

Report to: Cabinet
Date of Meeting: 6 March 2019
Public Document: Yes
Exemption: None

Review date for release None

Agenda item: 15

Subject: **Scoping report on poverty, homelessness, human rights and health & wellbeing in East Devon.**

Purpose of report: In December a motion was put to full Council - "Following the findings of both the UK Equalities and Human Rights Commission and the UN Special Rapporteur on the impact of benefits changes and other spending cuts on people living in the UK, this Council will receive a report on the potential impacts on residents in East Devon and the need for further support from this Council, for example in supporting the roll-out of Universal Credit, homelessness prevention or for local food banks."

This report attempts to scope the subject and suggest themes for further investigation to provide a locally meaningful analysis of poverty and interventions that we can influence/action to alleviate the impact of poverty on individuals and communities. It is recognised that the implications highlighted are as a result of national social welfare policy decisions where we have limited influence. The report also proposes that we work with Devon County Council who are also investigating the issues and share our concerns.

Recommendation: **To agree the themes for a localised investigation and analysis of poverty and related social welfare issues, working with Devon County Council, and report back on the findings.**

Reason for recommendation: To consider the impacts of poverty and related welfare issues locally following changes to national policy relating to welfare reform and homelessness, and the actions we can take to alleviate the effects of poverty on individuals and communities in East Devon.

Officer: John Golding Strategic Lead – Housing, Health & Environment.

Financial implications: There are no direct financial implications as a consequence of this report in relation to recommendations made.

Legal implications: At this stage there are no direct legal implications requiring comment.

Equalities impact: High – the report highlights issues of inadequate equality and impact assessments on national policy.

Risk: High – the impact of welfare policy changes are set out in the report and the consequences are severe on those groups highlighted.

Links to background information: None



Link to Council Plan: Outstanding communities and economy.

1. Background

- 1.1 This is a scoping report looking at concerns in relation to the links between Universal Credit, poverty, homelessness and poor health and wellbeing and how this is impacting on a significant proportion of the population. The issues were highlighted at a Council meeting on 12th December 2019 where the following motion was agreed:

“Following the findings of both the UK Equalities and Human Rights Commission and the UN Special Rapporteur on the impact of benefits changes and other spending cuts on people living in the UK, this Council will receive a report on the potential impacts on residents in East Devon and the need for further support from this Council, for example in supporting the roll-out of Universal Credit, homelessness prevention or for local food banks.”
- 1.2 In November last year Special Rapporteur for the United Nations Professor Philip Alston reported on extreme poverty and human rights. The comprehensive report considered the impacts of Brexit; Universal Credit; the Digital Welfare State; local authority cuts; and a range of other factors on increasing levels of poverty.
- 1.3 Also in November the Equality and Human Rights Commission published a report titled - The cumulative impact on living standards of public spending changes. This report concluded that public spending changes took place against a background of a clear and overarching UK Government commitment to deficit reduction. Cuts in spending on services, alongside reductions in benefits and tax credit spending were a key component of the deficit reduction strategy. The authors are critical of the Governments impact assessments and adherence to the public sector equality duty.
- 1.4 I would suggest that the topic area is vast and requires investigation and careful analysis, so I have suggested we produce this scoping report to obtain agreement on our lines of enquiry, and to ensure that the report is meaningful locally. This report refers to recent reports highlighting the concerns raised at a national level, and the areas for investigation and analysis that will be relevant to the local situation. I also want to highlight the links between poverty and health & wellbeing.
- 1.5 There have been recent signals that Government are prepared to review Universal Credit rollout and perhaps pause in the light of compelling evidence that the new system is causing problems and not achieving the original objectives set out.

2. Evidence base and scale of the problem nationally

- 2.1 In November 2018 a statement was published on a visit to the UK by Professor Philip Alston, **United Nations** Special Rapporteur on extreme poverty and human rights.
- 2.2 The report is highly critical of government policy in relation to Universal Credit, digital welfare state, changes to legal aid and local authority cuts. It is also critical of the theory that employment is the cure all for poverty and illustrates how the hardest hit are women, children, people with disabilities, pensioners, and asylum seekers and migrants.
- 2.3 The report indicates that 14 million people in the UK, a fifth of the population, live in poverty. This is occurring in the UK, the world’s fifth largest economy, areas of immense wealth, and its capital the centre of global finance. The author describes this a unjust and contrary to British values.
- 2.4 Poverty has been defined differently, but a widely accepted definition is people/households living below 60% of the nation’s median income level. Relative poverty generally means

that a person can't afford an 'ordinary living pattern'— in other words they are excluded from the activities and opportunities that the average person enjoys. A household is in relative poverty (also called relative low income) if its income is below 60% of the median household income.

