

ECONOMIC WELFARE AND WELFARE REFORM Fact Sheet

Background

Being in good employment is generally protective to health, and people who are unemployed have higher rates of limiting long term illness, cardiovascular disease and health problems.

The Local Picture

The total working age population in Sutton is approximately 128,000. Employment levels for residents aged 16-64 years and that are economically active are higher in Sutton than the London and national levels. 80.4% of Sutton residents are in employment compared to London at 77.9% and Great Britain at 77.8%.

Occupations and Qualifications

The occupations of those who are employed are broken down into four major categories: managers and professionals; administrative, secretarial and skilled trades; personal service, sales and customer service; and machine workers and elementary occupations. In Sutton, the distribution of occupations shows greater differences with the London distribution, with less people in the managerial and professional occupations, but more people employed in administrative and skilled trades, as well as the machine workers and elementary occupations and services and sales occupations. (Professional and managerial roles in Sutton - 45.9%, professional and managerial roles in London - 54.0%; administrative and trades roles in Sutton - 22.2%, administrative and trades roles in London - 17.5%; service and sales roles in Sutton - 17.2%, service and sales roles in London - 14.5%; machine workers and elementary roles in Sutton - 14.7%, machine workers and elementary roles in London - 13.9%).

The proportion of the population in Sutton aged 16-64 years qualified to degree level is below the London average, at 42.5%, with a London average of 49.8%. However, fewer people have no qualifications in Sutton at 4.4%, compared to the London average of 7.4%, and marginally more people in Sutton are educated to NVQ2 or equivalent at 78.0% compared to London which is 76.1%.

Income and Pay

Gross weekly pay is a measure of the kind of work that people who live in Sutton undertake, and is related to the prosperity of the borough overall. In general, wealthier areas attract residents who have higher paid jobs. In London, excluding the City of London, the median gross weekly pay for all full time workers ranges from £864.7 in City of London to £505.5 in Newham.^[1]

The median gross weekly pay in Sutton is 20th highest in London (based on 32 boroughs, with the City of London excluded due to small numbers of residents), at £605.9. Median gross weekly pay for men is £666.9 (17th highest in London). Median gross weekly pay for women is £507.0 (27th highest in London).^[1] 66.1% of women in Sutton aged 16-64 years are in employment, this is lower than in London with 66.6% and Britain with 68.8%. 86.0% of men in Sutton aged 16-64 years are in employment, this is higher than in London with 79.7% and Britain with 78.7%.

Unemployment

Jobseekers Allowance (JSA) is paid to those who are out of work, capable of, available for and actively seeking work during the week in which the claim is made. The maximum weekly allowance for single people in Britain is £57.90 for those under 25 and £73.10 for those aged 25 and over up to pensionable age. The amount paid may be less depending on any income and savings.^[2]

In Sutton this year, 990 people claimed Jobseekers Allowance, this totals to 0.8% of the resident population aged 16-64 years. The percentage of claimants is lower than London with 1.7% of residents claiming JSA, and Britain with 1.5% of residents claiming JSA.^[3]

The distribution of unemployment across the borough may be seen from analysis of JSA claimants at ward level. The highest percentages of JSA claimants are found in Wandle Valley with 1.2%, Worcester Park with 1.0% and Sutton Central with 0.6%. The lowest percentages are found in Beddington North, Cheam and The Wrythe all with 0.2%.^[5]

Employment Support Allowance

Employment and Support Allowance (ESA) is paid to those that are ill or disabled and replaced the old Income Support programme. Following a work capability assessment, people are allocated to either a work-related activity group, where they'll have regular interviews with an adviser or a support group where they do not have to undertake formal interviews.

In Sutton there are 4,930 people claiming Employment Support or Incapacity Benefit, 3.9% of the working age population which is significantly lower than the rates across Great Britain and London which are 6.2% and 5.1% respectively.

