# ITEM 9

# North Yorkshire County Council

# Young People Overview and Scrutiny Committee

# 27 June 2014

### Welfare Benefit Reforms and child poverty in North Yorkshire

### 1 Purpose

- 1.1 To report on the impacts of benefit changes brought about by the Welfare Reform Act 2012 and associated regulations in relation to children, young people and their families.
- 1.2 To provide details of child poverty data in North Yorkshire.

### 2 Background

- 2.1 The Welfare Reform Act 2012 introduced a wide range of reforms with the stated aims of making the benefit and tax credits system for people of working age more affordable and simpler by:
  - Creating incentives to get more people into work by ensuring that work always pays.
  - Merging out of work benefits and tax credits to create a single universal credit.
  - Reforms to other benefits aimed at reducing the cost of the benefits system.
- 2.2 The following welfare benefit changes have or are in the course of being implemented:
  - Council Tax Support (CTS)
  - Housing Benefit Size Criteria in the social rented sector
  - Local Welfare Assistance, replacing Community Care Grants and Crisis Loans
  - Local Housing Allowance (LHA), paid to people living in the privately rented sector, uprated in line with the Consumer Price Index (previously capped to the 30<sup>th</sup> percentile of rents in the locality)
  - Personal Independence Payments (PIP), the replacement for Disability Living Allowance affecting at present new claimants only
  - the benefit cap for working age people (introduced from 15 July to 30 September 2013)
  - the cap on the annual increases in most working-age benefits
- 2.3 A number of other significant changes are planned to take effect between now and 2020:

- the roll-out of Universal Credit (beginning with claims from the newly unemployed - current benefit claimants will be moved onto Universal Credit in a phased approach)
- the migration of existing Incapacity Benefit claimants onto Employment and Support Allowance
- the migration of existing DLA claimants to PIP
- the rise in the State Pension age to 66 years for both men and women
- 2.4 The purpose of the report is to chiefly outline the key changes of the reforms and the impacts faced by claimants and their families, together with the initiatives that are being undertaken by local authorities and housing associations in North Yorkshire. The latest child poverty data is also included.

### 3 National developments

### 3.1 Universal Credit: revised timetable for roll-out

- 3.1.1 Universal Credit is a new benefit that has started to replace six existing benefits with a single monthly payment paid direct to claimants normally aged between 18 and 64 years<sup>1</sup>. Universal Credit will eventually replace: Income-based Jobseeker's Allowance, Income-related Employment and Support Allowance, Income Support, Working Tax Credit, Child Tax Credit and Housing Benefit. Claimants will be expected to apply on-line.
- 3.1.2 The Department for Work and Pensions (DWP) has acknowledged that it might miss its own deadline for moving all claimants to Universal Credit by 2017, with only 400,000 benefit claimants forecast to be added to the system in 2015-16 compared with the 4.5m that had been planned. Instead, the vast majority of the seven million people due to transfer will do so in the two years leading up to 2017<sup>2</sup>. All new claims, apart from those currently entitled to Employment Support Allowance (ESA), will be within Universal Credit by 2016; all existing claimants, apart from those on ESA, will be transferred by 2017. The government estimates about 700,000 people receiving ESA might not be moved to Universal Credit until after 2017<sup>3</sup>.
- 3.2 Universal Credit Pathfinder/Pilots
- 3.2.1 In 2013 Universal Credit was being trialled in Greater Manchester. DWP evaluation from the 'pathfinder' there found that 90% of claims were made

- those with dependent children lone parents or couples
- sick or disabled young people who have satisfied the Work Capability Assessment or are waiting to be assessed with medical evidence
- those who are caring for a severely disabled person
- young women who are pregnant between 11 weeks before and 15 weeks after their estimated due date
- young people who are without parental support

<sup>3</sup> http://www.bbc.co.uk/news/uk-politics-25230158

<sup>&</sup>lt;sup>1</sup> There are five categories of young people aged 16 and 17 who are to be able to claim Universal Credit in their own right:

<sup>&</sup>lt;sup>2</sup> <u>http://cdn.budgetresponsibility.independent.gov.uk/Economic-and-fiscal-outlook-December-2013.pdf</u>

successfully online; and 78% of those getting monthly payments were confident they could budget over the month<sup>4</sup>.

