

East Riding Debt Needs Assessment Update (Spring 2021)



EAST RIDING
OF YORKSHIRE COUNCIL

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SUMMARY

In 2016 the Council and its partners undertook a debt needs assessment to better understand our residents' needs and to inform strategy development and service delivery. The council funds various advice and support services to help people address their debt related issues, both through internally provided services and some which are externally commissioned.

This refresh of the Needs Assessment comes at a particularly challenging time, where more of our residents than ever before are likely to be experiencing debt issues, perhaps for the first time, as a result of the social and economic impacts of the Covid-19 pandemic.

Emerging evidence suggests that individuals and communities who were struggling with issues such as debt and poverty prior to the pandemic are most likely to have been adversely affected throughout 2020/21 and it will take time to fully evaluate the longer term impact of this. It is, however, anticipated that it could lead to pressures on other services who support those various issues that are prevalent amongst communities struggling with debt and poverty. These can include higher than average crime levels, high dependency on health providers, lower life expectancy, higher than average unemployment and/or lower than average income and economic participation.

Whilst the East Riding is a relatively affluent area, with low levels of unemployment, good educational attainment and relatively good health outcomes for most of its residents, there are areas where this is not the case. These areas of deprivation constitute the majority of public expenditure on health services, benefits costs, interventions and homelessness, for example. This needs assessment aims to identify the underlying determinants that influence a household's likelihood to suffer debt issues, understand how much of an issue these determinants are for the area and identify interventions that could be put in place to help reduce the risk that they will lead to future debt-related advice needs. The needs assessment is broken in to **five key themes**: money, housing, work, benefits and services, each looking at the various likely determinants of poverty and debt under them.

Whilst traditionally the East Riding benefits from a lower proportion of its population struggling with these issues, the need is there and, if unsupported, could worsen, particularly in light of the pandemic. With the continuing need to manage limited resources effectively, it is essential that they are targeted at those in greatest need and to prevent further negative outcomes.

This needs assessment will be considered by the Covid19 Recovery Task Groups and in the refresh of the Financial Inclusion Strategy, in addition to informing commissioning and service delivery.

WHY THIS TOPIC WAS CHOSEN

In 2016 a Debt Needs Assessment was completed which successfully informed the development of the East Riding Financial Inclusion Strategy. At that time, the impact of the roll out of Universal Credit and the ongoing impact of austerity were key considerations within this work.

It is timely to revisit this assessment to assess the impact of both the strategy and the 2016 identified key factors. However, in addition, the immediate economic impact of measures taken in relation to the Covid-19 pandemic are unprecedented in modern times and supporting our residents and businesses with recovery is a key priority for the Council.

It is very important, therefore, that the Council understands:

- The current and predicted levels of poverty and debt both prior to and during the pandemic and throughout the phases of recovery
- The causal factors that impact these issues to help identify potential financial inclusion related interventions that could be put in place to reduce future levels of need.

This needs assessment is intended to build on our understanding of what the causes of debt in the East Riding are and at what stages interventions would have the most impact in terms of reducing that risk of future debt, and therefore, future need for advice.

Additionally, it will support and inform future preventative health initiatives.

The aim is to support our residents and businesses to thrive and reduce the overall demand for costly services in the future, and, potentially, indebtedness to the Council, through the delivery of these timely interventions.

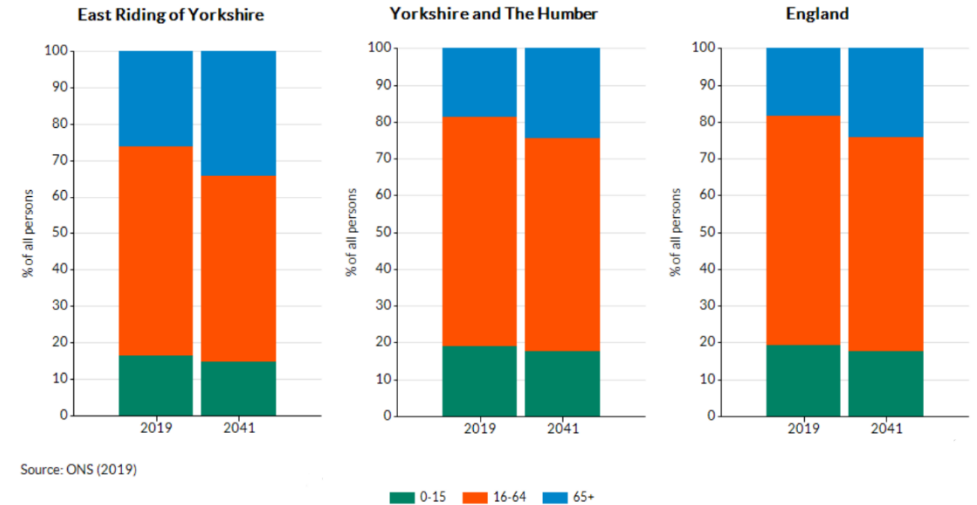
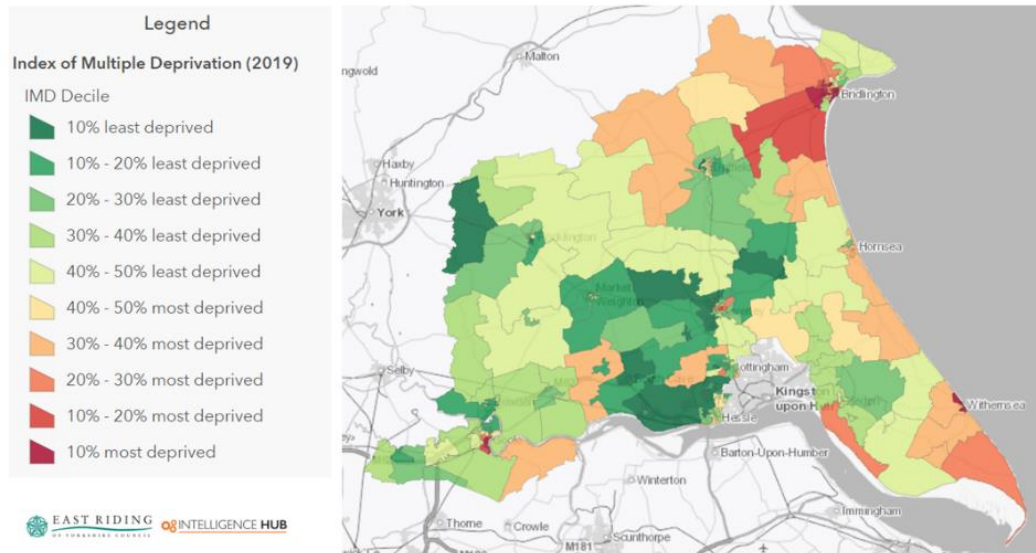
Additionally, better understanding debt needs and poverty in the East Riding will assist in applying for any available support (such as national schemes) linked to Covid-19 mitigation.

It is intended that this needs analysis will provide Covid-19 baseline information that can be regularly reviewed and monitored, in what is widely expected to be an extended period of economic uncertainty.

DEMOGRAPHICS

The East Riding of Yorkshire is located in the North of England on the East Coast, approximately 200 miles from Edinburgh, London and Rotterdam. It comprises of 26 Wards, 171 Parishes, covering an area of approximately 240,768 hectares (or 930 square miles). The coastline stretches for 85 kilometres from Bempton to Spurn Point.

The Office for National Statistics (ONS) estimates the population at 341,173 (2019 Estimates) and is predicted to reach 368,728 by 2037 (2012 ONS Population Projections), which is a higher rate of growth than the national growth rate. In 2013, the ONS classified the East Riding of Yorkshire as being approximately 93% rural by area and 44% by population, which results in a low population density of approximately 1.4 people per hectare.



People aged 16-64 (approximate working age) account for 57.4% of the total population (195,847 people) and people aged 65 or over account for 26.2% (89,346 people). With many choosing to retire in the East Riding, it is perhaps not surprising that this pensionable age percentage is above both the regional and national average.

Not as ethnically diverse as some other areas, just over 96% of the population is classified as 'White British'. The East Riding does, however, have some areas of ethnic diversity, most notably the town port of Goole. This data is however drawn from the 2011 Census and changes are predicted when data from the 2021 Census becomes available.

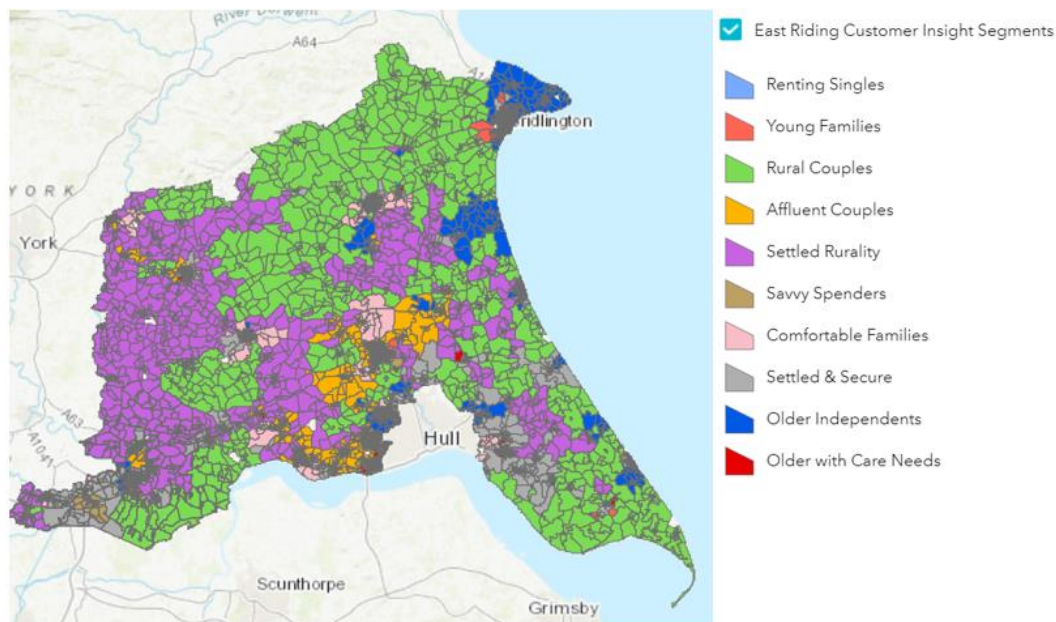
The East Riding is seen as a good place to live and as being less disadvantaged than other, more densely populated and deprived areas. However, it does have areas of deprivation and economic disadvantage.

CUSTOMER INSIGHT

The Council has created a bespoke Customer Insight segmentation tool to better understand the population of the East Riding. This is a technique often used in large private sector businesses to help understand customers and has been developed in the East Riding to help provide a clear insight into our residents' needs. Each East Riding postcode falls within 1 of 10 segments, each of which is outlined below. Each segment has its own characteristics - for example: age, qualifications, broadband speeds - and is set out in a profile which can be found at <https://intel-hub.eastriding.gov.uk/customer-insight/>

In terms of debt, the segments of most interest are not necessarily those that would necessarily be associated with debt. Since April 2020, we have seen a rise in the number of out of work benefit claimants being higher in typically more affluent segments. This significant reduction in income,

together with higher than average living expenses, may see debt rising for those residents in the near future. This picture will be closely monitored.



KEY THEMES

The needs assessment of 2016 identified key themes upon which to focus. They have been reviewed and remain fit for purpose and have therefore been retained. These are high level and focus on areas which most closely interrelate with debt. These are explored in more detail in this assessment. The five key themes are:

Theme One: Money *This explores income levels, household costs, national and local poverty levels and how local income levels compare with the national minimum wage*

Theme Two: Housing *This looks at housing benefits, housing prices, fuel poverty and the average fuel poverty gap, and homelessness issues and rates tenancy types*

Theme Three: Work *This describes unemployment levels by age, economic activity rates, hourly pay rates, pay rate gaps between genders and full/part time workers, and the prevalence of business in the East Riding*

Theme Four: Benefits *This looks at benefits claimants' numbers and expenditure, recent welfare reform changes and their impacts, JSA sanctions, DHP levels and the council's Emergency Assistance scheme*

Theme Five: Services *This explores access to services like GPs, schools, shopping and jobcentres, transport to and from work, and educational attainment levels*

THEME ONE: MONEY

Without the necessary resources, residents lack the ability to manage their finances and actively participate in society. Quality of life, including the ability to participate in recreational activities, enjoy everyday life, having the resources to pay housing costs and provide food for your family can suffer.

When assessing poverty and debt in an area, a helpful first step is to look at income and money, as the level of area income is the first indicator of issues related to money and/or debt. Areas in the East Riding range from the affluent, accessible and increasingly diverse to deprived, remote and insular, where affluence and deprivation often sit alongside each other.

Outside rural areas, there are parts of the East Riding's towns which exhibit features of deprivation and disadvantage. For example, parts of Bridlington, Goole and Withernsea are affected by high levels of unemployment, low levels of skills, poor educational attainment and particular health challenges.

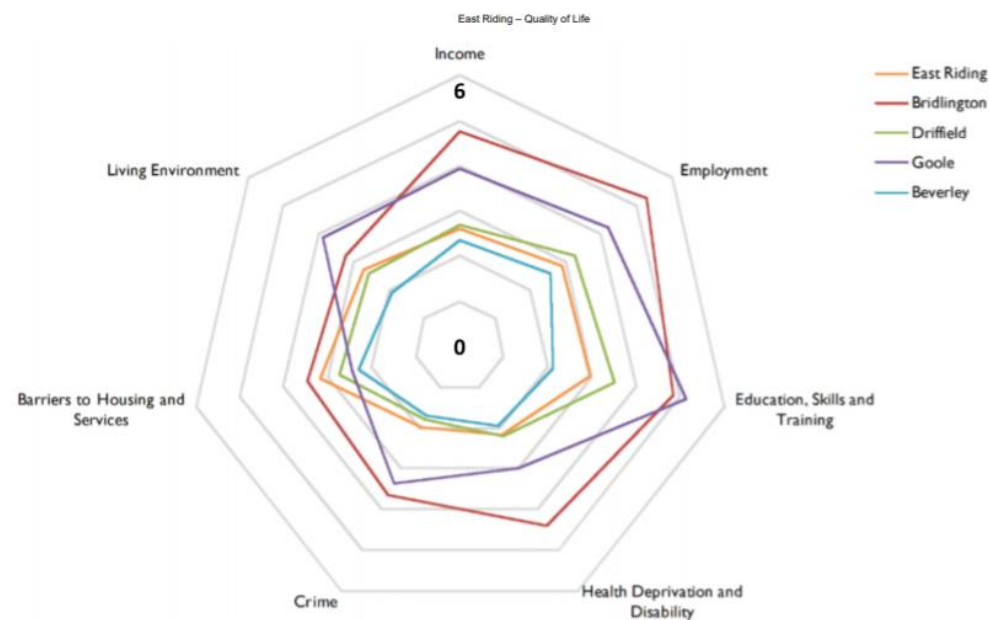
Based on a range of national data from Citizens Advice, debt levels across the East Riding are likely to be lower than national averages and will be concentrated in high deprivation areas. However, in 2016 local intelligence indicated that there is also a level of 'hidden' debt emerging in some rural communities as people who were coping before the economic downturn had turned to credit to get by and were still struggling.