- 2.5 The UN report concludes that poverty is a political choice with much of the blame attributed to Universal Credit. It suggests that local authorities be given funds to tackle poverty, and welfare reform is reviewed. The final paragraph of the report says as the country moves towards Brexit, the Government should adopt policies designed to ensure that the brunt of the resulting economic burden is not borne by its most vulnerable citizens.
- 2.6 Also in November 2018 the **Equality and Human Rights Commission** published a study titled - The cumulative impact on living standards of public spending changes. This demonstrated that the public spending changes have been taking place against a background of deficit reduction with the impact affecting protected and disadvantaged groups. It also concluded that impact assessments have been inadequate and pay insufficient regard to the Public Sector Equality Duty.
- 2.7 In December 2018 the **Joseph Rowntree Foundation** (JRF) published their annual report examining the nature and scale of poverty in this country titled – UK Poverty 2018. The research findings headlines indicated that more than one in five of our UK population (22%) are in poverty. 14.3 million people, of these 8.2 million are working-age adults, 4.1 million are children and 1.9 million are pensioners. Eight million people live in poverty in families where at least one person is in work. There has been a significant rise in poverty in the last five years.
- 2.8 The research concludes that the UK has shown that we can use policy to achieve significant falls in poverty among the groups of people most at risk, pensioners and children, through a combination of rising employment, tax credits and help with housing costs. These trends are now in reverse. Our strong employment record has been unable to counterbalance cuts in recent years to families' financial support and the impacts of high housing costs and poor quality jobs with little scope for progression.
- 2.9 Nearly half of children in lone-parent families in the UK live in poverty compared with one in four children in couple families.
- 2.10 JRF suggest that as a society we can chose to reduce the amount of people who are swept into poverty by reducing housing costs for renters, strengthening support offered by our social security system and opening opportunities for better paid employment.
- 2.11 There is now a growing body of evidence to indicate that social/welfare policy is exacerbating poverty in this country with the consequences impacting on homelessness, mental illness and health & wellbeing.

3 Local issues and relevant policies

- 3.1 Whilst recognising that we have a voice to lobby for change to national policies we also have opportunities to influence local outcomes. As a local authority some of our services are geared towards supporting individuals and communities that are disadvantaged. We are uniquely placed to identify deprivation and disadvantage and act within the powers we have available to deliver our priority of outstanding communities.

- 3.2 In East Devon some 18% of children were identified as being in poverty (after housing costs) by the End Child Poverty 2014 Child Poverty Map of the UK.
- 3.3 **Universal Credit** is being rolled out in East Devon. The new system is being rolled out in stages and being administered by the Department of Work and Pensions. The original idea behind Universal Credit of combining six different benefits (Child Tax Credit; Housing Benefit; Income Support; income based Job Seekers Allowance; income related Employment Support Allowance; and Working Tax Credit) into one and making work pay were sound, but the rollout and means of accessing funds have proven controversial. It is paid monthly. Further details are on GOV.UK website <https://www.gov.uk/universal-credit>
- 3.4 The Universal Credit pilot areas have reported the new system causing hardship due to delays in payment, reduced payments, leading to rent arrears, greater use of foodbanks, hunger (House of Commons Environmental Audit Committee report January 2019) and a range of other social/welfare impacts.
- 3.5 We are aware of **Food Banks** in our main towns and several we helped set up with start-up funding. We have sporadic contact and it would be useful to know more about their activity and issues they are facing to see how any intervention from us might assist.
- 3.6 We have seen **homelessness** rise in recent years with an increasing number of homeless applicants struggling with financial and/or mental health problems. Our updated Homelessness Strategy sets out the latest position in the district and the measures we are operating to tackle homelessness locally. This is often one of the consequences of people living in poverty where they are living in poor housing or worst still lose their home because they are unable to afford the housing costs.
- 3.7 Our stance on maintaining affordable housing as a Council priority is justified whilst we are experiencing such high levels of housing need with the most acute housing need manifesting itself in homelessness. We have long recognised the need for a 'decent home for all' and the need for good quality subsidised housing let at affordable rents has never been greater, and we try to match our ambitions (set out in the **Housing Strategy and Local Plan**) with this need.
- 3.8 Our recently adopted **Public Health Strategic Plan 2019-2023** recognises the important link between poverty and health & wellbeing. Planning for healthy communities and individuals as well as addressing health inequalities requires sufficient household resources to secure good quality housing, employment, education, diet, transport and healthy lifestyle choices to achieve wellbeing. Our Public health priorities are all about preventing ill health and we know that poverty leads to health inequalities and poorer health, so addressing poverty can lead to improved health of the population.
- 3.7 Our **Corporate Debt Strategy** attempts to assist people in prioritising their debts to the Council. While we have a legal duty to recover sums due to the council, our policy aims to ensure that collection is both fair and cost effective, and that our approach across the different recovery teams will be professional, uniform and timely. We recognise that preventing debt is essential and therefore we will always:
- Have skilled and trained staff at first point of contact to ensure customers have immediate access to high quality advice.
 - Aim to distinguish effectively between debtors who cannot pay and those who will not pay.
 - Develop a culture of payment by encouraging anyone in financial difficulty to contact us promptly to discuss their circumstances.

