommodation projects, 5 being accommodated in accommodation in the private sector and 2 being accommodated in council accommodation.
 - One of the former rough sleepers has subsequently got back into work since being accommodated
 - Positive effect on the homelessness budget; a total of £79,000 benefitting the budget as a result of the bids. This addition adds to a saving of £12,000 from last year's budget by ending the previous contract for a rough sleeping outreach service by an external organisation and a further £5,000 by reducing the need to contribute towards a winter shelter.
 - Positive impact on other regional services including our own Street Scene team, the police and local charities aimed at assisting rough sleepers, where scarce resources are used to tackle rough sleeping throughout the district and the related effects.

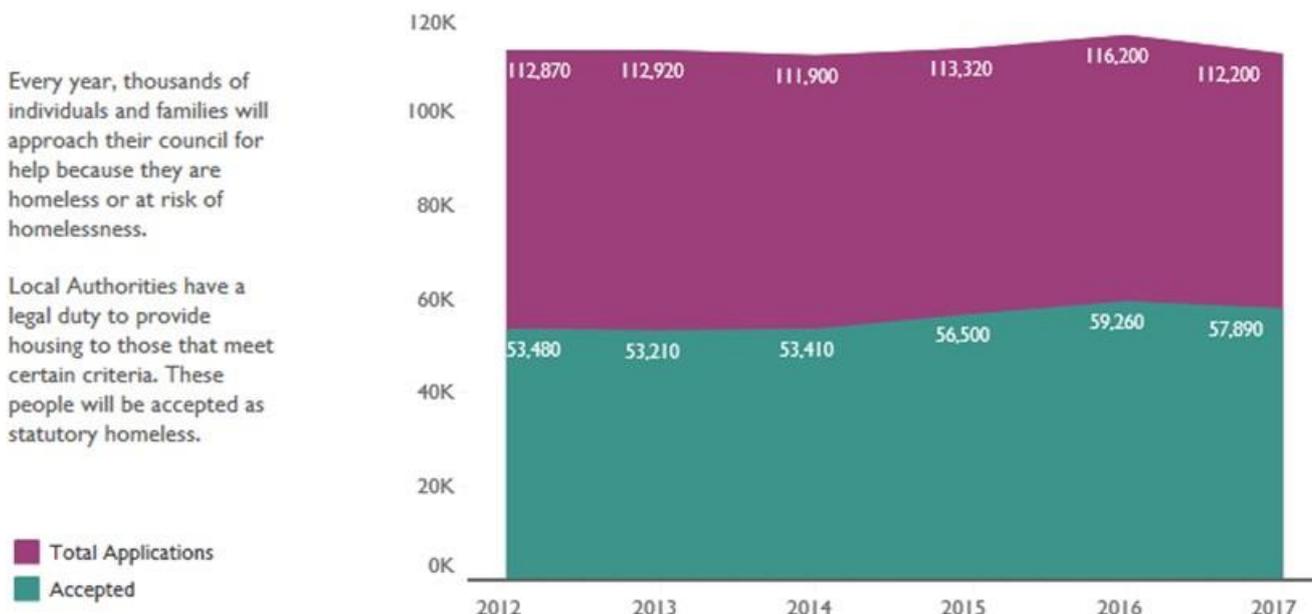
6.10 Demand for Homelessness/Housing Advice

⁸ Gov.UK <https://www.gov.uk/government/publications/the-rough-sleeping-strategy>

6.11 Every year thousands of individuals and families will approach their Council for help because they are homeless or could be at risk of homelessness. Local Authorities have a legal duty to provide housing to those that meet certain criteria, these people will be accepted as statutory homeless. Our housing service operates daily from Exmouth and Honiton via a drop in facility and appointments. Our belief is that the sooner we are aware of a potential housing issue the sooner we can act to assist and we therefore promote our drop in service as a quick, easy way for people to access help and assistance.

Statutory homelessness: The national picture

Overall applications and number accepted as statutory homeless



6.12 In line with the national picture, the last 4 years has seen a steady increase in people accessing the services of our homelessness team with demand for these services currently continuing to rise. As shown in appendix 6.3,1, there has been a significant increase since 14/15 of over 50% and figures so far for the first two quarters of this year show an increase compared to the same period last year. Of people accessing the service, appendix 6.3.2 demonstrates a similar significant increase in homelessness acceptances since 2014/15 indicating a higher number of people approaching us with higher needs.

6.13 There are similarities between the causes of homelessness and reasons for people approaching the Council for assistance and this is summarised in Appendix 6.4 and 6.4.1. The two most common reasons for an approach to us remains to be the loss of a private sector tenancy and relationship breakdowns. There are also some slight differences between age and gender (see appendix 6.5.1). This is consistent with the national picture, where loss of a private sector tenancy is one of the most common causes of homelessness. There can be many situations that may lead to a loss of a private sector tenancy, one of the most common ones for us is affordability as we know that the private sector rents in our district are high, particularly compared to average earnings (Appendix 10.3.5). Our Discretionary Housing Payment spend also indicates the highest need as being in the private sector which again raises the issue of affordability. This problem is further exacerbated by the freezing of Local Housing Allowance (LHA) rates, as in East Devon 72% of housing benefit claimants under the LHA scheme have rent higher than the LHA rate (Appendix 2.5). There is little influence we can over this as the LHA rates are set by central Government.

6.14 Looking at the age profile of people accessing our homelessness services, the majority of customers sit within the working age range of 21 to 40 (63.8%), with an increase in older males compared to females accessing our services from the age of 40 and over. Looking more specifically at families, 26.5% of approaches had 1 more or more child. (See appendix 6.5).

6.15 It is important to point out that of all approaches, we only owe a housing duty to a certain amount of customers, who we define as being in a priority need category. As a snapshot, of the households assessed in East Devon from Jan-Mar 2019, 99.38% were owed a duty and over a quarter had dependent children, See appendix 6.6. This means that a proportion of people are receiving housing advice and short term intervention and are then continuing to manage themselves. This preventative work has been further enhanced by the introduction of the Housing Reduction Act 2017⁹ which places a legal duty on us to support people in this way. Providing more advice in this way has seen a considerable rise in caseloads per housing officer, typically now being around 38-40 cases per full time officer. Our preventative work is based around the need to prevent a homeless situation arising by ensuring an individual's current accommodation can be maintained and we do this in a number of ways;

- Intense support and liaison with the individual/household in an attempt to understand circumstances in some depth. This is done through face to face meetings as well as phone support.
- If appropriate, an offer of financial assistance through our rent deposit and bond scheme.
- Negotiation with landlords, family members to try and resolve matters that could prevent the eviction.
- A referral to Homemakers Southwest, to assist with financial advice and signposting to specialist debt agencies.

6.16 Temporary Accommodation

Even with the emphasis on prevention work that the Housing Reduction Act has introduced, there are growing numbers of people that are assessed as being in priority need and many of these we end up initially supporting with the offer of temporary accommodation.

Nationally, there were 83,700 households in temporary accommodation at the end of last year in the UK, a 5% increase on the end of 2017, according to government statistics.

Homelessness figures show that the number of people in temporary accommodation on 31 December 2018 was at its highest level in more than 11 years.

6.17 Our temporary accommodation data is set out in Appendix 6.7. For the year 18/19, we housed 151 households into temporary accommodation. Comparing Q1 and Q2 in 2018/19 and 2019/20 there has been an increase in 43 families in temporary accommodation and in single households this has risen by 49 (see appendix 6.7.5). Seeking suitable temporary accommodation is challenging and due to not having any designated temporary accommodation, our reliance in East Devon often falls on bed and breakfast type facilities which can also be costly. We have to carefully risk assess the type of temporary accommodation being accessed for people. Often people approaching us can be suffering from complex health issues therefore access and suitability of accommodation have to be carefully considered.

