

## **Poverty Working Panel**

### **18<sup>th</sup> January 2021**

#### **Purpose**

At the December Panel meeting two queries were raised regarding the following items;

- Whether the Council has employees on zero hours contracts
- What evidence there was around in-work poverty

These two items are considered below.

#### **Zero Hours Contracts**

To date in 2020/21 the Council has paid 21 people on a casual timesheet. This means they have no set hours of work. We can offer work to them as and when we have a requirement and they can choose whether or not to accept the work offered to them. There is no obligation on either side and there is no employment contract hence they are not classed as 'employees'.

On record we have 33 people with casual contracts in the definition outlined. Of these 33, 10 are permanent employees with a second casual job. So for example housing officers also have a second casual job to support the Central Control Service as casual Central Control Operators.

#### **In-work poverty**

The County Council's economy team were consulted regarding availability of data regarding in-work poverty. The response is outlined below.

The availability of data is limited at the local level. Also Gross Disposable Household Income (GDHI) figures only come at the Devon level and also don't split out into how many people are earning x% less. The definition of in-work poverty is 60 % of the national median equivalised disposable income (after social transfers). We can allude to that there is potentially more of an issue locally in that:

- Since Universal Credit replaced Job Seekers Allowance around 2018, rates have increased fastest in the UK in Teignbridge and East Devon (from what was a very low base in both Districts). So much so that it made a Sunday Times article in 2019. UC now includes a proportion of people in low pay, low hours work and this is one of the reasons for the increase, although since 2019/2020 there have also been fast actual increases in unemployed people also contributing to the rise in claimants.
- GDHI in Devon County Council area in 2018 (most recent figures) was £20,461 vs. £21,109 for the UK as a whole. These figures are not broken down by District. This points to overall slightly lower than national average household income figures locally (the proportion of this made up by earnings in Devon will be lower which is apparent if you look at the earnings data).

- Median residence and workplace based earnings in Devon are a fair bit lower than the national average. It's not an exact equivalent on the poverty figures as that refers to disposable income, but if you're in work in Devon and don't have other income sources it makes life more difficult. Nonetheless 60% of total national based earnings in 2020 of £25,780, is £15,468. East Devon figures are missing from this dataset. The proportion of people earning 60% or less in the UK is around 23% of people in work. For similar areas to East Devon i.e. Exeter, Teignbridge, South Hams etc. the proportion of residents earning £15,468 or less is anything between around 29 and 33% to give you some idea.
- I separately looked at the social mobility index, but it sees East Devon as having less of an issue than many areas

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