Covid-19 will undoubtedly have a continuing negative impact in years to come, and this will be monitored as evidence emerges. The 'benefits' section of this assessment highlights the growing number of claimants during 2020. Some of our residents will be experiencing worklessness and significant reductions in income, perhaps for the first time and may be less equipped to cope.

Recent years have also seen a rise in parents and grandparents withdrawing money from pension funds and property equity to maintain living standards, manage debt or to help adult age children, particularly in supporting them to purchase their own homes. This inevitably reduces the amount of money and assets they have to support their own retirement.

However, it is important to recognise that the majority of the East Riding's residents enjoy a good quality of life with many areas of relative affluence, particularly in Beverley, to the west of Hull and close to the York boundary.

The Indices of Deprivation is a measure of the level of deprivation experienced in an area related to seven domains: income deprivation; employment deprivation; health deprivation and disability; education, skills and training deprivation; barriers to housing and services, crime; and living environment deprivation.



Source: DCLG (2015)

The radar chart above illustrates a population-weighted average rank of deprivation across each of the seven domains within our Principal Towns. Points on the chart plotted further away from the centre point (0) can be identified as ‘outliers’ and serve to highlight specific issues in each location, notably skills deprivation in Goole and income, employment, and skills deprivation in Bridlington.

Considering just the Income Deprivation measure, a household is considered to be income deprived if someone is claiming Universal Credit, income support, income-based jobseeker’s allowance, income-based employment and support allowance, pension credit and/or working tax credit and child tax credit (and whose equivalised income is 60% below the median before housing costs), or if there is an asylum seeker in receipt of subsistence support, accommodation support or both in the household. For the East Riding, the map below shows the level of Income Deprivation.

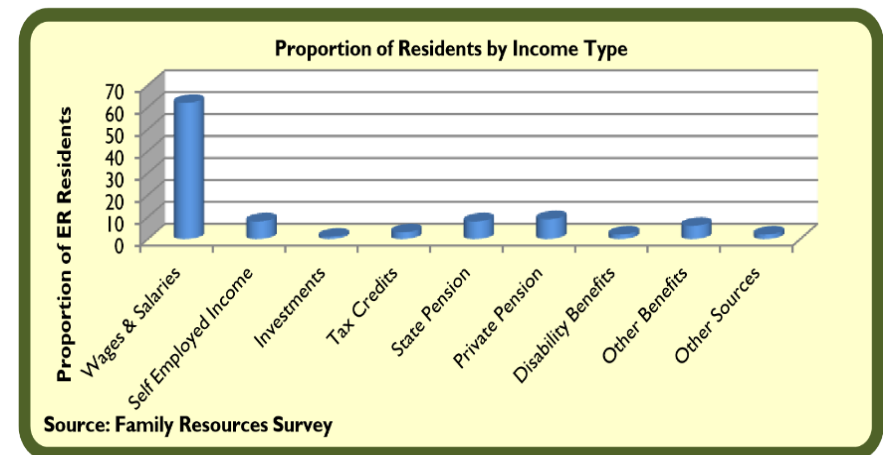
Income Types

There are various types of income that a household may have, including from wages and salaries, self-employment, investments and shares, benefits and pensions, etc.

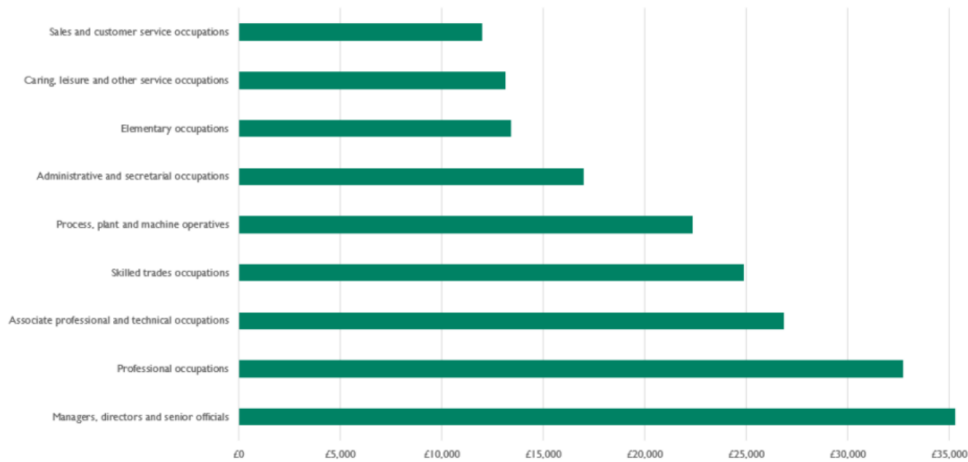
The Family Resources Survey, which is conducted nationally shows stability throughout the previous fifteen years in terms of income type. Data specific to the East Riding has not been published since that reported in the previous needs assessment in 2016, and there is a general 2 year lag on national and regional data. As the chart below indicates, in the East Riding, the significant majority of incomes are generated through wages and salaries. Other peaks are for self-employed income, pensions (both state and private) and for other benefits (which would represent those claiming income-related benefits).

As the chart shows, income for a majority of East Riding residents comes from employment or pensions and is broadly in line with the national average and reflects our higher than average older population. Historically, income levels are relatively good, with a significant peak at the highest level band (representing the more affluent households in the area).

Again, the pandemic will have impacted upon this in 2020 and 2021, although the Office for Budget Responsibility (OBR) is currently predicting a swift ‘bounce back’ in the economy from 2022 onwards.



Full-time Median Gross Annual Earnings by Occupation

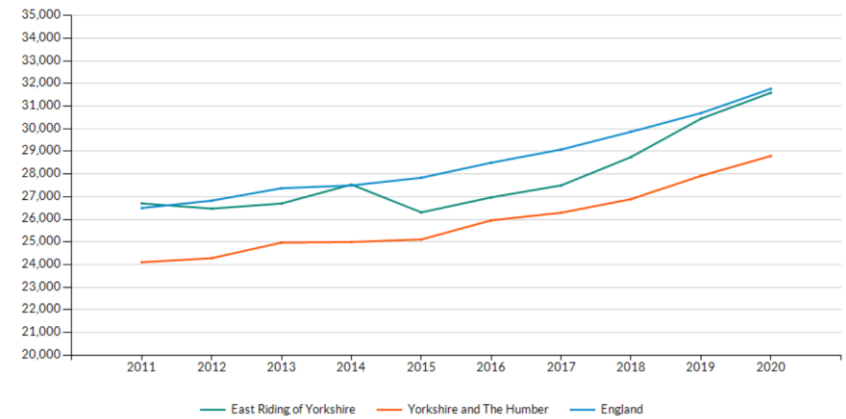


Source: ASHE (2017)

The above graph looks at median gross annual earnings by occupation. It shows earnings are lowest in sales and customer services, caring, leisure and ‘elementary’ occupations. There is a dramatic earnings gap, with median gross earnings over twice as high for skilled traders, associate professional and technical occupations and over triple for those in professional or senior and managerial positions.

Average earnings from occupations in the East Riding compare favourably to national averages and are above regional figures as the graph below shows. There has, however, been some fluctuation over recent years which may have had an impact on residents and debt.

Full Time Median Annual Gross Earnings - £ (residents)



Source: ASHE (2020)

For the period leading up to the pandemic, it is likely, based on national data, that the overall East Riding income picture (all types) remained stable. It showed that single people with no dependants are most likely to have a very low income. Lone parents are next most likely to have a very low income, but are likely to have additional associated costs.

Over the decade leading up to the 2016 needs assessment, incomes for all but pension age adults fell for all family types and for both high and low income households in the Yorkshire and Humber Region. People with the lowest income and single adults without children saw the largest falls.

By 2016, working age adults across the Yorkshire and Humber region were living with an income less than three quarters, in equivalent value, than they had in 2001/02-2003/04. This was largely due to disproportionate increases in essential costs such as fuel, rent, food and energy, whilst incomes have increased at a much slower rate. Data from 2017 onwards suggests that income was increasing, moving on from the period of austerity. Whilst incomes had not returned to previous levels (in real terms), improvements

were being seen. Public sector workers for example had seen pay freezes being removed, although now re-imposed for most.

In 2019, the average gross salary in the East Riding was £24,413, and £30,446 when looking specifically at full time gross incomes. However, hourly rates dropped, suggesting that employees are working more hours on average to achieve this level of income. Figures for 2020 show that income has risen in the previous 12 months by an average of 3.5%.

National Minimum Wage

Almost all workers in the UK are entitled to be paid at least the National Minimum Wage - or the National Living Wage for those aged 25 or over.

These national minimum hourly rates have increased steadily year on year and, in 2020/21, were £4.15 for apprentices (aged 16 to 18 or 19+ if in their first year of apprenticeship), £4.55 for under 18s, £6.45 for 18 to 20 year olds, £8.20 for 21 to 24 year olds and £8.72 for 25s and over. The Living Wage is set by the Living Wage Foundation. There is a UK rate and a London rate.

The UK Living Wage is £9.30 an hour and the London Living Wage is £10.75 an hour for 2020-21, the latter being based on the cost of living. The Resolution Foundation (a think tank that aims to improve the living standards of low and middle-income families) calculates the rates and is overseen by the Living Wage Foundation. Employers do not have to pay the Living Wage, but over 3,600 employers choose to do so (2020).

Over the last 4 years, the proportion of jobs paid below the national minimum wage in the region has dropped slightly, but is still above the national average. The future trend projection indicates that this will continue to be the case and that the gap between the regional and national averages will continue to widen and this will undoubtedly be affected by the pandemic as the picture regarding changing employment emerges.

The rise of the gig economy has been widely viewed as a way of employers avoiding the minimum wage and additional benefits, although many others dispute this and argue that it merely provides flexibility. The gig economy is explained further in theme 3: Work.

Standard Cost of Living

The standard cost of living is described, by the Joseph Rowntree Foundation, as being the minimum income needed to support the household to live without debt. This includes paying for essential items, such as housing, fuel, taxes, food, travel and necessary insurances, but also those necessary costs of family living, such as clothing, childcare, occasional entertainment, etc.

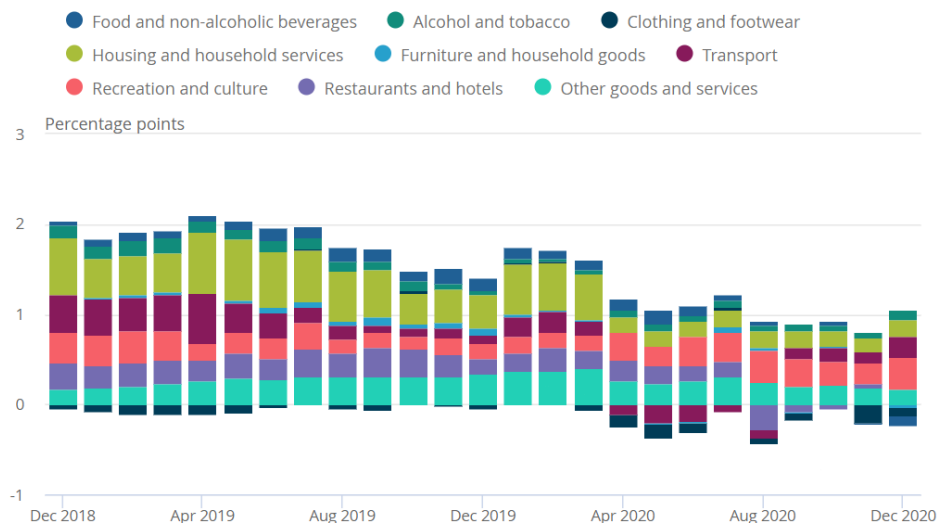
Their latest published report was just ahead of the pandemic, so does not capture its effect on social norms, expectations, lifestyles and any consequent impact on living costs. Future research will investigate the extent to which the pandemic may have changed what people consider the minimum required to meet material needs and participate in society.

Their most recent report indicated that in order to reach a minimum socially acceptable living standard in 2020, a single person needs to earn £18,700 a year and a couple with two children each need to earn £19,200.

The cost of essential items (i.e. food, fuel and public transport) has increased year on year, but the annual size of increase has reduced significantly in recent years.

Contributions to the CPIH 12-month inflation rate, UK, December 2018 to

December 2020



As the chart shows, the average cost of standard living began to reduce in 2020. Housing, transport and recreation and culture had seen the largest increases in the past 2 years. CPIH is a new measure of the annual rate of UK consumer price inflation that includes owner occupiers' housing costs (OOH). The pandemic will no doubt have had significant impacts on this, as habits change and more time is spent at home, increasing food, energy usage and a reliance on the internet for education, work, entertainment and social contact. This is however, likely to be temporary.

Food & Fuel Poverty and Debt

In response to the pandemic the LiFT (low income family tracker) dashboard developed insight based on their indicative measures for food, fuel and water poverty. We cannot provide historic data on poverty levels as this is new functionality from January 2021.

Food Poverty - A household's total minimum acceptable food expenditure (based on the minimum income standard) is higher than their income after 'priority costs'.

Data shows that as at January 2021, 822 households within East Riding were in food poverty. Of those households, 174 children reside in the households and they have debt totalling £164,104 for council tax and rent arrears and any housing benefit overpayments.

Fuel Poverty - A household's income after fuel expenditure (based on the minimum income standard) that would bring their income below the relative poverty line.

Data shows that as at January 2021, 11,053 households within East Riding were in fuel poverty. Of those households, 6,908 children reside in the households and they have debt totalling £1,707,969 for council tax and rent arrears and any housing benefit overpayments.

Water Poverty - A household's estimated water costs account for around 3% of more of their disposable income (income, less housing, utilities, food and personal care costs).

Data shows that as at January 2021, 14,576 households within East Riding were in water poverty. Of those households, 8,785 children reside in the households and they have debt totalling £1,867,979 for council tax and rent arrears and any housing benefit overpayments.

Debt and Poverty

Levels of debt in the region have increased over the last decade, as they have across the UK. According to The Money Charity, the average

household debt (including mortgages) is now at £60,449, up from £54,261 in 2016, which was already 23.5% higher than in 2005.

The Office for Budget Responsibility's March 2019 forecast projected that, by 2023-24, household debt will reach £2.425 trillion, an average household debt of £86,388 (assuming household numbers track ONS population projections), which suggests that there appears to be no immediate likelihood of this upward trend stopping. The impacts of the pandemic and the UK's departure from the EU are as yet unknown impacts.

Every day, 309 people were declared insolvent or bankrupt in the UK between August and October 2020. This was equivalent to one person every 4 minutes. This figure has risen sharply from 222 people in 2015, again suggesting a growing problem.

Whilst debt and insolvency data is difficult to access solely for the East Riding, indications from organisations supporting local people suggest that there are significant problems in the area. The numbers of referrals to charities have risen by over two thirds in the last five years.

