

APPENDIX 1

Welfare Reform Thematic Analysis - Young People

The purpose of this paper is to:

- Present a brief overview of the previous and current legislation pertaining to welfare reform
- Outline the impact of welfare reform on Oldham generally
- Carry out a 'deep dive' into one of the groups most affected by these reforms, namely those aged between 18-24
- Look at what the Council is currently doing to support this group and identify potential options for strengthening our approach.

The paper is part of the Council's commitment to publishing data relating to equality and demonstrating how it is informing the type of services we provide.

It is accompanied by the quarterly welfare reform dashboard (**appendix 2**).

Section 1: The legislation

1.1 Welfare Reform Act 2012 (see **appendix A** for more detail)

The Welfare Reform Act gained Royal Assent on 8 March 2012. Its main reforms were:

- Creation of Universal Credit.
- Introduction of the size criteria – “bedroom tax”.
- Introduction of a benefit cap.
- Replacement of Disability Living Allowance with a Personal Independence Payment.
- Replacement of Council Tax Benefit with a local support scheme.
- Social Fund Reform with a local support scheme.
- Introduction of claimant commitment and a system of benefit sanctioning

1.2 Welfare Reform and Work Bill (see **appendix A** for more detail)

The Bill was announced in the Queen's Speech in May 2015 and is currently working its way through Parliament. The welfare and housing measures include:

- Lowering the benefit cap and varying it between London and the rest of the UK.
- A four year benefits freeze for working age benefits.
- Limiting support through Child Tax Credits/Universal Credit.
- Changes to Employment and Support Allowance, the main out-of-work benefit for disabled people.
- Removal of automatic entitlement to Housing Benefit for those aged 18-21 & abolishing the family premium.
- Reducing social housing rent levels by 1% in each year for four years.
- New Youth Allowance for 18-21 year olds.
- The National Minimum Wage to be 'rebranded' as the National Living Wage

Proposed reductions of earnings thresholds for tax credits were abandoned in the Comprehensive Spending Review in November 2015.

Whilst in the short term this is a positive impact for low income families, tax credits will continue to be phased out in favour of Universal Credit, which was unaffected by the changes in the spending review.

This means that by 2020 families in receipt of tax credits are still likely to see a reduction in household income of up to £3,800.

Section 2: Main impact of welfare reform on Oldham

Previous welfare reform reports (22 Oct 2014; 1 April 2015; 4 Nov 2015 - all to Full Council) have highlighted the overall impact of welfare reform on Oldham.

- Changes from the Welfare Reform Act 2012 were estimated to lead to a £90.1 annual loss to Oldham, once fully implemented.
- The Welfare Reform and Work Bill 2015 is estimated to lead to a cumulative loss over the next 4 years of over £58m to Oldham.

Our analysis of vulnerability to the 2012 Act indicated that young (and in particular young single) people appeared 'hardest hit' in terms of disproportionate and multiple adverse effects. Lone parents are projected to suffer most heavily financially from the 2015 Bill.

There is a strong indication that young people (those aged 18-24) are being particularly heavily adversely affected by welfare reforms. This is likely to be exacerbated by other changes, such as the introduction of the National Living Wage to those only aged 25-plus and changes around student financing.

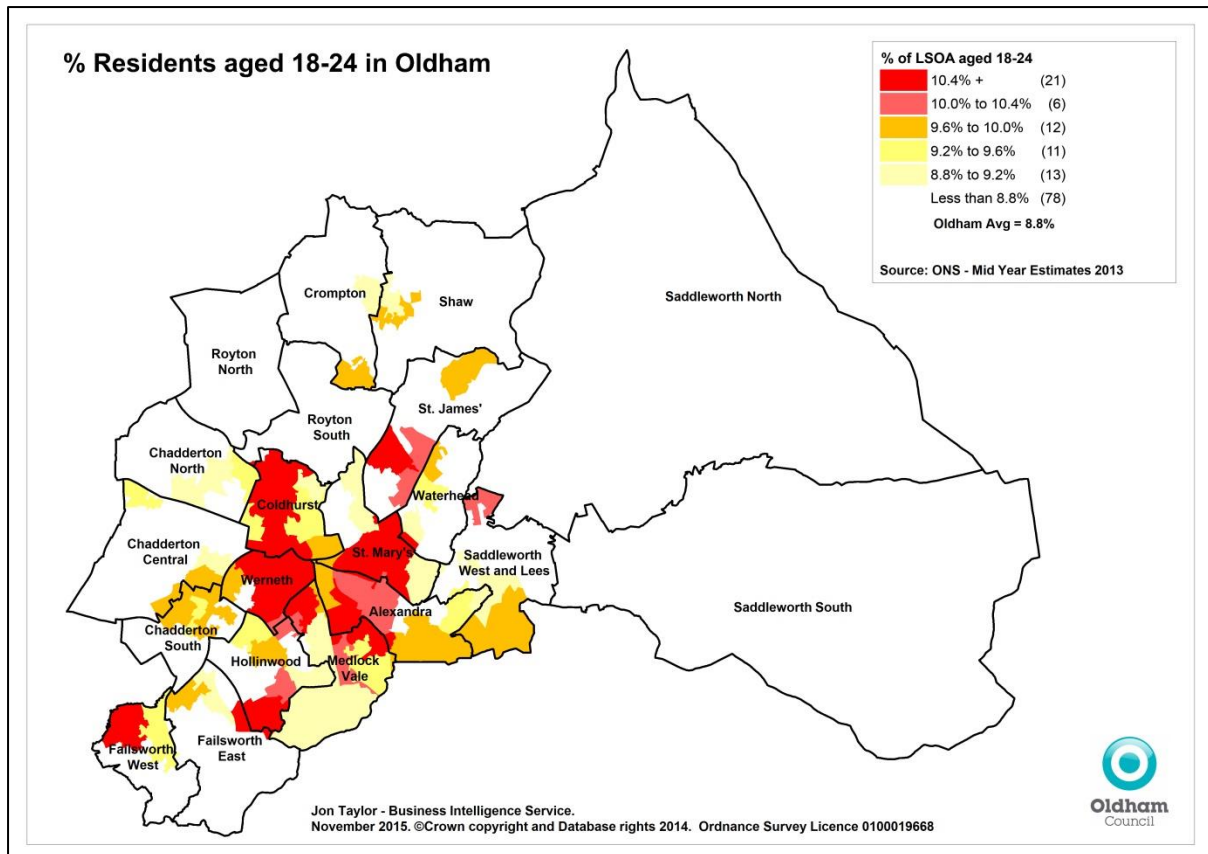
Section 3: Thematic analysis - the impact on young people (aged 18-24)

3.1 Demographic information

As of 2014 (ONS mid-year estimates) Oldham has 19,665 residents aged 18-24 which equates to 8.6% of the total population. This a smaller proportion compared to the GM (9.9%) and England (9.1%) averages.