3.2.2 Research conducted by the Citizens Advice Bureaux ('Managing migration pilot project') however shows that the transition to Universal Credit is not simply about people mastering ICT. The research examined the readiness of clients in the Universal Credit pilot areas affected by Universal Credit for the transition. Clients were mapped against five key capability areas: budgeting, monthly payments, banking, staying informed and getting online. Nine out of 10 CAB clients were not ready for Universal Credit in at least one capability area and 38% were not ready in all five. However after receiving advice and support from the CAB service over half of clients had improved skills in all five key areas. The importance of the CAB and local authorities working together is underlined in the research, including in respect of getting people online.

### 3.3 <u>Housing Benefit Size Criteria in the social rented sector (a.k.a. 'spare room</u> <u>subsidy' or 'bedroom tax')</u>

- 3.3.1 From last year social housing tenants' saw a reduction in their Housing Benefit where they are considered to have a surplus bedroom (14% for one bedroom and 25% for two bedrooms). Children up to the age of 10 are expected to share a bedroom and two youngsters of the same sex are expected to share a bedroom up to the age of 16. Approved foster carers are allowed an additional bedroom so long as they have fostered a child or become an approved foster carer in the last 12 months.
- 3.3.2 The DWP has confirmed that social housing tenants who have had a continuous claim for Housing Benefit since at least 1 January 1996 and occupied the same dwelling since that date should not have been subject to the size criteria rules. Transitional protection should have applied. Claimants have been asked to contact their local authority if they are in this position to have their claim reassessed under the correct rules and receive money backdated to April 2013. The government is in the process of changing the law so that these same households will not be exempt from the size criteria in the near future.

### 3.4 Personal Independence Payments (PIP)

- 3.4.1 The Personal Independence Payment (PIP) is intended to help people with some of the extra costs caused by long-term ill-health or a disability if they are aged 16 to 64. The weekly amount awarded depends upon how the condition affects the person, not the condition itself. A payment of between £21.55 and £138.05 a week is awarded.
- 3.4.2 PIP is being introduced in stages. From 28 October 2013 the DWP started to invite some existing Disability Living Allowance (DLA) claimants living in Wales, West Midlands, East Midlands and East Anglia to claim PIP. From 3

<sup>&</sup>lt;sup>4</sup> <u>https://www.gov.uk/government/speeches/universal-credit-working-together-for-improved-outcomes</u>

February 2014 the reassessment of DLA claimants for PIP began in our region for the following postcodes: CA, DL, HG, LA and YO6.

3.4.3 The DWP has said that further decisions on extending reassessment will be communicated to the rest of the country in due course. However the DWP expects that from October 2015 all the remaining claimants in receipt of a DLA award will be invited to make a claim for PIP. By October 2017 all existing DLA claimants (aged 16 to 64 on 8 April 2013) will have been invited to claim PIP.

### 3.5 Council Tax support localisation

- 3.5.1 The Council Tax Support Scheme became effective from April 2013, replacing Council Tax Benefit. The level of support provided under Council Tax Support is in many circumstances significantly lower for working age customers than they previously received under the Council Tax Benefit scheme.
- 3.5.2 From April 2014, unitary/district councils have to fund council tax support through their general resources with government no longer providing a separate dedicated stream of funding. One in three councils affected is likely to have to reduce levels of council tax support for 2014/15, according to a survey carried out by the Society of District Council Treasurers<sup>7</sup>.