Benefits

Other benefits are available to working-age people from the Department of Work and Pensions. The key benefits are: bereavement benefit, carer's allowance, disability living allowance, Employment and Support Allowance (ESA) and incapacity benefit, severe disablement allowance, income support, jobseeker's allowance, and widow's benefit. The proportion of the population aged 16-64 years who claim the wider range of benefits is much higher than those who claim JSA alone.

Impact of Welfare Reform

The Welfare Reform Act 2012 is one of the largest policy changes to be introduced by the Government. The Act was designed to deliver a £21 billion pound cut from Welfare Reforms from 2011-2014, there are a further £11 billion of benefit cuts forecast from 2016-2020. These cuts are affecting thousands of residents in Sutton. There are likely to be continuing significant economic implications of the Act for:

Individuals and families, which include:

- Looked after young people and care leavers
- Foster carers
- Adults with physical or learning disabilities or mental health difficulties
- Larger families and those with dependent children
- Older people

The local economy:

- If households have less income there is an impact on the local economy



Since the Welfare Reform Act was introduced Sutton has worked proactively and in close partnership with Job Centre Plus to assist residents in taking steps back into employment and training. Debt and budgeting advice has also been provided in the way of a working partnership between Sutton and Sutton's Citizens Advice Bureau.

As of 14 October 2016, 417 Sutton households have lost between £7.98 and £63.46 a week in Housing Benefits as a result of being affected by the Social Sector Size Criteria rule; this is only for Council or Housing Association Tenants.

The Council Tax Support scheme which replaced Council Tax Benefit on 1st April 2013 along with changes to discounts and exemptions from April 2013 has affected approximately 3,980 households in Sutton compared to the Council Tax Benefit scheme, with claimants losing an average of £3.75 per week.

The £23,000 benefit cap will affect Sutton residents from 7 November 2016. A further 160 housing benefit claims will be reduced by between £25 and £320. The average reduction is estimated at between £50 and £75. We do not have figures for the number of Universal Credit claims that will be reduced as this is not being shared with local authorities.

Impact of Welfare reform on homelessness

The biggest impact is on the private sector, and although so far there has not been a significant increase in homeless figures, however we may be starting to see an increase now. This is due to the increased Benefit Cap from 7 November 2016 and private landlords issuing section 21 notices (first stage in the process of eviction) as properties are now unaffordable for tenants affected by the cap.

Sutton Progress

Opportunity Sutton sets out a high level vision for Sutton "to be an enterprising, enabling borough that is a magnet for business investment; that welcomes new entrepreneurs and social enterprises; nurtures its business base and removes barriers to enterprise." **Councillor Jayne McCoy** (Chair of Housing Economy and Business Committee) Opportunity Sutton Conference (June 2012)

There are several priority projects within the Opportunity Sutton Economic Growth Programme. One of which is 'Matching Skills and Demand'. Although a separate project in its own right, it also directly feeds into and underpins all other growth projects to ensure that the borough's residents are placed into work and have an opportunity to share in the growth created via the Opportunity Sutton Programme.

In order to achieve this, the borough works closely with its partners in the training, education, voluntary and business sectors to deliver projects which help to address unemployment through the Sutton Economic Support Taskforce (SEST).

SEST is comprised of a broad range of organisations that shape and deliver the complex skills and employment agenda. In Sutton, partners are brought together to ensure a coordinated approach is taken in the shaping of skills and employment policies and their delivery. Membership of SEST includes: Opportunity Sutton team; Revenues and Benefits team; Children, Young People and Learning Directorate; Housing Centre; Carshalton College; Sutton College; JACE Training; Sutton Education Business Partnership; Sutton and District Training; Sutton Chamber of Commerce; Jobcentre Plus; Training and Recruitment Partnership and; the Voluntary sector.

