

Poverty in Sheffield – an assessment of need

Finding your way around this document

This is a big document providing detailed information about poverty in Sheffield. If you are particularly interested in a couple of sections or you only have time to look at some of it, you can use the table of contents below to find the bits you want.

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Summary – life spiral

Last time we did this piece of work, we drew a diagram plotting the lives of people in poverty against the rest. People told us that they found this helpful and so we've updated it. This might be a good place to start if you don't have much time.

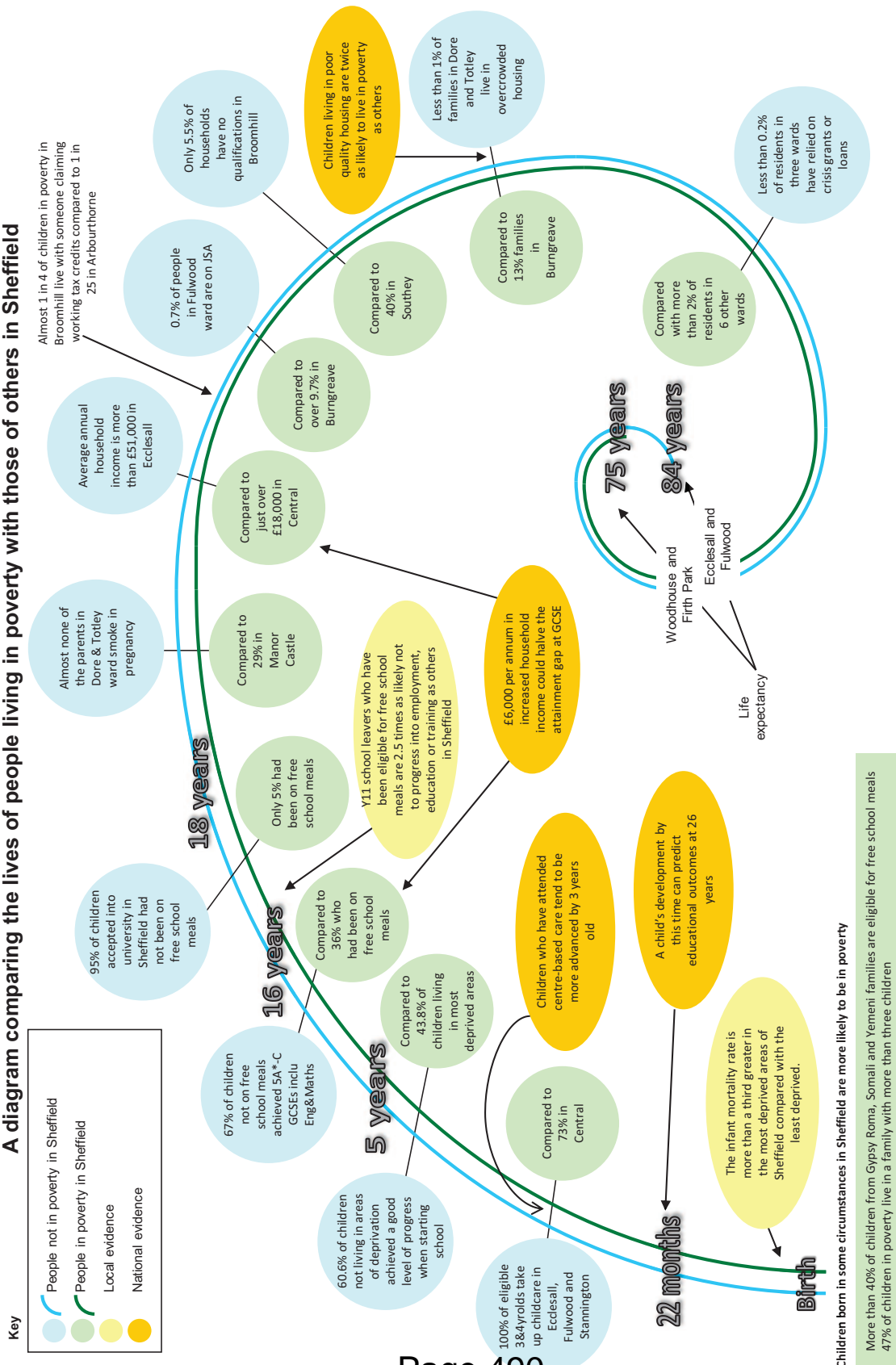
Just a few quick notes about it.

We wanted to give people a relatively simple and short explanation of poverty in Sheffield. In simplifying what is a very complicated issue, we've made some compromises.

We've sometimes used parts of Sheffield where most people are better or worse off to compare people's experiences and outcomes. We know that people who are in poverty can live anywhere in the city. Sometimes we can't get better data so we use areas as a bit of a short-hand. However, we know this is just an indication that people are more likely to be living in poverty, it's not the whole story and we need to be careful not to make assumptions about people based on where they live.

We are clear that the life chances of any individual or group are not pre-determined. It is possible, as many people's life histories demonstrate, for an individual or group to break free from the circumstances that they inherit, to overcome obstacles and to achieve their potential. This spiral does not show those examples where people have broken the trend, but it is important that we remember them and do not allow this to become deterministic. Partners working across Sheffield and individuals themselves help break the cycle of inequality and disadvantage at any number of points over an individual's life time and our strategy will be aimed at giving us the best chance of doing just that.

A diagram comparing the lives of people living in poverty with those of others in Sheffield



A note on the context and the limitation of sources

This needs assessment has been developed using a range of sources. The majority of the data has been developed using data provided by the Office of National Statistics and other government sources and in most cases is based on data from 2011 and 2012. Data used relates to the most recent period available.

Since 2012 the current government's welfare reforms have started to be introduced and it is important to note that as our data does not take into account the impact of welfare reforms, it is likely that the situation will have changed. Early indications from research are that in many cases the situation is worsening for individuals impacted by the reforms. Sheffield City Council has commissioned the Centre for Economic and Social Research (CRESR) at Sheffield Hallam University to help us to understand more about the likely impact of welfare reform on people and groups in Sheffield. You can read more about this throughout this document and can read the [full report](#) on CRESR's website.

There are also limitations to the availability and granulation of available data in relation to some key poverty information. This has limited the extent to which we can fully understand the nature and geography of poverty in the city. We are unable to provide any meaningful analysis on material deprivation as the Family Resources Survey is not available at local authority level or below.

There is no local authority level data on before or after housing costs income.

Throughout the document there are charts showing data by ward. The x axis of all these charts shows wards by Indices of Multiple Deprivation ranking, from low (good) to high (bad).

Definitions – what do we mean by poverty?

In Sheffield, we are concerned about everyone who is struggling to make ends meet, whether or not they meet the official definitions of poverty. However, the definitions are also useful because we can use them to get a sense of how we compare to other cities and other countries.

What do people in Sheffield say?

"You don't live...you survive."

"It is a constant battle trying to keep everything going, it's like spinning plates and some days I don't do a good job."

What are the official definitions of poverty?

The JRF definition 'When a person's resources (mainly their material resources) are not sufficient to meet their minimum needs (including social participation)' (Goulden & D'Arcy, 2014) is helpful to understand the concept of poverty. Of course, it is difficult to measure at a large scale and in the UK, there are five measures used to assess whether someone is considered to live in poverty:

- **relative low income:** this measures whether the poorest families are keeping pace with the growth of incomes in the economy as a whole. This indicator measures the number of households below 60 per cent of contemporary median equivalised household income. Equivalisation means adjusting a household's income

"They can still call it poverty behind closed doors but you're not going to get people's attention if it's called that because it's like 'I'm not going to admit that I'm in poverty, I'm struggling but I'm not in poverty'. It's less of a label too: most people have struggled with something at some time. Poverty is something people can judge you on but, if you say struggling, people need to get to know you to find out what you're struggling with and how they can help."

for size and composition so that we can look at the incomes of all households on a comparable basis. This reflects the common-sense notion that a couple with dependent children will need a higher income than a single person with no children to achieve the same standard of living. Although the most commonly cited poverty definition, being relative to median income, it has the disadvantage that poverty levels can remain static or even fall because median income falls, whilst the number of people struggling increases.

- **absolute low income:** this indicator measures whether the poorest families are seeing their income rise in real terms. The level is fixed as equal to the relative low-income threshold for the baseline year of 1998-99 and updated in 2013 to be against a baseline year of 2010/11 expressed in today's prices;
- **material deprivation and low income combined:** this indicator provides a wider measure of people's living standards. This indicator measures the number of households that are both materially deprived and have an income below 70 per cent of contemporary median equivalised household income;
- **persistent poverty:** this means that a family has had its equivalised net income for the year at less than 60% of median equivalised net household income for the past 3 years.
- **Severe poverty:** this measures the depth of poverty that people experience. This indicator measures the number of households below 50 per cent of contemporary median equivalised household income.

Most of these measures are only available at regional or national level.

At a city level, we have the **revised local child poverty measure (formerly NI 116 and now known as Children in Low-Income Families Local Measure)** which is defined as the proportion of children living in families in receipt of tax credits where their reported income is less than 60 per cent of median income or in receipt of out of work (means-tested) benefits. This data is published annually on the HM Revenue and Customs website and the latest data is for 2012.

Which other measures are important?

The amount of income a household has is only one measure of poverty, and does not fully explain what it means to be in poverty in Sheffield in 2014. The Government's Indices of Multiple Deprivation (now unfortunately several years out of date and scheduled to be reviewed in 2015) considers a wide range of domains including income; employment; health and disability; education, skills and training; barriers to services and housing; crime and living environment and ranks communities on the basis of these.

The Council has strategies in place to address most of the domains in the IMD and the Anti-Poverty Strategy which this needs assessment will inform will primarily address financial poverty and factors directly affecting and resulting from poverty. As a result, this needs assessment will also consider primarily the factors which cause and can alleviate financial poverty, and some of the worst implications of financial deprivation, but does not address all of the ways in which deprivation affects individuals and communities.

We think all of the following things are important in helping us to understand poverty in Sheffield, and how we might best focus our efforts to reduce it:

- How many people are in poverty
- How long people have been living in poverty
- Which people are more likely to experience poverty than others, and how they might experience poverty differently
- How much people are struggling and what sorts of things they are struggling with
- How many people are affected by the most negative impacts of poverty

- What helps people to escape poverty and reduce its negative effects

In each section, we have tried to get a balance between considering the things that affect everyone in the city or even in the country (structural measures) and those that are more to do with individual households or particular groups.

Each of these areas is taken in turn in the following sections of this report.

How many people are in poverty in Sheffield?

- 20% of the Sheffield population live in poverty, including 23% of children.
- Relative poverty has been decreasing, but fewer people have an income adequate for their needs
- Although income for the lowest 5th of the population nationally has risen slightly more than average, the bottom 5th of the working population still earn less than the living wage.

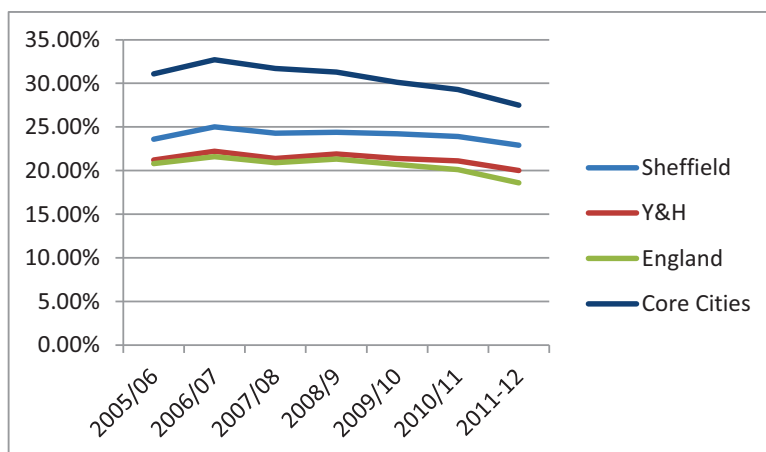
Relative poverty and variations in levels of household income

The last indices of multiple deprivation in 2010 provides the most up to date data on overall household poverty in Sheffield, although this is based on 2008 data. This found that 20% of households in Sheffield were living below 60% of the median income level (relative poverty measure). We also have more recent non-government data which estimated that 35.62% of households in Sheffield live below 60% of the median income level (relative poverty measure), compared with UK Mean rate of 28.83% (Experian Mosaic data 2012). As the methodology is unknown, and it is vastly different from the government statistics, we generally use the government statistics for the sake of consistency, but it is worth being aware of the possibility that the number of people in poverty may in fact be higher than the government data suggests.

We have more recent data on the number of children in poverty. 23% of children in Sheffield were living in relative poverty in 2012 (the latest available data), this number having reduced gradually from 25% in 2006/07. Based on this measure, there were 25,705 children living in relative poverty in Sheffield in 2012 or 22,865 for children under 16 (HMRC 2014 using data from 2012).

23% of children in Sheffield were living in relative poverty in 2011/12. This has reduced from 25% in 2006/07.

Compared to all other local authorities in England, Sheffield has relatively more deprivation, although it is not amongst the most deprived local authorities in the country. Compared to other nearby urban local authorities Sheffield is of a similar deprivation rank. We are ranked similar to Barnsley, Doncaster and Rotherham, and ranked more deprived than Bassetlaw. Out of the 8 Core Cities, Sheffield has the second lowest level of child poverty.



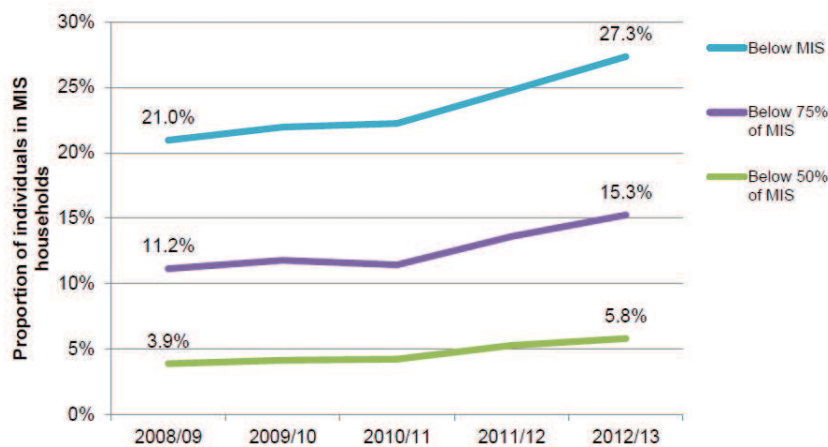
(HMRC 2014 using data from 2012)

It is worth noting here that because these are relative measures, they are impacted by the median income level. As the median income rises, the amount of money required to be above the poverty line rises. As median income falls, so does this threshold. Median incomes in the UK in 2012/13 were £374, in real terms, four per cent below what they were in 2002/03. From their 2007/08 peak, they have fallen 9 per cent (MacInnes *et al*, 2014).. This means that **many people are no better off, the poverty line has simply fallen from above their income level to below it** – the JRF noted in 2013 that if the 2007/8 poverty threshold were used there would be 2m more people living in poverty than using the most recent income levels, purely because incomes have fallen in general (MacInnes *et al*, 2013): this pattern has continued. The recent slight downward trend in relative poverty should be viewed in this context. **Nationally, income for the bottom 10 per cent of people in 2012/13 was 8 per cent lower in real terms than it was ten years before** (MacInnes *et al*, 2014).

There is evidence that low living standards may be better detected by looking at the income available after housing costs have been paid (AHC), because they more accurately represent the available income of a household.. Child material deprivation has been rising since the start of the recession, and it increased nationally by 300,000 children (2.1ppt) in 2012–13 alone. Over the same period, the rate of absolute income poverty among children rose when measured AHC but fell when measured BHC. **Measured after housing costs (AHC), 14.6 million (23.2%) were in absolute poverty nationally in 2012-13, an increase of 600,000 individuals (0.8ppt) since 2011-12. AHC, absolute poverty is at its highest point nationally since 2001-02** (Belfield *et al*, 2014).

The minimum income standard

Another approach to measuring poverty is considering **whether people have enough money to meet their basic needs**. In contrast to the measures above, the JRF research into the minimum income standard shows that the **proportion of people living in households with an income below the MIS increased by nearly a third between 2008/09 and 2012/13**. The proportion below this level has increased every year since 2008, but most of the increase occurred in the second half of this period (Padley *et al*, 2015).



(Padley *et al*, 2015)

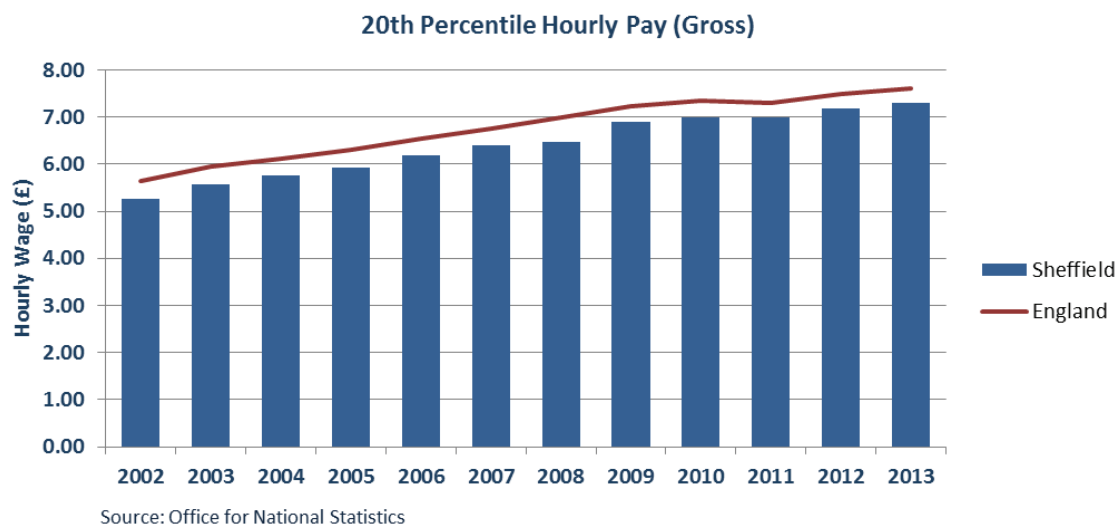
Levels of pay

We consider here the 20th Percentile hourly pay (gross), in other words, the amount of money that a fifth of employees are paid less than and four-fifths are paid more than. This is important because it shows how much people earning at the lower end of the population are earning and how this changes over time. It is important to

consider this in the context of both hourly pay for all workers (not just those earning at the lower end) and also policy such as national minimum wage and living wage campaigns.

The chart below shows us that those **people whose earnings are in the bottom fifth of the population have seen their average earnings increase by 5% between 2011 and 2013, this was a slightly larger increase than the average for England (4%)**. For comparison, in 2013 the 20th Percentile hourly rate was 68% of the median. However, the **average hourly rate of pay of those people in Sheffield earning in the bottom fifth of the population in 2013 (£7.31) was still lower than the living wage (£7.45 in 2013)**. The national minimum wage rate in 2013 was £6.31 for those aged 21 and over.

There is a variation in hourly pay between those working full-time and part-time. In Sheffield in 2013, **people working part-time earning in the bottom fifth of the population had an average hourly wage of £6.39, for those earning full-time this was £8.36**. This reflects a national trend. It is of particular relevance to consideration of people at high risk of poverty because of the high proportion of women, and particularly mothers, who work part-time. According to Census 2011 data, **women in Sheffield are more than three times as likely as men to be employed part-time**. Nationally, whilst men and women make up similar proportions of the employee workforce (men 51%, women 49%), 88 per cent of those men work full time compared to only 5 per cent of women. The national pay gap in 2013 was 19.7 which means that on average, women will earn 19.7% less per hour than men (analysis from [Secondary Analysis of the Gender Pay Gap](#), DCMS, March 2014, using data from Annual Survey of Hours and Earnings).



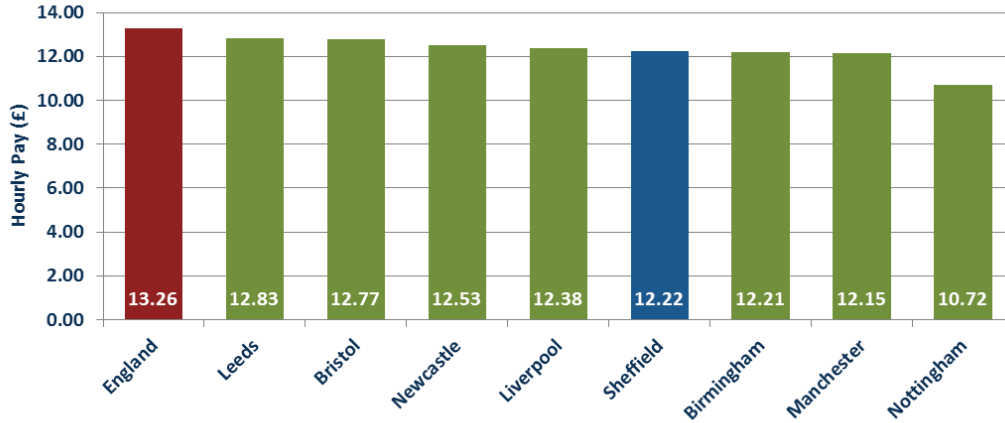
Notes:

Results for 2003 and earlier exclude supplementary surveys. In 2006 there were a number of methodological changes made. For further details go to : <http://www.nomisweb.co.uk/articles/341.aspx>

Estimates for 2011 and subsequent years use a weighting scheme based on occupations which have been coded according to Standard Occupational Classification (SOC) 2010 that replaced SOC 2000. Therefore care should be taken when making comparisons with earlier years.

Average income of full-time workers for Sheffield, England and the Core Cities is shown below.

Median Hourly Pay (Gross) Full Time Workers - 2013



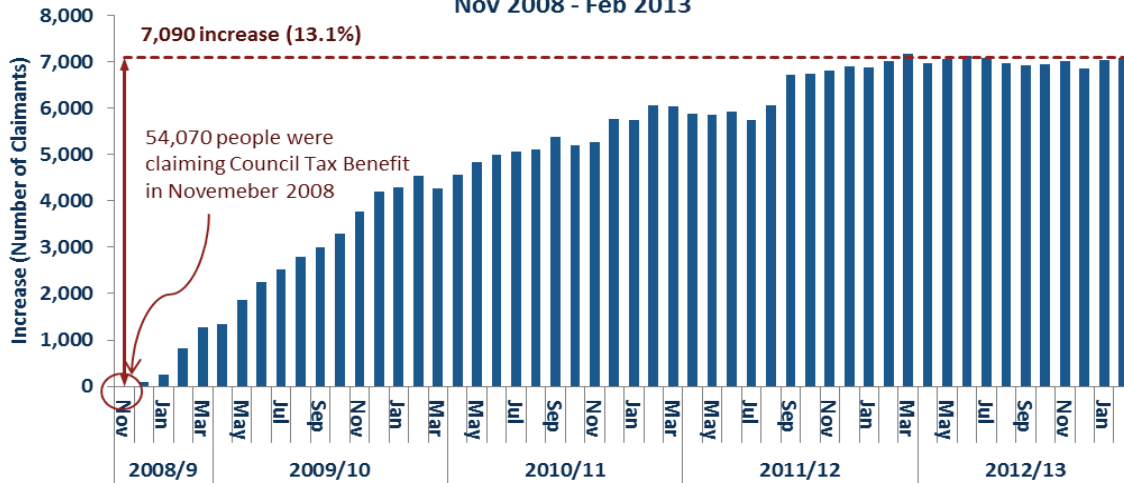
Source: Office for National Statistics

Council tax benefit / support

Council Tax Benefit was replaced with Council Tax Support in 2013. The number of people in receipt of Council Tax Benefit / Support has increased significantly since 2008. As the graph below shows, the most significant increases were in 2009-10. 3,770 more people were claiming in November 2010 than in November 2009. A further 1,500 were claiming by November 2011 and an additional 1,550 were claiming by November 2012. The rate of increase as slowed over the past year with an increase of 200 people between November 2012 and November 2013.

