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# Economic and Social Research Review

## Professional Services Unit

January 2024

# Department for Communities – Economic & Social Research Review

The purpose of the Economic & Social Research Review is to capture and disseminate key economic and social research relevant to the Department's policy agenda to inform evidence-based policy making.

This review aims to disseminate published research which is of relevance to the Department's key strategic priorities. This will include research published internally by the Department as well as research published externally. Professional Services Unit (PSU) regularly engages with other research providers and monitors relevant reports and publications which can inform policy development and delivery.

To ensure the key areas of research included within this review are of strategic relevance to the Department, the focus is on highlighting evidence across the four cross cutting themes in the DFC Strategy: Building Inclusive Communities:

- Anti-poverty
- Wellbeing & Inclusion
- Sustainability & Inclusive Growth
- Agility & Innovation

The Research Review also features a research highlights section, which provides a snapshot of some additional topical research relevant to the four cross-cutting themes in the DFC Strategy.

It is the aim of the PSU that this document will be a valuable source of best practice economic and social research published by individuals, organisations and researchers in the fields relevant to the Department's priorities. We hope that the research review supports policy makers in building the evidence base on the key challenges we face and contributes to the successful delivery of the DfC Strategy.

Whilst some of the articles featured are not specifically Northern Ireland focused, the papers presented remain relevant to the strategic and policy issues faced here.

### Disclaimer

The research referred to in this document presents the views and information/statistics provided by various researchers and organisations and does not represent the views or policy of the Department for Communities.

# A Summary Table of Papers/Studies Included in the Research Review— April 2023 - September 2023

| | Authors' institutions | Paper Title | Objective |
|---|---|---|---|
| **Section 1 – Research Highlights** | | | |
| 1 | DfC Economic and Social Research Programme, Professional Services Unit, September 2023 | **An Examination into the Reach of Make the Call** | DfC's Make the Call Wraparound Service helps people get access to benefits, supports and services that they may be entitled to. This study evaluates its annual performance and reports on the amount of annual benefit generated, people benefiting and the number of successful claims. |
| 2 | DfC Economic and Social Research Programme, Professional Services Unit, September 2023 | **Examining the Risk and Depth of Income Poverty for Northern Ireland Households using Administrative Data** | This research project examines the risk and depth of income poverty within Northern Ireland households, using administrative data. Household income is used to help identify those in different levels of poverty. The households in each of the income groupings are then further examined to identify any similar characteristics present across groups. |
| 3 | The Consumer Council for Northern Ireland (CCNI), October 2023 | **Coping Financially with the Cost of Living Crisis** | This research paper explores how consumers, and particularly those with a disability, are coping financially during the current cost-of-living crisis. |
| 4 | Office for Budget Responsibility (OBR), July 2023 | **Fiscal Risks and Sustainability** | This report, specifically Chapter 2 focuses on benefit conditionality and inactivity. It explores the drivers of and prospects of the post pandemic trend of rising health-related inactivity among working-age adults. |
| **Section 2 – Anti-poverty Theme** | | | |
| 5 | IPSOS & The Trussell Trust, June 2023 | **Hunger in Northern Ireland** | This report examines the scale and drivers of food insecurity and food bank use in Northern Ireland in 2022. |
| 6 | Centre for Progressive Policy, July 2023 | **The Cost of Living Crisis across the Devolved Nations** | This report highlights the interplay between rising prices and local economic conditions across the devolved nations of the UK, and provides recommendations for the devolved administrations. |
| 7 | Institute for Fiscal Studies (IFS), July 2023 | **Poverty** | This paper examines trends in household poverty, particularly changes since the beginning of the COVID-19 pandemic in March 2020. |
| 8 | Institute for Fiscal Studies (IFS), June 2023 | **Housing quality and affordability for lower-income households** | In this paper, the authors study trends in housing tenure, costs and quality, with a particular focus on low-income families. |

| | Authors' institutions | Paper Title | Objective |
|---|---|---|---|
| **Section 3 – Wellbeing & Inclusion Theme** | | | |
| 9 | The Journal of Economic Inequality, September 2023 | **Tax-benefit systems and the gender gap in income** | This paper builds on literature on the current gender wage and work gap, and studies the effect that tax-benefit policies have on gender differences in income in EU countries and the UK. |
| 10 | Libraries Connected, June 2023 | **Libraries for living, and for living better** | This report investigates the value and impacts of public libraries around three themes; digital inclusion, health and wellbeing and children's literacy. |
| 11 | Journal of Public Economics, June 2023 | **The consequences of job search monitoring for the long-term unemployed: Disability instead of employment?** | This paper studies the effect of job-search monitoring (JSM) on individual labour market outcomes of the long-term unemployed in Belgium. |
| 12 | Resolution Foundation, June 2023 | **Left behind: Exploring the prevalence of youth worklessness due to ill health in different parts of the UK** | This research paper explores how rates of youth worklessness (18-24 year-olds) due to ill health vary by more and less deprived areas within the UK over the past 10 years. |
| **Section 4 - Sustainability & Inclusive Growth Theme** | | | |
| 13 | Audit Scotland, Audit Wales, National Audit Office and Northern Ireland Audit Office, September 2023 | **Approaches to achieving net zero across the UK** | This report sets out the UK and devolved governments legislation, policy, strategy, governance, and monitoring arrangements, relevant to achieving net zero greenhouse gas emissions. |
| 14 | Centre for progressive policy, June 2023 | **Fair growth: opportunities for economic renewal** | This report considers how the UK can create fair growth by analysing its drivers at the local, national, and international level. |
| 15 | PWC, May 2023 | **Good Growth for Cities** | This report looks at how the radical reshaping of public and private sector roles would help cities respond to current challenges, while at the same time steering towards growth and genuine levelling up. |
| 16 | Resolution Foundation, August 2023 | **It's getting hot in here** | This publication discusses how warmer UK temperatures will have an outsized impact on households and workers with lower incomes. |
| **Section 5 - Agility & Innovation Theme** | | | |
| 17 | Ulster University Economic Policy Centre (UUEPC), August 2023 | **Is Remote Working, Working?** | This research examines the impact, challenges and evolving practices of hybrid working patterns and working from home. |
| 18 | Jospeh Rowntree Foundation (JRF), January 2023 | **Employers and the cost of living: Taking action to support your employees** | This report considers the positive role employers can play in tackling in-work poverty and the cost of living crisis.  It provides recommendations for practices to be implemented to support the financial security of their employees by providing good quality jobs which give people financial security and opportunity. |

| | Authors' institutions | Paper Title | Objective |
|---|---|---|---|
| 19 | Jospeh Rowntree Foundation (JRF), May 2023 | **Designing out the most severe forms of hardship in local areas** | This report asks what it would look like for a local area to do everything it can to 'design out' the most severe forms of hardship to ensure no one ever experiences them. |
| 20 | The Consumer Council Northern Ireland (CCNI), August 2023 | **Research on the Impact of the Energy Crisis on Affordability and the Impact of Energy Transition on Consumers** | This research report explores the impact of the current energy crisis on affordability as well as examining consumer awareness and understanding of decarbonisation and energy transition. The research is based on a large-scale survey of 1007 energy consumers and was conducted in February and March 2023. |

# Research Highlights


## An Examination into the Reach of Make the Call

**DfC Economic and Social Research Programme, Professional Services Unit (PSU), September 2023**

The Department for Communities, Make the Call Wraparound Service (hereafter referred to as Make the Call) helps people get access to benefits, supports and services that they may be entitled to. Make the Call evaluates its annual performance each year and reports on the amount of annual benefit generated, people benefiting and the number of successful claims.

The research project aimed to examine the reach of the Make the Call service within NI. Specifically, the report sought to analyse the Make the Call data to identify the demographics who were/were not engaging and identify any trends over the time period. Additionally, comparison of the Make the Call data, where applicable, to the demographics of those Pension Credit potentially entitled non-recipients (PENR) as identified in the Pension Credit: Estimates of Benefit Take-Up 2019/20 analysis was considered.

**Key Findings:**

**Call Data**

Call data refers to all calls between customers and Make the Call. The majority of these relate to inbound calls from customers to Make the Call.

- From 2020/21 to 2022/23, there were 127,600 distinct calls to Make the Call from 81,100 individual callers. Of these, 91,100 are inbound calls with 36,600 outbound calls. The highest volume of inbound calls was received in 2022/23 (34,200) with the highest volume of outbound calls in 2021/22 (16,900).
- Call data information shows that generally there are more calls from individuals as the age band increases, with a peak of 16,400 (20%) occurring at 60-69. The second highest number of calls was present for the 50-59 banding, with 13,500 in this cohort.

# Research Highlights

- The call data information details 81,100 callers representing 4.3% of the NI population. At LGD level, Belfast displays the highest proportion of callers with 4.7%, with Lisburn & Castlereagh showing the lowest proportion of callers at 3.6%.