Oldham has a smaller proportion of males aged 20-24 compared to the national average. Migration data suggests that this is largely young people leaving to go to university, not all of them returning to Oldham.

The age structure of Oldham's population varies greatly by ward, this in part reflecting the residence patterns of Oldham's White British, Pakistani and Bangladeshi heritage communities. Werneth (11.0%) Coldhurst (10.8%) and St Mary's (10.4%), all of which are home to Oldham's Bangladeshi and Pakistani communities, have much greater proportions of 18-24 year olds compared to Saddleworth South (6.0%) and Saddleworth North (6.3%) (see map below).



Source: Oldham Council Business Intelligence, 2015

3.2 Characteristics of this age group

The Employment rate for those aged 16-24 in Oldham is 46.4%, lower than that of GM (50.0%) and England (52.4%). Typically the type of jobs that this age group find work in include sales and customer service and elementary admin occupations, a large proportion of which will be part-time.

As of October 2015, the youth unemployment rate stands at 6.9%, the highest rate across Greater Manchester and significantly higher than the England average 2.8%. There are large disparities between wards in terms of youth unemployment with Coldhurst (13.2%) having by far the highest rate, compared to that of Saddleworth North which has a considerably lower rate (0.9%).

3.3. Outline and analysis of welfare and other legislative reforms and their potential impact on those aged 18-24

3.3.1 Introduction of National Living Wage (NLW)

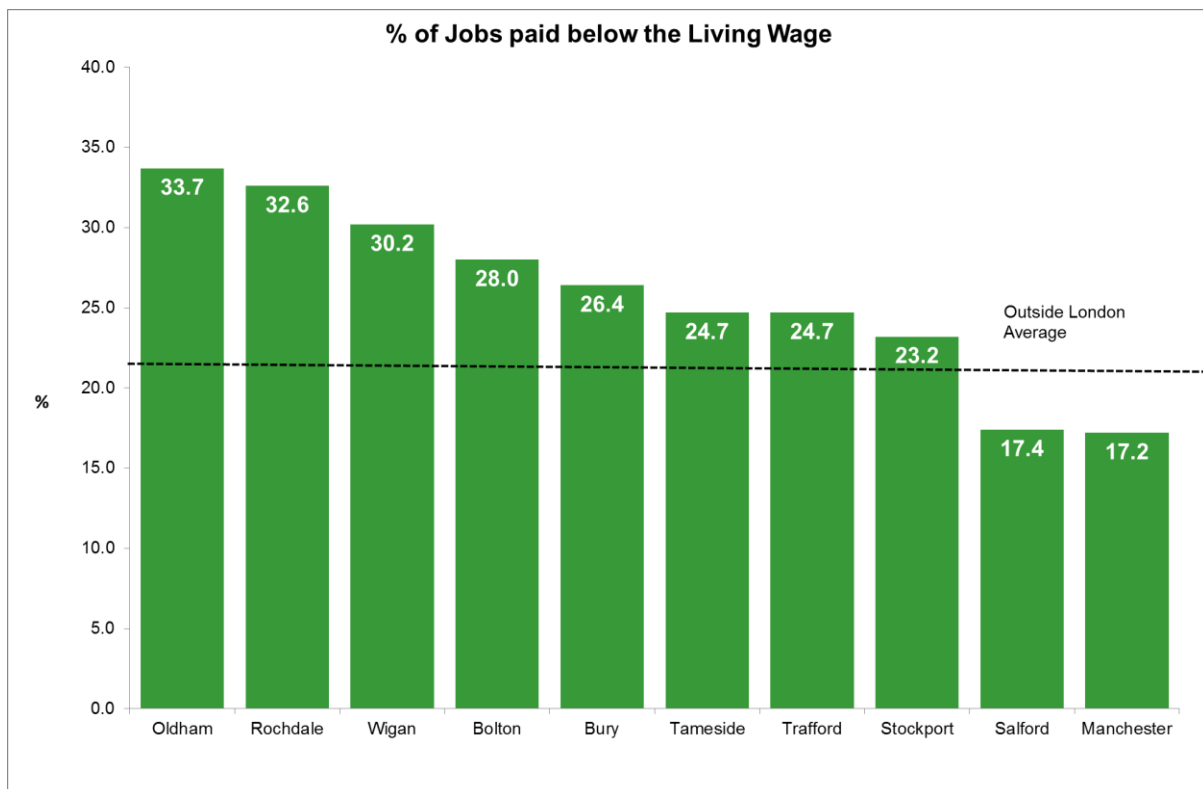
The NLW would apply to all workers aged over 25, starting at £7.20 an hour from April 2016 and set to reach £9 by 2020. The Government estimate that this will give an estimated 2.5 million people an average £5,000 rise over five years.

Those under 25 will be paid the National Minimum Wage (NMW), which from October is set to rise to £6.70 for over 21s and £5.30 for 18 to 20-year-olds. The hourly rate for 16 to 17-year-olds will increase to £3.87 while apprentices will receive £3.30.

Potential summary impact

Before drilling down into impact on those aged 18-24, it is worth noting that Oldham is the GM borough with the highest percentage of jobs paid below the Living Wage (an informal, but widely recognised benchmark based on the amount an individual needs to earn to cover the basic costs of living, which is higher than the new NWL).

TABLE 1: % JOBS BELOW THE LIVING WAGE



Source: ONS - Annual Survey of Hours and Earnings 2015

In sector terms those who work in retail, hospitality, or care are more likely to be on a low wage or minimum wage. In Oldham this is the case for 13.7% of 16-24 year olds (1,727); this is compared to 11.7% across GM.