The Department for Work and Pensions (DWP) defines low pay as any family earning less than 60% of the national median pay. On this basis, there are more than 13 million people in the UK living in low-income households (2020). Low pay has also been defined in relation to the cost of living by the Minimum Income Standard Project. By their calculations, anything less than £15,000 a year, before tax, counts as low pay. This equals £7.77 per hour in a standard full-time job (2020).

THEME TWO: HOUSING

Housing is a basic need and, for many households, their biggest expense - especially when factoring in the costs of maintaining and heating the home. It is, therefore, no great surprise to find that those who must pay more to support their home (whether in rent or mortgage, fuel or energy, maintenance, etc) are more likely to have debt issues, either currently or, if their situation does not change or a unexpected bill arrives, in the future.

The factors explored here that influence a household's costs include house prices and tenancy types, household income, energy costs and fuel poverty plus homelessness.

The East Riding has specific housing challenges due to the rural nature of the area, such as some areas not having access to mains gas fuel and a number of older, larger houses in rural communities that results in higher costs for heating. Additionally, with a lower than average social housing level, the East Riding has a much higher proportion of private tenancies and owner-occupiers than many other areas.

As at September 2020, the total number of dwellings in the East Riding was estimated to be around 157,800. Just over 34% were detached dwellings, almost 37% were semi-detached and around a 20% were terraced dwellings. Around 39% of homes are owner occupied.

Average house prices in the East Riding are around 12% more expensive than the average for the Yorkshire and Humber Region as a whole, but around 25% less expensive than the England average.

Fuel Poverty and Fuel Poverty Gap

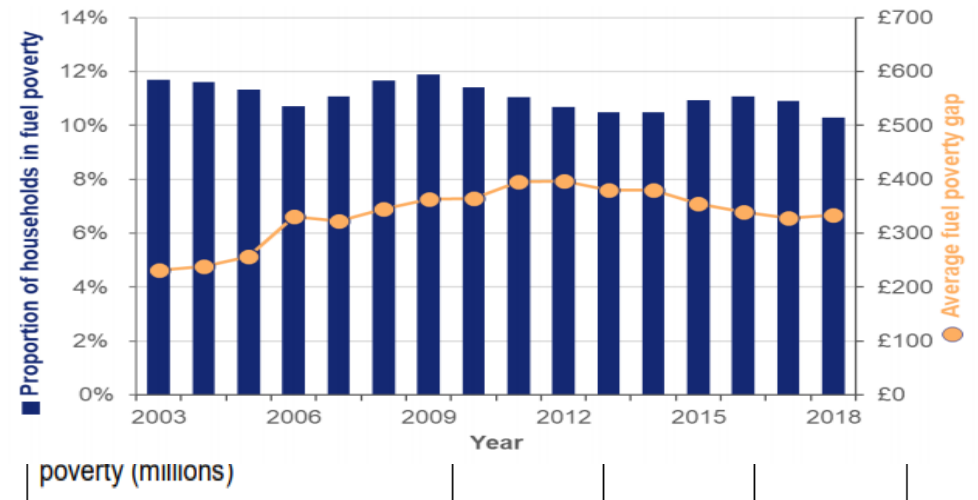
Fuel Poverty is defined as when spending the average required fuel costs would leave a household's income below the poverty line (also referred to as a 'Fuel Poor' household) and is a particular issue in the East Riding.

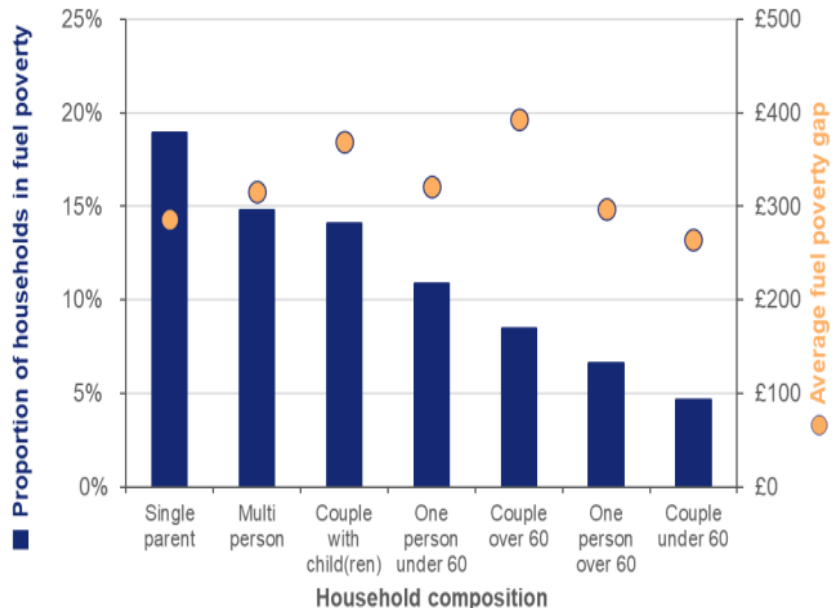
Regionally, it is estimated that some 14,000 households (9.4%) are in fuel poverty in East Riding of Yorkshire – slightly below the Yorkshire and Humber average of 10.1%.

The **Fuel Poverty Gap** is a measure of how much more a fuel poor household would need to spend to keep warm in comparison to typical households.

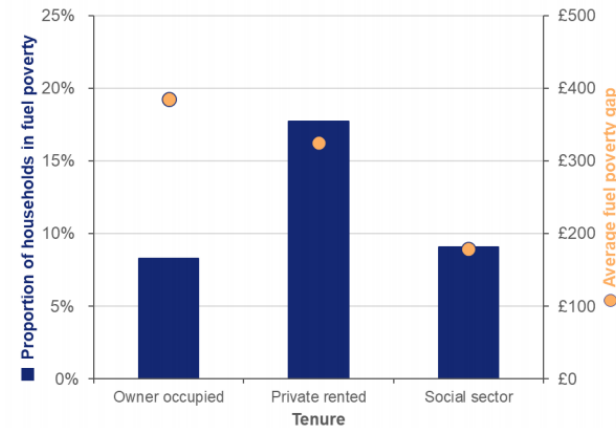
Fuel poverty has a number of causes, but is most often caused by poor household condition, low household income and/or higher than normal fuel costs (i.e. possibly due to having to use more expensive fuel such as oil in place of mainline gas), or a combination of these.

Nationally, overall levels of fuel poverty have generally reduced from an all-time high in 2009, but the fuel poverty gap has continued to rise in recent years (see table below). In 2018, the average fuel poor household in England would need to pay around an additional £334 per year to fuel their home – a slight increase from £328 in 2017.





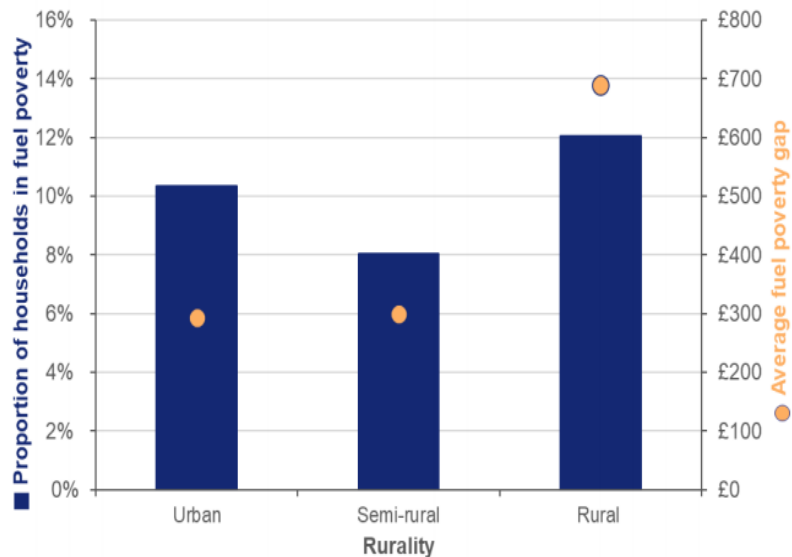
Source: Annual Fuel Poverty Statistics in England, 2020 (2018 data) –



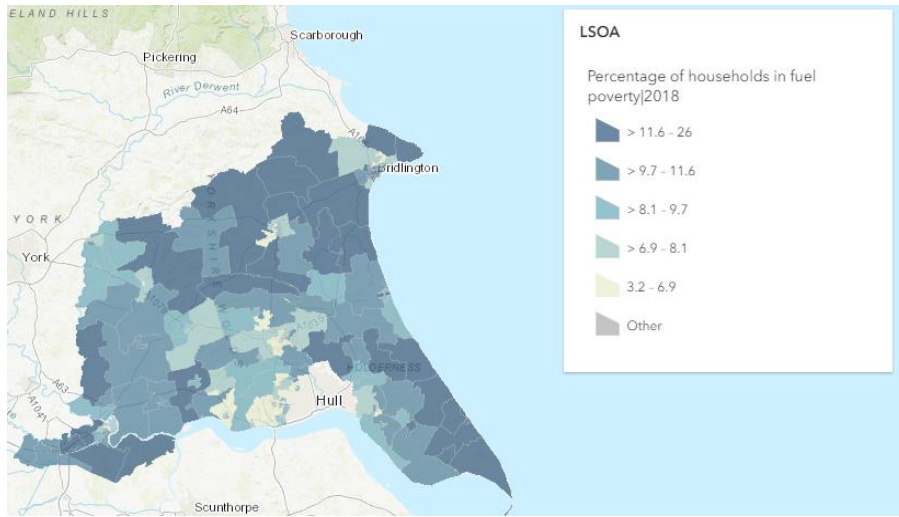
Owner occupiers that own their home outright are less likely to be fuel poor (7.6%) than those with a mortgage (9.1%). This is partly due to their minimal housing costs. Single parent households have consistently had the highest proportion of

households in fuel poverty. In 2018, 18.9% of single parent households were fuel poor and had an average gap of £286, likely due to their considerably lower median income. Couples over 60, however, had the highest average gap (£393) despite having a lower prevalence of fuel poverty (8.5%), which is likely due to their larger median floor area and higher median fuel costs. Couples under 60 were the least likely to be in fuel poverty (4.6%) with an average gap of £265 likely due to their high median income.

Households living in rural areas are most likely to be in fuel poverty (12.0% of rural households are in fuel poverty) and have the largest fuel poverty gap at £690. However, 82.3 per cent of the total number of fuel poor households are in urban areas (81.6% of all households are in urban areas).



The map below shows the areas within the East Riding with the highest proportion of households classified as being fuel poor in 2018. This clearly shows the relationship between the rural areas (especially those not on mains gas) and fuel poverty.

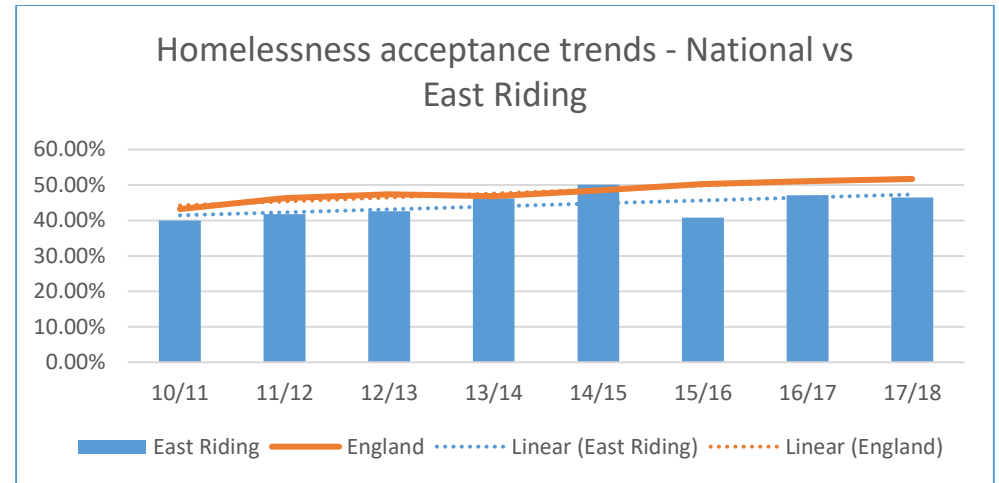


Source: East Riding Intelligence Hub

The East Riding Affordable Warmth Strategy 2015 seeks to address fuel poverty and its associated issues, especially related to energy efficiency and reducing heating and fuel costs.

Homelessness Decisions

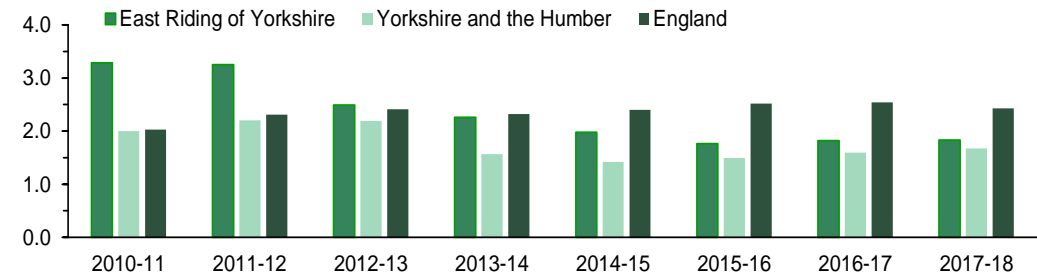
All households that apply for assistance under the Housing and Homelessness Acts are referred to as homelessness **'Decisions'**. Where the Local Authority is satisfied that the applicant is eligible for assistance, is unintentionally homeless and falls within a specified priority need group, the decision is referred to as a homelessness **'Acceptance'**.



Source: MHCLG

The number of homelessness decisions has continued to fall since the peak in 2010/11, but proportion of homelessness acceptances has fluctuated in recent years in East Riding but has generally increased at a National level. In 2017/18 there were 583 decisions made in the East Riding, compared with 1,173 in at the peak in 2011. Regional and national comparisons of acceptance rates per 1,000 households is shown below.

Chart 1: Homelessness acceptances per 1,000 households



Source: MHCLG

Nationally, it is notable that the largest proportion of households assessed as homeless or threatened with homelessness at the time of approaching the Local Authority were private rented sector tenants, making up over 25% of all applicants. Similarly, the main reason for homelessness in the East Riding during 2016/17 was the loss of a private rented sector tenancy due to either an assured shorthold tenancy ending or for other reasons. Relationship breakdown, whether violent or non-violent was the next most common cause. Parents no longer able or willing to accommodate is also high.

Homelessness Prevention

Homelessness Prevention is defined by the Ministry of Housing, Communities and Local Government as providing people with the ways and means to address their housing and other needs to avoid homelessness. This is done either by them being **‘assisted to obtain alternative accommodation’** or helping them to be **‘able to remain in their own home’**.

Since the introduction of the Homeless Reduction Act (2017), MHCLG has gathered and presented homeless statistics in alternative formats from 2018, which means that historical comparison prior to 2018 is not feasible. The tables below show that on a local level, the proportion of households successfully supported to remain in their existing accommodation continues to fall which conversely means there is an increase in the proportion of households supported into alternative accommodation. It may be noted that nationally and locally, there has been an overall increase in case numbers owed a prevention duty. However, the level of increase nationally is almost double that in the East Riding of Yorkshire. It is possible that locally, the smaller increases in households at risk of homelessness are the result of an improved delivery of services but they may also reflect the largely rural nature of the area.

