

EAST RIDING DEBT NEEDS ANALYSIS

MAY 2016



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SUMMARY

The council currently 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.

There are also other significant costs associated with addressing the 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 for which this is not the case. These areas of deprivation constitute the majority of public expenditure on health services, benefits costs, interventions and homelessness.

What this needs analysis aims to achieve is to identify the underlying determinants that influence a households 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 analysis 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.

A number of key interventions are identified at the end of the needs analysis, but it will be the stakeholder group formed from the East Riding Financial Inclusion Forum that will identify more. This group will then develop these interventions in to projects (using Customer Insight to help

target them and develop their intended delivery models). Funding will then be sought, as appropriate, to put any identified projects in place.

Whilst the East Riding benefits from a lower proportion of its population struggling with these issues, the need is there and, if unsupported, could worsen. With the continuing need to reduce public expenditure wherever possible, it is hoped that not only will these interventions benefit residents and reduce future need for costly advice services, but also, potentially, reduce the future indebtedness to the council.

WHY THIS TOPIC WAS CHOSEN

The Council has funded and supported the provision of varying levels of advice and information, both through internal services and externally commissioned projects, for a number of years. Whilst the types and scope of the issues raised have varied over the years (for example, benefits advice being prominent currently as a direct result of recent and ongoing welfare reforms), debt has remained a constantly significant issue for most people seeking advice, either alone or as a driver or result of other issues.

In the case of debt and welfare benefits advice, these services include the Council's internal Welfare Visiting Team and Welfare Rights Team, as well as commissioned services through the Hull and East Riding Citizens Advice Bureau and the Cherry Tree Community Association.

The Council also supports and leads on the delivery of the East Riding Financial Inclusion Strategy. The vision of this strategy is that 'all residents of the East Riding have access to advice, information and affordable credit, have the skills and understanding to make informed choices about financial services, do not suffer the health and well being issues linked to debt and poverty and are supported towards financial independence'. The strategy both supports capacity building within the advice sector and preventative work aimed at improving people's education and support to help prevent future debt issues.

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

- The current levels of need for debt and debt-related advice in the East Riding to inform potential future services and help focus delivery of the current Financial Inclusion strategy; and
- The causal factors that impact this need to help identify potential financial inclusion related interventions that could be put in place to reduce future levels of need.

This needs analysis is intended to develop a much improved 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 has been agreed that the information from this needs analysis will also be used to help plan and inform future preventative health initiatives, working with the Public Health team. These initiatives will be targeted at reducing both health causes of debt and poverty, as well as health impacts/symptoms of those issues.

It is intended that funding to deliver the preventative initiatives identified will be sought from external sources to help reduce the current reliance upon Council funding for these types of project. The aim is to reduce the overall demand for costly advice services in the future, and, potentially, indebtedness to the Council, through the delivery of these timely, externally funded interventions.

Additionally, by better understanding the causal factors that most likely lead residents to become indebted to the Council and others, it is hoped that small changes can be identified in current policies/systems/processes that will reduce these risks.

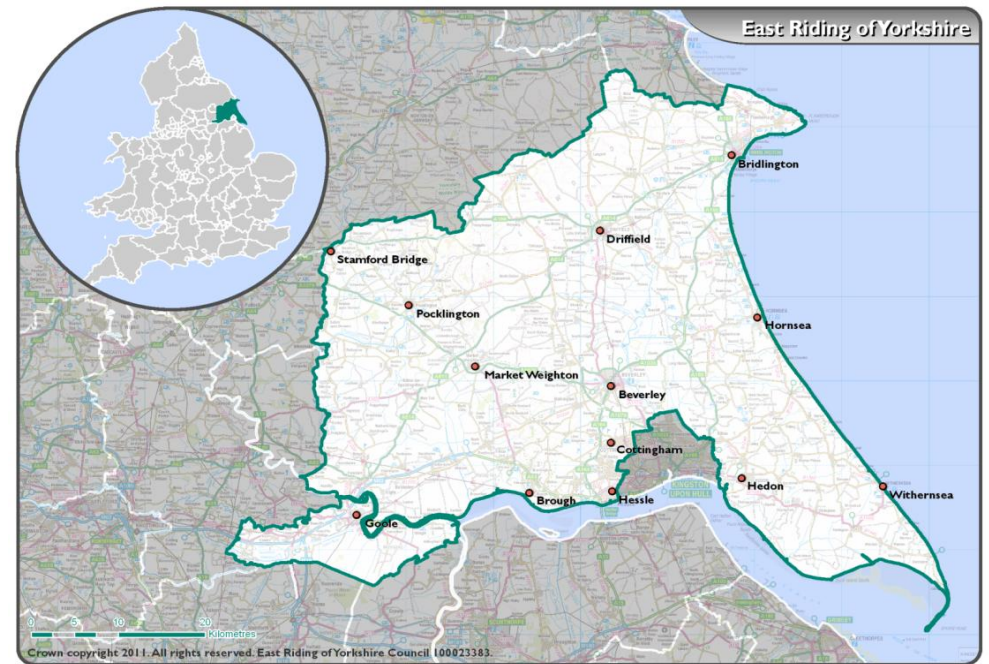
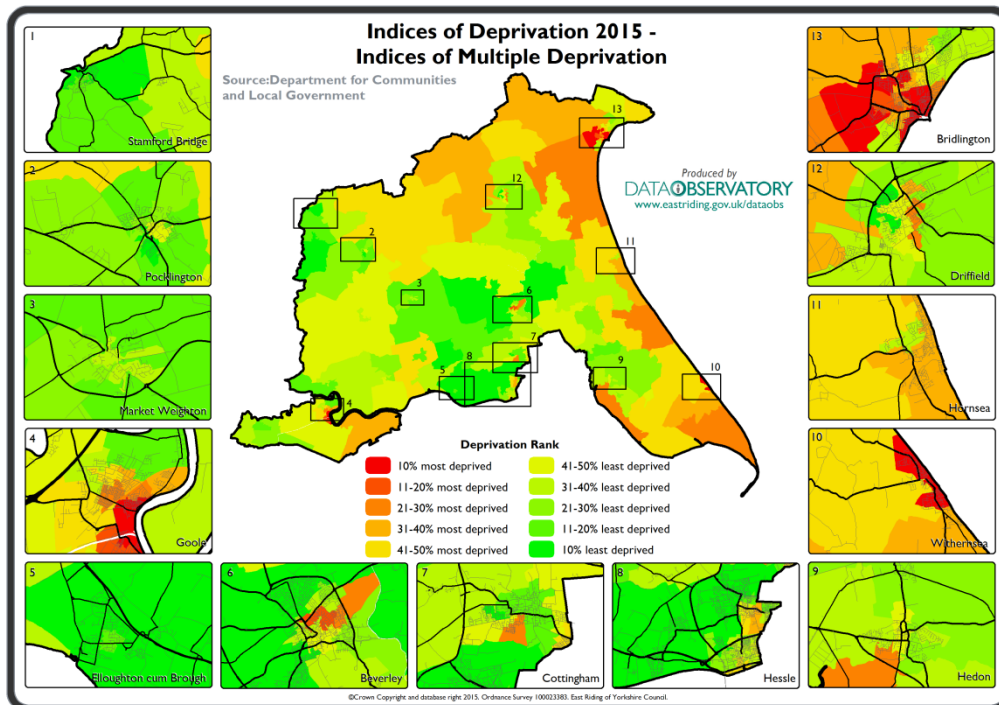
The reduction in the future levels of indebtedness in the East Riding will also positively affect the future costs attributed to other impacted services, such as mental health, GPs, criminal & anti-social behaviour and homelessness. It is well documented and evidenced that these services draw much higher need, and therefore costs, in areas where debt is high.

It is intended that this needs analysis will provide baseline information that can be regularly reviewed, supporting a general reduction in the risks of indebtedness in the long term and help reduce future public spending.

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.

In 2014, the Office for National Statistics (ONS) estimated the population at 337,115 (2014 Mid-Year 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 of working age account for 59.7% of the total population (or 201,327 people) and people of pensionable age account for 23.9% (or 80,611 people). With many people choosing to retire in the East Riding, it is perhaps not surprising that this pensionable age percentage is above the national average of 18%.

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.

The East Riding is seen as a good place to live and as being less disadvantaged as other, more densely populated and deprived areas. However, it does have areas of deprivation and economic disadvantage. This is evidenced both by the map to the left (national deprivation data) and by the numbers of people accessing advice services related to debt and money issues.

KEY THEMES

The needs analysis has been divided over five key themes:

- **Theme One: Money**
This theme 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 theme looks at housing benefits, housing prices, fuel poverty and the average fuel poverty gap, tenancy types and homelessness issues and rates
- **Theme Three: Work**
This theme 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 theme looks at benefits claimants' numbers and expenditure, recent welfare reform changes and their impacts, JSA sanctions, DHP levels and the Local Welfare Assistance scheme
- **Theme Five: Services**
This theme 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, from the ability to participate in recreational activities and enjoy normal life, to having the resources to pay your rent and provide food on the table, suffers.

When assessing poverty and debt in an area, a good 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 and poor educational attainment, and particular health challenges.

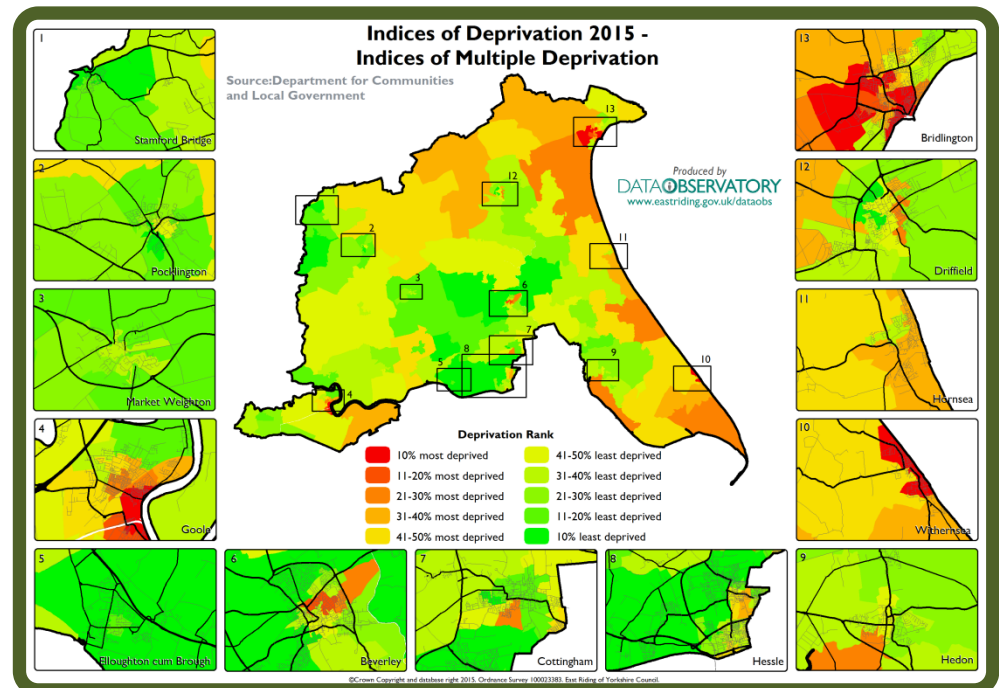
Debt levels across the East Riding are likely to be lower than national averages and will be concentrated in high deprivation areas. However, local intelligence indicated that there is also a level of 'hidden' debt emerging in some rural communities as people who were coping before the recent economic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

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

The measure is made at the Lower Super Output Area (LSOA) level, which are smaller than electoral wards and contain an average of 1,500 people. There are 210 LSOAs in the East Riding.

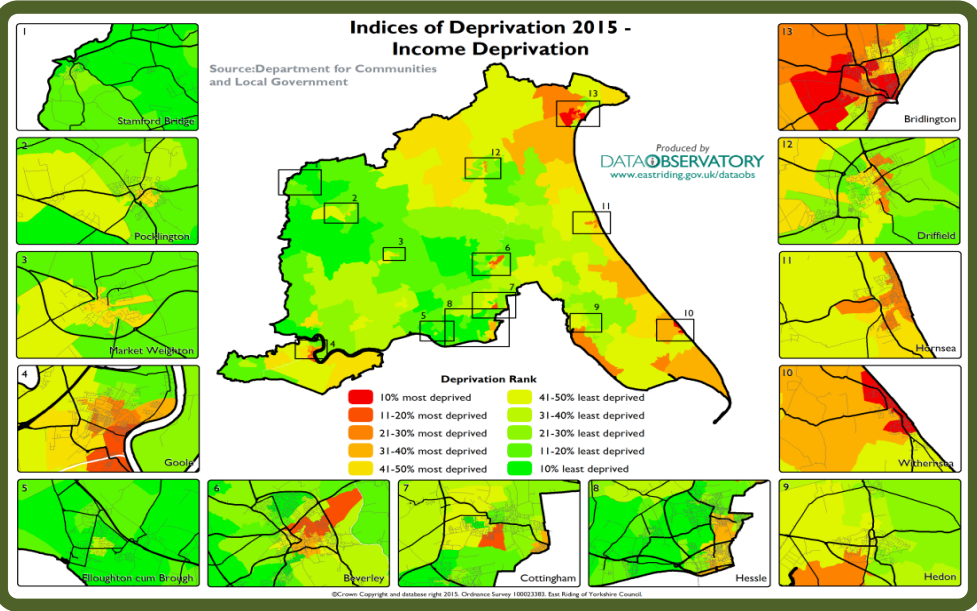
The map below shows the level of income deprivation in the East Riding.



Considering just the Income Deprivation measure, a household is considered to be income deprived if someone is claiming 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.

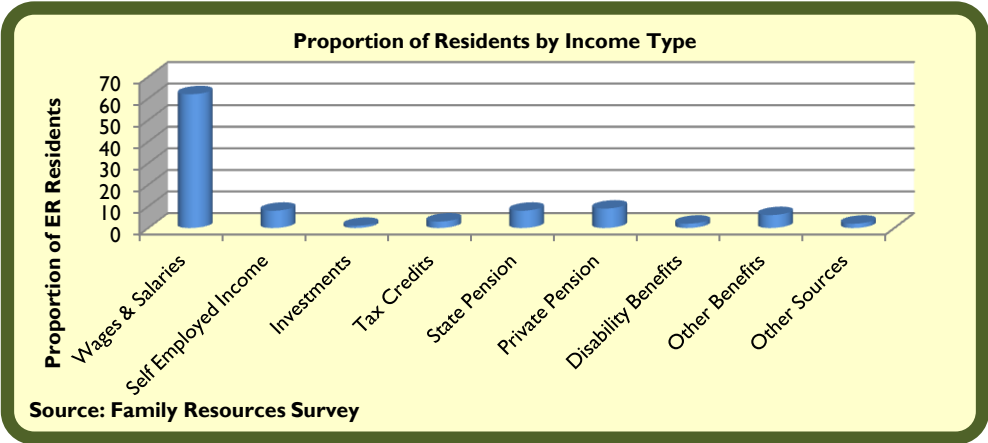
For the East Riding, the map below shows the level of Income Deprivation.