⁹ Gov.UK (2018) <https://www.gov.uk/government/publications/homelessness-reduction-bill-policy-factsheets>

6.18 In response to rising demand for temporary accommodation, we have purchased a house that is in the process of being converted for up to 8 single people (house in multiple occupation).

6.19 Cases are becoming increasingly more complex for Housing Officers to resolve with customers often presenting with a range of mental health issues that often result in Safeguarding referrals and liaison with social services to help with access for additional, specialist support. We are also seeing increases in cases that involve domestic violence, case study 1 (Appendix 11) sets out a recent case where a mother with 3 children presented following an alleged DV attack as well as ongoing financial abuse. We supported the family with a placement in temporary accommodation, a referral for specialist support and safety advice that also involved liaison with the police. The family were also referred to the foodbank for short term support and they were supported to register on Devon Home Choice with a banding of B, indicating high housing need.

6.20 Homelessness and Rough Sleeping Strategy 2019-2023

East Devon's approach to managing homelessness has been recently refreshed through our revised Homelessness and Rough Sleeping Strategy 2019- 2023¹⁰. Having a homelessness strategy is a statutory requirement as set out under the Homelessness Act 2002. This was a timely refresh in order to take into consideration the changes implemented as part of the Housing Reduction Act 2017. The strategy is based upon the results of a review of homelessness in our area with the need to provide direction on our future approach to how we can best manage homelessness.

As outlined in the strategy our four key priorities are to;

- Maximise prevention activities and outcomes
- Increase accommodation options
- Minimise rough sleeping
- Improve health and wellbeing

6.21 We are actively monitoring the strategy with a steering group made up of Officers, Members and uniquely customers who have experienced homelessness issues themselves. The steering group are responsible for ensuring that the objectives of the strategy are delivered.

6.22 Housing by tenure, increasing affordable housing options

6.23 The proportion of owner occupied homes in East Devon is high at 74.9%, this is compared to a national average of 63.3%. Of the homes that are not owner occupied, 23% of the homes are rented with 9.3% defined as social rented housing. The table in appendix 6.8 shows 41.2% of households in social rented sector are lone parent families compared with 5% in owner occupied.

6.24 Details on our own stock composition are broken down in appendix 6.9 reflecting a high number of sheltered housing units. This is reflective and in line with East Devon's older age profile with the 65+ age range looking set to grow more than any other over the next ten years increasing from 29.9% in 2014 to 33.1% in 2024.

6.25 As well as our own contribution to social rented housing, there are within the region of 10 Housing Association's (HA) operating in the East Devon District. In order to make development opportunities viable, we are increasingly seeing HA's charging affordable rent

¹⁰ East Devon District Council Website (2019) <https://eastdevon.gov.uk/media/2814843/eddc-homelessness-strategy2019-2023-final.pdf>

as opposed to social rent, a difference of £43 (see appendix 6.10). We are also aware of further barriers that may be leading to challenges with accessing HA properties, such as a more recent introduction by some of the requirement for a deposit and rent payment in advance. As we have already identified, for a large proportion of people who have no savings, finding these funds can create real challenges.

- 6.26 In 2018/19 there were 221 affordable housing completions from Housing Associations. Housing Associations remain seen as trusted partners in the delivery of affordable housing in the district however in order to support us with our statutory homeless obligations, we should perhaps be sharing our experiences more closely and looking for more innovative, joined up approaches to tackling some of the districts homelessness challenges. To compare, Appendix 6.10.2 gives an indication of current private sector rents in the District, the challenges that exist around affordability are clear to see with the sector seeing a 4.5 % rise in the last 12 months.
- 6.27 When we consider work that has been done to increase our own stock, over recent years this has been centred around our stock acquisition programme that has focused on buying properties off the open market and adding them to our stock. In 2018/19 we acquired 16 properties in this way. This has been a sustainable way of being able to spend our Right to Buy receipts which have to be spent within a set time frame at the risk of having to pay the receipt back (plus interest) to central government. There is a challenge to be made around whether acquiring stock in this way demonstrates value for money and we are keen to explore options of either redevelopment of existing stock or new build on land still owned by the Housing Revenue Account. The recent lifting of the borrowing cap on HRAs¹¹ presents further opportunities for us to do this however we must of course assess our financial position carefully with the need to review our Housing Revenue Account Business plan in order to consider future viability.
- 6.28 The Right to Buy scheme (Appendix 6.11) remains a constant threat to our Housing Revenue Account Business plan, 120 properties have been lost since 2015. Each RTB application is carefully considered and although there are provisions that allow us to refuse a RTB (example- sheltered housing properties are exempt), numbers have remained constant resulting in an overall depletion of our stock when numbers against acquisitions are compared. Although numbers of successful RTB completions can evidence a desire for home ownership amongst our tenants, the majority of people accessing our homelessness services are out of reach of home ownership and this further supports the need for us to consider increasing our own housing stock.
- 6.29 Demand for our own housing stock
- 6.30 A high percentage (34.87%) of people (appendix 7.1.2) accessing our homelessness service end up registering on Devon Home Choice in an attempt to secure social housing in the district. Due to this we can closely link homelessness to the increasing demand we are experiencing for our own housing stock. Demand for social housing properties in East Devon remains high and those in band A to band D has increased by 26.3% since 2017/18 (appendix 7.1.3). Demand for East Devon appears particularly high compared to other Devon districts, this could be due to other Authorities cleansing of the Housing Register fairly periodically where band E applicants are often removed. There is a view that such applications should be treated as not being in housing need (band E) although our approach has been to not ignore their desire to access social housing. Although the system will always place a focus on the higher need applicants we must not lose sight of lower

¹¹ Local Government Association 2019 <https://www.local.gov.uk/housing-revenue-account-cap-removal>

band applicants who although may be deemed as managing, will in many cases be struggling and only just getting by.

- 6.31 Through analysis of our housing register we can see that;
- over half (54%) of people seeking social housing are within the working age group of 20 to 39
 - 49.2% are single people
 - 33% of applicants are families with more than one child(ren)
 - 14.1% are single parent families
 - 6.1% of those on the register are currently living in temporary accommodation – hospital, hostel, sofa surfing, rough sleeping or no fixed abode.
- 6.32 National analysis provides evidence to suggest single parent family households, those in workless households and those working part time are likely to have higher rates of poverty. Analysis of the housing register reveals a high proportion of our residents who ‘fit’ within these groups. The median income of applicants is £14,000 and 57.4% do not have a job. Of this proportion 56% have child(ren). 17.1% of all applicants under 60 years age report they are on Income support, ESA or JSA.
- 6.33 Partnership working; Housing
- 6.34 We recognise that we cannot tackle homelessness alone and our Homelessness Strategy provides a summary of partners we are currently working with.
- 6.35 When considering homelessness issues amongst young people, one particular partnership to highlight is Young Devon. Young Devon are a specialist organisation who work with young people across Devon between the ages of 16 to 24. They assist young people in many ways from helping them to develop new skills, supporting mental health and improving accommodation options for young people including supported housing and lodging schemes. The ability to refer young people to Young Devon is particularly valuable and ensures specialist support from experts in dealing with young people. Young Devon dealt with 133 cases in East Devon in 2018/19. Over the last two years, most young people who approached Young Devon was because of a breakdown in the relationship with parents and their wider family/social network, this is followed by both violent and non-violent breakdown in relationship with their significant other. In 2018/19 over half of the young people Young Devon saw in East Devon were identified as having mental health difficulties. In order to access Young Devon, we contribute an amount of just over £20,000 and going forward we should look to protect this funding in order to protect our access into this vital service.
- 6.36 As already highlighted in 5.20 of this report, the Homemaker Southwest partnership is providing us with the ability to signpost people who need financial support. The primary purpose of Homemaker Southwest is to prevent homelessness and promote independence. Their involvement as a third party also gives the opportunity for an unbiased view of a households finances, highlighting where savings or sensible cut backs should be encouraged. Demand for Homemaker Southwest from the housing service is high with regular referrals from both the homelessness team as well as the housing rental team. This more recently has led to increased waiting times which can mean a delay in people able to access the service, therefore a limit in how quickly their situation can potentially be improved. As this is an arrangement shared across the Council, there is the need for a complete review to ensure the arrangement is as efficient as it can be. It is also a service we pay for and due to increasing demand we should consider the protection of this funding from the general account going forward.