**Outreach Support**

Outreach support data relates to referrals received by Make the Call for visits by outreach officers to customers.

- The number of outreach visits has risen over the three-year period from 9,600 in 2020/21 to 16,500 in 2022/23 – a percentage increase of 73%.
- The largest number of outreach visits is recorded for the 70-79 banding with 6,500 (21%) from 2020/21 to 2022/23, indicating a higher demand from pension age individuals. The increase in demand heightens from 50-59 to 70-79 and remains high for the 80-89 banding.
- For outreach support visits, the 30,800 people visited represents 1.6% of the NI population. The highest proportion at LGD level is Fermanagh & Omagh at 2.0%, whilst both Antrim & Newtownabbey and Lisburn & Castlereagh experienced the lowest proportion of visits across this period (1.3%).

**Potential Entitlements**

Potential entitlements are where a Make the Call benefit advisor has conducted a benefit entitlement check with a customer and established potential entitlement to a benefit and/or a service.

- 2021/22 saw the highest number of both distinct individuals identified as having one or more potential entitlements, and the overall number of potential entitlements to benefits and services, at 23,900 and 40,700 respectively.
- Overall, on average this generated 1.88 potential entitlements per individual identified from 2020/21 to 2022/23.
- The age band distribution of potential entitlements is generally high from the 50-59 to 70-79 group with the peak of 11,700 (21%) in the 60-69 age band. There are a high percentage of individuals with potential entitlements within the population across the 60+ age bands, with a peak of 8.2% in the 80-89 banding. This compares with 3.0% of individuals with potential entitlements for the overall NI population.

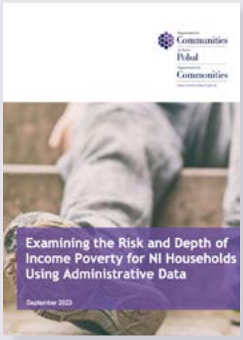
# Research Highlights

- The 56,600 people who had one or more potential entitlements identified represents 3.0% of the NI population. Ards & North Down displays the highest proportion of potential entitlements at 3.4%. The lowest proportion is seen by both Antrim & Newtownabbey and Lisburn & Castlereagh with 2.5%.
- Of the 106,400 potential entitlements identified, 79,300 related to potential benefit entitlement with 27,100 relating to potential service entitlement. The largest individual benefit in terms of potential entitlements identified is Universal Credit with 20% (16,100).
- Around 69% of all potential service entitlements relate to the Blue Badge Scheme and assistance with Health Care Costs.
- 15% (4,100) of potential service entitlements were carried out in relation to an organisation partnered with Make the Call.

**Conclusion**

Overall, the analysis indicates that the reach of Make the Call across NI is comprehensive in terms of the range of people engaging with the service.

# Research Highlights




## Examining the Risk and Depth of Income Poverty for NI Households Using Administrative Data

**DfC Economic and Social Research Programme, Professional Services Unit (PSU), September 2023**

This report examines the risk and depth of income poverty for households in Northern Ireland using administrative data. Household income is considered to help identify those in different levels of poverty. The households in each of the income groupings were then further examined to identify any similar characteristics present across groups. Examples of characteristics considered include the number of individuals within the household, the benefit receipt within the household, level of work-related income and age breakdown of individuals within the household. These characteristics have also been considered alongside geographical identifiers such as the Local Government District (LGD) or the settlement type to identify areas where interventions may be most beneficial.

**Key Findings:**

**Poverty**

- Based on the administrative data, it is found that for 2020/21 there are 120,000 households in relative poverty, containing 270,000 individuals (of which 96,000 are children).
- When considering the income groupings, 55,000 households are in Deep Poverty, 66,000 in Shallow Poverty, 72,000 are At Risk and 541,000 are in the Most Stable group.
- According to Northern Ireland Poverty Bulletin (NIPB), 316,000 individuals are in relative poverty, representing 17% of individuals.

**Household Size, Type and Age Breakdown**

- Of those households in poverty, 46% are single individual households, while only 32% of the overall number of households are single individual households. When considered at the income grouping level, 51% of households in deep poverty are single individual, as are 42% of households in shallow poverty.

# Research Highlights

- 83% of Pension Age individuals live in households which are within the most stable income grouping. Only 2% are in deep poverty, with 6% in shallow poverty and a further 9% at risk of poverty.
- Increasing the number of adults in a household reduces the proportion of households in poverty. For single adult households without children 23% are in poverty. This drops to 9% for couples without children and 4% for more than two adult households without children.
- 37% of lone parent households are in poverty, this is twenty-one percentage points higher than the overall proportion of households in poverty.
- As the number of children increases, the proportion of lone parent households in poverty rises from 31% for one child, to 38% with two, 47% with three and finally 55% for lone parent households with four or more children.

**Geographical Analysis**

- At LGD level Fermanagh and Omagh has the highest proportion of households in poverty with 20%. Lisburn and Castlereagh have the lowest at 13%.
- At Super Output Area (SOA) level the prevalence of poverty ranges from 6% to 39% with 99% of SOA poverty levels being 30% or less.
- In Lisburn and Castlereagh, it is uncommon for the SOA to have 20% of its households in poverty, while for Fermanagh and Omagh only a few SOAs have less than 15% of households in poverty.
- Small Area (SA) analysis shows that some impoverished areas can be masked from identification at an SOA level. The SOA Cavehill 2 has one of the lowest proportions in poverty, 13.5%. However, there is a SA within it where 31.5% of households are in poverty.

**Income Source**

- 20% of households in receipt of means tested benefits are in poverty. Only 14% of households in receipt of non means tested benefits and 13% of households with no benefit receipt are in poverty.
- 36% of households with no work-related income are in poverty. This is twenty-four percentage points greater than households with work related income, 12% of which are in poverty.
- Of those households not in poverty, 86% have some level of work-related income. At the income grouping level, 87% of the most stable group have some level of work-related income.

# Research Highlights


## Coping Financially Following the Cost-of-Living Crisis

**The Consumer Council for Northern Ireland (CCNI), October 2023**
This research paper explores how consumers, and particularly those with a disability, are coping financially during the current cost-of-living crisis. It presents the findings from this research and is based on three complementary elements: In-depth interviews with stakeholder organisations active in the field of disability; a nationally representative survey of 1,004 consumers and in-Depth interviews and case studies with consumers with a disability.

The rising cost-of-living is having a significant impact on Northern Ireland consumers, with the financial resilience of households under enormous strain. There is also concern that the current cost-of-living is adversely impacting on consumers who may be vulnerable for reasons such as disability, age, being on a low-income and living in a rural area.

**Key Findings:**

**Stakeholder Interviews**

- Home heating costs can be higher because many disabilities and health conditions require the person's home to be well heated and continuously heated.
- The paper states that because disability benefits do not cover all costs of living, people with disabilities are now borrowing to make ends meet.
- People on benefits report experiencing difficulty accessing traditional lending routes because they are seen as a bad risk. This can lead them into the hands of illegal or unlicensed lenders.
- Disabled people can be targeted and be more vulnerable to scammers and those seeking to exploit them financially.

# Research Highlights

### Survey Findings

A survey of 1,004 Northern Ireland consumers was undertaken on issues related to coping with the cost-of-living crisis, with a particular focus on the experience of consumers with a disability compared with the general population.

- Consumers were asked how their households were coping financially at the moment: 10% said their household is living comfortably, 32% said their household is doing alright and 31% said they are just getting by. Approximately one in four (26%) consumers said that they are finding it difficult (quite difficult, 13%: very difficult, 13%). One percent were unsure.
- Fewer consumers with a disability report that they are living comfortably, 31% compared to 42% of the general population and 48% of non-disabled consumers.
- Of those who are finding it difficult to manage financially, the key consumer groups most affected are women (38%), those in low-income households, consumers in lower socio-economic groups (16%) and those living in the private rented sector (18%).
- 64% of all consumers say that the cost-of-living has negatively impacted on their household income.
- 68% of those in receipt of Universal Credit (180 respondents) say that the removal of the £20 uplift has negatively impacted them.
- 51% of all consumers had sought help and advice to cope with the rising cost of-living, with particular groups more likely to have sought help and advice including social housing tenants (70%) and those living in low-income households (73%).

### Consumers with a Disability Interviews

Following the survey stage, 16 disabled members of the public were recruited for one-to-one in-depth interviews. This enabled a drill down into the main issues identified from the survey.