Income Types

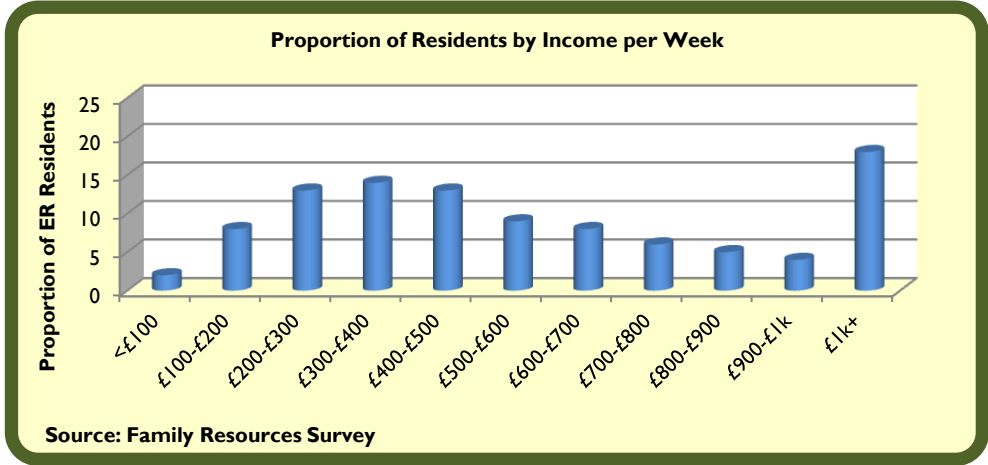
There are various types of income that a household may have, including wages and salaries and, possibly, income from self-employment, investments and shares, benefits and pensions, etc.

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, such as jobseeker's allowance and income support).



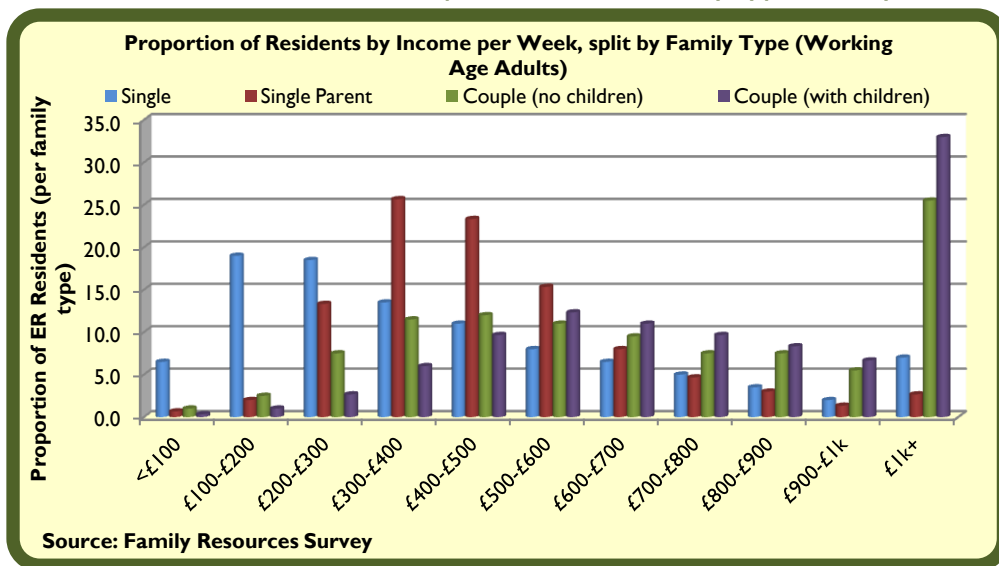
Weekly Income Levels

As the chart below shows, for many East Riding residents, income levels are relatively good, with a significant peak at the highest level (representing the more affluent households in the area).



However, given that the national average weekly wage is around £497 (according to ONS figures, Jan 2016), this means that just under half of all East Riding residents are receiving below this.

When examining the types of families most affected by the lower income trends, it is clear that this is not spread across all family types evenly.

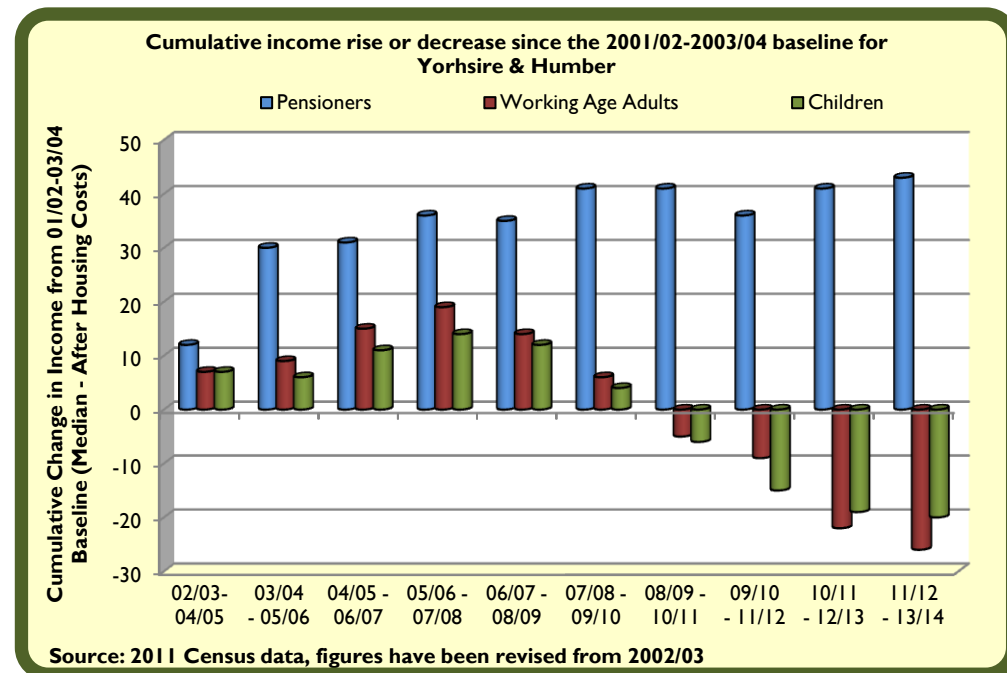


Single people with no dependants are most likely to have a very low income, with a quarter having less than £200 per week. Additionally, a further fifth having less than £300 per week.

Single parents are next most likely, with just under half having less than £400 per week whilst supporting children and dealing with the additional associated costs. Just under a further quarter having less than £500 per week. Conversely, couples are over three times more likely to have an income above the national average. However, it is important to note that their relative costs are also likely to be higher than those of a single adult.

Over the last decade and more, incomes for all but pension age adults have fallen 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 have seen the largest falls. Over the last couple of years, the level of decrease has become more consistent across all income levels.



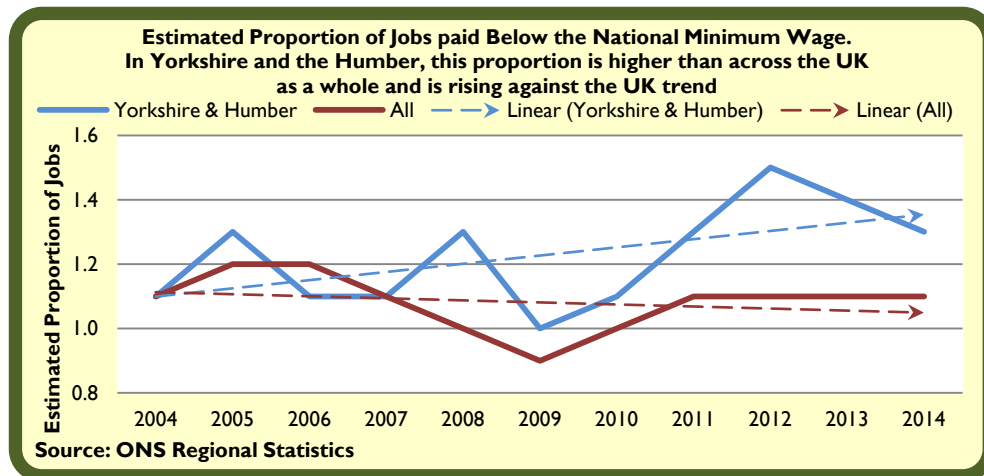
Working age adults across the Yorkshire and Humber region are now living with an income less than three quarters, in equivalent value, than they had in 2001/02-2003/04. This is largely due to disproportionate increases in essential costs, such as fuel, rent, food and energy, whilst incomes have increased at a much slower rate.

National Minimum Wage

The **national minimum wage** is a minimum hourly rate that people aged between the school leaving age and 24 should be paid for the work they do. For worker aged 25 and over, a similar minimum hourly rate applies and is called the **national living wage**.

These national minimum hourly rates have increased steadily year on year and, in 2016, were £3.30 for apprentices (aged 16 to 18 or 19+ if in their first year of apprenticeship), £3.87 for under 18s, £5.30 for 18 to 20 year olds, £6.70 for 21 to 24 year olds and £7.20 for 25s and over.

The chart below shows the estimated proportion of jobs that are paid below these national minimums and the trends they indicate for the future.

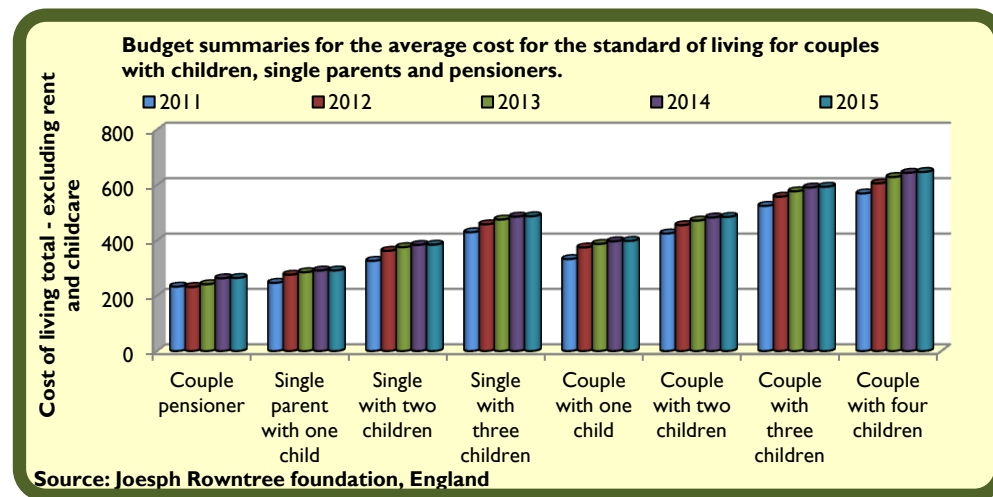


Over the last 2 years, the proportion of jobs paid below the national minimum wage in the region has dropped a little, but is still above the national average. The future trend projection indicates that this will continue to be the case and that the gap between the regional and national averages will continue to widen.

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.

The chart below shows how this standard cost of living, after taking out rent/mortgage costs and childcare, have increased over the years for couples with children, single parents and pensioners.



The cost of essential items (i.e. food, fuel and public transport) has increased more rapidly than the average price index across all consumer goods in recent years. Between 2003 and 2013, the consumer prices index (CPI) more than doubled, meaning that the average cost of a typical 'basket' of goods and services in 2013 was over twice what it was ten years prior. Since 2013, the CPI declined to a historic low, but is now increasing rapidly again.

When breaking this down, the differences between the changes for certain 'basket' items becomes more apparent. Between 2003 and 2013, domestic energy prices rose by more than 150%, water bills by over 85% and private transport in excess of 60%. Overall, food and drink prices have risen by over 45%, whilst clothing costs have fallen by over 70%.

Whilst these prices have declined again since 2013, with the steep decline of the CPI, they have, in most cases, declined much more slowly for domestic energy, water, transport, rent and fuel. Domestic energy prices are still well above what they were in 2003 (equivalised for inflation) even though the equivalent CPI is far lower, for example.

As the chart above shows, the average cost of standard living has risen the most in the last five years for those with one child (couples by around a

fifth and single parents by slightly less). Comparatively, for pensioners, the rise has been less at just over a seventh. There is a cost of living gap between single parents and couples with children. Although from 2011 to 2015, this gap has reduced by around 3%, the average standard cost of living (excluding rent and childcare) is over a third higher for couples with children than single parents.

Debt and Poverty

Levels of debt in the region have increased over that last decade, as they have across the UK. According to The Money Charity, the average household debt (including mortgages) is now at £54,261 (up 23.5% from 2005), which equates to an average debt per adult of £29,010 or 119.9% of the average earnings.

According to the Office for Budget Responsibility's July 2015 forecast, average household debt is predicted to reach £94,481 by 2021. The average household consumer credit debt is £6,693 (up 66.0% from 2005). This equates to an average £3,578 per adult.

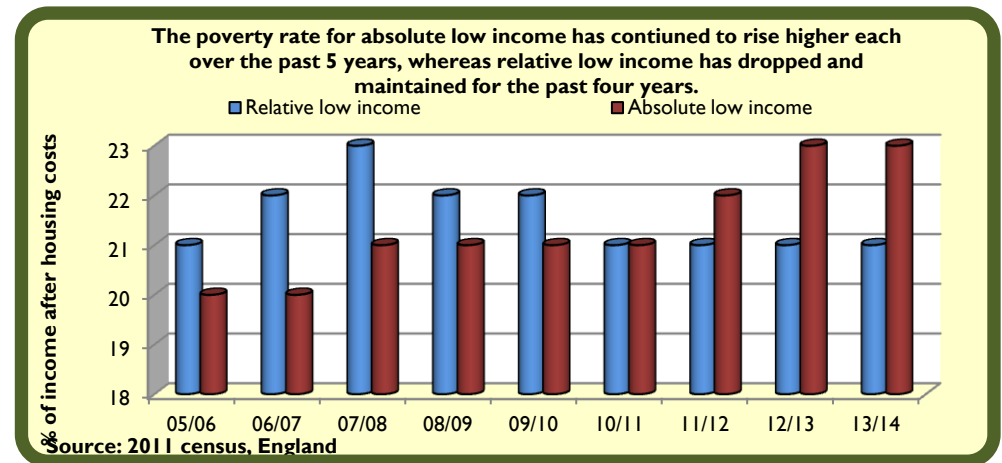
Every day, in the UK, 222 people are declared insolvent or bankrupt, which is equivalent to one person every 6 minutes. 2,102 consumer county court judgements are issued every day, with an average value of £2,030. One property is repossessed every 58 minutes. 54 mortgage possession claims, 37 mortgage possession orders, 420 landlord possession claims and 317 landlord possession orders are made every day in the UK.

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 national debt charities, such as Stepchange and the National Debtline, have risen by over two thirds in the last five years.

The Department for Work and Pensions (DWP) defines **relative low**

income (or **relative poverty**) as living in a household with income below 60% of the current median household income. In the East Riding, that accounted for just over a fifth of all incomes (working age adults) in 2013/14.

Absolute low income (or **absolute poverty**) is defined as living in a household with income below 60% of the 2010/11 median baseline (uprated for inflation). In the East Riding, that accounted for just under a quarter of all incomes (working age adults) in 2013/14.



Whilst the poverty rate (after housing costs) for those on relatively low income is at the same level as a decade ago, for those on absolute low incomes it has risen significantly. Levels in 2013/14 are 15% higher than they were in 2005/06.

Unfortunately, there are no accurate figures available, either for levels of personal or household debts, or for levels of relative or absolute poverty, at the local level.

Anecdotal evidence suggests, however, that the East Riding follows average trends of poverty (absolute/relative) in areas of deprivation and some rural areas, but that average debt levels are below UK levels.

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 an 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, and 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 May 2015, the total number of dwellings in the East Riding was estimated to be around 167,000. Just under a third were detached dwellings, almost another third were semi-detached and around a fifth were terraced dwellings. With the attractive coastal and rural nature, around a twelfth of all East Riding dwellings are caravans.

Average house prices in the East Riding are just under a tenth more expensive than the average for the Yorkshire and Humber Region as a whole, but just under a third less expensive than the England average.

