Rotherham's poverty needs assessment 2014

Introduction

In response to the 2010 Child Poverty Act, which set ambitious national targets working towards eradicating child poverty by 2020, Rotherham partners prepared and published the borough's first child poverty needs assessment (CPNA) in 2011. This needs assessment informed the development of *Early Help*, our strategy to reduce inequalities for families.

With various data sources and local intelligence revealing the impact of the economic downturn and policies such as welfare reform on hard-pressed local communities, the time is right to both update the assessment and broaden it to look at all aspects of poverty.

The 2014 needs assessment looks at the issues and evidence from three distinct, but overlapping perspectives: child poverty, working age poverty and pensioner poverty.

For this, our first attempt at an all-encompassing assessment, there is still a strong emphasis on and more detailed analysis of child poverty. This reflects our statutory duty to prepare a child poverty needs assessment, the wealth of available information – including updated statistics from the existing CPNA - and the general focus of intervening early to break the cycle of poverty.

In addition, our updated "500 babies" analysis, a statistical look at the life chances of hypothetical children born in different parts of the borough, highlights the continuing inequalities between Rotherham's most and least deprived neighbourhoods.

This assessment will inform and underpin a range of strategies geared towards reducing or mitigating the effects of poverty, helping partners to target their resources where they are most needed.

Overview

What is poverty and why is it an issue?

Poverty is a relative concept relating to people who are considerably poorer than the majority of the population and have resources well below those of the average individual or family in their society. This excludes people in poverty from ordinary aspects of life which are the norm for the majority.

The Joseph Rowntree Foundation's definition of poverty is:

'When a person's resources (mainly their material resources) are not sufficient to meet their minimum needs (including social participation).'

A lack of financial resources severely limits the opportunities available to people and the life outcomes they can expect. Social mobility is difficult and most children born into poverty remain there for their whole lives. Poverty limits the ability of people to participate in society, change their lifestyles and determine their own destiny. This

Rotherham's poverty needs assessment 2014

results in fuel poverty, poor diet, unhealthy lifestyles, low aspirations and dependency.

Lack of work or low pay for those in work are the most common causes of poverty. Such economic disadvantage is often a reflection of low skill levels and a lack of qualifications, but disability and ill health can also be significantly factors, as can caring responsibilities. These factors make it difficult for people to maximise their economic potential.

What is the local picture and how do we compare?
In the Indices of Deprivation 2010, 17.6% of Rotherham's population, or 45,400 people, were dependent on means tested benefits or other low income, including 11,600 children aged 0-15 (23.5%).

In Rotherham, 29,280 people or 18.7% of the working age population are in receipt of DWP benefits, compared with 13.5% in England (February 2014). 72% of Rotherham claimants have been claiming benefit for over a year and 42% have been claiming for over 5 years. Working age families claiming DWP benefits include 11,965 dependent children, of whom 7,933 (66%) live in families claiming for over a year and 3,028 (25%) live in families claiming for over five years.

5.7% of all people aged 18-64 are claiming JSA but youth unemployment (aged 18-24) is more than twice as high at 12.7%.

Rotherham has 20,610 people on Disability Living Allowance (8% of the population compared with 5% in England) and there are 12,710 people claiming long term sickness benefits, 7.8% of those aged 16-64, compared with 6% in England.

Child poverty in Rotherham at 22.6% (2011) is slightly below the South Yorkshire average of 23.5% but above the UK figure of 20.1%

What is the trend and what can we predict will happen over time?
The number of people unemployed in Rotherham increased by 126% between 2008 and 2013 (February) although is now reducing. Long term unemployment has increased from 380 in 2008 to 2,660 in 2013 (+600%).

The Government's welfare reforms (2011-2018) are expected to increase and intensify deprivation in Rotherham by reducing the incomes of the poorest households, particularly people who are disabled or long term sick and families with children.

Despite anticipated growth in jobs and earnings, the Institute for Fiscal Studies forecasts an increase in poverty, with one in three children and nearly one in four working-age adults in relative income poverty (after housing costs) by 2020.

Child and family poverty

Background
Childhood experiences lay the foundations for later life. Growing up in poverty can damage physical, cognitive, social and emotional development, which are all determinants of outcomes in adult life. While some children who grow up in low income households will go on to achieve their full potential, many others will not. Tackling child poverty will help improve children's lives and enhance their life chances; enabling them to make the most of their talents, achieve their full potential in life and pass on the benefits to their own children.

Child poverty means growing up in a household with low income. This results in a standard of living that is well below the average and which most people would consider unacceptable today. Income poverty and material deprivation is therefore at the heart of tackling child poverty, however this is just the core of a series of complex issues and outcomes which harm children's development.

Research shows that children who grow up in poverty have a greater risk of having poor health, being exposed to crime and failing to reach their full potential. As a result their education may suffer, making it difficult to get the qualifications they need to move onto well-paid employment. This limits their ability to earn enough money to support their own families in later life, creating the ongoing cycle of poverty.