# Research Highlights

- Disabled people often need extra heat in their homes because of their condition. People with disabilities, therefore, cannot take the same measures as others to reduce their heating or energy use. "We have a prepay meter and try to load the card when we can afford it, but we still have to ration the use of electricity and gas."
- Many people with disabilities are not able to walk or use public transport because of mobility issues, sight or hearing impairments or because they are unable to drive. "My wife has frequent medical visits which have to be taken by car. Diesel is so expensive."
- Many interviewees had some savings, but some had none at all. However, a number said that they were having to dip into their emergency funds just to make ends meet and others said that their savings were being depleted because of the cost-of-living. "We have a small amount of savings, but three white goods broke in the summer, so that drained nearly all our savings."
- Some said that they have to borrow for everyday essentials or to make ends meet, often from family and friends, some reported using pay-day loans or building up debt on their credit cards.

**Conclusion**

This research shows that consumers continue to need support to cope with the cost-of-living crisis and that this support needs to be effectively targeted at those groups that are being disproportionately impacted. This research shows that typically it is consumers with a disability, those in low-income households and those living in social and private rented sector accommodation are most vulnerable to the cost-of-living crisis and who are struggling to cope. It is these groups that require targeted interventions to help cushion the negative impact of the ongoing cost-of-living crisis.

# Research Highlights


## Fiscal Risks and Sustainability

**The Office for Budget Responsibility (OBR), July 2023**

The Fiscal Risks and Sustainability report, examines the aftershocks of three key risks that have crystallised since 2020 and considers their future fiscal implications. Firstly, it explores the drivers of and prospects for one of the most worrying post pandemic trends, the rise in health-related inactivity among working-age adults. Secondly, it considers the impact of the rise in gas prices on energy demand and supply and the fiscal costs of meeting or missing the net zero emission targets in 2050. Thirdly, it examines the vulnerability of current government debt levels, the impact of recent interest rate rises, and prospects for reducing debt over the medium term. Finally, it covers other risks in the OBR's fiscal risks register, how they have evolved since the last update in July 2021, and any mitigating actions the Government has taken.

**Key Findings:**

**Inactivity and Health**

- Labour market inactivity has risen sharply since the pandemic jumping by almost 650,000 at its peak, and it remains 350,000 above pre-pandemic levels.
- Much of this recent increase has been driven by a rise in those citing long-term ill-health as their principal reason for being out of the labour force, reaching 440,000 in the three months to April 2023, exceeding the net post-pandemic rise in inactivity of 350,000.
- Reasons for inactivity due to looking after the family or home has continued to decline by a further 200,000, reflecting the continuation of two pre-pandemic trends up until early 2021.
- The number of inactive students had risen by 390,000 by early 2021, reflecting the scarcity of labour market opportunities at the height of the pandemic and the surge in A-level grades when exams were cancelled.
- Most recent data shows that the number of working-age retirees is now 50,000 below pre-pandemic levels.
- Inactivity due to long-term sick poses a significant risk to fiscal sustainability by reducing the UK's medium-term economic growth prospects and tax receipts while simultaneously putting upward pressure on health and welfare spending.

# Research Highlights

- The increase in working-age inactivity due to long-term sickness since the pandemic (alongside rising ill-health among those in work) has already added £6.8 billion to the annual welfare bill, cost £8.9 billion in foregone tax receipts, and therefore added £15.7 billion (0.6 per cent of GDP) to annual borrowing.

**Energy**

- The UK remains one of the most gas-dependent economies in Europe, even prior to the Russian invasion of Ukraine. Net imports have risen since 2000 to now make up around half of the gas consumed in the UK today.
- Wholesale gas prices rose from 40 pence a therm in the quarter prior to the pandemic to a daily peak of £6.40 a therm in August 2022. With the marginal cost of electricity typically much more sensitive to gas prices in the UK than in some other European countries, these increases quickly fed through to wholesale electricity prices.
- The Ofgem price cap meant the majority of this increase did not pass through to household bills until winter 2021-22 had passed. By the final quarter of 2022 households saw gas and electricity prices rise by 150 per cent and 110 per cent respectively.
- Fiscal support lowered the peak impact of the wholesale gas price spike, with the Energy Price Guarantee (EPG) limiting household gas prices in the final quarter of 2022 to two-and-a-half times their levels in the first quarter of 2019 and keeping the increase in the price of electricity to around double its level in the first quarter of 2019. This saved the typical household £1,100 against undiscounted energy prices, by limiting annualised bills to £2,500.
- The increase in retail energy prices has, so far, resulted in a significant reduction in household energy consumption in the UK. With price rises being limited by the EPG, the typical UK household saw its annualised gas bill rise from £600 in October 2021 to £1,300 in October 2022, a 110 per cent increase. Without the EPG, the typical household gas bill would have followed the Ofgem price cap and risen to £1,800 in October 2022.
- In the same period the typical UK household saw its annualised electricity bill rise from £700 in October 2021 to £1,200 in October 2022, a 60 per cent increase. Because part of households' bills (the standing charge) does not vary with consumption, the increase in the unit price of gas since the fourth quarter of 2021 was 170 per cent (and 190 per cent since the fourth quarter of 2019).

# Research Highlights

- For the UK, higher and more volatile gas prices pose an ongoing fiscal risk, by reducing aggregate demand, shrinking potential output, and putting pressure on government to shield households and businesses from their full financial impact. But higher gas prices might also present a fiscal opportunity by strengthening market incentives to move to, now cheaper, renewable forms of energy, and thereby reducing the pressure for government support to fund the transition to net zero.

**Debt Sustainability**

- Public sector net debt in the UK has trebled as a share of GDP from under 30 per cent in 2000 to around 100 per cent in 2023 – a 62-year high.
- The rise in public debt is reflected by the frequency and severity of global shocks faced so far, such as the financial crisis, Covid-19 pandemic and the energy crisis.
- In the UK and many other advanced economies, debt levels have reached generational highs not only due to the upward pressures exerted by these shocks but also the challenges governments have faced in trying to reduce debt following these shocks.
- The UK Government's current fiscal plans are to have underlying debt stabilising in four years and falling by just 0.2 per cent of GDP in five years' time.
- Between 2000 to 2023, debt as a share of GDP rose by over 70 percentage points from below 30 per cent to around 100 per cent of GDP.
- The UK ended the last century with a debt-to-GDP ratio that was the lowest in the G7 and close to the bottom quartile of advanced economies. By 2022, the UK's debt level put it in the top quartile of advanced economies, although still the second lowest in the G7.
- The UK Government's high level of debt and the high share of Index Linked Gilts meant that the high inflation of the past two years has sharply increased both debt interest costs and the stock of debt itself. Expenditure on central government debt interest (net of the APF) increased by £89 billion (3.4 per cent of GDP) due to the impact of inflation on the interest costs from the stock of Index Linked Gilts (ILG) across 2021-22 and 2022-23.

# Anti-poverty


## Hunger in Northern Ireland

**IPSOS and The Trussell Trust, June 2023**

Over recent years, the prevalence of food bank use across Northern Ireland has been a topic of increasing discussion and concern. Over the last five years, the rise in the need for food banks has been steeper in Northern Ireland than in any of other part of the UK. Over the five years between 2017/18 and 2022/23 the number of parcels distributed by food banks in the Trussell Trust network increased by 141% in Northern Ireland, compared to a rise of 120% in the UK as a whole.

This report examines the scale and drivers of food insecurity and food bank use in Northern Ireland in 2022. It sets out the profile and characteristics of people experiencing food insecurity and accessing food banks and explores their day-to-day experiences and circumstances. Some groups are significantly overrepresented in the proportions experiencing food insecurity and accessing food banks.

**Key Findings:**

- Nearly two thirds of people referred to food banks in the Trussell Trust network are disabled.
- Working-age adults are much more likely to access food banks than pensioners. This is particularly the case for single adults living alone and those not currently in paid work. Families with children are overrepresented in those who access food banks.
- Just as there is no ‘typical’ person who accesses food banks, there is also no single or simple journey that leads them there. Whilst there are many contributing factors, insufficient income is the fundamental driver for almost all people accessing food banks. The research notes that the vast majority (79%) of people referred to food banks in the Trussell Trust network in mid-2022 had an income so low that they were experiencing destitution at the point at which they were supported by the food bank.

# Anti-poverty

People referred to food banks in Northern Ireland are more than twice as likely to have experienced adverse events (such as bereavement, becoming sick or disabled, or domestic abuse) than the general population in Northern Ireland, with 58% of users experiencing adverse events in the previous 12 months.

Food bank users are significantly more likely to have experienced multiple adverse events of this nature. Just 1% of the general population had experienced three or more adverse events in the last year, compared to one in seven people referred to Trussell Trust food banks in Northern Ireland.

People greatly value the support they receive at food banks, but they do not believe food banks are the right solution to the challenges they face. Some find food banks inaccessible, and often harbour deep feelings of shame for their situation. Six in ten (66%) feel embarrassed while receiving support from the food bank, despite the fact that the overwhelming majority (95%) had been treated with dignity and respect by the food bank.