Analysis shows that the impact of the introduction of the NLW can have both negative and positive implications for those aged 18-24.

The Scottish Parliament's Information Centre¹ shows a substantial difference in remuneration for what could be the same work:

- under 18s would earn almost £6,500 less than people over 25, with,
- 18-20-year-olds £3,705 worse off, and
- apprentices £7,605 short.

¹ <http://www.scotsman.com/news/uk/new-national-living-wage-unfair-to-young-workers-1-3866537>

A report from the Resolution Foundation² moreover showed that almost one in four (23 per cent) of national minimum wage (NMW) earners have failed to progress onto higher wages within five years, while 13 per cent are still on it after a decade.

Negative implications include:

- Increased risk of falling below the poverty line as wages do not cover living costs.
- Turning to short-term loans, pay day lending and high levels of unsecured debt.
- Demotivation at work due to a feeling of unfairness in being paid less.
- It will take longer for younger workers to progress onto the national Living Wage (NLW) and they are likely to stay longer at this floor rate.

A positive implication may be that some employers may prefer younger, cheaper workers over their older counterparts. Many employers moreover already pay those aged 20 and under the current NMW and so some under-25s may find themselves on the NLW. Some employers have recently committed to paying the NLW or better to all workers, including Aldi, Lidl, and Pets at Home.

One of the anticipated impacts of the National Living Wage is that it will destabilise the retail, care and hospitality sector and that many of the 60,000 jobs predicted to disappear through the introduction of the National Living Wage may come from these sectors, which are already low skilled and low paid. Clearly if this was true in Oldham this would have a detrimental effect on just over a tenth of the 18-24 population.

3.3.2 Benefit sanctions

The main reasons for benefit sanctions include refusal of claimants to participate in the DWP Work Programme, or that claimants have not been actively seeking employment (according to DWP guidelines).

For JSA claimants, a sanction means the complete removal of their JSA for a given period (between a minimum of 7 days up to more than 91 days). A sanction also automatically triggers the ending of housing benefit payments.

Potential summary impact

Sanctioning affects JSA and Universal Credit recipients, and also, in smaller numbers, Employment Support Allowance, the main out-of-work benefit for disabled people.

DWP is unable to provide details on the numbers of Universal Credit (UC) claimants sanctioned. In Oldham the numbers being sanctioned on UC are likely to be similar to that of JSA, with the majority being aged 18-24. Nationally and regionally, those aged 18-24 are the age group receiving the greatest number of sanctions (see table 2 below).

²<http://www.resolutionfoundation.org/wp-content/uploads/2015/07/RF-National-Living-Wage-briefing.pdf>

TABLE 2 – NUMBER AND % OF JSA SANCTIONS BY AGE SINCE OCT 2012

| GM district | 18-24 | 25-29 | 30-34 | 35-39 | 40-44 | 45-49 | 50-54 | 55-59 | 60+ | Total |
|---------------|-------------|-------------|-------------|-------------|-------------|------------|------------|------------|------------|--------------|
| Bolton | 4979 | 2041 | 1287 | 1215 | 1236 | 959 | 608 | 390 | 112 | 12835 |
| Bury | 2862 | 1078 | 798 | 586 | 626 | 450 | 337 | 236 | 73 | 7036 |
| Manchester | 11985 | 6161 | 4101 | 3047 | 2826 | 2412 | 1646 | 1084 | 288 | 33557 |
| Oldham | 4037 | 2170 | 1560 | 1314 | 1148 | 898 | 633 | 527 | 139 | 12430 |
| Rochdale | 4592 | 1743 | 1189 | 949 | 843 | 723 | 485 | 294 | 96 | 10914 |
| Salford | 4598 | 2122 | 1504 | 1178 | 977 | 800 | 616 | 383 | 104 | 12285 |
| Stockport | 3030 | 1128 | 731 | 570 | 522 | 449 | 411 | 201 | 90 | 7145 |
| Tameside | 3902 | 1628 | 1195 | 1061 | 908 | 812 | 571 | 404 | 124 | 10611 |
| Trafford | 1868 | 936 | 671 | 468 | 443 | 406 | 414 | 197 | 69 | 5478 |
| Wigan | 4586 | 1913 | 1344 | 1024 | 1117 | 879 | 574 | 310 | 80 | 11827 |
| GM | 46439 | 20920 | 14380 | 11412 | 10646 | 8788 | 6295 | 4026 | 1175 | 124118 |
| England | 634459 | 245331 | 167881 | 127378 | 120422 | 107975 | 82524 | 56163 | 17718 | 1560590 |

| | | | | | | | | | | |
|---------------|-------------|-------------|-------------|-------------|------------|------------|------------|------------|------------|------------|
| Bolton | 38.8 | 15.9 | 10 | 9.5 | 9.6 | 7.5 | 4.7 | 3 | 0.9 | 100 |
| Bury | 40.7 | 15.3 | 11.3 | 8.3 | 8.9 | 6.4 | 4.8 | 3.4 | 1 | 100 |
| Manchester | 35.7 | 18.4 | 12.2 | 9.1 | 8.4 | 7.2 | 4.9 | 3.2 | 0.9 | 100 |
| Oldham | 32.5 | 17.5 | 12.6 | 10.6 | 9.2 | 7.2 | 5.1 | 4.2 | 1.1 | 100 |
| Rochdale | 42.1 | 16 | 10.9 | 8.7 | 7.7 | 6.6 | 4.4 | 2.7 | 0.9 | 100 |
| Salford | 37.4 | 17.3 | 12.2 | 9.6 | 8 | 6.5 | 5 | 3.1 | 0.8 | 100 |
| Stockport | 42.4 | 15.8 | 10.2 | 8 | 7.3 | 6.3 | 5.8 | 2.8 | 1.3 | 100 |
| Tameside | 36.8 | 15.3 | 11.3 | 10 | 8.6 | 7.7 | 5.4 | 3.8 | 1.2 | 100 |
| Trafford | 34.1 | 17.1 | 12.2 | 8.5 | 8.1 | 7.4 | 7.6 | 3.6 | 1.3 | 100 |
| Wigan | 38.8 | 16.2 | 11.4 | 8.7 | 9.4 | 7.4 | 4.9 | 2.6 | 0.7 | 100 |
| GM | 37.4 | 16.9 | 11.6 | 9.2 | 8.6 | 7.1 | 5.1 | 3.2 | 0.9 | 100 |
| England | 40.7 | 15.7 | 10.8 | 8.2 | 7.7 | 6.9 | 5.3 | 3.6 | 1.1 | 100 |

Source: DWP 2015

Whilst Oldham has the lowest proportion of those in that age group (32.5) sanctioned compared to the rest of GM, high levels of youth unemployment mean high numbers being sanctioned.

