

# Welfare Reform & Anti-Poverty.

Identifying areas across the borough of Sefton that may be susceptible to experiencing severe hardship or potential poverty as a result of low or irregular income



# Document Control

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	<b>Name/Title</b>
Author	Gemma Monahan Business Intelligence Officer
Release Authority	

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## Introduction

2012 saw the introduction of the Welfare Reform Act. The Act was introduced to simplify a complex benefit system and a range of other support structures including Working Tax Credits and Housing and Disability Benefits. The Act was built around the need to break the perceived dependency culture on benefits and to encourage and support people back into work. The Act was introduced during a major economic recession which saw cuts in Public Sector funding. During the recession there were also substantial increases in the levels of unemployment locally, regionally and nationally and the emergence of the phrase 'the working poor'.

Sefton has a history of strong and effective partnership working, and along with the political drive from Elected Members responded quickly to the impact of welfare reform with key partners from the; voluntary, community and faith sector, Public Sector bodies and the Local Authority. The aim of this Welfare Reform partnership was to reduce the impact to those who had been hit the hardest.

In 2013 a comprehensive plan of action was agreed by partners, which set out the key elements of the act and how locally we would try and help those most vulnerable affected by it. The three year Welfare Reform Action Plan was agreed, owned and delivered by all partners.

The 2013/16 action plan and the impact Welfare Reform has had on Sefton residents has been reviewed and a 'Welfare Reform and Anti-Poverty Action Plan 2016' has been developed, pinpointing the impact of further changes to Sefton residents identifying the following key objectives:

<b>Objective 1</b>	<b>To develop a sustainable approach to emergency support and crisis intervention through a partnership approach</b>
<b>Objective 2</b>	<b>To take a proactive approach to helping those already in welfare system to get out of the welfare system</b>
<b>Objective 3</b>	<b>To build resilience in the wider population to prevent problems from arising and stimulate very early action work</b>
<b>Objective 4</b>	<b>To have an active role in the development of Multi-Agency Teams through the Early Intervention and Prevention agenda*</b>
<b>Objective 5</b>	<b>Co-ordinate training, data and communication and work to a set of agreed principles across the partnership</b>
<b>Objective 6</b>	<b>Develop digital and online methods of information, assessment and support*</b>

Identifying target groups and populations most effected (by utilising data more effectively and securely between partner agencies) is a fundamental element to the

successful delivery of the 2016 Welfare Reform and Anti-Poverty Action Plan and its associated objectives.

From analysis of intelligence gathered over the 2013-16 period, and consultation with key partner agencies, a number of groups who had been affected by Welfare Reform and those experiencing hardship were identified. These included care leavers, young people not in employment, education or training, low income single parents and families with dependent children, people with a disability, certain ethnic minorities, workless individuals, families or households, those in low paid employment, pensioners with low income, those who are socially isolated, homeless and those on the edge of homelessness.

The next task is to establish location insight and to identify geographic populations that may be at risk of experience severe hardship or potential poverty as a result of low or irregular income.

This report uses a range of available data sources to identify geographic areas across the borough with households below average income (and people with low / irregular income levels) where targeted support appears to be most needed. The intelligence will provide the evidence to support intervention strategies and key decisions about where limited resources and co-ordinated multi-agency efforts should be focussed in order to develop resilient and sustainable local communities.

## Research Methodology

On the 28<sup>th</sup> June 2016 the Department for Works & Pensions publishes a statistical summary of the 'Households Below Average Income: An analysis of the UK income distribution - 1994/95-2014/15.'

The Households Below Average Income (HBAI) report presents information on living standards in the UK based on household income measures for the 2014/15 financial year. Estimates are provided for average incomes, and for the number and percentage of people living in low income households. The main stories from this report are:

- The majority of household income in the UK comes from either earnings or state support. There is a clear pattern of higher income households receiving more of their income from earnings, and lower income households more of their income from state support.
- Average (median) incomes have increased to levels above those observed before the 2008/09 UK economic recession for the first time, and are at historic highs. In 2014/15 the average (median) real terms household income before housing costs (BHC) increased to £473 per week (around £24,700 per year). Average household income with housing costs taken into account (AHC) has also increased to £404 per week.
- The percentage of individuals in relative low income has been broadly stable in recent years at around 16% before housing costs (BHC) and 21% with housing costs taken into account (AHC). *Relative low income sets a threshold as a proportion of the UK average (median) income and moves each year as average income changes. It is used to measure the number and proportion of individuals who have incomes below this threshold (typically 50, 60 or 70% of median).*
- Children are at higher risk of living in absolute low income than the overall UK population.
- Pensioners are at lower risk of living in low income AHC than the overall UK population.

Further qualification of the main stories from the report can be seen below:



households-below-average-income-1994-15

The challenge with this national Households Below Average Income (HBAI) report is that it is not location specific and therefore cannot be used to identify geographic areas across the borough of Sefton with households below average income (and people with low / irregular income levels) where targeted support appears to be most needed.

In order to identify areas in Sefton affected by low or irregular income the Local Authority has used geography level data sourced from a leading consumer

classification system (Experian MOSAIC), national statistical resources and local intelligence. Each of these data sets has been individually mapped and the data sets layered to identify geographic concurrent areas of potential risk.

The following table (Table.1) provides a summary of the data sets that have been used to identify geographic areas across the borough with households below average income (and people with low / irregular income levels) where targeted support appears to be most needed.

Office of National Statistics (ONS) 2015 mid-year population estimate that the resident population of Sefton is 273,700, with more than 1 in 5 people living in Sefton over 65-years-old <http://www.investsefton.com/investment/demographics>.

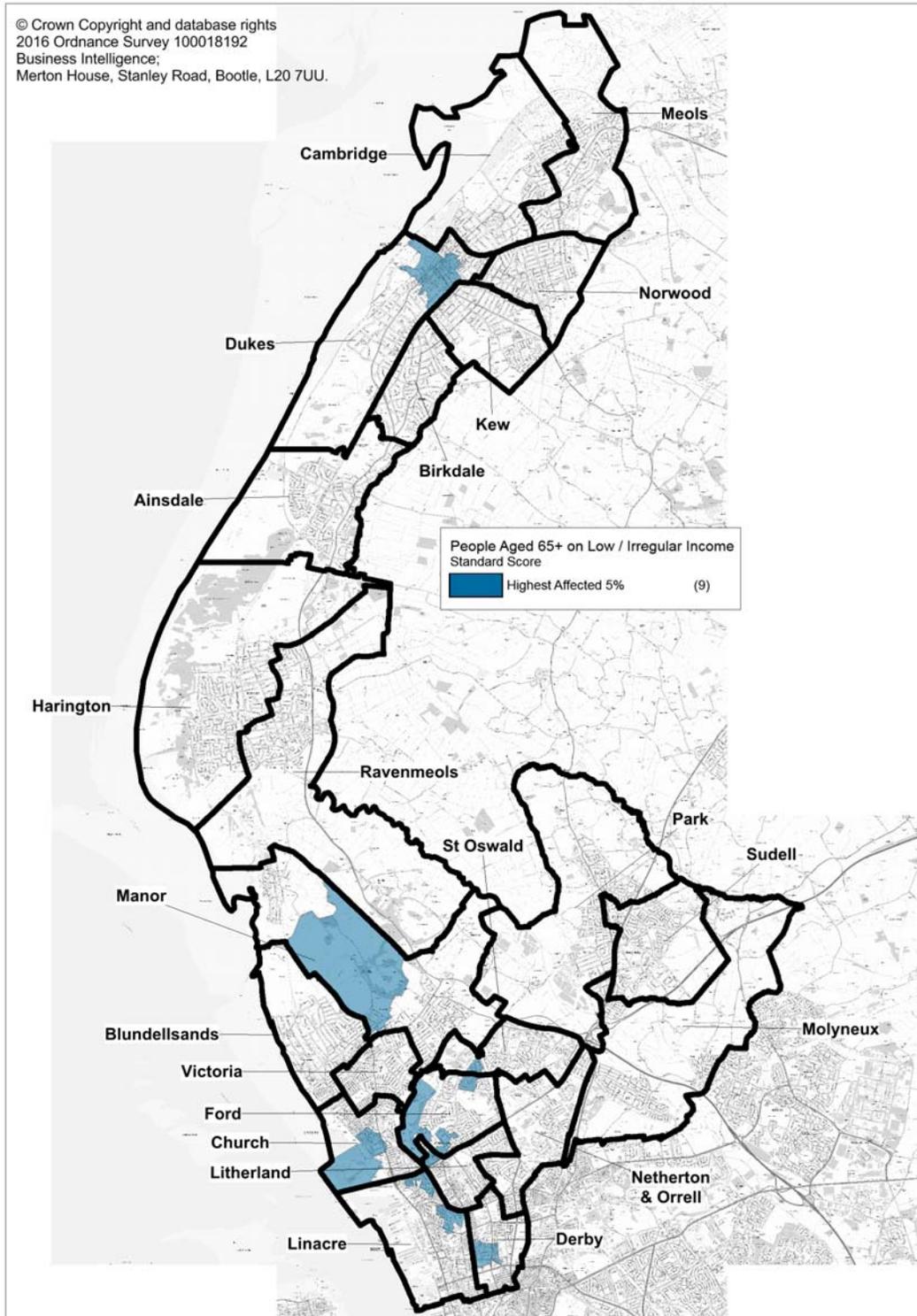
With consideration to the high number of residents over 65-years-old to provide an accurate indication of this diversity and to accurately identify geographic areas across the borough with households below average income the data has been split into two groups to represent potential areas across the borough with households below average income “Older People Households” and “Working Age & Younger people.”

Table.1 Data Sets.		
Data	Older People (65+)	Working Age & Younger People
Experian Mosaic Public Sector Profile	<i>'Solo Retirees'</i>	<i>'Families with Needs'</i>
	<i>'Bungalow Heaven'</i>	<i>'Solid Economy'</i>
	<i>'Seasoned Survivors'</i>	<i>'Low Income Workers'</i>
	<i>'Aided Elderly'</i>	<i>'Streetwise Singles'</i>
	<i>'Pocket Pensions'</i>	<i>'High Rise Residents'</i>
	<i>'Dependent Greys'</i>	<i>'Inner City Stalwarts'</i>
	<i>'Estate Veterans'</i>	
2015 Index of Multiple Deprivation (IMD)	Income Deprivation Affecting Older People	Income Deprivation Affecting Children
DWP Benefits / UK local area labour market data (NOMIS) / Department of Energy & Climate Change	Pension Credits - Feb 16	Emergency Limited Assistance Scheme (ELAS) 3Yr statistics- 2014/15
	State Pensions - Feb 16	Employment Support Allowance - Feb 16
	Fuel Poverty - 2014	Disability Living Allowance (under 16) - Feb 16
		Housing Benefits - May 16
		Income Support - Feb 16
		Job Seekers Allowance - Feb 16

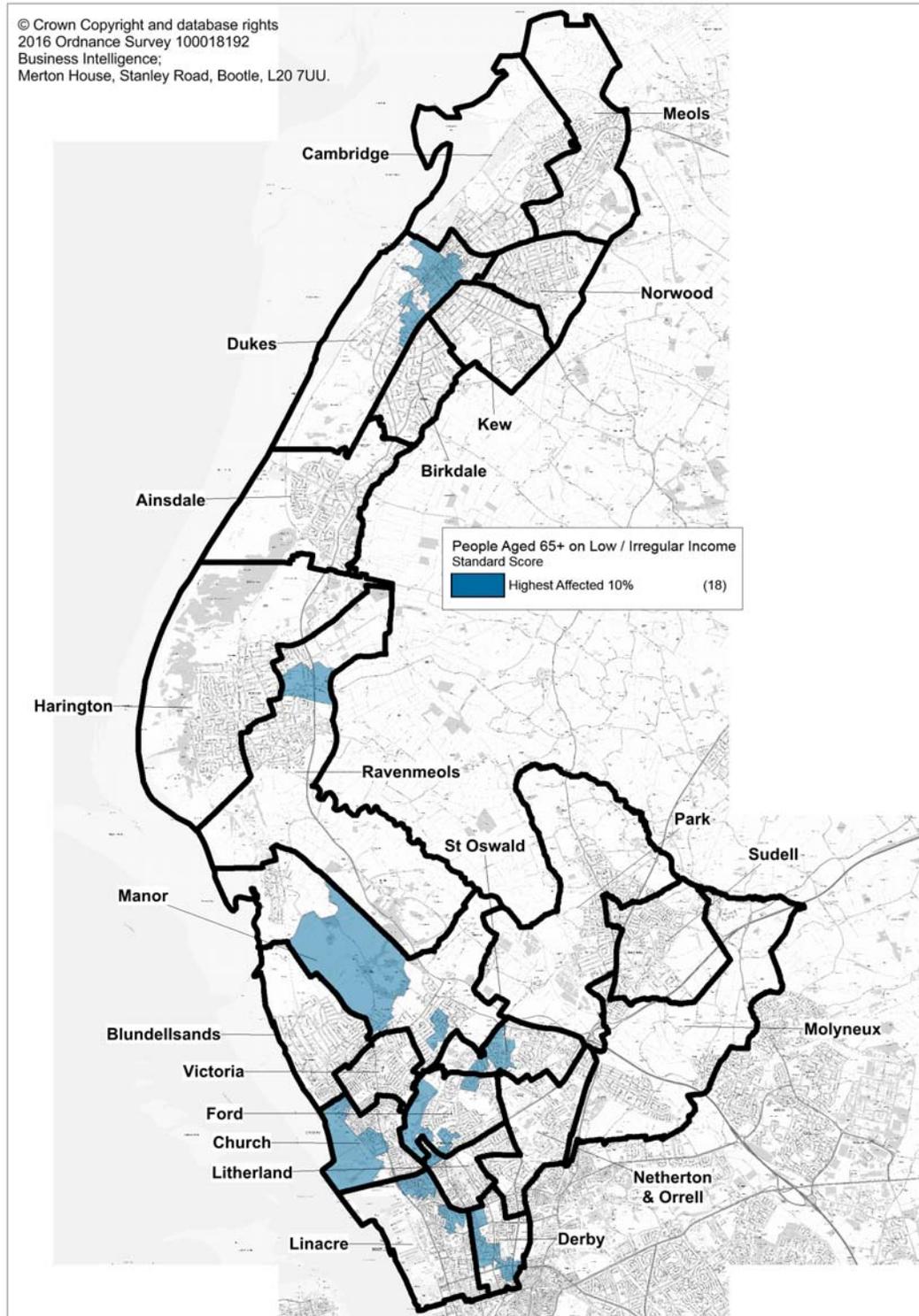
## Identifying households across Sefton with below average income (65+)

