

**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.

<b>Legal implications:</b>	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.
<b>Equalities impact:</b>	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.
<b>Climate change:</b>	Medium Impact Factors that relate to fuel poverty can be linked with the climate change agenda.
<b>Risk:</b>	High – the report highlights issues of inadequate equality and impact assessments on national policy.
<b>Links to background information:</b>	<ul style="list-style-type: none"><li>• <a href="#">Appendices that link to main report</a></li></ul>
<b>Link to Council Plan:</b>	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 23<sup>rd</sup> 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%<sup>1</sup> 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

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<sup>1</sup> <https://www.moneyadvice.service.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.<sup>2</sup>

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:

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<sup>2</sup>. <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.

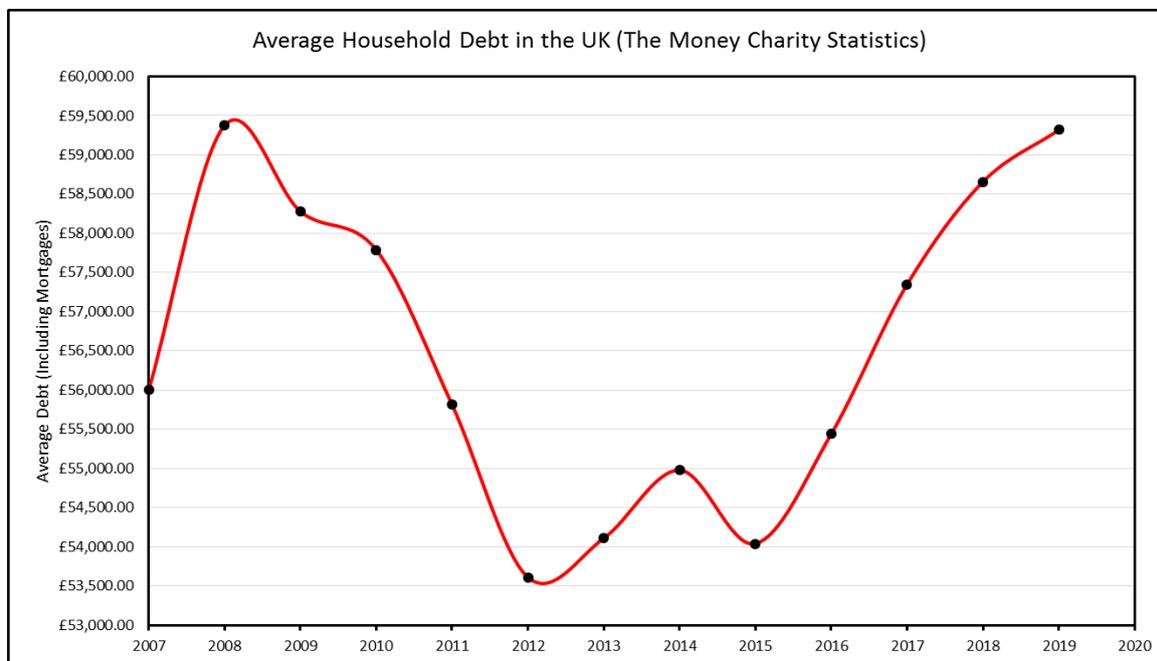
5.2 The main headlines from this are summarised in the table below:

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"> <li>• 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</li> <li>• 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</li> <li>• Highest proportion of households claiming CTR who are in arrears with their Council Tax live in the Cranbrook &amp; 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.</li> <li>• 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.</li> </ul>	Appendix 3
<p>Housing Benefit (HB):</p> <ul style="list-style-type: none"> <li>• 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)</li> <li>• 42% of HB claims are in the private rented sector</li> <li>• 47% of the caseload have a disabled person in the household which is similar to the national picture.</li> <li>• 80% of HB claimants are not working – similar to CTR.</li> </ul>	Appendix 2
<p>Discretionary Housing Payments (DHP) claimants:</p> <ul style="list-style-type: none"> <li>• Paying on average £270.10 per year more on water and energy than the national average.</li> <li>• 55% of DHP claimants is awarded to those in the private rented sector</li> <li>• 29% of claimants are on UC</li> <li>• 57.7% of successful HB DHP claimants are awarded to single claimants. 24% were lone parents and 10% were couples with children.</li> <li>• Customers are spending more than the national average on broadband/internet</li> </ul>	Appendix 4
<p>Universal Credit:</p> <ul style="list-style-type: none"> <li>• 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</li> <li>• 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.</li> <li>• UC cases claiming CTR are the highest category of benefit claimant in arrears with their Council Tax.</li> <li>• 40% of East Devon UC claimants received support with their UC claim despite this being a digital process.</li> </ul>	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"> <li>• Benefits – customers need help applying for DWP benefits or appealing decisions- PIP, ESA, UC, DLA, HB etc.</li> <li>• Debt – highest issue is customers having lots of different debt that they need help with. This is also linked with poor budgeting skills.</li> </ul> <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"> <li>• Homemaker Southwest referrals for 2018/9 show on average yearly financial gains of £3,033.05 &amp; budgeting uplift £187.89 per client that customers could access.</li> <li>• DHP data shows customers paying more than the national average for energy and water tariffs, broadband/internet packages, etc.</li> </ul> <p>Feedback from staff &amp; 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"> <li>• Increase in foodbanks due to five week delay in Universal Credit payments</li> <li>• There is a high risk of people becoming dependent on the use of foodbanks</li> <li>• Need for foodbanks to be supported by other organisations to help address root cause.</li> </ul>	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 mortgage<sup>3</sup>”. 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 household<sup>4</sup>. 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 average<sup>5</sup>. 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.