7.0 Earnings and employment

7.1 The ability to access a decent, well paid job is a key determinant of household income. In this section we have looked at levels of employment rates, pay and productivity, skills and education and what the council is currently doing to support economic growth. Most of the data in relation to earnings, employment, productivity growth rates is published data from the Office of National Statistics. Alongside this we have also reviewed in-house statistics on CTR, HB & UC claimant levels (see appendix 10). The headlines are as follows:

| Headlines: Earnings and Employment | Evidence |
|---|-----------------|
| Average weekly earnings in East Devon have reduced between 2016 and 2018. These are now below regional and national averages. Prior to 2018 they were higher. | Appendix 10.3.5 |
| The out of work benefits claimant rate in East Devon was 1.4% in September 2019. This is below both South West and UK averages (at 2% and 2.8% respectively) and has been consistently lower for the past 15 years. | Appendix 10 |
| East Devon has a higher proportion of Part-Time workers (37.5%) than the South West (36.3%) and the UK (32.4%). We are under-represented in higher value digital, telecoms, data processing and web based employment (EMSI, 2019). Two of our largest employment sectors are: <ul style="list-style-type: none"> • Agriculture and related services. • Large tourist industry in the summer months (Jurassic Coast, East Devon Areas of Outstanding Natural Beauty) Both these sectors have among the lowest levels of average wage and productivity. Levels of associated employment are also exposed to risks including Brexit and automation | Appendix 10 |
| In the UK the poverty rate for households where the only earnings are from Part-Time work is 58% | Appendix 10 |
| 27% of Universal Credit claimants searching for work are between the ages of 20 and 30. Only 2% of UC claimants searching for work are below the age of 20. | Appendix 10 |
| Only 20% of the Council Tax Reduction (CTR) caseload are in employment with an average earned income of £7,924.28 per year. This suggests that most earners are only working part-time. | Appendix 10 |
| 86% of CTR earners live in households with 4 or less occupants with an average earned income of £7,470.32 which is well below the £10,000 level. However this will exclude other Benefit payments such as Housing Benefit, child benefit, disability incomes, etc that they will be receiving to top this up. | Appendix 10 |
| The fourth top issue that Citizens Advice deal with clients over is in relation to employment matters and these tend to be from those between the ages of 50 to 65. Over 50% of the employment issues are to do with pay, T&C's & dismissal. Zero hour based contracts are also a very big issue because employment can cease at any time. They also find that part-time/seasonal work there are often no written terms and conditions of employment | Appendix 10 |

7.2 Employment rates & pay

7.3 The published data shows that in the main the employment position in terms of the number of economically active (16- 64) people employed in East Devon is better than the national picture. Our unemployment rates are 2.2% lower than the national average. East Devon has an economically active population of 68,900 (Nomis, March 2019) of which 84.9% are in employment, 9.5 percentage points above the national average. In comparison to March 18 it was 79.1%, a significant increase of 5.8%. As described above, these statistics tell us nothing about the quality, levels of pay, skills and GVA associated with these jobs.

- 7.4 The statistics illustrate that we have less of an employment problem in quantitative terms. Rather we need to focus on qualitative aspects of the local labour market including the type of employment and relative wage level. For example East Devon's proportion of residents in part time employment is 5.1% more than the UK average. This is a concerning statistic as we know that poverty rates are much higher with families who are in work part-time compared to those in full-time work.
- 7.5 From our Housing Benefit and Council Tax Reduction data we can see that only 20% of the caseload are in work. These earnings are at an average of £152 per week, £7,924 per annum. It is likely that the majority of these customers are in part-time work. As seen in the links to over-indebtedness (Para 5.8) customers with an income below £10,000 per annum are at a much higher risk of falling into financial hardship, and if combined with renting a property (of which the vast majority of our CTR caseload are) it is understandable why customers may be finding it hard to cope.
- 7.6 Equally the statistics in terms of business start-up and survival rates in the District are comparatively healthy. But productivity within the district remains relatively low with many small lifestyle led businesses. Overall 89% of businesses are classified as micro enterprises, employing fewer than 10 people. Two of our largest areas of employment are in agriculture and tourism. Traditionally these have among the lowest average wages and the lowest levels of GVA (gross value added). There are threats to some of our higher value sectors including aviation given the significance of Flybe as an employer at Exeter Airport.
- 7.7 East Devon has the fourth lowest productivity level of any Devon district, equivalent to just 80% of the national average with GVA per employee at £42,162¹² (See Appendix 10.6). In relation to recorded levels of poverty in the district, this persistently lower level of productivity is important because jobs in sectors with lower levels of productivity (GVA) are associated with lower wages and household incomes.
- 7.8 East Devon continues to trail behind many of our rural district neighbours in terms of productivity growth. The reasons for this are not straightforward and a deeper understanding of the causal factors behind this trend is required.
- 7.9 Up until 2018, the average weekly earnings in East Devon have been generally above those for Devon as a whole, but still lower than the South West and National averages. For 2018 wages were lower than the rest of Devon and have decreased significantly since 2016 (see appendix 10). This is a challenging development and again demands further analysis and assessment.
- 7.10 As a district with such high levels of employment and a lowering average wage, we are compelled to focus on the *types* of jobs we work to promote – not just the number. Between 2012 and 2017 East Devon added 2,200 jobs though the highest proportion of these were in agricultural inputs and services. We have also seen increases in childcare employment. We need to take tangible steps which favour skilled jobs with higher average wages and increased levels of GVA. We are compelled by the HotSW LEP's Productivity Strategy (2018) and Local Industrial Strategy (draft 2019) to examine what can be done to improve skills and address underemployment and productivity across our bedrock and emerging sectors and to deliver local improvements.
- 7.11 Opportunities for improvement do exist. We have targeted our EDDC funded business support programme to improve productivity of our new and existing businesses and we are providing tangible support to Propeller Exmouth, the collaborative tech based initiative for example. The growth programme in the West End of the District and flagship projects such

¹² Productivity growth in the Heart of the South West: A Technical Paper (2016)
<http://www.torbay.gov.uk/media/9006/productivity-growth-in-hotsw-a-technical-paper.pdf>