National	2018/19	Percentage	2019/20	Percentage
Moved to alternative accommodation	37,870	64.80%	51,500	63.20%
Stayed in existing accommodation	20,560	35.20%	31,010	36.80%
ERYC	2018/19	Percentage	2019/20	Percentage
Moved to alternative accommodation	92	82.15%	105	83.30%
Stayed in existing accommodation	20	17.85%	21	16.70%

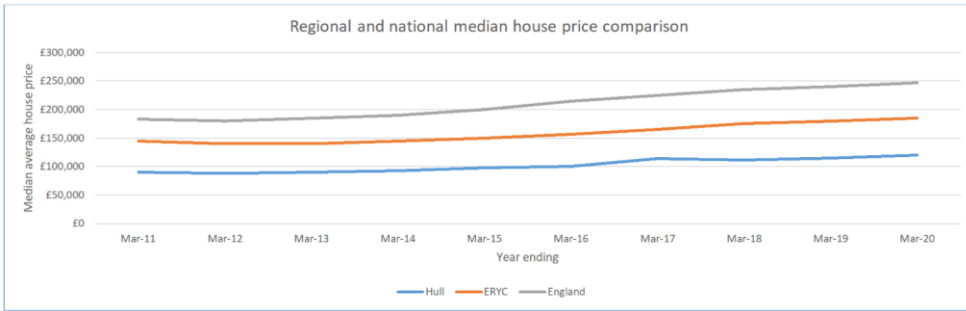
Households where prevention duty ended Source: MHCLG

These figures are though only part of the overall picture.

House Prices

In the East Riding, over three quarters of all homes are owned (either outright or by a mortgage or loan), which is higher than the national average at almost two thirds. Housing sales have fluctuated in the last 5 years and figures have shown a marked decrease of around 26% from 2019-2020 and it is expected that 2020/21 sales figures will demonstrate significant decreases on local and national levels due to the impact of the Covid pandemic.

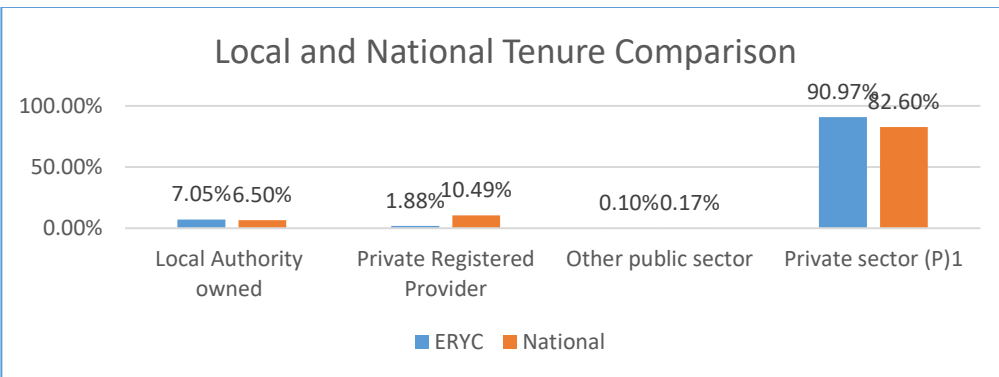
House prices vary across the UK, depending upon location amongst many other factors. In the East Riding, average prices over the last decade and more have resisted increase and remain below the average across England and Wales. They do, however, remain significantly higher than in Hull as shown in the chart below.



Whilst house prices are slowly rising and are likely to continue to do so in the future, the East Riding price rises are predicted to continue to remain lower than the national average. Whilst, for new buyers or those seeking to move, the lower price rises in the East Riding are helpful, for those seeking to free equity in their homes to sell or gain credit, this can be an issue.

Tenure Types

In the East Riding, 91% of households are either owner occupied or private rented, compared with only 83% nationally. For tenancies, the chart below shows, the East Riding has a lower proportion of social tenancies than the national average and, of those social tenancies, a much higher proportion of them are with the local authority.



Referencing the section on fuel poverty above, around a fifth of all private rented households and a twelfth of all owner occupier households will be

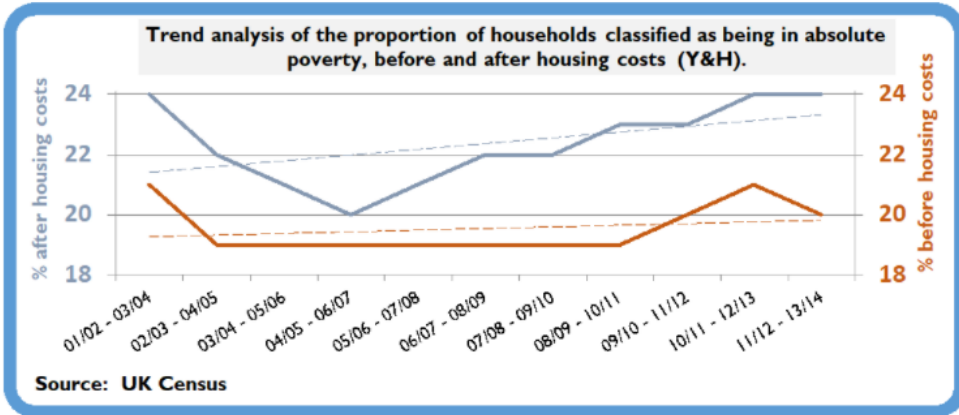
classified as being fuel poor. This means that these households will need to pay an average of £325 or £385 (respectively) extra for their annual fuel. This is the best case and assumes no other household characteristics that would affect these proportions and values, such as household efficiency, income levels, family type, etc.

Focussing on tenants, whilst the average weekly rent for local authority tenants is increasing in the East Riding faster than that national average over the last 10 years (38% vs 30% respectively), it is still an average £5.22 less per week. For private registered landlords, the average monthly rental values are higher in East Riding of Yorkshire than they are in the nearest neighbouring authorities but at £520, this is still significantly lower than the national average of £700 per month.

Housing waiting lists have recently reduced significantly overall, both nationally and locally. There have been annual fluctuations but across the last 10 years, the decrease in the East Riding has been marginally greater than the national average (national 34.2% reduction vs 35.5% reduction in East Riding).

Household Income and Housing Costs

Data from the UK Census shows that the proportions of households classified as being in absolute poverty (where a household's income is less than 60 per cent of the median as it stood in 2011) remains fairly constant and is only likely to rise slowly in the near future. This does not, however, consider other factors affecting that household's ability to live and pay for things like food, childcare, etc. Essential costs associated with the home that must be paid to run the household, such as rent or mortgage, energy and fuel, etc. When these costs are taken out and the remaining income compared against the nationally agreed poverty measures, the picture changes somewhat, as the following chart shows.



The gap between those households in absolute poverty before and after housing costs has widened by almost two thirds, with trends indicating it will continue to widen. This helps evidence that essential household costs have risen much faster than income levels, increasing the likelihood that those households will suffer from poverty related issues.

Housing Benefits

Short-term support is available to residents in receipt of Housing Benefit or the housing element of Universal Credit, where they have to pay a top-up in their rent. Due to welfare reforms, the funding allocation has risen year on year.

In 2020/21, the number of applications have reduced due to Government's response to Covid-19 seeing many residents income increase due to universal credit changes which are in place until October 2021, benefit rates are no longer frozen and Local Housing Allowances were increased, lowering people's shortfall in rent contributions.

In 2020/2021 of those households in receipt of a Discretionary Housing Payment (DHP), 83.7 % are not in work, of those 50% have high barriers to work, for example disabled. 8% of households have been affected by the benefit cap, 1.7% affected by the Local Housing Allowance cap and 4.1% due to under-occupying their household (the commonly titled bedroom tax). 49% of awards are made to private tenants and 40.4% to council tenants, 7.7% to social housing tenants and 2.9% are on UC so we do not know their type of tenure.

THEME THREE: WORK

The pandemic had an immediate, large, but as yet not fully known impact on employment in the East Riding. Some of our residents found themselves furloughed or unexpectedly unemployed, perhaps for the first time and the extent of this and the time taken to recover are unclear. This section focuses on the pre-pandemic picture, with some emerging 2020 pandemic data where possible.

East Riding working age adults account for around almost two thirds of the population, while a further quarter are of pensionable age. Almost a quarter of the population is retired, but employment rates in the area are good, as are levels of economic activity. Annual population survey figures (early 2020 pre pandemic) show the Employment Rate of 77.6% was above the regional (74.6%) and national (76.5%) averages. Of those who are economically inactive, almost a quarter are permanently sick or disabled, another quarter are looking after their home and/or caring for family and more than a fifth are students. The Economic Activity Rate (those that are either in or are actively seeking employment) in the East Riding of Yorkshire has consistently remained above the regional and national averages over the last three years.

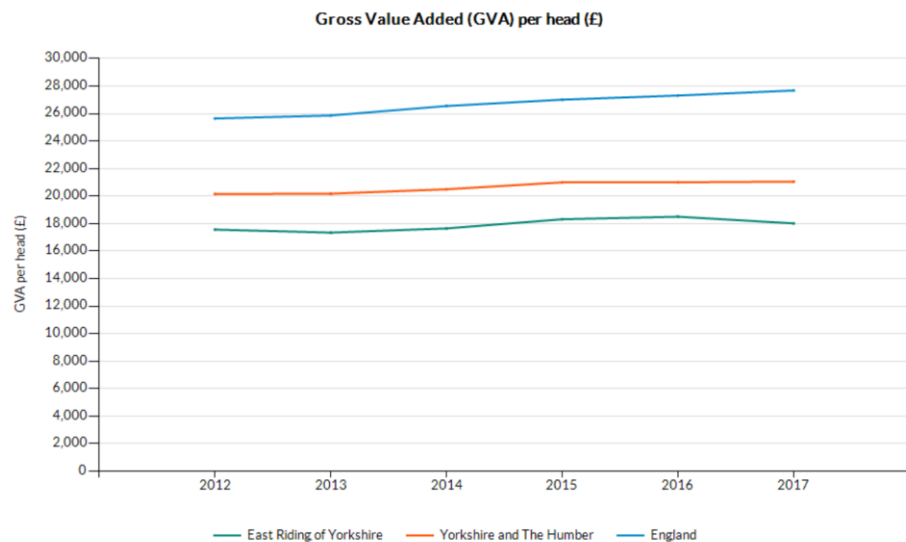
The East Riding has a higher proportion of businesses in agriculture, forestry and fishing, production and construction, motor trades, transport and storage and public administration and defence.

The greatest concentration of jobs are found in Haltemprice, Beverley, Goole, Bridlington (specifically around Carnaby Industrial Estate) and specific locations to the west of Hull along the M62/A63 corridor.

A higher proportion of the East Riding's working adults are employed outside of its boundaries than national averages, with many working in the

nearby cities of Hull and York and in North Yorkshire, South Yorkshire, North Lincolnshire and North East Lincolnshire. Work opportunities in the area are lower than regional and national levels, perhaps explaining why so many travel to work in other areas, but the level has risen by a fifth since 2000.

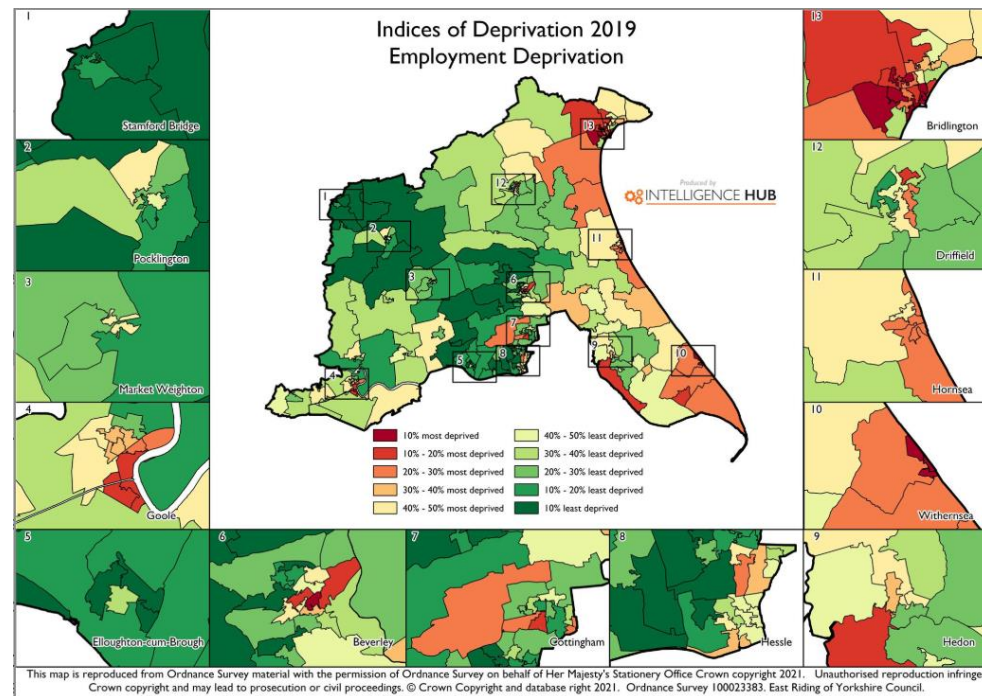
The East Riding economy is relatively diverse, but is heavily dependent on small businesses, a limited number of major employers (mainly in manufacturing) and the public sector. These factors contribute to a low 'productivity' rate which is not keeping up with the national average. There are, however, a number of opportunities for promoting sustainable economic growth in the East Riding. These include renewable energy, manufacturing, food & drink agriculture, logistics, finance/business, health, education and retail.



Source: ONS (2017)

The map below shows the Indices of Deprivation (Employment Deprivation) profile for the East Riding, highlighting the most deprived areas. For a definition of the indices of deprivation, please see **Theme 1: Money** above (page ??).

The Employment Deprivation Domain measures the proportion of the working-age population in an area involuntarily excluded from the labour market. This includes people who would like to work but are unable to do so due to unemployment, sickness or disability, or caring responsibilities.

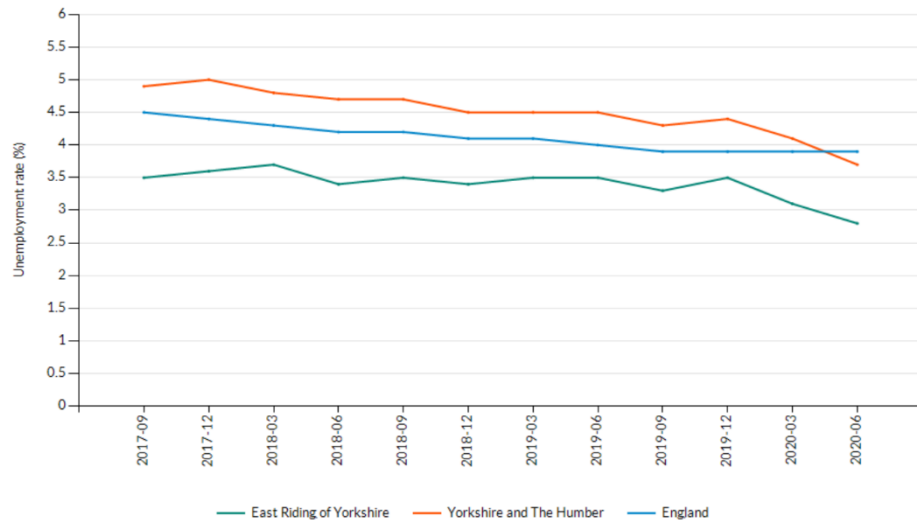


The red areas contain 15 lower super output areas (LSOAs) in the East Riding which are in the 10% most deprived in the country for employment deprivation and are found in Beverley, Bridlington, Goole and Withernsea. 23 LSOAs are in the 10% least deprived. The coastal strip is of particular note, where there are higher levels of seasonal work reliant on tourism.