<sup>3</sup> [https://england.shelter.org.uk/media/press\\_releases/articles/one\\_paycheque\\_away](https://england.shelter.org.uk/media/press_releases/articles/one_paycheque_away)

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

<sup>5</sup> The Money Advice Service (2016)

[https://masassets.blob.core.windows.net/cms/files/000/000/334/original/A\\_Picture\\_of\\_Over-indebtedness.pdf](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%
<b>East Devon</b>	<b>11.6%</b>
<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](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;

<b>Headlines: Homelessness</b>	<b>Evidence</b>
<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 2010<sup>6</sup> 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.

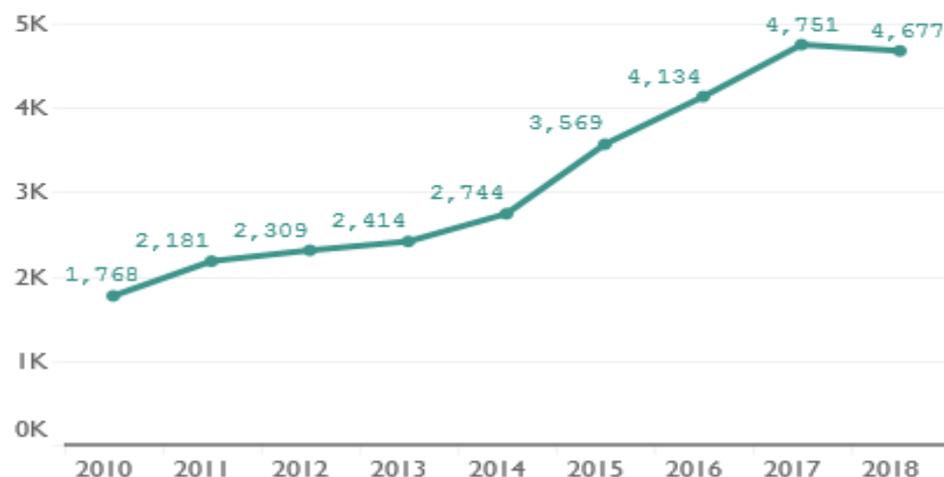
The data is based upon formal counts undertaken by each Authority, but it should be noted that this figure is impossible to gauge accurately particularly in rural districts such as East Devon.

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 detrimental<sup>7</sup> 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

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

<sup>7</sup> 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 <sup>8</sup>, 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

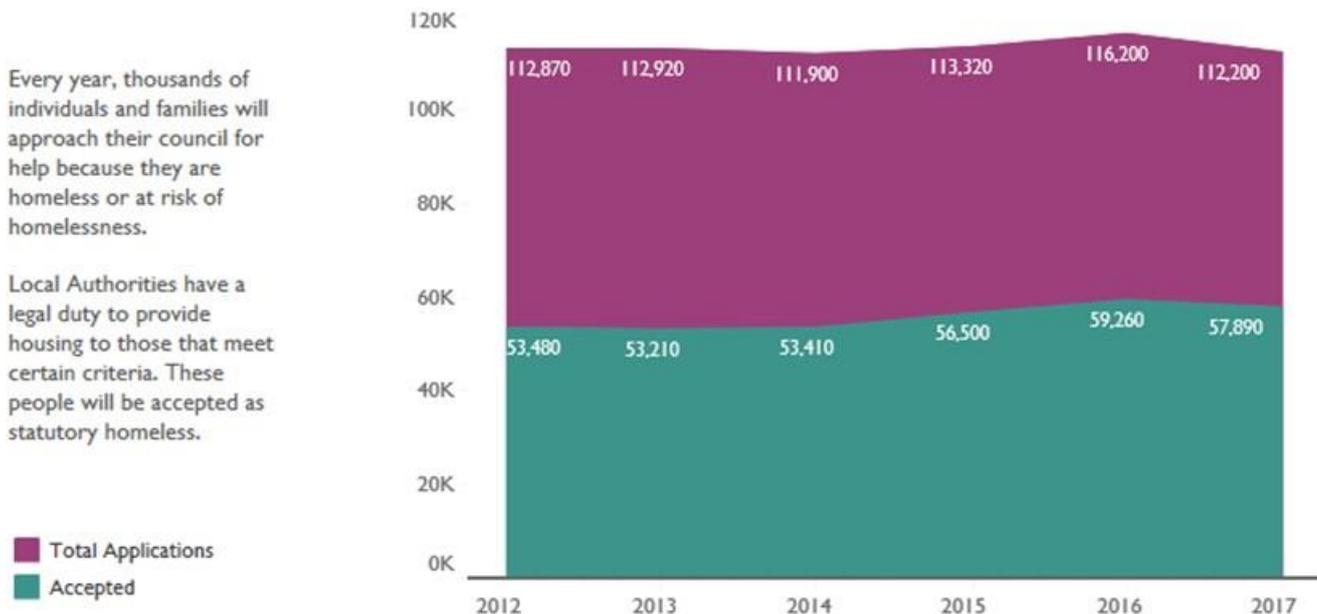
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<sup>8</sup> Gov.UK <https://www.gov.uk/government/publications/the-rough-sleeping-strategy>

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 2017<sup>9</sup> 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.