Table.2 Number and Percentage of Households in the top 5% / 10% / 15% affected areas							
People Aged 65+	All Households	Highest Affected 5%		Highest Affected 10%		Highest Affected 15%	
		Households	%	Households	%	Households	%
Dukes	6963	1957	28%	2882	41%	2882	41%
Linacre	6299	1347	21%	2028	32%	2824	45%
Cambridge	6307		0%		0%	2554	40%
Derby	6055	880	15%	2272	38%	2272	38%
Manor	4961	611	12%	1200	24%	1720	35%
Ford	6399	1576	25%	1576	25%	1576	25%
St Oswald	5019		0%	965	19%	1576	31%
Ainsdale	5558		0%		0%	1422	26%
Church	5321	790	15%	1373	26%	1373	26%
Litherland	5325		0%		0%	816	15%
Ravenmeols	4369		0%	647	15%	647	15%
Birkdale	5789		0%		0%		0%
Blundellsands	5069		0%		0%		0%
Harington	5850		0%		0%		0%
Kew	5241		0%		0%		0%
Meols	5458		0%		0%		0%
Molyneux	5277		0%		0%		0%
Netherton & Orrell	4874		0%		0%		0%
Norwood	6063		0%		0%		0%
Park	5340		0%		0%		0%
Sudell	4923		0%		0%		0%
Victoria	6126		0%		0%		0%
Total	122586	7161	6%	12943	11%	19662	16%

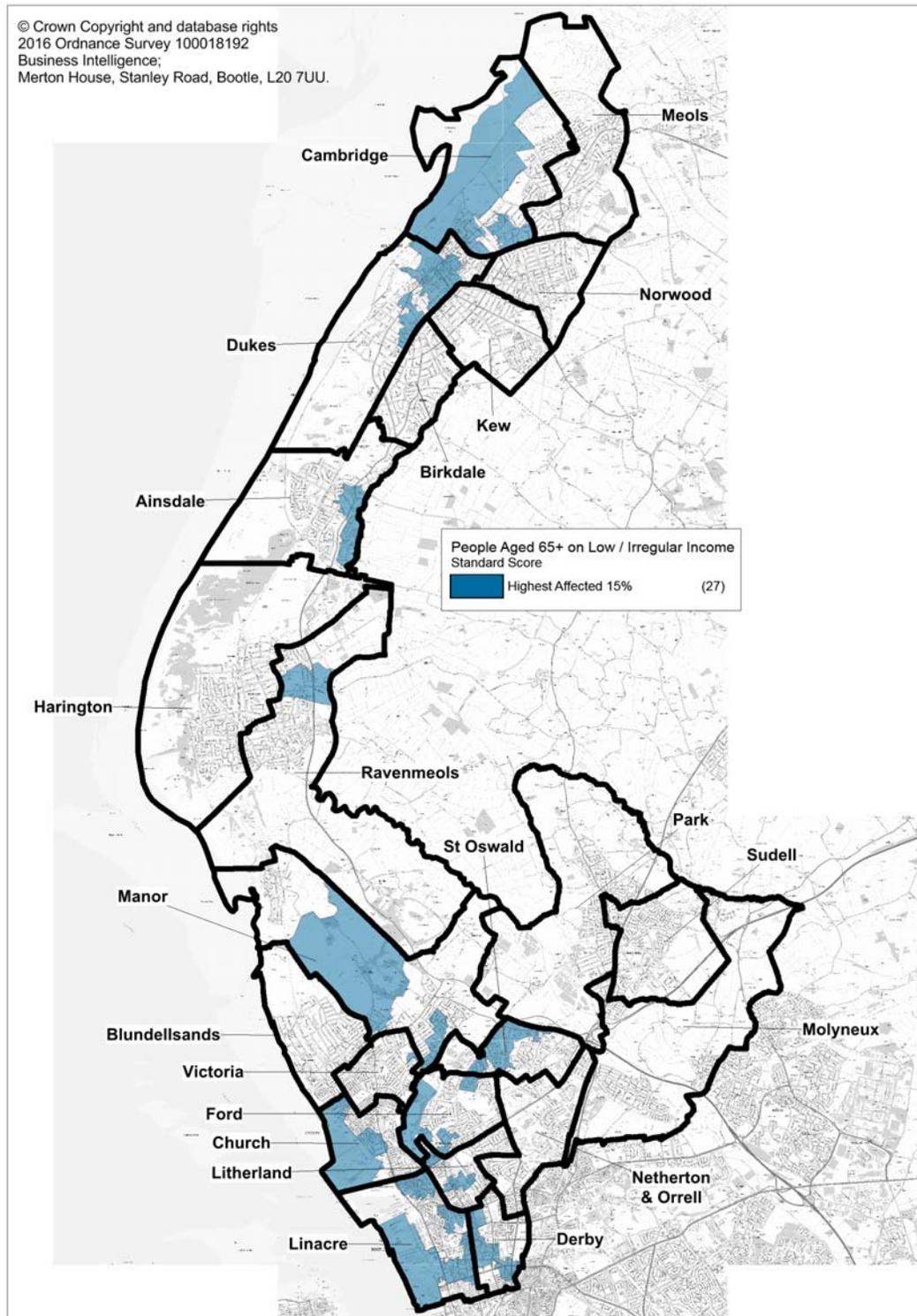
**Map 1: Highest 5% Affected areas across Sefton with below average income (65+)**



**Map 2: Highest 10% Affected areas across Sefton with below average income (65+)**



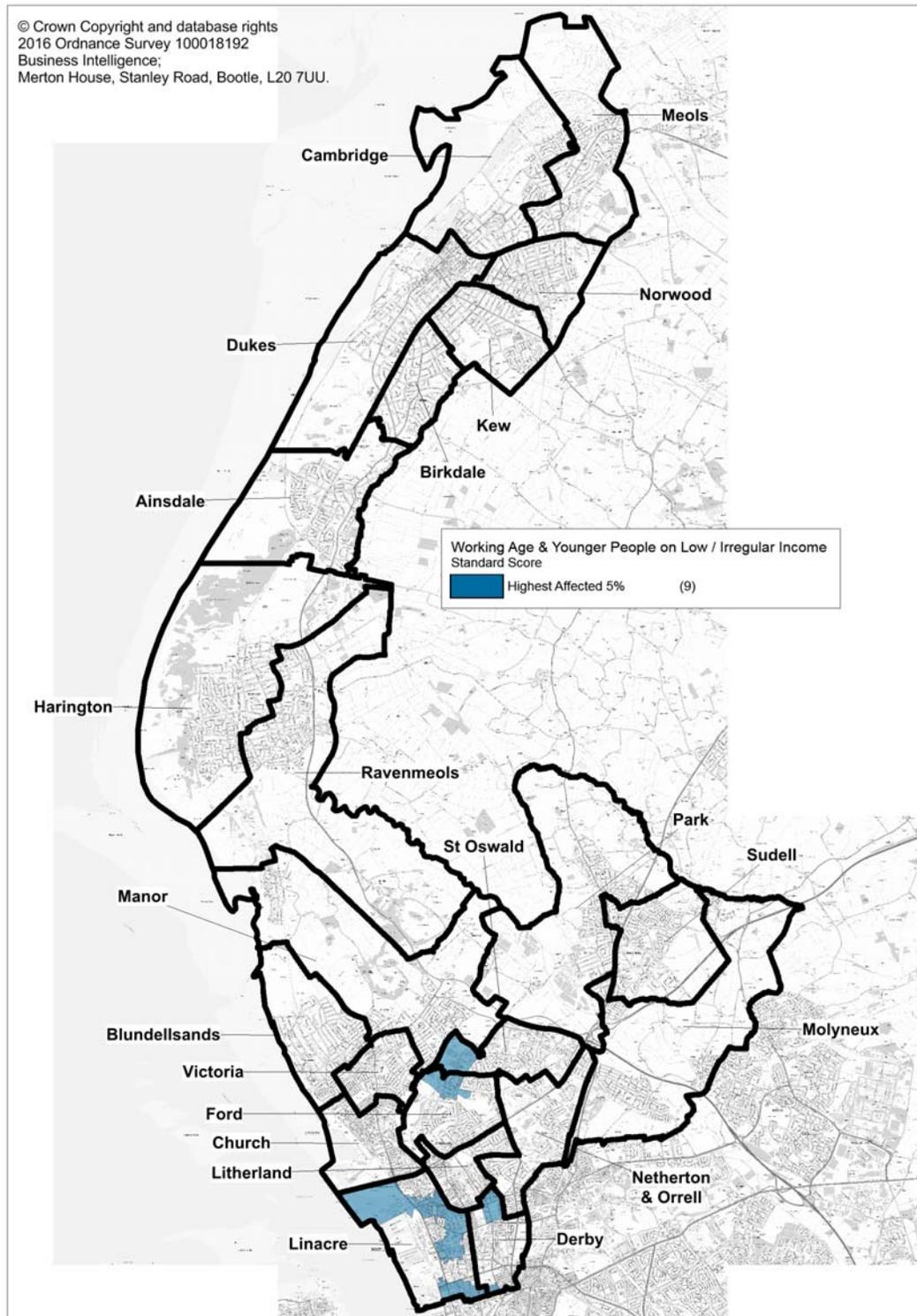
**Map 3: Highest 15% Affected areas across Sefton with below average income (65+)**