# 4 Macro and micro economic prospects and the impact of the welfare benefit reforms

- 4.1.1 The number of people aged 16+ and in employment in the UK rose by 283,000 between the October to December 2013 quarter and the January to March 2014 quarter, to stand at over 30.43 million. This is a working age employment rate of 72.7%. UK unemployment fell by 133,000 over the same period to stand at 2.21 million the lowest for five years. Average earnings grew 1.7% year-on-year, meaning that with inflation at 1.6% in March as measured by CPI, wages outpaced inflation for the first time since 2010.
- 4.1.2 Nationally more women are also in work than at any time since records began in 1971. However 1.4 million people are in part-time jobs because they cannot find full-time work. Youth and long-term unemployment have both fallen, but there has been little change in the number of people classed as 'economically inactive', which has remained just under nine million<sup>8</sup>.
- 4.1.3 Conditions in the North Yorkshire labour market are continuing to improve<sup>®</sup>. In April there was a large fall in the total number of JobSeekers Allowance (JSA) benefit claimants. There were also falls in the number of people claiming for more than six months and those claiming for more than a year. The number

<sup>8</sup> Labour Market Statistics, February 2014, Office for National Statistics

<sup>&</sup>lt;sup>6</sup> <u>https://www.gov.uk/government/uploads/system/uploads/attachment\_data/file/275656/pip-toolkit-factsheet-reassessment.pdf</u>

<sup>&</sup>lt;sup>7</sup> LGA press release, January 2014,

http://www.local.gov.uk/media-releases/-/journal\_content/56/10180/5819176/NEWS

http://www.ons.gov.uk/ons/rel/Ims/labour-market-statistics/february-2014/statistical-bulletin.html <sup>9</sup> North Yorkshire Economic Monitor, May 2014

of claimants aged 18 to 24 year olds fell by nearly a fifth. In addition, all of these measures of unemployment showed an improvement over the same period last year. Confidence in the strength of Yorkshire's rural economy and job market has increased almost 30% in the last two year's according to a recent survey by the NFU Mutual. The availability of employment and longterm prospects for local business and for young people are driving the confidence boost<sup>10</sup>.

- 4.1.4 The government's tax and benefit reforms will, on average, modestly strengthen people's incentives to work. In the absence of such reforms work incentives would have weakened as a result of falling real earnings. Specifically Universal Credit will strengthen the incentive for couples to have one person in work rather than none but weaken the incentive for both members of a couple to work rather than just one. Incentives are strengthened much less for those with children than those without children<sup>11</sup>.
- 4.1.5 The high cost of child care, the sharp withdrawal rates of Universal Credit once an individual is employed above a set number of hours and the persistence of low pay could combine to undermine the success of the new system. For people working fewer hours though Universal Credit will allow them to be better off than not working at all (something that was not always true under the previous system), albeit with an income below the minimum income standard<sup>12</sup>.
- 4.1.6 It is worth bearing in mind that the impact of welfare benefit reforms also falls upon those who are already in work as well as those out of work. According to a study carried out by the Centre for Social Justice<sup>13</sup>, almost 60% of all welfare reform reductions fall on households where somebody works. The study also calculates that as a result of the welfare reforms (excluding the impact of Universal Credit<sup>14</sup>) households claiming benefit will on average lose £1,615 a year (£31 per week) by 2016. According to the Joseph Rowntree Foundation there are more people in working families living below the poverty line than in workless and retired families in poverty combined 15.
- 4.1.7 Despite the signs of national economic recovery, personal debt in the UK remains close to its all-time high of £1.43 trillion, with unsecured consumer debt reaching £158 billion, according to the Centre for Social Justice. Indebted households in the poorest 10% of the country have average debts more than four times their annual income<sup>16</sup>. Research<sup>17</sup> by the Money Advice

<sup>12</sup>Updated annually, the Minimum Income Standard compiled by the JRF shows the cost of items and activities the public think are needed for a decent standard of living. It also calculates the earnings required to enable different household types to achieve this living standard. Single people need to earn at least £16,850 a year before tax in 2013 for a minimum acceptable living standard. Couples with two children need to earn at least £19,400 each. <sup>13</sup> 'The local impacts of welfare reform: an assessment of cumulative impacts and mitigations', Centre for Economic

<sup>&</sup>lt;sup>10</sup> <u>http://www.yorkshirepost.co.uk/business/business-news/boost-as-rural-economy-turns-corner-1-6617651</u> (May

<sup>2014)</sup> <sup>11</sup> 'Government's welfare reforms mean overall work incentives modestly strengthened despite wage falls', Institute for Fiscal Studies, September 2013

and Social Inclusion (August 2013)