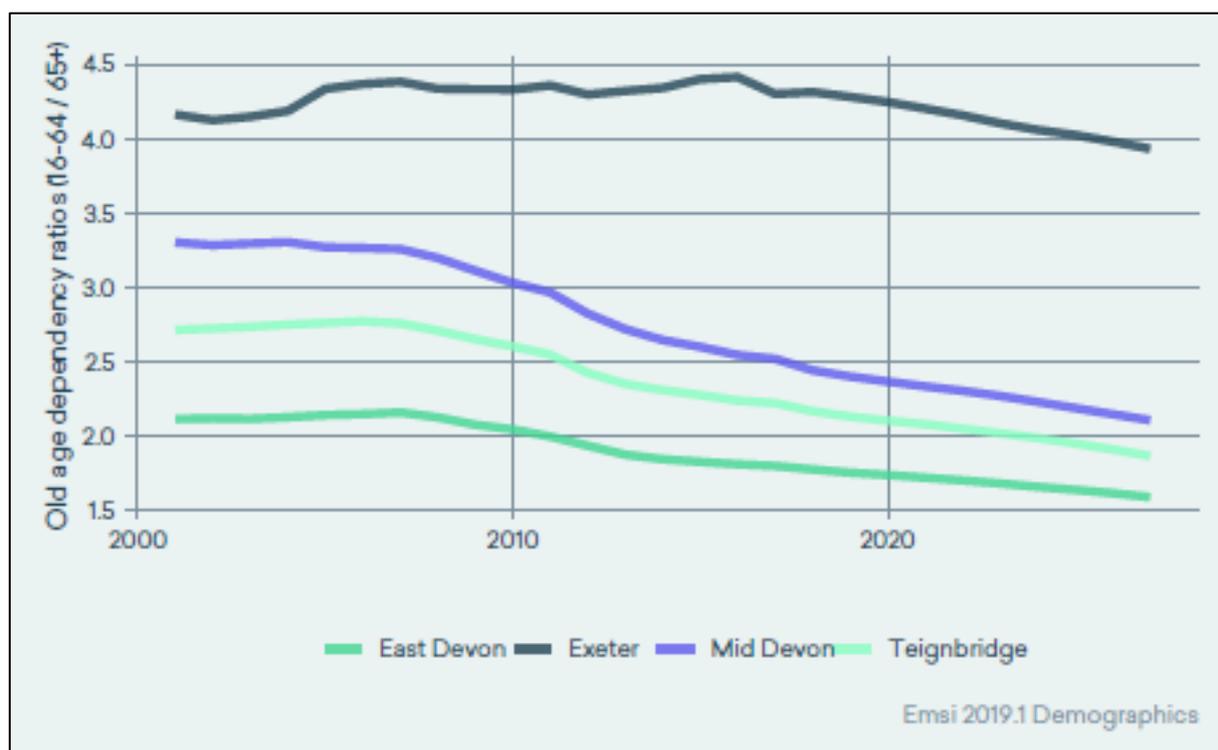
as the development of Exeter Science Park have the potential to have a transformational impact.

7.12 Low economic activity in East Devon:

7.13 What is clear is that we need to be more proactive in both attracting and retaining working age residents in East Devon. This is difficult to achieve when our average house prices are above both the county and regional average compared to median earnings (ONS, 2018).

7.14 The district is increasingly an attractive destination for the retired (numbering 42,660 in 2018) meaning East Devon now has the largest proportion of pensioners by District in Devon. With an aging demographic, East Devon has a higher level of economic inactivity than the county average and this has inevitable consequences for levels of household income and poverty.

7.15 The changing age structure is a national phenomenon, with people living longer and fewer working age people. One analysis to explore this change is the 'old age dependency ratio', which takes the ratio of working age (16-64) to retired (65+) people in a region. This is valuable in showing the number of potential 'workers' available to produce goods and services for every 'pensioner' who will need to be supported. East Devon's old age dependency ratio is the lowest of any authority in the Greater Exeter area this situation is worsening. Whereas in 2001, we had more than two working age people to support one retired person, by 2027 this will be trending towards 1.5:



Old age dependency ratio by EHOD district, 2001-2027 (EMSI, 2019)

7.16 Skills and Education:

7.17 Provision of skilled jobs, apprenticeships and training will help address some of the key challenges facing our economy - reducing our dependence on surrounding economies, increasing the quality of local employment opportunities and closing the productivity gap. East Devon has experienced a 14% increase in skilled trade roles between 2008 and 2018 whilst Teignbridge and Mid Devon have seen increases of 43% and 28% respectively (See Appendix 10.7 for a breakdown of East Devon).

7.18 Education is clearly relevant in considering respective levels of poverty. Our qualification composition also presents a complex picture. Between 2004 and 2017, East Devon has seen

a significant increase in the proportion of residents with a degree or higher. At the same time, we have gone from having the lowest share of no or low qualifications in the EHOD region, to having the highest share and falling from 311th to 249th nationally (Working age population data, 2004-2017).

- 7.19 To meaningfully improve household income across our district, we need to be geared towards encouraging higher GVA employment growth. The quality of new employment associated with proposed development to support indigenous business growth and inward investment should be considered at least as important as the quantity. Equally ensuring that our residents are equipped with the right skills to access these opportunities points to the significant role that the education system will play in addressing some of the upstream causes of poverty. This also needs to include the role of adult and community learning (see www.learndevon.co.uk for example)

7.20 What the Council is currently doing to support economic development

- 7.21 The Council recognises the importance of having a strong economy. This is one of the Council's four priorities in the Council Plan– outstanding economic growth, productivity and prosperity. The draft Council Plan sets out a number of key objectives for the next four years and within these there is a clear commitment to create new business opportunity and an increase in job numbers.
- 7.22 Having an Enterprise Zone covering four different sites (Skypark, Airpark, Science Park, & Cranbrook Town Centre) within our district is evidence of the work the Council is doing to create additional business employment areas. This is a direct intervention by East Devon and partners focussing on creating the conditions to attract higher skilled work which will increase the number of higher average earning wages and higher levels of GVA.
- 7.23 The Science Park provides a significant opportunity to deliver higher value jobs and improve economic growth. With a gateway policy, the park supports innovative science, technology, engineering, maths and medical companies to deliver growth and connect with the business community. The park has rapidly grown since 2017, with now over 700 staff on site. Further space on the park is being supported by the Enterprise Zone, due to be completed in 2020. This is the very kind of high value employment which, over time, will begin to transform our average earning and GVA indicators.
- 7.24 In addition to the above the Council has been investing and continues to do so in the regeneration of two of our seaside towns to add to the prosperity of the District, this supports the economic growth with employment and visitors to the district. The Council provides a range of employment units within the district, including office space in the East Devon Business Centre. This has been operating at capacity since 2016. There are also opportunities to develop additional workspace across the district, with particular demand within the West End, Exmouth, Seaton, Axminster and Honiton.
- 7.25 Our Exeter and Heart of Devon shared Economic Strategy 2017-20 is a partnership strategy aimed at securing high quality jobs for the region, raising skills and ensuring that employment is well paid. Whilst the strategy does not consider poverty in any detail there is a clear ambition for well-paid employment. The Strategy is available here - <https://eastdevon.gov.uk/media/1986797/ehod-shared-economic-strategy-2017-20.pdf>
- 7.26 More information about what the Council is doing to support economic growth is detailed in the Economic Development report to Overview Committee on 14 November 2019. This includes an update on our dedicated free independent business support programme to East Devon businesses and individuals who need help to get their business ideas off the ground and to improve productivity. It also includes details of how Economic Development have applied our discretionary rate relief policy to incentivise the development of businesses that bring tangible benefits to our wider local economy.

7.27 At a headline level it would be tempting to conclude that, with near full employment, the local labour market is not a major determining factor in terms of levels of poverty in the District. However this analysis demonstrates that it is the qualitative aspects of the labour market, including the type of employment and relative wage levels, which require real focus. Indeed there are worrying emerging trends in terms of earnings and productivity which demand further analysis so that we can ensure that the right policies and interventions are in place, alongside established initiatives, so that our residents can access a decent well paid job locally.