# Anti-poverty


## The Cost of Living Crisis across the Devolved Nations

**Centre for Progressive Policy, July 2023**

Across the United Kingdom, the effects of the ongoing cost of living crisis are not uniformly experienced. Social and economic resilience varies dramatically from one area to another, significantly shaping how the spiralling costs of household essentials such as fuel, food, and housing are affecting different communities. The interplay between rising prices and local economic conditions has been well documented through the Centre for Progressive Policy's ongoing programme of work on the cost of living crisis, yet to date, their analysis has focussed entirely on England's experience, largely for data reasons.

This new report seeks to fill in the gaps for the devolved nations of Scotland, Wales, and Northern Ireland. It highlights the local authorities that are likely to struggle the most, exploring the characteristics of different local areas that make them comparatively more or less resilient to ongoing high prices. This report also provides recommendations for the devolved administrations, suggesting potential strategies to better tailor support to their local communities.

**Key Findings:**

- Residents in the capital cities of Cardiff, Belfast, and Edinburgh are particularly exposed to higher housing costs, due to both higher costs in the private rented sector, and a large number of households carrying high mortgage burdens, leaving them more vulnerable to high interest rates and future rate rises.
- Belfast has a lower rate of fuel poverty relative to other areas of Northern Ireland, and official statistics from 2016 similarly indicate that Belfast's fuel poverty rate sits far below the national average, estimated to be just 14.5% in 2016. This is likely due to the lack of grid connectivity and dependence on heating oil outside of Belfast. This, coupled with varying rates of economic inactivity, low pay, child poverty, and food insecurity, across different areas, means that how the next stage of the crisis pans out across Northern Ireland is less clear.
- Even if inflation falls back to the 2% target by 2024 as the Bank of England expects, households will still be living with the effects of significantly higher prices.

# Anti-poverty

- In the last eighteen months, living standards have been squeezed beyond any level seen for generations, as rising living costs have brought the consequences of over a decade of economic stagnation to fruition.
- Energy prices are forecast to begin falling, the Energy Price Cap that sets consumer energy prices in Great Britain has fallen to £2,073 in July. It would be unwise to see this as the beginning of our return to normality and a pathway to improving living standards across the board. £2,073 is nearly double where the Energy Price Cap was in the autumn of 2021.
- Food price inflation remains very high at 18.4%.
- Housing insecurity continues to deepen and widen as continued high inflation in rental cost shows little sign of abating.
- The Bank of England's response to persistent inflation is to raise interest rates which will impact on mortgage holders: those re-mortgaging next year face average additional payments of £2,900 per year, based on current trends.

While this general picture of the scale of the crisis is now widely understood, many people's experiences have not been documented in the mainstream narrative. The Energy Price Cap has never been applicable to Northern Ireland, and 68% of its population depends on heating oil to power their homes, which trades within a completely unregulated market which spiked long before the Energy Price Cap neared its peak. Food prices are high everywhere, but they are even higher across the Scottish isles, where additional transportation costs mean that the prices paid by island communities are considerably higher than mainland Great Britain. Wales, which has some of the lowest average incomes across the whole of the UK, persistently ranks at the top of surveys that have sought to capture how hard different people and regions have been hit by the cost of living crisis.

# Anti-poverty

**Recommendations**

Like most governments, the devolved governments of the UK have largely focussed their efforts in response to rising living costs on providing direct support to households, including targeting support towards lower-income and otherwise vulnerable households. Financial support offered directly to many struggling households will have helped them absorb some of the blows to their living standards over the past 18 months. However, the researchers suggest that little policy attention or resource has been made available to support local authorities to tackle the specific pressures facing their communities.

**Recommendation 1:**

Future cost of living funds delivered through local authorities should provide far greater flexibility for councils to allocate funds at their discretion, particularly to tackle challenges that household-level support schemes administered via the UK, or devolved governments are not able to reach.

**Recommendation 2:**

The governments and statistical agencies of the devolved nations should all work to urgently update local area poverty statistics and commit to producing them on a more regular basis, as well as working collectively to better align different definitions of poverty to support comparisons across borders.

**Recommendation 3:**

The devolved governments should each work to develop new legal frameworks for the development of subnational data-sharing agreements, specifically for local authorities and their partner organisations who are working to develop crisis interventions.

# Anti-poverty


## Poverty

**Institute for Fiscal Studies, July 2023**

This paper examines trends in household poverty, particularly looking at changes since the beginning of the COVID-19 pandemic in March 2020. The researchers start by describing trends in poverty rates in the UK for the latest two years of data for the whole population, as well as subgroups including children and pensioners, to assess the extent to which the pandemic and the policy response affected the number of households on low incomes. They then estimate the effects on poverty of two key reforms introduced during the pandemic: the £20 per week uplift to Universal Credit (UC) and the reduction in the UC taper rate. Finally, bank transaction data is used to look at how the cost of living payment in July 2022 affected spending patterns for recipients, to examine how beneficiaries spent this payment and how important it might have been in poverty alleviation.

**Key Findings:**

1. The overall absolute poverty rate fell in the first year of the pandemic (2020–21) and was little changed in 2021–22, leaving it nearly 1 percentage point (ppt) or 480,000 people lower than its pre-pandemic level. This is largely due to changes in benefits policy, in particular, the (temporary) £20 universal credit uplift and (permanent) changes to the universal credit taper rate and work allowances, which allows workers to keep more of the benefit as their earnings rise.
2. The £20 uplift reduced absolute poverty rates by 0.3ppts during the six months it was in place in 2021–22, or by 0.6ppts in annualised terms (379,000 people). The changes to work allowances and the taper rate that succeeded it had a much more muted impact on poverty. Their annualised effect is only 0.2ppts (133,000 people) – a third of the impact of the uplift. Even on a per-pound basis, the £20 uplift had a 40% larger effect on poverty. This is because changes to work allowances and the taper rate mainly benefit somewhat higher-earning households further up the income distribution and do not affect out-of-work households at all.

# Anti-poverty

3. The first instalment of the cost of living payments to households receiving means-tested benefits (£326 paid in July 2022) substantially boosted spending. Discretionary spending was £33 a week (12%) higher for recipient households on average in the four weeks after the payment than in the four weeks before, and remained somewhat elevated up to 15 weeks after the initial payment. The rise in discretionary spending was driven by an increase in cash withdrawals, spending on groceries, and spending on entertainment (e.g. restaurants, streaming services), which accounted for 17%, 15% and 28% of the total increase in discretionary spending respectively. The recipients that responded strongly to the payment suggests that, prior to the payment, many had limited savings or means of borrowing available to them, and wanted to spend more than they were able to. A substantial fraction of the cost of living payment went on basic goods such as groceries, but also on more discretionary goods such as entertainment, indicates a variety of levels of 'need' among recipient households.

# Anti-poverty


## Housing quality and affordability for lower-income households

**Institute for Fiscal Studies, June 2023**

This study examines patterns of housing tenure, quality, and affordability for people on lower incomes. It looks at how housing tenure has changed over time, over incomes and over generations of poorer income families.

**Key Findings:**

1. Facing higher housing costs, renters are considerably more likely than owner occupiers to have low living standards on a variety of measures. Social and private renters have poverty rates of 46% and 34% respectively, compared with 12% for owner-occupiers. They are also far more likely to be materially deprived or to live in food insecurity.
2. A steadily growing fraction of low-income households are in the private rented sector, while the share in social housing has declined, as has (in more recent years) the share who own their own home. Younger generations of low-income individuals are now especially likely to be renting privately. For low-income adults born in the 1960s or before, private renting rates ranged from 5% to 20% at almost every age. But for those born in the 1970s it has persistently been in the 25–30% region, and for those born in the 1980s around 40–50%, as social renting and owner occupation have declined. These patterns suggest that private renting will become even more common among low-income families going forward. This matters because those in the private rented sector have higher housing costs than both social renters and those owning with a mortgage, as well as having less security of tenure.
3. As well as the private sector having higher costs for tenants, the quality of homes, at least for low-income families, is worse. Among lower-income families, those in the private rented sector are more likely than social renters or owner occupiers to be living in a home that is unsafe, in disrepair, difficult to adequately heat or lacking modern facilities. 25% of their homes would therefore fail the Decent Homes

# Anti-poverty

Standard required of social housing, compared with 18% of owner-occupied homes and 12% of social rented homes. Private rented homes are also more likely to have poor energy efficiency, be insecure or be damp, while rented homes in both sectors are more likely to be overcrowded and in areas of poor upkeep and appearance.