The DWP has calculated that almost three million households will gain under Universal Credit <sup>15</sup> Monitoring Poverty & Social Exclusion , JRF/NPI, 2013

http://www.irf.org.uk/publications/monitoring-poverty-and-social-exclusion-2013 <sup>16</sup> Maxed Out: Serious personal debt in Britain, Centre for Social Justice, November 2013

http://www.centreforsocialjustice.org.uk/UserStorage/pdf/Pdf%20reports/CSJ Serious Debt report WEB final.pdf

Service (MAS) found that nearly nine million people across the UK are living with serious debt problems but of those very few people access free advice. Using data produced from Experian, the credit reference agency, the MAS has ranked each district and unitary authority area in the country by the proportion of the resident population who are over 'indebted'<sup>18</sup>. The results for North Yorkshire are shown in the table below.

District/unitary local authority area		Rank (where '1' has the highest level of indebtedness in the population (43.11%) and '406' has the lowest level (1.2%))	Percentage of population identified as indebted.
1. Sca	arborough	119	22.8%
2. Sel	by	198	14.7%
3. Ric	hmondshire	229	13.2%
4. Cra	aven	282	9.8%
5. Rye	edale	290	9.1%
6. Ha	rrogate	297	8.8%
7. Ha	mbleton	309	8.1%

- 4.1.8 Children also suffer from the main 'debt effects' of those around them. They can experience problems with their own mental health and well-being, the effect of material deprivation caused by the existence of problem debt and income fragility and the disruption of their lives in terms of housing, family stability and school experiences<sup>19</sup>.
- 4.1.9 The number of people receiving benefit sanctions has continued to grow over the past year, following the introduction of the new JSA sanctions regime in October 2012<sup>20</sup>. The new regime is intended to encourage people to engage with the support being offered by Jobcentres by making it clearer to claimants what they are expected to do in return for their benefit. Parliament's Work and Pensions Committee<sup>21</sup> has, however, called on Jobcentre Plus to revise its key performance indicators immediately to ensure that staff are incentivised to get jobseekers into work, not just to get them off benefits. A limited independent review of sanctioning has now been established by the DWP. The Committee has also recommended that there should be a separate, broader independent review, which amongst other things would look at whether, and to what extent, sanctioning and benefit conditionality (the use of negative incentives to encourage a return to work) is having the desired effect of encouraging claimants to engage more actively in job-seeking.

<sup>19</sup> The Debt Trap, Exposing the Impact of Problem debt on Children, StepChange Debt Charity, May 2014
<sup>20</sup> DWP figures show that there has been a rise in the number of sanctions compared with last year – between November 2012 (the first full month of the new sanctions) and September 2013 there were 789,000 sanctions. This compares to 705,000 sanctions between November 2011 and September 2012.

https://www.gov.uk/government/news/benefit-sanctions-ending-the-something-for-nothing-culture--2
http://www.parliament.uk/business/committees/committees-a-z/commons-select/work-and-pensions-committee/news/jcp-rpt/

<sup>&</sup>lt;sup>17</sup> Indebted lives: the complexities of life in debt, MAS, November 2013

https://www.moneyadviceservice.org.uk/en/static/indebted-lives-the-complexities-of-life-in-debt

<sup>&</sup>lt;sup>18</sup> Individuals who have been at least three months behind their bills in the last six months or have said that they feel their debts are a heavy burden.

### 5 Impact of the changes introduced to date in North Yorkshire

5.1 A study<sup>22</sup>, produced in 2013 by the Centre for Regional Economic and Social Research measured the impact of the welfare benefit reforms on working age adults across all district and unitary authority areas by 2014/15<sup>23</sup>. The findings show that in terms of the overall financial loss per working age adult (£ per year) by local authority area, Scarborough district is in the highest 16% nationally (61<sup>st</sup> out of 379 district/unitary authority areas, 379<sup>th</sup> having the lowest financial loss per individual) and the fourth highest in Yorkshire and the Humber. All other district local authority areas in North Yorkshire are in the lowest quartile. Scarborough district is also named in another study<sup>24</sup> as one of the areas where the impact of the reforms is likely to be most strongly felt alongside a range of other coastal towns and cities with a high dependence upon benefits.