Fuel Poverty and the Fuel Poverty Gap

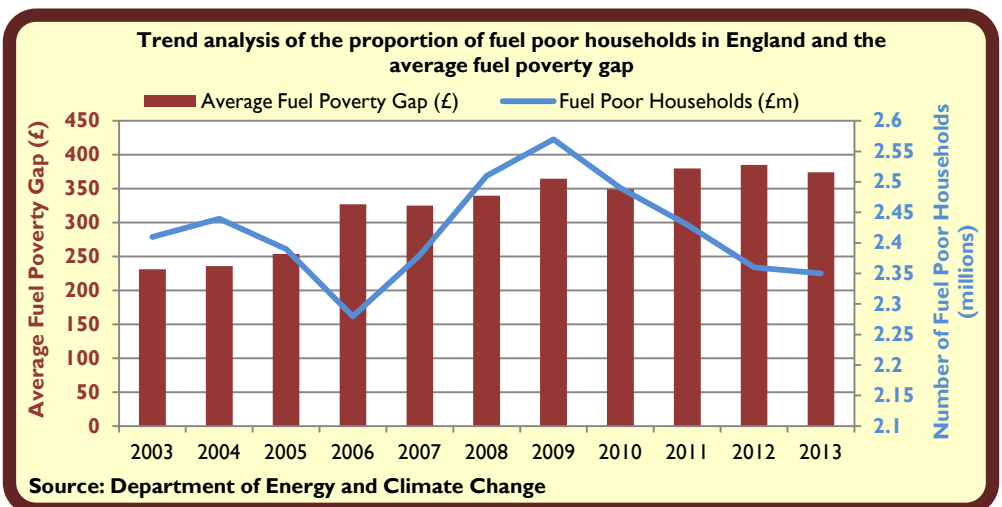
Fuel Poverty is defined as when spending the average required fuel costs would leave a household's income below the poverty line (also referred to as a 'Fuel Poor' household) and is a particular issue in the East Riding.

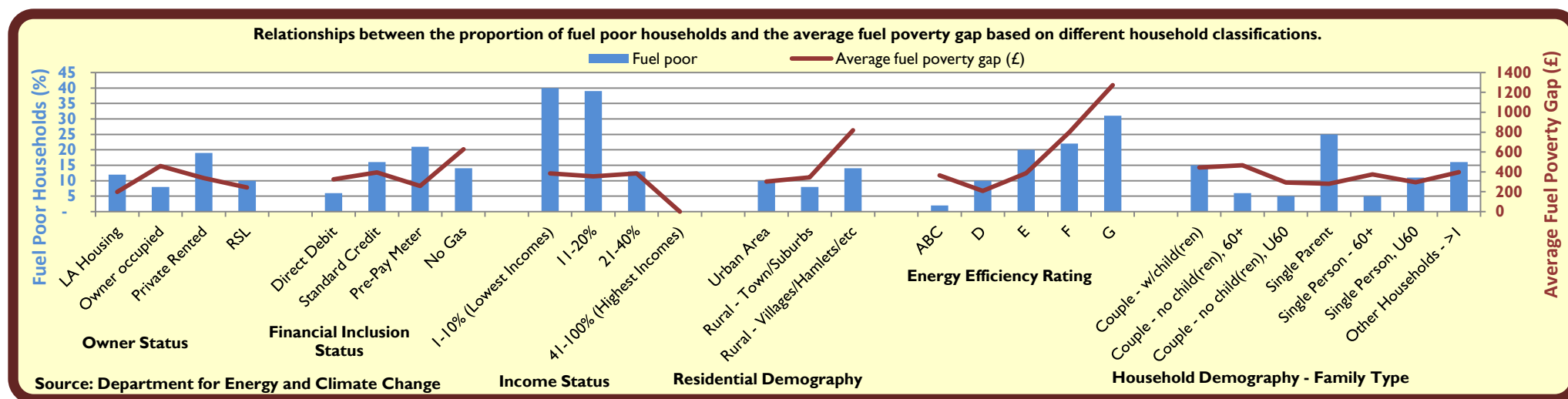
The **Average Fuel Poverty Gap** is defined as the extra amount of money in real terms that a fuel poor household would need to spend for their fuel compared to a non fuel poor household in the same area.

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.

Overall levels of fuel poverty have reduced in the past few years from an all time high in 2009, but the fuel poverty gap has continued to rise. In 2013, the average fuel poor household in England would need to pay around an additional £370 per year to fuel their home.

The chart below shows that the levels of fuel poverty in households and the relative average fuel poverty gap differs based on a number of factors.



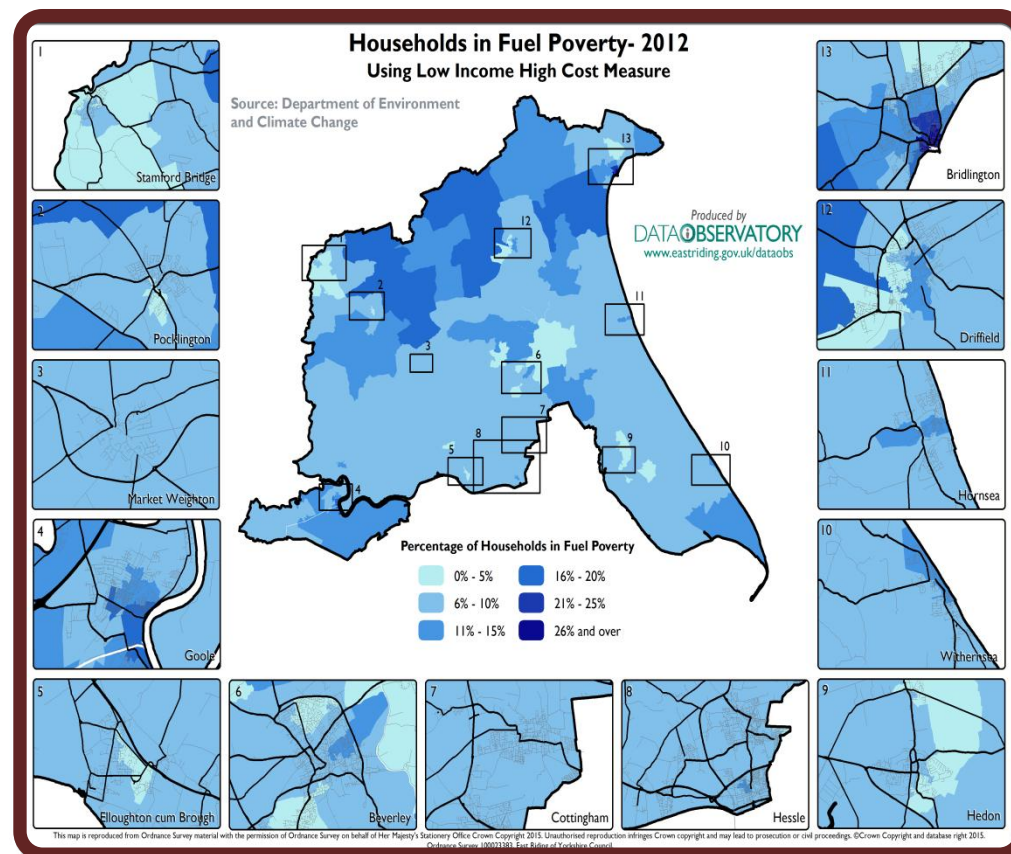


As the chart above shows, those most likely to live in fuel poor homes are single parents, those living in rural locations, private rented tenants, people with energy inefficient homes, those paying for their fuel through standard credit or pre-payment meters and, most significantly, people who are in the lowest fifth of the average income scale for the area.

The average fuel poverty gap is more likely to be higher for owner-occupiers, those with no access to gas as a fuel, couples and, most significantly, people who live in rural locations and with energy inefficient homes.

The map to the right shows the areas within the East Riding with the highest proportion of households classified as being fuel poor in 2012. This clearly shows the relationship between the rural areas (especially those not on mains gas) and fuel poverty.

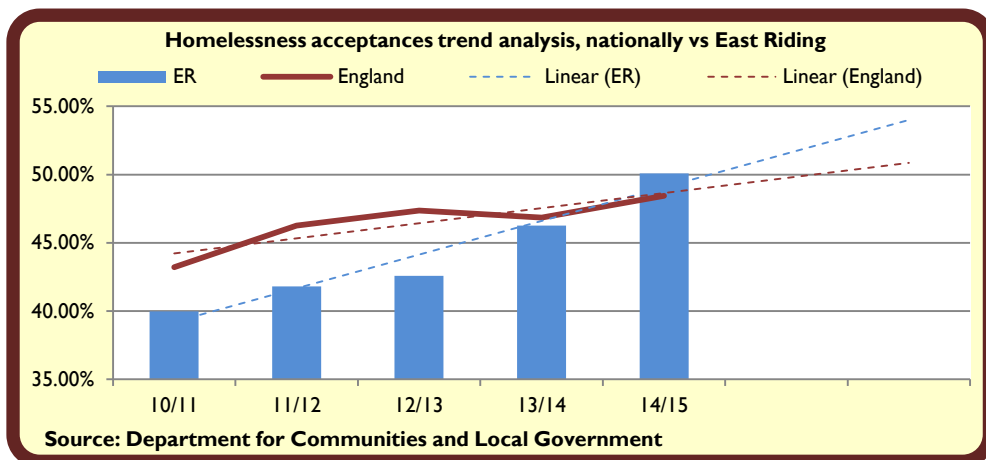
The new East Riding Affordable Warmth Strategy 2015 seeks to address fuel poverty and its associated issues, especially related to energy efficiency and reducing heating and fuel costs.



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 an homelessness '**Acceptance**'.

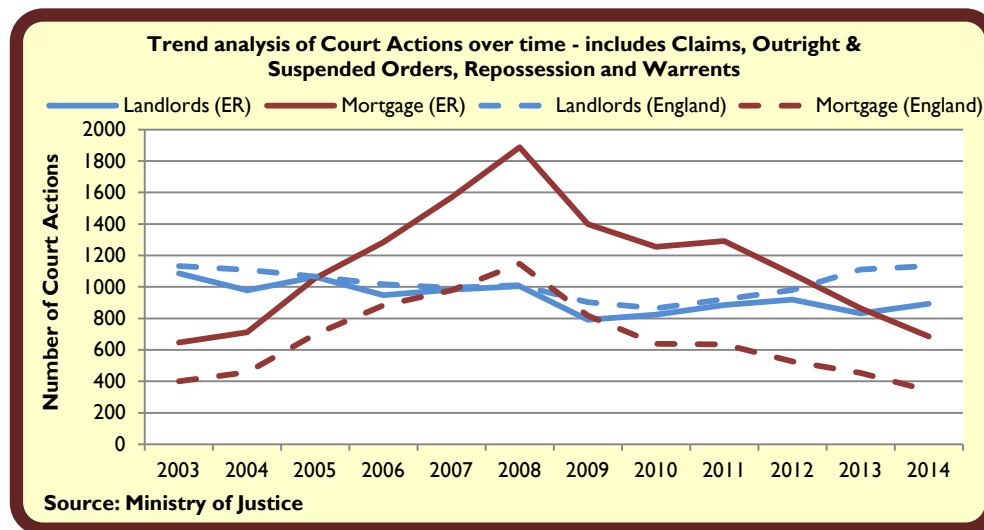


The number of homelessness decisions has fallen overall, but the number of homelessness acceptances has risen in recent years, both nationally and in the East Riding. The increase in the East Riding has, however, been steeper, overtaking the national proportion and the trend analysis predicts that this will continue to be the case in future years.

In 2013/14 there were 707 decisions made in the East Riding, compared with 996 in 2008/09. This equates to 4.84 decisions being made per 1,000 households, which is just below the England rate of 4.95 per 1,000 households. The rate of acceptances per 1,000 households was 2.12, compared with the England rate of 2.4.

Nationally, much of this growth in acceptances can be attributed to households becoming homeless through the end of private rented

tenancies. In the East Riding, however, the sharper increase has been attributed to owner occupiers and court action raised against mortgages.



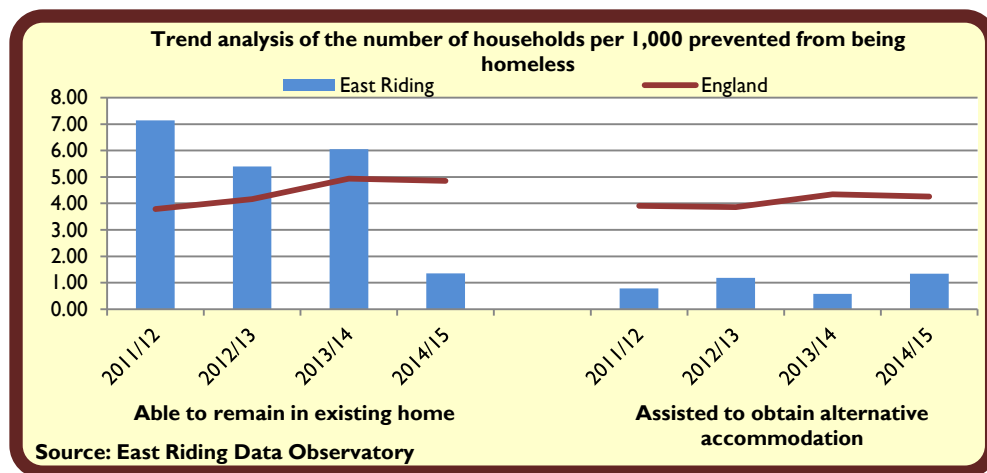
Whilst the number of these actions related to mortgages is currently reducing year on year, they remain much higher in the East Riding than nationally.

Homelessness Prevention

Homelessness Prevention is defined by the Department for 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**'.

Homelessness prevention has also increased nationally, with the numbers of people supported to be able to remain in their own home increasing by almost a third between 2011/12 and 2014/15, although those assisted to obtain alternative accommodation only rose a little, by about a twelfth.



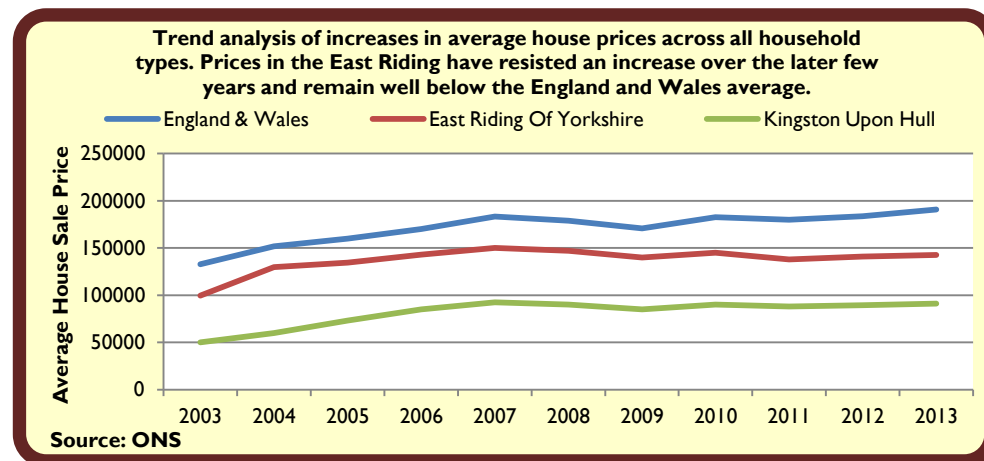
In the East Riding, however, over the same period the rate of households supported to be able to remain in their existing home per 1,000 households has fallen substantially, by around four fifths. Conversely, the rate of households assisted to obtain alternative accommodation has risen by almost three quarters (though the numbers were much lower than those supported to stay in their existing homes).