4. In the wake of the pandemic, the local housing allowance (LHA) rates which cap maximum housing benefit entitlements were increased to the 30th percentile of local rents. At that point, 23% of private rental properties listed on Zoopla were affordable for housing benefit recipients, which is defined as having rents that can be completely covered by housing benefit. Since then, LHA rates have been frozen in cash terms and rents for new lets have risen by over a fifth on average. As a result, in 2023 Q1 just 5% of private rental properties were affordable for housing benefit recipients. The rapid decline in affordability has been seen across all parts of the country.
5. A declining share of properties being affordable to housing benefit recipients affects the relative quality of those that are affordable. Relative to the nation as a whole, affordable properties in 2023 Q1 were 15% more likely to have an energy rating of D or below, and had 19% higher heating and hot water costs. These gaps have increased as the number of affordable properties has declined in the past few years. This shift is especially pertinent given recent increases to energy costs. Affordable properties are also generally more likely to be in low-employment and high-crime areas, though have slightly better access to local services such as post offices, supermarkets and GPs.

# Wellbeing & Inclusion

## Tax-benefit systems and the gender gap in income

### The Journal of Economic Inequality, September 2023

This paper builds on literature on the current gender wage and work gap, and studies the effect that tax-benefit policies have on gender differences in income in EU countries and the UK.

### Key Findings:

#### Employment Gap

- Female employment has increased in most EU countries, over the last two decades employment rates differ across the social welfare regime types. For example, Scandinavian countries have the highest average female employment rate of 73%. Whereas, countries in the rest of Europe have similar female employment rates at around 66%.
- However, there still remains a sizable gender gap - males have a 13% higher employment rate and work 15% more hours than females.
- The smallest employment gap, of 1 percentage point, is observed in Finland. Whilst the largest gap of 24% observed in Malta.
- Among the employed, males usually work full-time, this ranges from a low of 88% in Ireland to a high of 99% in the Czech Republic and Hungary.
- On average, 15% of working women, work part-time, with particularly high proportions doing so in the Netherlands, Ireland, UK, Germany and Austria. Therefore, hours of work are significantly higher for males than for females in each country.

#### Wage Gap

- In both Ireland and UK, the average hourly wage for female's is lower than for males – by 4% and 14%, respectively.
- Although females in Ireland typically work less hours than males, when adjusted by hourly wage, females have higher than the average male's hourly wage. Therefore, if females worked the same amount of hours as males they would be paid more under the male wage structure.

# Wellbeing & Inclusion

**Work Patterns**

- If females were to adopt male working patterns (both participation and hours) in the UK and Ireland, females would have to work an additional 9 hours per week. Females in Ireland are currently working 20 hours per week, and females in UK are currently working 23 hours per week.

**Social Protection**

- Expenditure on social protection, which reflects the government's ability and willingness to redistribute income and wealth differs across the social welfare regimes. The gender difference in benefit levels vary widely—males receive less in benefits in 15 of the 28 countries and the ratio of male to female benefit receipt ranges from 60% in the Czech Republic to 143% in Italy.
- On average, males pay 58% more in taxes and social security than women, ranging from 28% more in Bulgaria, to more than double in Austria. The result of this is that gender differences in disposable income are not as large as gender differences in market income. On average across the 28 countries females earn 33% less market income than males while the average gap in disposable income is 26%, with the largest income gap in Ireland and UK at 56%.
- Across the EU-27 and the UK, the average gender gap in disposable income for married couples is 35%, compared to a gender gap in market income of 50%.

# Wellbeing & Inclusion


## Libraries for Living, and for Living Better

**Libraries Connected, June 2023**

This report investigates the value and impacts of public libraries around three themes of digital inclusion, health and wellbeing, and children's literacy.

**Key Findings:**

- Library services in England can generate social benefits for their communities to a value of at least £3.4bn per year. A typical library provides an average of £1m worth of value (range of £600,000 to £1.5m), depending on volumes and activities undertaken.
- Libraries Connected undertook 10 case studies under digital inclusion, health and wellbeing and independent living, and children's literacy outcomes to provide a monetary value for library services shown below:
  - Digital inclusion – benefit value of £379 per participant, assuming participants continue to secure employment within two years of using these services.
  - Health – benefit value between £244 (low intensity group wellbeing settings) and £60,000 (high intensity individual suicidal support interventions).
  - Literacy programmes – a value of £279 per participant in any programme.
  - Mobile library services – a value of £49.70 per participant, and high total value due to high participation.

**Recommendations**

- **Review marketing, signage and online access for library services.** During Libraries Connected research it was found that members of the public can have misconceptions about the services currently offered by libraries. This may result in people not feeling welcomed, especially those who are new to the library or who have young children. Libraries should work to promote awareness of the services they offer, and their function as an inclusive space.

# Wellbeing & Inclusion

- **Develop liaison and sharing best practice between library services and other partners**. Libraries Connected found many instances of very effective and often innovative collaboration. However, library professionals indicated that there was sometimes scope for better liaison and communication between partners to realise the full value (monetary and extra-monetary) of some activities.
- **Improve digital inclusion.** Libraries Connected recommend that any revisions to library apps and websites are focused on improving their core usability, accessibility, and navigation over visual design, and that such improvements are driven by user needs and appropriate metrics.
- **Understand the impacts of library services on health, wellbeing and independent living.** Evaluations on specific activities could lead to impacts on health, wellbeing, and independent living across the life span. In terms of the emphasis of this report on the value of services, it would also be possible to estimate how library service initiatives create savings for other public services e.g. Healthcare.
- **Extend the reach of services supporting children's literacy.** Libraries Connected found that there could be greater consideration on how to develop the offer of programmes for teens and older teens to match the success and variety of programmes available for younger children.
- **Further evaluation of services.** Finally, Libraries Connected suggest developing a sampling and data collection strategy, to provide appropriate quantitative data for evaluating the impact, and effectiveness of public library services in key areas e.g. evaluation of wellbeing and mental health outcomes of library activities.

# Wellbeing & Inclusion


The consequences of job search monitoring for the long-term unemployed: Disability instead of employment?

Abstract

## The consequences of job search monitoring for the long-term unemployed: Disability instead of employment?

**Journal of Public Economics, June 2023**

This paper studies the effect of job-search monitoring (JSM) on individual labour market outcomes of the long-term unemployed in Belgium.

**Job Search Monitoring (JSM) Key Findings:**

- This paper studies the effects of a JSM program implemented in Belgium in 2004 that targets long-term (LT) unemployed individuals, focusing on both transitions into employment and potential substitution effects with other social safety net programs.
- After 15 months of unemployment, participants were invited to periodically visit their employment agency to be interviewed by a caseworker on their job search activities. The consequences of a negative evaluation ranged from a mere warning to permanent exclusion from unemployment insurance.
- Research shows that a decrease in unemployment probability is driven by an increased probability of receiving disability insurance benefits, and not by an increase in the probability of ever being employed, JSM increases the probability of ever being on disability insurance benefits by 12.6 pp.
- It was anticipated that JSM significantly decreases the number of days spent on unemployment insurance by 88 days and increases the number of days on disability insurance by 60 days. In contrast, JSM does not significantly affect the number of days spent in employment or on other social welfare programs.
- Therefore, this research suggests that JSM has not been effective at increasing the share of long-term unemployed individuals who found a job. Instead, it has unintentionally increased disability insurance benefits take-up among those who would have remained unemployed in the absence of the program.

# Wellbeing & Inclusion


## Left behind: Exploring the prevalence of youth worklessness due to ill health in different parts of the UK

**Resolution Foundation, June 2023**

This research paper explores how rates of youth worklessness (18-24-year-olds) due to ill health vary by more, and less deprived areas within the UK over the past 10 years.

**Key Findings:**

- The rise in economic inactivity due to ill health – combined with a fall in the number of young people who are unemployed or inactive to care for family – means that the make-up of youth worklessness has been transformed in the last decade. In 2012, 94,000 (8%) young people were not in education, employment and training (NEET). However, by 2022, this had risen to 185,000 (23%).

Youth worklessness due to ill health is not equally spread across the UK.

- ONS Labour Force Survey data shows that the proportion of 18-24-year-olds who are workless due to ill health stood at 2.9% in the UK, meanwhile the proportion for Northern Ireland was 1.3 percentage points (pps) higher at 4.2%.
- When looking at all adults, those from the most-deprived quintile of English local authorities are more than twice as likely to be workless due to ill health than those from the least-deprived quintile (at 6.5% and 2.9% respectively).
- However, among youth there is little difference in the prevalence of worklessness due to ill health between those living in more, or less deprived places: young people from the most-deprived quintile of local authorities are only slightly more likely to be workless due to ill health than those from the least-deprived (at 2.7% and 2.3% respectively).

# Wellbeing & Inclusion

Young people are far less likely to be workless due to ill health in large cities as opposed to small towns and villages.

- Among all young people, just 1.8% of those in London and 2.0% of those in other major cities are workless due to ill health. This rises to 3.4% of young people in small towns and villages.
- Whilst 6.0% of working-age adults from major cities outside of London were workless due to ill health. This is in line with other settlements in the UK, 5.9% of those from large towns and 6.4% of those from small towns.