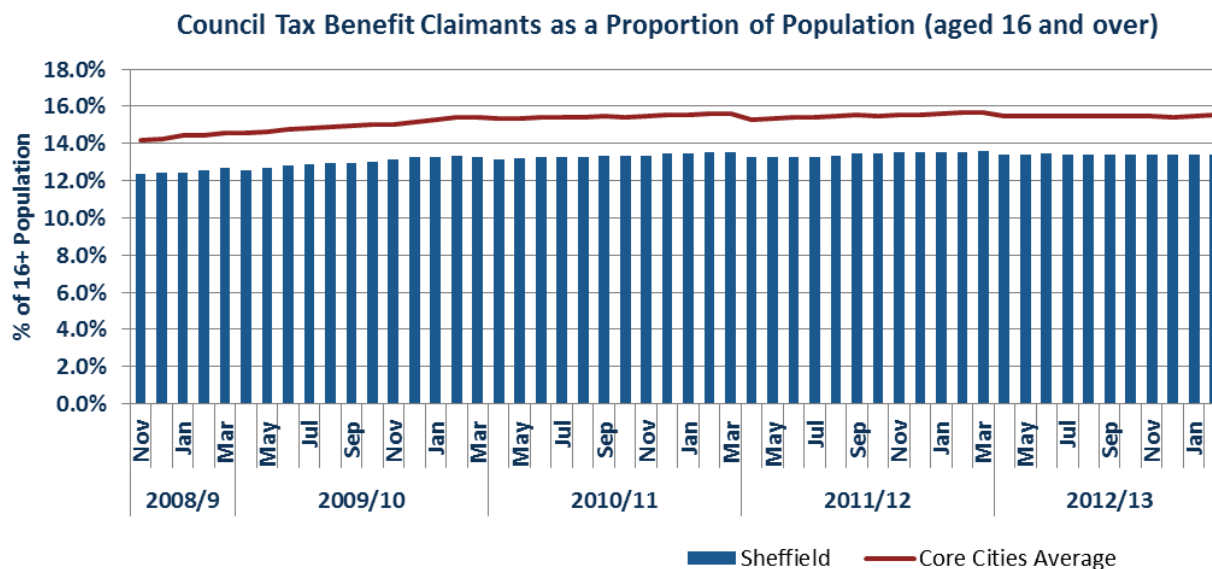
The number of people claiming council tax support in Sheffield in March 2014 was 57,575.

Change in Number of Council Tax Benefit Claimants in Sheffield: Nov 2008 - Feb 2013



Source: Office for National Statistics

As well as looking at how many people are claiming council tax support, we can also consider what proportion of the population is claiming. This is shown in the next graph. This has also been increasing slightly, (from 12.4% in November 2008 to 13.3% in Feb 2013), but Sheffield's rate remains below the average for the core cities.



In addition to showing the proportion of the population eligible for Council Tax Benefit / Support, we can also consider how many people are in arrears – we look at this at the end of the section on people hitting crisis point below.

How long people have been living in poverty

The length of time that people experience poverty is important for two reasons:

The longer people are in poverty the harder it is for them to get out of the situation, and the greater the impact is on their lives and prospects.

Dickerson & Popli, using evidence from the Millennium Cohort Study, find that children born into poverty have significantly lower test scores at 3, 5 and 7 and that **continuous poverty in the early years has a cumulative negative impact on cognitive functioning**. ‘For children who are persistently in poverty throughout their early years, their cognitive development test scores at age 7 are more than 10 percentile ranks lower than children who have never experienced poverty, even after controlling for a wide range of background characteristics and parenting investment.’ (Dickerson & Popli, 2011)

Far more people experience poverty than the statistics would indicate at first sight.

Joseph Rowntree Foundation commissioned a review of ‘poverty dynamics’ (Smith & Middleton, 2007), which looks at the same individuals or households over time and so is able to record stories of change. Most data is ‘point-in-time’ which means that it just shows a snap-shot of the population. As this review (and others) demonstrates, many more people dip in and out of poverty than are captured by the majority of statistics used. Using findings from the British Household Panel Survey, they show that **over the seven-year period analysed, between a quarter and a third of the population experienced income poverty at least once— about twice the average poverty rate for any fixed**

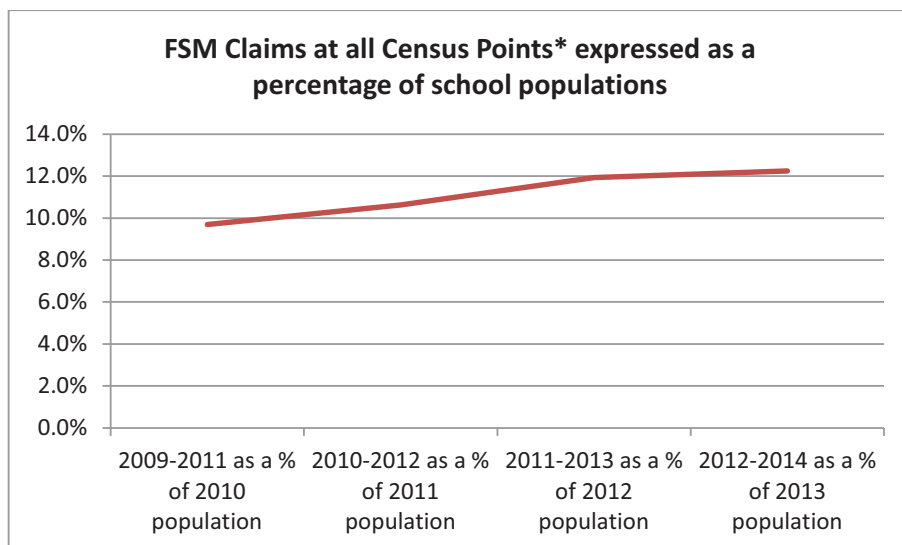
moment in time. This is important because, although persistent poverty is more problematic than transient poverty, it shows that income poverty isn't a problem just affecting a small majority.

Nationally, there is a measure of persistence of poverty but this is not available at a local level. Even nationally, because the method used to measure this has changed, the latest available data is 2005-2008 over which time 12% of children had been in relative poverty for three out of the four years (measure of persistent poverty).

To understand how long people have been in poverty In this section, we consider:

- The proportion of children on free school meals who have been eligible for 3 consecutive years
- Benefit claimant persistence

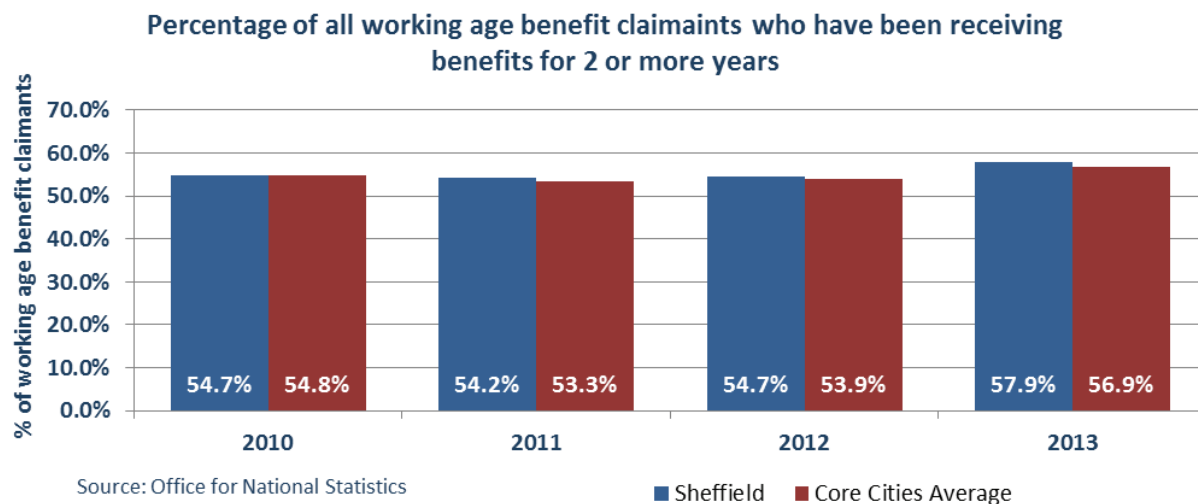
We have attempted to explore how many children in Sheffield experience poverty over time by using free school meals data. There are many ways in which this could be done but for the purposes of this initial assessment of need, we have compared numbers and proportions of children who were eligible and claiming free school meals at three consecutive January School Census points. Note that the pupil premium was introduced in 2011, and many schools have worked hard to increase free school meals registrations to support access to this additional funding support, so the increase may not represent an actual increase in persistent poverty.



School Census Data - Performance and Analysis Service (2014)

*FSM Claims at all Census points count total pupils who were eligible and claiming FSM at 3 consecutive January School Census points, for the 3 year periods quoted.

For adults, we have used the measure of working age people in Sheffield (compared with core cities) who have been receiving benefits for two or more years. The benefits that are included are Carers' Allowance, Disability Living Allowance, Incapacity Benefit or Employment Support Allowance, Income Support, Pension Credit, Jobseekers' Allowance, Severe Disablement Allowance and Widows benefit. The rate was relatively static between 2010 and 2012 before rising in 2013. This matches the trend for the core cities.



Which people are more likely to experience poverty than others

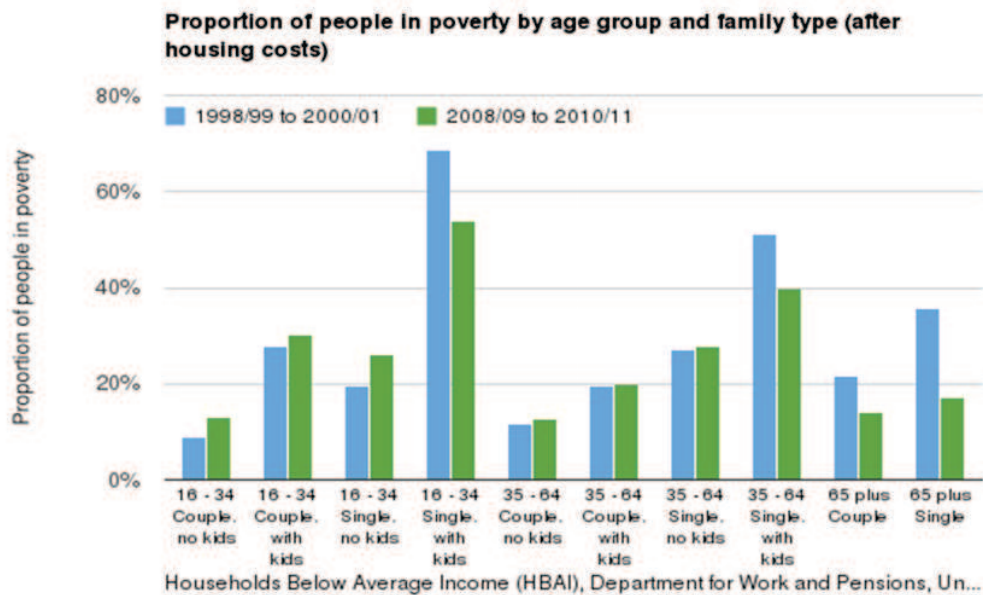
Some groups are likely to be at greater risk of poverty, often due to being affected by multiple disadvantage. In this section, we consider which groups nationally and in Sheffield are at greater risk of poverty including:

- Family size and type
- Women
- Ethnicity
- Disability
- Those with caring responsibilities
- People in work and in poverty
- People who are out of work
- Single people
- Older people
- Young people
- Care leavers

As might be expected, national research suggests that individuals and families who fall within more than one of the groups at greater risk are even more likely to be at risk of poverty, but we do not have the data available to understand this at a local level.

Poverty amongst many household types is increasing

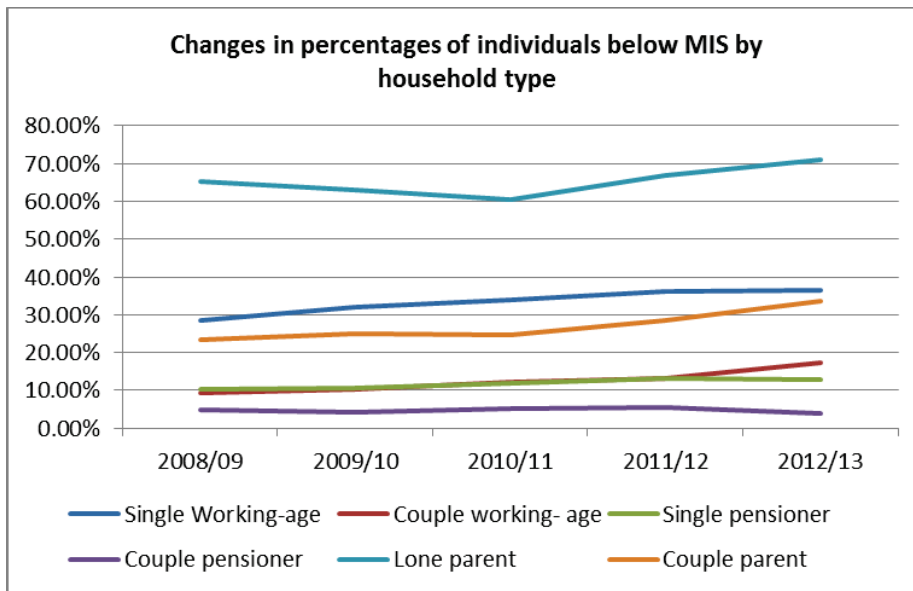
For households without children, although we do not have local data on poverty breakdowns by family type and age, the graph below produced by the Joseph Rowntree Foundation gives an indication of poverty levels, and how this has changed over time.



This shows that poverty increased for all household types except single parent families and 65 plus households. Moreover, although families are at greater risk of poverty than those of working age without children, this has reduced over the ten year period, whilst the proportion of younger single people and couples with no children who are in poverty has increased over the ten year period and is now the highest on record.

The proportion of families in poverty has also increased. The proportion of single people aged 65+ who are in poverty has reduced significantly over the ten year period. Older people have been relatively protected in welfare reform, this trend is likely to have continued, and to continue into the future. In contrast, although over this timeframe, the proportion of single parent families living in poverty reduced significantly over the ten year period, changes to welfare mean that single parent families are likely to be at increasing risk of poverty, as can be seen in the table below.

The JRF's work on the minimum income standard shows how the proportion of people in different types of household who do not have enough money to meet their basic needs has increased over the last five years. Again we see that pensioners are the only group who see an improvement, and we can also see the worsening situation for lone parent families. After the 2008 economic downturn, the most severe increase in the percentage unable to afford this minimum acceptable standard of living was initially among single people of working age. Since 2010, however, families with children have seen the greatest increases.



(using data from Padley et al, 2015 N.B. Due to a change in the ‘grossing’ factors used (see www.gov.uk/government/uploads/system/uploads/attachment_data/file/321819/frs-grossing-methodology-review-2011-census-updates.pdf), change in risk rates between 2011/12 and 2012/13 for couples without children and for lone parents need to be interpreted with caution. The change in basis may overstate the increase in risk by around 2–3 percentage points for couples, but understate it for lone parents by 3–4 percentage points. For other groups, the change has negligible effect.)

Households with younger children, larger families and lone parents are at greater risk of poverty

The tables below show that Sheffield mirrors the national picture for households with children whereby **younger children, larger families and lone parents are more at risk of poverty**. This makes sense: families with younger children often cut back on work or are less likely to take on higher paid work when children are young. This is compounded by increased costs such as paying for childcare. Larger families have increased costs and lone parents are often unable to work as many hours as couple families (also see section on Underemployment, temporary employment and ‘zero-hours contracts’ below regarding earning potential for women and part-time workers).

Breakdown by age	0-4	5-10	11-15	16-19
Percentage of children in poverty in Sheffield in age range	32.72%	32.58%	23.65%	11.05%

Source: HMRC 2014 using data from 2012.

Breakdown by family size	1 child	2 children	3 children	4+ children
Percentage of children in poverty in Sheffield in a family with this number of children	22.60%	30.52%	22.54%	24.33%

Source: HMRC 2014 using data from 2012.

We cannot do a direct comparison with all children in Sheffield for this measure. The child benefit data shows us the proportions of families with different numbers of children, but child poverty figures are based on the proportions of children living in families of different sizes. These are shown below.

Breakdown by family size	1 child	2 children	3 children	4+ children
Percentage of <i>families</i> for whom child benefit is claimed in Sheffield with this number of children (same time period)	47.54%	36.64%	11.04%	4.79%

Source?

National breakdowns for family size are shown below, which shows that, as expected, that the proportions of children living in poverty in larger families is higher than the proportions of families.

Number of Dependent Children	Proportion of Families	Proportion of Children
One child	47%	30%
Two children	39%	45%
Three or more children	14%	25%

Source: HBAI 2011/12 and LFS 2013

We also know that 64% of children in Sheffield meeting the local low-income measure were in lone parent families (HMRC 2014 using data from 2012).

The JRF research into the Minimum Income Standard found that of the 3.2 million individuals living in lone parent households with between one and three children in the UK, 2.3 million lacked the income required for an adequate standard of living in 2012/13. This was 71 per cent of lone parent households, up from 65 per cent in 2008/09 (Padley et al, 2015).

Work reduces the risk of poverty, but in-work poverty is growing

People who are out of work are more likely to experience severe poverty than those who are in work. However, in work poverty has grown significantly over the last decade or so and 65% of the children in poverty in the UK are now in a family where someone works (HBAI, 2014). There are now as many people in poverty in the UK who are in work as are out of work (JRF, 2014, using data from HBAI, 2014). Recent research by the JRF found that three in five people leaving unemployment last year went into jobs that pay less than the living wage (MacInnes *et al*, 2014).

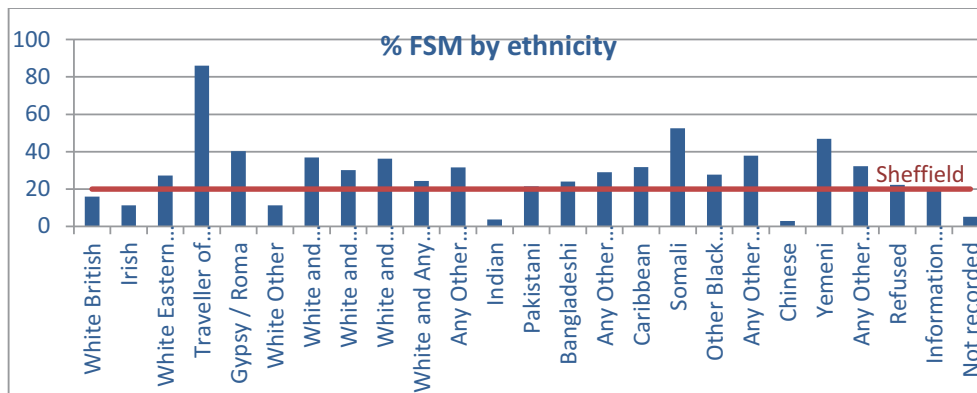
More local data is given on both of these elements in the section on [employment](#).

The risk of poverty is greater for people from some ethnic groups

The relationship between ethnicity and poverty is complex. Nationally, people from BME groups are significantly more likely to be in poverty than white British people, although research indicates that the levels of poverty within different groups differs geographically depending on migration patterns and labour markets.

We cannot get a breakdown of ethnicity within people in Sheffield who are in poverty. We have used free school meals data to explore this issue further for children, although we recognise that the proxy has limitations. This chart shows the proportion of children of each ethnic group who were eligible for free school meals in January 2014 and shows that children from almost all minority ethnic groups are more likely to be eligible for free school meals than

White British children (n.b. the actual number of children identified as Traveller of Irish Heritage is small and so the percentage should be treated with caution).



Source: January Schools Census 2014

We have also included a chart below, which shows how these figures have changed over time.

Percentage of pupils claiming free school meals (FSM) in Sheffield schools by ethnicity (2009/10 to current) - for children in Reception to year 11

Ethnicity	2009/10	2010/11	2011/12	2012/13	2013/14	Trend	2013 to 2014 trend
Any Other Asian Background	29.4	29.3	31.1	33.6	30.8		-2.8
Any Other Black Background	32	35.6	38.5	42.5	37.6		-4.9
Any Other Ethnic Background	31.3	29.1	32	38.2	35.1		-3.1
Any Other Mixed Background	28.6	30.3	29.6	32.6	33		0.4
Any Other White Background	11.5	10.7	12.1	13.4	12.3		-1.1
Bangladeshi	31.8	32.1	29.1	30.9	25.9		-5
Caribbean	27.8	29.4	30.5	35.7	34		-1.7
Chinese	9.8	6.6	4.5	4.7	3.9		-0.8
Indian	2.6	3.2	3	3.2	3.6		0.4
Information Not Yet Obtained	18.1	24.2	29.9	32.2	19.3		-12.9
Other Black African	24.2	24.5	25.8	32.2	32		-0.2
Pakistani	25	24.6	23.5	25.1	22.2		-2.9
Refused	22.4	21.8	21.2	28.6	22.2		-6.4
Somali	77.1	75.9	73.7	67.3	55.2		-12.1
White and Any Other Asian	24	24.3	25	26.4	25.4		-1
White and Asian Pakistani	32.4	34.9	35.8	39.9	38		-1.9
White and Black African	29.8	35.5	33	35.8	29.2		-6.6
White and Black Caribbean	33.9	37.3	37.8	40.7	39.3		-1.4
White British	14.7	15.7	16.5	18.3	16.8		-1.5
White East European	9.7	8.4	27.4	38.3	26.8		-11.5
White Gypsy/Roma	15	10.3	52.5	64.6	35.4		-29.2
White Irish	7.4	13.9	12.9	12.6	10.9		-1.7
White Traveller of Irish Heritage	84.6	93.9	81.4	84	87.2		3.2
Yemeni	61	59.8	55.4	59.9	50.2		-9.7
All pupils	18.7	19.7	20.7	23.2	20.9		-2.3

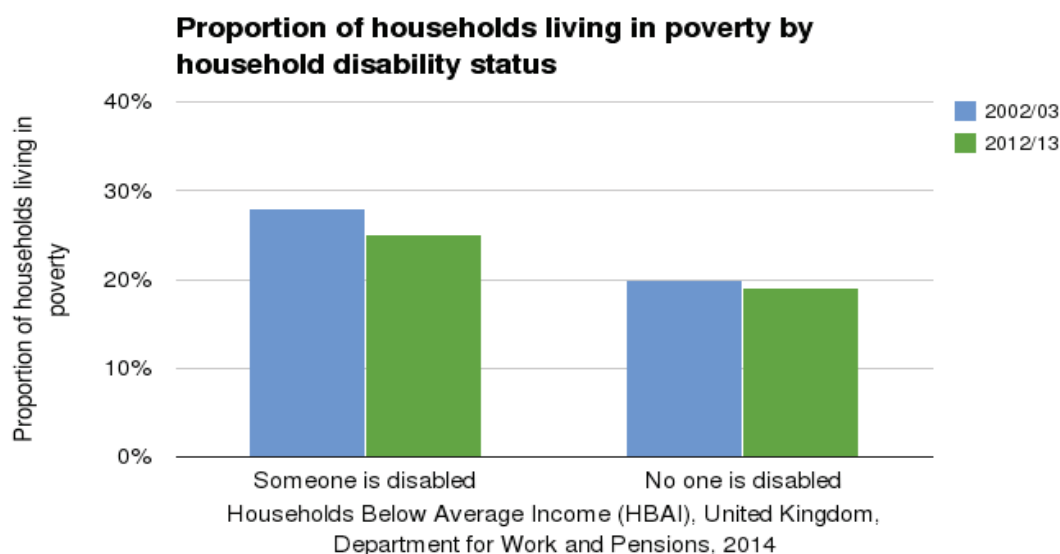
* 2009/10 - 2012/13 data from School census. 2013/14 data based on current claim rate (08/04/2014)

Over the last few years, the percentage of pupils claiming FSM rose steadily (from 18.7% in 2009/10 to 23.2% in 2012/13). However, this appears to have reversed sharply in the last academic year with the Sheffield rate standing at just 20.9% for the 2013/14 academic year. This has affected some ethnic groups more than others. In the school spring census of 2012/13, 15696 children were claiming FSM. This figure now stands at 14387 meaning that 1309 fewer children are receiving income and benefit linked FSM than in the previous year. This appears to have impacted on certain ethnic groups more than others with White Gypsy/Roma, White Eastern European, Somali and Yemeni pupils have larger reductions in terms of the proportions eligible.