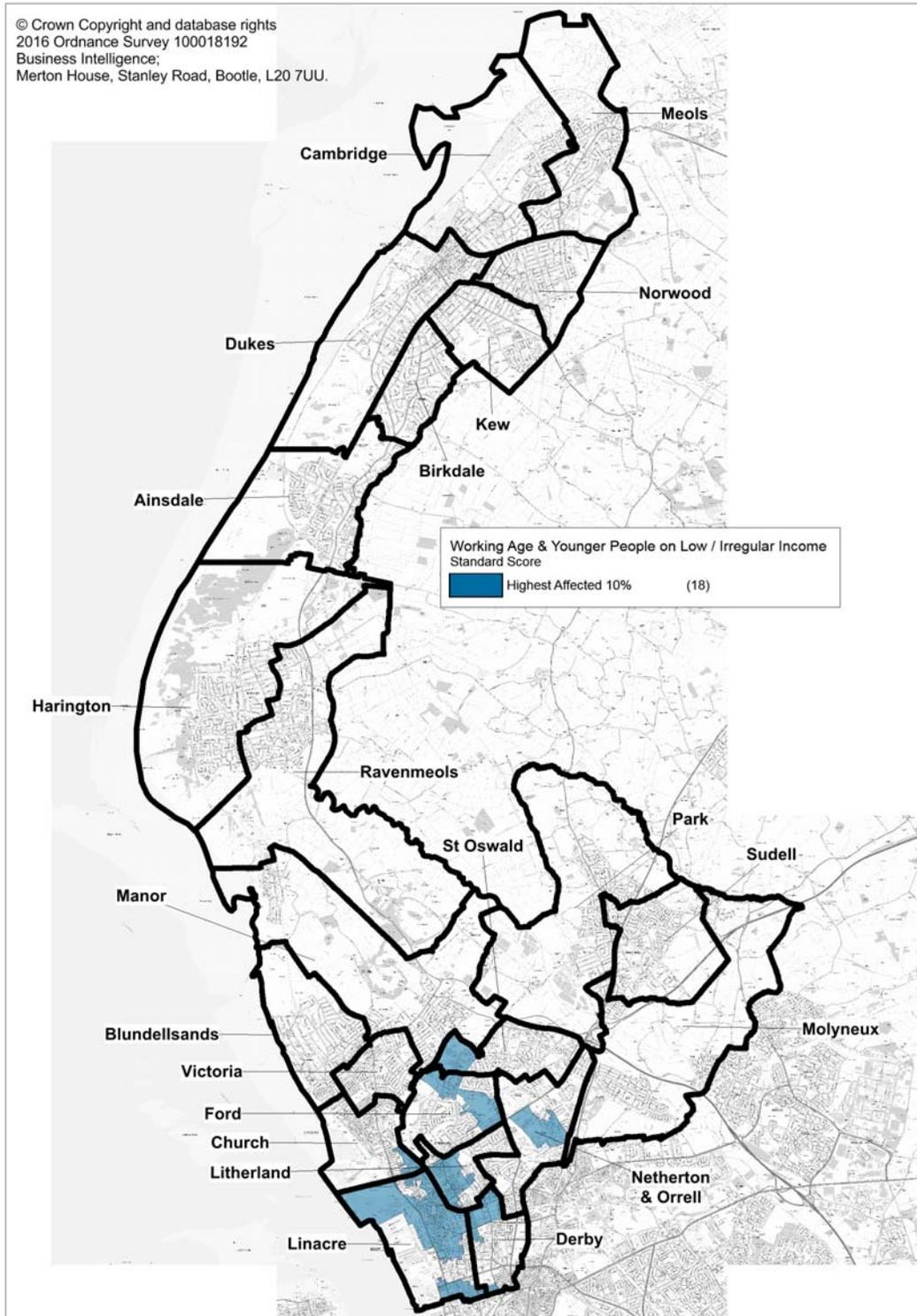
### Identifying households across Sefton with below average income (Working Age & Younger People)

Table 3. Number and Percentage of Households in the top 5% / 10% / 15% affected areas							
Working Age & Younger People	All Households	Highest Affected 5%		Highest Affected 10%		Highest Affected 15%	
		Households	%	Households	%	Households	%
Linacre	6299	3463	55%	4822	77%	6299	100%
Derby	6055	1271	21%	1998	33%	4186	69%
Ford	6399	667	10%	1294	20%	2479	39%
Litherland	5325		0%	2408	45%	2408	45%
St Oswald	5019	363	7%	636	13%	1209	24%
Netherton & Orrell	4874		0%	660	14%	1209	25%
Church	5321		0%	626	12%	626	12%
Ainsdale	5558		0%		0%		0%
Birkdale	5789		0%		0%		0%
Blundellsands	5069		0%		0%		0%
Cambridge	6307		0%		0%		0%
Dukes	6963		0%		0%		0%
Harington	5850		0%		0%		0%
Kew	5241		0%		0%		0%
Manor	4961		0%		0%		0%
Meols	5458		0%		0%		0%
Molyneux	5277		0%		0%		0%
Norwood	6063		0%		0%		0%
Park	5340		0%		0%		0%
Ravenmeols	4369		0%		0%		0%
Sudell	4923		0%		0%		0%
Victoria	6126		0%		0%		0%
<b>Total</b>	<b>122586</b>	<b>5764</b>	<b>5%</b>	<b>12444</b>	<b>10%</b>	<b>18416</b>	<b>15%</b>

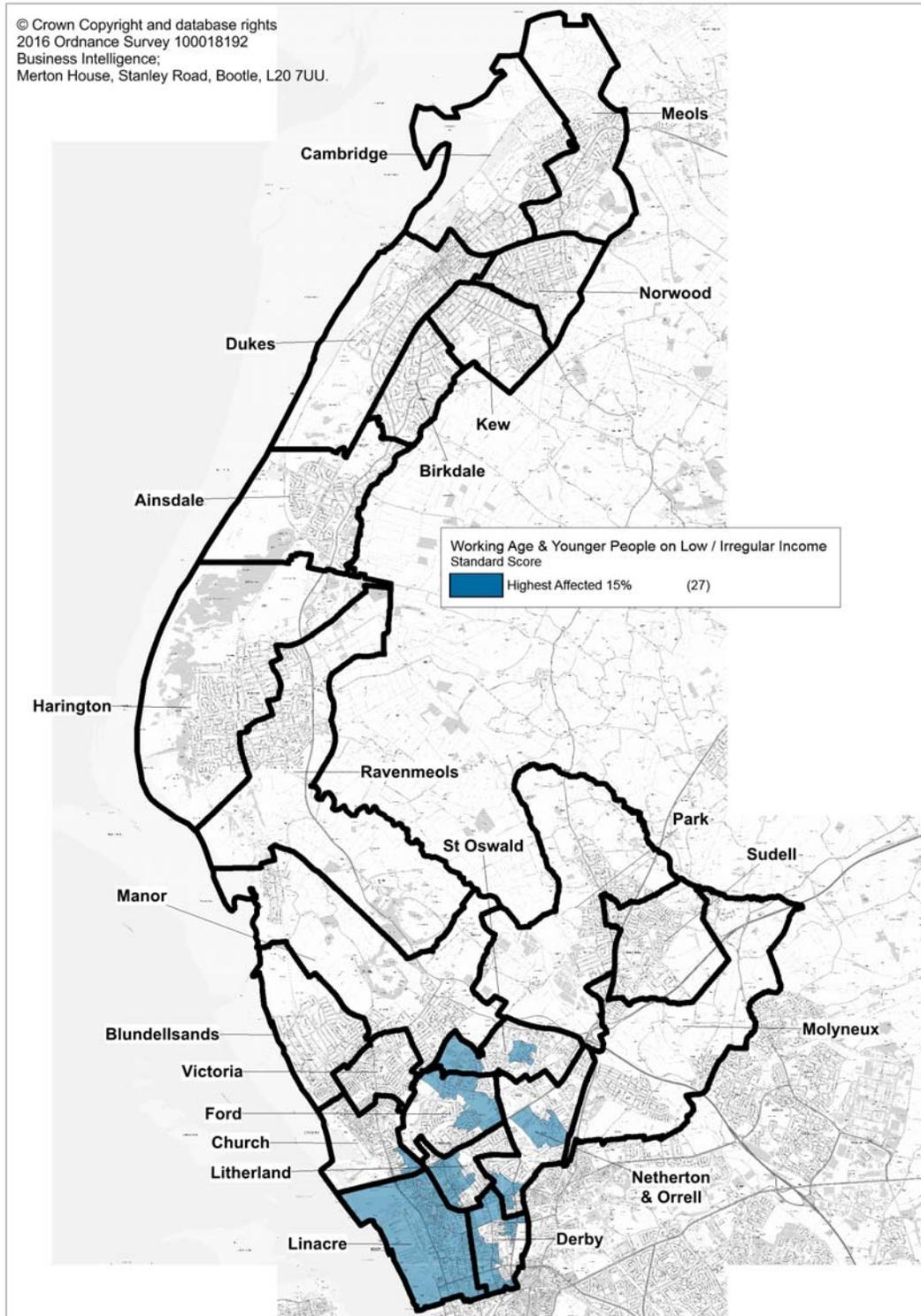
**Map 4: Highest 5% Affected areas across Sefton with below average income (Working Age & Younger People)**



**Map 5: Highest 10% Affected areas across Sefton with below average income (Working Age & Younger People)**



**Map 6: Highest 15% Affected areas across Sefton with below average income (Working Age & Younger People)**



## Appendix.1 Mosaic Customer Segmentation.

The Local Authority has subscribed to using the Experian Mosaic Public Sector customer segmentation system.

Mosaic is a geo-demographic population classification tool used to segment the population according to the type of neighbourhood in which they live. It is constructed from a range of sources including the Census, consumer behaviour, financial data, hospital episode statistics (HES) and lifestyle factor data. It is a useful tool for gaining more in-depth insight into the behaviour and beliefs of the population.

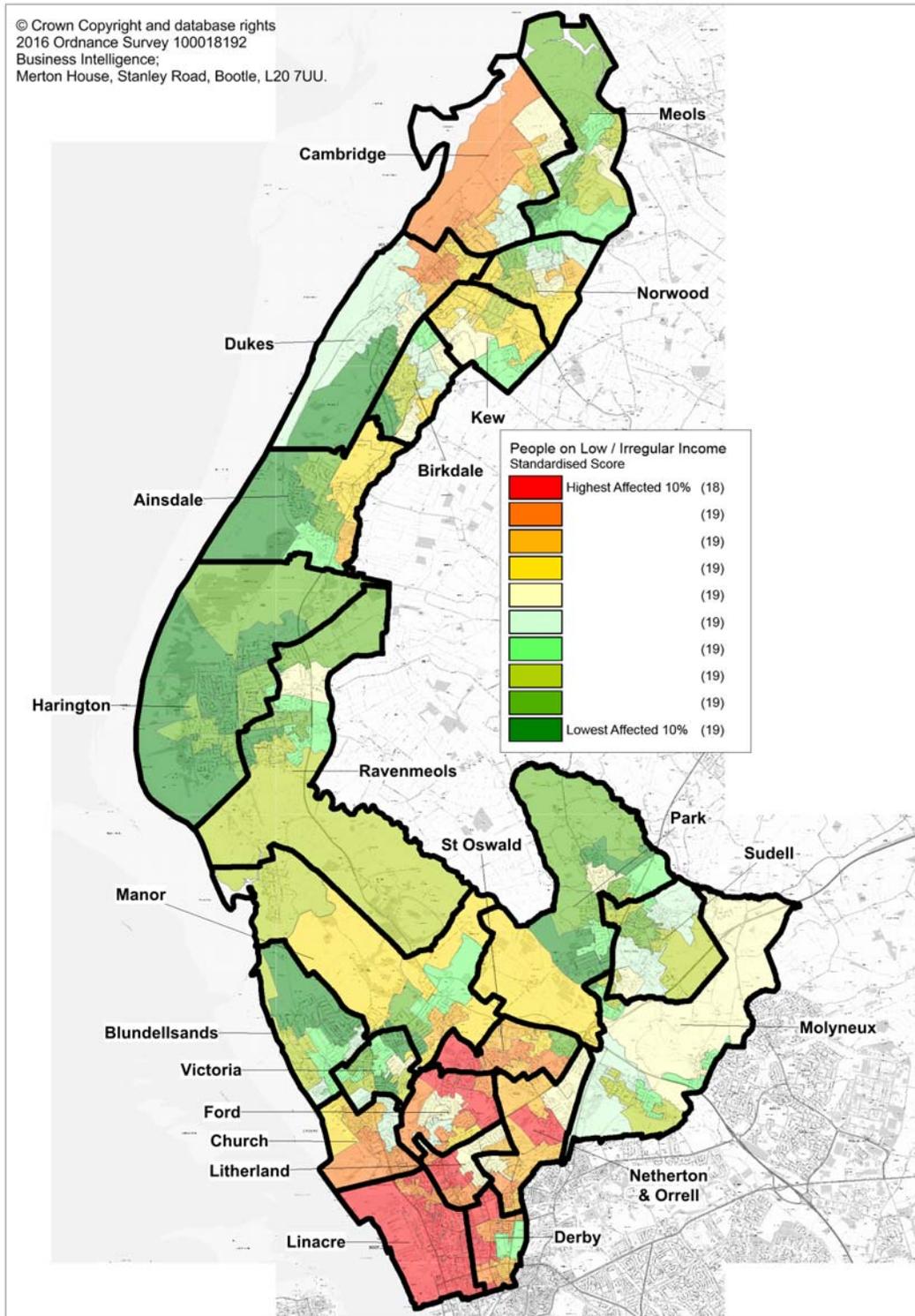
The socio-demographic segmentation system effectively allocates 49 million individuals and 26 million households into one of 15 Groups(A-O) and 66 detailed Types based on postcodes, allowing the Local Authority to research behavioural data and to build a picture of the latest local consumer and social trends, whilst providing the intelligence to determine where the highest concentrations are of people you need to reach for organisation-specific purposes; in this case identifying urban and suburban financial diversity and those geographic areas across the borough with the highest concentrations of households below average income.

Table.2 below provides a list of the Mosaic groups, their colour-coding and a short description.