The impact of being without JSA or ESA will be different for each individual. Those who do not have access to alternative short-term support will be at increased risk of:

- relying on short term loans and payday loans leading to increased debt,
- disengaging from labour market and lowering aspirations.

3.3.3 Benefit freezes

Most working-age benefits will be frozen in cash terms until April 2020 (see **appendix A** for more detail).

Potential summary impact

Our own estimates, based on Institute of Fiscal Studies projections, show the impact on those receiving working age benefits in Oldham equates to a 6.7% loss. The table below shows the total number of individuals affected by the freezes and in brackets the number of claimants aged 18-24 (where the information is available).

While this particular reform will apply to all ages, it will certainly exacerbate the challenging financial situation for 18-24 year olds.

TABLE 3: BENEFIT FREEZE IMPACT

| Benefit | Peak numbers affected (no. of 18-24 yr olds) | Peak annual loss to the economy of Oldham |
|----------------------------------------|----------------------------------------------|-------------------------------------------|
| JSA (Jobseeker's Allowance) | 2380 individuals ³ (340) | £0.6m |
| ESA (Employment and Support Allowance) | 6310 individuals ¹ (380) | £2.0m |
| Income Support | 3870 individuals ¹ (660) | £1.1m |
| Child Benefit | 31320 households ⁴ (unknown) | £4.0m |
| Tax Credits | 23000 households ⁵ (unknown) | £12.5m |
| Universal Credit* | 2908 individuals ⁶ (1060) | £0.6m |
| LHA (Local Housing Allowance) | 7850 households ⁷ (unknown) | £1.9m |

*Figures for Universal Credit are based on a number of assumptions, as detailed financial data is not available.

Source: Oldham Council Business Intelligence, 2015

3.3.4 Remove automatic entitlement to housing benefit

This reform is removing automatic entitlement to housing benefit for most childless 18-21 year olds (new claimants), from April 2017.

TABLE 4: REMOVAL OF HOUSING BENEFIT IMPACT

| Change | Peak numbers affected | Peak annual loss to the economy of Oldham |
|----------------------------------|-----------------------------|-------------------------------------------|
| Remove HB entitlement for 18-21s | 129 households ⁸ | £0.58m |

Source: Oldham Council Business Intelligence, 2015

Potential summary impact

Evidence from our own services and partner agencies is that tenants are struggling financially. Coping strategies include cutting back on food, heat and electricity and using food-banks in emergencies, falling into debt, depleting savings and selling belongings.

³ DWP 2015 [Online] [Accessed August 2015] available from <https://www.nomisweb.co.uk/default.asp>

⁴ HMRC 2015 [Online] [Accessed August 2015] available from <https://www.gov.uk/government/collections/child-benefit-geographical-statistics>

⁵ HMRC 2015 [Online] [Accessed August 2015] available from <https://www.gov.uk/government/collections/personal-tax-credits-statistics>

⁶ DWP 2015 [Online] [Accessed August 2015] available from <https://stat-xplore.dwp.gov.uk/>

⁷ Oldham Council 2015, data provided by Unity Partnership

⁸ Oldham Council 2015, data provided by Unity Partnership

Centrepoin⁹, a youth homeless charity, are particularly concerned about the impact of this reform:

“This could be disastrous for the most vulnerable young people. We know that the vast majority of young people who claim housing benefit do so as a lifeline at a time of crisis, not as a lifestyle choice. Among these young people are care leavers who have no home to return to and individuals who have fled domestic violence.”

The charity also fears a rise in

- the number of evictions
- the numbers of young people homeless, and in demand for temporary accommodation
- relying on short-term finance and getting into debt

3.3.5 New Youth Allowance for 18-21 year olds

From April 2017, young people will participate in an intensive regime of support from day 1 of their benefit claim. This is conditional on an apprenticeship, training or community work placement after 6 months and will apply to new Universal Credit claims only.

Potential summary impact

Whilst the ethics of such “workfare” initiatives have been widely debated, there would appear to be no direct financial impact for those that take up such placements. Additional complexities may increase the sanctions rate for this age group, but this cannot be estimated at this stage.

3.3.6 Changes to Employment and Support Allowance (ESA)

New Employment and Support Allowance claimants in the Work-related activity group (WRAG) will have their claims aligned with the JSA rate.

Potential summary impact

In Oldham, there are 80 18-24 year olds (May 2015) currently in the receipt of ESA (Work related activity group). Their loss of premium will equate to an estimated £121,000 loss to Oldham’s economy per year to 2020.

The loss of 30% of benefit is substantial and will put pressure on those claimants in terms of managing finances on a reduced budget.

3.3.7 University maintenance grants to be replaced by maintenance loans from 16/17

Another government reform affecting this age group is the replacement of university maintenance grants with maintenance loans. Loans will need to be paid back when graduates earn above £21,000 a year, something not currently required with the grants. Currently, students from families with annual incomes of £25,000 or less get the full grant of £3,387 a year; those with annual incomes of £40,000 are entitled to

⁹ <http://www.theguardian.com/housing-network/2015/may/18/housing-benefit-cuts-disaster-young-people>

£547. The grants are not available to those whose annual income is more than £42,620.

Potential summary impact

Combined with tuition fees and increases in the cost of living, this measure could put students from lower income families off going to University.

