



Community
Foundation

Tyne & Wear's Vital Issues 2017

Fairness and inequality

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1.1 Overview

This theme is not purely about the gap between rich and poor, however that is defined. But this is nevertheless our primary focus. National research suggests that henceforth a combination of economic, fiscal and social policy trends will combine to widen the gap between rich and poor. A CASE/LSE report “The Coalition’s Record on Cash Transfers, Poverty and Inequality 2010-2015” has suggested that “*Child and working age poverty are projected to be higher in 2014-15 than in 2012-13, with further increases forecast to 2020-21.*”ⁱ Against this background the Institute for Fiscal Studies report “Living Standards, Poverty and Inequality in the UK: 2015” concluded: “*Recent falls in inequality are likely to prove temporary*”ⁱⁱ.

1.2 Understanding Poverty

It is useful to provide some definitions of poverty to contextualise the issues in Tyne & Wear.

Absolute poverty is defined as a lack of sufficient resources to meet basic needs, usually taken to include food, clean water, shelter and clothing. Only those at the very margins of society are usually considered to fall into this category, for example people who are homeless. However, given the rise in the number and take-up of foodbanks, this assumption is no longer so robust. The Trussell Trust has reported a massive increase in the number of food parcels being issued, with an increase across the country of 919% between 2011-12 and 2016-17 (table 1). In the North East region, the increase in the same period was more than eight times as much, at 8309%

Table 1 – Trussell Trust 3-day emergency food supplies issuedⁱⁱⁱ

		North East	England
2016-17	Adults	38,892	746,016
	Children	22,675	436,938
	Total	61,567	1,182,954
2011-12	Adults	519	82,679
	Children	222	46,018
	Total	741	128,697
Change	Adults	7494%	902%
	Children	10214%	949%
	Total	8309%	919%

There are at least 14 foodbanks based across Tyne & Wear^{iv}.

Relative poverty means having low income or resources compared to the average, and reflects the local level of wealth – relative poverty in India is very different to relative poverty in New York. According to Full Fact^v, relative poverty means that a person cannot afford an ordinary living pattern, i.e. they are excluded from the activities and opportunities that the average person enjoys. A household is in

relative poverty (also called relative low income) if its income is below 60% of the median household income.

By contrast, **social exclusion** refers to the way in which individuals or communities are systematically excluded from accessing rights, services, or opportunities that are normally available to people, and which are fundamental to social integration. The exclusion is usually caused by circumstances including unemployment, low income, race, religion, disability or ill health. The impact of the exclusion is often heightened by negative attitudes and social stigma, creating further barriers to access.

Severe and multiple disadvantage (SMD) occurs when someone faces multiple, often related and mutually reinforcing, issues which create a high degree of exclusion from society and lead to high levels of stigma.

The four factors that are most often found together are offending, substance misuse, homelessness and mental health problems. A study by Lankelly Chase mapped the locations of people living with SMD in 2015. This shows a relatively high prevalence in Tyne & Wear, with Newcastle and South Tyneside in the top 25 local authorities.

SMD1-4 indicates how many of the four factors are acting together. Drilling down to local level the estimated number of people is:

	SMD 1	SMD 2	SMD 3	Total
Newcastle	3758	1693	599	6050
Gateshead	2040	931	329	3325
South Tyneside	1634	736	260	2630
North Tyneside	1624	732	259	2615
Sunderland	2563	1154	408	4125
Tyne & Wear	11619	5246	1855	18545

Around 40% of the total (approximately 8,000) also have mental health problems^{vi}.

1.3 Index of Multiple Deprivation 2015

The 2015 Index of Multiple Deprivation (IMD) ranks local authorities across the country on their average multiple deprivation score and by the proportion of their neighbourhoods (Lower Layer Super Output Areas or LSOAs) that fall within the 10% most deprived in the country, and it is this latter rank that is recommended for judging local authority deprivation.

The table below gives the scores and proportions of LSOAs for Tyne & Wear. All areas have a higher than average proportion of LSOAs in the top 10% most deprived, with Newcastle, South Tyneside and Sunderland in the worst 30%.