It is noted that these are measures of service delivery and, therefore, a factor affecting this could be a reduction of the number of households at risk of homelessness or improved delivery of services to pre-existing at risk households. However, as the number of decisions per 1,000 households has reduced, both locally and nationally, by a much lesser rate than the reduction of those supported to be able to remain in their existing homes, this is only a part of story.

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. Between December 2014 and December 2015, whilst fluctuating monthly, the numbers of property sales showed an increasing trend, both nationally and locally, that is predicted to continue.

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.



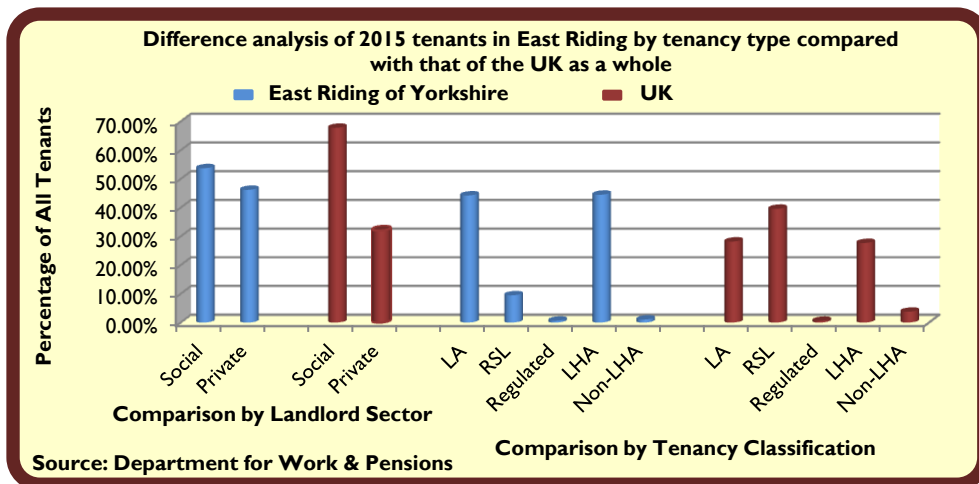
Whilst house prices are slowly rising and are likely to continue to do so in the future, the East Riding price rises are predicted to continue to remain lower than the national average. In the period February 2015 to February 2016, according to the UK Land Registry, house prices across all property types increased in the East Riding by 2.1%, whilst the England average house prices rose by 6.1%.

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.

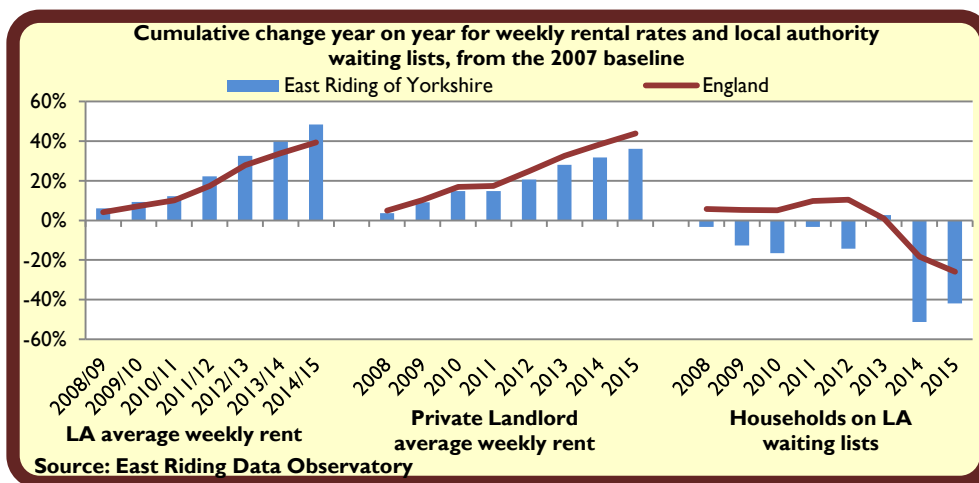
Tenure Types

In the East Riding, 91% of households are either owner occupied or private rented, compared with only 83% nationally. For tenancies, as the chart below shows, the East Riding has a much 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.



From 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 £337 or £495 (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, it is still an average £7.73 less. For private registered landlords, the national average has increased faster and the average rate in the East Riding is £5.33 less.

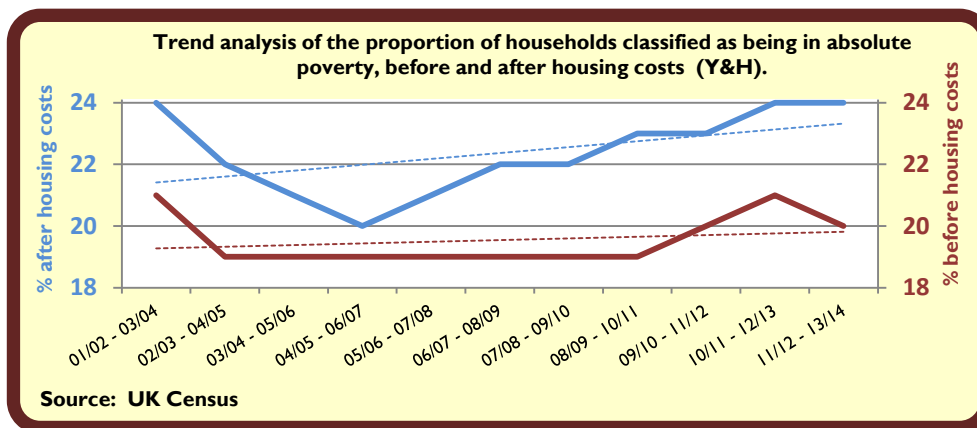
Housing waiting lists have recently reduced significantly, both nationally and locally. In the East Riding, however, the drop has been faster and there are now almost half the numbers of the list when compared to 2007.

Household Income and Housing Costs

Data from the UK Census shows that the proportions of households classified as being in absolute poverty (see page 9 above for definition) 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.

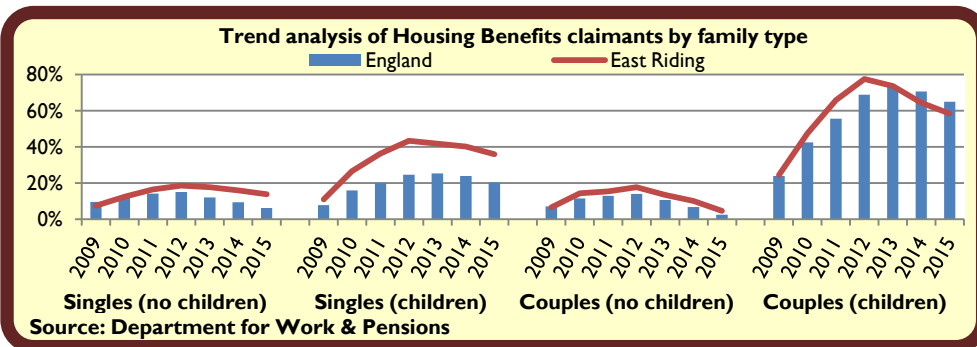
When these costs are taken out and the remaining income compared against the nationally agreed poverty measures, the picture changes somewhat, as the chart below shows.



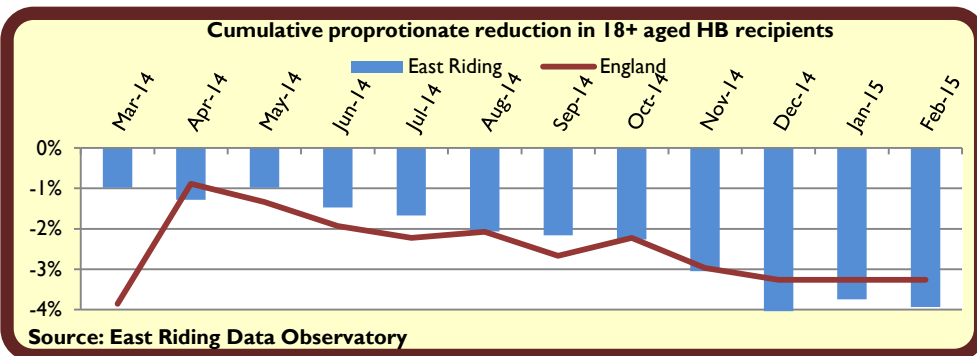
The gap between those households in absolute poverty before and after housing costs has widened by almost two thirds, with trends indicating it will continue to widen. This helps evidence that essential household costs have risen much faster than income levels, increasing the likelihood that those households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

Housing Benefits

Following the historic peak in 2012, housing benefit claims numbers have fallen, both nationally and locally, year on year.

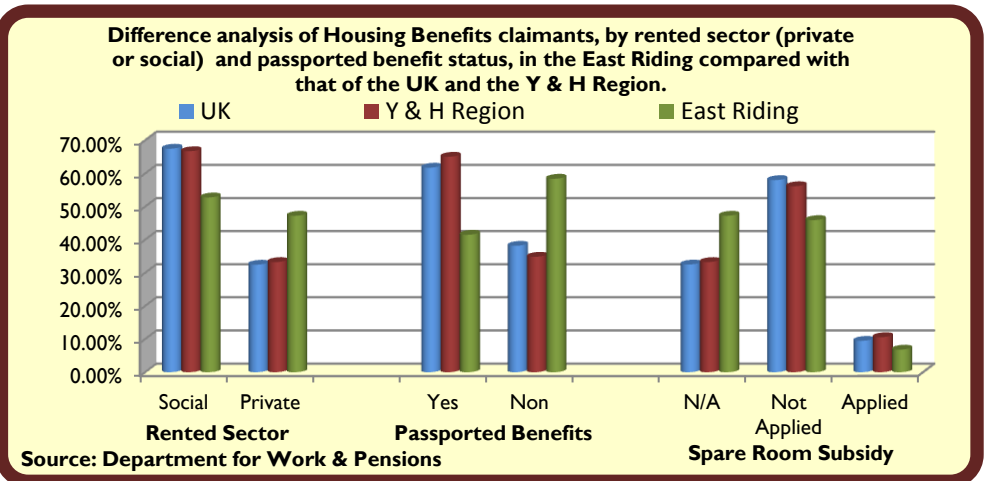


In the East Riding, the proportion of households claiming housing benefits has largely followed the England averages, most closely for couples without children. For couples with children, a steeper decline in the East Riding means it is the only family type lower than that of England. Single households both remain above the England average, with single families being significantly so.



However, when we compare the cumulative decline in housing benefits recipients aged 18+ in the East Riding against England as a whole, that decline is now faster in the East Riding, as the chart above indicates.

The profile of housing benefits claimants differs in the East Riding again when we compare other relevant household criteria. For example, the proportion of private tenants in the East Riding claiming housing benefits is 45% higher than the UK average.



Additionally, a much higher proportion of the housing benefit claimants in the East Riding are of non-passported status than the rest of the Yorkshire and Humber region and England. A person of passported benefit status means that they are entitled to claim housing benefit because they already claim another benefit that meets the criteria, such as income support or jobseeker's allowance.

Essentially, if you live in the East Riding, you are much more likely to be claiming benefits if you are a private tenant, of non-passported status and are a single parent than any other family type. You are also more likely to be on a low income, struggle with fuel poverty and have an average fuel poverty gap of around £350, increasing depending on other factors such as location, payment type and household efficiency.

THEME THREE: WORK

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. Of those who are economically inactive, almost a quarter are permanently sick or disabled, another quarter are looking after their home and/or family and more than a fifth are students.

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.

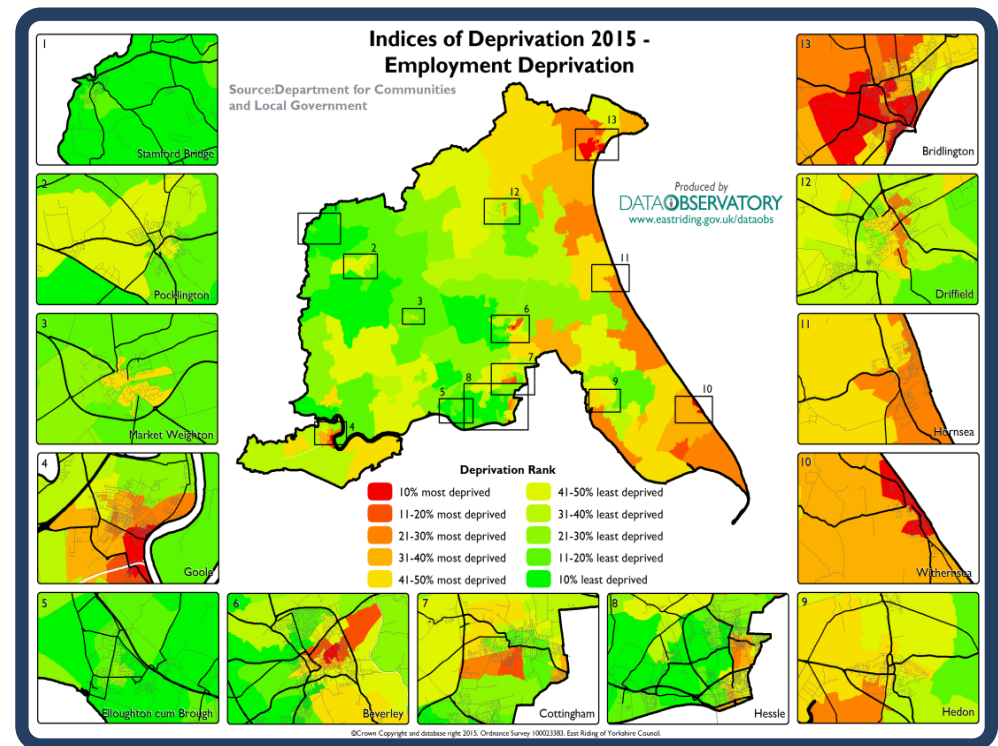
A higher proportion of the East Riding's working adults are employed outside of its boundaries than national averages, with many working in the nearby cities of Hull and York, North Yorkshire, South Yorkshire, North Lincolnshire and North East Lincolnshire. Work opportunities in the area are lower than 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.

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, on page 7.

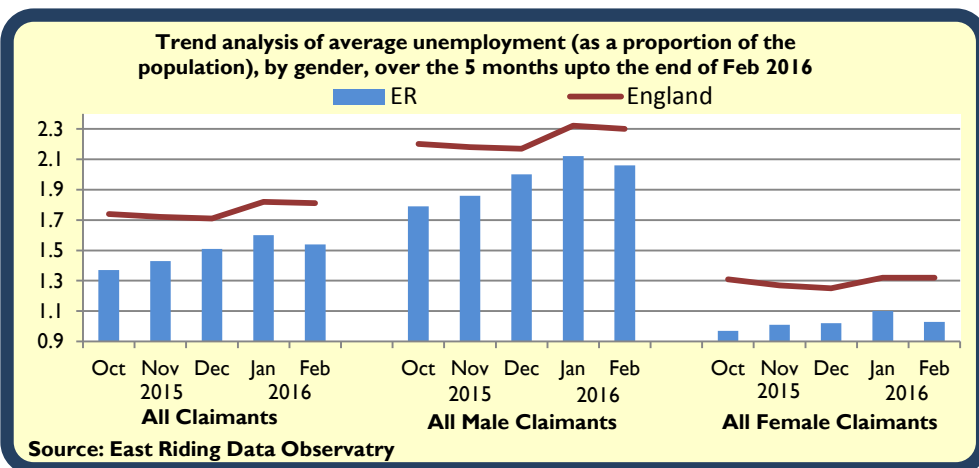
A household is considered to be employment deprived if a man aged 18 to 64 and/or woman aged 18 to 59 is claiming jobseeker's allowance (either contribution-based or income-based), employment and support allowance (either contribution-based or income-based), incapacity benefit, severe disablement allowance and/or carer's allowance.