As detailed in **Theme 1: Money**, many households are struggling with low income and high costs. They may have working people within the household, but a prevalence of zero-hour contracts, part time work and low hourly pay means that many households are struggling to manage and are accumulating debt. Local evidence from the voluntary sector also indicates that there is a high number of households that are currently just managing to get by, but would not be able to cope with a sudden essential cost, such as the breakdown of a car or household appliance, or a relatively small reduction

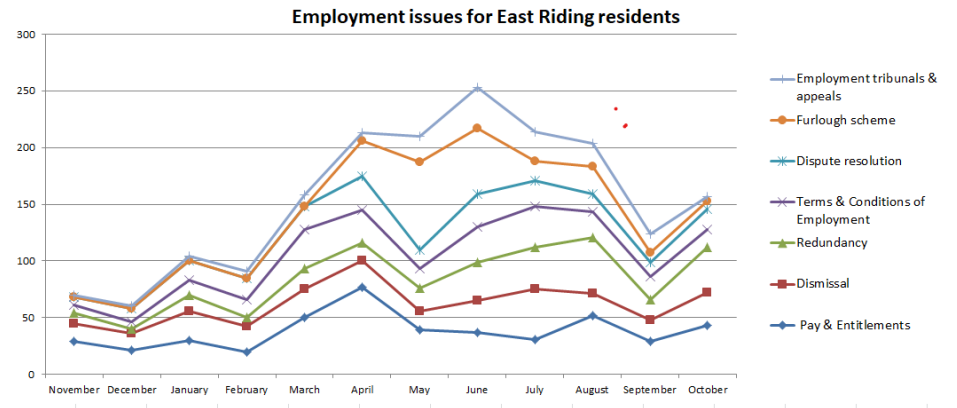
in the household income. These are, therefore, those most likely to have been financially impacted by the pandemic, for instance if furloughed or have lost income whilst needing to self-isolate. The job retention scheme (furlough) paid eligible workers 80 per cent of their usual salary up to £2,500

Unemployment Rate (model-based)



per month from the end of March 2020, which continued in some form throughout the pandemic. Figures from HM Revenue and Customs show around 43,300 claims to furlough jobs were made in the East Riding by the end of June 2020.

The table below shows the increases in requests for advice relating to employment received by the East Riding Citizens Advice Bureau during 2020. The peaks in requests are aligned to major national announcements regarding ‘lockdowns’ and easing of restrictions.



The rise of the ‘Gig Economy’

Simply defined as ‘a labour market characterised by the prevalence of short-term contracts or freelance work, as opposed to permanent jobs’, the Gig Economy has increased significantly in recent years. Instead of a regular wage, workers are paid for the ‘gigs’ they do, such as a food delivery, a piece of consultancy, or a car journey.

There are opposing views on its value, from a working environment that offers flexibility with regard to employment and hours through to suggesting it is a form of exploitation with very little security, workplace protection and reduced entitlements, including holiday pay. Fluctuating pay can make claiming Universal Credit complicated.

A survey in 2018 commissioned by the government (NatCen Panel) found that 4.4% of the population had worked in the gig economy in the last 12 months, which is approximately 2.8 million people. It found that gig workers were generally younger - 56% were aged 18 to 34 compared to 27% of the whole sample. The levels of educational attainment were similar to the general population. Although dependent on the types of ‘gig’ completed, income was generally low.

There are currently no figures for the impact of this industry in the East Riding, but its continued national rise is likely to have had a local impact.

Unemployment

Unemployment levels in the East Riding are low and remain below national averages in the East Riding.

These low unemployment levels are one of a number of factors that help explain why the East Riding has lower levels of deprivation than many other areas of the country. However, it is important to note that employment alone does not indicate that households are managing to remain debt free.

Unemployment, in the East Riding is highest in some areas of urban density and particularly Bridlington, Goole and Withernsea and tends to match area profiles for other deprivation issues, such as poor health outcomes, lower educational attainment and higher levels of household debt.

The immediate impact of measures taken to reduce Covid-19 are shown in the charts in section four: **Benefits** below. With restrictions continuing well into the middle of 2021, the longer term impacts will not be known for some time.

Working Status

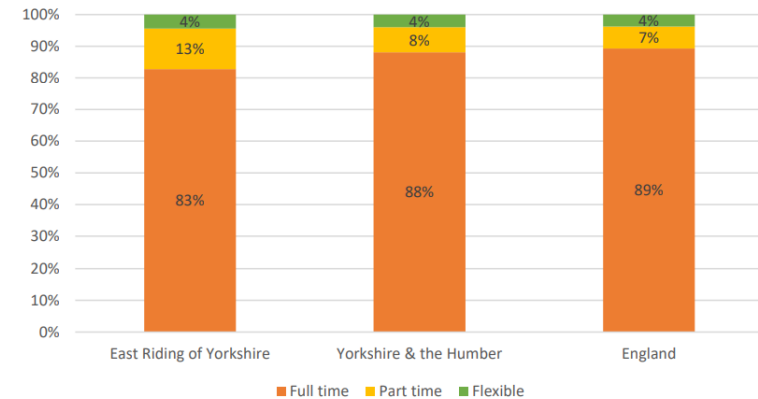
There are four broad working status types: full time, part time, zero hour and self-employed.

Both full time and part time workers have a contract of employment (either permanent or temporary) and are entitled to certain benefits, such as holiday pay, maternity/paternity leave, statutory rest breaks, statutory sick pay, etc. Their payroll, tax and national insurance contributions will be registered with HMRC and, if the company they work for has more than 3 employees, they are also entitled to join a company pension scheme.

Whilst there are no rules that govern how many hours define a part time contract, it is usual for people contracted to work less than 35 hours per week to be part time.

The East Riding has a higher than average percentage of part time work, which is often lower paid and in sectors with lower than average skills requirements.

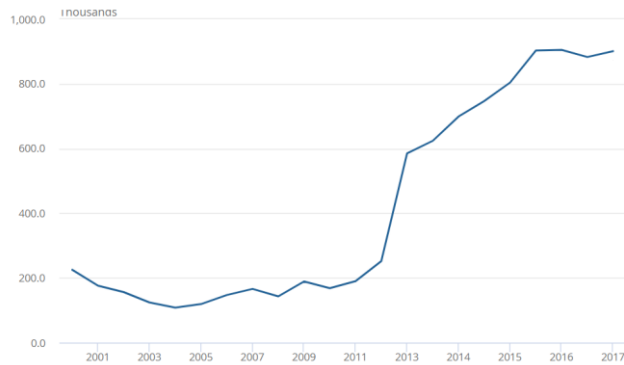
Figure 1: East Riding job postings 2017-2020, full/part time breakdown



Additionally, the number of contracts with no guaranteed minimum hours ('zero-hour contracts') has rapidly increased and is heavily concentrated in sectors with low average pay. According to ONS, the number of zero hour contracts in the UK has risen dramatically from a low baseline in 2000.

Around a third of all zero hour contracts are held by people aged 16 to 24 years and, for that age group, over 6% of all employment held is through a zero hour contract, more than three and a half times the rate for other working age groups. These contracts are also more prevalent with female workers. However, this figure will include students who seek out flexible hours to fit around studies.

The graph shows the number (in thousands) of people in employment reporting they are on a zero-hours contract in the UK, October to December 2000 to October to December 2017.



Source: Labour Force Survey (LFS) - Office for National Statistics

Opportunities for Work

Opportunities for work is a key factor in ensuring that unemployment remains low and that there is the opportunity in the area to both allow people to progress their careers and to encourage people from other areas to move here for work.

The East Riding benefits both from its own level of business and industry, but also from the employment opportunities afforded from its close borders with neighbouring authority areas, especially the city of Hull.

A full East Riding Labour Market Profile (December 2020), using data from Emsi, 2021 analytics is available on the East Riding Intelligence Hub. It shows that in the three year period between November 2017 and 2020, there were a total of 58,581 unique job postings within the East Riding. When Hull is also considered this figure more than doubles to a total of 135,372 postings, in the three year period.

These postings can then be broken down into part/full time or flexible hours. The East Riding had a greater percentage of part time employment opportunities than regional and national averages.

The top 10 advertised job titles between November 2017 and 2020 were; HGV/Large Goods Vehicle (LGV) Driver, Family Support Worker, Personal Care Assistant, Teaching Assistant, Home Care Worker, Bathroom Cleaner, Warehouse Assembler, Production Operator, Registered Nurse and Teacher.

Small businesses, some major employers (mainly in manufacturing) and the public sector are the main employers in the area and, on the whole, the number of businesses is growing, both in the East Riding and the country as a whole.

However, looking at employment across these industries, the majority of workers are employed across the Public Administration, Education and Health industries (accounting for over a third of the area's employment). Conversely, the area's largest proportion of businesses in Agriculture, Forestry & Fishing only employs around a twentieth of workers.

Business Support

The Council's business support team offers a comprehensive range of services designed to help businesses thrive and grow. In addition, the Council's dedicated webpage offers free and impartial information, advice and guidance, signposting both the Humber Business Growth Hub and the Hull and East Riding LEP, in order to support businesses.

This support has expanded during the pandemic to include the administration of the Covid-19 Government Business Support Grants, at what has been such a crucial time for businesses. In the year since March 2020, over £88.5 million in grant payments have been made to eligible small

businesses, and business in the Retail, Hospitality and Leisure industries, to help support business continuity and sustainability and help protect employment. As we move into the recovery stage of the pandemic, support for businesses will be key, in order to mitigate the far reaching impacts upon businesses and debt management and maintain the presence of the high street.

Economic Strategy & Hull & East Riding LEP

The East Riding has strong track record of successful economic development and attracting inward investment through effective partnership working, sound data and knowledge of the capabilities of the area and strategy development.

Hull and East Riding are currently negotiating a devolution deal with the government but it is likely to take two or three years to establish devolved arrangements (combined authority) subject to successful negotiations. Government has been clear that the LEP should continue in its current form and role for as long as local partners consider is necessary to enable the area to transition effectively to the new Hull and East Riding devolution and LEP arrangements. It also expects to see continued strong and effective cross-Estuary collaboration under future devolved arrangements, particularly on clean growth, ports and manufacturing.

In support of ongoing arrangements, the East Riding Economic Strategy (2018-22) is currently undergoing a mid-point update. The Strategy aims to maximise a number of opportunities for promoting sustainable economic growth in the East Riding. These include renewable energy, manufacturing, food & drink agriculture, logistics, finance/business, health, education and retail.

Feeding into this is the Covid 19 Economic Recovery Plan, driven by an economic recovery task group.

The Economic Recovery Plan sets out a number of key actions being taken to continue with the improvement of the East Riding economy. Most recently, approval for funding has been granted for a new Business Centre in Beverley and ongoing targeted support for high streets.

In the Spring 2021 budget, the Chancellor announced the Humber as one of 8 new 'Freeports' following a successful bidding process, explaining that the aim is to bring "investment, trade and jobs to regenerate regions across the country that need it most." Tax reliefs for freeports include full business rates relief for all new businesses for five years, tax-free capital investment in plant and machinery, and national insurance relief for employers.

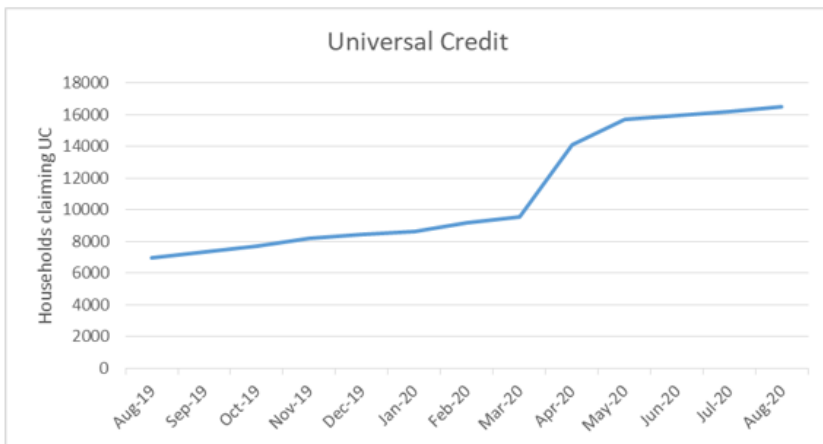
The Economic Recovery Plan also includes key actions related to Brexit, including access and utilisation of EU and government funding/grants and business support.

THEME FOUR: BENEFITS

Benefits claimant rates (excluding state pension) are historically lower in the East Riding than regional and national averages. However, with over a third of all advice queries to Citizens Advice Hull & East Riding concerning benefits, the majority of which also include elements of debt and/or housing, it is clearly an issue for some of our residents. Since the last needs assessment, Universal Credit (UC) has been rolled out across the East Riding and various related welfare reforms have been introduced.

Data relating to the impact of the pandemic is more readily available in 'real time' than other aspects reported on in this assessment. However, what will not be known for some time is the time taken to recover and for the number of claimants to return to pre-pandemic levels. The OBR are, however, currently predicting a 'swift bounce back' in the economy.

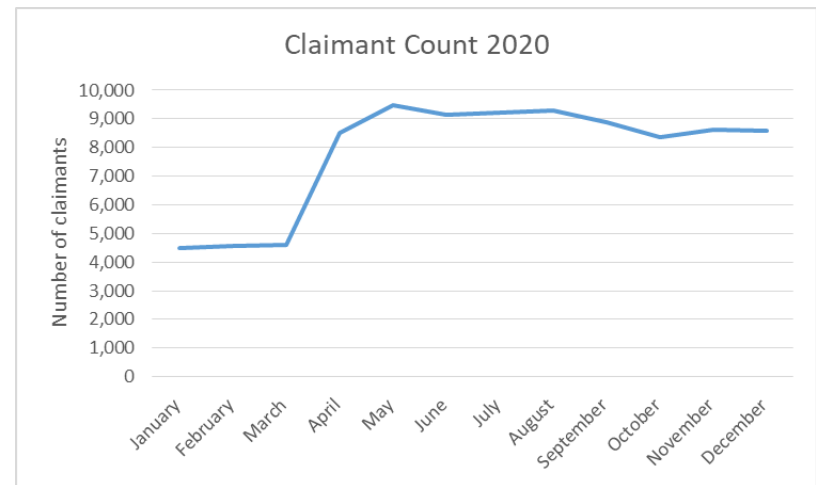
The graph below shows the dramatic increase in claims for Universal Credit from March to August 2020. In a year, the number of households claiming Universal Credit (which covers low income in work and unemployment benefits), rose from approximately 7,000 households to in excess of 16,000.