We are currently looking to understand more about why this may be.

Households containing someone with a disability or long term health condition are more likely to be living in poverty

Disability is a major risk factor for poverty and households and **families in which an adult or child has a disability (including learning difficulties and mental health problems) are significantly more likely to be in poverty (nationally, as demonstrated in the graph below**



In Sheffield 19% of people feel that their day to day activity is limited by long term health problems or disability (Census, 2011), with 35% of households having someone with a long term health condition or disability and 33,430 people (6% of the population) claiming Disability Living Allowance and 23,580 people claiming Employment Support Allowance, Incapacity Benefit or Severe Disablement Allowance.

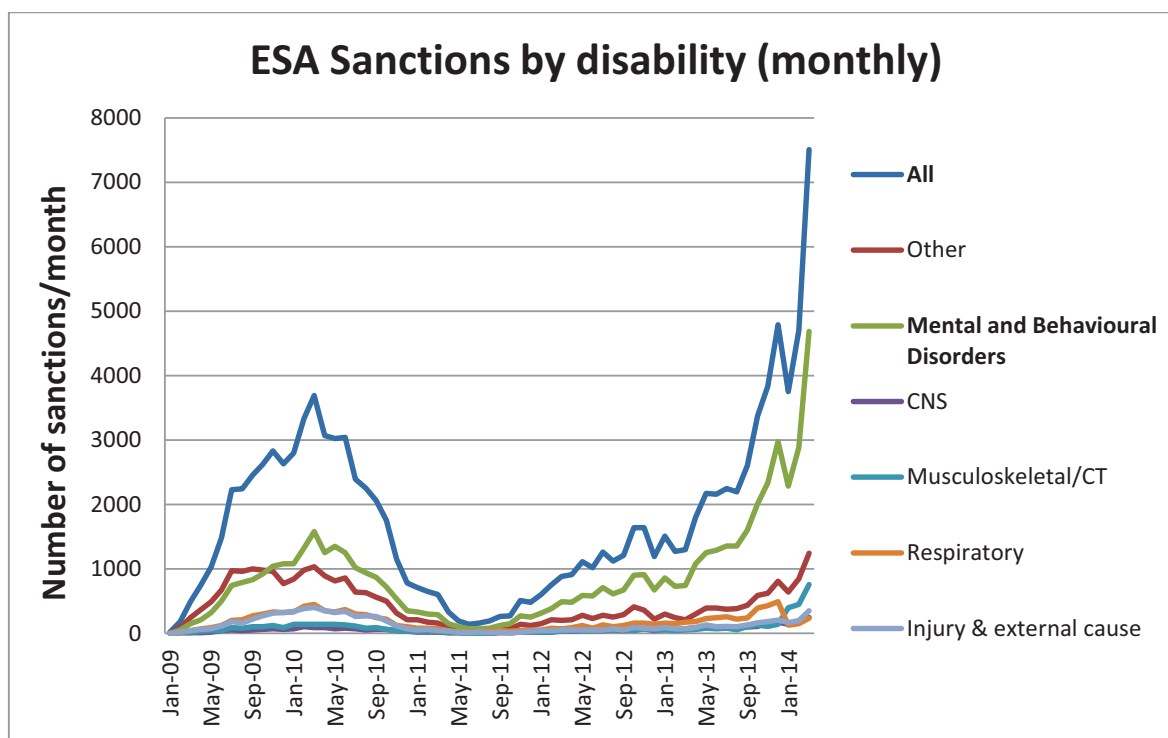
Disabled people are significantly less likely to be working than non-disabled people, with only 25% of males and 19% of females aged 16 and over with a disability or long term health problem economically active in Sheffield compared with 65% of the overall male 16+ population, and 55% of the overall female 16+ population (Census, 2011). The employment rates for adults with mental health problems or learning disabilities in Sheffield is particularly low, with only 3% of those with learning disabilities and 6% of adults receiving secondary mental health services in employment compared with 7% and 9% respectively in England (Local Child Poverty Basket of Indicators, 2014)..

Nationally, the poverty rate for adults with a disability has fallen over the decade to 2012 (30.01% to 24.41%) by more than the poverty rate for adults without a disability (from 20.87% 20.47%) (analysis by JRF using Households Below Average Income (HBAI), Great Britain for 2001/02 and the United Kingdom thereafter, Department for Work and Pensions 2013), although reforms to disability benefits are anticipated to have an impact on this and the most recent Households Below Average Income figures suggest that this is starting to have an impact, with small increases

to poverty rates for disabled people in 2012/13. Disabled people pay on average £550 per month on extra costs related to their disability. As a result of these extra costs, disabled people are twice as likely to have unsecured debt totalling more than half of their household income (Papworth Trust, 2015).

Sheffield Hallam University have modelled the likely impact of welfare reform on disabled people. They have found that Sheffield’s incapacity claimants can on average expect to lose £1,800 a year from this element of the reforms alone, and working-age DLA claimants can expect to lose an average of £750 a year. But within both groups the financial losses fall just on some claimants rather than everyone. Those losing out – generally the less severely ill or disabled if procedures are working properly – can expect to lose an average of £3,500 a year as a result of incapacity benefit reform and £1,600 a year as DLA is replaced by Personal Independence Payments. Furthermore, the same claimants can in addition often expect to lose financially as a result of other elements of the welfare reform package, such as changes to Housing Benefit and Council Tax Benefit (Beatty and Fothergill, 2014).

In addition to the reduction in eligibility, recent research produced by the Methodist Church based on Freedom of Information requests shows that people with mental health problems, are disproportionately and increasingly being sanctioned, as can be seen below:



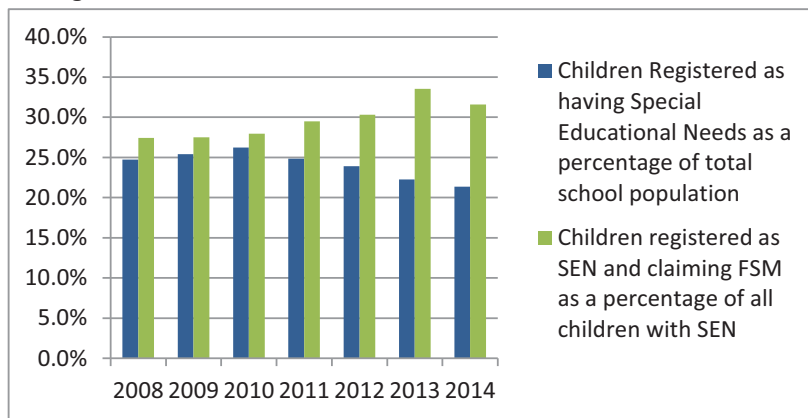
They found the people with mental health problems make up 50% of all claimants of ESA, but 60% of those sanctioned, and that this rate is increasing (Methodist Church, 2015).

Disabled children and poverty

The Children’s Society carried out analysis to estimate the number of disabled children living in poverty, and found that 36% of all disabled children lived in poverty, rising to 40% if DLA was excluded from the calculations. This compared with 30% of all children at the time (Children’s Society, 2011).

We have used free school meals data to further explore the number of disabled children in Sheffield who are also living in poverty. The chart below shows the proportion of the school population children registered as having

special educational needs (SEN) (blue bars, going down over time), compared with the proportion of all children who are registered with SEN who are also eligible for free school meals (green bars, going up over time). The overall proportion of children in receipt of free school meals had increased to 2013, in part due to increased efforts by schools and the council to increase take-up, but the proportion of children with SEN is significantly higher than the average for all children which was 20.9 in 2013/14.



School Census Data - Performance and Analysis Service (2014)

Disabled people often face additional barriers to escaping poverty. Many disabled people are either unable to work or face discrimination in finding work or progression in work (resulting in the high proportion of economic activity outlined above). At the same time, disabled people may be particularly negatively affected by poverty: families of children with disabilities or health impairments already face increased levels of stress, pressure, and financial costs, as compared to families with typically developing children, and limited mobility or other health problems may mean that inability to afford heating has more serious effects, or that an individual suffers a ‘disability premium’ because they cannot travel to cheaper shops.

Disability rights groups are campaigning for equivalisation to recognise the increased financial requirements that come with increased needs in a similar manner to family size. This has not been done and we have not found a way of doing this locally, but we want to acknowledge this. So when considering data about families with disabilities experiencing poverty we should keep this in mind.

People with caring responsibilities

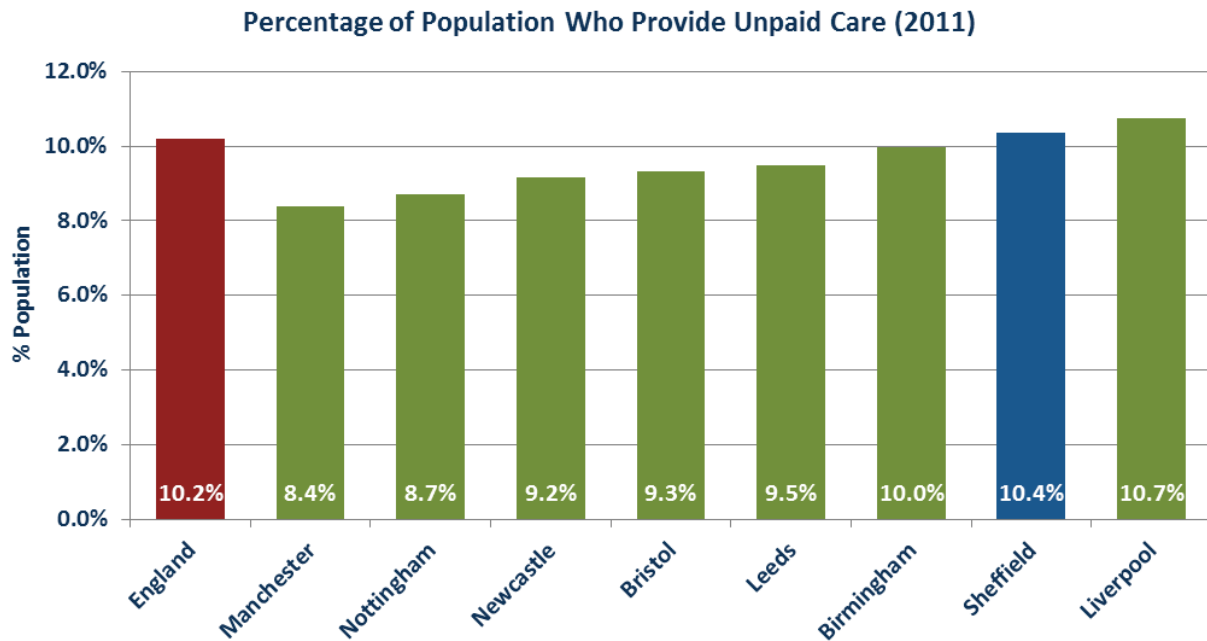
People undertaking unpaid caring roles have a decreased ability to earn income and potentially higher outgoings. In a survey carried out by the Carers’ Society in 2010, 89% said that they were worse off because of their caring role, and 53% of those who worked earned less than £10,000 per year (Carer’s Society, 2010).

We have not been able to compare data on caring in general with poverty data, but we know that the median family income for families including a young carer was £5000 less than families without a young carer; that young carers are over four times more likely to live in a household where no adults are in work and that young carers are 1.6 times more likely to have a mother who has no educational qualifications (Census, 2011). Whilst adult carers often have problems balancing work and caring responsibilities, young carers also have significantly lower educational attainment at GCSE level, the equivalent to nine grades lower overall than their peers e.g. the difference between nine B’s and nine C’s and are also more likely to become NEET (Children’s Society, 2013).

Sheffield Young Carers note that 40% of the young carers that they support are caring for family members with mental health difficulties, that there are higher levels of young carers in the wards in the city with high levels of

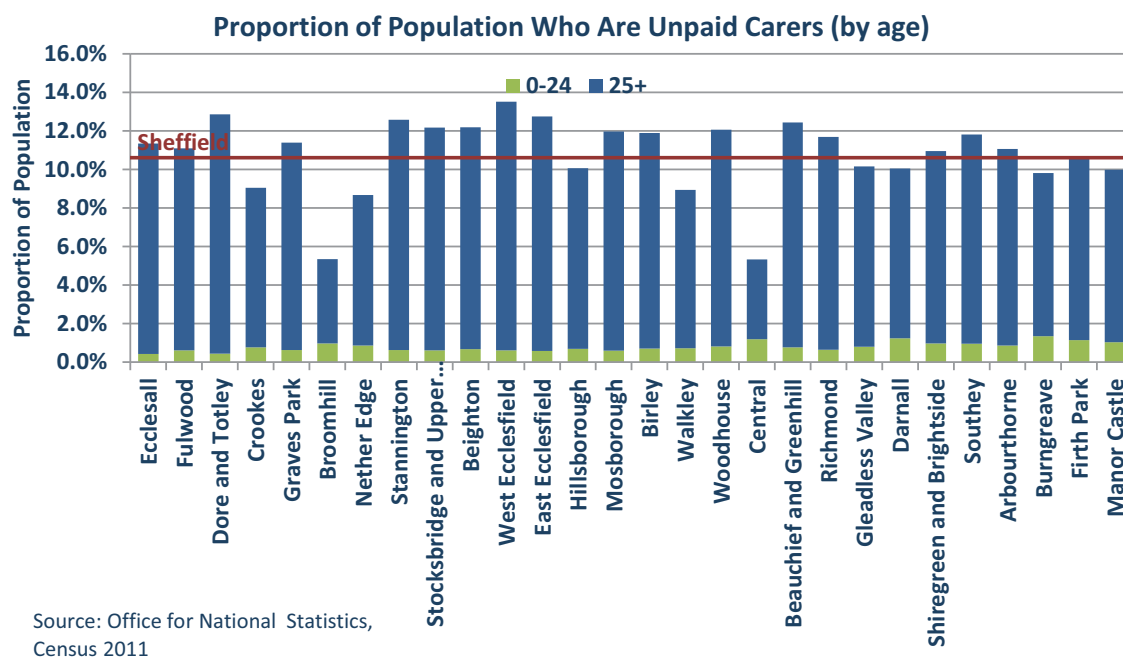
deprivation, and that children from ethnic minority backgrounds are over-represented, with 20% of their referrals are for young people from ethnic minority backgrounds (this is supported by research by the Children’s Society (2013).

In 2011 Sheffield had a higher proportion of its population undertaking unpaid care than England or most of the core cities.



Source: Office for National Statistics, Census 2011

Where people who deliver unpaid care live in Sheffield can be seen below.



Women

Women are often more impacted on poverty by men, both in terms of the numbers of women living in poverty (when measured at a household level more women are slightly more likely to be in poverty than men¹ and single elderly women and lone parents, often women, have an increased likelihood of being in poverty), and in terms of the impact on women in poverty. Within households, income is often not shared evenly and women are more likely to be in poverty as a result of their employment situation, while men are more usually in poverty as a result of family circumstances, including their partner’s employment. Women are also more likely to manage the household budget, going without to provide for other members of the family and with implications for their mental and physical health.

Women are heavily over-represented in both low pay and part-time work. This means that low-paid women are especially reliant on a partner’s earnings to lift them out of poverty, which makes them more vulnerable to poverty from family breakdown.

Older people

Nationally, policy over the past decade has aimed to reduce the number of pensioners in poverty, and pensioner poverty has reduced significantly, especially amongst single pensioners as can be seen earlier in this section. Although poverty amongst older people is still higher than we would like, over recent years, the incomes of pensioner households have continued to increase relative to those of working-age households (both BHC and AHC). Median AHC income among pensioner households overtook that of working-age households in 2009–10, for the first time since records began in 1961. By 2012–13, it was 5% higher, having been 5% lower in 2007–08 and 20% lower as recently as 1992 (Belfield et al, 2014). More recently, older people have been relatively protected from welfare reforms, and are likely to continue to be protected.

In 2010/11, 12 per cent of pensioners aged 65 and over (1.2 million individuals) were living on a low income nationally; a further seven per cent (600,000 individuals) were materially deprived; with only two per cent (200,000

¹ Material in this section is drawn from JRF, Reducing Poverty in the UK: A collection of evidence reviews, 2014.

individuals) being both materially deprived and living on a low income. The vast majority, around 80 per cent of pensioners, do not experience low income or material deprivation (Kotecha et al, 2013).

The Kotecha found that although **older people living in social housing were far more likely to be materially deprived than owner occupiers**, amongst materially deprived pensioners, **those living in social rented accommodation were less likely (40 per cent) to experience housing deprivation compared with those who owned their own homes (60 per cent)** suggesting social housing, to some extent, shields them from the full effects of material deprivation.

The higher likelihood of limited mobility and ill health amongst older people, as well as the lack of opportunity to work exacerbates poverty for older people and makes it more difficult to escape poverty. Older people may not be as able to access cheaper shops to allow them to shop around (although free bus passes are frequently cited in research as an important enabler), and there is a “strong and significant correlation” between income deprivation and loneliness (Age UK, 2010).

Locally, 24% (27,704) older people, receive pension credits in Sheffield, with 14% (10) MSOAs in the 5% most deprived in England on this ranking according to the IMD 2010 Income Deprivation Affecting Older People Index (IDAOPI).

Young people

Research by the Institute for Fiscal Studies shows that, nationally, **incomes for young people have fallen drastically**. Real incomes have fallen across the working-age spectrum since the recession, and particularly sharply for young adults. Comparing 22- to 30-year-olds in 2012–13 with 22- to 30-year-olds in 2007–08, median household income (RPI-deflated) fell by 13% BHC and 20% AHC. This compares with falls of 7% and 11% respectively for those aged 31–59 (Belfield, et al, 2014).

The earnings falls among young workers are partly due to **lower hours of work** (including more part-time work) – some of which looks involuntary, as indicators of ‘under-employment’ have risen. However, their **hourly wages have also fallen particularly sharply**. Median hourly wages fell by 11% in real terms for employees aged 22–30 between 2007–08 and 2012–13, and by just 3% for those aged 31–59 (Belfield et al, 2014). Unemployment amongst young people has also increased as can be seen in the section on [access to employment](#).

Care leavers

Although we do not have data for the numbers of care leavers in poverty in Sheffield, care leavers nationally are at high risk of homelessness, unemployment, mental health problems. For 2013/14, only 41% of Sheffield care leavers aged 19-21 were in employment or training. This compares with 45% nationally.

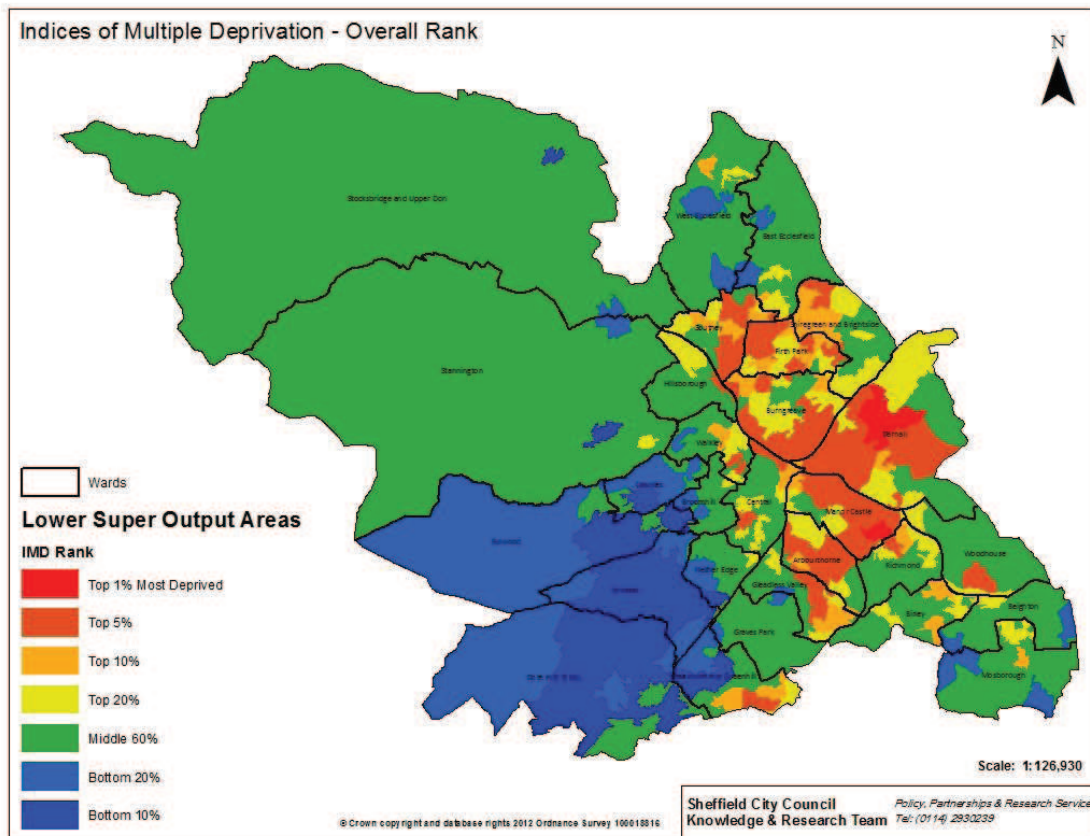
Which communities are more likely to experience poverty than others?

There is a great inequality in deprivation across Sheffield, and most of the city’s population live within relatively more deprived areas. Using the Indices of Multiple Deprivation data, there are 125,000 [22%] Sheffield people living within most deprived areas ranked as being in the worst tenth of areas nationally, and 47,000 [8%] living within least deprived areas ranked as being in the best tenth nationally (Sheffield Hallam constituency is one of only two

constituencies in the whole of the UK to have after housing cost child poverty levels of less than 10%). The series of maps and data presented below and throughout this document show the variation in need across the city.

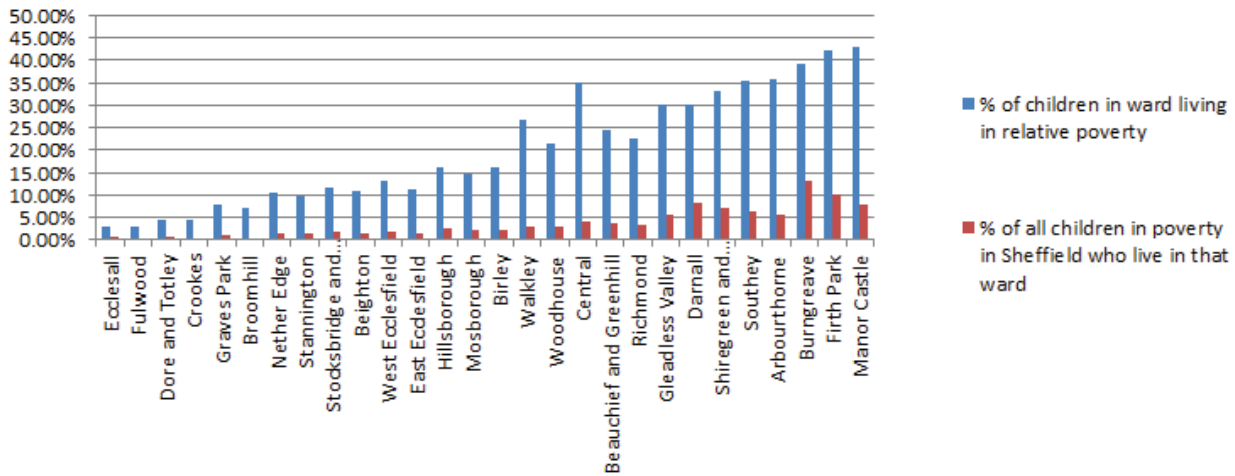
Where there are charts by ward, the chart shows wards as ranked by Indices of Multiple Deprivation from low (less deprivation) to high (worse deprivation).