15 lower super output areas (LSOAs) in the East Riding are in the 10% most deprived in the country for employment deprivation and are found in Beverley, Bridlington, Goole and Withersea. 23 LSOAs are in the 10% least deprived.

Unemployment

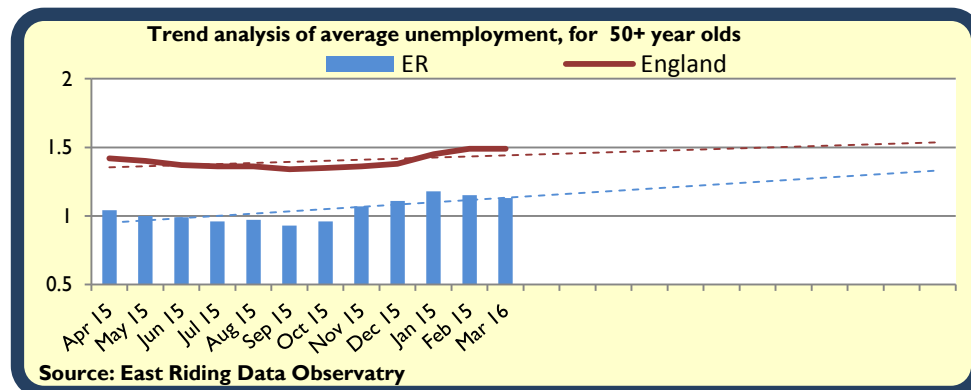
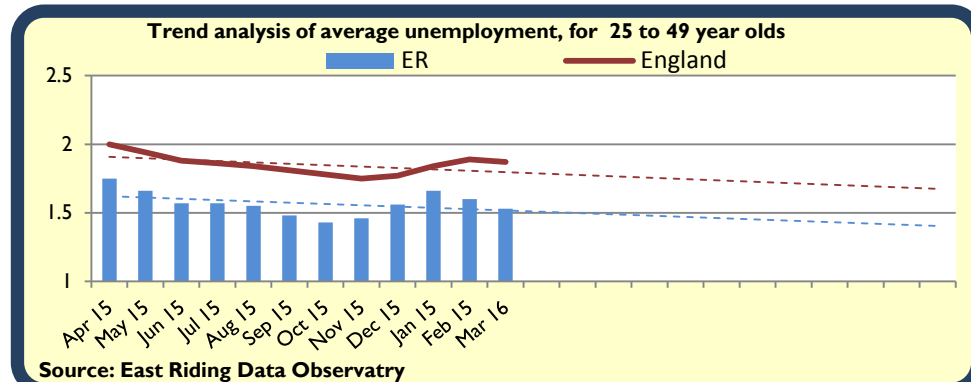
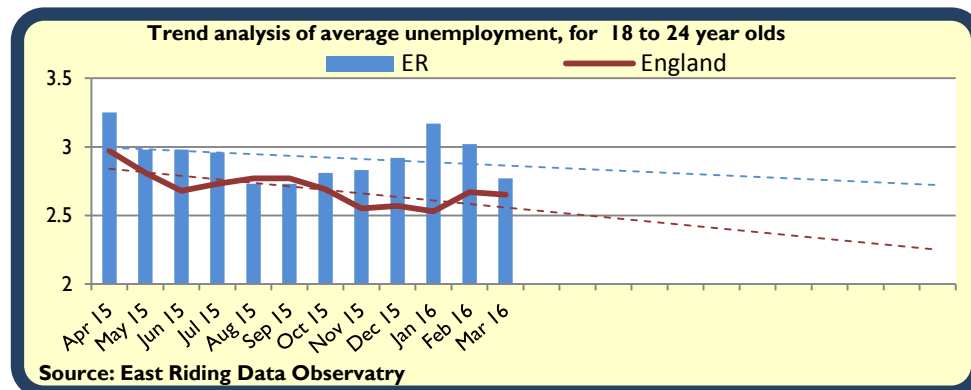
Unemployment levels in the East Riding are low and although levels have risen in recent years, both nationally and locally, they have remained below national averages in the East Riding.



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.

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 high prevalence of zero-hour contracts, part time work and low hourly pay means that many households struggling to manage and 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.

The three charts below show the age breakdown for average unemployment in the East Riding and England for the 2015-16 financial year. They also predict the 2016-17 financial year levels, based on the trend in the previous year.



For 25 to 29 year olds, the picture is good. The unemployment level in the East Riding is consistently lower than the England average, both of which are slowly decreasing, and the future prediction is that this will continue throughout the next financial year.

For the 50+ age range, levels are rising, with the local level rising faster than nationally, and the trend prediction is that this will continue in the next financial year. However, the numbers for this age range are lowest amongst all unemployed adults, accounting for around a fifth of all unemployment in March 2016, and, therefore, this rising trend is likely to have little impact.

However, for the 18 to 24 year age range, the levels in the East Riding have been, for the most part, above that national average through the 2015/16 financial year. The predicted trend is that, whilst both national and local levels will continue to drop, this will happen more slowly locally than nationally and the gap between the two averages will widen. Bearing in mind that the unemployment proportion for this age range is the highest for all age groups to start with, accounting for just over half all unemployment in March 2016, this is highlighted as an area of potential for improvement.

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

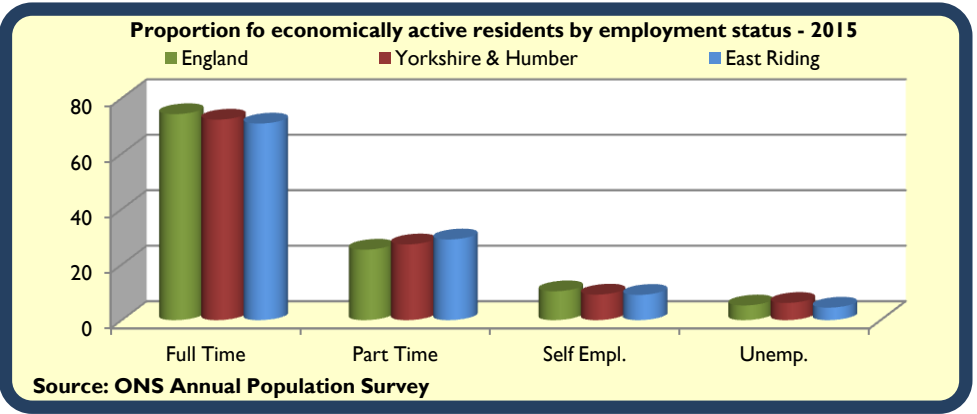
Economic Activity

The **economic activity rate** measures the proportion of working age people (aged 16 to 64) in an area who are active or potentially active members of the labour market. A high economic activity rate means that a high proportion of people are working or available for work or training.

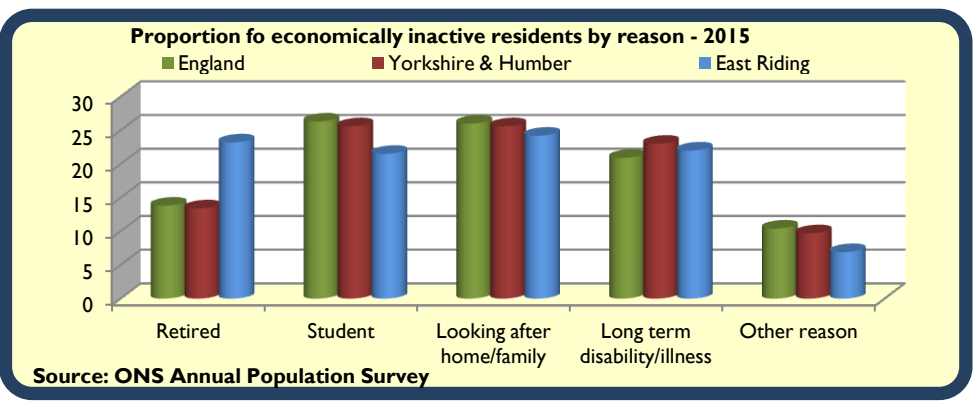
There are various reasons as to why people might be economically inactive, such as being retired, being a student, looking after the home or family or having a long-term disability or illness.

In the East Riding, around four fifths of the working age population is economically active (ONS – 2015), 2.4% above the national average and 3.5% above the regional average. As with national and regional averages, the proportion of economically active men is around a tenth higher than that of women.

The chart below shows the breakdown of economically active residents.



This shows that there is a higher proportion of part time economically active workers in the area.

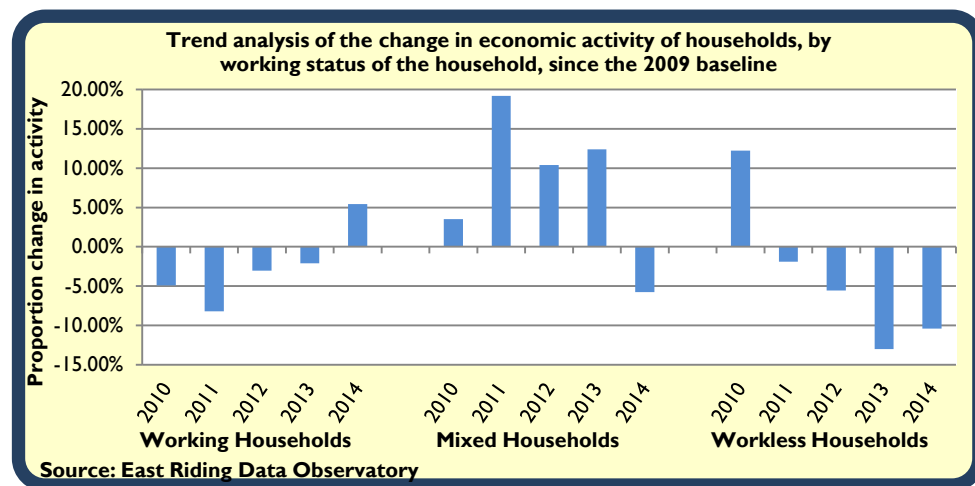


The chart above shows the proportion of working age adults who are inactive broken down by the reason. There is a much higher proportion of retired people, with fewer students; not surprising given the East Riding demographics.

The proportion of people with a long-term illness or disability and who are economically inactive in the East Riding is higher than the national average, but lower than across the Yorkshire and Humber Region.

The chart below tracks the cumulative change in economic activity for households, broken down by the working status of household members, from 2009 to 2015.

Working households are those in which all persons aged 16 to 64 are either working (full or part time) or in full or part time education or training. **Mixed households** are those in which at least one person aged 16 to 64 is in full or part time work, education or training, but at least one other is not. **Workless households** are those in which none of those aged 16 to 64 are either in full or part time work, education or training.



The trend has been generally positive, with economic activity increasing in both working and mixed households, and dropping in workless ones.

However, 2014 saw a reduction in the decline of activity in workless households and a very significant drop, against the national average, in mixed households. All indications from the ONS are that these trends have continued in 2015/16.

Working Status

Broadly, there are four 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 entitlement, 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.

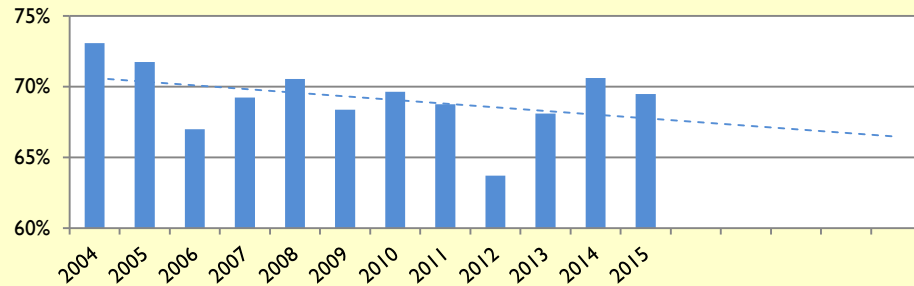
Whilst there are no rules that govern how many hours make a part time contract or full time contract, it is usual for people contracted to work less than 35 hours per week to be part time and those working more to be full time.

Self employed status is where a person is employed in running their own business.

Zero hour status is where a person is employed by a company, but on a casual basis with no guaranteed number of hours in any given week. Whilst they are entitled to statutory minimum wage and leave, these contracts have fewer rights than full or part time employment.

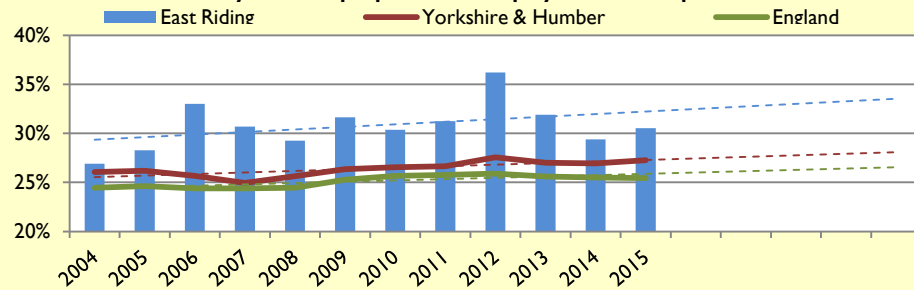
There is a growing propensity for part time contracts over that of full time employment, across all sectors of employment, as the charts below demonstrate. In the East Riding, this is even more the case than either the regional or national trends.

Trend analysis of the proportion of employment that is full time



Source: ONS

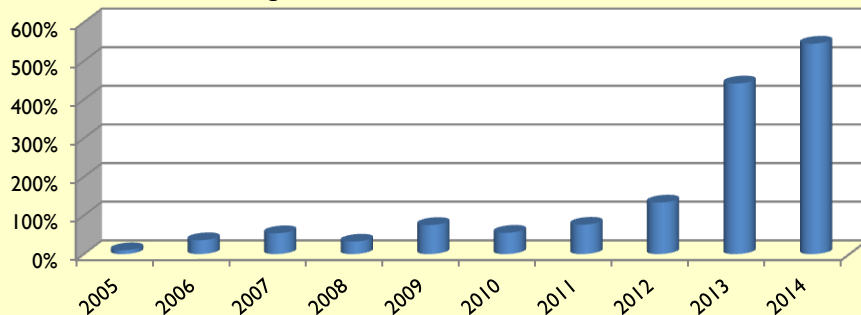
Trend analysis of the proportion of employment that is part time



Source: ONS

Additionally, the number of contracts with no guaranteed minimum hours ('zero-hour contracts') is rapidly increasing and is heavily concentrated in sectors with low average pay. According to ONS, the number of zero hour contracts in the UK has risen by over 500%, mostly in the past few years.

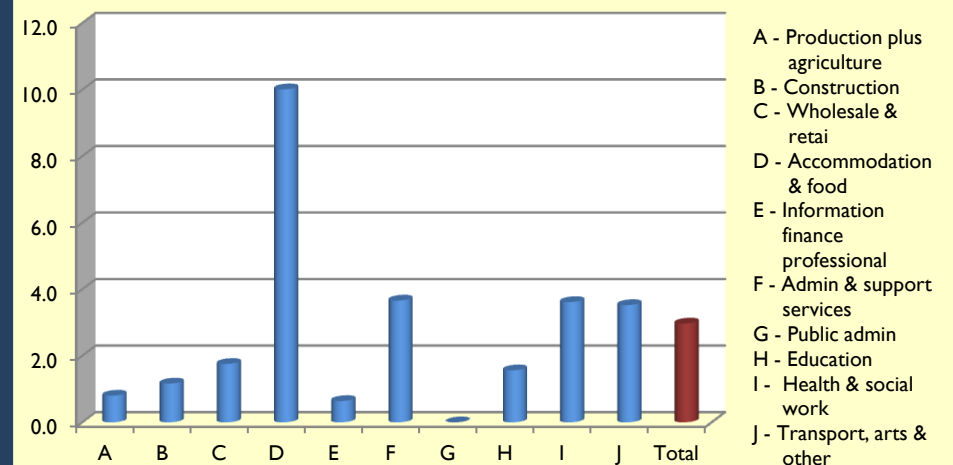
Cumulative change in the number of Zero Hour contracts since 2010



Source: ONS

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.