### 5.2 Housing Benefit Size Criteria in the social rented sector

- 5.2.1 Local authorities in North Yorkshire continue to report that the majority of the work has been to explain and advise customers about the size criteria. A range of measures are in place to provide support including home visits to identify potential exemptions for carers and disabled children and support and advice provided to enable home moves.
- 5.2.2 Most of the tenants who are affected by the size criteria in North Yorkshire have one excess bedroom. Taking Harrogate and Scarborough districts as examples, in 2013/14 over 80% of cases related to tenants with an excess of one bedroom. The average weekly loss for council tenants living in Harrogate district with an excess of one bedroom was £13.42 and £27.98 for those with an excess of two bedrooms or more. For Selby the average weekly loss for council tenants with an excess of one bedroom was £11.56 and £22.22 for those with an excess of two bedrooms or more. The average weekly loss for housing association tenants in Selby district with an excess of one bedroom was £12.93 and £24.42 for those with an excess of two bedrooms or more.
- 5.2.3 Hambleton District Council's Housing Department has seen an increase in homelessness representations along with a rise in advice and support needs. It reports that the size criteria rules have affected homeless clients and the properties for which they can bid i.e. due to the limited amount of one bed accommodation for single people/couples. In general there are limited housing options for residents due to high private sector rentals and limited housing association stock. Across the county, the North Yorkshire District Councils' Homeless Prevention Services saw an increase in households assisted in 2013 compared to 2012. A significant portion of those related to Housing Benefit problems.

<sup>&</sup>lt;sup>22</sup> Hitting the poorest places hardest: the local and regional impact of welfare reform, Centre for Regional Economic and Social Research, April 2013.

<sup>&</sup>lt;sup>23</sup> The figures relating to the impact of the welfare benefit reforms by 2014/15 exclude DLA by 2017/18, incapacity benefits and 1% up-rating by 2015/16

<sup>&</sup>lt;sup>24</sup> 'The local impacts of welfare reform: an assessment of cumulative impacts and mitigations', Centre for Economic and Social Inclusion (August 2013)

- 5.2.4 The National Housing Federation recently commissioned Ipsos MORI to conduct a research project to look at the impact of welfare reform. The findings showed that from the sample used, people affected by the size criteria have cut back on food and heating and are concerned about falling behind on rent<sup>25</sup>. Rising rent arrears are a key issue for Housing Associations in North Yorkshire. This is due in part to the effects of the welfare benefit changes to date but also due to the rising cost of living. Most but not all of the Housing Associations across North Yorkshire have consistently reported that their total level of rent arrears has increased since the size criteria rules were introduced. This is in spite of Housing Associations having put support measures in place such as assisting tenants to downsize. The level of rent arrears is masked to some degree by customers who are in receipt of DHP awards.
- 5.2.5 The numbers affected by the size criteria in 2013/14 in North Yorkshire varied from the initial estimates taken at the start of that financial year. This is due to a number of factors such as the ruling that transitional protection should have applied to social housing tenants who have had a continuous claim for Housing Benefit since 1 January 1996 and occupied the same dwelling since that date. Other factors include families having downsized to smaller properties; the size of households increasing so that there is no longer a 'spare room' in the property; a change in a household's benefit circumstances; and exemptions because of easement of rules on foster parents, severely disabled children and non-dependants on active military service.

### 5.3 Discretionary Housing Payments (DHP)

- 5.3.1 At the end of the 2013/14 financial year, the amount of DHP funding left in local authority budgets varied across North Yorkshire, though most saw significant increases in applications when compared with 2012/13. All housing authorities received additional transitional funding in 2013 and Craven, Richmondshire and Ryedale district councils received a further tranche of funding provided to the 21 least densely populated areas in Great Britain.
- 5.3.2 The key influence on the growth in DHP applications has been the introduction of the social sector size criteria.