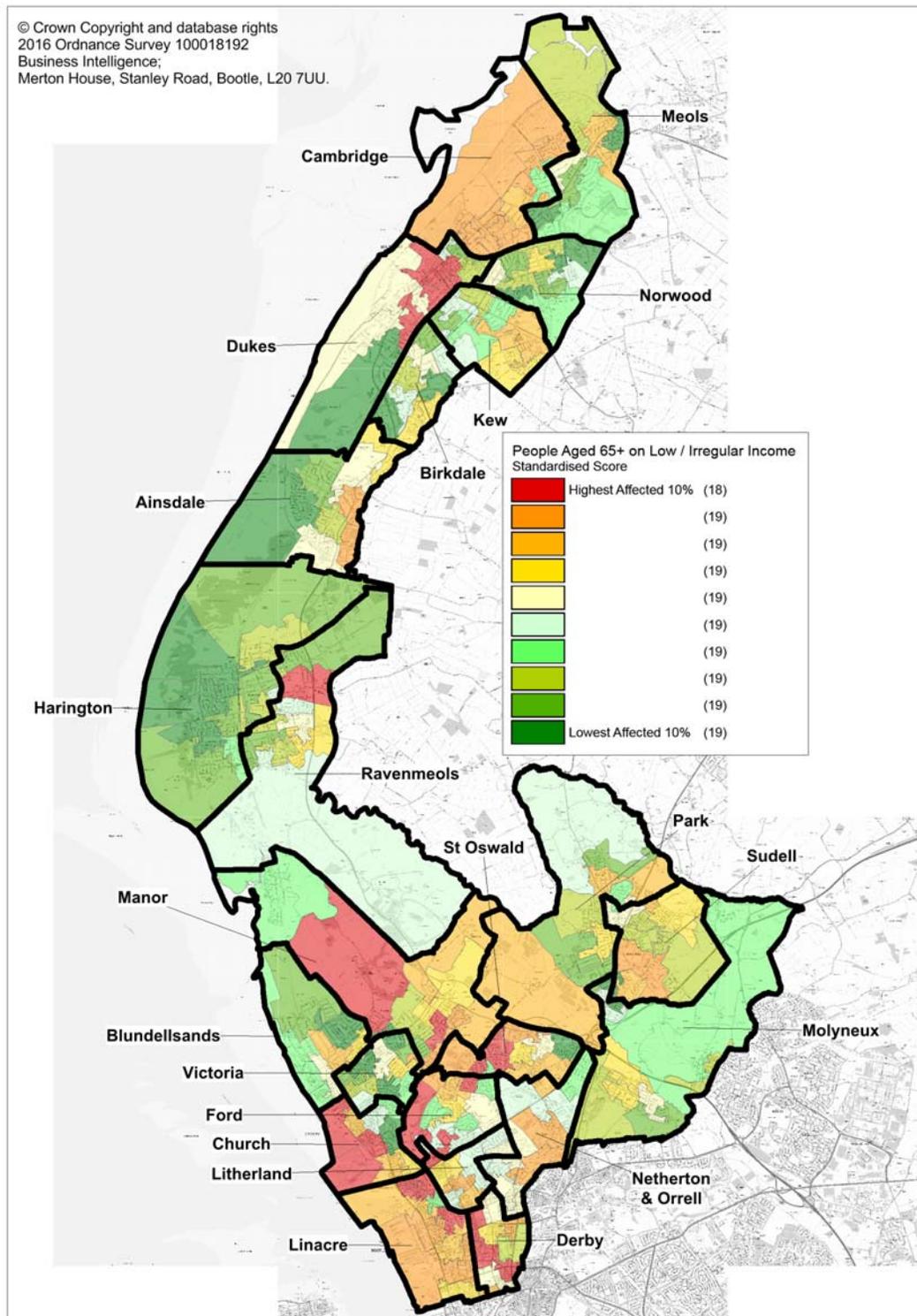
Mosaic Group	Short description
<b>A Country Living</b>	Well-off owners in rural locations enjoying the benefits of country life
<b>B Prestige Positions</b>	Established families in large detached homes living upmarket lifestyles
<b>C City Prosperity</b>	High status city dwellers pursuing careers with high rewards
<b>D Domestic Success</b>	Thriving families who are busy bringing up children and following careers
<b>E Suburban Stability</b>	Mature suburban owners living settled lives in mid-range housing
<b>F Senior Security</b>	Older people with assets who are enjoying a comfortable retirement
<b>G Rural Reality</b>	Householders living in inexpensive homes in village communities
<b>H Aspiring Homemakers</b>	Younger households settling down in housing priced within their means
<b>I Urban Cohesion</b>	Residents of settled urban communities with a strong sense of identity
<b>J Rental Hubs</b>	Educated young people privately renting in urban neighbourhoods
<b>K Modest Traditions</b>	Mature homeowners of value homes enjoying stable lifestyles
<b>L Transient Renters</b>	Single people privately renting low cost homes for the short term
<b>M Family Basics</b>	Families with limited resources who have to budget to make ends meet
<b>N Vintage Value</b>	Elderly people reliant on support to meet financial or practical needs
<b>O Municipal Challenge</b>	Urban renters of social housing facing an array of challenges

## Appendix.2 National and local data sources (mapped).

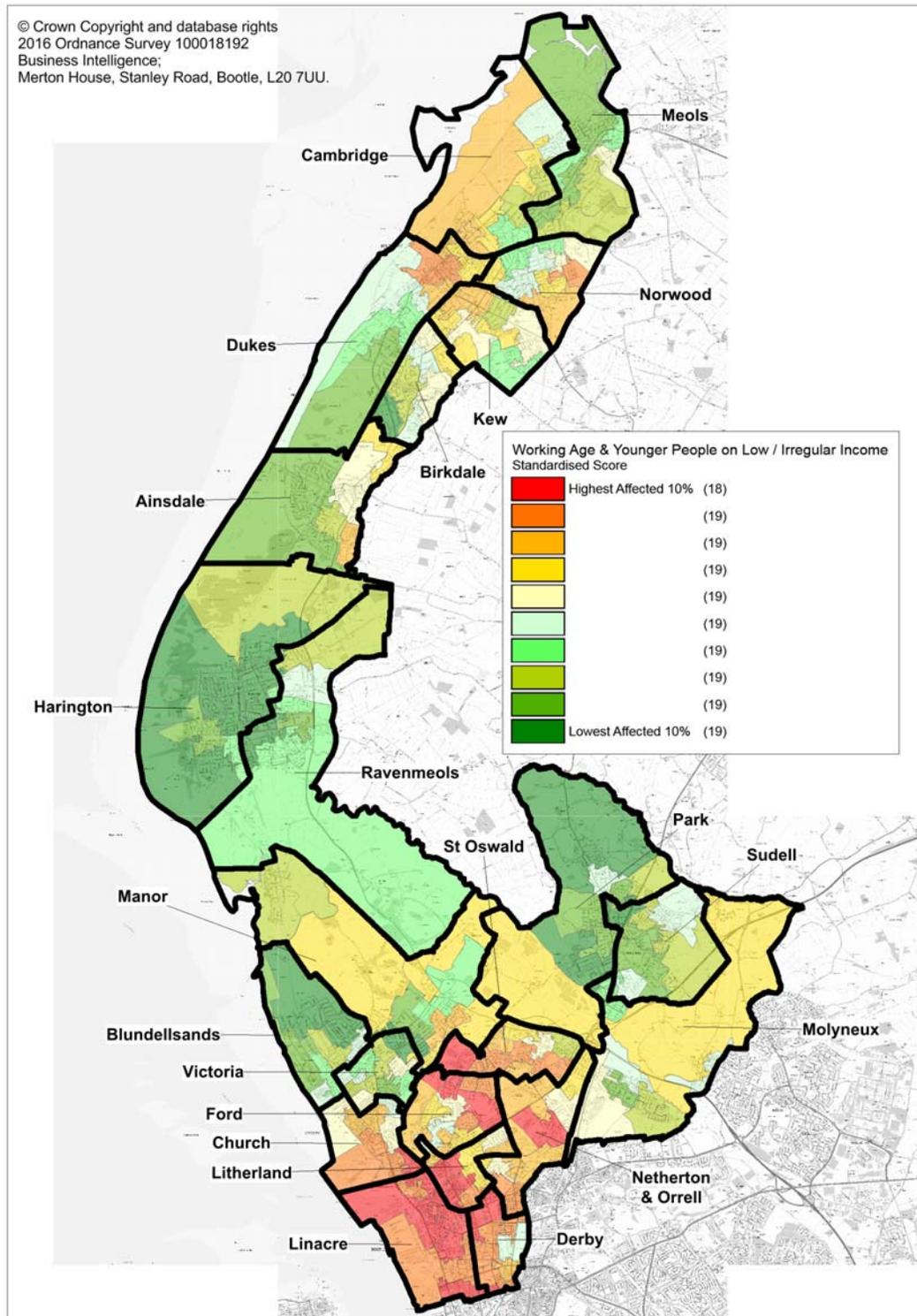
### Map 7: Affected areas across Sefton with below average income (All People)



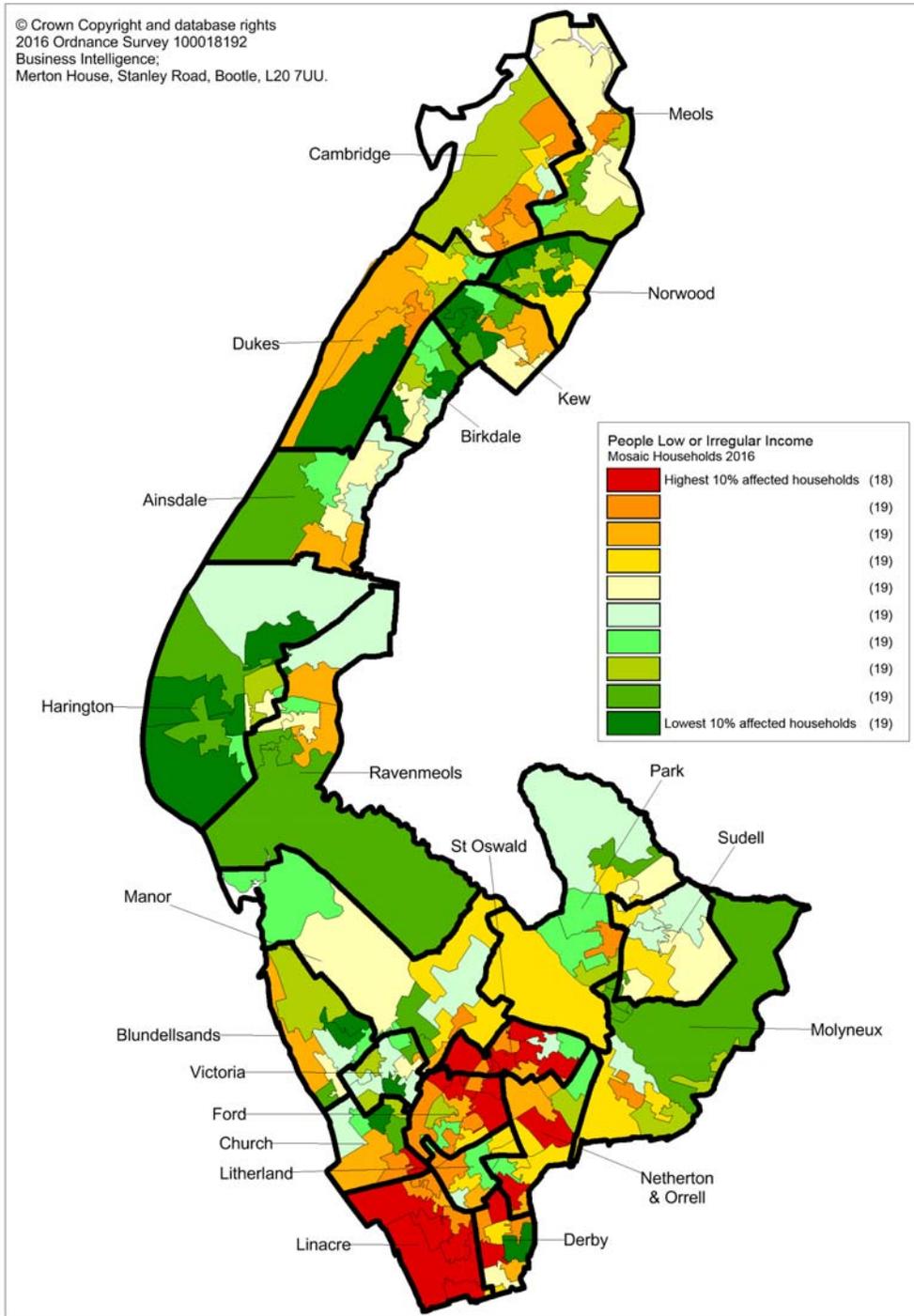
Map 8: Affected areas across Sefton with below average income (People 65+)