Table 2 – IMD 2015 average scores^{vii}

Local Authority District name (2013)	IMD - Average score	IMD - Rank of average score (UK)	IMD - Proportion of LSOAs in most deprived 10% nationally	IMD - Rank of proportion of LSOAs in most deprived 10% nationally	NE rank	UK decile
Newcastle	28.3	53	.22	30	3	1
Gateshead	25.9	73	.12	78	11	3
Sunderland	29.7	37	.19	42	6	2
North Tyneside	21.3	130	.06	120	14	4
South Tyneside	30.6	32	.21	34	5	2

The IMD average score is an aggregate of the seven domains of deprivation, made up of: 22.5% income, 22.5% employment, 13.5% education, 13.5% health, 9.3% crime, 9.3% barriers to housing and services, 9.3% living environment.

Each of the other domains are analysed in other sections of this report, but the focus here will first be on income.

1.4 Income

The ranking for income deprivation is high, with the whole of Tyne & Wear in the top 30% for deprivation. Newcastle, Sunderland and South Tyneside have particularly heavy concentrations of deprivation, reflected in a higher rank for LSOAs in the most deprived 10% nationally.

Table 3 – Income domain scores, IMD 2015^{viii}

Local Authority District name (2013)	Income - Average score	Income - Rank of average score	Income - Proportion of LSOAs in most deprived 10% nationally	Income - Rank of Proportion of LSOAs in most deprived 10% nationally	NE Rank	UK decile
Newcastle	.19	39	.25	22	4	1
Gateshead	.19	53	.12	72	11	3
Sunderland	.21	26	.24	24	5	1
North Tyneside	.16	86	.12	70	10	3
South Tyneside	.22	15	.28	14	3	1

The IMD 2015 also provides two additional analyses of income – the income deprivation affecting children index, and the income deprivation affecting older people index. On the index for children only Gateshead and North Tyneside are better than the UK average^{ix}, whilst for older people only North Tyneside is better^x.

1.5 Indebtedness

Being on a low income often results in increased indebtedness, which can arise because of:

- A change in circumstances - if income drops, e.g. because someone loses their job or has their hours cut, they may be unable to keep up repayments on the debts they accrued previously, or if costs rise, e.g. utility bills
- Lack of choice - most people on benefits or low income are unable to access cheaper debt, so are reliant on providers such as Brighthouse, who charge higher initial prices for household items, and then offer payment plans at higher interest rates than regular retail schemes
- A sudden crisis - having to find the money to pay for a funeral, a new boiler, or any other expected expense, which can affect anyone, but is harder when your options are limited.

A report by the Money Advice Service showed that 169,490 people in Tyne & Wear are over-indebted, around 19% of the population^{xi}. The key causes in this region include:

- Application of sanctions to benefits (cuts to benefits imposed due to the recipient not keeping up with eligibility requirements)
- Being in a 'low pay – no pay' cycle with inconsistent employment patterns, reliant on slow benefits payments, and having no savings to provide financial resilience
- Having aspirations to keep up with others, especially among people with children who feel they should have the 'right' brands and technology, so have a tendency to live beyond their means.

There are ways to help address these issues, and reduce financial exclusion, including better signposting to services such as foodbanks, furniture recycling schemes, Citizens Advice and debt management services, and improving the support people get when they first take on a tenancy.

1.6 Communities of identity

The estimated proportion of people in Tyne & Wear who receive Disability Living Allowance is substantially higher than in the rest of England: 74 people per thousand as opposed to 56^{xii}. Given that disabled people are more likely to live in poverty, to be unemployed, and to be unable to access services, leisure opportunities, and to engage in civic society, the higher rates imply a greater need for steps to address access issues.^{xiii}

At the time of the 2011 Census the ethnic and religious make up of Tyne & Wear was as follows:

Table 4 – Ethnicity in Tyne & Wear^{xiv}

	White British	Mixed	Asian/Asian British	Black/Black British	Chinese
Tyne & Wear	90.48	1.09	3.53	.92	.51
England	82.79	1.85	5.87	2.94	.85