### 5.4 Benefit Cap

5.4.1 The benefit cap (the total amount of benefit that most people aged 16 to 64 can get) was introduced in 2013. The cap has been set at the average net earned income of working households (currently £500 a week for couples (with or without children living with them), £500 a week for single parents whose children live with them and £350 a week for single adults who do not have children, or whose children don't live with them). The cap affects families with several children who are potentially in receipt of higher than average amounts of child tax credit and are more likely to live in larger homes

<sup>&</sup>lt;sup>25</sup> 'One year on: The impact of welfare reforms on housing association tenants', (May 2014), National Housing Federation

meaning more housing benefit. The benefit cap does not apply to carers caring for a disabled child. However carers caring for an adult disabled child could see their benefits capped.

- 5.4.2 North Yorkshire district councils found that at the end of 2013/14 the actual number of households affected by the benefit cap was lower than earlier DWP estimates. Losses per family affected in Selby ranged from £0.50 per week to £91.58 per week; in Ryedale £11.87 to £138.93 per week and in Craven from £29.42 to £108.19 per week. However the local authorities and housing associations are providing help with budgeting and opportunities to relocate to smaller properties if appropriate.
- 5.5 <u>Council Tax Support (CTS) 10% reduction in Council Tax Benefit introduced</u> nationally for claimants under pensionable age.
- 5.5.1 Local authorities in North Yorkshire report that although the amount of Council Tax collected in 2013/14 remains in line with 2012/13, or fell only very marginally, there was a noticeable increase in the number of reminders and, in the case of some, an increase in the number of summonses issued. The collection rate for pensioners was higher than for working age claimants.

### 5.6 Universal Credit

- 5.6.1 Harrogate district has been selected as a progressive roll-out site for Universal Credit with effect from February 2014. The role of Harrogate Borough Council in supporting Universal Credit is limited to the provision of personal budgeting and support; on-line access and support for people to apply for the benefit; and expert support and advice to Universal Credit processing teams in relation to housing costs.
- 5.6.2 Work is on-going to establish working practices and organise partnership arrangements to deliver these services. The numbers of claims are expected to be very low, approximately 100 per month due to the qualifying criteria<sup>26</sup>, and not be of significant impact to services or the households who claim the new benefit.

### 5.7 <u>Personal Independence Payments (PIP)</u>

5.7.1 Harrogate district has been selected as an area to extend the roll-out of the migration of disability living allowance claims to the new PIP benefit. Data has been requested from the DWP on the impact expected by this change in the district but has not been confirmed.

<sup>&</sup>lt;sup>26</sup> The qualifying criteria includes amongst other things being single, with no dependent children; aged between 18 years and 60 years and 6 months; not being pregnant nor having given birth within the last 15 weeks; not receiving various existing benefits or Tax Credits nor awaiting a decision on, nor be appealing against, a decision not to award any of those; not have any caring responsibilities; and not being self-employed or in education.

### 5.8 Local Welfare Assistance/Emergency food provision

- 5.8.1 In April 2013 the DWP statutory Social Fund Community Care Grant and Crisis Loan scheme ended and was replaced with discretionary local schemes. Responsibility for implementing local schemes lies with unitary and upper tier local authorities. North Yorkshire County Council's Local Assistance Fund has been designed to target only those in greatest need – emergency support for vulnerable adults to move into or remain in the community and to help families under exceptional pressure. This means that fewer people are eligible to apply than under the previous DWP scheme. The County Council is using 'authorised agencies' to undertake initial eligibility checks. Expenditure is budgeted on monthly basis and is being fully spent.
- 5.8.2 From 2015/16 unitary and upper tier local authorities will have to fund the cost of their local welfare assistance funds from their base budgets, with no additional funding provided from central government. This could lead some local authorities to abandoning their schemes.
- 5.8.3 The bulk of awards made in relation to North Yorkshire County Council's Local Assistance Fund (NYLAF) in 2013/14 were from families under exceptional pressure (40% of all awards made), followed by people who were homeless or at risk of homelessness (12%) and by people with a mental health problem (10%). The location by district of the successful applicants is provided in the table below.