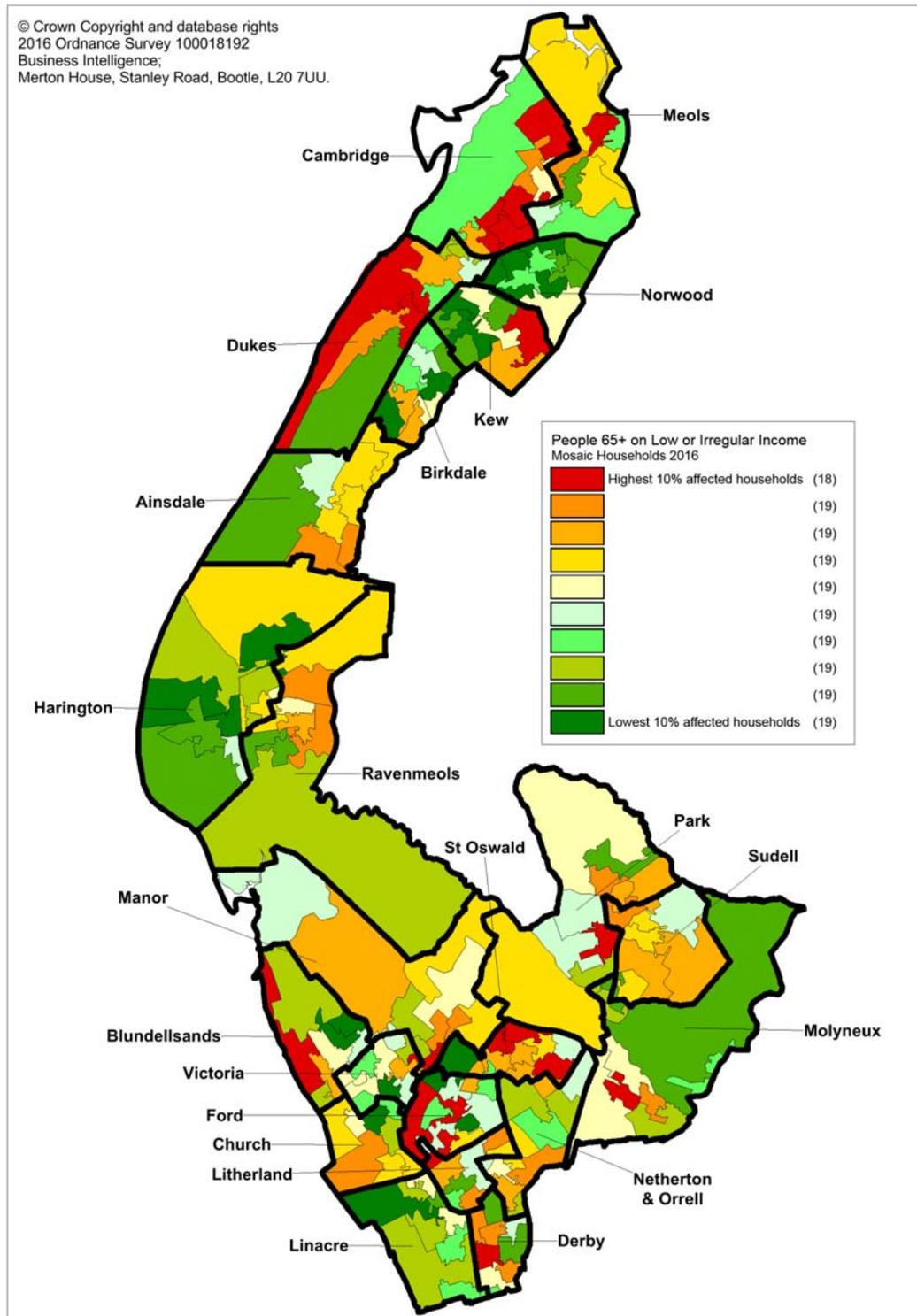
**Map 9: Affected areas across Sefton with below average income (Working Age & Younger People)**



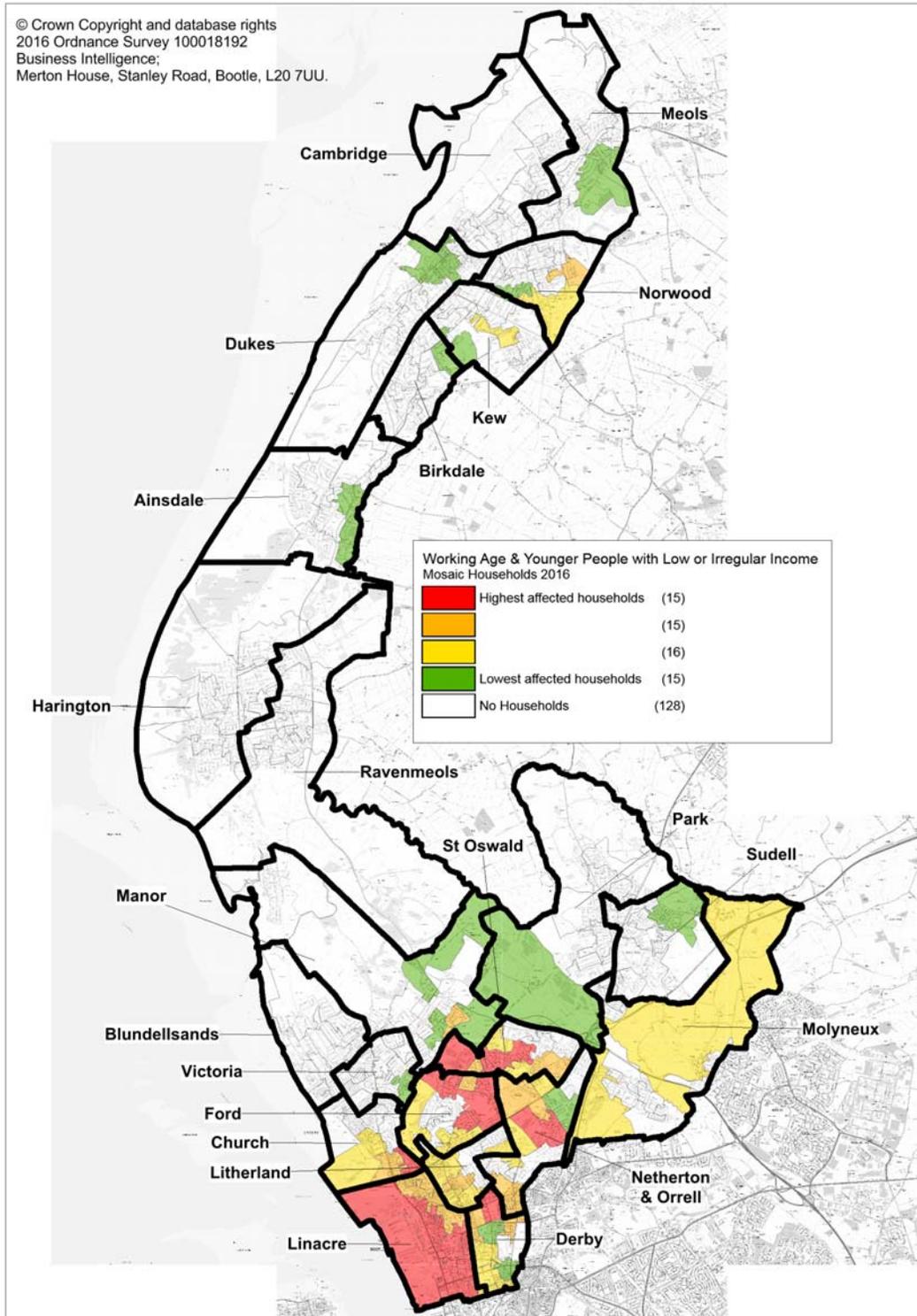
**Map 10: Rate of Mosaic households on below average income per 1,000 households (All People) - 2016**



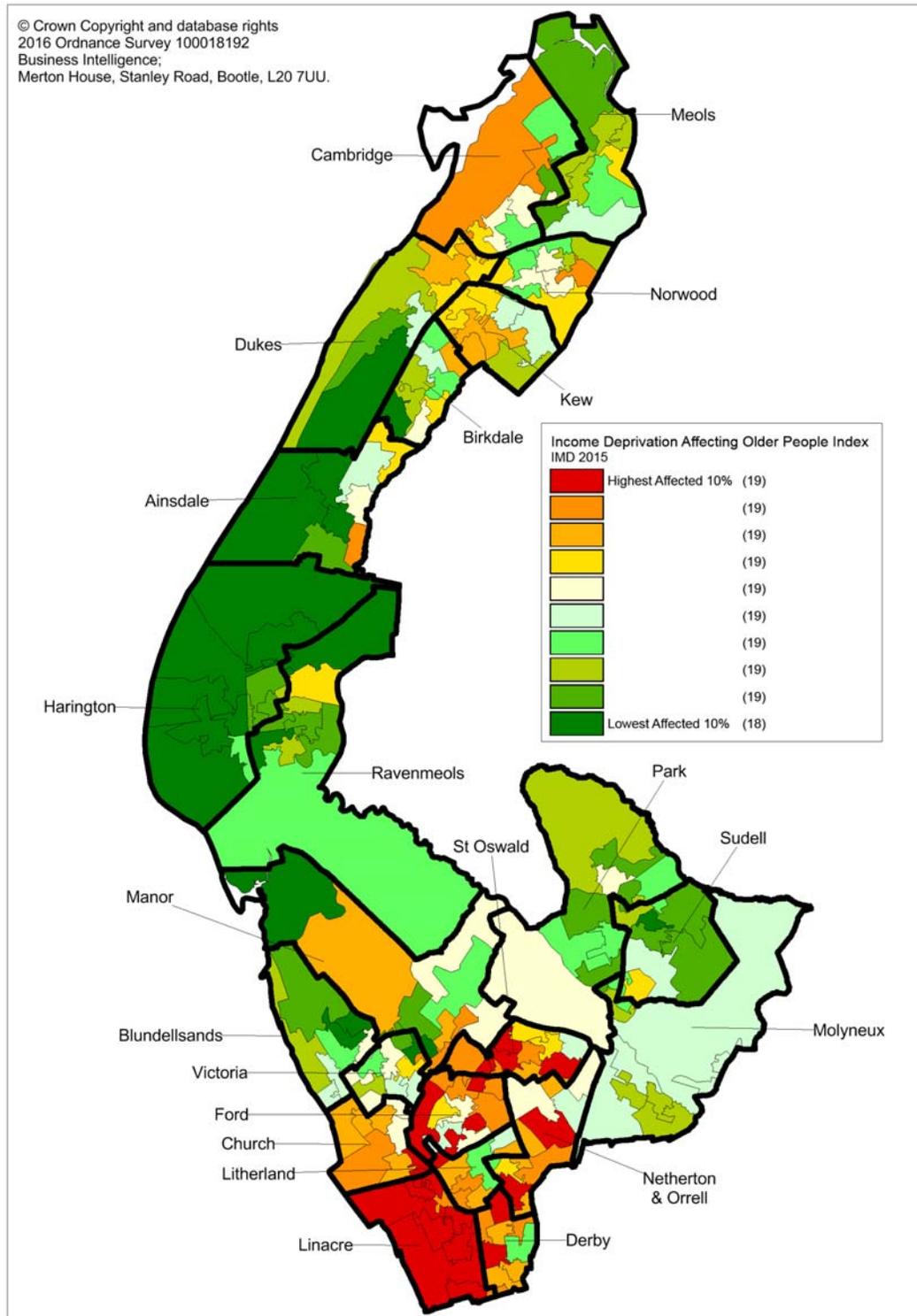
**Map 11: Rate of Mosaic households on below average income per 1,000 households (People Aged 65+) - 2016**