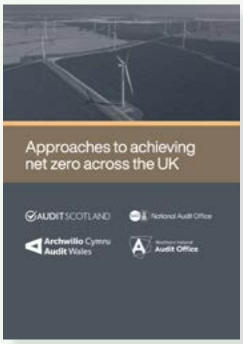
The composition of the young population varies considerably between large cities and smaller places.

- Although 45% of young people in London, and 42% in other major cities are in full-time education, this falls to 32% and 30% of young people residing in towns and villages respectively.
- When excluding students only 3.3% of young people from London, and 3.5% of those from other major cities, were workless due to ill health. However, this rose to 5.0% of those in small towns, and 4.8% of those in areas dominated by villages.

Many people move from one place to another in young adulthood, but those with poor health are often 'left behind'.

- One measure of health that can be studied at the local level for different aged groups is claims for Personal Independence Payment (PIP), the main non-means-tested benefit available to people with disabilities or health problems.
- For 18-24-year-olds, those from small towns or villages are much more likely to be claiming PIP at 5.8% and 5.3% respectively. Whereas those from London and other major cities are less likely to be claiming PIP at 3.5% and 3.7% respectively.
- Around 79% of young workless people with ill healths highest qualification is at GCSE-level or below, compared to 34% of all young people, and 43% of unemployed young people. As a result, young people who are workless due to ill health are doubly disadvantaged, by both poor health (in itself a barrier to work or study) and low levels of skills (impeding their ability to move for higher education).

# Sustainability & Inclusive Growth




## Approaches to achieving net zero across the UK

**Audit Scotland, Audit Wales, National Audit Office and Northern Ireland Audit Office, September 2023**

The public audit offices of the four UK nations have produced a joint piece of work to outline the arrangements which are significant in achieving net zero greenhouse gas emissions by 2050. The report indicates how the responsibilities and powers are broken up between the UK government and each of the devolved governments. While they acknowledge that each nation requires a different approach to deliver net zero, there is an emphasis on the cruciality of the UK government and the devolved powers acting collectively.

**Key Findings:**

- The challenges faced in reaching zero emissions are varied across the UK. While transport takes up the highest share of emissions in both England and Scotland, the primary sources of emissions in Northern Ireland and Wales are agriculture and energy respectively.
- To reduce emissions on a UK wide basis, each nation must contribute in different ways.
- There are different timelines for achieving net zero – UK, Northern Ireland and Wales aim to achieve it by 2050, while Scotland aims for 2045.
- Each nation has different approaches including differing combinations of budgets, targets, and policies.
- Achieving net zero in any nation depends on UK level action and vice versa.
- There needs to be a prioritisation of actions which will achieve the biggest emission reductions across the UK, and ensure that there are no unnecessary barriers to collective working and shared learning.

**UK wide strategies:**

- The introduction of ‘carbon budgets’, which are legally binding targets for emissions over five-year periods.
- A commitment to end the sale of new petrol and diesel vehicles by 2030.

# Sustainability & Inclusive Growth

- Capitalising on clean growth opportunities in industry.
- An improvement in the decarbonisation and energy efficiency of buildings.
- Transforming the energy sector and replacing fossil fuels with clean energy technologies to help decarbonise the power sector.
- Plans to achieve zero emission ships in UK waters by 2050 through new regulation and an emphasis on the value of research and investment in the industry.
- Whole sector collaboration to develop, test and implement net zero solutions for the aviation sector.

**A Northern Ireland focus:**

There is a target of an 82% net reduction in emissions in Northern Ireland by 2050. This is in line with the CCC's recommendation for what is considered a fair contribution by NI to the UK's net zero by 2050 target.

- **A 10X Economy** – Provides a vision for a transformation of the Northern Ireland economy, by focusing on more innovative, inclusive, and sustainable economic growth.
- **The Path to Net Zero Energy** - The strategy establishes a long-term vision of net zero carbon and affordable energy by 2050. In the interim, the strategy aims for a 56% reduction in energy-related carbon emissions by 2030.
- **Forests for our Future** - This programme will support the planting of 18 million trees by 2030. It will help to deliver a sustainable, healthy environment and economic growth.
- **Agriculture Future Farm Support Development Programme** – This focuses on increased productivity, environmental sustainability, improved resilience, and an effective supply chain.
- **Residential Buildings Draft Housing Supply Strategy 2022–2037** – This sets out a vision for meeting housing need across Northern Ireland over the next 15 years, but with a focus on decarbonisation. The strategy also sets out how the Department for Communities (DfC) will support people in delivering these ambitions and ensure a just transition for everyone.

# Sustainability & Inclusive Growth


## Fair Growth: Opportunities for Economic Renewal

**Centre for progressive policy, June 2023**

The centre for progressive policy produced this report to explore how the UK can create fair growth by concentrating on what drives productivity in 'left behind' communities. CPP developed a model which brings together a ten-year data set to conclude the factors with the biggest impact on productivity. The key finding was that while Industrial make-up is a critical driver of local productivity, it only partially explains regional differences. The analysis demonstrates how productivity gains can come about from advancements in health, skills, and gender equality in the labour market.

The report suggests that education, childcare and population health all need to be priorities for increasing productivity growth. These priorities can only be fulfilled at the local level, with local areas best understanding how the priorities, interventions and systems can be organised. As a result, they suggest that devolution is crucial in empowering places to meet fair growth priorities, with a dedicated focus required on the drivers of productivity in left behind areas.

The model demonstrated that the UK could generate an additional £160bn in economic output by bringing skill levels and life expectancy in lagging areas up to the national average while closing gender employment gaps in all places.

**Key principals for supporting fair growth:**

- Good jobs, not just any jobs – enabling and supporting the growth of good, high valued employers as poor-quality work is forcing people out of the labour market early, undermining productivity.
- Health not just healthcare – organising local healthcare systems around prevention, recognising the significant impact that wider social factors have on population health, with healthcare only accounting for a fraction of what makes a healthy nation.

# Sustainability & Inclusive Growth

- Further education not just higher education – providing the best education with a particular focus on relevant vocational and technical education.
- Accessible, quality childcare – ensuring the provision of accessible, affordable childcare as limited childcare limits women's participation in the labour market.

# Sustainability & Inclusive Growth

## Good Growth for Cities: Unlocking the potential of our cities

**PWC, May 2023**

This report by PWC examines how we can steer our cities towards inclusive growth, and genuine levelling up through a radical reshaping of public and private sector roles, to unlock the potential of our cities. PWC make the point that cities tend to be places of huge disparity. Factors such as where you live and your background can determine social, economic and health outcomes. This report discusses how disparity remains rife across UK cities, with little evidence of the regional disparity gap narrowing overall. This creates challenges for local leaders who need to address the competing interests and needs at each end of the socioeconomic spectrum.

The Good Growth for Cities Index is used by PWC to present a clear picture of what matters to the public and examine the ways in which central and local government, the private sector and wider local public services can cooperate to deliver inclusive growth.

**Good Growth for Cities Index Key Findings:**

- Households across the UK are struggling with the soaring cost of living.
- The gap between the highest and the lowest ranked UK cities in the index is narrowing, despite progress being very slow.
- People are prioritising work life balance which is helping to unlock growth across UK cities.

**PWC's Agenda for Action:**

- **Accountability at the right level** – effective distribution of accountability and responsibilities to the best placed decision maker.
- **Greater fiscal flexibility** – flexibility would help cities respond to their individual needs and shape opportunities for good growth.
- **Unlocking the capacity of a place** – effective devolution would create good growth by unlocking the capacity of a place and its communities, rather than that of institutions.

# Sustainability & Inclusive Growth

- **An interconnected system of governance** – acknowledges the scale at which policy, investment and delivery are best determined and coordinated.
- **Delivering productivity through place-based strategies** – local leaders are best placed to develop strategies and plans that take account of the specific opportunities and challenges in their area. Through their understanding of the local area and engagement with communities and businesses they are well positioned to bring together economic and skills development, investment, and infrastructure planning to help achieve inclusive and sustainable growth.
- **Moving towards low carbon local economies** – cities need to rethink how they use their resources to create a balance between providing access to essentials with their natural environmental boundaries. This requires a shift to a low carbon economy that is regenerative by design rather than one that focuses on growth at all costs.
- **Creating local communities that thrive** – inclusive growth is about more than just economic success and productivity, it is also about creating communities that thrive, with opportunities to improve their wellbeing.

# Sustainability & Inclusive Growth


Resolution Foundation

It's getting hot in here

How ever-warmer UK summer temperatures will have an outsized impact on low-income households and low-paid workers

## It's getting hot in here

**Resolution Foundation, August 2023**

This publication from Resolution Foundation examines the impact of warmer summer temperatures on low-income households and workers across the UK. Resolution Foundation highlight that it is crucial to form a path to net zero that doesn't unfairly disadvantage those on lower incomes, while simultaneously considering how to adapt to rising temperatures, to curb their outsized effect on lower income households. This publication looks at the impacts of climate change both at home, and at work. On the topic of homes, Resolution Foundation recommend the consideration of both heat and cold when retrofitting the UK's housing stock. For workplaces, the recommendation is to learn from countries which have long had higher temperatures, including legal rights for maximum workplace temperatures, and better adapted buildings.