District	% of awards
Scarborough	46%
Harrogate	13%
Selby	11%
Hambleton	10%
Ryedale	8%
Richmondshire	6%
Craven	5%

- 5.8.4 White goods have been the most requested item (35% of awards) closely followed by food (34% of awards).
- 5.8.5 Changes were made to the fund throughout its first year in order to better serve its client group, deliver on budget and react to issues. Utility top-ups and food provision have been made available to applicants who fall outside the 'vulnerability categories' of the fund but who are able to demonstrate an urgent need that cannot be met by other forms of support. From February 2014 rent deposits/bonds were removed. This decision was taken due to the increasing financial pressure on the fund and because district councils have the option to provide this using Discretionary Housing Payments. Beginning in March 2014 applications were restricted to one white good per application as opposed to the previous possible three.
- 5.8.6 More generally in terms of food banks, Children's Centres in North Yorkshire have been working with food banks to make referrals and/or act as food

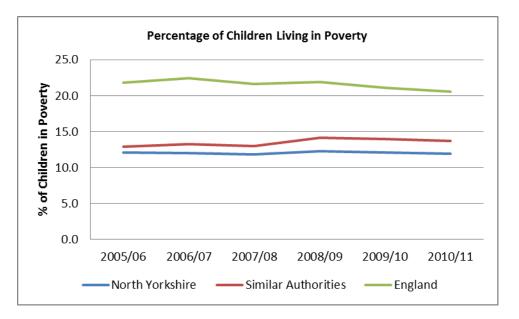
donation points. Our Children's Centres try to complement referrals to food banks though with longer term support by making referrals to the CAB, providing budgeting advice, and providing access to Adult Learning Courses such as cooking on a budget and healthy eating. There is now at least one food bank in every district of the county.

- 5.8.7 Research carried out by Harrogate and Ripon Centres for Voluntary Service between April and August 2013 shows that across all districts the main reason that people are citing for needing to use a food bank is due to having received a benefit sanction or because their benefits have been delayed. There is no data available from the DWP to verify this anecdotal information. This is because since April 2013 the DWP has dropped the rule that Jobcentres must record the reason why they have referred a client on to a foodbank. However benefit sanctions is also one of the reasons that applicants are giving when applying to the NYLAF for food provision.
- 5.9 Other welfare benefit impacts
- 5.9.1 Debt and benefits advice remained the largest types of enquiry locally by some margin for North Yorkshire CAB in 2013/14.

### 6 Child Poverty

- 6.1 Child poverty is currently measured as the proportion of children living in households with an income 60% less than median household income, and is described as the "Percentage of Children in Low Income Families". The data is reported approximately two years in arrears and the most recent measure is for the year 2010/11.
- 6.2 North Yorkshire has a lower proportion of children living in poverty in comparison with similar authorities and England as a whole. Data for the period 2006/07 to 2010/11 indicates that the percentage of children in poverty in North Yorkshire as a whole has averaged 12.0%, and a fall has been observed in the most recent three years for which data is available<sup>27</sup> from 12.3% to 11.9%. This compares to an average across similar authorities of 13.9% and 21.2% across England in the same three year period. This is illustrated in the following chart:

<sup>&</sup>lt;sup>27</sup> 2008/09 to 2010/11



- 6.3 The data indicates that North Yorkshire has the ninth lowest proportion of children in poverty among local authorities in England. However, across North Yorkshire there are areas where the percentage of children in poverty is much higher, rising to over 25% in some wards in Scarborough and Selby.
- 6.4 In late 2013 the government launched a consultation seeking views on how best to improve the measurement of child poverty. This was followed in February 2014 by a further consultation seeking views on a Child Poverty Strategy for the period 2014 to 2017. The draft strategy focuses on tackling poverty through supporting families into work, improving living standards and raising educational attainment of the poorest children in society. The current consultation closed on 22 May 2014 and a response from the government is anticipated later this year.

### 7 Recommendation

7.1 The Young People Overview and Scrutiny Committee is recommended to note and comment upon the findings in the report.

Neil Irving Assistant Director - Policy and Partnerships North Yorkshire County Council

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Report compiled by:	Jonathan Spencer, Corporate Development Officer
Telephone	0845 8 72 73 74
Email:	jonathan.spencer@northyorks.gov.uk

Background Documents: None