Key achievements

Through Matching skills with Demand, Opportunity, Sutton has continued to work with partners to develop projects to keep the employment rate for Sutton above 80%. In particular, Sutton Skills Match and Action Plan (2013 to 2016) has delivered and/or supported a range of projects across the borough supporting employment and skills, including:

- £50k of European funding for a lone parents scheme. More than 60 beneficiaries of the project;
- Over 40's executive recruitment programme. More than 170 beneficiaries of the project and almost 40 jobs achieved;
- 'Matching Skills with Demand' conference giving employers, trainers and educators the opportunity to come together to determine barriers and create solutions;
- Social Care Recruitment Fair involving 15 providers of commissioned services which resulted in over 20 job outcomes (in partnership with Adult Social Services and Sutton Job Centre Plus);
- Pilot career smart project to improve the employability of young people in Year 11 and 12 and offer an alternative approach to work than university (led by the Sutton Education Business Partnership);
- Held two successful conferences, the Matching Skills with Demand Conference in November and the Business Investment Conference in December 2014;
- £100K from Jobcentre Plus over two years for the Our Place - Embracing Mental Health Project. The project involves brokering employment opportunities for people with a mental health diagnosis and supporting businesses to safeguard the health and wellbeing of their employees (34 people into employment, more than 100 businesses supported);
- Launched the Sutton Apprenticeship Hub - www.getaheadsutton.org - an online information service for students, teachers, businesses and parents to better understand apprenticeships. This includes an online jobs board to match local talent with career opportunities and to match business with training provision;

We have continued to deliver the priorities of the Opportunity Sutton Programme. In particular we have:

- Commenced delivery of the Sutton Town Centre Master Plan;
- Launched the Pop up Sutton Entrepreneurs Market projects (more than 30 entrepreneurs have benefited)
- Commenced the Northern Gateway project which will maximise the economic regeneration benefits of developing the Gas Holder Site by improving the public realm at the north end of Sutton High Street.

Priorities for the future

- Evaluate the Our Place - Embracing Mental Health project to help improve employment outcomes for residents in Sutton with mental health issues
- Deliver a borough-wide strategy in the health and social care sector which will addresses the workforce challenges in the sector and underpin the growth opportunities of the Sutton London Cancer Hub
- Deliver the Beddington Programme including highways improvements and the development of sites for new uses and improve the quality of the physical environment
- Explore the feasibility of a Business Improvement District in Worcester Park

- Develop a Public Affairs programme with Transport for London, Network Rail and Train and Bus Operators and work to secure funding required to bring the Tramlink extension to Sutton town centre to deliver the transport infrastructure required for the borough's growth aspirations
- Deliver the Sutton Decentralised Energy Network
- Progress the development of the London Cancer Hub, major, long-term programme to transform the Sutton site into a world-leading life-science campus specialising in cancer research, treatment, education and enterprise.

Links to further information

<http://www.opportunitysutton.org/>

<https://www.gov.uk/government/organisations/department-of-health>

<https://www.london.gov.uk/mayor-assembly/gla>

<http://sutton.moderngov.co.uk/documents/s29229/HEB%2008%20October%202013%20-%20Sutton%20Skills%20Match%202013-16%20-%20FINAL%20map%20labelled.pdf>

References

¹ Resident analysis 2016

http://www.nomisweb.co.uk/reports/lmp/la/1946157277/subreports/asher_compared/report.aspx?

Accessed on 14 October 2016

² <https://www.gov.uk/jobseekers-allowance/what-youll-get> "Last updated on 14 October 2016"

Accessed on 14 October 2016

³ <http://www.nomisweb.co.uk/reports/lmp/la/1946157277/report.aspx> JSA claimants by age and duration (February 2016) Accessed on 14 October 2016

⁴ <http://www.suttonjsna.org.uk/uploadDocument/PdfDocument/4.48%20JSA%20by%20quarter%20Sutton.pdf> Job Seekers Allowance (JSA) claimants percentage population aged 16-64 by quarter, Accessed on 14 October 2016

⁵ https://www.nomisweb.co.uk/reports/lmp/ward2011/1140858272/subreports/ward2011cc_compared/report.aspx 2011 CAS ward, Accessed on 14 October 2016