8.0 Health and Wellbeing

8.1 Under this theme we have looked at the early results of our Your Home, Your wellbeing study, considered the work of our Mobile Support Officers who work across sheltered housing, reviewed homelessness data, reviewed Devon County Council data that relates to health and wellbeing and considered both our own Homelessness Strategy 2019-2023 and our Public Health Strategic Plan 2019- 2023.

8.2

| Headlines: Health and Wellbeing | Evidence |
|---|---------------------------------|
| <p>As a result of Housing's Your Home, Your Wellbeing Study;</p> <ul style="list-style-type: none"> • People living in social housing stock report increased levels of satisfaction with life and home compared to those who live in the private rented sector. • Social housing tenants are reporting less anxiety compared to those who live in other tenures. • The three top issues that are impacting on wellbeing, associated with a person's home are affordability, keeping warm and noisy neighbours. • People with mobility issues are nearly twice as likely to say they are anxious than those without mobility issues. • Poor mental health is more prevalent with those reporting having benefit problems • Those on higher incomes report being more happy than those on low incomes | Appendix 9.6 |
| We are supporting increasing numbers of people with mental health issues, highlighting the need for us to have a fit for purpose strategy as well as strong links with the Primary Care Trust. | Appendix 6.6.1 |
| East Devon is in the top 20% healthiest areas of the Country according to the health domain of the Index of Multiple Deprivation. 20 neighbourhoods in East Devon are in the 10% most deprived nationally, including parts of Exmouth, Axminster and Honiton. | Appendix 9.1 |
| Health and Wellbeing is recognised as a key priority in our recently revised Homelessness Strategy 2019-2023 and various streams of work are already underway to address this. | Homelessness Strategy 2019-2023 |
| East Devon's Public Health Strategy is integral to the impact we can have across the health and wellbeing of our District and needs to continue to link in closely with Service Plans across all services to ensure a focus on this area. | Public Health Strategy |
| We have limited access to fuel poverty information for both our own housing stock and analysis of the private sector, this needs more focus and resource going forward. | Appendix 9.2 |
| Leisure East Devon provide a 25% discount on all the monthly and annual memberships to low income households known as the Passport to Leisure scheme. This scheme is funded by East Devon through the service level agreement that we have in place. | |

8.3 Poverty can have a massive impact on a person's health and wellbeing. An inadequate income can cause poor health because it is more difficult to;

- Avoid stress and feel in control
- Access experiences and material resources
- Adopt and maintain healthy behaviours

- Feel supported by a financial safety net

Poverty can also limit social and economic opportunities, making it harder to adopt and maintain healthy lifestyles which impacts on both short term and long term physical and mental health. This has a further knock on effect to local services such as the cost to these people accessing NHS services.

8.4 Your Home, Your Wellbeing- A Housing Study

- 8.5 There are intrinsic links between housing and health and it is well documented that poor housing conditions (such as damp conditions and overcrowding) can lead to poor health (appendix 6.10.4). However, issues of security, affordability and suitability of home have also been found to play a very important role in wellbeing. There is growing evidence in East Devon to support this as a result of our Your Home Your Wellbeing Study, a longitudinal study that is exploring wellbeing amongst people living in East Devon at a deeper level than we ever have before. (Appendix 9.6)
- 8.6 The study is based around in-depth surveys of a proportion of our tenants and a proportion of applicants on the housing register as well as face to face interviews (see case study 5- Appendix 11) that have been carried out by our Information and Analysis Officer. The study focuses on a number of areas including financial status, health and wellbeing and general satisfaction with landlords. Quite powerfully, the study compares the tenure differences of a social housing tenant compared to someone living in the private rented sector and the impact that this has on overall health and wellbeing.
- 8.7 The study is approaching the end of year 2, Appendix 9.6 provides an infographic of the results so far.
- 8.8 What has been found in recent study is that the wellbeing of those in social housing is far better than those in other tenures, such as the private rented sector due mainly to their tenancies that are providing more security and better affordability. Often, the poverty discussion are focussed on those in social housing and this it is true that some of the most vulnerable in our society are social tenants. However, it is important to not forget the many who are living in poverty who do not have a social home. These are often the forgotten groups who are struggling financially. Working but struggling to afford high rents, living in substandard accommodation and unable to access benefit support. The likelihood of being on housing benefit is greater for those who are social tenants and this has a significant effect on positive wellbeing compared to those who do not have this support. In addition, overall social housing tenants are significantly more likely to report being happy than people on the register and are less likely to feel anxious. This again supports the need to invest in more social housing in order to provide more people with safe, secure housing which in turn improves people's health and wellbeing.
- 8.9 The reference to living in substandard private rented accommodation, highlights the importance of our private sector housing team's role in ensuring standards of accommodation in the private sector are maintained. The team's purpose is 'better housing, better health' and this is delivered on the ground in a number of ways including the delivery of disabled facility grants, issuing of licenses for Houses in multiple occupation as well as actively addressing fuel poverty amongst the private sector by supporting landlords and helping access to financial grants that target this area.
- 8.10 Evidence gleaned from our private sector housing colleagues supports this showing nearly 100 more complaints in 2019 than in 2015 against private sector landlords (appendix 6.10.6).
- #### 8.11 Mental Health
- 8.12 Across society we have seen an increased awareness of people suffering from mental health issues. There is debate around whether this is due to more people suffering or whether the

awareness has resulted in more people openly talking about the matter. Evidence supports that poverty increases the risk of mental health problems, and can be both a causal factor and a consequence of mental ill health. Mental health is shaped by the wide-ranging characteristics (including inequalities) of the social, economic and physical environments in which people live¹³

8.13 Front-line Officers are reporting increasing levels of mental health issues amongst residents we are supporting. This is being felt the most in front-line services such as housing where Officers are also reporting an increasing number of referral's to specialist agencies in an attempt to access appropriate levels of specialist support for people. Following cuts in mental health services in Devon, it is felt that more people are struggling without appropriate support, services such as housing are often seeing the impact of this first hand. The homelessness team have also felt the impact of the limited provision of specialist supported accommodation in the district particularly for those with drug and alcohol addiction (appendix 6.6.1). Our wellbeing study found 16.4% of people surveyed reported suffering from problems with mental health, this attributes to an increase of 3% in 2019. We are already attempting to address this by making health and wellbeing one of the key areas of focus in our recently revised Homelessness Strategy 2019-2023.

8.14 The Housing service has captured the need to create a Mental Health Strategy within the current years' service plan, recognising the challenges that exist and as an attempt to ensure continuity and clarity over the approach we should be taking. As part of creating the strategy we are liaising closely with the Primary Care Trust who have statutory responsibility for this area, their input is critical and further enhances our desire to achieve a partnered approach. There is no current way of capturing accurately the levels of tenants who are suffering from mental health issues but anecdotally staff across all services are reporting concerns. There are particular areas within the service where this is being felt more intensely, one area is sheltered housing where Mobile Support Officers support tenants with a range of health and wellbeing issues.

8.15 Over recent years we have invested heavily in building our community development function as part of our core housing service. Community development is about working across our housing communities to build resilience and encouraging people to get involved in issues that impact on them which in turn improves their wellbeing. We have targeted this work across some of our most deprived areas including Littleham, Axminster and Honiton St-Pauls. One example of this is the Open Arms project in Honiton that has been set up with the assistance of our Community Development team and is being run from one of our Community Centres in Honiton. The sessions are aimed at providing support to people suffering from mental health issues. The sessions are so popular that the group have recently had to create a waiting list due to being over-subscribed.