Pre-pandemic, the increase in monthly claimants was steadily rising at an average 368 per month. An increase in claimants of 4,668 was seen between March 2020 and April 2020 followed by an increase of 1,552 between April 2020 and May 2020. Since May 2020, the increase in monthly claimants has steadied to an average of 270.

Geographically the highest increase in UC claimants follows the trend of deprivation in the East Riding of Yorkshire. The areas with the highest claimants match those areas of higher deprivation, namely Bridlington, Goole, Withernsea, Hornsea and the east of Beverley.

Looking specifically at Job Seekers Allowance and UC claims, the figures have risen sharply as shown below.



There was a sharp increase in claimant count from March 2020 to April 2020 (an increase of 3,295 residents). Pre Covid-19, the average claimant count was 4567 (Jan-Mar 2020) this increased to an average of 8,898 claimants during Covid-19 (Apr-Dec 2020).

Additional dynamic maps are available from the East Riding Intelligence Hub. The dynamic map layer looking at the increase in claimant counts shows that during this same period, the largest increases in claimant count have been in Bridlington, Goole and Brough. These LSOAs have seen an increase of between 51-68 claimants.

Households in food and fuel poverty

In response to the pandemic the LiFT dashboard developed insight based on their indicative measures for food, fuel and water poverty. We cannot provide historic data on poverty levels as this is new functionality from January 2021.

Food Poverty - A household's total minimum acceptable food expenditure (based on the minimum income standard) is higher than their income after 'priority costs'.

Data shows that as at January 2021, 822 households within East Riding were in food poverty. Of those households, 174 children reside in the households and they have debt totalling £164,104 for council tax and rent arrears and any housing benefit overpayments (an average of £199.64 per household).

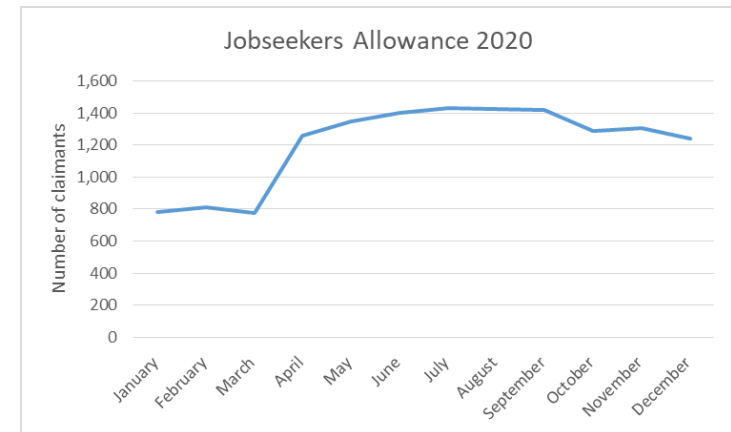
Fuel Poverty - A household's income after fuel expenditure (based on the minimum income standard) that would bring their income below the relative poverty line.

Data shows that as at January 2021, 11,053 households within East Riding were in fuel poverty. Of those households, 6,908 children reside in the households and they have debt totalling £1,707,969 for council tax and rent arrears and any housing benefit overpayments (an average of £154.53 per household).

Water Poverty - A household's estimated water costs account for around 3% of more of their disposable income (income, less housing, utilities, food and personal care costs).

Data shows that as at January 2021, 14,576 households within East Riding were in water poverty. Of those households, 8,785 children reside in the households and they have debt totalling £1,867,979 for council tax and rent arrears and any housing benefit overpayments.

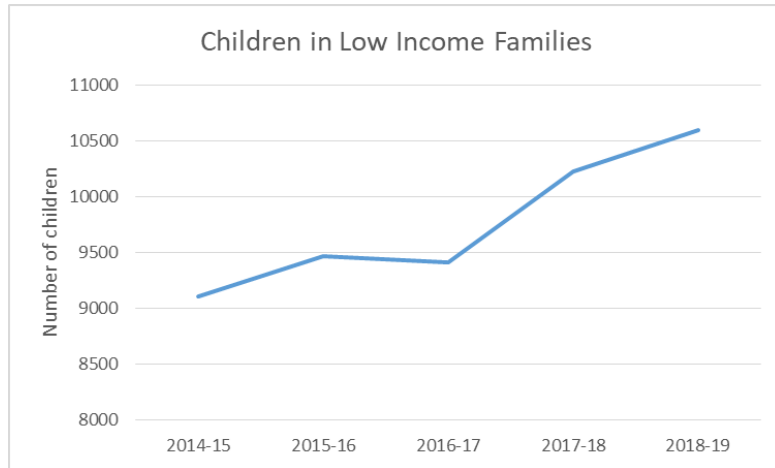
Jobseekers Allowance



As seen above, the trend in jobseekers allowance claimants matched the trend of an increase in claimants from March 2020 to April 2020 in UC and overall claimant count (an increase of 482 claimants). The trend from September 2020 to December 2020 does not match UC or claimant count as jobseekers allowance figures began to reduce, seeing figures fall from 1,429 at the peak to 1,240 in December. This could be due to the individual having a change in circumstances, meaning they have had to claim UC.

The map layer showing jobseekers allowance shows that the highest increase in claimants are in Hedon, the areas surrounding Goole and the area to the north east of Hull.

Children in low income families



As with the fuel poverty data, the category of children in low income families does not have data to show the effect of Covid-19. The data shown was released in June 2020, with 20/21 data expected in June 2021. The data above shows that over the past 5 years, the number of children in low income families has increased by over 1,000. If this trend were to continue, there would be an estimated 11,344 children in low income families in 2021.

As with the geographical trend for Universal Credit, the children in low income families follows the trend of areas with high deprivation such as Bridlington, Goole, Withernsea and the east of Beverley.

During the pandemic, the additional £20 per week payment on Universal Credit and the funding for free school meals during the periods of home schooling have been available to these families and promoted by the Council.

The additional payment of £20 per week has been extended for a further 6 months from April 2021. The government are also committed to providing a £500 one-off payment in 2021 to individuals in receipt of working tax credits.

In 2020/2021, government provided a council tax hardship scheme to support claimants in receipt of council tax support by a payment of up to £150 a year from their 2020/21 council tax bill. This scheme is continuing into 2021/22, however funding is being provided by the Council.

Financial support available from the Council

The Council's Revenues and Benefits service utilise a Low Income Family Tracker (LiFT) dashboard which allows them to monitor residents in receipt of housing benefit or council tax support and analyse where they may be struggling, in crisis, coping or at risk financially. It also feeds in rent/council tax arrears and housing benefit overpayments. The dashboard can also identify residents who would be in future need should there be any changes by the Government on Welfare Reforms. By proactively supporting residents, the teams can offer support on maximising income and signposting to debt advice agencies to provide a longer term goal of becoming self-sufficient. The Team also carry out targeted rent arrears collection, providing support to residents who cannot pay and targeted income maximisation.

Between 23 March to 31 July 2020, 3,553 claims for council tax support and 60,369 housing benefit payments were made. In April 2019, there were 361 new claims for Council Tax Support, compared to 1536 in April 2020, before reducing again, although not quite to pre-pandemic levels (468 in January 2021). This is in addition to the paying of various grants and schemes relating to businesses.

We have seen an increase in council tax support claims, due to the pandemic and continue to see housing benefit cases reduce due to residents moving to claim Universal Credit.

The Council has an emergency assistance scheme available to East Riding residents to help those who are in need at a time of crisis, where the claimant has had an interruption to their regular income, or require assistance when establishing themselves in the community by means of a grant payment.

The scheme (detailed below) provides residents with financial support, who have insufficient funds to afford essential items such as food, gas/electricity, travel costs, household items/furniture and housing related costs.

Council tax support

In 2020-21 the Government provided funding to help council tax support claimants financially as a result of the pandemic. Each household were given up to an additional £150 which reduced their council tax liability. The Council have replicated this scheme in 2021-22.

Discretionary Housing Payments (DHP)

Short-term support is available to residents in receipt of Housing Benefit or the housing element of Universal Credit where they have to pay a top-up in their rent. Due to welfare reforms, the funding allocation has risen year on year.

In 2020/21, the number of applications have reduced due to the Government's response to Covid-19 seeing many residents' income increase due to universal credit changes which are in place to October 2021,

benefit rates are no longer frozen and Local Housing Allowances were increased, lowering people's shortfall in rent contributions.

In 2020/21, of those households in receipt of a DHP, 83.7 % are not in work, of those 50% have high barriers to work, for example disabled. 8% of households have been affected by the benefit cap, 1.7% affected by the Local Housing Allowance cap and 4.1% due to under-occupying their household. 49% of awards are made to private tenants and 40.4% to council tenants, 7.7% to social housing tenants and 2.9% are on UC so we do not know their tenure of tenancy.

Food Voucher/Food Bank Schemes

Food Banks have risen dramatically in numbers over recent years, and primarily provide emergency food supplies to people in crisis. There are often arrangements between local authorities and food bank providers to ensure that supplies are targeted at those who need them most. In the East Riding, when considering the need for a food voucher, the Welfare Visiting Team will review the number of food parcels received in a year by a resident and use this as an indicator to establish if there is additional help which they can provide. The team will carry out a full benefit check which includes maximising a person's income, assisting with making arrangements for any arrears of Council debts and providing budgeting support.

The table below details the number of food vouchers issued by the Welfare Visiting Team in 2020. Unfortunately, previous years' data was not recorded. We do not collect data on the financial reasons for requiring a voucher such as the income they receive or if they are in arrears with rent. The reduction in the number of vouchers requested via the Welfare Visiting Team between June and August was due to all referrals for food being directed to the Covid Community Hub.

Food parcel area distribution	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Total
Bridlington	2	1	3	8	8	1	1	2	1	27
Beverley	17	22	20	13	4	0	0	2	0	78
Holderness	6	6	5	3	3	0	0	0	1	24
Goole	2	1	3	2	0	0	0	0	4	12
	27	30	31	26	15	1	1	4	6	141

The largest group of food bank users are single people on benefits; customers who have an interruption to their income or have a change to their circumstances which causes financial difficulties and makes them unable to afford food and basic living necessities. This can be due to delays in receiving Universal Credit or where payment of a benefit has been ceased or temporarily sanctioned. Benefits including Jobseekers Allowance and Universal Credit can be stopped or reduced if the claimant does not comply with their claimant commitment or if they miss appointments, this is referred to as benefit sanction.

The tables below show the number of referrals which were made to food banks by the Community Hub and the demand for food parcels in the period prior to lockdown, during lockdown and when restrictions were eased by location of each food bank. The table below shows the total number of awards made to assist residents with assistance for food:

BRIDLINGTON			
Christchurch	48 per week	77 per week	
The Hinge	5 per week	85 per week	10 per week
Real Aid	30 per week	30 per week	30 per week (*distribute to the same families)
HORNSEA			
Men in Sheds	Closed	Closed	1 per week

Food bank	Pre lockdown	During lockdown	Restrictions eased
BEVERLEY			
Toussell Trust (referred onto by Cherry Tree Centre)	85 per week	270 per week	170 per week
DRIFFIELD			
Driffeld Food Bank	10/20 per week	50/60 per week	17 per week
GOOLE			
Mission Trinity	40 per week	96 per week	41 per week
POCKLINGTON			
Peoples Pantry	14 per week	160 per week	14 per week
HOLME ON SPALDING MOOR			
Peoples Pantry	9 per week	25 per week	9 per week
MARKET WEIGHTON			
Peoples Pantry	17 per week	80 per week	13 per week
COTTINGHAM			
Christchurch Coffee (collection point for Zion United Church)	20 per week	Closed	13 per week
ALDBOROUGH			
Churches Together	10 per week	20 per week	10 per week
WITHERNSEA			
SHoRes Centre		24 per week	
Withernsea URC Church			
Gateway Community Hub	2 per week	10/12 per week	4 per week

As detailed in the themes above, whilst the levels of deprivation in the East Riding are low, for those people struggling with unemployment, low or no income and high debts, the related difficulties they face are significant. These include differences in life expectancy of around nine years for men and seven years for women, poor general health (particularly the prevalence of heart disease and other lifestyle related conditions), lower educational attainment, and higher rates of worklessness, crime and anti-social behaviour.

Understanding how recent and ongoing welfare reforms are affecting which parts of the population and which benefits are being claimed and who they are for, is important to understand how these then impact wider debts and how they can be prevented.

Benefits and Welfare Reform

There are many different types of benefits, though with the introduction of Universal Credit this number has significantly reduced. Some are very specific to individual circumstances and claimed by fewer people, such as asbestos-related illness benefit or funeral payments, others are more generic and claimed by more people, such as State Pension.

Some benefits are **contribution-based**, if the claimant has paid enough national insurance (NI) contributions in the previous two years (these are usually not affected by savings or partner's income), or as **income-based**, where not enough NI contributions have been paid (these can be affected, or even negated, by partner income and/or savings).

The following is a description of some of the main benefits available:

Universal Credit was introduced in the East Riding in January 2016 and replaced JobSeekers' Allowance (income-based), Housing Benefit, Working Tax Credit, Child Tax Credit, Employment Support Allowance (income-related) and Income Support.

The **Personal Independence Payment (PIP)** was introduced in 2013 as a replacement of the **Disability Living Allowance (DLA)**, with DLA stopping in 2015. This benefit is paid to people who have a long term illness or disability which affects their ability to live independently.

Pension Credit (PC) are benefits paid to people 'top up' their income, depending on if they are working, have children, have savings or are claiming a pension.

The **State Pension (SP)** is paid to all those who are over the state pension age. This varies depending on when a person was born, but for most people is between 65 and 68.

Attendance Allowance (AA) is paid to people aged 65 and over who have care needs.

Households with low levels of income are often reliant on the benefit system for large parts of their income. This includes means-tested benefits, credits and the state pension.

In 2012/13, these benefits constituted half of the household income for those in the lowest fifth of the income distribution in the UK. It also accounted for two fifths of household income for those in the second lowest fifth and a quarter for those on average incomes.

The Welfare Reforms included a tightening or reviewing of eligibility criteria and conditions, most notably for PIP. In the East Riding, almost 1,200 households (0.8% of the ER household population) had their weekly benefits reduced by an average of £12.50 upon the introduction of the under-occupancy penalty (often referred to as a 'bedroom tax').

Similarly, for disability living allowance, now personal independence payments (for working age claimants), and jobseeker's allowance, the change has been in line with national changes, even though the change has been worse, on average, for the region.

However, in the case of attendance allowance, pension credit and state pension, the increase, whilst rapid everywhere, has been more pronounced in the East Riding. Pension credit and state pension expenditure has increased in the East Riding by over four fifths since 2005/06, compared to

an increase of around two thirds for the region and slightly more for the national average. The attendance allowance expenditure has increased by just under two thirds in the East Riding over the same period, compared with less than half for both the regional and national averages.