Proportion of contracts that are zero-hour by industry type



Source: ONS

As the chart above shows, the industry with the highest proportion of zero hour contracts is accommodation and food (a tenth of all employment in this industry type). Overall, 3% of all employment in the country is now through zero hour contracts.

Additionally, according to the ONS, the proportion of contracts that are temporary, rather than permanent, has increased by around a sixth between 2008 and 2014. This increase has been greater for men, at around a quarter and less so for women, at around an eighth.

Hourly Wages

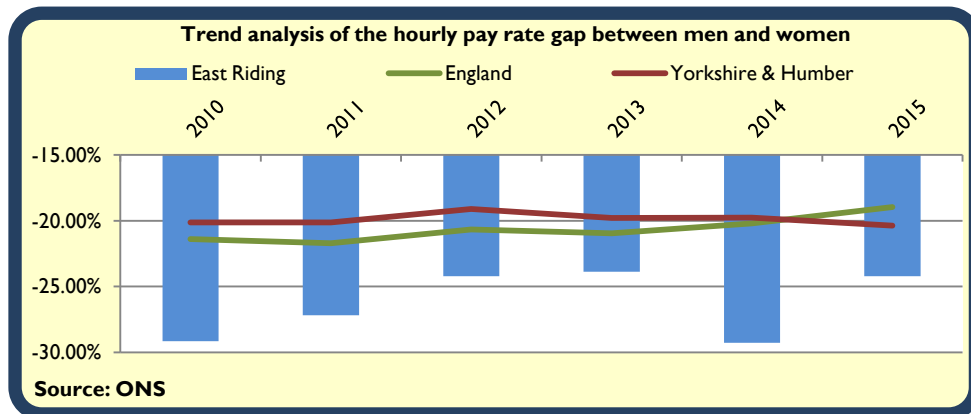
Nationally and, in the East Riding it is assumed, the sector with the lowest median hourly wage, accommodation and food services, has the most zero-hour contracts, followed closely by administrative and support

services. In contrast, the three sectors with the highest average hourly pay, despite having six times as many jobs as accommodation and food services, has the lowest rate of zero-hour contracts.

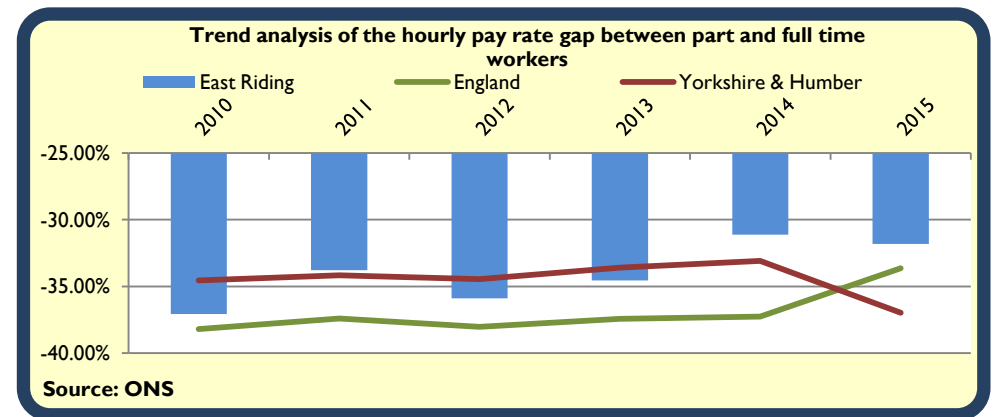
Looking at hourly pay rates, the East Riding is below both the average for the Yorkshire and Humber Region and for England as a whole in all classifications, though the gap is much less for part-time workers (ONS).

The change between 2014 and 2015 shows a better picture, however, with pay rates across England dropping substantially and rates in the Yorkshire and Humber Region rising just as dramatically. Whilst the rates in the East Riding have not risen as steeply as the rest of the region, the gap to the England average has closed significantly.

Comparing the hourly pay rate gap between full and part time employment shows that, for the East Riding, that gap remains smaller than the England average and, more recently, is now smaller than the Yorkshire and Humber Region average.



The hourly pay rate gap between genders tells a very different story, however. This gap is larger in the East Riding than either the Yorkshire and Humber Region average or the England average, with trends indicating that this is not likely to change in the near future.



To put this pay gap data in to context, consider a average female full time worker in 2015:

- She would have been around a tenth worse off in terms of her hourly pay rate in the East Riding, than the average for England.
- She would have been around a seventh worse off than an average male full time worker in the East Riding.

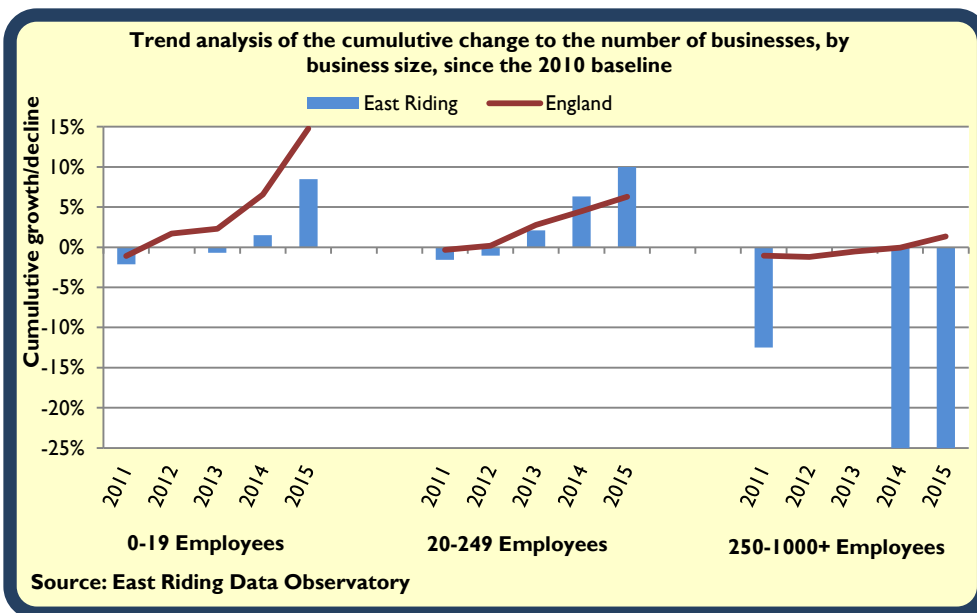
If she had been a part time worker, rather than full time:

- She would have been just under a tenth worse off in terms of her hourly pay rate in the East Riding, than the average for England.
- She would have been around a sixth worse off than an average male part time worker in the East Riding.

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 area 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.



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.

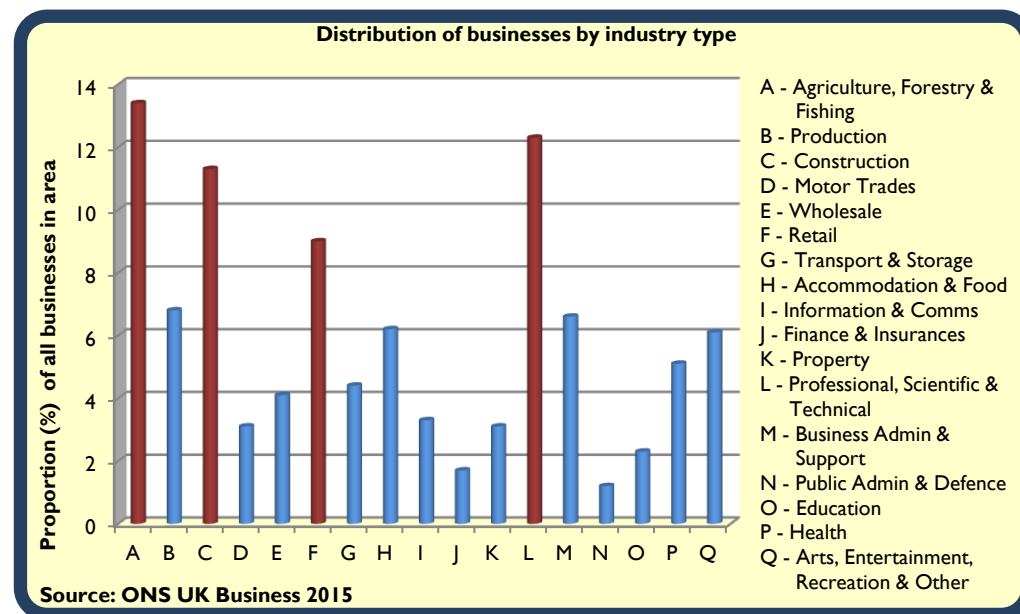
Growth in smaller and mid-sized businesses has been very positive in the area, especially for mid-sized businesses which are increasing at a rate above that of the England average. However, in the East Riding, there have recently been a reducing number of larger businesses against the England average.

According to the ONS, there has been a significant increase in the number of new enterprise births in the East Riding in recent years, with around a third more enterprising starting up in 2014, compared with 2012.

Additionally, the number of enterprises that have closed over the same period has fallen by around a seventh. As these are often seen as key measures of economic growth and job creation, this is good news for the East Riding.

Indeed, the job density in the East Riding (or the number of jobs per working age person) has grown by over a fifth since 2000, and is around 6.5 jobs per working age person. It does, however, remain below averages for both nationally (at around 0.74 jobs per working age person) and regionally (at around 0.8 jobs per working age person).

The chart below shows the distribution of businesses across the various industries in the East Riding, highlighting the peaks for business numbers. These peaks are in Agriculture, Forestry and Fishing (which accounts for just over a seventh of all businesses in the East Riding), Construction (around a ninth), Retail (around an eleventh) and Professional, Scientific and Technical (just over an eighth).



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.

THEME FOUR: BENEFITS

With unemployment rates low in the East Riding and the lower than average number of people claiming benefits, it is easy to think that benefits is not an area to be too concerned about.

However, with over a third of all advice queries concerning benefits, the majority of which also include elements of debt and/or housing, it is clearly an issue for many people in the area.

Although the benefits claimant numbers are reducing, the amount spent on benefits in the East Riding is actually increasing above the national and regional averages. This is largely due to the higher numbers of retirees and people with long term illnesses and/or disabilities in the area.

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 recently this number has 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 jobseeker's allowance or housing benefit.

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 the some of the main benefits available:

Jobseeker's Allowance (JSA) is paid to people currently out of work to support them whilst they seek employment. It can be either contribution-based or income-based.

Income Support (IS) is paid to people on a low income to help with living costs, rent and Council Tax.

Housing Benefit (HB) is paid to people to help them pay their rent. It is usually paid to recipients of other benefits, such as JSA or IS.

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.

Incapacity Benefit (IB) has largely been replaced by the **Employment and Support Allowance (ESA)**, though IB may still be claimed on

grounds of disability. It is paid to support people who cannot work through illness and/or disability, and who are not getting statutory sick pay, to support them to recover and be able to work again.

Working Tax Credit (WTC), Child Tax Credit (CTC) and Pension Credit (PC) are benefits paid to people 'top up' their income, depending on if they are working, have children 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.

Universal Credit was introduced in the East Riding in January 2016 and replaces JSA (income-based), HB, WTC, CTC, ESA (income-based) and IS.

The rollout of universal credit has been slow and, for some time yet, low numbers of residents will claim it, whilst the majority of residents remain on the existing individual benefit described above.

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

As the table below shows, these welfare reforms have had a substantial impact, either in terms of the numbers the changes have affected, or by the amount of loss to their weekly income.

Recent welfare reforms and their impact, both nationally and locally

Date	Change	National Impact		East Riding Impact	
		Number Affected	Average Weekly Loss	Number Affected	Average Weekly Loss
October 2013	New JSA and ESA sanction schemes	Potentially all claimants	Full amount of benefit for up to 4 weeks (ESA) and 13 weeks, 26 weeks or 3 years (JSA)	Data not held locally	N/A
April 2013	Under-occupancy penalty ('bedroom tax')	480,000	£15 per week	1,199	£12.50 per week
April 2013	LHA uprating capped at CPI rather than rents	1.4 million	£6 per week	10,489	£6 per week
April 2013	Benefits increased by 1% rather than CPI inflation (for next 3 years)	9.6 million	£3 per week	Data not held locally	N/A
April 2013	Council Tax Benefit replaced with local Council Tax Support schemes	2.34 million	£3 per week	12,759	£4.47 per week
April 2013	Overall benefit cap (£350 for singles, £500 for others)	46,000	£68 per week	31 (applied in ER - 1 July 2013)	£62.07 per week
April 2013	Abolition of crisis loans	1.5 million	£58 (one off)	2,970	£93 (one off)
April 2014	LHA uprating capped at 1% rather than CPI (for 2 years)	1.4 million	Not published by DWP	10,259	N/A

In the East Riding, almost 1,200 households (0.8% of the ER household population*) have had their weekly benefits reduced by an average of £12.50 through the introduction of the under-occupancy penalty (often referred to as a ‘bedroom tax’).

The Local Housing Allowance (LHA) had, before 2013, been paid depending on the average local rent for an area, with its upper limits set and increased based on the increases to local rent over time.

In 2013, the LHA’s upper limit cap was increased based on the increase to the Consumer Price Index (CPI) rather than rental value. This negatively affected almost 10,500 East Riding residents (over 7% of the ER household population*). Each household lost an average of £6 per week from their benefits.

Although the DWP have not disclosed figures on the financial impact of this change, Shelter estimated that this would mean an average additional weekly loss of around £3 per household, per year.

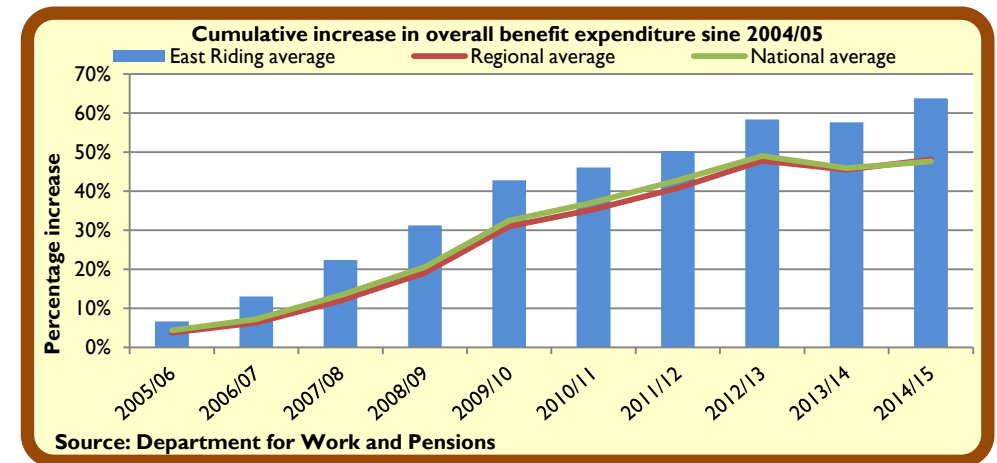
The replacement of Council Tax Benefit with a locally delivered Council Tax Support scheme reduced around 12,750 East Riding residents’ (8.9% of the ER household population*) weekly benefits by an average £4.47.