8.16 East Devon Public Health Strategy 2019-2023

8.17 East Devon has recently refreshed its Public Health Strategy 2019-2023¹⁴. The strategy has identified 3 key aims;

- To help more people to be healthy and stay healthy
- To enhance self-care and support community resilience
- To integrate and improve support for people in their homes

¹³ Poverty and Mental Health, Mental Health Foundation, 2016

¹⁴ <https://eastdevon.gov.uk/environmental-health-and-wellbeing/health-and-wellbeing/east-devons-public-health-plan-and-review-of-progress/public-health-strategic-plan/>

8.18 The Strategy cuts across all Council Services in order to ensure public health matters are considered against every area of Council service delivery. The strategy is designed to link in with existing service plans in order to ensure public health issues are identified and prioritised accordingly. Behavioural factors have considerable impacts when considering mortality and through intervention as set out in our Public Health plan we aim to take a pro-active approach to this.

8.19 One of these behavioural factors relates to the food we eat, this links closely with the increasing reliance on foodbanks and highlights the importance of their existence. As set out in Appendix 7, one of the Foodbanks in the District has reported increasing levels of people presenting with mental health issues but also increasing numbers of people without the ability to cook and prepare meals from fresh. We are already attempting to address this as part of our partnership with HALFF, a local food charity and so far to date this year we have held 23 live cooking demonstrations in Community Centres. The sessions are for anyone in our communities wishing to attend, they have been particular popular with housing tenants. The sessions are designed around teaching people to prepare healthy meals from scratch, this is an excellent example of pro-active work that can be encouraged in order to raise the profile of health and nutrition in relation to food.

8.20 Financial Wellbeing

8.21 Nationally, over half of people living in poverty are in working households and many are in vulnerable groups. (Joseph Rowntree Foundation, UK Poverty 2017). Too often work doesn't pay enough or people fall into poverty through circumstances beyond their control, such as universal credit.

8.22 Appendix 10 highlights that in East Devon we have a high number of people in part time and/or seasonal work. Evidence from Your Home, Your Wellbeing shows that part timers are more likely to say they are struggling financially compared to those in full time and those who are job seeking. We also know more women than men are in part time work and 40.7% of women compared to 13.9% of men said they were struggling financially. Other vulnerable groups who said in the study they were struggling financially were older households and those households with children

8.23 The wellbeing of the groups is also different, with 31.7% of those in part time employment saying they feel anxious compared to 17.6% of those in full time employment and those respondents reporting higher incomes more likely to report being happy than those on lower incomes.

8.24 Rural Challenges

8.25 There are more rural areas in East Devon than urban areas. With this comes specific challenges which can impact on the poverty of a household. Notably homes in rural areas are typically less energy efficient and can be more reliant on potentially more expensive heating fuels (appendix 9.2). The fuel poverty gap is the additional income which would be needed to bring a household to the point of not being fuel poor. Overall the average fuel poverty gap for household that were fuel poor in 2017 was £321. However, the average fuel poverty gap for fuel poor households in rural villages, hamlets and isolated dwellings was £571 (Department for Business, Energy and Industrial Strategy, 2017).

8.26 Digital exclusion is often associated with more rural areas creating inequality in various opportunities, such as employment opportunities.

9.0 Summary

- 9.1 Much of the local picture supports a degree of affluence across the East Devon District particularly when considering average house prices and the encouraging economic position, this runs the risks of masking poverty where it does exist. This raises even more so the need to consider poverty across our district and ensure we are working to target the individual groups and areas of the district that we know are most effected.
- 9.2 The causes of poverty can be complex and the reality of living in poverty can create multiple issues. It is not only influenced by a person's current economic circumstances, it is also linked to a range of other factors including childhood experiences, education, housing and health. The report has captured a number of datasets that relate to poverty in East Devon and has attempted to focus in on the areas that the Council does have the opportunity to improve and influence. Matters relating to poverty can cut across every area of service delivery and as highlighted through the report there are some encouraging examples of how the Council is already playing its part in combatting poverty across the district.
- 9.3 The report intends to better inform Members and provide a platform for taking forward measures that could better support and help alleviate poverty in the district such as the creation of our own East Devon Poverty Strategy. As highlighted in the report, many of the causal factors that are creating an increase in poverty in our district (cuts in Welfare spending) have been driven by Central Government policy. This means we have limited influence and control on what measures can be taken but we are increasingly working to deal with the consequences. It should also be recognised that some of the consequences of extreme poverty, such as drug and alcohol addiction, fall outside of our areas of service delivery meaning there are limitations around how we can respond, requiring the involvement of partner agencies.

What we are already doing

9.4 The Council is already doing a significant amount to support those experiencing poverty and to create a more prosperous district. This is recognised by the Council Plan and therefore links in with our priorities.

The Council has a number of strategies and policies already in place, these include:

- Homelessness Strategy 2019-2023
- Housing Strategy 2016-2020
- Public Health Strategic Plan 2019-2023
- Council Tax Reduction Scheme Policy
- Discretionary Housing Payment Policy
- Discretionary Rate Relief Policy
- Corporate Debt Policy
- HotSW Productivity Strategy
- Exeter and Heart of Devon shared Economic Strategy 2017-20
- Local Industrial Strategy (Draft 2019)

9.5 The report has summarised some of the intrinsic links between housing and poverty and has demonstrated that the current strategic focus of the work done in housing is already addressing many of the issues raised in this report. The data we have examined reinforces the importance of having an informed Homelessness Strategy for the district and reassuringly, the priorities that have been set for our current 5 year homelessness policy directly link to many poverty factors with the overarching priority being the need to ensure everyone in the district can access suitable accommodation that meets their needs. The significant increase in people accessing our services for homelessness assistance is of concern and from a financial

perspective we need to be alert to the risk and cost of us needing to increase resources in this area in the future. The report is also timely as we prepare to refresh our current Housing Strategy, consultation on this piece of work is about to begin.

9.6 The report has highlighted and emphasised the important role we play as a social landlord, this places us in an ideal position to focus hard on poverty and much of our day to day work in housing is already doing this. This is made further achievable with many of the areas of deprivation containing high numbers of Council properties, this indicates our presence within the communities with the opportunity to directly influence and work to improve deprivation. Evidence is also suggesting that this is already having a positive impact on people with levels of wellbeing considerably higher amongst people living within social housing in the district compared to those living in the private rented sector.

9.7 As can be seen from high levels of people on our housing waiting list, demand is continuing to outstrip supply and this further supports our ambitions to increase our own supply of social housing stock within the District. Increasing affordable housing in the district has remained one of our top priorities for a number of years and following the announcement by government around the lifting of the housing revenue account borrowing cap, this has given us more freedom for borrowing and therefore presents opportunities. In reality this has to be carefully assessed against our current housing revenue account business plan in line with an accurate, up to date asset management strategy as well as consideration of the risks associated with the government's right to buy policy.

9.8 The shortage of social housing stock in the district means there is currently a huge reliance on the private rented sector and through-out the report this is continually highlighted as an area of concern. High rents, poor conditions and the lack of security attached to this tenure are all factors in why many people are struggling and it is therefore of no surprise that our housing register indicates high demand for people trying to access social housing stock. We need to recognise that as demand for housing continues to rise, we will be increasingly reliant on the private sector and this therefore emphasises the need for us to focus on this tenure. The freezing of local housing allowance rates are directly contributing to this picture with 72% of housing benefit claimants in East Devon currently having rent above the LHA allowance meaning they are having to find the shortfall from other sources.