This, perhaps, is not surprising, given the high numbers of retirees in the area. However, it is important to note that both attendance allowance and pension credit are paid to those whose pension and/or savings are not enough to live on and who have specific care needs. These people are also, following national trends, statistically more likely to have other issues, including debt, health problems and social isolation.

It is important to remember that, whilst numbers of benefits claimants are lower than in other parts of the country, for those who are claiming and are either out of work or on low wages, the likelihood of other debt issues is quadrupled (Joseph Rowntree Foundation).

Sanctions and PIP Assessments

When the welfare reform began, the level of sanctions imposed by the Department for Work and Pensions increased significantly. Sanctioning, for the most part, is a reflection of the Government's want for people to demonstrate their commitment to finding work and to motivate jobseekers to do so. However, for many people in the beginning, they were hard to follow and the impact of sanctions continues although the numbers of sanctions has declined steadily in recent years. This is believed to be for a number of reasons, not least that the DWP has improved the way it agrees what jobseekers must do with them and that jobseekers understand better what is expected of them. It may also be a reflection of continued work to overturn and publicise incorrect sanction decisions, such as by Citizens Advice and Martin Lewis, for example.

However, in the case of assessments and reassessments for the personal independence payment, this has not been as smooth a journey. Whilst the numbers of claimants declined PIP or taken off this benefit following a mandatory reassessment has also declined recently, it has been much slower.

This also remains one of the top reasons, along with UC sanctions, why people seek support from the Citizens Advice. Citizens Advice figures show that between 80-85% of all sanction and PIP reassessment decisions that they challenge on behalf of clients are successfully overturned, there is still a lot to do to get this process right.

This is a key issue for people on already low incomes, especially given that when a PIP reassessment removes the benefit from a claimant but is later overturned, the lost money during the appeal is not repaid.

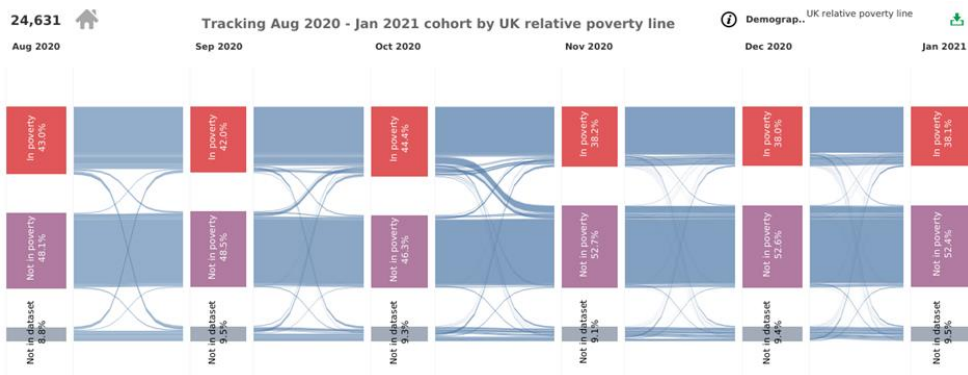
In the East Riding, issues relating to welfare reforms (inc. sanctions and PIP assessments) accounts for a third of all the benefits cases CA deal with.

Low Income Family Tracker (LiFT) Debt Analysis

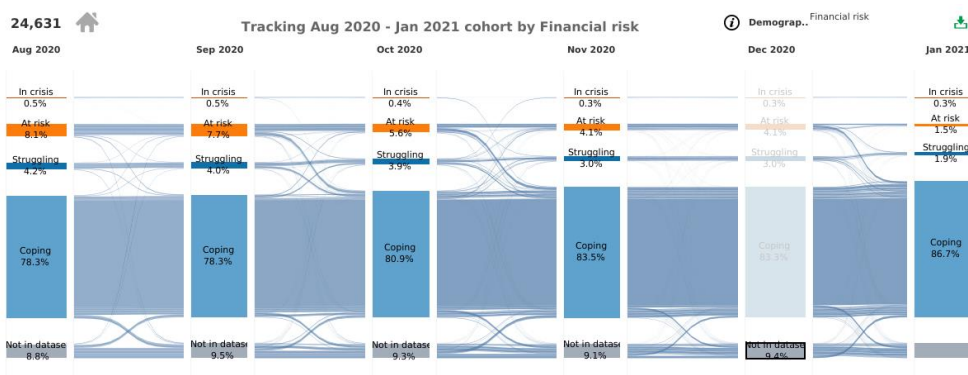
A Low Income Family Tracker (LiFT) dashboard facilitates the monitoring of residents in receipt of housing benefit or council tax support, and analyse where they may be in struggling, in crisis, coping or at risk financially.

The LiFT dashboard showed that in January 2021, 3,892 households were in debt totalling £2.2million, with the average amount of arrears owed at £566.30; 692 households owed over £1,000.

Between August 2020 and January 2021, the level of these residents in debt had reduced from 29.9% to 25.3%. In August 2020, of the 25.3% of residents in arrears 2.8% were severely in debt. The number of residents below the UK poverty line has fallen from 43% in August 2020 to 38.1% in January 2021. Seeing the number of residents not in poverty increase. This could be caused



From 24,631 households, we have seen the number of households coping increase to 86.7% in January 2021 from 78.3% in August 2020. It appears from the dataset that less households are struggling, at risk and in crisis.



Using data from the LiFT outcome tracker between April 2020 and January 2021:

- 1,475 households are in arrears greater than £250 (8% of our cohort)
- 377 households moved into arrears greater than £250, having not been so in April 2020. There are 491 children in these households. Within six months prior to moving in to arrears greater than £250:
 - 23 of these residents moved out of work

by a number of factors, such as increase in universal credit and council tax support claimants. Extension of Furlough schemes.

- 19 also moved out of cash shortfall of more than £250
- 16 moved into work
- 1,125 households remained in arrears of £250+. (April 2020 and January 2021):
 - 145 moved out of cash shortfall of more than £250
 - 100 moved out of work
 - 89 moved into work
- 350 households moved out of arrears greater than £250+ by January 2021 having been so in April 2020. Within six months prior to moving out of arrears greater than £250:
 - 19 moved out of cash shortfall of more than £250
 - 18 moved out of work
 - 13 moved in to a cash shortfall of more than £250

Council Tax Arrears – The number of residents in arrears who are at reminder stage with council tax had risen to 2,602 in February 2021 in comparison to 2,415 in February 2020, the value of debt owed is £493,274 compared to £472,754 in 2020.

Rent Arrears – There were 3,084 cases with current rent arrears in February 2020 with a value of £2,112,363 compared to 2,821 cases with a value of £1,573,031 at the end of March 2020. Former tenant arrears of 1,134 cases value of £1,001,892 compared to 867 cases value of £844,897 at March 2020.

THEME FIVE: SERVICES

The East Riding is made up of communities of differing sizes and variations in availability of local services, including coastal and market towns, estate villages, suburban areas and isolated rural villages.

Families live in areas which range from the affluent, accessible and increasingly diverse to deprived, remote and insular, where affluence and deprivation often sit alongside each other.

Despite this, children in the East Riding generally achieve good educational attainment, above regional and in line with national averages, despite a long history of being one of the lowest funded education authorities nationally. However, there is still a significant gap in attainment for some groups of young people, such as those entitled to free school meals or children who are looked after.

In a largely rural area, transport can be an issue. In the East Riding, with the area surrounding the City of Hull, transport is often focused in and out of the city and to the larger towns. Some other routes rely more heavily on secondary roads. For those living in rural communities, public transport can be expensive and most who can afford it use private transport, such as cars, vans and motorcycles.

The East Riding benefits from a good spread of local primary schools, with secondary/further education centres based more in large towns. Many local villages have some form of local food shop serving the local community, but the spread of GP practices is less comprehensive.

Council services are well spread with local service points and future development is towards online service which aims to improve access in

areas where wifi/4G/5G is available. This can be an issue in some areas of the East Riding.

All households, no matter their income or whether they are in debt or not, rely on various local and national services, such as transport, schools, GPs and other healthcare providers, banking and credit, food and essential shopping, council services, etc. in addition to community, leisure and recreational activities which are important to both mental and physical health and wellbeing.

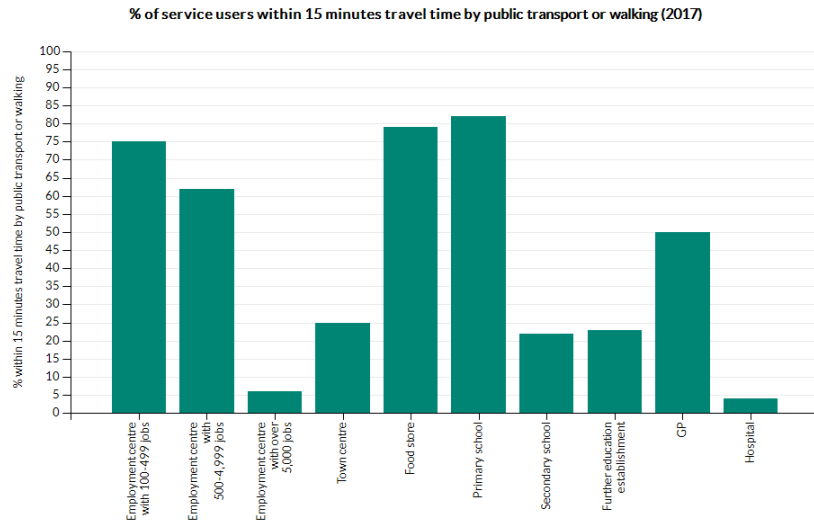
What can make the difference for those on low income is whether or not these services are close by or if they have to pay a premium to access them, or, in the case of some banking services, an inability to access them at all.

Transport

Transport is a key issue for most people, especially when factoring in their ability to, and the cost associated with, travel to and from work. In largely rural areas, such as the East Riding, this issue can prove even more significant to people's ability to attend work and/or access essential services.

Given the rural nature of the East Riding, travel times by car are longer compared to the region and England. Around 75% of people in the East Riding are within 15 minutes by foot or public transport to an employment centre. However, the proportion of service users being able to access education services in the East Riding is low, at 82% for primary schools, 22% for secondary schools and 23% for further education institutes. This demonstrates the East Riding's gaps in access to education and skill development.

Access to Services by Public Transport or Walking



Source: DfT (2017)

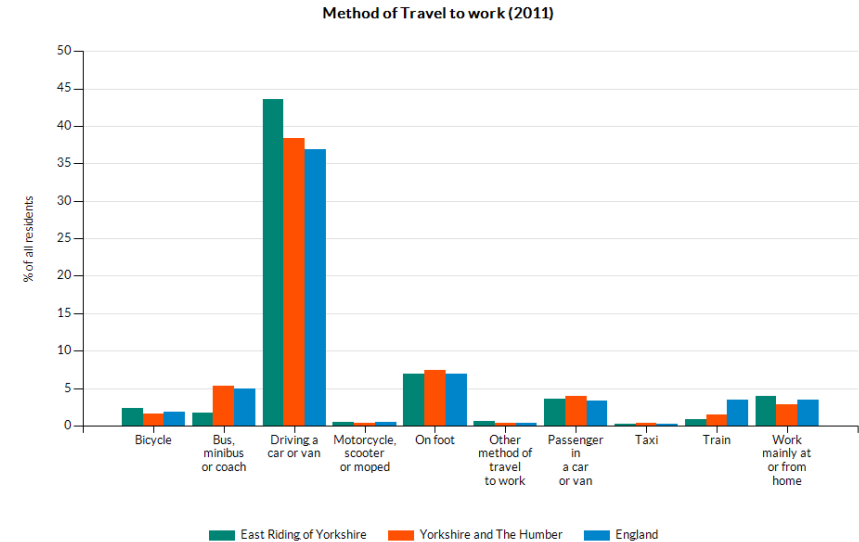
The other primary issue for people in any area is their access to essential services, such as schools, jobcentres, GPs, shopping and hospitals. All of these are journeys that people have to make, either for themselves or their dependants, on a regular basis and can impact on their income if not close by.

For Jobcentres and hospitals, the proportion of people within 15-20 minutes travel by any means (walking, public transport or car/van, etc) in the East Riding is on par with averages for the rest of the country. However, for all other services, the proportion of people in the East Riding within 15-20 minutes of them is lower than both the Yorkshire and Humber and the England averages. In some cases, such as secondary schools, further education, town centre and GPs, by up to a fifth.

When only considering walking access to those same services, this level of access drops.

The geography of the East Riding means that this is not the case for some communities and residents have challenges in accessing essential services. Residents in Withernsea for example, have to travel to Hull to access the jobcentre and hospitals, which is approximately £10 per adult by bus, and more to travel to Castle Hill Hospital which can take 2 hours each way. This is a substantial part of the budget of low income households and could prevent attendance of important appointments. Other rural locations have limited bus services and work continues to develop and promote community transport services in these areas.

With lower income households less likely to own private vehicles, the size of these gaps in accessibility demonstrates the proportion of residents who have reduced access to services and communities.



Source: Census (2011)

As the chart above shows, the East Riding is more reliant on driving to get to work and has significantly less use of public transport. Access to a car can be a financial strain for many and is likely to limit employment opportunities. The East Riding is generally in line with national averages in terms of inexpensive options such as cycling and walking.

New comprehensive data will be available through the Census 2021, however, this is likely to show significant (and potentially short-lived) changes, not least due to the mass shift to homeworking and a temporary rise in delivery services for those shielding, brought about through the pandemic.

Anecdotal evidence suggests that many employers are now looking at the 'new normal' in this regard and the working from home culture for those who can may become the norm. This may open up opportunities for those who previously found transport costs prohibitive. Conversely, however, this would require additional costs and investment in, for example, broadband and heating.

Unsurprisingly, those people with the lowest real income are the least likely to own a vehicle, limiting their options in terms of travel to work to public transport or a lift with a friend where a bicycle or walking is not a viable option. Those in the lowest fifth of the income scale are around a third less likely to own a vehicle to enable them to travel to and from work. They are also more likely to be in employment which cannot be undertaken from home, such as manufacturing, agriculture, hospitality and retail.

Access to Services

The other primary issue for people in any area is their access to essential services, such as schools, jobcentres, GPs, shopping and hospitals. All of these are journeys that people have to make, either for themselves or their

dependants, on a regular basis and can impact on their income if not close by.

For jobcentre and hospital access, the drop in access is very small, and for town centre access, the drop in the East Riding is slightly less than that of regional and national averages, but remains below the national rate. For all other services, the drop between access by any means and walking access is more pronounced in the East Riding than either regionally or nationally.

An East Riding resident is, on average, 5% more likely to have to travel more than 15 minutes by any means to get their children to primary school than the national average. If walking, this gap rises to 12% more likely. For secondary schools, an East Riding resident is around a third more likely, rising to almost twice as likely if walking.

Further education likelihood rises from around a fifth to half as likely in the East Riding. Whilst accessing a GP practice rises from a seventh more likely in the East Riding, to around a third more likely.

Access to food services has the smallest gap, with residents in the East Riding being around 8% more likely to have to travel more than 15 minutes by any means, rising to around 17% more likely if walking.