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<sup>9</sup> 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- 2023<sup>10</sup>. 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

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<sup>10</sup> 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 HRAs<sup>11</sup> 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

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<sup>11</sup> 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"> <li>• Agriculture and related services.</li> <li>• Large tourist industry in the summer months (Jurassic Coast, East Devon Areas of Outstanding Natural Beauty)</li> </ul> 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 £42,162<sup>12</sup> (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

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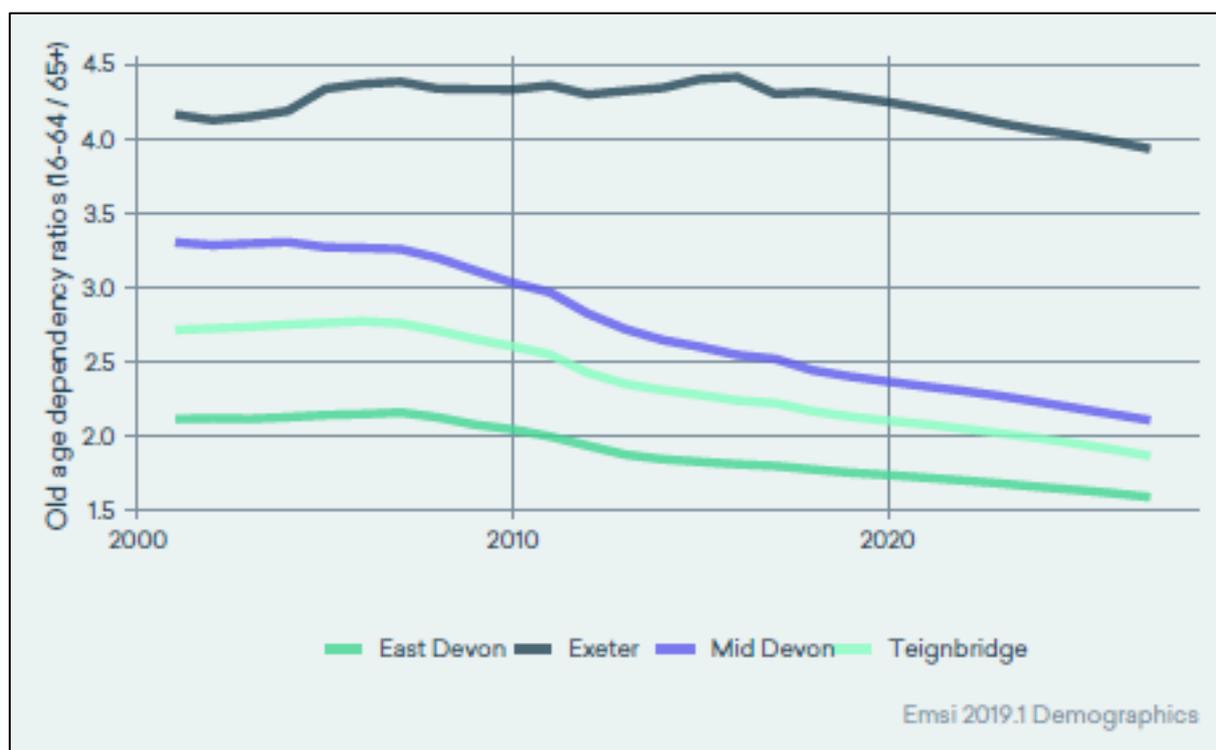
<sup>12</sup> Productivity growth in the Heart of the South West: A Technical Paper (2016)

<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 311<sup>th</sup> to 249<sup>th</sup> 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](http://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"> <li>• 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.</li> <li>• Social housing tenants are reporting less anxiety compared to those who live in other tenures.</li> <li>• The three top issues that are impacting on wellbeing, associated with a person's home are affordability, keeping warm and noisy neighbours.</li> <li>• People with mobility issues are nearly twice as likely to say they are anxious than those without mobility issues.</li> <li>• Poor mental health is more prevalent with those reporting having benefit problems</li> <li>• Those on higher incomes report being more happy than those on low incomes</li> </ul>	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 live<sup>13</sup>

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 2019-2023<sup>14</sup>. 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

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<sup>13</sup> Poverty and Mental Health, Mental Health Foundation, 2016

<sup>14</sup> <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 1<sup>st</sup> 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 life 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.