The map below shows the levels of deprivation as ranked by the IMD.



We have a breakdown of where children who are in households in relative poverty are living. This is shown in the below using data from 2012. The figures in the table show two percentages for each ward. The first shows the proportion of all children in that ward who are living in poverty. The second shows the proportion of all the children living in poverty in Sheffield who are based in that ward. Both these figures are important because, taken together; they give a picture of the depth of deprivation in that ward as well as the amount.

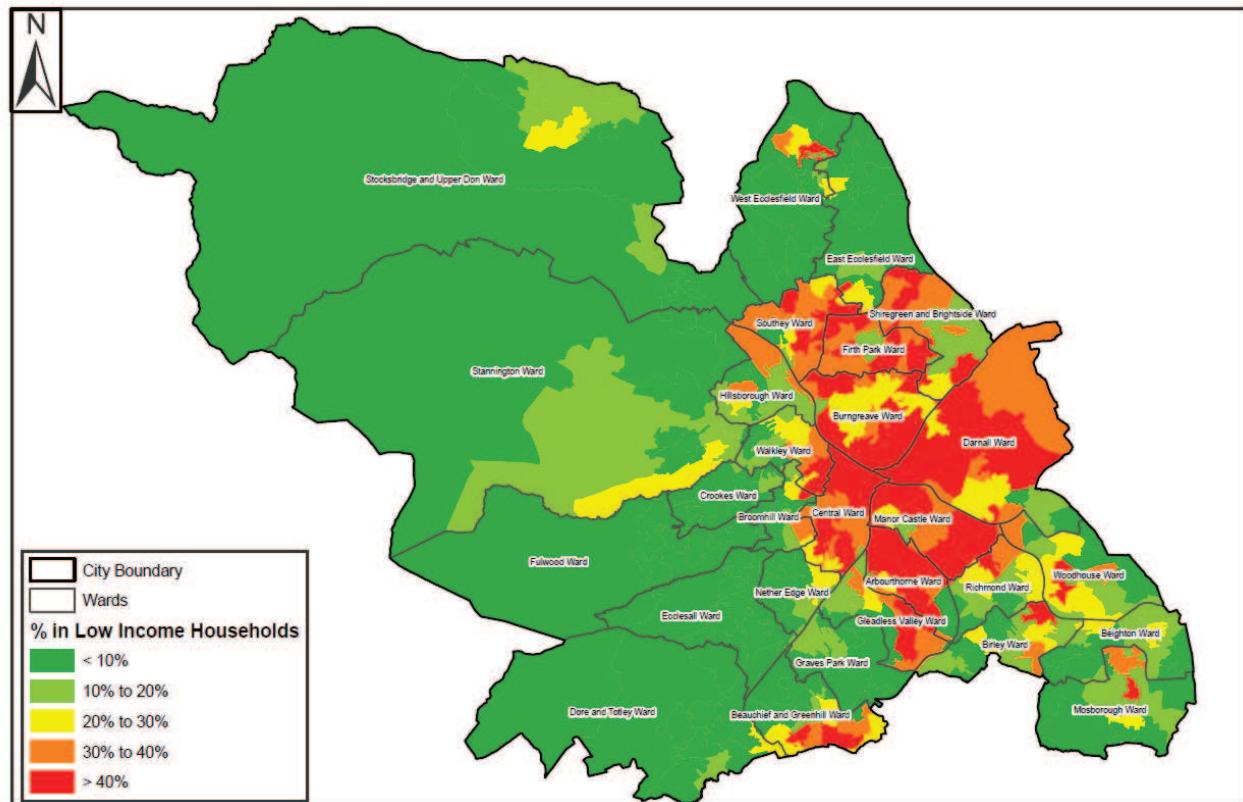
Children living in relative poverty, Sheffield, 2012



(HMRC 2014 using data from 2012)

The map below (based on 2011 data) shows that the ward level data disguises areas within wards of higher deprivation. East Ecclesfield, for example, has only 13% of children living in deprivation, but in one LSOA over 40% of children live in poverty.

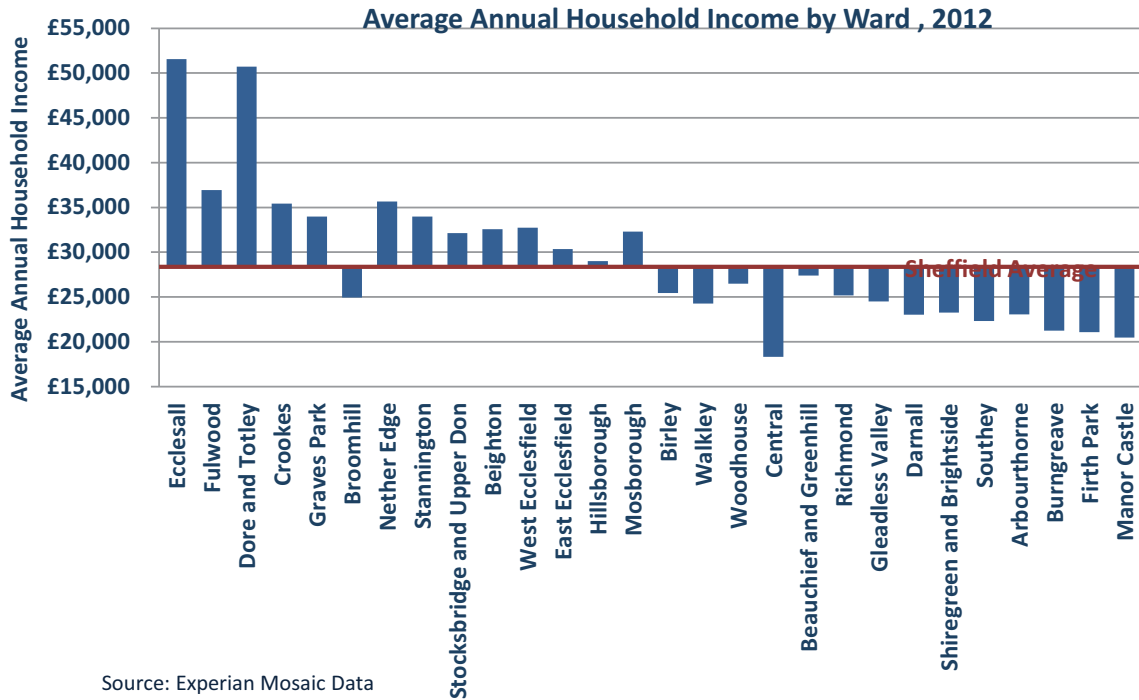
Percentage of Children in Low Income Households (Aged 0-19) - HMRC 2011



Produced by: Roland Lovatt, Performance & Analysis; Children, Young People and Families; Tel: 0114 2053410.
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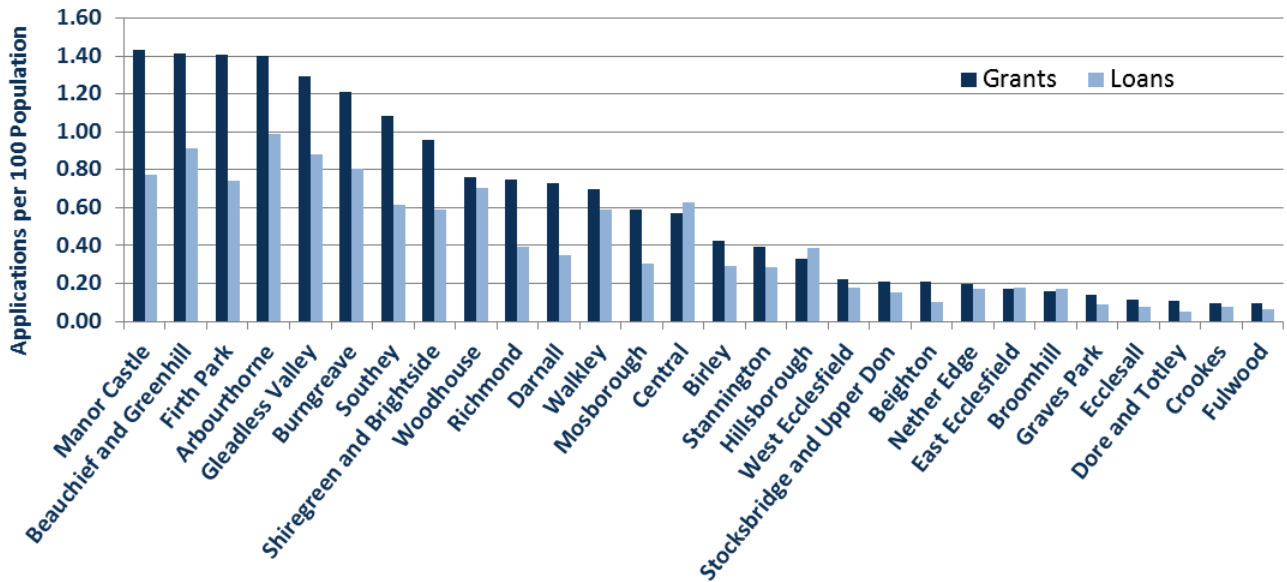
The map and chart below show the variations in annual household income within Sheffield. It is worth noting that some of this variation may be driven in part by population characteristics such as prevalence of student or pensioner households. Nonetheless, in some wards of the city average household incomes are more than 2.5 times as high as in others. This holds even when we count household income per number of adults in the household. Again, ward averages hide variations in wealth across wards, as can be seen on the map below.



The percentage of people in Sheffield who live within the 10% and 20% most and least deprived areas of England and Wales is shown below, along with the areas of Sheffield that are included within the 10% and 20% most and least deprived areas.

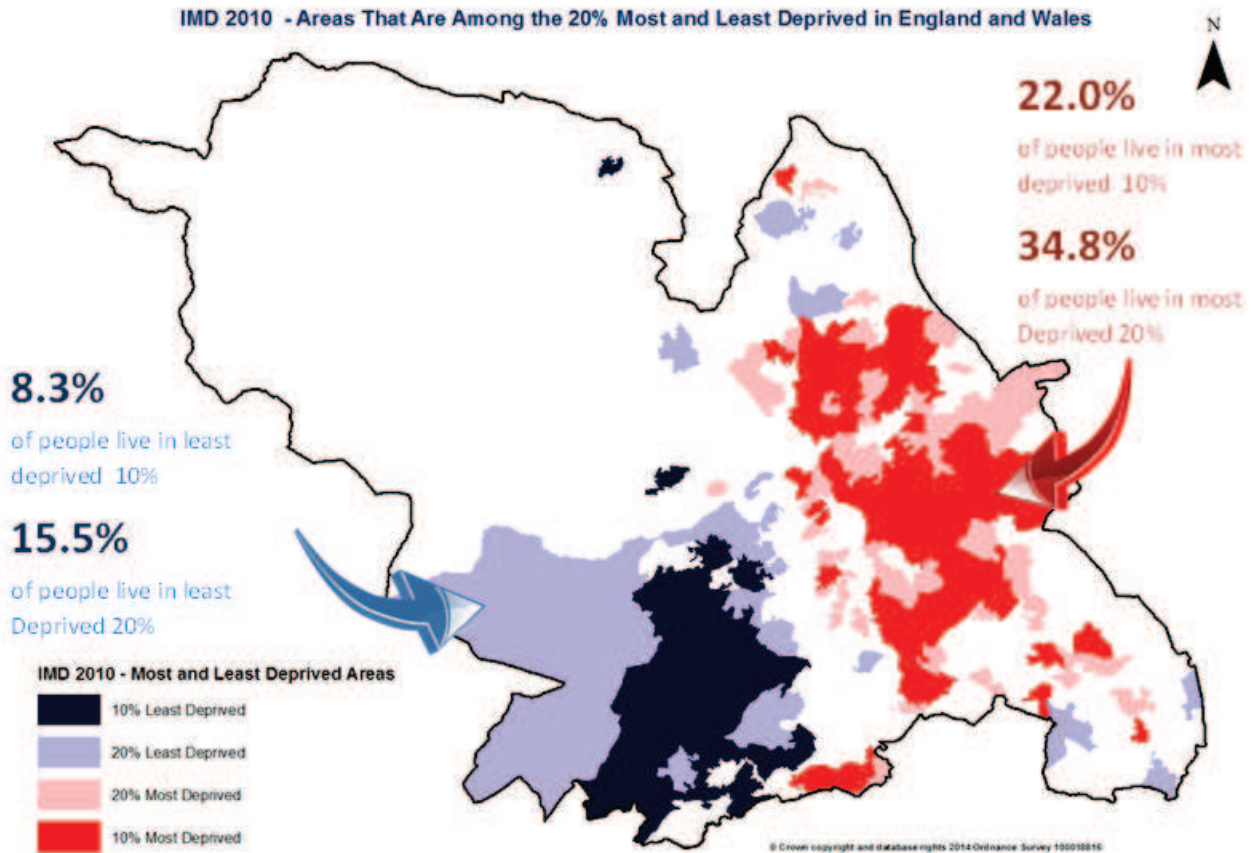
The chart below shows the percentage of people in each ward who have had to apply to the Local Assistance scheme (which began in 2013) for support.

Loan and Grant Applications to Local Assistance Scheme - 2013/14



Source: Sheffield City Council, Local Assistance Scheme

IMD 2010 - Areas That Are Among the 20% Most and Least Deprived in England and Wales



Source: IMD and NHS Sheffield Public Health Register

We know that welfare reform will impact on different parts of Sheffield vastly differently. Beatty and Fothergill (2014) have modelled the cumulative loss to households in different parts of the city and established that the financial loss per working age adult by 2018 will be five times greater in Firth Park (£800) than in Broomhill (£160). Whilst there is potential for some of this lost income to be replaced by earnings, it is highly likely that there will be a net financial reduction in income in many of the harder hit wards and to many of the hardest hit families.

The impact of living in areas of high deprivation, and community resilience

The level of income an individual or household has is important, but evidence indicates that being poor and living in an area of high deprivation can have more negative effects than being poor and living in an area without high levels of deprivation (see, for example, Stafford and Marmot, 2003). Rae (2011) considered the spatial dynamics of poverty in Sheffield and found that deprived areas in Sheffield are nearly all surrounded by similar areas. This is not the case in many other English or British cities and it is important since arguments relating to the negative impacts of ‘neighbourhood effects’ (frequently used as a rationale for policy intervention) may have greater significance in Sheffield.

Although there may be negative impacts to living in areas of high deprivation, and these may be influenced by isolation from less deprived areas and connectivity, it is important to recognise that deprived communities have assets which can be drawn upon, and that protecting those assets can be important in improving outcomes for residents of the communities. We know that some areas prove more resilient to stress than others. Research commissioned by Sheffield City Council and carried out by Sheffield Hallam University (Platts-Fowler & Robinson, 2013) considered the concept of community and neighbourhood resilience.

Neighbourhood resilience was defined as ‘the existence, development and engagement of local resources by community members to thrive in an environment characterised by change, uncertainty, unpredictability, and surprise. Different places have different bundles of resources that inform how resilient they are in the face of different stresses and pressures. Different bundles of resources are likely to promote resilience to different stresses. A community might therefore be more resilient to certain forms of change and less resilient to others.’

This report identified some areas in the city that were ‘outliers’ which were ‘doing better than might be expected given the level of stress being endured.’ It will be important to consider the features of these areas as identified in the report and follow-up work in terms of developing responses to the needs identified.

The Sheffield Cubed team leading on the Best Start Sheffield lottery bid engaged with communities in three wards in Sheffield to map and understand the assets and gaps in those areas. The common themes emerging from this consultation included concerns around the environment (places and spaces) and groups for people to attend (for example toddler groups and parent support groups).

Financial vulnerability

Financial vulnerability is a term used to describe the extent to which adverse monetary pressures can trigger financial distress for any given household. This can be determined by factors such as debt and credit, income, financial stability and security. As one participant in the Listen Up project (Sheffield Diocese, 2014) stated, for the financially vulnerable “there is a very thin line between coping and going under.” Two specific communities within the city are affected by such high levels of financial vulnerability. One is the established residential communities on the east of the city, such as Parson Cross, Fir Vale and Arbourthorne, the other, and perhaps surprisingly, are populations living in the west of the city around Crookes, Endcliffe and Broomhill, which have high populations of

students. Smaller pockets of households with high financial vulnerability can also be identified in areas such as Lowedges and Darnall. Areas often have a high a proportion of households renting from social landlords, below average household incomes and limited employment opportunities. The State of Sheffield 2015 provides further information on financial vulnerability.

Austerity means that there is reduced capacity to provide support and services

Things have changed substantially in Sheffield since we wrote our last action plan and strategy. There have been significant budget cuts already for many public sector organisations and there are more to come. This has made it more difficult for those organisations (and organisations dependant on public sector funding, such as the voluntary and community sector) to provide support to the most vulnerable people in the city. In this context, we think it is important that we highlight reducing capacity and infrastructure as an area of need.

What does poverty mean? How much people are struggling and what sorts of things they are struggling with

Sara was employed until late 2012. She claimed Employment and Support Allowance initially, due to health problems and then, since the beginning of May she has been claiming Jobseeker's Allowance. Sara receives £71 per week contributory JSA. Her partner is working as a chef but his hours have been reduced. He earns £7 per hour and works 14 -15 hours per week. He earns between £90 and £100 per week. They live in a 3-bedroomed housing association property. Their rent is £500 per month. The couple's disposable income is not sufficient for them to eat properly.

Sara's partner is on a professional cookery course at a local college. Payments towards his course will cost him £1286 this year. He is investigating opportunities to get grants.

At present Sara's partner's income is not taken into account when her JSA is calculated. Sara has been informed that her partner's income will be taken into account when she has been claiming JSA for 6 months. At this point her claim will be changed to income based JSA. This will result in a big drop in their income, only some of which will be offset by increases in Housing Benefit and Council Tax Support.

The main reason that Sara and her partner have so little disposable income is because they are subject to Bedroom Tax at 25% and live in a high rent property. They have asked for a move to a one-bedroomed flat but none have become available.

The couple have been referred to a food bank for short-term help.

In this section we look at how many people are at crisis point, and what that means to the people affected; how much debt people are in and what it costs to pay it back; whether benefit payments are on time (including when people are subject to sanctions) and what happens when people have additional needs that result in additional costs.

We know that income and cash flow is not the only thing that affects how hard up people are. The cost of living is increasing, and income levels, and particularly benefit levels have not been keeping pace. We look in this section at how much people have to spend on their homes (rent, heat, other bills), to feed themselves and their families, to get around to work, school, shopping and other places.

Increasing numbers of people in Sheffield are hitting crisis point

The data and qualitative evidence that follows, taken together, indicates that increasing numbers of people in Sheffield are hitting crisis point in terms of their money.

Urgent financial distress

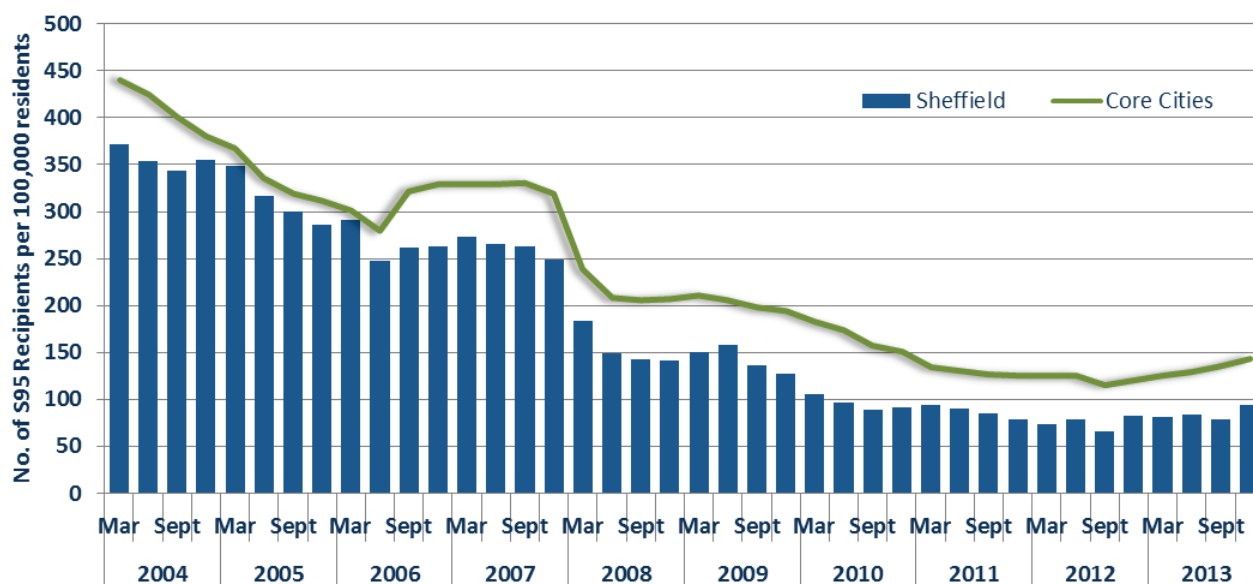
The Local Assistance Scheme started in Sheffield and replaced the centrally administered Social Fund discretionary loans and grants in 2013. Because the scheme is quite different from the scheme it replaced we cannot draw comparisons yet, but between 1 April 2013 and 31 March 2014, the Council received:

- 6,292 applications for assistance and 14,532 phone calls to its dedicated team;
- 2,470 applications for loans, of which 1,286 (52%) were awarded (the average loan award was £62.76); and
- 3,822 applications for grants, of which 1,961 (51%) were awarded (the average grant award was £597.97).

A high number of applications were from customers who either were not in receipt of qualifying benefits or needed assistance for an ineligible purpose – for example an advance on benefits or because benefit was sanctioned. This has been discussed with the DWP. The Government has announced that there will be no funding for the Local Assistance Scheme from April 2015 but the Council has committed to continuing a Local Assistance Scheme during 2015/16.

This next chart shows how many asylum seekers were in receipt of section 95 support (support which is available to asylum seekers who are destitute. i.e. who do not have adequate accommodation or enough money to meet living expenses for themselves and any dependants now or within the next 14 days). This figure has reduced dramatically over the past decade, partly because the decision-making process has been shortened, although there are also a relatively small number of refused asylum seekers who are either without recourse to funds or who qualify for section 4 support for those who are temporarily prevented from returning to their country of origin (as at December 2015 there were 109 people receiving s4 support in Sheffield, and an unknown number of unsupported refused asylum seekers). Those asylum seekers living on section 95 support receive benefits that are around half the cash value of income support.

Asylum Seekers in Receipt of Section 95 Support



Source: Home Office

Hunger

Based on **national** figures it is estimated that approximately 40,000 people in Sheffield are currently experiencing food poverty (Sheffield Food Strategy, 2013). The initial report from the early community engagement work undertaken recently as part of the development work for the Best Start Sheffield lottery bid identified food as the most frequently cited issue for people. Responses to our consultation also saw access to affordable food coming through as a strong theme across all groups with many respondents saying that they struggled to find enough money to eat, and raising concerns that food banks were helpful, but did not meet the need as they often only provided food for a short period of time and they do not have coverage across the city.

The Involve Yorkshire & Humber Rapid Review of Food Banks in Sheffield (2013) identified that:

- Use of food banks in Sheffield is growing and the rate of use has increased since April 2013
- Lack of income is driving use of food banks (including low wages, unemployment, changes to benefits and delays and sanctions)
- There were 16 food banks operating in Sheffield.
- Although food banks typically provide short term support, some food banks were concerned that the number of people who required more long term support was increasing.

Research by Perry et al (2014) reviewed food bank usage across a range of locations, including the Burngreave foodbank in Sheffield. Their findings replicated those found by the Involve research, and also found that only half (or less) of the users they spoke to knew they could seek support from the Local Welfare Assistance Scheme; very few of those potentially eligible had been awarded short-term benefit advances or hardship payments (n.b. there is no analysis of this question for Sheffield).