With lower income households less likely to own private vehicles, the size of these gaps in accessibility demonstrates the proportion of residents who will either have to walk much further to access services (if they exist within walking distance at all) or pay for public transport.

Many more residents, particularly older people have improved their digital abilities during the pandemic in order to maintain social contact with family and to arrange online shopping and banking, etc. However, there are still many who still do not have access or the ability/confidence to do this, creating a real gap. There is concern that as the habits of many change,

services such as banks may take the opportunity to review provision, moving increasingly to more cost effective online provision, which would increasingly impact on this group.

Health Outcomes

The health of people in East Riding of Yorkshire is generally better than the England average. 12.2% (6,370) of children live in low income families, compared to a regional average of 19.7%. Life expectancy for both men and women is higher than the England average, however, life expectancy is 6.7 years lower for men and 4.6 years lower for women in the most deprived areas of East Riding of Yorkshire than in the least deprived areas.

On the whole, year on year the Health Profile shows the majority of health outcomes in the East Riding are good. However, there are inequalities across the area and there is a direct correlation between areas of deprivation and health. Healthy life expectancy (which measures the age at when adults suffer from long term ill health) is also well above regional and national averages.

Pre-pandemic, access to health services in the East Riding, travel issues excluded, was also generally good and residents' satisfaction with them is also above England averages (ONS data), with the majority of East Riding residents happy or very happy with the care they receive.

However, there are significant differences in these outcomes between those areas of the East Riding that are affluent and those areas that struggle with deprivation. For example, according to the Poor Health Census, a person living in the deprived areas of Bridlington, Goole, Withernsea and Flamborough is almost three times as likely to suffer with a limiting long-term illness.

The pandemic will inevitably have a number of long term impacts on overall health and wellbeing. Initial data and research indicates that those on the lowest incomes, those with disabilities and pre-existing conditions are likely to be worst affected by the pressures on the NHS and the growing backlogs and waiting lists for treatment and screening.

The Council and its system partners are working closely together on innovative and ambitious programmes to improve access and outcomes for residents. For example, the 'Healthy Bridlington' initiative has the ambition to create opportunities for change which ultimately lead to healthier lifestyles and improve the health inequalities of people who live in Bridlington and surrounding villages. It aims to place a specific firm focus on Bridlington hospital and opportunities to use health and social care sites and other community assets to best effect across the town, all with a focus on a Healthy Bridlington. Community assets are much more than buildings and include transport, digital, education provision, volunteers and many more, recognising the community as the most important asset, and all of which have played a vital role in responding to the pandemic. The Healthy Bridlington programme is keen to maintain the momentum and pace of change and collaboration.

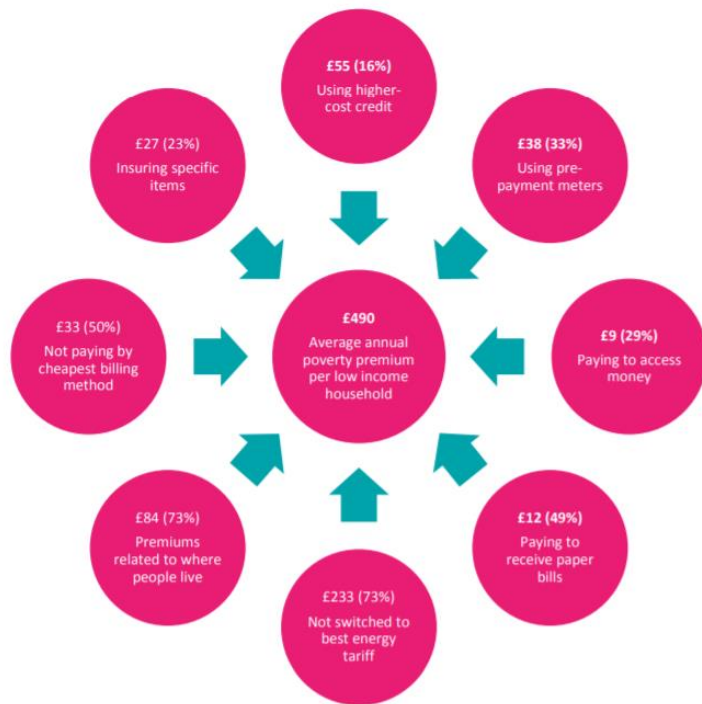
Financial Services

Access to banking and financial services is very important to households for many reasons, from paying bills and buying essential goods and services, to accessing affordable credit options and insurances.

For financially excluded households, those who may operate only basic bank accounts, not have internet access or not have the knowledge or skills to make astute financial decisions, for example, many cheaper options are not available. This could include not benefiting from cheaper rates due to not having direct debit availability, no knowledge of/access to online

comparisons and searches, not being able to access affordable credit and having to pay much higher interest (if they can access credit at all).

These households pay what is called the ‘Poverty Premium’ due to them not benefiting from the various money-saving options many people take for granted. The poverty premium is very difficult to fully estimate, but many leading experts (such as Citizens Advice, Joseph Rowntree Foundation, etc.), believe it could be as high as between £1,000 and £1,200 per year and is concentrated in those households with the lowest incomes. Some of the contributing factors are shown below.

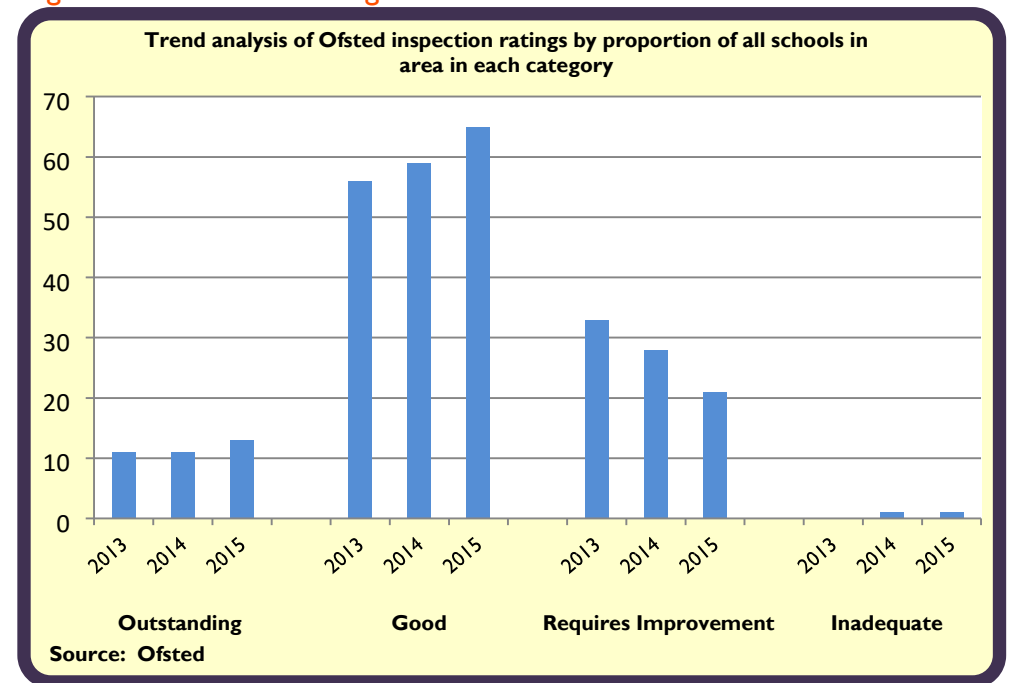


Source: Davies, Finney and Hartfree, University of Bristol (2016)

No statistics are available at a low enough level to know with any accuracy the level of this issue in the East Riding, but the levels of prevalence in the region is higher than many others, and the national average, by around a quarter (Money Advice Service).

Educational Attainment

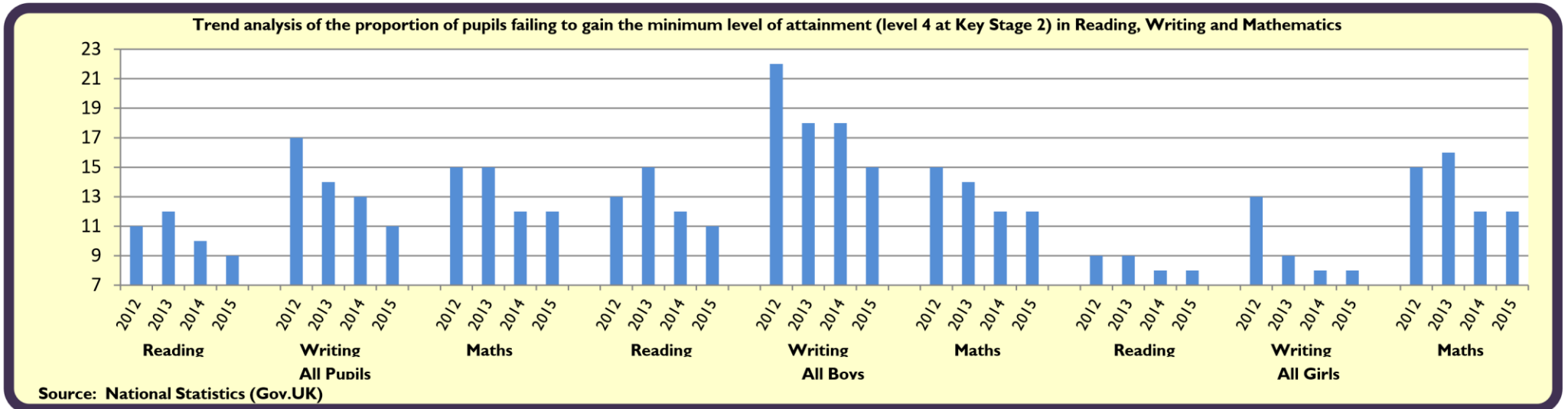
Schools in the East Riding are performing fairly well when compared with regional and national averages.



Recent Ofsted inspections show that, whilst the proportion of schools in the East Riding rated as ‘Outstanding’ is lower than both regional and national averages, it is improving against national trends. For schools rated ‘Good’, the East Riding proportion has been increasing more steeply than both national and regional trends and is now higher than both the regional and national averages.

Whilst both the national and regional trends for schools rated 'Inadequate' are steadily decreasing, in the East Riding the proportion of schools with this rating is, and has consistently been, lower.

In the East Riding, the proportion of pupils failing to reach at least level 4 at Key Stage 2 is almost always consistently lower than both the regional and national averages.



However, for schools rated as 'Requires Improvement', the East Riding proportion is higher than the national and regional averages (though only just in the case of the regional average). This proportion has been declining more steeply than the national and regional averages, however, and should soon drop below them.

Attainment for these groups, however, are still significant.

The proportion of FSM pupils who successfully achieve Level 4 at Key Stage 2 is 15% lower than for other pupils and 16% less for Level 5. At Key Stage 4, these gaps increase so that the proportion of pupils gaining 5 A*Cs, including Mathematics and English, is almost 30% lower than other pupils.

For SEN pupils or those with an Education, Health and Care Plan (EHCP), almost 60% fewer achieve Level 4 at Key Stage 2 than other pupils and

When trends are also compared for Special Educational Needs (SEN), Free School Meals (FSM) and broken down by ethnicity, this attainment picture is not much different to the national averages. The gaps in attainment

around 46% fewer gain 5 A*Cs, including Mathematics and English, at Key Stage 4.

Whilst poor attainment is often seen as a symptom synonymous with areas of poverty and worklessness (which is statistically true), it is also important to note that it is also a long term cause of future poverty as low attainment can often lead to low aspirations and worklessness in adult life (Marmot Review).

WHAT DOES ALL OF THIS TELL US?

Bringing all of the data together from the five key themes and examining the trends will help predict which residents, areas and communities are more likely to be dealing with issues that could lead to future debt advice needs.

For example, the analysis has highlighted that working age single parents are:

- More likely to have a low income
- More likely to have fuel poverty issues (especially if living in rural areas, in energy inefficient homes and/or on prepaid meters)
- Likely to be paying an average fuel poverty premium
- More likely to be claiming housing benefits and, depending on whether they are working/claiming other benefits, number of children and house type, could be up to £150 worse off each week due to welfare reforms
- Hardest hit by the financial impact of home schooling

The analysis also highlights that those with the lowest incomes (relative to their necessary expenditure) are also:

- More likely to have been affected economically by the pandemic (working in industries hardest hit and the costs of home schooling)
- More likely to be from a fuel poor household and be paying an average fuel poverty premium
- If on benefits, more likely to be in rented accommodation
- If working, more likely to be in part time or zero hour contracts with lower than average hourly rates
- More likely to have lower than average educational attainment and poor health outcomes

One more example of what this analysis has highlighted is that those living in rural communities are:

- Less likely to be classified as deprived
- Slightly more likely to live in a fuel poor home (most likely energy inefficient and/or off the mains gas circuit)
- If have children, more likely to be claiming housing benefits and have to pay extra costs to access services
- More likely to have higher travel costs to key services such as hospitals and job centres

Finally, the data shown in the analysis indicates potential key issues that could be the focus of work to reduce potential demand for support and services in the future,

These include:

- Financial Inclusion – poverty caused by being excluded from more cost effective options, including transport, prepaid meter use, not having access to online/direct debit opportunities or paying more for access to services, benefits advice to maximise income
- Financial Capability – poor household budgeting, lack of knowledge of cheaper alternatives or accessing advice early enough
- Welfare Reform – the costs of the reforms to specific household types, higher rates of housing benefit claimants longer term
- Supporting our Young People – the actions taken to reduce the health impact of the pandemic has had a widespread impact on our young people, affecting their relationships, mental health, education and employment opportunities
- Health outcomes – addressing the imbalance of lower health life expectancy amongst men and in areas of low income and high poverty
- Low income – rising number of zero hour contracts, the prevalence of short-term contracts or freelance work as opposed to permanent jobs (GIG economy), hourly pay gaps between male/female and full/part time workers and rising levels of absolute poverty
- The impact of the pandemic on debt – this includes short term impacts and those which require longer term action to reduce both the size and frequency of debt issues on residents
- The impact of the pandemic on businesses continuity - including the effects this has had on employment levels and how these can be mitigated

THE WAY FORWARD

It is intended that this needs analysis will be used to inform the new Financial Inclusion Strategy, the developing Vulnerability Strategy, the work of Covid-19 Recovery Task groups and a range of other policy and partnership work to identify specific interventions that would likely have an impact on the issues in the East Riding.

The Councils Financial Inclusion Strategy aims to ensure that the Council is achieving its aims which are financial responsibility, tackling food and fuel poverty, and improving digital access and skills. The strategy is underpinned by the principles of prevention, survival and recovery. The Council already provides a wide number of services and initiatives that meet the aims of this strategy, so work will be carried out to identify these so that any gaps can be addressed.

Debt impacts on a wide range of services and requires a whole system approach in tackling to a broad and complex problem which has many contributing factors. The reviews of a number of key partnership plans and strategies will consider the findings of this needs assessment, including the Children and Young People Plan and the Health & Wellbeing Strategy.

The data contained with this needs assessment comes from a wide range of sources and references a number of different time periods; some data is available in real time, other data has a time lag of two years or more. It is therefore proposed that a review of the needs assessment is completed at an appropriate time to take full account of the impact of the pandemic on debt in the East Riding.