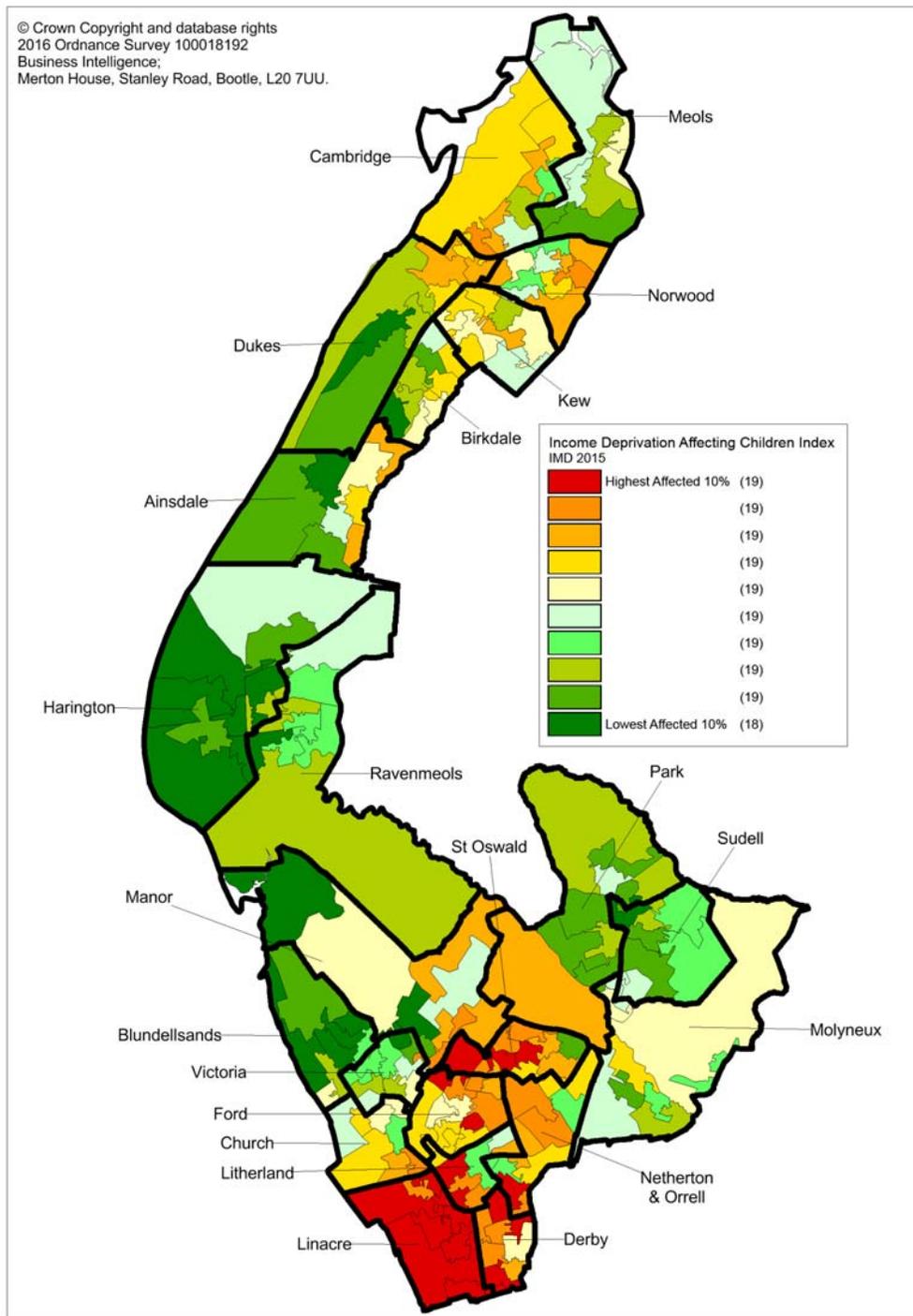
**Map 12: Rate of Mosaic of households on below average income per 1,000 households (Working Age & Younger People) - 2016**



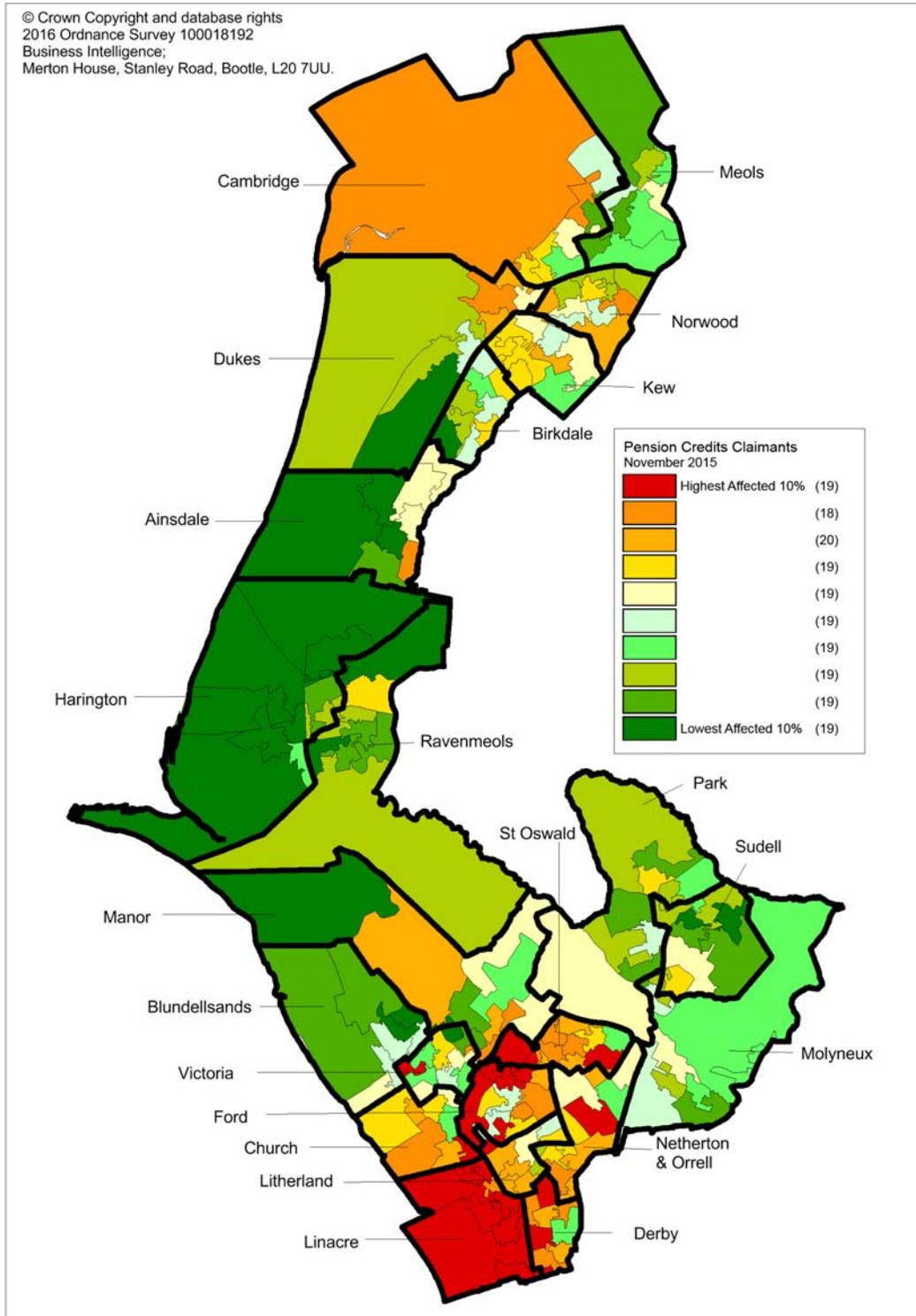
Map 13: Income Deprivation Affecting Older People Index – 2015



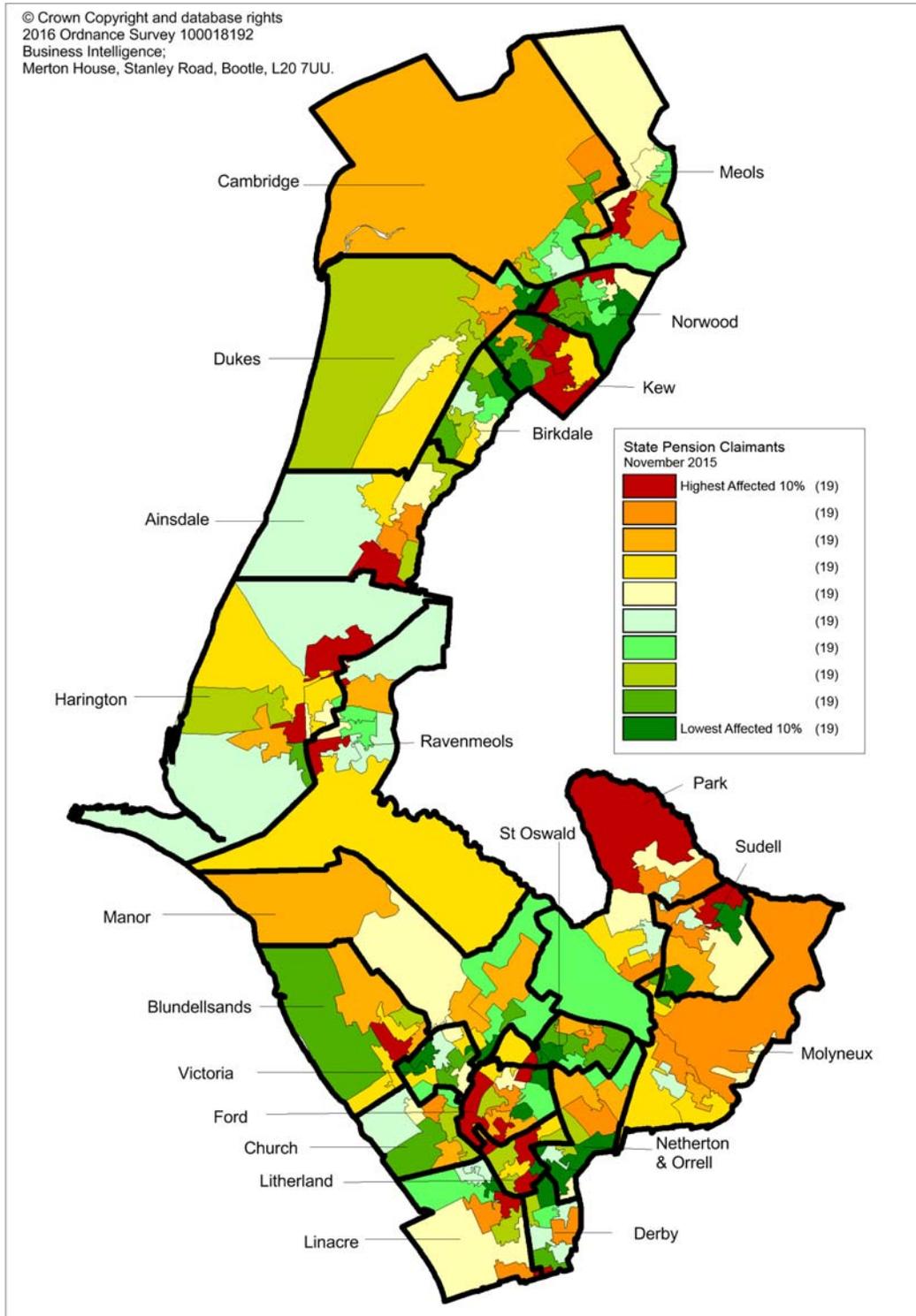
Map 14: Income Deprivation Affecting Children Index – 2015



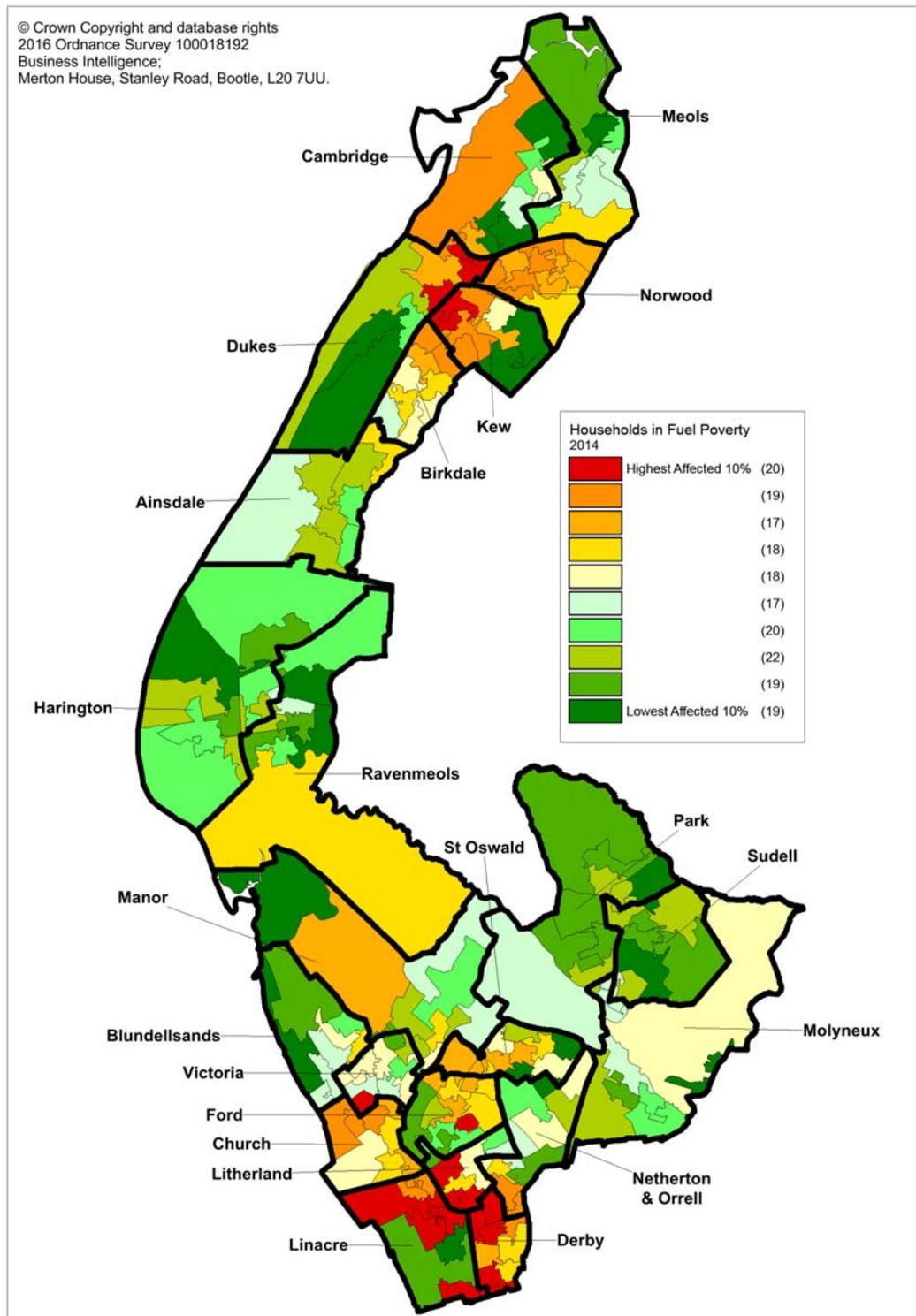
**Map 15: Rate of Pension Credit claimants per 1,000 residents aged 60+ – November 2015**