Table 5 – Religious affiliations in Tyne & Wear

	Christian	Jewish	Muslim (Islam)	Hindu	Buddhist	Sikh
Tyne & Wear	65	.4	2.5	.5	.3	.3
England	59.4	.5	5	1.5	.5	.8

Within this there are significant variations within local authorities: Newcastle has the greatest ethnic diversity, Sunderland the least. It is also interesting to note that the

Jewish community in Gateshead and the Muslim community in Newcastle are larger than the national average. However, the overall lack of diversity in many parts of Tyne & Wear suggests the needs of minority communities may be harder to meet than in those parts of the country where they are more prevalent.

Only 1.5% of people in the NE region identify as gay, bisexual or other, compared to 2.2% nationally^{xv}. The low level of self-identification as anything other than heterosexual may mean there is more stigma attached to those who are openly gay or bisexual.

Potential roles for philanthropy

- Philanthropy has a role to play in helping civil society to tackle deprivation and inequality. There are many types of action that philanthropy can support including: providing basics such as food or childcare; helping local people to lift themselves out of poverty through interventions like debt advice or training for employment and supporting activities that build more welcoming and inclusive communities.
- The needs of people with severe and multiple disadvantage are particularly hard to address, and here perhaps philanthropy could help in encouraging the development of more effective support.
- People from minority communities, particularly those in deprived neighbourhoods, may experience additional disadvantage. Philanthropy can help provide targeted support to ensure their needs are met.

ⁱ **CASE/ LSE (2015)** at <http://sticerd.lse.ac.uk/dps/case/spcc/WP11.pdf>

ⁱⁱ **IFS (2015)** at <https://www.ifs.org.uk/uploads/publications/comms/R107.pdf>

ⁱⁱⁱ **Trussell Trust (2017)**, <https://www.trusselltrust.org/news-and-blog/latest-stats/end-year-stats/#fy-2011-2012> accessed 10/7/17 12:41

^{iv} <http://www.foodaidnetwork.org.uk/> 4/9/17

^v <https://fullfact.org/> 4/9/17

^{vi} **Lankelly Chase (2015)** *Hard Edges – Mapping SMD 2015*, downloaded from:

<http://lankellychase.org.uk/multiple-disadvantage/publications/hard-edges/> 7/7/17, 10:00

^{vii} **Dept of Communities and Local Government (2015)** *English Indices of multiple deprivation*, downloaded from: <https://www.gov.uk/government/statistics/english-indices-of-deprivation-2015>, 31/5/17 07:20

^{viii} **Dept of Communities and Local Government (2015)** *English Indices of multiple deprivation*, downloaded from: <https://www.gov.uk/government/statistics/english-indices-of-deprivation-2015>, 31/5/17 07:20

^{ix} **Dept of Communities and Local Government (2015)** *English Indices of multiple deprivation*, downloaded from: <https://www.gov.uk/government/statistics/english-indices-of-deprivation-2015>, 31/5/17 07:20

^x **Dept of Communities and Local Government (2015)** *English Indices of multiple deprivation*, downloaded from: <https://www.gov.uk/government/statistics/english-indices-of-deprivation-2015>, 31/5/17 07:20

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- ^{xi} **Money Advice Service (2013)** *Personalising the debt sector – a segmentation of the over-indebted population*, downloaded from: https://mascdn.azureedge.net/cms/personalising-the-debt-sector-a-segmentation-of-the-over-indebted-population_november2013.pdf 16/7/17 10:03
- ^{xii} **Grant Thornton Place Analytics**. The figures are from NOMIS (May 2016).
- ^{xiii} www.northumberland.gov.uk accessed 5/9/17
- ^{xiv} **Guardian Newspaper** <https://www.theguardian.com/news/datablog/2011/may/18/ethnic-population-england-wales>
- ^{xv} **ONS (2015)** *Sexual identity, UK*, downloaded from: <https://www.ons.gov.uk/peoplepopulationandcommunity/culturalidentity/sexuality/datasets/sexualidentityuk>, 10/7/17 14:13