For families, hunger is often particularly acute (and money particularly short) during school holidays when children are at home and not receiving free school meals.

Debt, access to affordable credit and bank accounts

We know that debts, high cost credit and lack of access to a bank account all cause additional financial strain for people, which in turn often impacts on their wellbeing.

The two Advocacy Workers in the Southey area who are funded through HCP are now spending all their time dealing with debt advice and associated problems. They are reporting a “dramatic deterioration” in the mental health of clients and an increase in suicides. There is evidence of individuals having to make the choice between eating or heating. There are reported cases of people looking in skips for wood to burn and if unable to find anything, resorting to burning their own furniture. The advocacy workers are liaising with utility providers and other organisations to which clients owe money and are signposting on to the relevant agencies. They are working with the people who are “falling through the cracks” in terms of receiving insufficient income to cover their basic needs. Wherever possible in these cases the staff providing support look at what went wrong and what can be done to prevent reoccurrence.

Mini case-study as part of Scrutiny report on welfare reform 2014



7.3%

17,392 households in Sheffield
don't have access to a direct
payment account

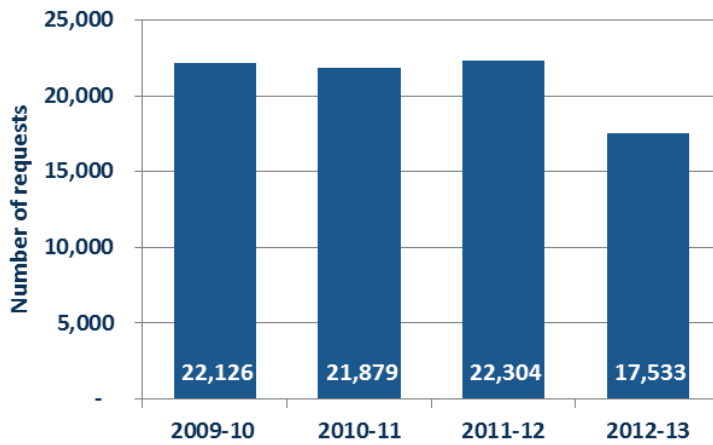
Source: Experian 2012

Lack of access to a current account increases the cost of goods and services because paying by direct debit is often a cheaper option than paying periodically without direct debit, and also makes it difficult for people to access affordable credit.

A recent report on affordable credit in Sheffield has estimated that around 34,000 people in Sheffield use payday loans each year, and around 20,000 doorstep borrowers each borrowing an average of £650. In total, the report estimates that around **12% of the Sheffield population rely on non-standard (i.e. high cost) credit**. Debt advisers report doorstep lending as remaining a big issue, and payday lending as a growing problem. **Crucially, the biggest problems involve people who have taken several loans from different sources, who often have spiralling loan debt on top of ‘straight’ debt such as council tax, rent and fuel** (Jeffries and Truin, 2013).

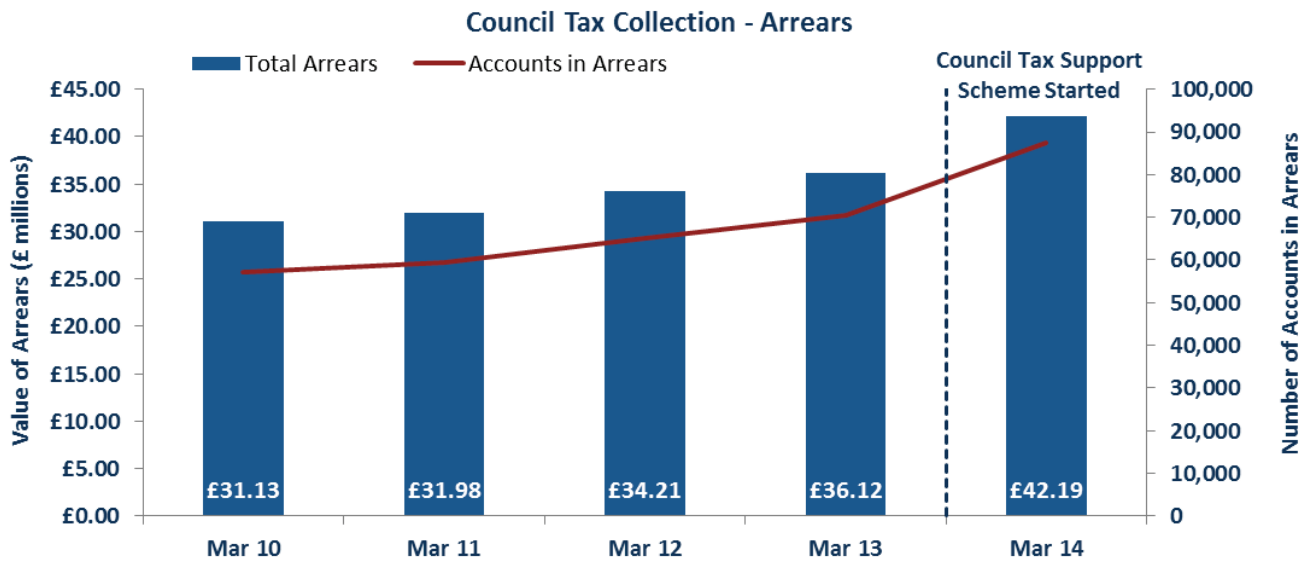
Advice providers in the city report that problem debt is becoming increasingly problematic for clients. This next chart shows the number of requests processed by advice centres marked as debt advice. The drop-off in requests in 2012-13 reflects reduced capacity in the advice sector along with reduced information monitoring (due to reductions in funding) rather than a reduced demand for services.

Advice Centre Requests: Debt Advice



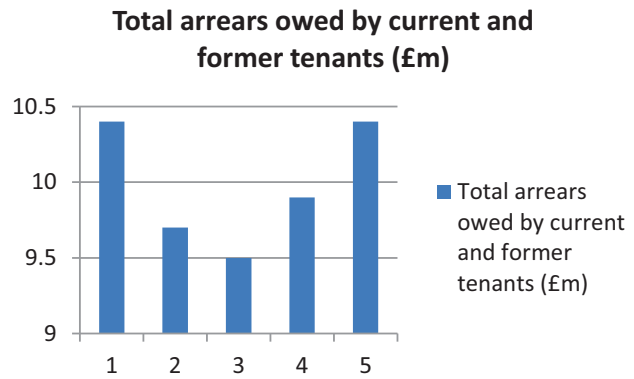
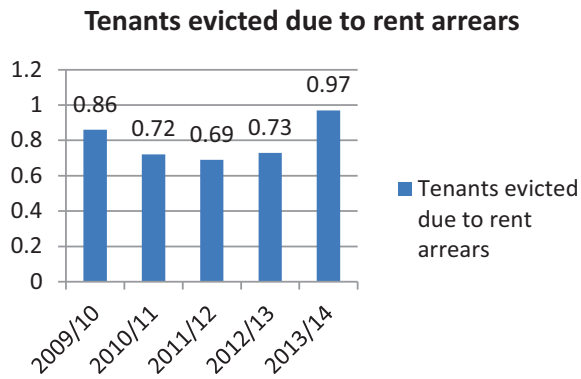
Source: Sheffield City Council, Voluntary Sector Liaison Team

The chart below shows the significant increase in council tax arrears following the implementation of the Council Tax Support Scheme which coincided with the commencement of charging all working age people in Sheffield at least 23% of their Council Tax (where before they may have been eligible for full support).



Source: CAPITA Local Government Services

Rent arrears have also increased amongst council housing tenants (we do not currently have figures for private sector tenants or tenants of RSLs).



Source: Sheffield City Council

Homelessness and housing issues

Homelessness in Sheffield has reduced significantly in recent years. The graph below shows homeless acceptances per thousand households in Sheffield compared with the core cities average over time (note that for two years as shown data is unavailable for both Birmingham and Manchester so the average is of core cities minus these two). There has been a national reduction in homeless presentations over the last decade until 2010, when the rate of both presentations and acceptances has started increasing. To date, Sheffield is not seeing an increase, although the future impact of the welfare cuts may have an impact on homelessness.

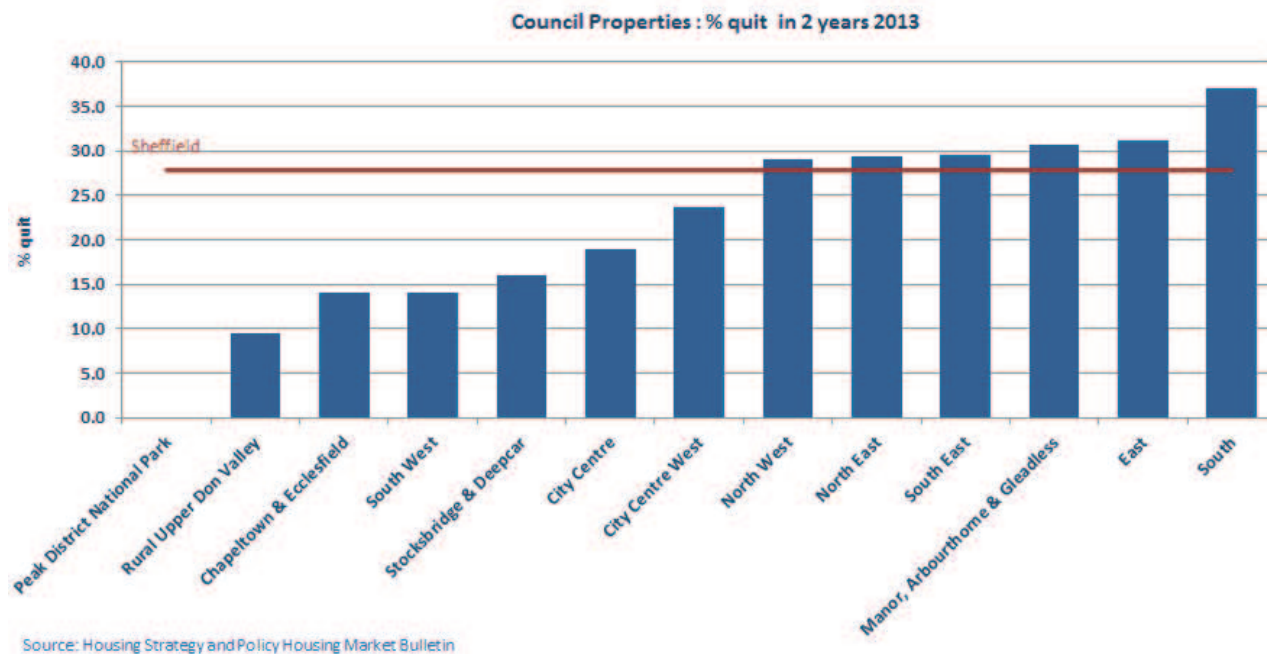


Source: Department for Communities and Local Govt. and Sheffield City Council, Care and Support

a. Birmingham data unavailable
b. Manchester data unavailable

It is also important to look at some of the other housing problems people living in and at risk of poverty face. Frequent housing moves are problematic: they are expensive and especially unsettling for children who may either find it more difficult to attend school or may need to move school. Below we have shown the percentage of council

housing properties that were quit within two years for the calendar year 2013 broken down by area. We don't yet have an area breakdown for more recent data but in 2013-14 fiscal year, the Sheffield figure was 30% and to end of May 2014, the figure is running at 25.4%. There has been focused effort on reducing this to below 30%.

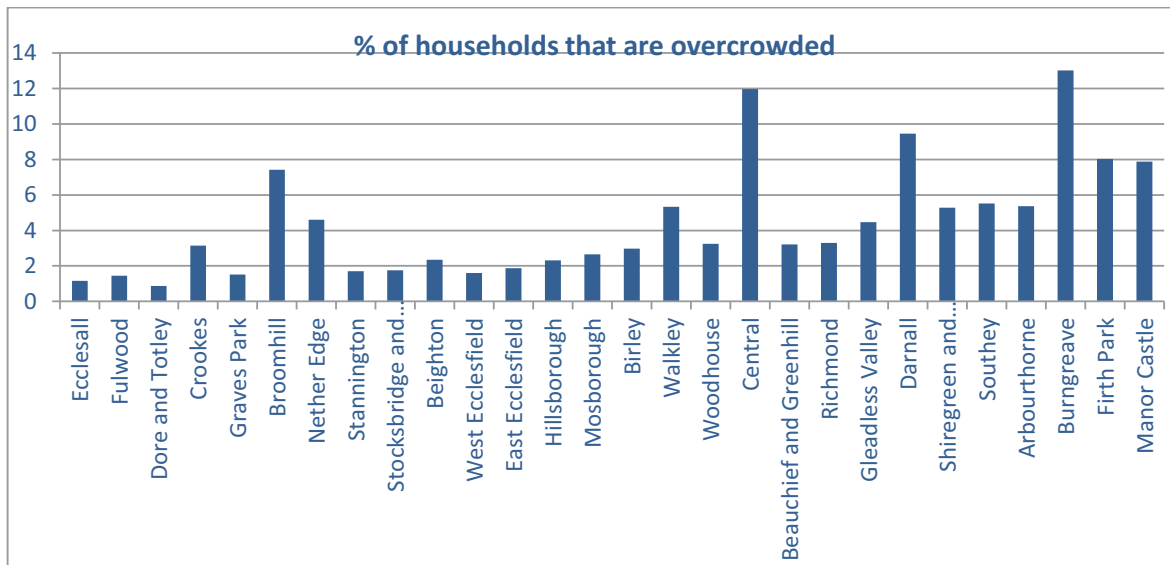


Next we have looked at overcrowding within homes by ward in Sheffield. Overcrowding harms family relationships, negatively affect children's education and cause depression, stress and anxiety (Reynolds, 2005). 'Overcrowded' is defined here as those dwellings having a bedroom occupancy rating of -1 or less.

The Occupancy Rating provides a measure of under-occupancy and over-crowding. For example a value of -1 implies that there is one room too few and that there is overcrowding in the household. It relates the actual number of rooms to the number of rooms 'required' by the members of the household (based on an assessment of the relationship between household members, their ages and gender).

More from ONS on occupancy calculation can be found here:

<http://www.neighbourhood.statistics.gov.uk/dissemination/LeadMetadataDownloadPDF.do?downloadId=188>



Source: Census 2011

Fuel poverty

The definition of fuel poverty has changed recently. Under the new definition of fuel poverty (Low Income High Cost definition), a household is considered to be fuel poor where they have required fuel costs that are above average (the national median level), and were they to spend that amount, they would be left with a residual income below the official poverty line. Previously a household was said to be fuel poor if it needs to spend more than 10 per cent of its income on fuel to maintain an adequate level of warmth.

The estimated number of households who were living in fuel poverty (using the new definition) in Sheffield in 2012 was 26,604 or 11.3% of households (DECC 2012 sub-regional fuel poverty data: low income high costs indicator). This represents a slight increase from 2011 using the same measure (25,899 households or 11% households).

Using the old methodology and definition, the figures for the same year were 41,591 or 17.7% (DECC 2012 sub-regional fuel poverty data: 10% indicator). Using the old measure, this is a slight increase from 2011 (17.6%) and a decrease from 2010 (18.3%).

DECC recently undertook a review of the methodology used to produce sub-regional estimates of fuel poverty, in conjunction with the ONS Methodology Advisory Service. This work found that estimates of fuel poverty were robust at local authority level, but were not robust at very low level geographies.

At a national level, the latest fuel poverty statistics show that the following groups are more likely to experience fuel poverty:

- Those in the private rented sector (around twice the proportion of private rented households are in fuel poverty, compared with owner occupiers and social renters).
- Lone parents are the group most likely to be fuel poor, with approximately one in five being so in 2012. However, they tend to have smaller fuel poverty gaps, on average, than most other household types.
- Households containing children and young people - where the youngest person in the household was under 24 are much more likely to be fuel poor than those containing only older people, also where the oldest person in the household was aged 16-24 they were more likely to be fuel poor

- Older households - where the youngest person in the household was aged 75 or over tend to have the highest average fuel poverty gaps, also as the age of the oldest person increases so does the fuel poverty gap (the frailty and lack of mobility of many older people means that fuel poverty is also particularly dangerous to their health and wellbeing).
- Larger households (5 or more) tend to both be more likely to be fuel poor, and in deeper fuel poverty (with larger fuel poverty gaps)
- Households where the HRP is unemployed tend to be much more likely to be fuel poor (nearly a third are) than those where the HRP is working, but have smaller average fuel poverty gaps.
- Vulnerable households tend to be more likely to be fuel poor than non-vulnerable ones, and have larger fuel poverty gaps on average.
- Households paying for their electricity or gas by pre-payment meter are more likely to be fuel poor than those paying by other methods, with direct debit customers being least likely to be fuel poor.
- Households living in purpose-built flats are much less likely to be fuel poor (only 3% are) than those in other types of dwelling, and have the smallest average fuel poverty gaps.

Lack of access to opportunity

Lack of money frequently costs people the opportunity to lift themselves from poverty, and even to stop their poverty from getting worse. This can be acute (not having money to get to a job interview, or to get to the Job Centre, resulting in being sanctioned) or chronic (for example children not being able to study courses requiring equipment costs).

We live very close to the edge... we don't have many things. My 17 year old needed a passport to get a part time job and I had to say no. My youngest, who's 14, has never been on a school trip, and I can't supply the art supplies my other son needs for his course.

(Emergency Use Only)

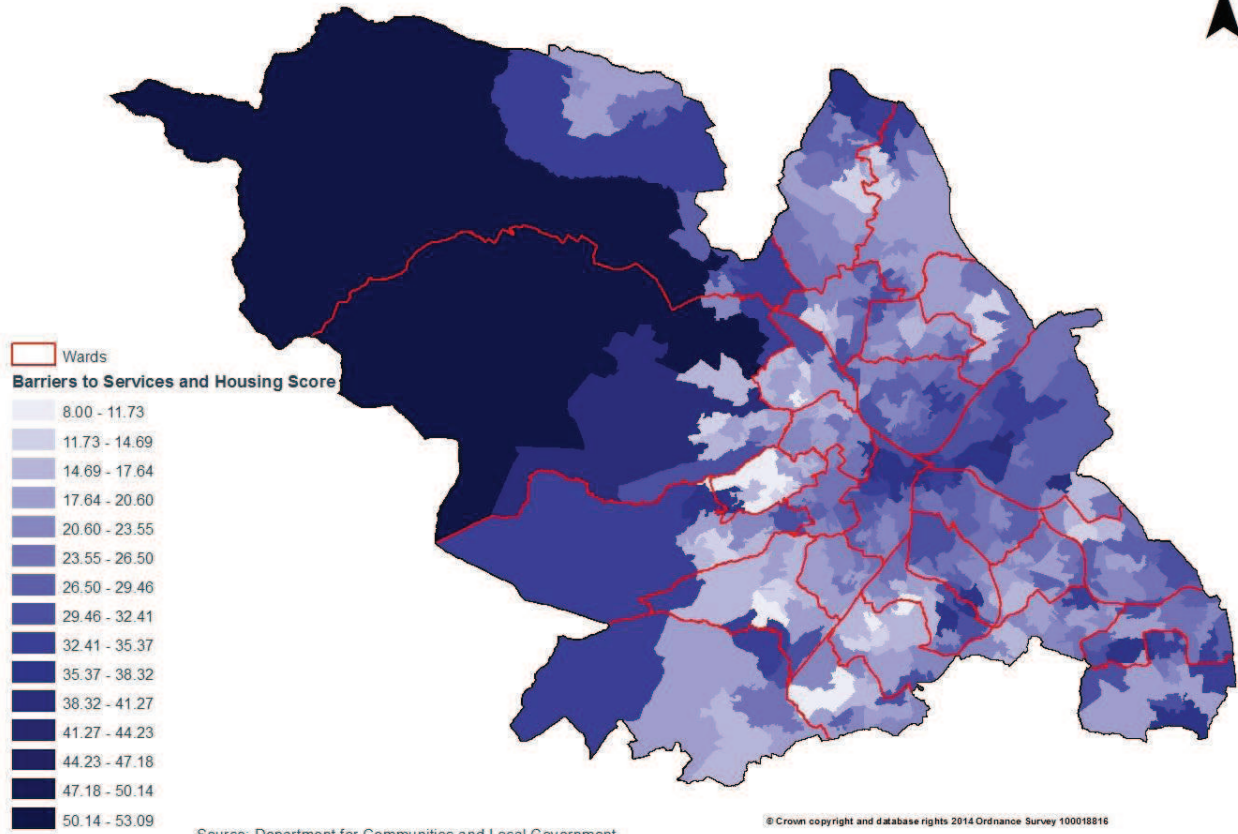
Access to services

The Barriers to Housing and Services domain makes up 9.3% of the Indices of Multiple Deprivation score. The domain is comprised of the following indicators:

- **Household overcrowding:** The proportion of all households in an LSOA which are judged to have insufficient space to meet the household's needs.
- **Homelessness:** The rate of acceptances for housing assistance under the homelessness provisions of housing legislation.
- **Housing affordability:** The difficulty of access to owner-occupation, expressed as a proportion of households aged under 35 whose income means that they are unable to afford to enter owner occupation.
- **Road distance to a GP surgery:** A measure of the mean distance to the closest GP surgery for people living in the LSOA.
- **Road distance to a food shop:** A measure of the mean distance to the closest supermarket or general store for people living in the LSOA.
- **Road distance to a primary school:** A measure of the mean distance to the closest primary school for people living in the LSOA.
- **Road distance to a Post Office:** A measure of the mean distance to the closest Post Office for people living in the LSOA.

The map below shows the proportions of people who are identified as having greater or lower barriers to services.

Indices of Multiple Deprivation: Barriers to Housing and Services

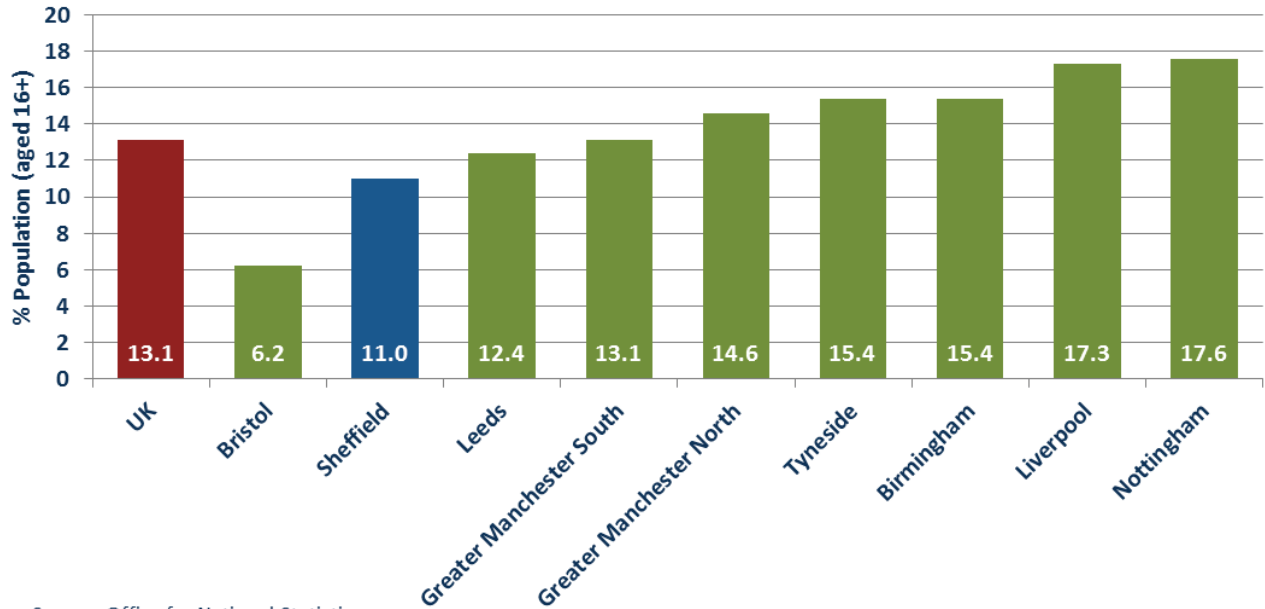


Internet

Increasingly, jobs, services and discounted rates are available online, and those who do not have easy access to the internet are disadvantaged in these areas. Research published by the JRF this year found that, for the first time, pensioners considered internet access to be a necessity because of the need to buy cheap goods and services and to communicate with children and grandchildren. Most UK children access the internet either at home or at school: just 13% go online less than once a week and only 3% are non-users (Livingstone and Helsper, 2007). Low socio-economic status children are disproportionately represented in that category. A number of studies seem to show that digital inclusion can lead to better educational attainment, and research by the Child Poverty Commission found that students were often penalised and disbelieved by teachers if they were unable to complete work because of a lack of IT facilities at home (Holloway et al, 2014).