TABLE 5: 18-24 YEAR OLDS AT UNIVERSITY BY WARD

| Ward | 18-24 year olds at Uni 2013/14 | % of 18-24 population |
|---------------------------|--------------------------------|-----------------------|
| Alexandra | 134 | 11.1 |
| Chadderton Central | 204 | 23.6 |
| Chadderton North | 250 | 27.2 |
| Chadderton South | 160 | 16.3 |
| Coldhurst | 259 | 17.5 |
| Crompton | 189 | 24.3 |
| Failsworth East | 169 | 19.3 |
| Failsworth West | 162 | 17.9 |
| Hollinwood | 131 | 12.5 |
| Medlock Vale | 230 | 17.5 |
| Royton North | 186 | 24.1 |
| Royton South | 208 | 25.7 |
| Saddleworth North | 236 | 38.5 |
| Saddleworth South | 269 | 42.8 |
| Saddleworth West and Lees | 204 | 22.6 |
| Shaw | 190 | 24 |
| St. James' | 131 | 12.7 |
| St. Mary's | 285 | 18.4 |
| Waterhead | 151 | 14 |
| Werneth | 280 | 20.4 |
| Oldham | 4030 | 20.2 |

Source: Oldham Council Business Intelligence, 2015

The table above shows 9 out of 20 wards fall below the Oldham average for young people at University. Alexandra has the lowest proportion and is also one of our most deprived wards, closely followed by Hollinwood and St James. Conversely, Saddleworth North and South (two of our most affluent wards) have the largest proportion at university.

There is a significant risk that the changes from maintenance grants to loans will serve to widen this gap.

Some of our most deprived wards have a high proportion of communities from ethnic minorities, particularly people of South Asian heritage.

Government figures show that of youngsters educated in the state sector, 64% of Asian students and 62% of black students went on to higher education in 2012-13, compared to just 45% of white students.¹⁰

These findings seem to be borne out locally, where more deprived wards with an above average Asian population, such as Coldhurst, Werneth and St Mary's are only just below the Oldham average despite having a number of SLOAs in the 10% most deprived in the country.

Conversely, Alexandra, St James and Hollinwood show significantly lower proportions of 18-24 year olds going to university and have a significantly larger white population.

Further welfare reforms have the potential to send families in already deprived wards into further poverty and changes to the grant system are likely to reduce further the proportion of 18-24 year olds in those wards going to university.

Section 4: What is the overall potential impact?

What is the overall potential impact?

From the above analysis there are a number of likely and observed impacts on those aged 18-24:

- Increased risk of falling below the poverty line, as the cost of living will be higher than wages
- Increased risk of relying on short term / pay day / high interest loans which could spiral into unsecured debt
- Disengagement from the labour market – increased reliance on benefits and unofficial labour (cash in hand work), potentially leading to poor working conditions and loss of employment rights
- High levels of unemployment will mean higher numbers being sanctioned
- Worsening quality of life as income reduces, including:
 - cutting back on food, heat and electricity
 - depleting savings
 - selling belongings
 - borrowing money from family and friends
- Increasing reliance on emergency food provision and crisis support
- Potential rise in the:
 - number of eviction
 - numbers of young people homeless
 - demand for temporary accommodation
- Fewer numbers going on to higher education, so potentially less chance of pursuing well-paid / aspirational careers

¹⁰ Guardian: <http://www.theguardian.com/education/2015/jan/27/black-asian-school-leavers-university-white-educational-underachievement-pupils>

Section 5: What are we already doing to help?

The Council provides a number of services to help mitigate the impact of some of these reforms as listed above - in-house or in partnership with other organisations.

5.1 Welfare Advice Service

Oldham Council's Welfare Advice Team was established in 2012 to support vulnerable residents with welfare rights advice. In 2014/15, it helped over 1100 residents, providing benefits advice and assisting potential claimants with forms appeals and tribunals. This saw £2.3m brought into the borough's economy.

From 1 April 2015 to 30 November 2015, 62 18-24 year olds accessed the service - around 7% of the caseload. The breakdown of benefits they asked for help with shows that most young people enquire about Housing Benefit and Personal Independence Payments (see table 6 below).

TABLE 6 – WELFARE ADVICE ACCESSED BY 18-24 YO

| Type of benefit | 18-24 year olds accessing the service |
|----------------------------------|---------------------------------------|
| Housing Benefit (overpayment) | 21 |
| Child benefit | 1 |
| Child tax credit | 2 |
| Disability Living Allowance | 1 |
| Employment and Support Allowance | 8 |
| Housing benefit | 1 |
| Income support | 2 |
| Job Seekers Allowance | 1 |
| Personal Independent Payments | 23 |
| Universal credit | 2 |

Source: Oldham Council, 2015

5.2 Local welfare provision scheme

Local welfare provision replaced Community Care Grants and Crisis Loans in 2013. This is designed to meet short-term emergency/immediate support needs of vulnerable people, in circumstances such as:

- Families under exceptional financial pressure
- People who are homeless or rough sleepers
- People leaving care
- People moving out of institutional residential care
- People moving to supported accommodation / independent living
- People returning to work after a short term on benefit

Local Welfare Provision can be received in the following ways:

- Food vouchers
- Order and payment by Oldham Council to suppliers of suitable goods or services

- Pre-payment cards for goods and utilities
- NB: Cash payments will only be made in exceptional circumstances

Young people aged 18-24 (8.6% of the population) are over-represented amongst LWP clients. To date this year, they made 23.9% (208) of all applications and 22.3% (37) of all approved applications. The total value of the awards to them was over £14,000.

5.3 Discretionary Housing Payments

Discretionary Housing Payments (DHP) are available on a temporary basis to make up a shortfall in rent. Applicants must be in receipt of Housing Benefit.

Payments are normally made for up to 12 weeks and a number of things will be considered:

- Weekly income and outgoings
- Is there anything the applicant could do to help their situation?
- Family circumstances (ages of children, health problems or disabilities)

This financial year to date, 32 DHPs have been awarded to 18-24 year olds (5.4% of all awards) - a total amount of more than £7,000, suggesting young people are under-represented in this client group.

5.4 Council Tax Reduction

The Council operates a Council Tax Reduction scheme which provides applicants that qualify with a reduction of up to 85% of a Band A Council Tax bill. Applicants must be on a low income (income or savings below £16,000).

To date this financial year 5.5% of those in receipt of Council Tax Reduction were under 25 years old, with more than £759,000 awarded.

5.5 Personal Budgeting Support

The Council's Personal Budgeting Support service provides advice on managing household finances and signposting residents to sources of further support (both in terms of advice and financially). Originally put in place for claimants transferring onto Universal Credit from Job Seekers Allowance, people approaching the Council for other types of support are now also being referred.