- 3.8 We will recognise the following key principles common to all types of debt:
- The difference between priority and non-priority debts
 - To promote a professional, consistent and timely approach to recovery action
 - To maximise income by using the most appropriate and effective methods of debt recovery
 - To work with customers at the earliest stage to encourage debt prevention
 - To aim to clear annual charges within the year they are raised
 - To ensure that debts are recovered in accordance with legislation
 - To treat individuals fairly and consistently, in accordance with Human Rights, Data Protection and equalities legislation.
- 3.9 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 region does experience high levels of employment but much of this is lower paid employment, seasonal work and it will be interesting to consider how effective we have been in delivering our strategic ambitions.
- 3.10 Our **Local Futures** dataset can be interrogated to provide us with up to date data on income, employment and living costs. This together with Office for National Statistics (ONS) data will support the build-up of an up to date local picture.
- 3.11 In Housing we have been undertaking a longitudinal study of tenants and housing register applicants titled **Your Home: Your Wellbeing**. This study with Birmingham University and LiveWest is revealing that those living in affordable, secure housing have improved wellbeing, sense of security and less anxious with fewer money problems than those in the private rented sector and seeking social housing.

4 Scoping for further local investigation

- 4.1 I suggest that our investigation into poverty is coordinated with the work that DCC are undertaking, and we consider a number of key themes – welfare benefits; homelessness; food banks; the local economy; and the health & wellbeing of individuals and communities. Terms of Reference have been produced by our officers working with DCC and these are set out in **annex 1**. We feel that the work of the Devon Strategic Partnership Welfare Task Group covers the issues raised in the Council motion. The Policy Team at DCC are able to devote some time and resource to the study.
- 4.2 There are many areas where poverty has an impact that are largely outside of our control or influence and I suggest that our joint analysis focuses on where our services are impacted or are supporting families and individuals in poverty.
- 4.3 We should consider how we can alleviate poverty locally by administering any available discretionary funding, bidding for resources, adapting service delivery, enabling the third sector to contribute and building community resilience and self-help.
- 4.4 We might also review our Council priorities as part of our investigations prior to the refresh of the Council Plan, and without prejudging the outcomes, I anticipate we will be confirming affordable housing, health & wellbeing, the local economy and welfare support as ongoing ambitions to support our residents.

- 4.5 Furthermore, to put these considerations into context, we recognise that we live in a relatively affluent area when compared to many parts of the country, and there are number of interventions and contributions that our communities can make that alleviate the worst effects of poverty. Food banks are a good example of community action. We do have areas of deprivation that are often masked by our relative affluence, so targeted interventions would be the answer. We could identify opportunities and stimulate further examples of community resilience as part of our scoping exercise.
- 4.6 To complete a comprehensive piece of work will require officer time from several different Services. It will involve research, analysis and interpretation, alongside some creative thinking. I suggest that the Service Leads for Revenues & Benefits, Housing take the lead on working with DCC and report back on the findings.