The following chart shows how many people in Sheffield have never used the internet.

Percentage of Population (aged 16 and over) who have never used the internet



Source: Office for National Statistics

The 11% increases to 35% amongst Sheffield Homes tenants, and the seemingly high levels of usage hide narrow usage (those who use social media and similar sites only) and low levels of usage amongst different demographic groups. We do not have a good measure to suggest how many people do not have regular access to the internet. Libraries provide access to free internet across the city, and smart phones also provide opportunities for those who are able to afford them.

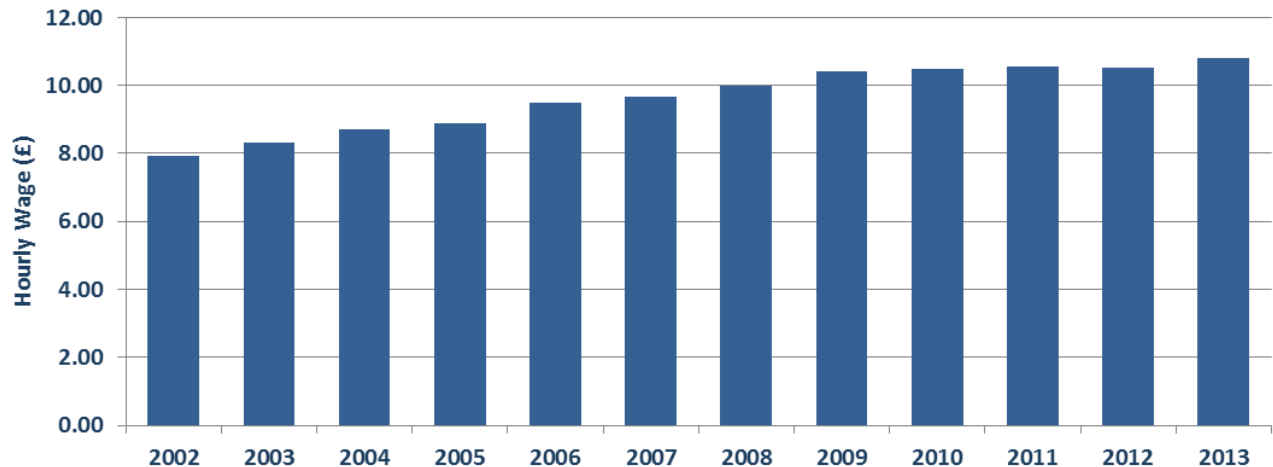
Physical access to online services is not the only barrier to access: 78% of Sheffield Homes tenants asked by the Income Management Team stated that they would need support with online communication.

Cost of living

It's helpful to understand how much things cost in Sheffield because increasing costs also cause people financial hardship. Data on the cost of living is largely not readily available below national level, so we have used Sheffield data where available, and national data otherwise. We have tried to include data on the main basic costs of living. The following sections show that costs have been increasing with sharper increases in recent years – each element has a slightly different pattern as shown below.

We have started by showing the average (median) gross hourly pay in Sheffield over time so that we can set the increasing cost of living in the context of changes in levels of average earned income. Although average income has increased, as the graph below shows, the rate of increase has slowed since 2009.

Median Gross Hourly Pay in Sheffield



Source: Office for National Statistics

Housing

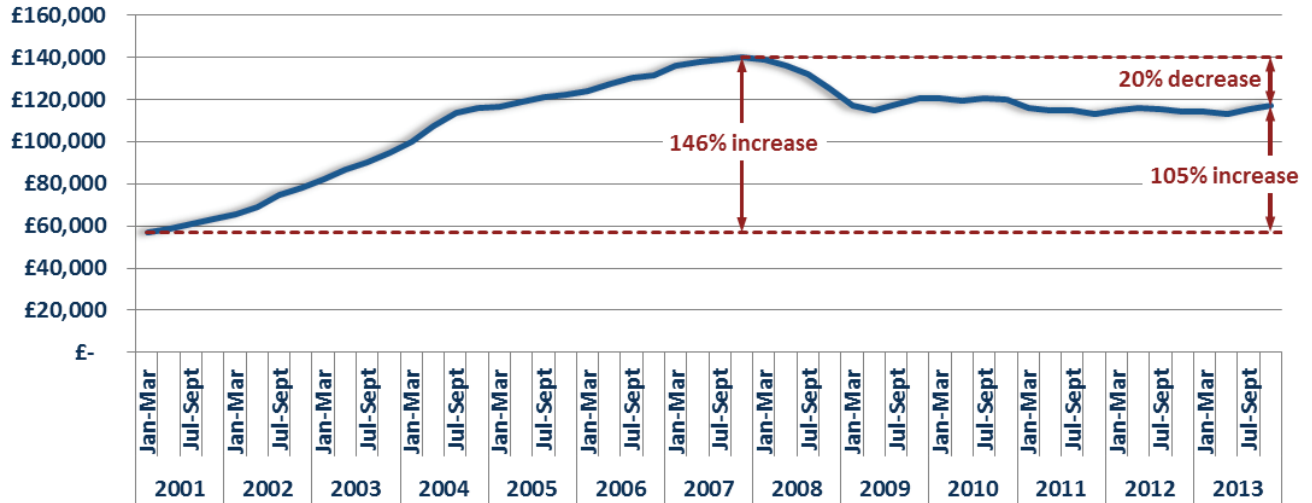
"I would say rents are quite high...so if I can't do overtime I can't buy extra things that I probably would...I just cut back on certain things to be able to afford to pay for the next rent and everything" (North east, social rented, White British, 36) Sheffield SHMA Annex 1: Home Truths II p.34.

"I know I wouldn't be able to afford a mortgage. Even if I could save I wouldn't be able to afford it when I lived there, I'm trained to work with children and it's just minimum wage...I can't even afford to rent privately because that's too expensive as it is" (North east, social rented, White British, 23).

Although house prices have fallen in recent years this has had only a relatively marginal impact on affordability in the city. The average price to income ratio in Sheffield remains high at 4.88, although this represents an improvement since 2007 when the average ratio was 6.62.

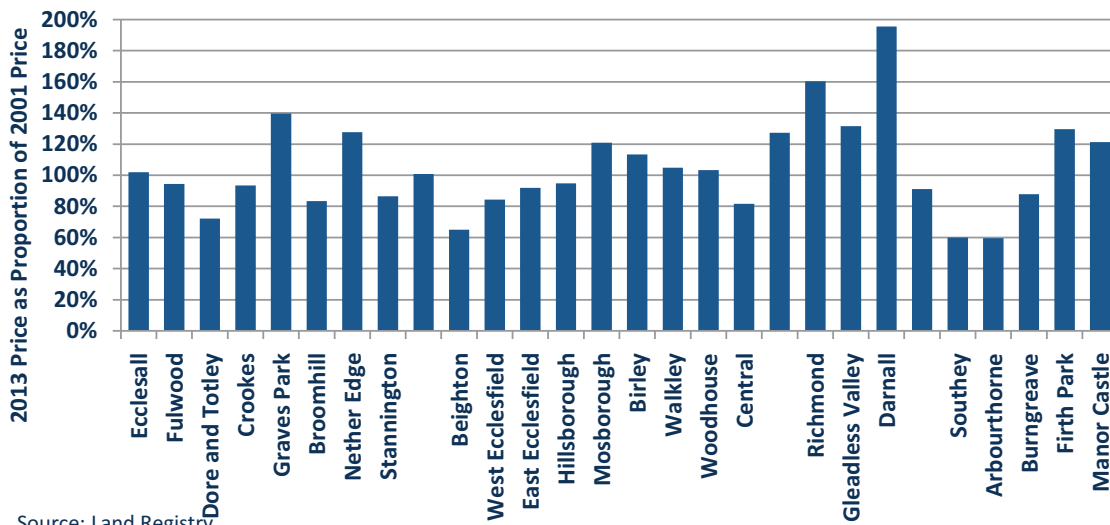
The charts below show the costs of housing (both home ownership and rental), transport, fuel and food. We have been able to look at ownership and rental prices by ward and whilst there are variations in prices and price change, there does not appear to be an association between changing housing costs and deprivation or affluence: it is notable that both the largest increase and decrease in house price are experienced by two of Sheffield's poorest wards.

Average House Prices in Sheffield



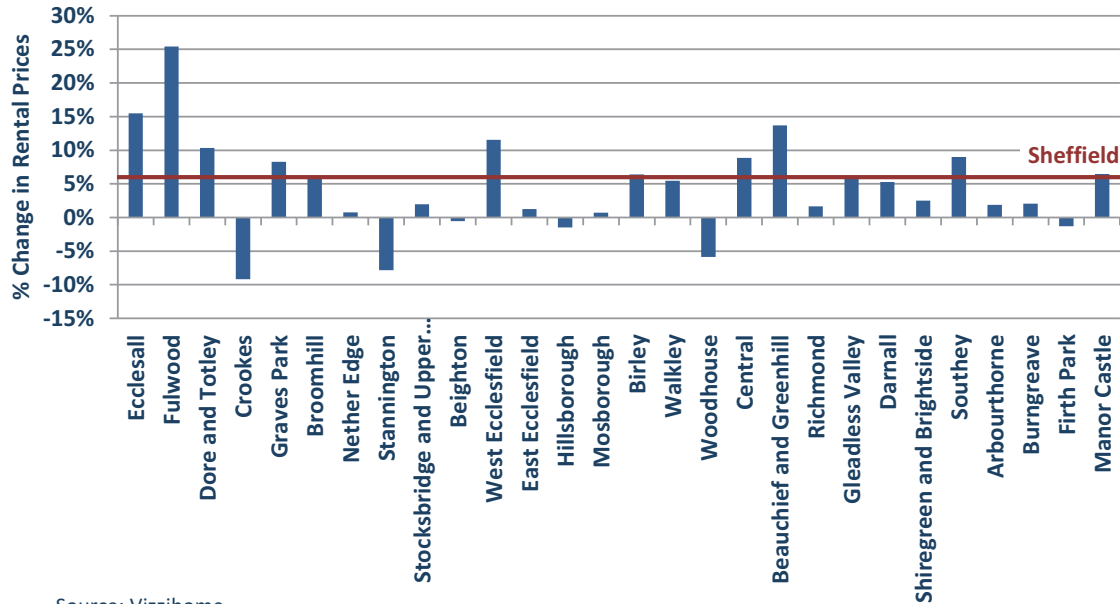
Source: Land Registry

Increase in Average House Prices by Ward from 2001 to 2013



Source: Land Registry

Change in Average House Rental Prices between 2010 and 2013



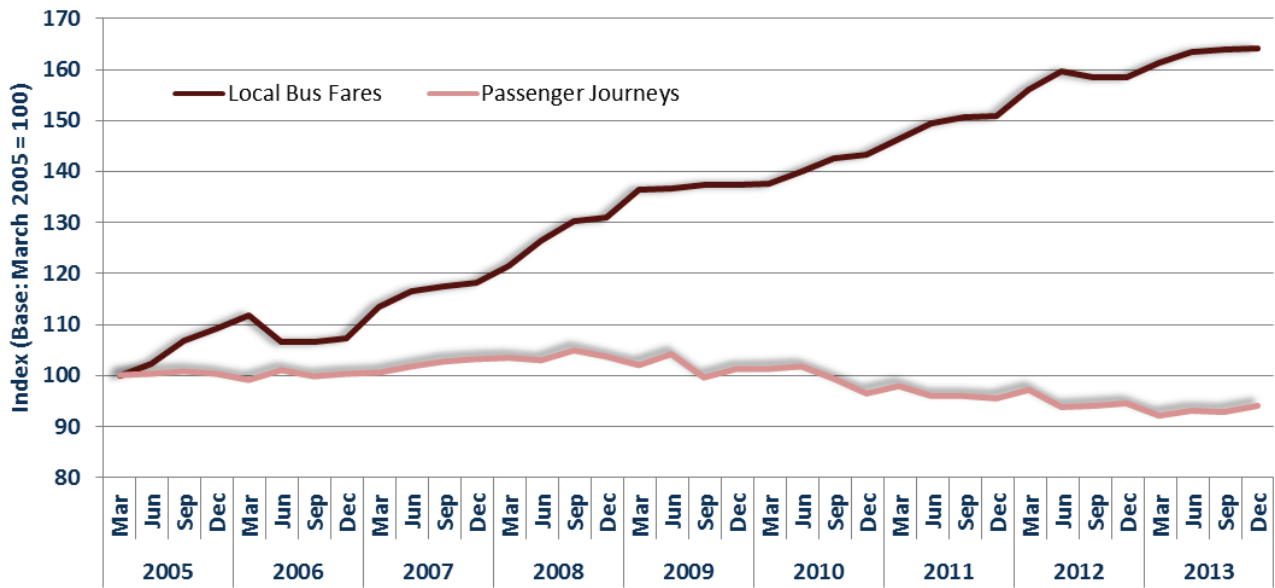
Source: Vizzihome

Transport

We don't have local data on transport costs. This is something we would like to explore further. What we can see from the national figures is that there has been an increase in transport costs of all types, although motor vehicle costs have flattened in the last couple of years for which we have data. Just about all households with above-average incomes have a car but half of low-income households do not (National Travel Survey July 2010 using data from 2009). Access to public transport is therefore even more critical for those with low incomes, in terms of access to essential services and for getting to work. Although the over 65s have free bus travel, this only starts at 9.30 which has been reported to cause difficulties for older people accessing hospital appointments.

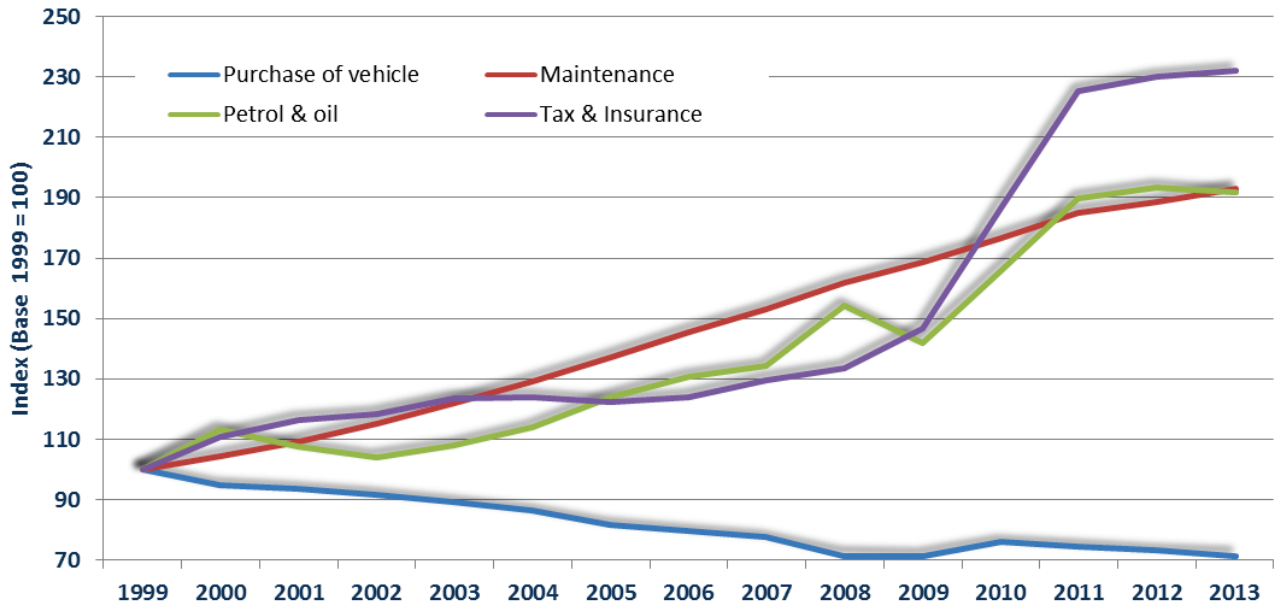
The JRF report on living standards (Davis et al, 2014) found that transport costs have increased not only in terms of increased fuel and fare costs but also because fewer public transport links mean that people have to supplement more with taxis.

Changes in Fares and Number of Passenger Journeys on Local Buses in English Metropolitan Areas



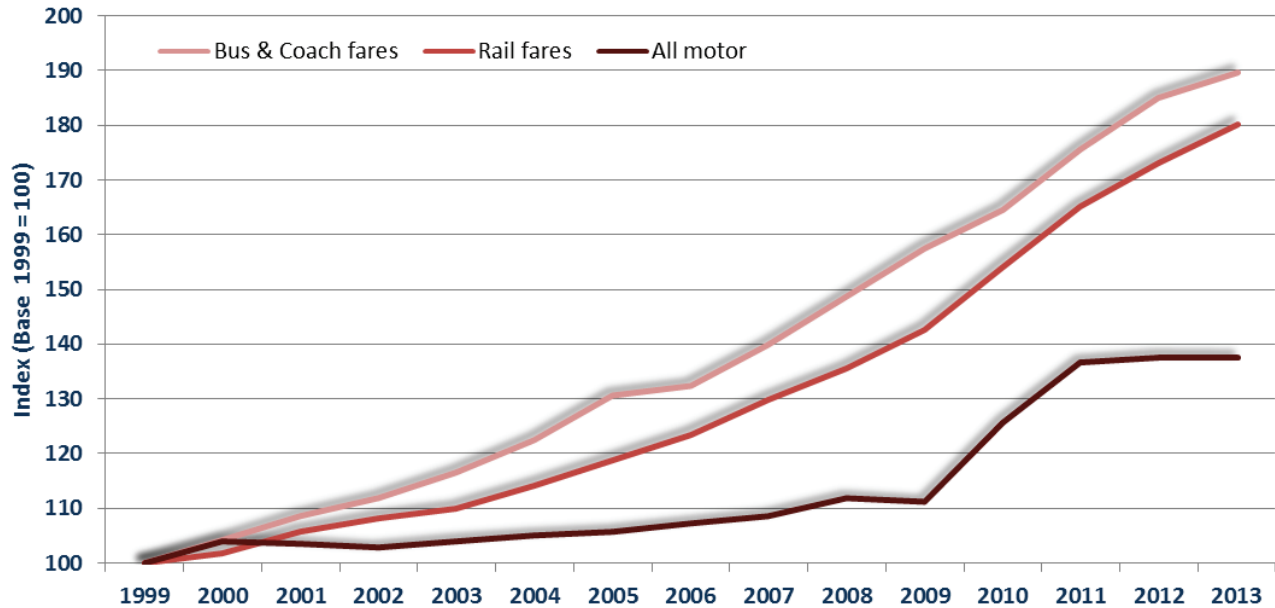
Source: Department for Transport

Retail Prices Index: Motor Vehicles Components: 1999-2013



Source: Office for National Statistics, Consumer Prices and Inflation Division

Retail Prices Index: Transport Components: 1999-2013

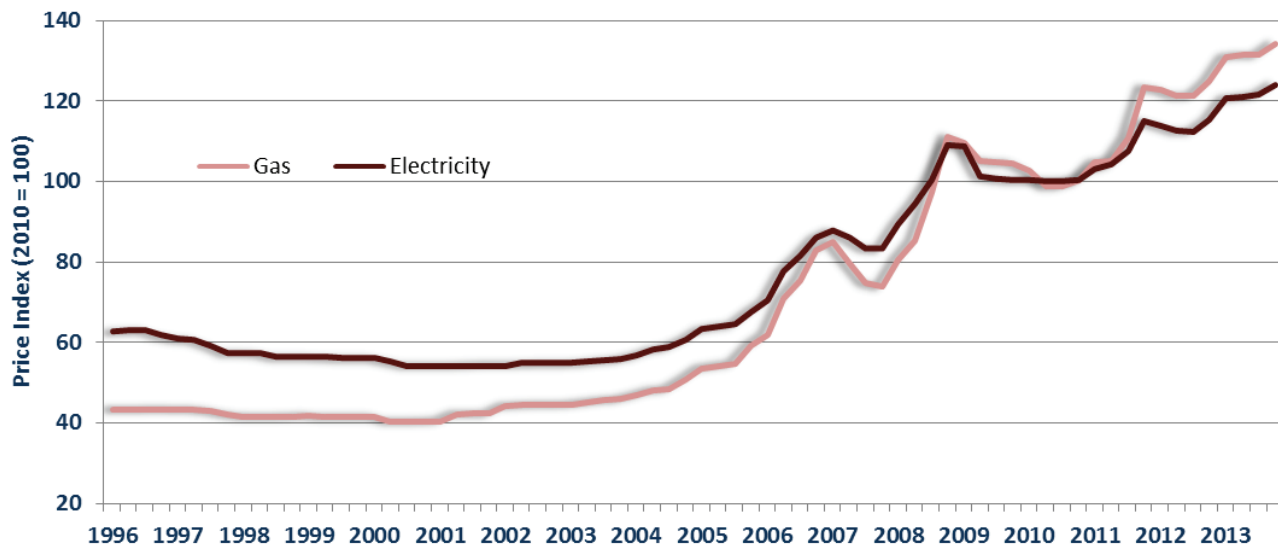


Source: Office for National Statistics, Consumer Prices and Inflation Division

Fuel costs

The chart below shows the significant overall increase in fuel costs over the past 6-7 years.

Retail Price Index: Gas and Electricity - Base Year = 2010



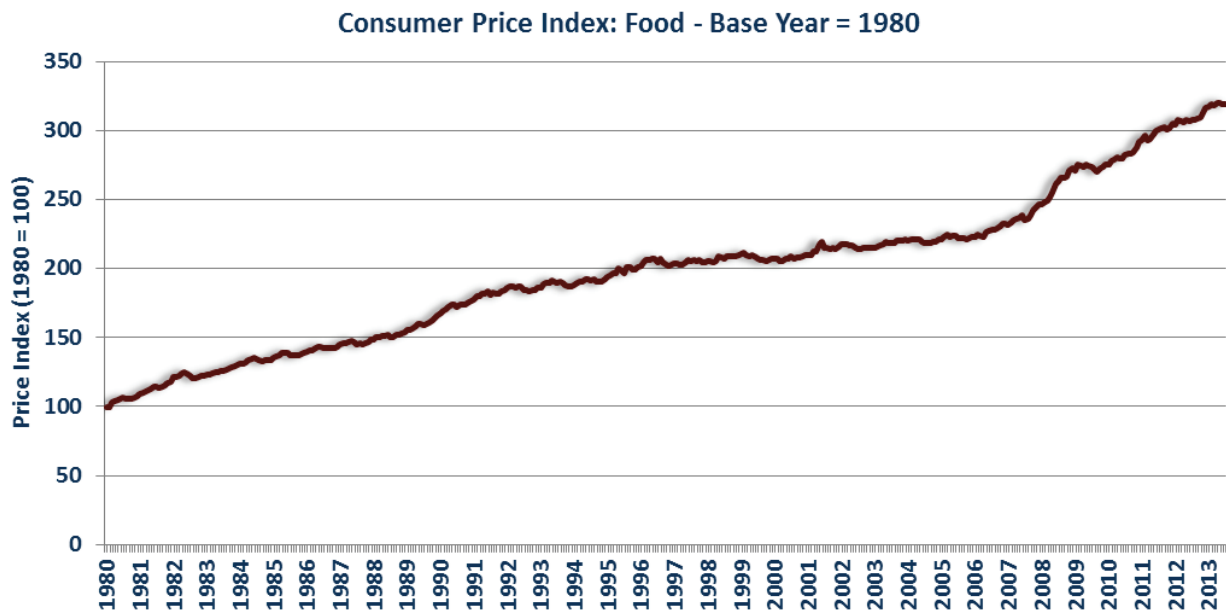
Source: Office for National Statistics, Consumer Prices and Inflation Division

Fuel costs are particularly high for people living in private rented housing where the state of repair and fuel efficiency tends to be of a lower standard than social rented housing.