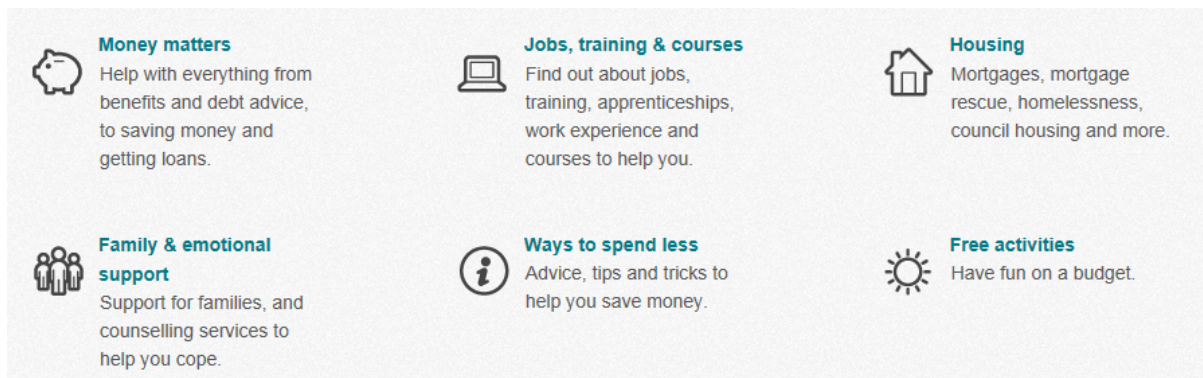
5.6 Debt advice

On behalf of the Council, Oldham Citizens Advice Bureau (CAB) provides advice to residents on their rights and responsibilities, including welfare benefits, debt, housing and employment. They work closely with a number of partner agencies such as the Food Bank, First Choice Homes, Age UK and the Welfare Rights.

Over the past two years the 18-24 age group only represent 7% (2014-15) and 6% (2013-14) of the total number of debt clients see by the CAB. This equates to 163 clients out of a total of 2343 between December 2014 and November 2015. This doesn't mean to say debt is not an issue for this group as it may be hidden by support from parents and the delayed effect of not having to pay student debt back until employed. Certainly, this could be a service which sees a spike in requests from this age group over the next eighteen months.

5.7 Make the Most of Your Money webpages (MMM)

This online campaign is aimed at helping residents to save money as well as make their current income go further. In the main, it is a web-based sign-posting tool providing people with information on issues such as:



Web stats on the number of 18-24 accessing the site are not available. We do know that the main page (above) has been viewed 2,458 times (1,651 unique views) in the past twelve months. The three pages visited are:

1. Jobs, training and courses (273 unique views / 16.74% of all visitors)
2. The Money matters menu (223 unique views / 13.51%)
3. Debt advice (219 unique views / 13.26%)

The stats show that there was a spike in the week before Christmas in 2014 and numbers visiting the pages continued to be high into January – suggesting additional financial pressures around Christmas.

5.8 Get Oldham Working (GOW)

The Get Oldham Working initiative was launched by Oldham Council in May 2013 to support local residents into sustainable jobs. Get Oldham Working provides a package of support for people seeking work, including links to vacancies, education and job skills providers, work clubs and apprenticeships.

Work with local employers has, as of November 2015, created 3,456 job-related opportunities for local people (exceeding its target of 2,980).

Young people have been the main beneficiaries of GOW, with 67% of opportunities going to those aged 18-24.

5.9 Credit Union

The Credit Union provides Oldham residents with access to fair and sustainable financial services, while aiming to tackle poverty and promoting financial inclusion. The Credit Union offers a number of financial services including:

- Secure savings: Credit Union members can save at an affordable level
- Loans: the highest rate for small loans is 26.8% (compared with other short term loan companies charging as much as 4200%)
- Jam Jar Accounts: these help customers to manage their budget by prioritising essential spending (including Council Tax and rent).

The credit union currently has 4014 active members of which 223 are in the 18 – 24 age group (about 5.5%). There may be scope for awareness raising of the Credit Union's facilities with this group as part of a wider programme.

5.10 Fair Employment Charter

As a Co-operative Borough, Oldham aims to build a fair and prosperous local economy where everyone does their bit and everybody benefits.

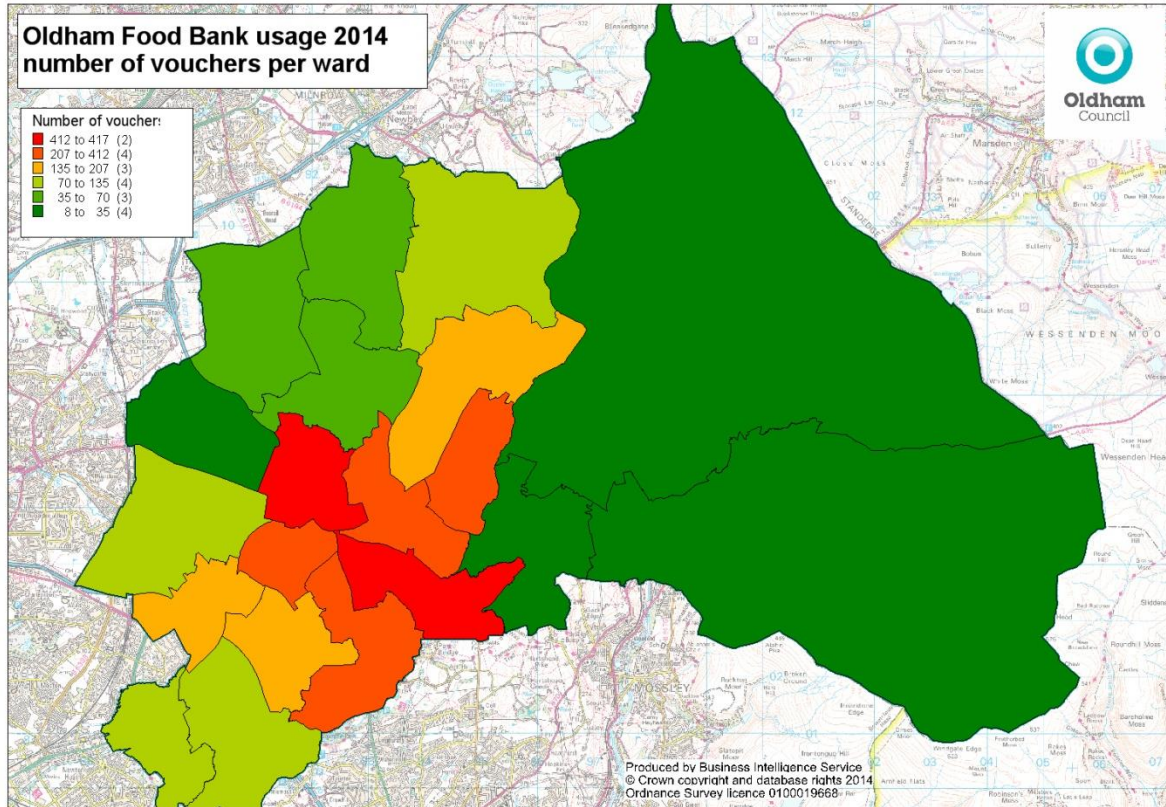
In total, 96 of Oldham's businesses, schools and partner organisations have signed up to Oldham's Fair Employment Charter, to:

1. Pay a living wage
2. Offer fair contracts and stability of employment
3. Offer access to training and support
4. Support membership of trade unions
5. Enable and encourage employees to 'do their bit' for the borough
6. Support local people into work through Get Oldham Working

5.11 Food Bank

Food vouchers are available through care professionals to enable those most in need to receive a food parcel and essential toiletries from Oldham Foodbank. The Foodbank also signposts clients to other agencies who may be able to help resolve problems in the longer-term.

The map below shows that people from all wards access the Foodbank. There is a real concentration of demand from Oldham District, particularly from Alexandra and Coldhurst wards, with additional highs in Hollinwood and Chadderton South.



Source: Oldham Council Business Intelligence / Oldham Foodbank, 2015

Vouchers are issued predominantly for residents to cope with delays in benefits, changes to benefit provision, or low income. In the last year the Foodbank provided food for 3716 adults and 1620 children.

In 2014, 10% of individuals fed were 16-24 year olds, slightly less than their overall share of the population (11.8%).

5.12 Oldham Council as an employer

Oldham Council’s workforce profile

In addition to the general impact of these reforms on those aged 18-24 years old, we also need to consider that we are a major employer and as such also have responsibilities to this age group. Our workforce profile in terms of age is as follows:

TABLE 7 – OLDHAM COUNCIL WORKFORCE AGE PROFILE

| Age band | Oldham Council Headcount | % of OMBC workforce | % of Population in Oldham |
|----------|--------------------------|---------------------|---------------------------|
| 16 to 24 | 110 | 4.03 | 18.32 |
| 25 to 54 | 1978 | 72.53 | 64 |
| 55+ | 639 | 23.43 | 17.34 |

Source: Oldham Council / Office of National Statistics 2015

This shows that 4.03% of the Council workforce are aged 16-24 compared to 18.32% of the working age population. This figure includes our apprentices and trainees. The data to show how many we employ indirectly (i.e. through commissioned services) is not clear, but should also be considered.

Oldham Council's People Service has already prioritised and commissioned analysis of the workforce in terms of equality, which will highlight both opportunity and any existing disproportionalities which may apply to applicants and employees. The outcomes from this work are expected by the end of the calendar year. The work arising from this analysis will concentrate on areas which show as priority, whether this be in terms of age, ethnicity, gender or any other protected group. The findings of this report will be taken into account and analysed as part of this work.

Section 6: What more can we do?

In addition to the provision outlined above, there is currently a small cross-partnership working group being convened to look at Oldham's strategy for tackling poverty (including the impacts of welfare reform).

It is recommended that this group explore the following potential solutions to mitigate some of the impacts of welfare reform on those aged 18-24. In implementing these recommendations we will ensure that they link in with work taking place elsewhere in the Council and the Partnership e.g. Resident First programme, Early Help approach and the Family Information Service. This will ensure that we are not duplicating work and resources are targeted effectively.

1. Getting people to engage with us as early as possible

Longer and more established problems are more difficult to fix and ingrained attitudes and behaviours more difficult to shift once young people move into adulthood.

Early intervention is recognised as one of the most critical success factors in helping effectively. The Council's Early Help offer already uses this approach successfully.

POTENTIAL OPTIONS:

- Carry out a mapping exercise to chart the journey of a young person through welfare reforms and impacts.
- Use this work to recognise critical points at which we can help and whether we could get to people earlier.

2. Creating a central signposting hub of advice and support

It is striking how many different sources of information there are about help or support - organisations, websites, forums, factsheets and FAQs. It is reasonable

to assume that young people as a target group are likely to be tech-savvy and will want to access information in this way.

Creating a central information store, accessible electronically all of the support available would make the information more accessible – and may encourage young people to get in touch with us at an earlier point. This links to the existing work of the Family Information Service and there may be other platforms already in place which can be utilised to fully realise the benefit of this recommendation.

POTENTIAL OPTIONS:

- Test the appetite amongst partners in Oldham to create a single store for welfare reform information and develop a business case.
- Use this to maximise the sources of information captured, overseen by the Co-ops and Neighbourhoods cluster.
- Use this work to make platforms and information available in ways and formats that are likely to be accessed by young people.

3. Exploring the use of technology to better support residents in a joined-up way.

At Kirklees Council, the majority of claimants are directed to an online platform. 'Better Off' helps them calculate their benefit entitlement, apply for benefits, lodge appeals and apply for jobs.

There is also a range of supporting content around employment, interviews, CV writing, childcare, financial management and budgeting. This can speed up the benefits process and reduce the likelihood of appeals and tribunals. The link with employment can reduce the chances of sanctions.

POTENTIAL OPTIONS:

- Undertake additional research and explore how Kirklees and other Councils use technology effectively to support residents with the challenges posed by welfare reform.
- Apply the learning from this to develop approaches, which fit with Oldham's co-operative agenda and build on the suggested journey mapping and central information store.