9.9 Foodbank usage is not the only area where we are seeing impacts due to UC. High levels of administrative support are being given to UC claimants in order to support them in managing their claims. This goes against one of the main intentions of Government in so much as promoting this as a self-managing benefit. This is also being felt by high numbers of people accessing Citizens Advice services for the same reason. This is an additional area of work that from 1st April 2019 we ceased to get funding for. Clearly this support is required to ensure people are supported as well as to protect our own income.

Partnership Working

9.10 The importance of partnership working has been highlighted over and over again and in this we recognise that we are unable to achieve our priorities alone so we need to continue to strengthen work we are doing with partners, creating shared visions and monitoring outcomes effectively to ensure these arrangements remain fit for purpose as we move forward.

9.11 We already work closely with a number of partners such as CAB, Homemaker, DWP, Registered Landlords, Local Enterprise Partnership, Other Councils and Young Devon as well as other Stakeholders in relation to economic growth.

9.12 An example of a successful arrangement we already have in place is with Homemaker Southwest, where we go above and beyond to provide wider impartial support to people who are struggling financially whether this is through our homelessness work or our revenues and benefit service. This highlights the importance and value of funding money advice services in order to help people become financially resilient and directly links to the information we have discovered around levels of indebtedness. However, we recognise the opportunity to do more ourselves in relation to this and this has formed the basis of a recommendation that is centred around us doing more pro-active work to support people with budgeting, money management and debt management. We have discovered increasing levels of people who are paying considerably more than average for utilities and other household costs such as mobile phones and TV packages. We are therefore suggesting more support and pro-active work in this area. There is clearly a need for people to be supported in applying for benefits or appealing DWP decisions in order to be accessing their entitlements. There is also the need to raise awareness around the concept of priority debts and helping people to understand the consequences of not doing so.

9.12 Another partnership that links closely with poverty is our links with the East Devon Citizens Advice Bureau (CAB). With a recently appointed new Chief Executive Officer, we are already working closely to align our focus and priorities and it is suggested we undertake a complete review of the arrangement in order to substantiate the circa £60K annual funding that we contribute towards the service. As part of our work on poverty we can and should be taking the opportunity to better influence the priorities and outcomes of the work the CAB do in our area.

Moving Forward

9.13 As recognised through-out the report, poverty is a multifaceted topic and there are clearly areas that we have not fully covered. The list below is not exhaustive but highlights some of the areas that could be further considered;

- Fuel Poverty
- Understanding transport links and cost in the District
- Rural Isolation
- Furniture Poverty
- The role of our Private Sector Housing team including Empty Homes
- A better understand of our Sheltered Housing service
- Supported Housing schemes in the District
- Better understanding of the reduction in weekly earnings
- The impact of zero hours based contracts

9.14 The report has given us a good opportunity to reflect on current mechanisms in place designed to help people who are struggling financially, an example of this is the delivery of discretionary housing payments and we have been reassured to see that we appear to be targeting support to the right claimant groups. Another example is high take-up of our rent and bond deposit scheme to assist people in being able to access the private rented sector.

9.15 One of the positive measures that we are looking to implement for April 2020 which is currently out to public consultation is to change our Council Tax Reduction scheme to better align with Universal Credit and at the same time to increase support as it is recognised that those on low incomes have been disproportionately impacted by welfare cuts and rises in Council tax compared to other Council tax payers.

9.16 Our Corporate Debt Policy is designed to provide a lot of support to customers who fall into arrears, by ensuring a fair, consistent and proportionate approach to recovery of Council debts

(eg. rents and Council tax, benefit overpayments) The Government are looking to introduce a formalised 'breathing space' for customers who need to access money advice and we are already considering this as part of our approach and subsequent review of the Corporate Debt Policy. Alongside this we will also consider additional measures that can be built in as other ways of alleviating poverty.

9.17 We have considered the role of foodbanks and have been able to conclude the increased demand of people accessing them is attributed to the five week delay in people receiving a Universal Credit payment. Whilst considerable recognition should be given to the role of foodbanks, there is the need to do more work at getting to the root causes around why people are accessing them. We need to review our referral process to make it more consistent across our own departments and it would be worthwhile us doing this with input from the foodbanks themselves. There is also an opportunity to help the co-ordination of aligning agencies such as the CAB alongside the foodbanks in order to encourage more emphasis at getting to the root causes of why people are accessing and working proactively to encourage less dependency.

9.18 Support is clearly needed for customers in helping them to access and claim their benefit entitlements. The Welfare system is complex and often difficult to navigate which in itself creates barriers for customers. This is demonstrated by the fact that 98% of Personal Independent Payments (PIP) appeals that Citizens Advice lodge on behalf of the customer are successful. Customers can be left waiting without the income that they are entitled to receive. Additionally, frequently reviewing household bills is an ongoing commitment for people in making sure that they are not paying more for things than they should. It is our understanding that the Education system doesn't currently equip people with budgeting skills and so are normally reliant on family members or friends to help understand and develop the best ways to manage money. Helping people to budget better, reducing the levels of indebtedness and increasing savings are all intrinsically linked and will play a part in helping to improve financial resilience.

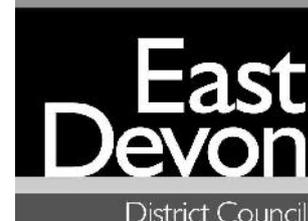
9.19 To meaningfully improve household income across our district we need to be geared towards encouraging higher GVA employment growth. Positively, we are experiencing the highest employment levels that we have had historically however we can see we have had a drop in average weekly earnings for the period 2016-2018 compared to the rest of Devon. The Council is already taking many pro-active measures to attract new businesses and grow the economy which intend to attract a higher skilled workforce, examples of this are the Enterprise Zone, designated growth point area and the work of the Regeneration team. We need to better understand the cause of this and there is further work to be done here. There are worrying emerging trends in terms of earnings and productivity which we need to better understand to ensure we have the right policies and interventions in place, alongside established initiatives, so that our residents can access a decent well paid job locally.

9.20 Many of our frontline services are contributing directly towards improving the health and wellbeing of people living in our district. We should recognise the emphasis the council has placed on this by continuing to provide non-statutory services such as Countryside services and Sheltered housing support which are actively playing a part to improve health and wellbeing. Our current longitudinal study that is exploring the links between housing and wellbeing is also placing us in an informed position to track the circumstances of people over a longer period of time in order to look more closely at issues that are impacting on people's wellbeing. This links very closely with work in relation to poverty and is something that once concluded will offer us a reliable, evidence based insight into deeper factors that impact on a person's wellbeing.

9.21 Mental Health can be both a causal and consequential factor when we consider the impacts of poverty and the report has highlighted the importance of links we currently have and perhaps need to strengthen in relation to specialist support agencies. We know nationally that mental health is affecting as many as 1 in 4 people and as a local authority we must look at all ways we can work towards improving outcomes that can assist people. Our recently revised Public Health Strategy already highlights mental health as a key priority and services such as housing are closely considering how work should be targeted in this area. The work being undertaken as part of our Community Development focus is making an additional contribution and this work continues to be targeted in areas that are deemed to be struggling the most. For a rural district such as East Devon, the issue of social isolation remains of great importance especially when combined with our older demographic.

9.22 The selection of case studies that have been provided have been designed to draw our attention to 'lived experiences' within the District and as a way of bringing to live some of the issues we have raised in this report.