However, poverty is not solely related to income. Poverty of ambition and aspiration are also key factors in determining a child's life chances.
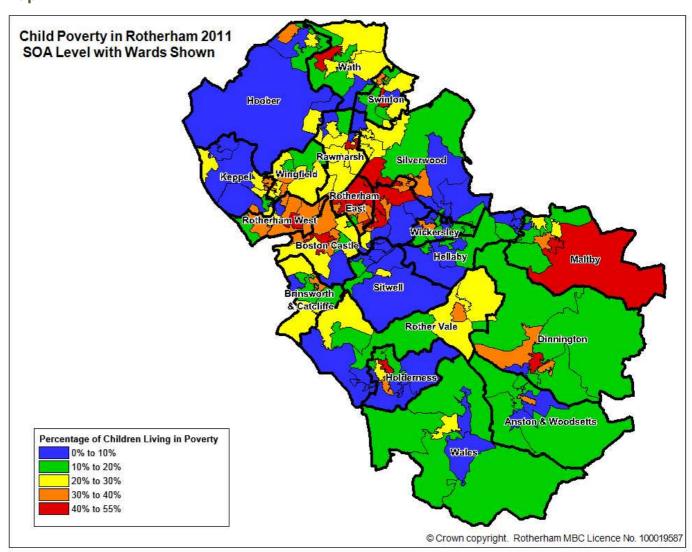
Demographics and key stats
Rotherham has a population of 258,700 and the most recent population estimates (2013) show there were approximately 62,100 children and young people (aged 0-19) living in the borough representing 24% of the Borough's total population.

There are approximately 109,500 households in Rotherham (2013), 30% of which include dependent children. Lone parents with dependent children make up 7.3% of all households, which is slightly above the national average of 7.1% (2011 Census).

- ➤ Employment status (unemployed, l-t unemployed, p/t work, casual work, skills)
- ➤ Family composition (lone parents, number of children)
- ➤ Household income (wage levels, benefit levels, pensions?)
- ➤ Disability (of parents and children)
- ➤ Health (including mental health and drug/alcohol dependency)
- ➤ Teenage pregnancy

Rotherham's poverty needs assessment 2014

Map

Child Poverty in Rotherham 2011
SOA Level with Wards Shown

Percentage of Children Living in Poverty
- 0% to 10%
- 10% to 20%
- 20% to 30%
- 30% to 40%
- 40% to 55%

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Key messages
To be drawn from stats and lead into strategic context.

Strategic context
Early help, children's plan, HWB, resilience, economic growth.

Case study / pen portrait

Organisation or programme level data
Pupil premium, families for change (N.B. the focus needs to be on exemplifying or illuminating the situations of people living in poverty rather than evaluating the effectiveness of programmes)

Fuel poverty (SHU's Warm Well Families: Rotherham final report)
"Disconnection was something to be avoided at all costs. Most of the interviewees were on low income whether unemployed or on low wages. For all there was a

pervasive fear of debt 'not managing', of 'getting behind'. High bills were to be avoided. For that reason a pre-payment card was often the desired method of payment despite the knowledge that it may be more expensive than other payment methods.

Not facing a large unpredictable bill was important to participants in maintaining control when budgeting on a low income. Consequently disconnection by external agencies is avoided but self-disconnection becomes a regular feature of life, one to be managed in the same way as other life choices. The process can include degrees of self-disconnection, for example not heating particular rooms at all, not heating particular rooms at specific times and not heating the house at all. There would also be periods of total self-disconnection where the family had no cash left and were awaiting their next salary or benefit payment. The requirements of managing finances lead to competing priorities and consequences with self-disconnection a key management tool."

Working age poverty

- Background (include national context, how measured, broad trends: stagnant wages, growth of in-work poverty)
- Demographics and key stats (average pay, employment, benefits, cost of living/poverty)
- Key messages (low pay, insecure, need for mix of jobs and specific "poverty" targets as part of growth strategy, skills, addiction, mental health, housing)
- Local strategic context (growth strategy, HWB, resilience)
- Map
- Case study / pen portait (food in crisis, struggling working family)
- Organisation or programme level data (CAB/debt, food in crisis, fund for change)

Pensioner poverty

- Background (include national context, how measured, broad trends)
- Demographics and key stats (occupational pensions legacy/pension credits, specific BME issues?)
- Key messages (fuel poverty, cost of living, care costs, claiming benefits, transport)
- Local strategic context (HWB)
- Map
- Case study / pen portrait
- Organisation or programme level data (Rotherham Less Lonely, Age UK)

National stats (linked to "living on low income.." report on Age UK national website)
- 1 in 6 pensioners (1.8 million or 16% of pensioners in the UK) live in poverty, defined as 60% of median income after housing costs
- Pensioners are also the biggest group of people on the brink of poverty with 1.2 million on the edge

Rotherham's poverty needs assessment 2014

- Low income in retirement is often linked to earlier low pay, or time out of employment - for example, due to caring responsibilities, disability or unemployment
- Women, those aged 80 to 84, single people living alone, private tenants, and Pakistani and Bangladeshi people are at greater risk of pensioner poverty
- The numbers of people living on low income fell between 1997/98 and 2004/5; since then there has been little improvement

Key messages from Age UK Rotherham (meeting with Lesley Dabell 03/09/14)
- Though research shows that older people are particularly keen to avoid debt (Age UK, "living on low income in later life"), there is anecdotal evidence of increasing debt for older people, including credit card and utilities debt.
- Pension credit take up is lower than might be expected in Rotherham due to high number of occupational pensions from traditional industries. This is likely to change with next generation.
- Impact of caring (especially "younger old people") with people having to cut down or stop working leading to reduced income and pension
- Fuel poverty – access to advice/info on best deals as well as improving energy efficiency of homes
- Older people more likely to be asset rich / cash poor, but difficult to realise asset (i.e. sell house) as could mean moving away from friends/family
- Rural isolation – transport costs
- Look at attendance allowance stats as Rotherham has high proportion of older people with an illness/long-term condition
- See older people's forum consultation on priorities