APPENDIX A

WELFARE REFORM ACT 2012

The Welfare Reform Act gained Royal Assent on 8 March 2012. The stated aims of the Act are to:

- make the system simpler and ensure the system is fair to those claiming benefits and to the taxpayer
- provide a range of incentives to those coming off benefit and into employment to ensure they are not financially worse off
- provide a “stronger” approach to tackling fraud and abuse of the welfare system

The main provisions are:

- **Creation of Universal Credit** – This is the streamlining of several individual benefits into a single Universal Credit. As part of the streamlining a number of benefits are in the process of being abolished, including income-based Jobseekers Allowance, income-related Employment and Support Allowance, Income Support, Housing Benefit, Council Tax Benefit, Child Tax and Working Tax Credit.
- **Introduction of the size criteria (“bedroom tax”)** – claimants have the amount of housing benefit they can receive restricted based on the number of bedrooms their household requires - measured against the same size criteria already used in Local Housing Allowance.
- **Introduction of a benefit cap** – this is the cap (or limit) on the total amount of welfare benefits that working-age people can receive, so that households on out-of-work benefits should not be receiving more in welfare payments than the average weekly wage for working households. The cap was originally set at £500 per week for a couple and single parent households, equivalent to a £26,000 gross salary for someone in work and at £350 per week for single adult households without children.
- **Replacement of Disability Living Allowance with Personal Independence Payment** – in April 2013 Personal Independence Payment (PIP) replaced Disability Living Allowance (DLA) for eligible working age people aged 16 to 64. PIP is based on an assessment of individual need based on the ability to carry out a range of key activities necessary to everyday life.
- **Replacement of Council Tax Benefit with a local support scheme** – From April 2013, local authorities became responsible for administering Council Tax Benefit (now called the Local Council Tax Reduction Scheme).
- **Social Fund Reform** – From April 2013, local authorities also became responsible for administering Local Welfare Provision (a replacement for Crisis Loans and Community Care Grants).
- **Introduction of claimant commitment** and a system of sanctioning those claimants who do not meet those requirements.

WELFARE REFORM AND WORK BILL 2015

The Bill was announced in the Queen's Speech in May 2015 and will implement some, but not all, of the measures announced in the Chancellor's Summer Budget 2015 on 8 July.

The stated aim of the Bill is to reduce expenditure and "help to achieve a more sustainable welfare system", to support efforts to increase employment and "support the policy of rewarding hard work while increasing fairness with working households."

It is essentially a Bill of three parts.

Part One

Introduce a duty to report to Parliament on:

- progress towards achieving full employment
- progress towards achieving 3 million apprenticeships in England
- progress with the Troubled Families programme (England).

Part Two

Repeal almost all of the Child Poverty Act 2010 and introduce a new duty for the Secretary of State to report annually on "life chances": children living in workless households and educational attainment at age 16, in England. The name and remit of the Social Mobility and Child Poverty Commission is changed so that it becomes the Social Mobility Commission. Local Authorities will no longer be required to devise child poverty reduction strategies.

Part Three

The Bill allows for the introduction of extensive changes to welfare benefits, tax credits and social housing rent levels. These will account for around 70% of the £12-13 billion in welfare savings identified in the Summer Budget 2015. The welfare/housing measures include:

- Lowering the **benefit cap** threshold and varying it between London and the rest of the UK. The total amount of benefits a non-working family can receive in a year would be £20,000 (outside London). Households are exempt where someone is entitled to Working Tax Credit or is in receipt of benefits relating to additional costs of disability, or war widow's and widower's pension.
- **A four year benefits freeze of working age benefits.** The following are exempt from the freeze: Maternity Allowance; Statutory Sick Pay; Statutory Maternity Pay; Statutory Paternity Pay; Statutory Shared Parental Pay; and Statutory Adoption Pay; disability, carers' and pensioners' premia in the frozen benefits; the ESA (Employment and Support Allowance) Support Group (disability) component; and other disability, carer and pensioner benefits, which will continue to be uprated in relation to prices or earnings as applicable.

- Limiting support through **Tax Credits/Universal Credit** - significant restrictions to be put in place: e.g. reductions to earnings thresholds (*NB this element has since abandoned for tax credits in the 2015 Comprehensive Spending Review*), family premiums and entitlements for more than 2 children. Also includes changes to conditionality for responsible carers under Universal Credit.
- **Changes to Employment and Support Allowance (ESA)** - new Employment and Support Allowance claimants in the Work-related activity group (WRAG) will have their claims aligned with the JSA rate. The ESA is the benefit that replaced the Incapacity Benefit, and provides for people who are ill or disabled and unable to work. There are two categories: (1) support (2) work-related activity. The latter group has regular assessments and is considered capable of work at some point in the future, or beginning to move into work immediately.
- The abolition of Employment and Support Allowance Work-Related Activity Component meaning a loss of £29 per week for people claiming ESA for reasons of illness or disability.
- Removal of automatic entitlement to **Housing Benefit** for those aged 18-21.
- **Reducing social housing rent levels by 1% in each year** for four years from 2016-17, resulting in a 12 per cent reduction in average rents by 2020-21.
- **Housing Benefit family premium** abolished. Awarded once to all families with dependent children. From April 2016 for new claimants.
- Social housing tenants with household incomes of £30,000 and above will be required to pay a **market rent**.
- Extend **Right to Buy discounts to Housing Association** tenants.
- Replacing Support for Mortgage Interest with **Loans for Mortgage Interest**.
- **New Youth Allowance for 18-21 year olds** - from April 2017, young people will participate in an intensive regime of support from day 1 of their benefit claim. After 6 months they will be expected to apply for an apprenticeship or traineeship, gain work based skills, or go on a mandatory work placement to give them the skills they need to move into sustainable employment. The Youth Obligation will only apply to young people making new Universal Credit claims and will only cover the types of claimants who would currently be claiming Jobseeker's Allowance - so it will not include people who are sick or disabled.
- **The National Minimum Wage** to be 'rebranded' as the National Living Wage and increased to £7.20 per hour for those 25 or over from April 2016 (from £6.70 in October 2015). It will reach £9.00 per hour by 2020.
- **Increases to the income tax personal allowance** to reflect the national minimum wage (no one working 30 hours a weeks on the minimum wage pays income tax). In 2016-17, the personal allowance will increase to £11,000, expected to rise to £12,500 by the end of this parliament.