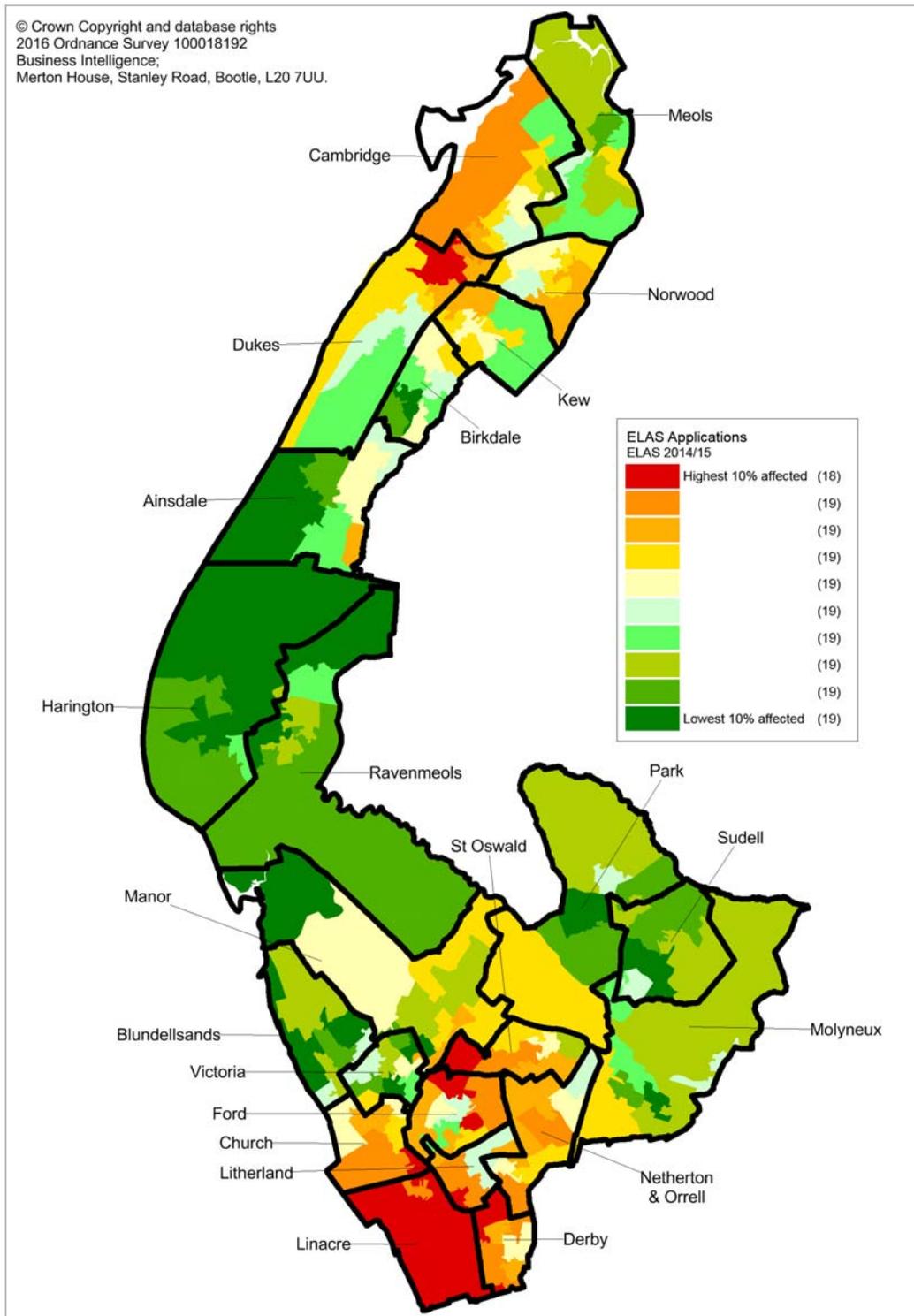
**Map 16: Rate of State Pension claimants per 1,000 residents (Females aged 60+ and Males aged 65+) – November 2015**



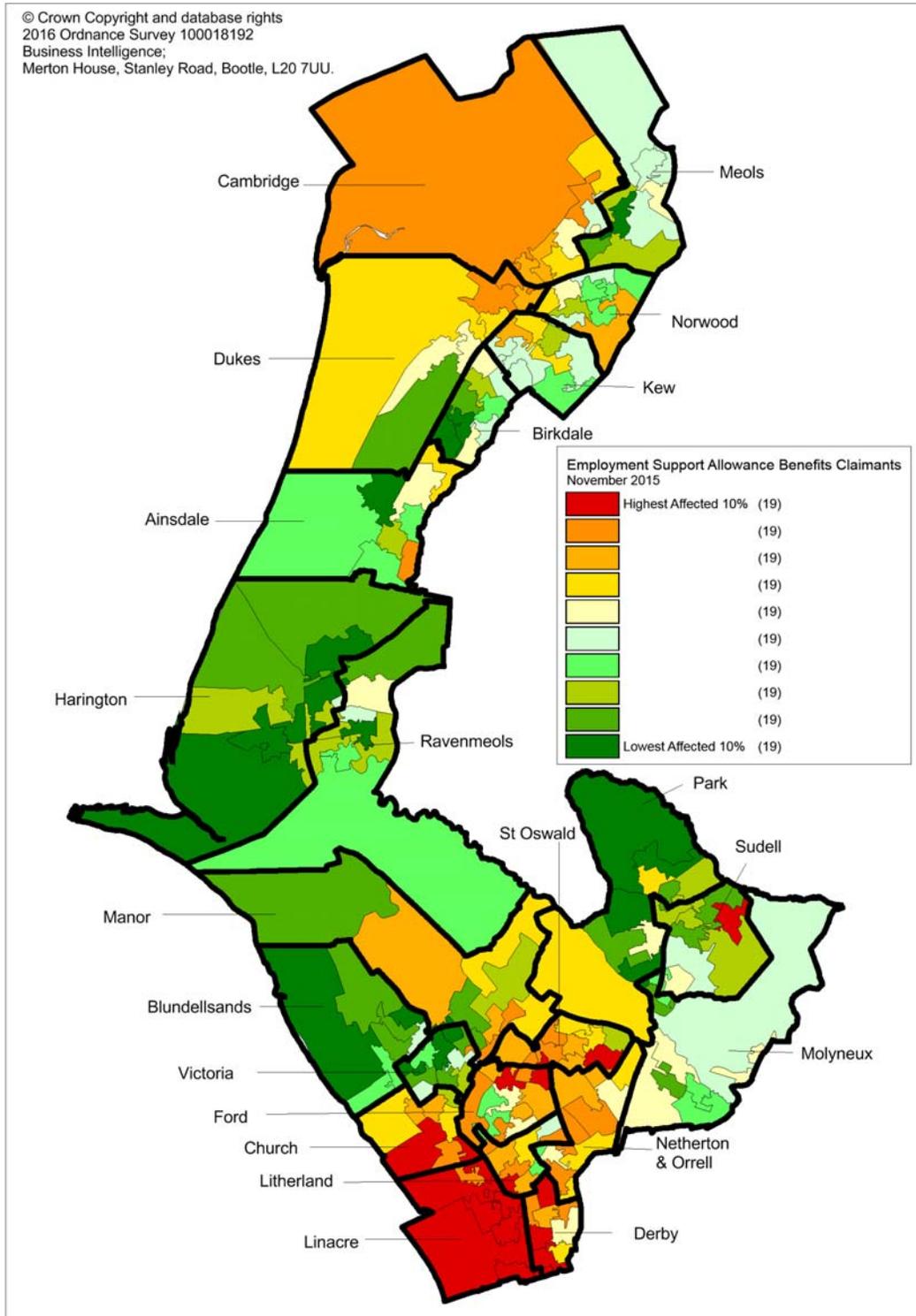
Map 17: Rate of Fuel Poverty per 1,000 households – 2014



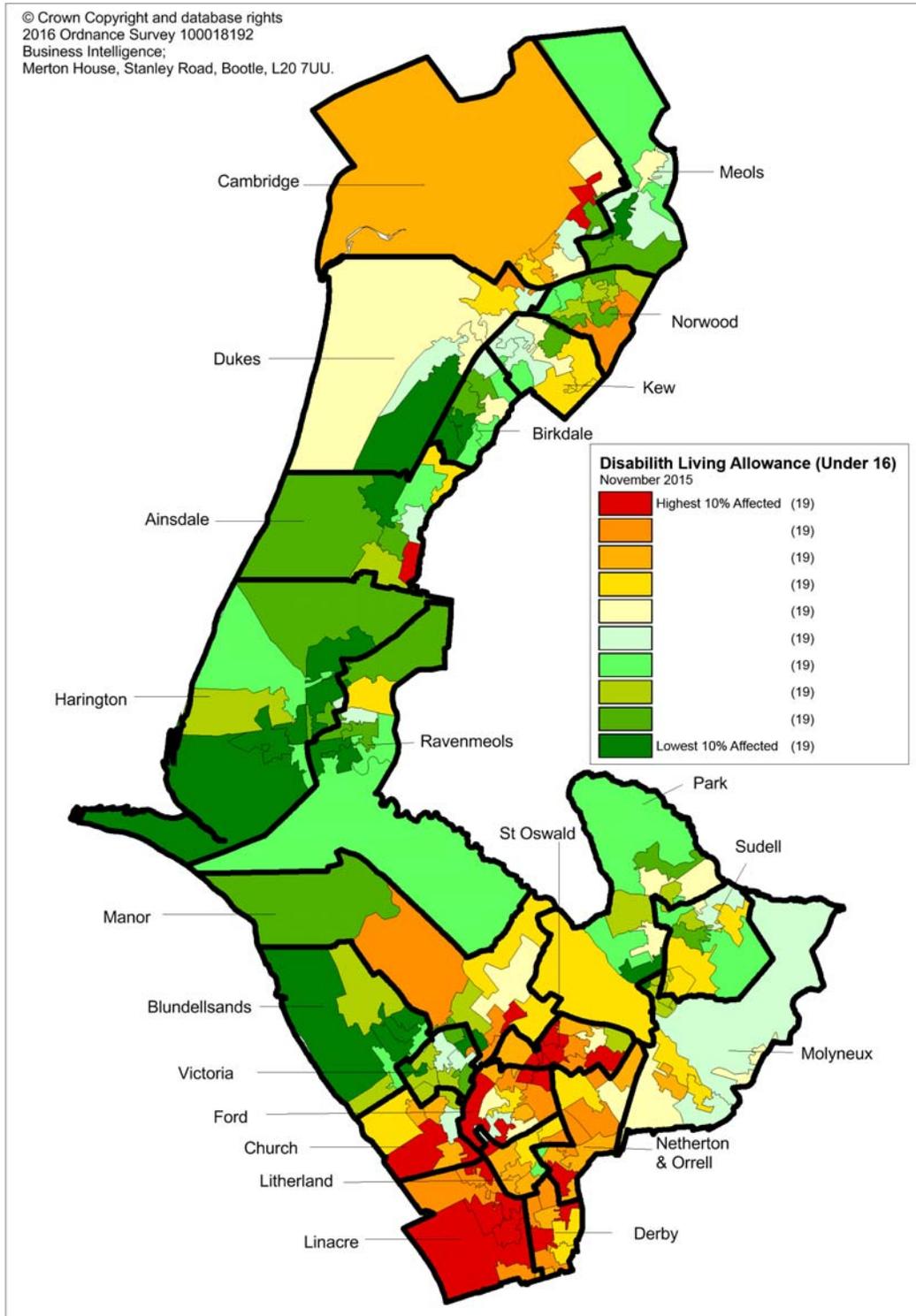
**Map 18: Emergency Limited Assistance per 1,000 residents aged 16+ – 2014/15**