Food costs

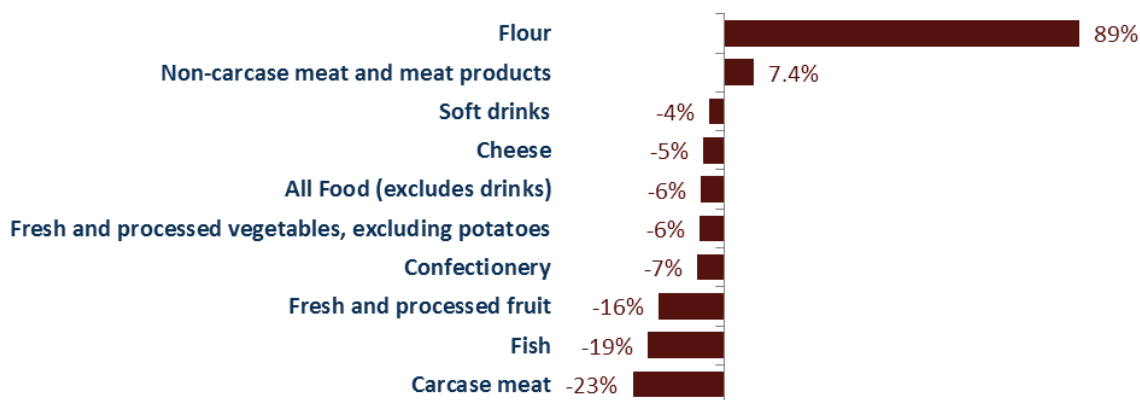
The two charts below show national information about food costs and spending patterns. The first chart shows the increase in cost of food over time, rising more steeply in recent years. The second chart shows the percentage change in spending on different food types by low income households between 2007 and 2012. Research carried out by the JRF into living standards in the UK for that the cost of a minimum food shopping basket has increased faster than general food inflation. This appears to be associated with prices of lower cost food rising more than the average food basket, so people who are reliant on basic food lines are feeling the pinch more than better off people (Davis et al, 2014).

In the UK an average 11.6 per cent of all household spend went on food in 2012. For the lowest 20 per cent of households by equivalised income it was 16.6 per cent, 1.4 percentage points above the 2007 level. Food is the largest item of household expenditure for low income households, after housing, fuel and power costs. On average, UK households purchased 4.7 per cent less food in 2012 than in 2007 while spending 17 per cent more. They saved 5.6 per cent by trading down to cheaper products. Households in income decile 1 (lowest income group) spent 22 per cent more on food in 2012 than in 2007 and purchased 5.7 per cent less. Trading down saved these households 1.0 per cent. (DEFRA, 2013).



Source: Office for National Statistics, Consumer Price Index

Percentage Change in Food Purchases 2007-2012, in Low Income Households (UK)



Source: Family Food in 2012, Defra, December 2013

Free school meals for all infant children is anticipated to increase access to free school meals to children living in poverty who would not have been eligible for pasported Free School Meals, although the knock on impact on pupil premium (which is payable to schools for every child who is claiming free school meals based on income, and used to support their achievement) is uncertain.

Education

For families with children, the cost of education can be very challenging. Recent research carried out by the Child Poverty Commission found that on average, they spend £800 a year on school costs (Holloway et al, 2014). The £800 total includes £168 on school meals, £159 on school uniform and sports kit, £82 on travel costs and £167 on school trips.

More than two-thirds (70%) of parents say they have struggled with the cost of school. This rises to 95% of parents who live in families that are 'not well off at all'. At the same time, more than half (52%) of parents said they had cut back on either clothing, food or heating to afford the cost of school. Nearly half (47%) cut back on clothing, 28% on food and 29% on heating.

A quarter (25%) of parents (and more than half of those in families which were 'not well off at all') said they had borrowed money in order to afford the cost of school. This impacts on children's choices and opportunities, and also on their emotional well-being. Nearly two-thirds (63%) of children in families who are 'not well off at all' said they had been embarrassed because they couldn't afford a cost of school. More than a quarter (27%) said they had been bullied as a result.

Computers and an internet connection at home are increasingly necessary for children to complete their homework. Three in ten children whose family is "not well off at all" said they had fallen behind at school because their family could not afford the necessary computer or internet facilities at home.

Poverty premium

It is broadly accepted that poorer people often pay more for goods and services than better off people. Whilst no research has been carried out to quantify the total cost of the poverty premium or how many it affects, Hirsch (2013) considers the poverty premium in relation to utilities, and finds evidence of the existence of a premium as a result of

the high cost of credit in purchasing white goods and the lesser tendency amongst poorer families to shop around for utilities. At the same time, there is less conclusive evidence of a poverty premium for food (Europe Economics and NPI, 2010).

How many people are affected by the most negative impacts of poverty?

A recent review of research carried out by the JRF found that, as with children, the amount of money that a person has impact on their outcomes, with increased income improving mental health and happiness, as well as reducing the incidence of domestic violence (Cooper and Stewart, 2015).

In this section we consider what the impact of poverty is for people and for Sheffield, and how many people are affected by the most negative aspects of poverty including:

- the relationship between poverty and health
- the impacts of childhood poverty on people's lives
- links between poverty and the criminal justice system.

Individuals pay the highest price for poverty, but poverty and inequality also have costs for the community and city as a whole. In this section we also look at estimates of the financial impact for Sheffield of child poverty.

Health conditions associated with poverty

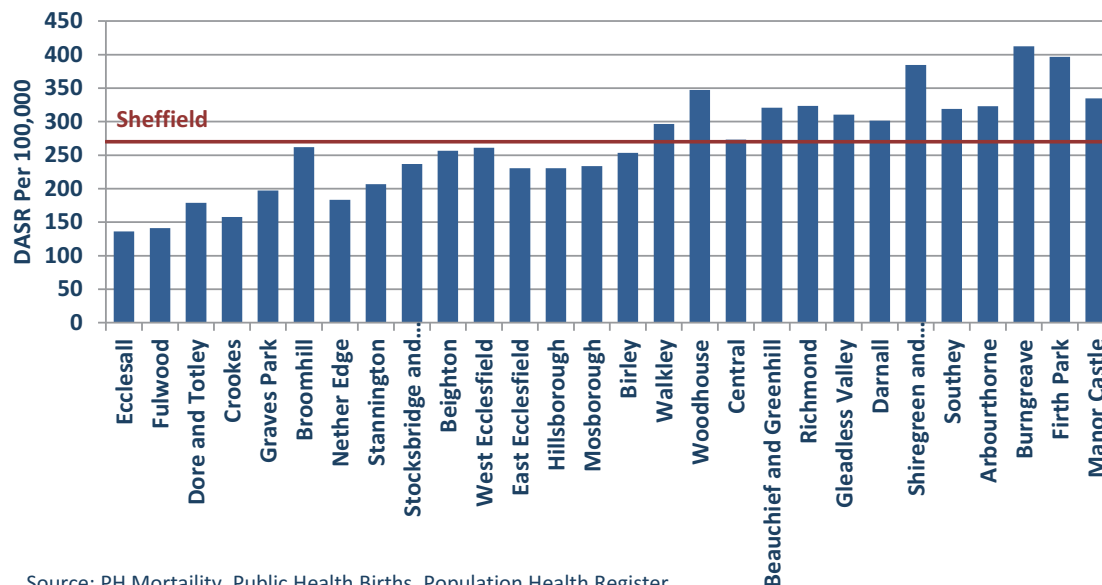
Relationships between health and poverty are complex, with health conditions frequently playing a part in reducing people's income, but **many conditions are also caused and worsened by poverty.**

Despite huge improvements in health over the years, **the burden of ill health, disability and early death remains greater among the most deprived in our society.** Indeed the gap in health and wellbeing between the most and least deprived has, in some cases, widened.

Premature mortality

For example, if we consider the pattern of deprivation and premature mortality (deaths in people under the age of 75 years) across Sheffield's wards it can be seen that those **areas that experience most deprivation continue to experience a greater level of premature mortality than the less deprived.**

Mortality of People Under the Age of 75, 2010-2012



Source: PH Mortality, Public Health Births, Population Health Register

The graph above shows that **the rate of premature mortality from all causes of death is almost three times greater in Burngreave than it is in Ecclesall**. Premature mortality includes infant mortality and this is also greater among more deprived communities. Specifically, the **infant mortality rate is more than a third greater in the most deprived areas of Sheffield compared with the least deprived**.

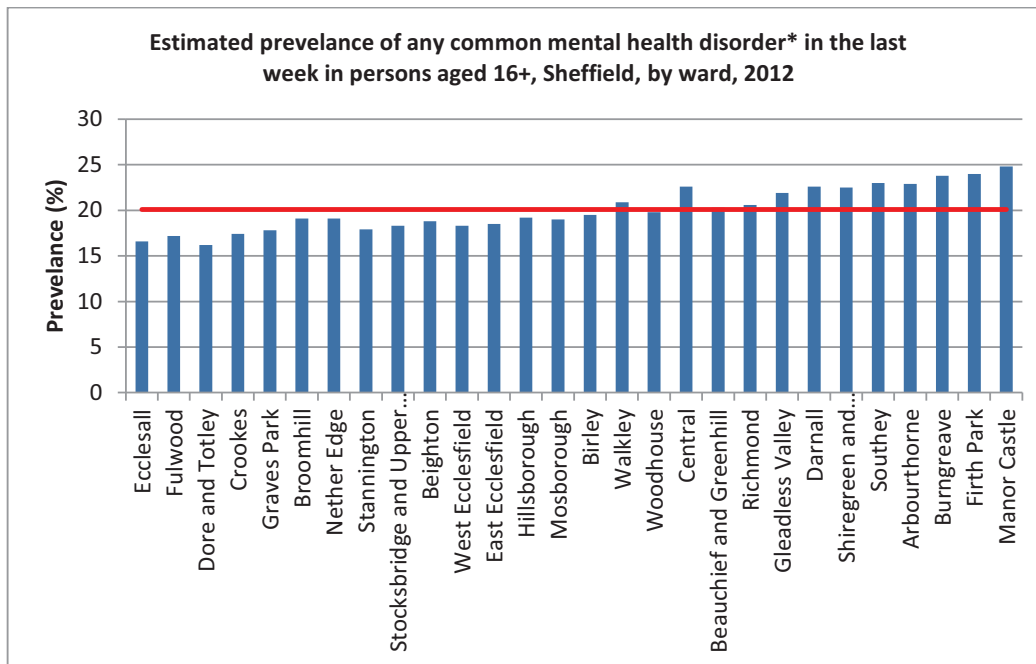
Disability free life expectancy

We are sadly, all too familiar with the variation in premature mortality across the different communities in the City, but differences in *disability free life expectancy* are significantly greater.

Disability free life expectancy at age 16 is the number of years that a person of that age can expect to live without disability (which for this purpose is defined as living without illness or disability that limits their daily activity, as self-reported). Whereas the gap in life expectancy between the most and least deprived men in Sheffield is 8.7 years and 7.4 years for women, the gap in disability free life expectancy between the most and least deprived is nearly twice as much. This means that **not only do people from disadvantaged communities die earlier than those from better off backgrounds, but they live for a longer period with disability before dying**.

Mental health

Mental health problems are more prevalent in deprived areas, and money shortages are known to be a clear cause of stress. The below graph shows the prevalence of mental health disorders by ward, and we can, again, see the correlation with deprivation.



Source: Adult Psychiatric Morbidity Survey 2007 with iAPT workforce capacity tool deprivation adjustment, PHR populations by age/sex

*Includes mixed anxiety and depression, generalised anxiety disorder, depressive episode, all phobias, obsessive compulsive disorder, panic disorder

Health trainers are reporting an increase in clients seeking support for mental health problems – e.g. depression and anxiety, connected with financial worries. There are also reports that the anticipation of future changes to income is causing increased stress and anxiety for many people – i.e. for those people whose income has not yet been affected, stress and anxiety levels are still increasing as they are living with the worry of how they will cope in the future if their income decreases.

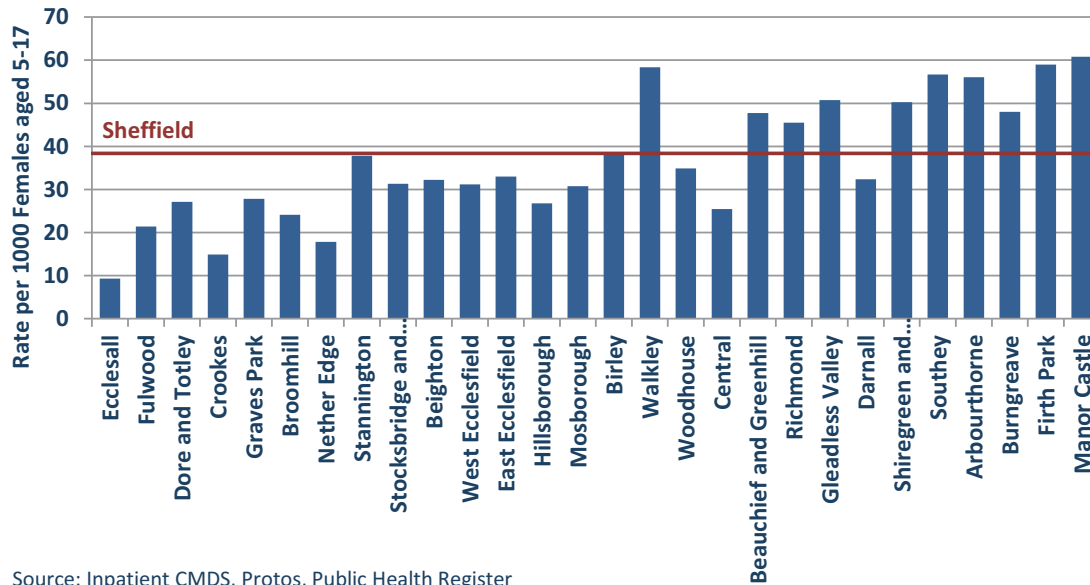
Evidence given as part of Scrutiny report on welfare reform 2014

Child and maternal health

Some health issues, such as the health benefits of breastfeeding or the damaging effects of smoking in pregnancy, remain as important today as they always did; more so in the context of a rising birth trend. Child and maternal health is a key indicator of the overall health of a population not least because a good start in life provides the foundation for a healthy adult life.

When we consider child and maternal health in the context of poverty however, it becomes clear that early experiences of deprivation, disadvantage and poor health can have significant and long-lasting adverse consequences for people’s longer term health and their life chances more broadly. As the following graphs show, the variation in maternal and child health across Sheffield’s wards reflects the variation in deprivation that we have previously charted.

Teenage Conceptions (Age <18), 2009-2011

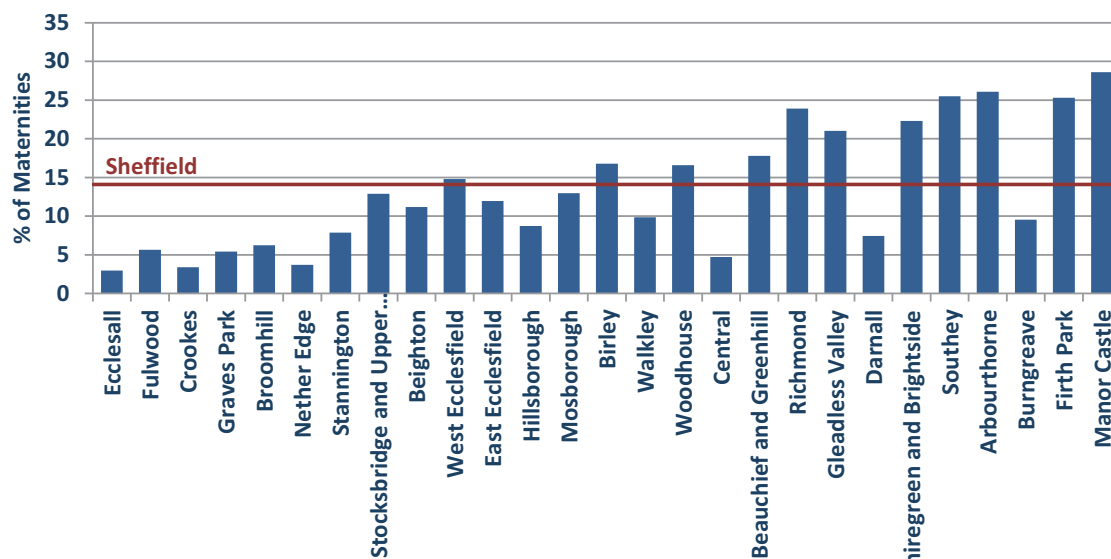


Source: Inpatient CMDS, Protos, Public Health Register

Although teenage conceptions are falling in Sheffield (in all wards) the graph shows that there are still significant differences between Sheffield’s communities with the **teenage conception rate being around 6 times greater in Manor Castle than it is in Ecclesall**. Teenage pregnancy is strongly associated with low birth weight, poor neonatal outcomes and reduced life chances for the mother.

Smoking in pregnancy is strongly related to socio-economic status and is a major driver of health inequality in the City. At any one time, there are approximately 600 pregnant women in Sheffield who smoke, and when we consider the difference in the proportion of mothers recorded as being smokers at the birth of their baby, we see that the gap is even greater than teenage conceptions, with the proportion of **mothers who are recorded as being smokers at the time of delivery in Manor Castle being around 10 times greater than that in Ecclesall**.

Mothers Recorded as Smokers at Delivery, 2013



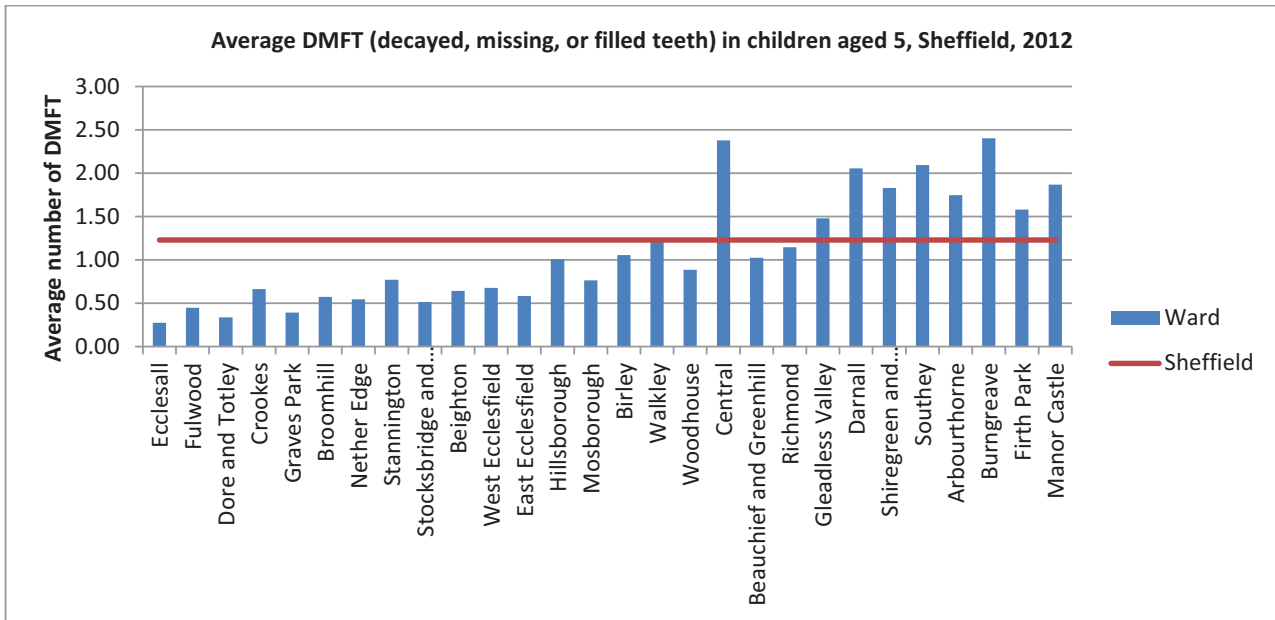
Source: Protos

Dore and Totley data suppressed due to low numbers

Pregnant women who smoke are more likely to have a premature baby, or a baby with a low or very low birth weight. Such babies are at higher risk of asthma and bronchitis and other diseases. Passive smoking is also harmful to the foetus and the newborn.

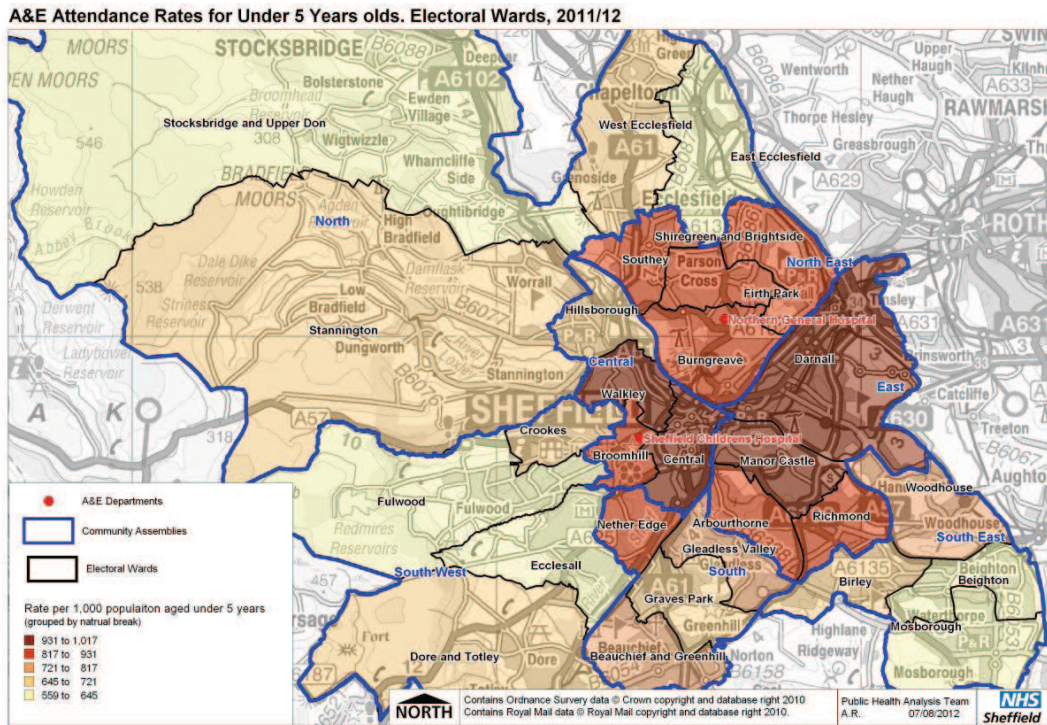
Parental mental health and emotional wellbeing are also significant factors for children’s outcomes and there appears to be a two-way relationship between poverty and stress. Increased stress can be caused by poverty and this in turn can have an impact on parenting capacity. The Joseph Rowntree Foundation commissioned a systematic review in October 2013 entitled ‘Does money affect children’s outcomes?’ (Cooper & Stewart, 2013) which demonstrates how **lack of money can act through stress and impaired parenting capacity to result in worse cognitive, social-behavioural and health outcomes for children** and the Sutton Trust’s Baby Bonds report (Moullin, Waldfogel, & Washbrook, 2014) finds that ‘insecurely attached children are less resilient to poverty, family instability, and parental stress and depression.’