**Key Findings:**

- **Climate change means rising temperatures, and the UK isn't ready** – There is an obvious trend of rising temperatures, with 2022 being the UKs hottest year on record. Extreme temperatures are anticipated to become the new normal in years to come, bringing more frequent uncomfortably hot days.
- **More homes will be at risk of overheating as temperatures rise** - Overheating is associated with major health risks. Heat exhaustion and heat stroke, cardiovascular and respiratory issues, sleep disturbance and mental health problems, can all be linked to high temperatures in the home.
- **Half of the poorest households live in homes that are the most likely to overheat, three times more than the richest households** – This issue is likely to worsen with the steepening of the income gradient. Alongside poorer households, certain at-risk groups, or households that don't have the ability to modify their homes, are in jeopardy of having homes which get too hot in the summer. The groups which are most at risk has been identified as those who do not own their homes, ethnic minority households and those with young residents.

# Sustainability & Inclusive Growth

- **Property owners will face big bills to ensure their homes remain habitable** – Work may be crucial for many homes in the UK to allow them to remain safe and pleasant to live in throughout an ever-changing climate.  A surge in the uptake of air conditioning comes with high installation costs and an increase in annual energy costs, which is something that is not affordable for many.
- **A fifth of workers are in occupations that have an overheating risk, and poorer office workers are less likely to have access to air conditioning** - Overheating is a bigger risk for workers in physical occupations. Manufacturing and construction roles have been deemed most at risk. The median age of workers in these roles is 42. This is particularly concerning as age is an exacerbating factor for heat related illness. Therefore, with increasing evidence of hotter temperatures on the horizon, employment policy will likely face pressure to respond.

# Agility & Innovation


## Is Remote Working, Working?

**Ulster University Economic Policy Centre (UUEPC), August 2023**

The research examines the impact, challenges and evolving practices of hybrid working patterns and working from home.

**Key Findings:**

- The future of remote working was (and is) still being debated.
- The increase and rate of remote working in NI is the lowest across all UK regions.
- More than half of NI firms cite the ability to reduce overheads as the next largest reason to increase homeworking alongside a greater ability to recruit staff.
- Improved staff well-being is the primary reason for businesses to increase remote working (85% NI firms and 77% across UK).
- The adoption of hybrid working practices has largely been influenced by the management styles of senior leaders.
- Consultees' concerns remain around certain tasks or aspects of work, including: collaboration; customer relations; improving processes and products; organisational/ team culture; and impact on younger people, and new recruits integrating into the workplace and building networks. Results also suggest the quality of management practices varies across firms and sectors.
- Rationale for not increasing home working includes difficulty managing staff (cited by 20%); negative impact on culture (18%); reduced productivity (11%).

# Agility & Innovation

**Working Patterns**

- Current hybrid patterns are here to stay with very few employees working on a fully remote basis. Hybrid working approaches have evolved over the last three years and will continue to evolve. It tends to work well when employees have a clear understanding of their organisational needs, and employers have a clear understanding of the benefits and flexibility a hybrid approach gives to their staff.
- There is no 'secret longing' to have staff back in the office more, but consultees are wary of increasing levels of remote working further because it may risk impacting collaboration, teamworking and productivity.
- Broad satisfaction with current hybrid patterns (2 to 3 days per week Working From Home (WFH) for 55% of respondents) but a preference expressed for an increase to 3 to 4 days per week. The current split between 'days at home' and 'days in work' are not settled for everyone. 51% of NI businesses have no employees working remotely compared to Scotland (38%) and UK (42%). NI is the least likely region to use increased homeworking going forward (only 6% currently operating a fully remote model in NI).
- Northern Ireland had the lowest rates of WFH of any UK region in 2023 (Q4 2019 to Q1 2023) and saw the smallest increase (+7 percentage points), less than half the UK average increase.
- 64% of UK private sector employers expect the current patterns to remain in 2023 compared to 57% in NI with 34% uncertain.

# Agility & Innovation

**Recruitment and Management**

- There is a sense that staff are generally happy with the existing practices, which is important when recruitment and retention of skilled labour generally is a challenge.
- Management must recognise that remote/ hybrid workers need to maintain a level of visibility and integration with their colleagues to ensure they are not disadvantaged, for example in progression. Consultees recognised that team collaboration and building relationships are best in work, and face-to-face.
- Face-to-face time is needed for: customer relations; innovation/ improving processes and products; building culture; and collaboration. Team collaboration and building relationships are recognised to be more effective in work. Employees and businesses alike are aware of the tasks best suited to the workplace, and therefore it is important to create an environment where the ‘days in’ target those engagement, mentoring, collaborative and innovative tasks.
- There was a growing view, which strengthened during 2021 and 2022 as new frameworks were being developed, that hybrid models could pose a challenge for HR management.  This report found management practices need to catch-up with new remote/ hybrid working arrangements.
- There has been a very significant increase in advertising of online jobs across the UK, however NI is 14pps lower than the UK. Furthermore, the profile of online job adverts suggests this position is unlikely to change.
- Data from the 2021 Census shows that those towns/cities in NI with residents who have higher levels of qualifications (NQF Level 4+) also have higher levels of home working.
- Those areas with higher qualified residents were typically found within or close to the Belfast travel-to-work area suggesting a larger effect in workplaces in the Belfast commuter belt.

# Agility & Innovation

**Productivity**

- Firms in both NI and the UK more widely (47.5% and 47%) point to increased productivity as a rationale to increase remote working. Employees believe they are being more productive (i.e. completing more work in the same time) when working remotely – this belief increases with the numbers of days spent WFH.
- The impact on productivity remains open – measurement remains a difficult issue and consultees are not sure whether more hours worked means more output or better quality. There are no clear trends emerging in terms of sectors more or less likely to experience productivity improvements which suggests that benefits may be derived in organisations which have identified more effective management approaches (although this is uncertain).

**Wider Impacts**

- There is also a recognition among employers – borne out in the data – that weekday footfall everywhere is impacted and especially so in Belfast. There has been a clear change in spending habits, typically away from the high street or local town centres, perhaps towards online or partially caused by current higher cost of living.
- One consultee stated "It's now a three-day week for the high street in Belfast and I don't believe increased tourist visitors is sufficient to replace the spending lost."

# Agility & Innovation


## Employers and the cost of living: Taking action to support your employees

**Joseph Rowntree Foundation, January 2023**

While co-ordinated Government action is urgently needed to tackle in-work poverty and the cost of living crisis, employers also have an essential role.  The report considers the positive role employers can play, and provides recommendations for practices to be implemented to support the financial security of their employees by providing good quality jobs, which give people financial security and opportunity.

**Action from Government**

Policy action is needed to target key areas including:

- Social security: Make sure that the core rate of Universal Credit at least covers people's essentials, and guarantee that deductions, such as debt repayments to Government can never pull support below that level.
- Work: bring forward the long-promised Employment Bill to strengthen rights for workers, including rights to more secure and predictable contracts.
- Crisis support: Ensure local crisis assistance is properly resourced.
- Cost of living: Provide additional cost of living payments, including at least £450 to those on means tested benefits, this winter.

**Building on Good Practice**

Actions from employers have included:

- Implementing cost of living pay rises and provided one-off additional cost of living payments to support their staff.
- Starting more open conversations about financial worries, and sign-posting employees to specialist support and guidance, such as debt advice.
- Suspending additional costs such as parking charges.

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**Boosting Pay and Incomes**

Boosting pay and incomes should be top priority, and fair pay must be a key component of this. To boost incomes, employers should consider options such as:

- Becoming a Real Living Wage accredited employer, paying a fair wage for workers employed directly, and within business supply chains.
- Committing to a higher cost of living pay rise for staff in 2022/23.
- Looking beyond hourly pay and becoming a Living Hours accredited employer. Living Hours aims to tackle insecure work and underemployment, with employers committing to providing sufficient, secure, and predictable hours.
- Paying one-off bonus payments to help with increasing living costs.
- Encouraging employees to check they're claiming everything they're entitled to.

**Providing More Secure Work**

Employers can commit to providing more secure work through becoming Living Hours accredited, and help give workers more financial security and stability by:

- Offering contracts reflecting typical working hours: where employees are regularly working a set number of hours, employers should offer a secure contract which reflects this – unless the employer and employee both genuinely prefer a more flexible contract.
- Providing good notice of shifts: scheduling shifts at short notice can have negative impacts on people's personal lives and finances. Employers should aim to offer at least four weeks' notice of shifts to help give people certainty and security in their working hours.
- Not cancelling shifts at short notice: last minute cancellations result in a loss of income whilst costs such as childcare and transport to work are incurred.