Whilst some of these amounts may seem small, for households on a very low income, this can make a substantial impact on their ability to pay for everyday essentials, such as rent, food and heating. This is especially true for households who will have been impacted by more than one of these changes.

Benefit Expenditure

Benefit expenditure is the amount of money provided in benefits payment to residents of a given area through state delivered benefits, such as those described above.

Although the level of benefits claimants in the East Riding is low, and allowing for the reduction in many benefits through the welfare reform, the overall benefit expenditure has continued to increase, as it has for more than the last ten years. For the East Riding, this increase in overall benefit expenditure has been steeper than that of both the national and regional averages.

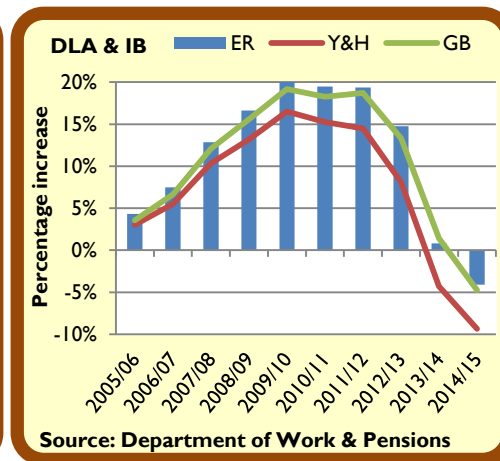
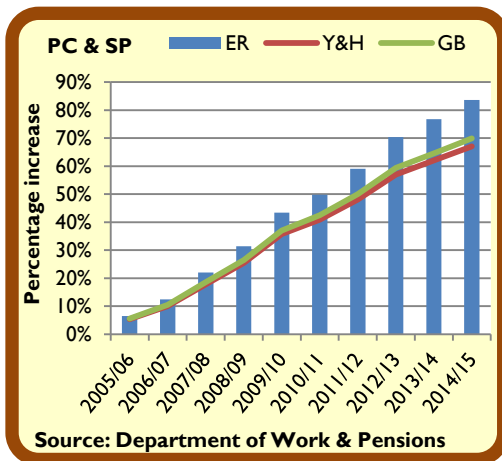
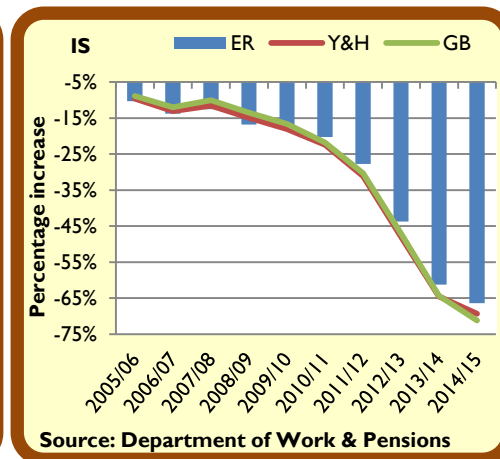
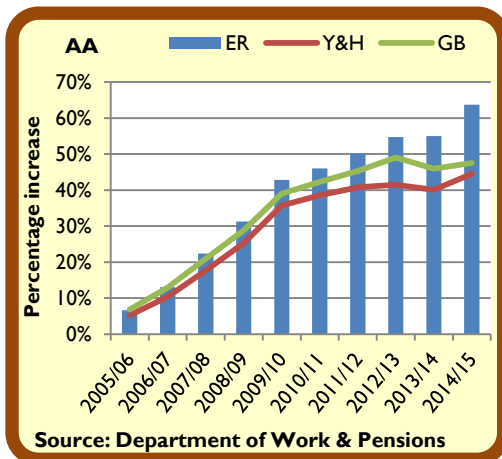
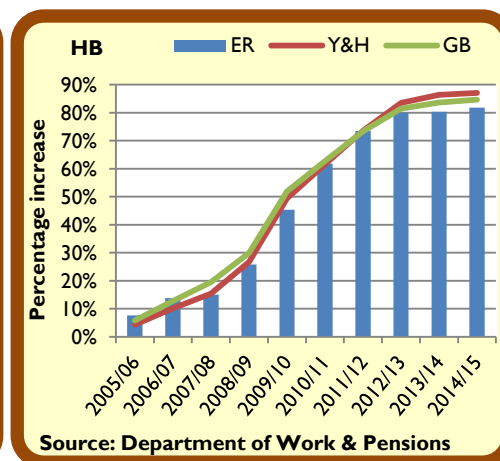
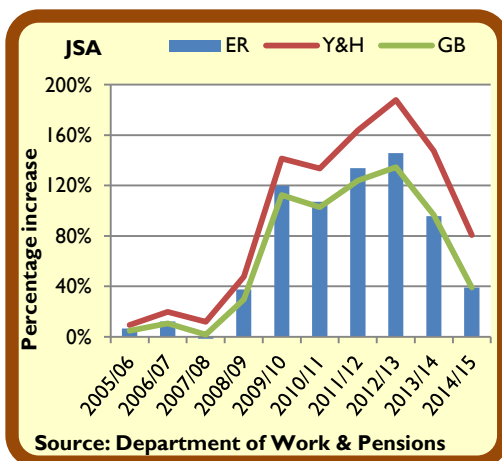


By 2014/15, the expenditure on benefits in the East Riding had increased by almost two thirds from a 2004/05 baseline, compared with increases of less than half for both the region and nationally. This steeper increase is predicted to continue in the future.

To understand why this is the case; it is important to look at the changes in expenditure to the key individual benefits and to understand what these changes mean for the local population.

The charts on the next page look at the change in expenditure for the key benefits in the East Riding.

These show that for housing benefits and income support, the changes have been largely in line with national and regional changes and, in recent years, even better.



Similarly, for disability living allowance, now personal independence payments, 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 the 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.

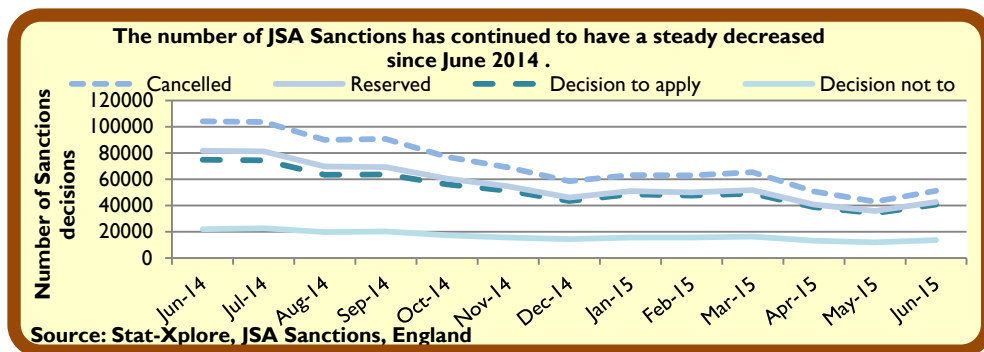
This, perhaps, is not surprising, given the high numbers of retirees in the area. However, it is important to note that both attendance allowance and pension credit are paid to those whose pension and/or savings are not enough to live on and who have specific care needs. These people are also, following 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



However, as the chart above shows, 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 benefits following a mandatory reassessment has also declined recently, it has been much slower.

This also remains one of the top reasons, along with JSA sanctions, why people seek support from the Citizens Advice Bureau. Citizens Advice figures show that between 80-85% of all sanction and PIP reassessment decisions that the CAB 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 CAB deal with.

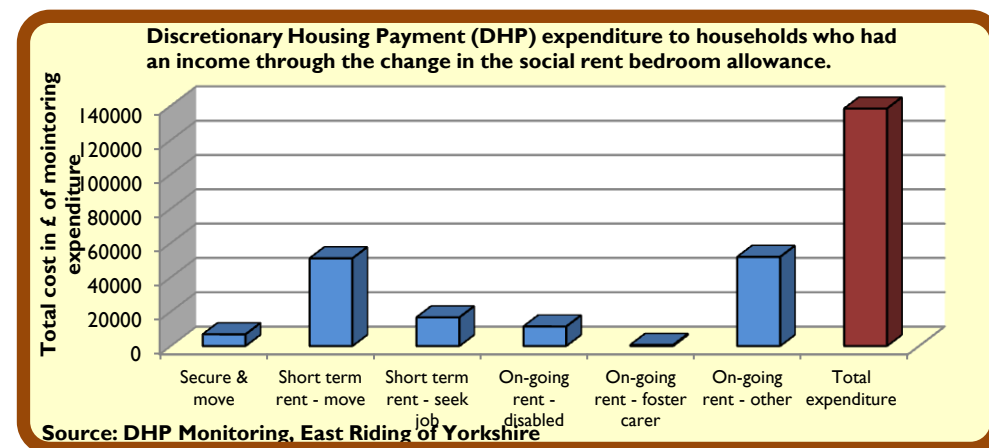
Local Support

Support for people who may be struggling is also available from the local authority, such as through the Local Welfare Assistance scheme.

In 2014/15, 1,675 emergency loan applications were received, of which 1,018 were awarded to a value of £92,267. 780 support applications were also received in the same period, of which 387 were awarded to a value of £191,402. This is less than has been granted in previous years.

Whilst lower than in other, more densely populated and/or with higher levels of deprivation, significant expenditure is still being spent on support like this. This is also the case with discretionary housing payments to support households who have had an income loss through the change in the social rent bedroom allowance.

The chart below shows the level of expenditure, over £120,000 in 2014/15, and how this is apportioned by the reason for the support. On average, households affected by this cap on benefits, needed support of more than £1,000.



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 worst 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 not so devolved.

Council services are well spread with local service points and future development is towards online service which aims to will improve access in areas where wifi/3G/4G is available. This can be an issue in some areas of the East Riding.

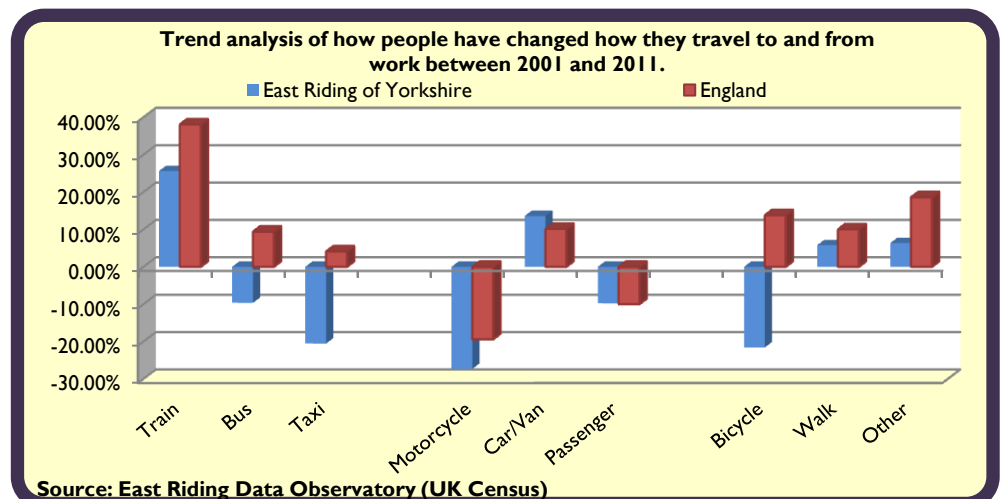
All households, no matter their income or whether they are in debt or not, rely on various local and national services, such as transport, schools, GPs and other healthcare providers, banking and credit, food and essential shopping, council services, etc.

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.

As the chart below shows, for England as a whole, the numbers using public transport, free methods (such as walking or bicycles) or other means to get to and from work have all increased, train users significantly (by over a third).

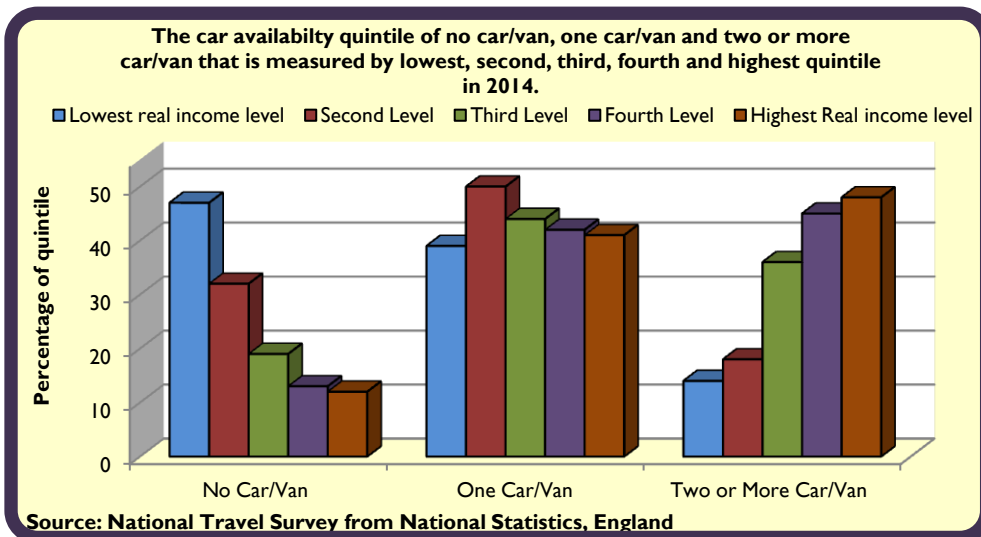


In the East Riding, however, the numbers using buses, taxis and bicycles have all decreased, taxis and bicycles significantly (by around a quarter each). For the other methods, the increases in the East Riding have not been as significant as England as a whole.

Motorcycle use for work travel has declined for both, though more steeply in the East Riding, and travelling as passengers in other's vehicles has declined similarly for both areas. The use of cars or vans, however, has increased in both areas, though slightly more so in the East Riding.

Reasons behind these changes will vary from person to person. Anecdotal evidence from various surveys suggest that the main causal factors are road condition, cost and ease of use for public transport, the cost of running a vehicle (especially for younger users in the case of motorcycles) and changes in the distances to work.

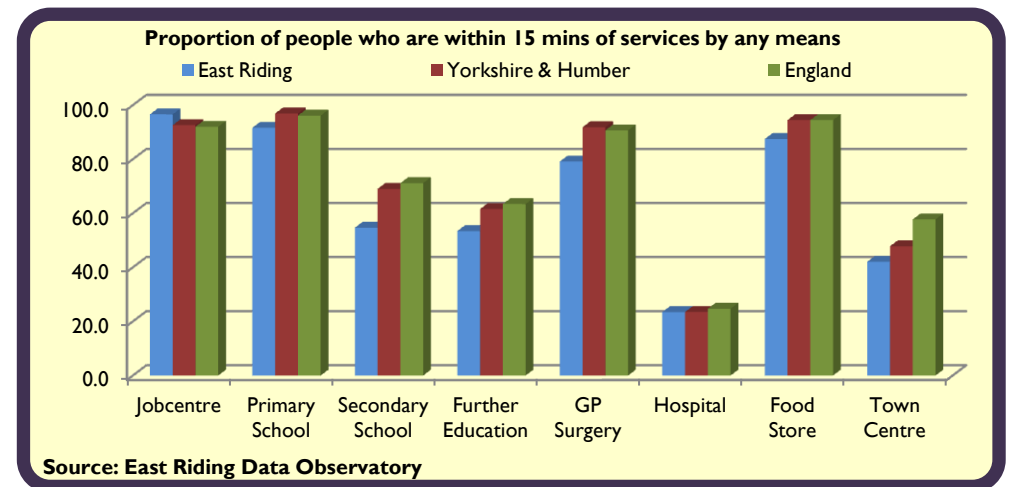
As Theme 1: Money above shows, income in real terms has fallen for all but pensioners due to costs rising faster than actual income. In the last ten years, actual disposable household income has risen on average in the UK by around a third, whilst rail and bus prices over the same period have increased by almost two thirds.