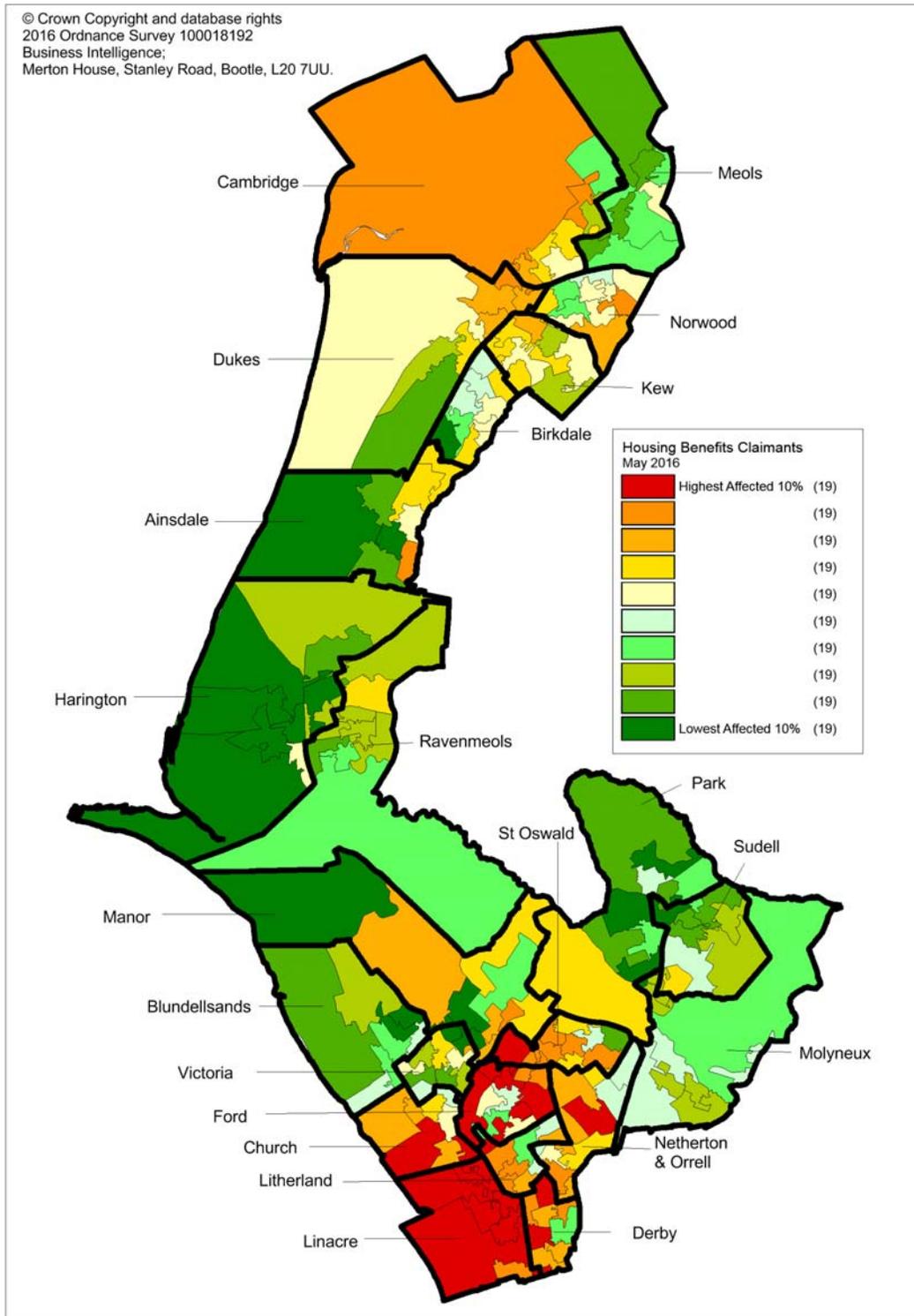
**Map 19: Rate of Employment Support Allowance claimants per 1,000 residents aged 18 to 64 – November 2015**



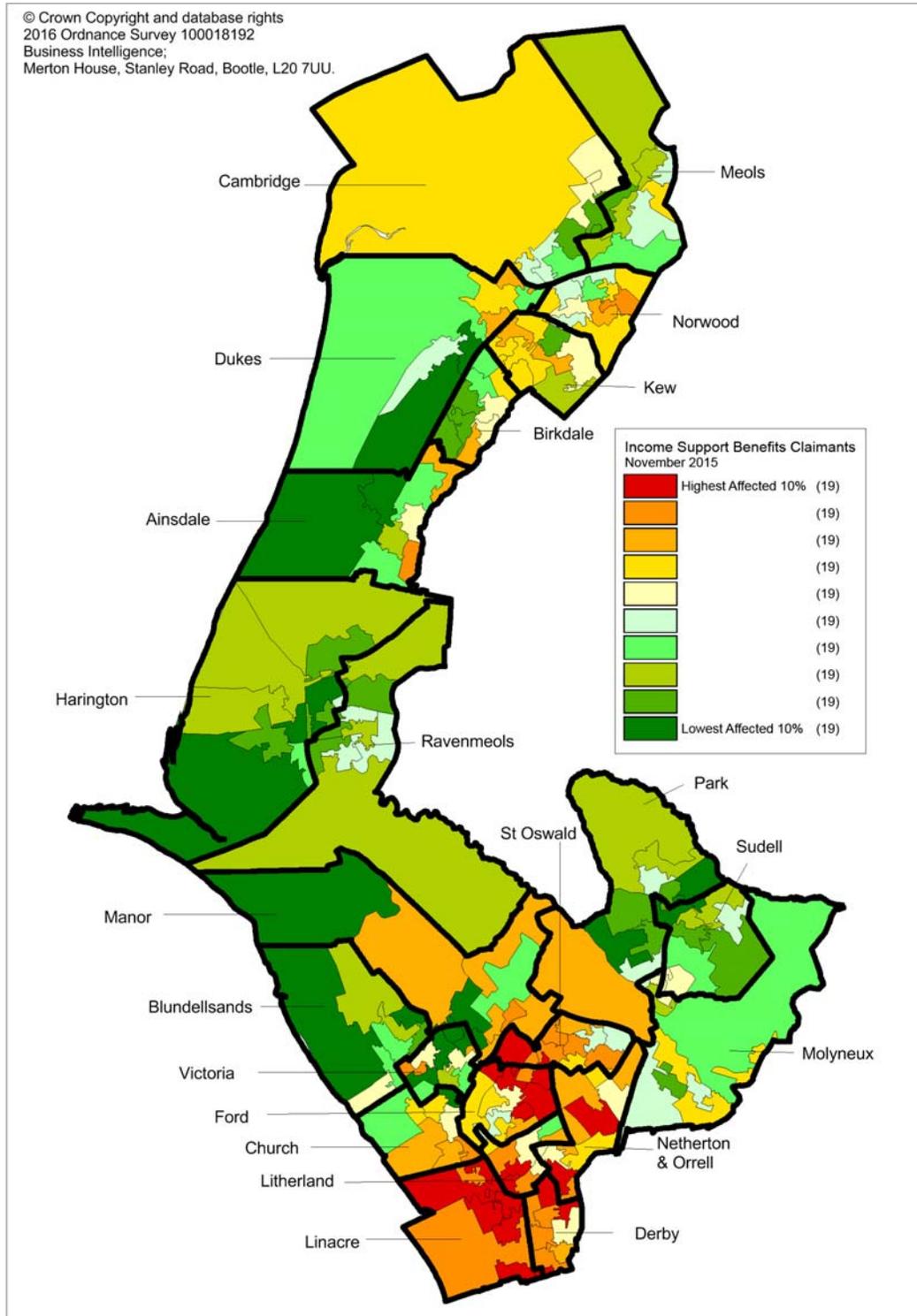
Map 20: Rate of Disability Living Allowance claimants per 1,000 residents aged under 16 – November 2015



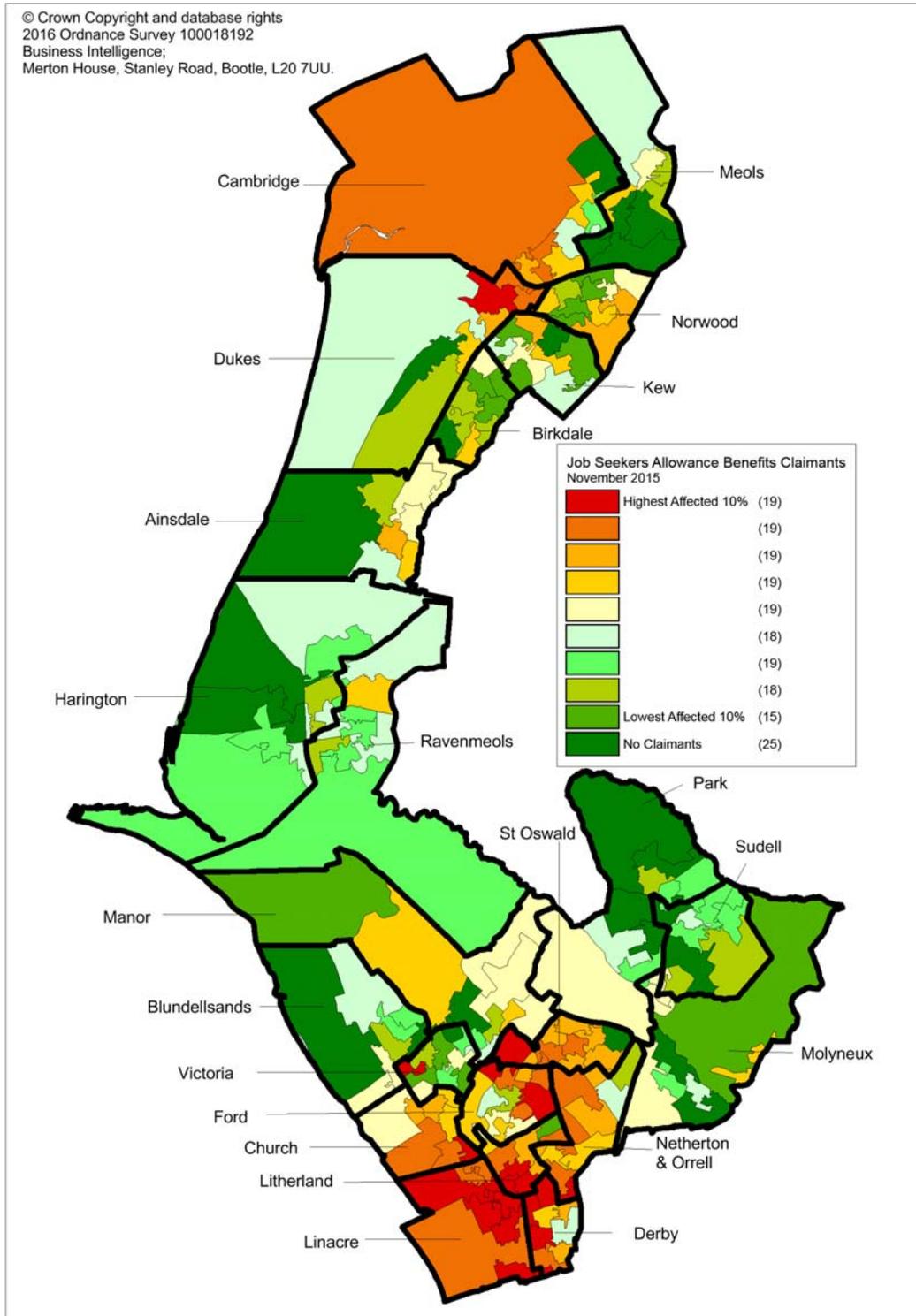
Map 21: Rate of Housing benefit claimants per 1,000 households – May 2016



**Map 22: Rate of Income Support claimants per 1,000 residents aged 16+ – November 2015**



**Map 23: Rate of Job Seekers Allowance claimants per 1,000 residents aged 18 to 64 – November 2015**



**Map 24: Rate of Universal Credit claimants per 1,000 residents aged 18 to 64 – June 2016**