9.23 A series of recommendations have been put forward that directly link to matters raised in this report and Members are asked to consider and debate these as a starting point for taking forward further work that relates to poverty within our district.



Report to: **Council**

Date of Meeting: 23rd October 2019

Public Document: Yes

Exemption: None

Review date for release None

Subject: **Governance Review Working Party**

Purpose of report: Following an informal meeting of the Overview Committee with wider Member involvement it was agreed that Members would like a cross-party working group to consider the governance review. This report seeks the Council's approval to this.

Recommendation: **That Council agrees to set up a Governance Review Working Party on the basis set out in paragraph 7 of the report. Delegated authority be given to the Monitoring Officer to finalise the composition of the Working Group and agree the membership with the Group Leaders / non-affiliated members.**

Reason for recommendation: To enable and facilitate a cross party review of the Council's Governance arrangements.

Officer: Henry Gordon Lennox, Monitoring Officer

Financial implications: There are no direct financial implications from the recommendation in this report

Legal implications: The report raises no direct legal implications.

Equalities impact: Low Impact

Climate change: Low Impact

Risk: Low Risk

Links to background information:) [Report to Cabinet on 10th July 2019](#)
) [Minutes of Cabinet on 10th July 2019](#)
) [Minutes of Overview on 25th July 2019](#)
) [Minutes of Overview on 29th August 2019 \(Item 26\)](#)

Link to Council Plan: Continuously improving to be an outstanding Council.

Report in full

1. A report was presented to Cabinet on 10th July in respect of a review of the Council's Governance arrangements. This recommended that the Overview Committee undertake a review and that the Portfolio Holder for Transformation establish a Think Tank to investigate options for change and to engage with the wider membership. While the Overview Committee considered the matter at its meeting of 25th July and agreed to take the matter further at its meeting in August, in the event this did not prove possible. Similarly the Portfolio Think Tank has not been progressed.

2. Since these meetings the Council has been the subject of a Peer Review where the issue of the governance review was raised / discussed and which led to an (initial) key recommendation of;

Ensure that there is clarity about the reasons for any change to governance arrangements and the options available, seeking external advice and support where appropriate.

At the Peer Review the LGA offered support in relation to the carrying out of the governance review.

3. With the outcome of the Peer Review and offer of assistance from the LGA, an informal meeting of the Overview Committee (opened to the whole membership) took place on 17th October. Present at the meeting were Andy Bates and Paul Clarke from the LGA who helped facilitate a discussion regarding taking the governance review forward.
4. There were 24 members present at the meeting with a good cross party attendance. Also present were the four Group Leaders. Following an informative discussion about carrying out a review and what it might entail, it was suggested that the Council establish a Governance Review Working Party on a cross party basis to enable this matter to be taken forward in a way that enables wide member engagement but also enables time to be taken to ensure that the right decisions are taken. It remains a fundamental point, reiterated by the LGA, that establishing what is sought to be achieved / what is the reason for change is the starting point for any review. Once that question is answered then it will enable the necessary research and analysis to be carried out to inform the debate.
5. While it is fair to say that the Overview Committee already has this on their work agenda, there is an overriding imperative that the membership is aware of this matter and endorse (and ideally engage in) a collective approach to this matter. It is important that the governance arrangements, as far as possible, are right for all members. Accordingly it is considered appropriate that Council should agree to the setting up of the Working Group and empower it to undertake this work.
6. Given that the critical question of what is sought to be achieved is yet to be debated and answered it is difficult for any definitive Terms of Reference to be established for the Group. Notwithstanding this, it is right that establishing the Terms of Reference ought to be a matter for the Working Group itself – another point agreed by the LGA.
7. In light of the above it is recommended that a Governance Review Working Group is set up to advise the Council on its governance arrangements on the following basis;
 - a. the Group be chaired by the Chairman of the Overview Committee.
 - b. it shall comprise between 10 – 15 voting members on a cross-party basis (although it does not need to be formally politically balanced). Nominations will be sought from the members with the Monitoring Officer finalising the composition - in terms of the overall size and fair apportionment of seats – once it is clear who is putting themselves forward. The Group Leaders will ultimately nominate who they would like to be on the Working Group from those putting themselves forward.
 - c. while there will be a restriction on the voting number of members sitting there will be no restriction on the number of members who can attend any meeting – it will be an open invite to attend and participate.
 - d. it will determine its own Terms of Reference and will be supported / advised by the Monitoring Officer reflecting the role of this position within the Council in relation to governance, lawful decision making and the Constitution.
 - e. it will agree its own meeting programme.
 - f. it will be supported Democratic Services.

- g. it may call for external support from the LGA or LGA Members if considered necessary.
- h. it may carry out such engagement with partners or other bodies or the public as it considers necessary.
- i. its meetings will not sit in public but the Working Group will be free to permit the attendance of anyone where it is deemed appropriate to do so.
- j. while it is established to advise Council, its findings will also be reported to the Overview Committee and Cabinet for detailed consideration / debate.

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| Overview Committee Forward Plan 2019/20 |
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Work allocated to the Forward Plan:

| Meeting date | Topic |
|------------------|--|
| 15 January 2020 | Joint meeting with Scrutiny Committee on service plans and draft budget for 2020/2021. All day meeting; start time tbc |
| 30 January 2020 | House of Lords Select Committee on Regeneration of Seaside Towns |
| 27 February 2020 | Governance Arrangements |
| 26 March 2020 | |

* Dependent on publication dates of the respective Select Committee.

Work for scoping and/or allocation to the Forward Plan:

| Proposed date | Topic |
|---------------|--|
| tbc | Public toilet review – consultation plan |
| | Select Committee report on Rural Economy* |
| tbc | Income generation – continuing the work of the Committee from the previous civic term in order to help the budget position, look to find more income generation opportunities. A suggestion was made to add to that investigating the Council financing, through loan, broadband delivery in areas still not benefiting from the Connect Devon and Somerset project. |
| tbc | High street and village centre regeneration – expand to include the development of new high street in reference to Cranbrook, and centre initially on the towns before later work on villages |
| tbc | Natural Capital in the Heart of the South West document |

Work identified by the Committee for prioritisation, scope and allocation:

1. Business case for increase in community engagement officers – this fell under the remit of the Housing Review Board, where the issue had already be raised, but could also be monitored by the Overview Committee as part of its review of the service plans;
2. Review out of hours telephone system provided by the council for residents and tenants – the Portfolio Holder for Environment had raised this issue with the Chairman, as he had experienced a poor response to a call but also felt that the system had not been reviewed for some time and therefore should be considered by the Overview Committee;
3. Climate change – including rising sea levels, coastal erosion, single use plastics, to determine what can be done locally as well as lobby Government and feed into the Devon group;
4. Fairer funding from Government for the south west region
5. Community focus
6. Promotion of EDDC services to local residents
7. Improving working with Town and Parish Councils
8. Tackling poverty
9. Reviewing internal recharges – understanding the breakdown of recharges, and being satisfied that these are correctly applied to be confident that the Council is as efficient as possible before examination of making further budget reductions;
10. Street trading
11. Right to buy effect on housing stock
12. Delivery of housing, specifically assisted living
13. Transport – specifically fares for 16 – 18 year olds still in education but not qualifying for state help. A suggestion was made to widen this to look at the timetable too, as many recent changes has resulted in longer and more complex journeys for residents, particularly to the Royal Devon and Exeter Hospital;
14. Policy implementation – that policies put in place were being applied in practice. Whilst no specific examples of where a policy was not being applied were given, the suggestion that equalities would be a good starting point;
15. GESP involvement