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.

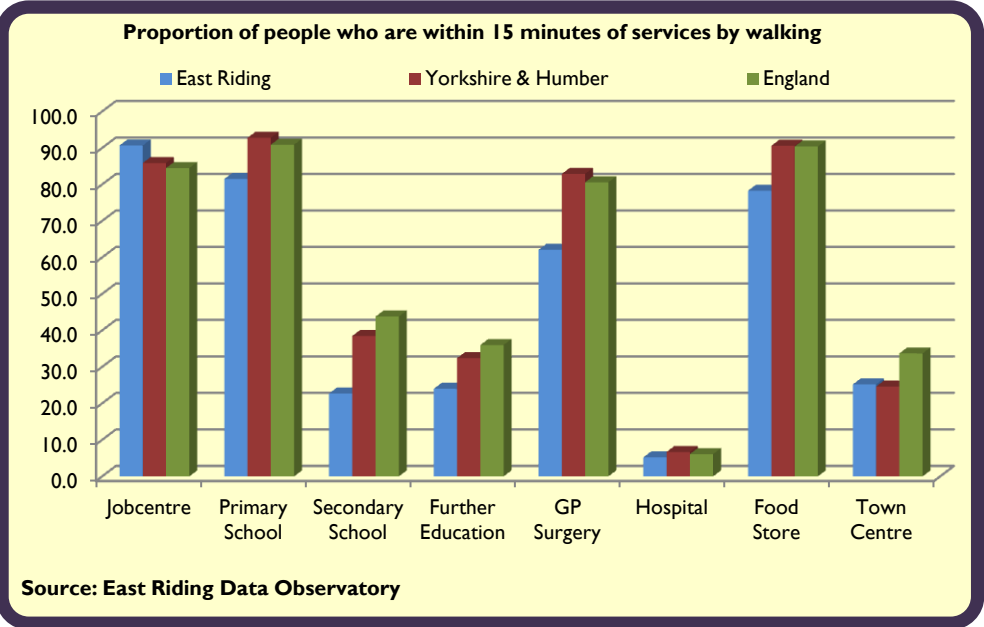
Access to Services

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 dependents, 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.



For jobcentre and hospital access, the drop in 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, a twentieth 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 an eighth more likely. For secondary schools, an East Riding resident is around a third more likely, rising to almost twice as likely if walking.

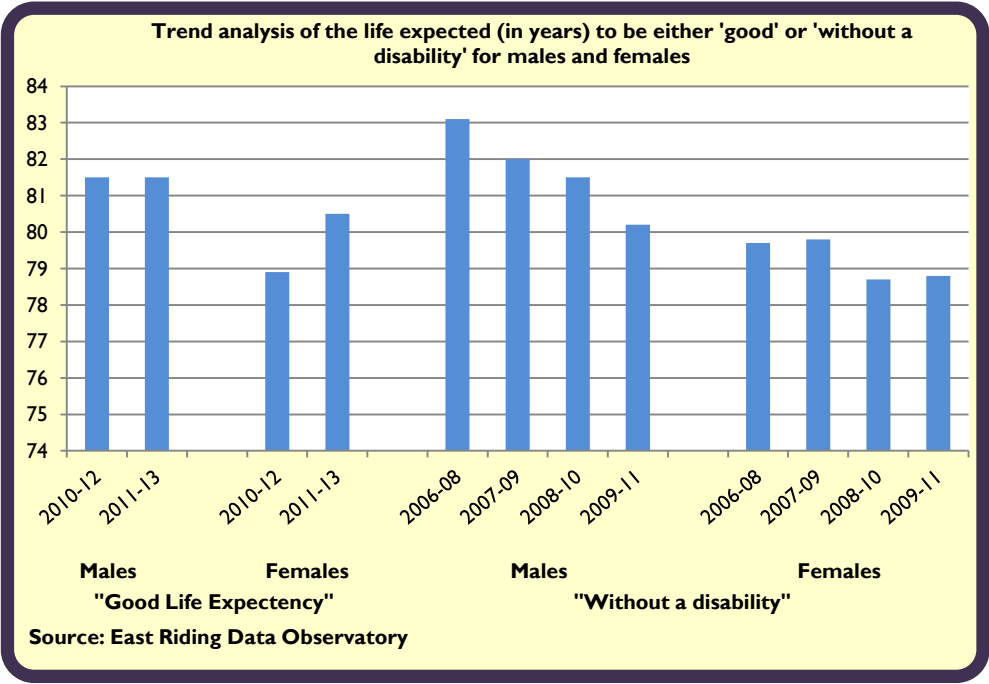
Further education likelihood rises from around a fifth to half as likely in the East Riding. Whilst accessing a GP practice rises from a seventh more likely in the East Riding, to around a third more likely.

Access to food services has the smallest gap, with residents in the East Riding being around a twelfth more likely to have to travel more than 15 minutes by any means, rising to around a sixth 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.

Health Outcomes

On the whole, health outcomes in the East Riding are good, with the life expectancy of both men and women in the East Riding to have 'good' health and/or to be 'without a disability' above both the Yorkshire and Humber and the England averages. However, the age to which men in the East Riding can expect to live without a disability has declined steadily over the years and has now dropped below the England average.



Access to health services in the East Riding, travel issues excluded, is 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.

Additionally, in the more deprived parts of the area, the life expectancy drops by up to 6.1 years for men and 4.5 years for women.

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 denied them. This could include not benefits from cheaper rates due to not having direct debit availability on their account, not benefiting from online comparisons and searches due to not having internet access or the knowledge to use these options, not being able to access affordable credit and having to pay much higher interest (if they can access credit at all).

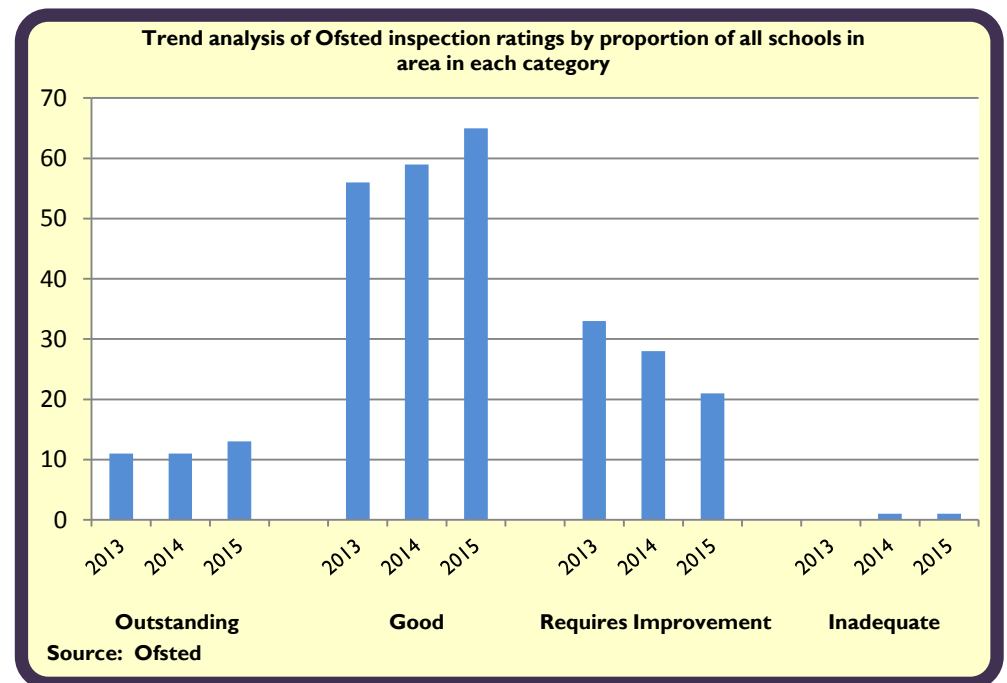
These households pay what is called the 'Poverty Premium' due to them not benefiting from the various money-saving options many people take for granted. The poverty premium is, estimated by many leading experts

(such as Citizens Advice, Joseph Rowntree Foundation, etc), to be between £1,000 and £1,200 per year and is concentrated in those households with the lowest incomes.

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.

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.

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.

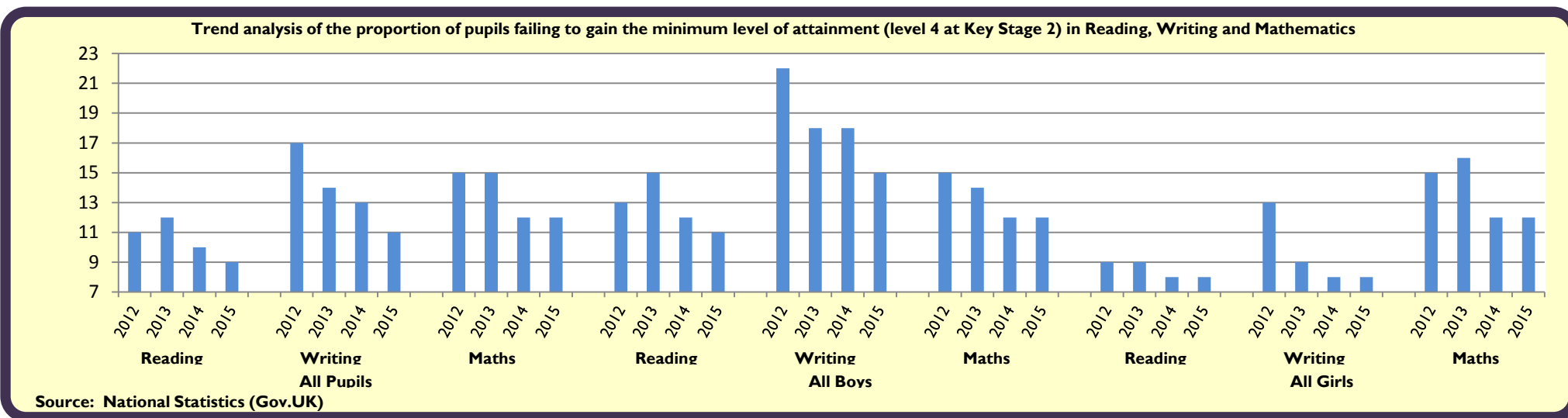
When trends are also compared for Special Educational Needs (SEN), Free School Meals (FSM) and broken down by ethnicity, this attainment picture is not much different to the national averages. The gaps in

attainment 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 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 of £300 pa
- 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 than they were a few years ago

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

- More likely to be from a fuel poor household and be paying an average fuel poverty premium of £400 pa
- 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) and could be paying as much between £800 and £1,300 pa more for their fuel (depending on their home's energy efficiency)
- If have children, more likely to be claiming housing benefits and have to pay extra costs to access services

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

These include:

- Fuel Poverty – especially for single people and in rural locations, higher costs for fuel (fuel poverty premium)
- Financial Inclusion – fuel poverty caused by prepaid meter use, not having access to online/direct debit opportunities or paying more for access to services
- 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
- Youth unemployment – whilst not high numbers, the trend could become worse and lead to higher prevalence of other related issues if not addressed
- Health outcomes – addressing the imbalance of lower health life expectation amongst men and in areas of low income and high poverty
- Low income – rising number of zero hour contracts, hourly pay gaps between male/female and full/part time workers and rising levels of absolute poverty

THE WAY FORWARD

It is intended that this needs analysis will be used to work with key partners from the East Riding Financial Inclusion Forum to identify specific interventions that would likely have an impact on the issues in the East Riding.

In some cases, this is not information that was not already known by those who support residents with these sorts of the issues. It is intended, however, to support those who deal with issues under individual themes to better understand how residents' issues may be linked to others and what that could mean in terms of potential future demand for advice and support.

Building on the key issues already identified above, there are already a number of potential projects that could be developed, such as:

- ***Working with working age single people to identify ways to increase their income – this could be through a variety of ways, such as increasing benefit take-up amongst those not already claiming and who are eligible, building skills and confidence through volunteering experiences, increasing employability through training and work placements, supporting young single parents into work through crèche and playground placements, etc***
- ***Supporting initiatives identified through the East Riding Affordable Warmth Strategy by linking their work to other key areas of work, such as financial inclusion, homelessness, health and wellbeing, to add strength and relevance to potential bids***
- ***Working with families to help them build skills and knowledge around budgeting, shopping around, benefits of online deals and other financial capability issues***

- ***Working with households with high levels of debt to reduce the likelihood of future debt through education and training on money management, etc***
- ***Work with community transport providers to identify potential gaps in current provision that is causing potential debt issues for households – an example of this recently identified through the East Riding Community Covenant is that families at Leconfield with children at secondary school are paying, in some cases, as much as £150 per month to send their children to school***

These are just some examples of the potential projects that could be developed to support residents currently struggling with the issues highlighted above and, potentially, reduce the future demand for costly debt advice.

The East Riding Inclusion Forum will be tasked with identifying other potential projects, developing business cases for them and, working with the Council's External Funding Team, attempting to draw down external funding to put them in place. In some cases, this will be very targeted projects aimed at small sections of the East Riding population, and in others, may be more generic (though possibly geographically based or piloted in an area to test effectiveness).

It is intended that all of this work will be undertaken using Customer Insight to guide project development, especially supporting the group identify where potential project beneficiaries are and how best to engage with them.

All of the work will link in with the new East Riding Financial Inclusion Strategy, when launched in 2017, with an update report produced in the Summer of that year.

LINKS TO KEY STRATEGIES AND TEAMS

CUSTOMER INSIGHT

The use of Customer Insight will be key in helping to develop the intervention projects, as it has been helpful in identifying these issues through this needs analysis.

It will be crucial to the potential success of these projects to fully understand the various resident groups that each project will target and how to best access them.

The working group will work closely with the Council's Intelligence Team to ensure that Customer Insight is used as fully as possible to support the success of all the intervention projects.

Additionally, the Intelligence Team will be using Customer Insight to help develop future advice services and improve client access to them. This is intended to both help reduce the costs of these services and make them more efficient, but also help improve resident access and the client journey for those who need advice most.

EAST RIDING FINANCIAL INCLUSION STRATEGY AND FORUM

The successor East Riding Financial Inclusion Strategy is currently being developed and this needs analysis will play a vital role on that process.

The forum currently numbers over 250 local and regional partners with an expertise and interest in debt and financial exclusion/capability issues. It is from this pool that a working group will be created to identify and develop potential intervention projects.

It is clear that many of the issues that have been identified in this needs analysis are linked directly to financial inclusion issues, whether related to

income generation, advice and support needs, the financial capability to make appropriate decisions, access to cheaper options, fuel poverty, etc.

The new strategy, when launched in 2017, will seek to address these issues and propose ways of working that will, potentially, minimise future risk.

AFFORDABLE WARMTH STRATEGY

Fuel poverty and energy efficiency are clearly identified as causal factors that can lead to debt and future advice needs.

The new Affordable Warmth Strategy 2015 aims to address many of these issues through a range of supportive and preventative projects. This is clearly linked to both this needs analysis and the successor East Riding Financial Inclusion Strategy currently being developed.

WELFARE REFORM BOARD

The newly established Welfare Reform Board aims to look at the future delivery of advice and information services, both internal and commissioned.

This needs analysis will help inform that work, and future development, as the interventions initiated through it hopefully reduce future need.

OTHER STRATEGY LINKS

- East Riding Homelessness Strategy
- East Riding Child Poverty Strategy
- East Riding Rural Strategy
- East Riding Community Plan