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**Investing in Training and Progression**

Employers can help boost employees' incomes by offering good quality routes for pay progression, and investing in skills and training, particularly for workers on lower pay. Employers should:

- Target training and progression opportunities at employees on lower pay.
- Ensure training and progression opportunities are affordable and remove barriers to access.
- Look at how flexibility and progression interact. Employers should ensure flexible working policies enable people who need different forms of flexibility to progress onto higher pay.
- Be aware of how wage compression could disincentivise progression: wage compression at lower pay levels could mean taking on more responsibility for little extra pay. Employers should be aware of how pay increments and the "taper rate" within the Universal Credit system can impact on progression incentives for lower-paid employees.

**Offering Flexible Working**

Flexible working can help employees unlock more working hours and earn more by enabling them to fit working hours around care and other responsibilities. Employers should consider:

- Ensuring all employees have access to flexible working from day one on the job.
- How flexibility and progression intersect. Ensure flexible progression routes and flexibility at all levels, particularly frontline and low-paid levels.

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**Building a Compassionate Culture**
Employers also need to invest in a positive workplace culture. Alongside changes around pay, secure hours and flexible working, employers should also prioritise:

- Investing in good quality line management.
- Embedding dignity and respect in relationships and working practices.
- Creating a caring and supportive workplace culture and ensuring company values are acted on at every level of your organisation.
- Listening and responding to employees' priorities and ensuring a place for worker voice within your organisation, whether through a trade union, a worker council, or other routes.

**Making Fringe Benefits Go Further**
Employers should look at how employee benefits packages can go further to better support lower earners:

- Knowing what works for employee benefits such as mitigating key living costs; promoting benefits in a way that reaches and resonates with lower earners; and monitoring and measuring take-up and impact.
- Targeting living costs to maximise support such as using data on household outgoings to help target your support and benefits, to maximise support around living costs.

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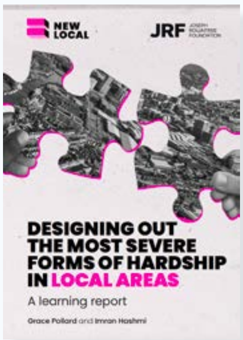


## Designing out the most severe forms of hardship in local areas

**Joseph Rowntree Foundation (JRF), May 2023**

The report asks what it would look like for a local area to do everything it can to 'design out' the most severe forms of hardship, to ensure no one ever experiences them. The report finds that there are a wide range of ways in which communities organise themselves to support each other and contribute to address and prevent poverty.

Four main action areas are:
- Community-led action, participation and building capacity in communities.
- The network of local support and services including emergency support, support around financial issues & health and housing.
- The ability of local partners to convene is a critical lever in taking action on the root causes of local poverty.
- The use and sharing of a wide range of data across organisations.

There are significant limitations, including policy making on a national level with local areas having limited power. Other challenges are pressures on resources, time and finances as well as the people working across systems being exhausted and over-worked. The report sets out a framework to support local areas to make progress towards designing out the most severe forms of hardship. This framework is based around six key areas of action, in three groups:

**Building a strategy and coalition**
1. Building Learning and Reflection into the Heart of Local Action
2. Develop a Galvanising Shared Agenda to Connect and Grow Local Action on the Root Causes of Poverty.
3. Shift Power to People and Communities with Experience of Poverty
4. Redesign Services and Support to Make Sure People Get the Right Help at the Right Time
5. Unlock More Stable and Long-term Funding that Incentivises Collaborative and Coordinated Action on Poverty
6. Seek to Inform and Influence the National Policy Conversation on Poverty

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## Research on the Impact of the Energy Crisis on Affordability and the Impact of Energy Transition on Consumers

**The Consumer Council Northern Ireland (CCNI), August 2023**
The Northern Ireland Consumer Council commissioned Social Market Research (SMR) to undertake quantitative research on the impact of the energy crisis on affordability and the impact of energy transition on consumers. The research is based on a large-scale survey of 1,007 energy consumers and was conducted in February and March 2023. This research builds upon previous research undertaken by the Consumer Council in 2022 particularly in terms of generating an up-to-date estimate of the prevalence of fuel poverty in Northern Ireland.

**Key Findings:**

**Prevalence of fuel poverty**
For the purposes of the research fuel poverty has been defined as a household spending more than 10% of its income (take home wages, benefits, pension etc.) on energy bills.

- 51% of households are classified as being in fuel poverty (Note: this is an estimate based on the proportion of households spending more than 10% of net household income on energy).
- The highest level of fuel poverty was recorded in homes where gas is the main heating source (56%), with households where oil is the main heating source recording a fuel poverty level of 52%.
- Fuel poverty was found to be more prevalent in lower income households, those living in social housing and households in receipt of Universal Credit. Consumers with a disability, those in lower social grades, older consumers and those with poor mental and physical health, were also more likely to report living in fuel poor households.

**Current use of energy and affordability**

- 48% say they cannot afford to heat their homes due to the current cost of energy.
- Almost eight out of ten (79%) electricity consumers have cut back on their use of electric, with 84% having cut back on their use of gas and home heating oil.

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- 27% of consumers had run out of energy because they couldn't afford to top up (electric Pre-Pay Meter (PPM), 34%: gas PPM, 33%: oil, 33%) [19% of electricity PPM and 27% of gas PPM consumers say they run out of energy on a weekly basis because of affordability].

**Cost of energy**

- Nine out of ten (94%) consumers said they are concerned about current energy prices (very concerned, 58%: concerned, 36%).

**Consumers behaviours and the current cost of energy**

- 47% report turning off radiators in some rooms to save on energy and reduce cost.
- 18% are prioritising eating over heating their home (11% have cut down on hot meals to save on energy)

**Presence of mould or damp and ambient temperature of household in winter**

- 44% say they have mould or damp in their home.
- Consumers living in fuel poor households were more likely to say they have mould or damp (49% vs. 38%).
- 43% said their home is normally cold in winter because they can't afford to heat it.

**Awareness of help and support for consumers**

- 58% have seen or heard information / publicity on help/ support for those struggling to pay their energy bills.
- 36% would turn to family / friends for help / support if they were struggling with their energy bills.
- 45% are unaware that their energy supplier can provide support for those struggling with energy bills.

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**Contact with energy suppliers**

- 23% had contacted an energy supplier because they needed advice/ information/support about their bills.
- 26% of gas customers had contacted their supplier about their bills (electricity consumers, 18%).
- 51% were satisfied with the help / support provided by their energy supplier (18% were dissatisfied).
- Not getting any help from energy suppliers when contacted was the main reason for dissatisfaction (66%).

**Switching suppliers**

- 56% had switched energy supplier (21% in the last year and 35% more than a year ago).
- 25% had never switched because they believe suppliers are all the same (24% had never thought about it).

**Awareness of different energy schemes and consumer support**

- 81% are aware of the Energy Bill Support Scheme.
- 79% are aware of the Pensioner Cost of Living Payment.
- 77% are aware of the Low-Income Cost of Living Payment.
- 77% are aware of the Disability Cost of Living Payment.
- 56% are aware of the Energy Price Guarantee (either electricity or gas).
- 93% of those in receipt of a scheme payment said that it made a difference to their household.
- 62% say a reduction in price/ utility regulation is the single most important thing to help consumers cope.

**Decarbonisation and energy transition**

- 23% rate their awareness / understanding of decarbonisation and energy transition as excellent/good.
- 31% say cost is the biggest barrier to becoming more engaged in energy transition (lack of information, 24%).
- 58% would like to receive more information on decarbonisation and energy transition.
- 79% support financial incentives to encourage behaviour change.

### Conclusion

Those living in fuel poor households are also more likely to report poorer physical and mental health, and to be living in households where mould or damp is present. Taken collectively, this evidence supports the view that those experiencing fuel poverty represent more vulnerable consumers. It should be of concern that almost half of consumers say they cannot afford to heat their homes due to the cost of energy, with the vast majority having had to cut back on their energy use during winter. With high levels of concern about the cost of energy, and most struggling to pay their energy bills, it should be of no surprise that a significant number of consumers have had to reduce their use of energy by turning off radiators, heat their homes for fewer hours than they need, and wear extra layers of clothing. Almost one in five say they have had to prioritise eating instead of heating. Finally, the survey found that consumer awareness and understanding of the benefits of decarbonisation and energy transition is relatively low, albeit most are interested, and see it as a priority.

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We recognise that this publication will improve through continual engagement with those responsible for policy delivery. Therefore, we would welcome feedback on the research review and would encourage you and your colleagues to do so by emailing the PSU Research inbox: **PSU.research@communities-ni.gov.uk**


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