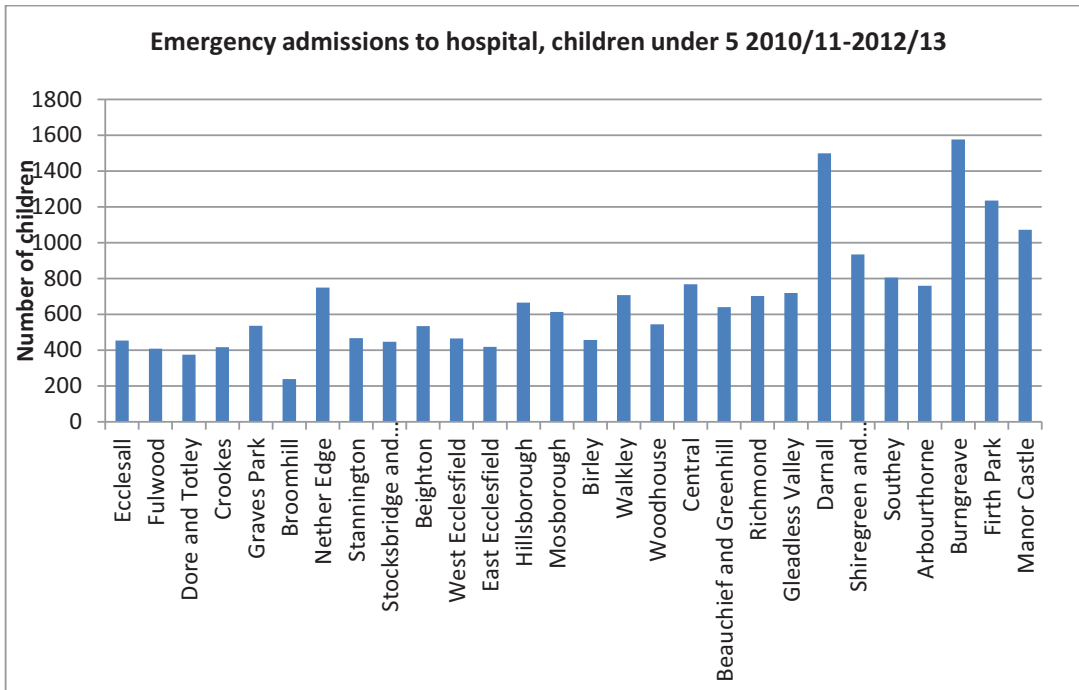
The prevalence of **decayed, missing or filled teeth in children aged 5** is closely correlated with deprivation, and is also an indicator of poor nutrition levels. These levels can be seen in the graph below.



(Source: Public Health England)

Accident and Emergency (A&E) usage by under 5 year olds across Sheffield also varies by ward. The highest rates of A&E attendances by 5 year olds are in Darnall and Manor/Castle as well as in wards close to the Children’s Hospital (i.e. Walkley and Central). The high rates in areas of greater deprivation will reflect a mix of causes, including usage of A&E facilities rather than primary health care, but figures for emergency *admissions* to hospital also show a similar pattern, indicating that children in more deprived areas are at greater risk of requiring emergency care.





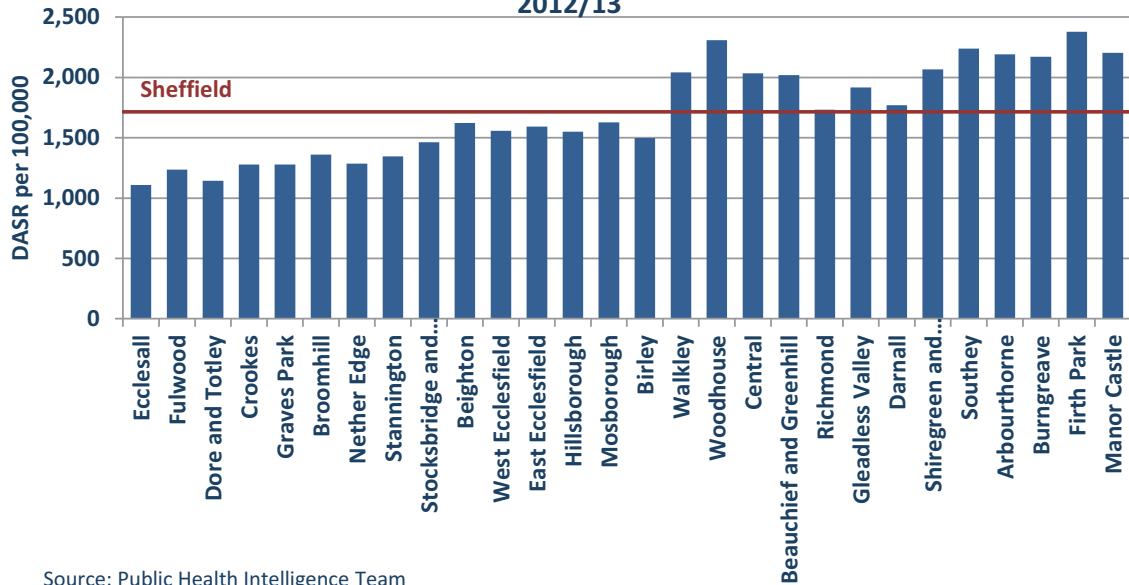
Source: Public Health Intelligence Team, 2014

By and large, whichever measure of health we choose to use, be it mortality (e.g. premature deaths), morbidity (e.g. level of ill health) or behaviours that can damage health (e.g. smoking or alcohol abuse), we will see the same pattern whereby areas that experience greater levels of deprivation also experience worse health. Moreover, this cycle of disadvantage, poor health and further disadvantage is reinforced from one generation to the next.

Alcohol and substance misuse

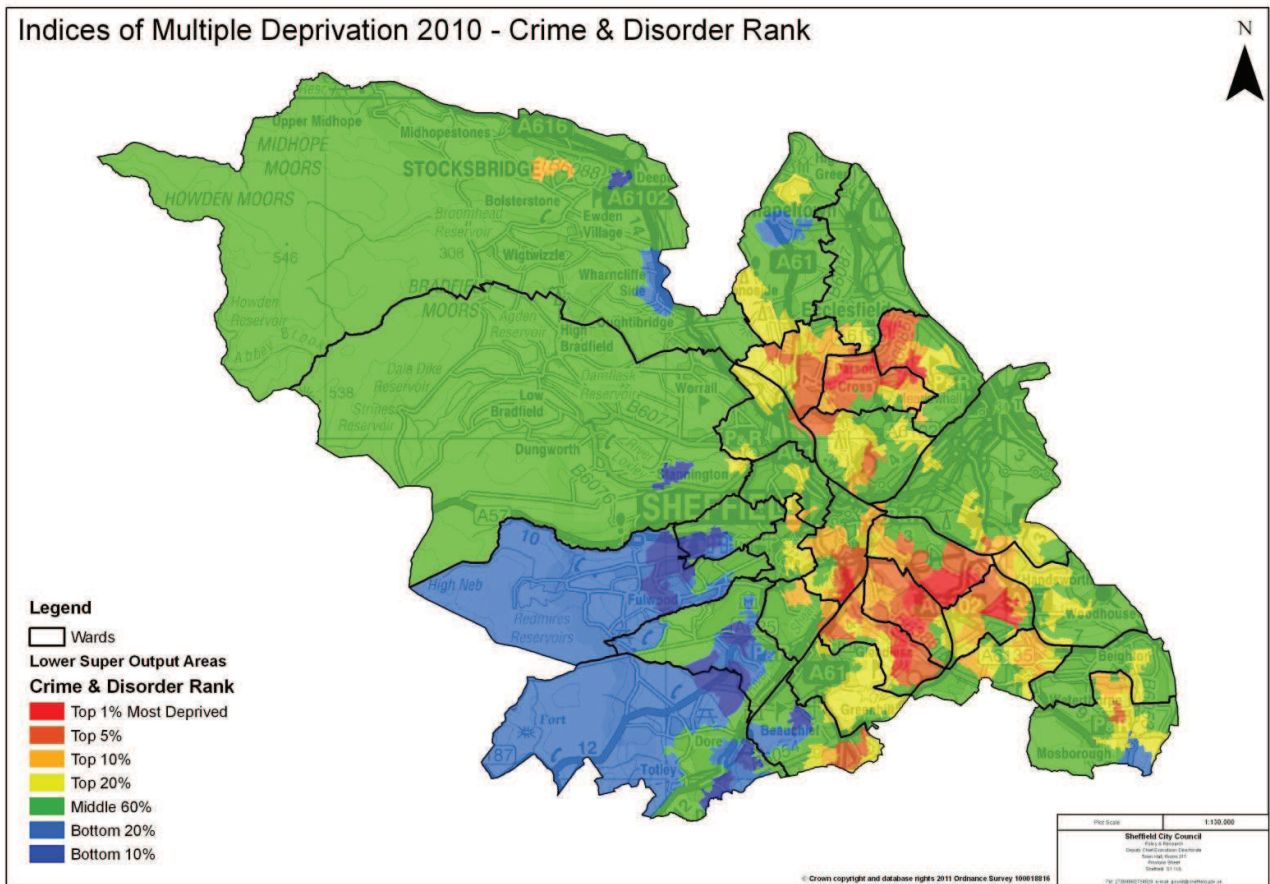
Best estimates nationally suggest that only around 4.7% of the population nationally are problematic drug users or dependent on alcohol. With the number of households in poverty hovering around 20%, it is clear that drug and alcohol dependency are not a major cause of poverty, although they clearly have negative implications for those affected, and the graph below shows higher rates for hospital admissions for alcohol-attributable conditions in more deprived wards.

Admissions for Alcohol-Attributable Conditions (All Ages), 2010/11-2012/13



Poverty and the criminal justice system

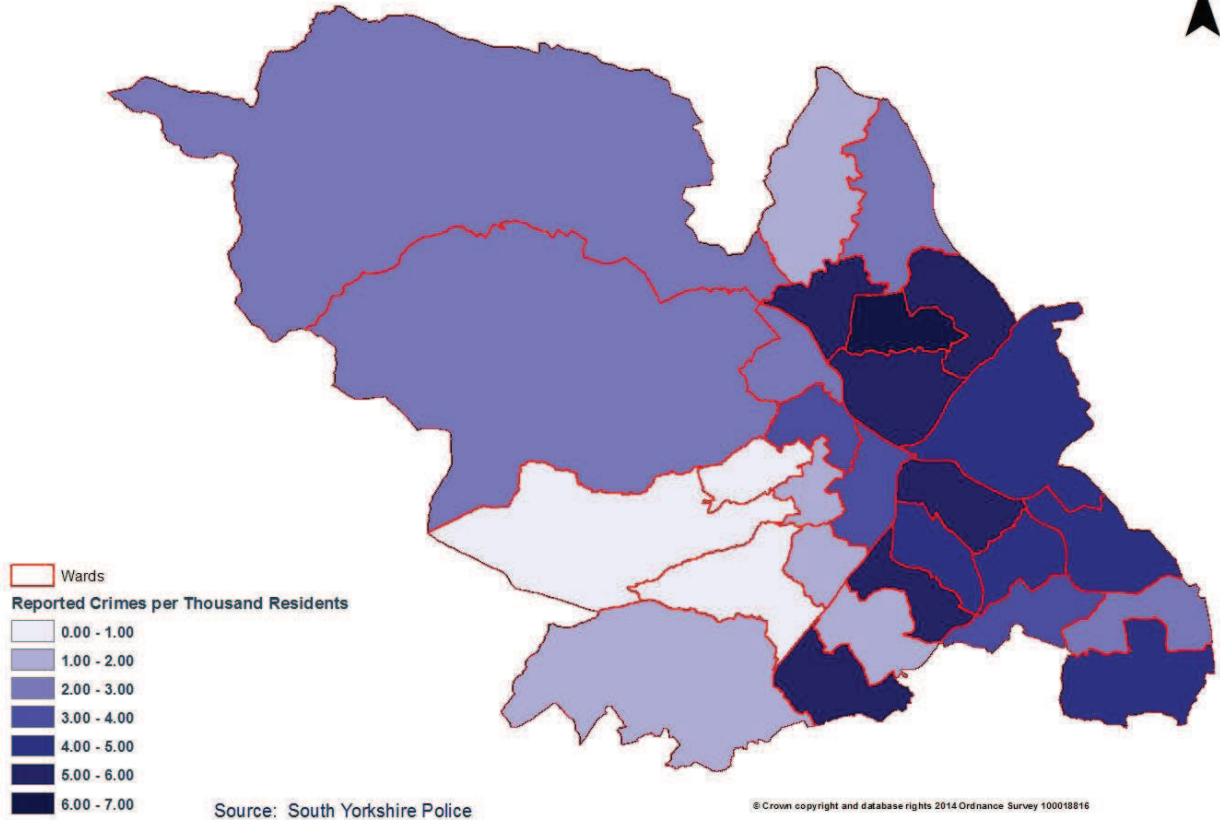
Sheffield is one of the safest cities in the country. However, crime rates are not uniform across the city. Nationally, research shows that people living in deprived areas are more likely than the general population to be a victim of crime or antisocial behaviour (Dorling, 2006), and the below map of the 2010 IMD Crime and Disorder rankings demonstrates the variation across the city which, again, reflects the deprivation levels to some extent.



Domestic Violence

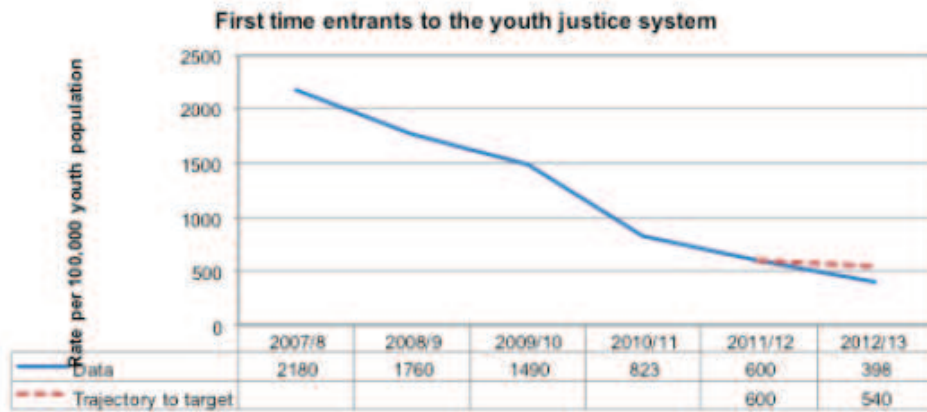
Economic dependency has been linked to domestic violence, which is in itself linked to an increased likelihood of poverty for example (Walby, 2004). Women in households that were poor, and those under financial stress, were much more likely to have suffered domestic violence than those that were better off. The rate of domestic violence against women who would find it impossible to find £100 was 10% as compared to 3% against women who would not find it a problem; and the rate of domestic violence against women in households with an income of less than £10,000 was 8.9%, as compared with 2.6% against women in households that earned over £20,000. The map below shows the rate of reported domestic abuse by ward in Sheffield and correlates broadly with deprivation.

Domesitic Violence: Rate of Reported Crimes, per Thousand Population, 2013-14



Young offenders

Youth offending can create a risk of future poverty due to the negative impacts that a criminal record can have on job prospects. Poverty may also be a reason behind some offending. In Sheffield, we have seen the rate drop significantly over time and we had a lower rate than any of the core cities in 11-12.



The above graph indicates what the number of FTEs to the youth justice system would be if there were 100,000 young people aged 10-17 in Sheffield.

Societal costs of poverty

It is not only the individuals directly affected by poverty who are impacted upon by poverty: it has a negative impact on the whole city.

There are both short and long term costs to deal with consequences of child poverty, such as increased NHS and school costs; lost tax receipts from people earning less as a result of having grown up in poverty and the costs of benefits for people spending more time out of work as a result of having grown up in poverty, as well as loss of earnings to individuals. Research commissioned by the Child Poverty Action Group has estimated that each child living below the poverty line costs around £10,861.42 annually. **For Sheffield the cost of child poverty is estimated at an annual cost of £265m** (Farthing, 2013).

Recent research by the OECD has considered inequality (rather than poverty) and found that income inequality has a negative and statistically significant impact on economic growth, with nine percentage points knocked off UK growth between 1990 and 2010 as a result of growing income inequality. A key reason for this is that income disparities depress skills development among individuals with poorer parental education background, both in terms of the quantity of education attained (e.g. years of schooling), and in terms of its quality (i.e. skill proficiency) (Cingano, 2014).

What helps people to escape poverty and reduce its negative effects?

In this section, we look at some of the things that we know can help people to escape poverty:

- Employment
- Childcare
- Education, learning and skills
- Take-up of benefits
- Resilience

There are other protective factors that can help people to escape poverty, and we will consider these in more detail in our evidence review and action plan. In this document we are focusing on the deficit of these things – the level of need. We have used data about gaps at both an individual level and at a city level - for example as well as looking at how many people are out of work, we also consider how many jobs are available.

Employment

Adult employment and unemployment have a direct effect on household income for working-age adults and any children living with them. People who are out of work are more likely to be in poverty than those who are working. However, employment, although a very significant factor, is not sufficient to help people to escape poverty. Too often, work is low paid, low skilled, fragile, casual and/or part-time, all of which increase the risk of poverty.

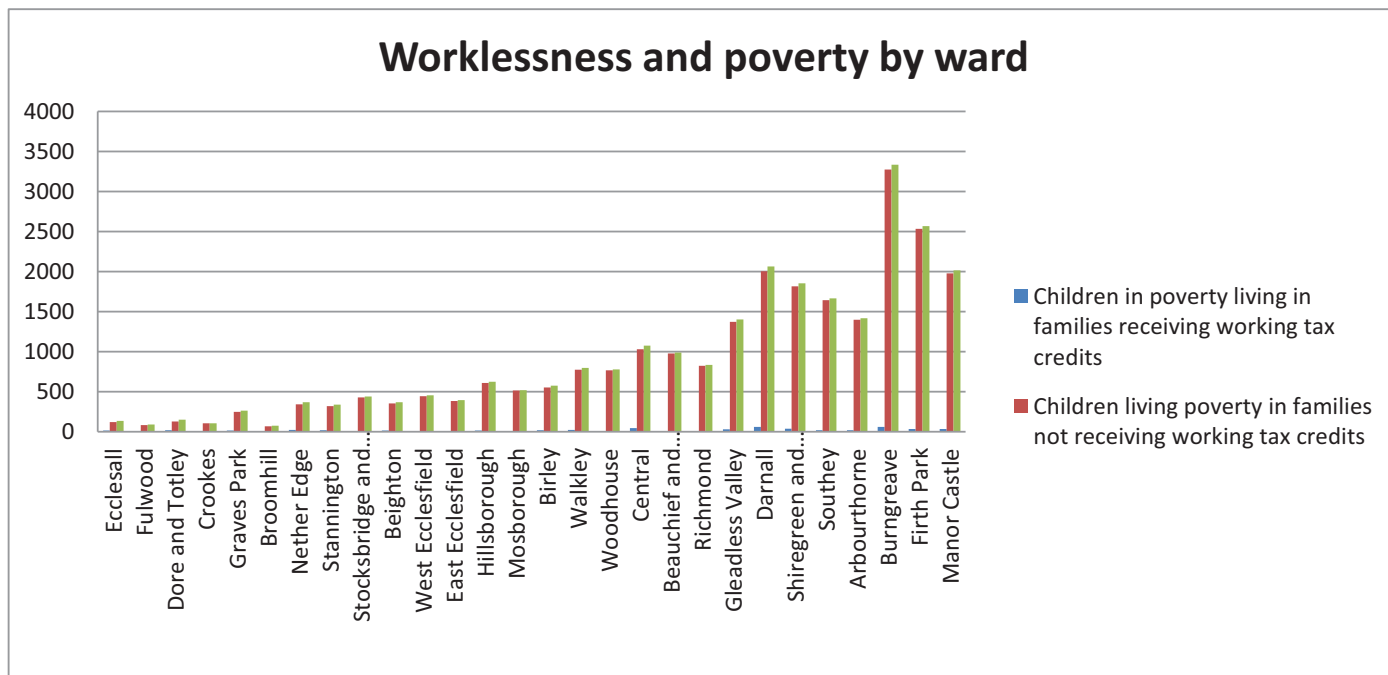
In-work poverty

We don't have good statistics about how many people in Sheffield are working and still in poverty. However, nationally, we know that almost two-thirds of children in (both relative and absolute low income) poverty were living in a household where someone works at least some of the time in 2011-12. For combined low income and material deprivation, almost half of the children were living in families where at least one adult was in work (DWP, 2013).

Hours of employment, pay rates and job security all affect poverty risk. In the UK, part-time workers are twice as likely, and the low paid three to four times as likely, to be in poverty as all workers. Hospitality and catering, personal services, retail and the residential care sectors are most closely associated with both in-work poverty and (persistent) low pay. (JRF, 2014).

Recent analysis commissioned by the Social Mobility and Child Poverty Commission (Reed & Portes, June 2014) demonstrates that increasing employment alone will not achieve the targets set out in the Child Poverty Act. There is more detailed information about children in poverty because of the statutory duty to tackle it. As far as we are aware similar analysis has not been conducted for people of other age groups / family types.

The data that we do have locally allows us to see how many children in poverty are living in families claiming working tax credits (i.e. how many children in poverty are living in families where at least one parent works for 16 hours or more). This leaves out families who are not eligible, for example due to the number of hours they are working, and it is likely that the percentage of children living in poverty where someone works at least some of the time is similar to the national level.

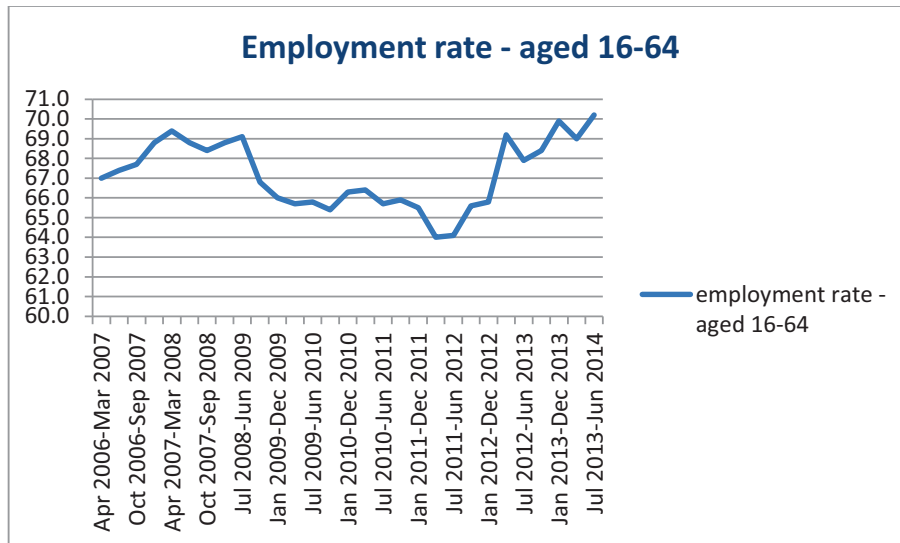


Source: HMRC 2014 using data from 2012.

We also know that although JSA claimants have been reducing recently, housing benefit claims in Sheffield have remained static, indicating that people are not finding (or sustaining) employment which brings their income to a level which does not entitle them to Housing Benefit. The proportion of Housing Benefit claimants in employment has doubled in England and Wales over the past five years, with employed claimants now comprising 21% of total claimants compared to 11% five years ago. That increase in working claimants accounted for more than three-quarters (79%) of new housing benefit claims made over that time (National Housing Federation, 2013). This suggests that although more people have entered employment during this period many of them still need to claim Housing Benefit in order to meet their living costs. Research carried out into usage of the Trussell Trust food bank in Burngreave in 2014 found that 11% of users cited low income as their reason for seeking support (Perry, 2014: 102).

Employment rates

Employment rates in Sheffield have been improving, as can be seen in the graph below. The proportion of workless households in Sheffield has reduced significantly, as has Sheffield's worklessness ranking: in 2013 Sheffield was ranked 76/134 areas in Great Britain, from 39/134 in 2012 and 27/134 in 2011.

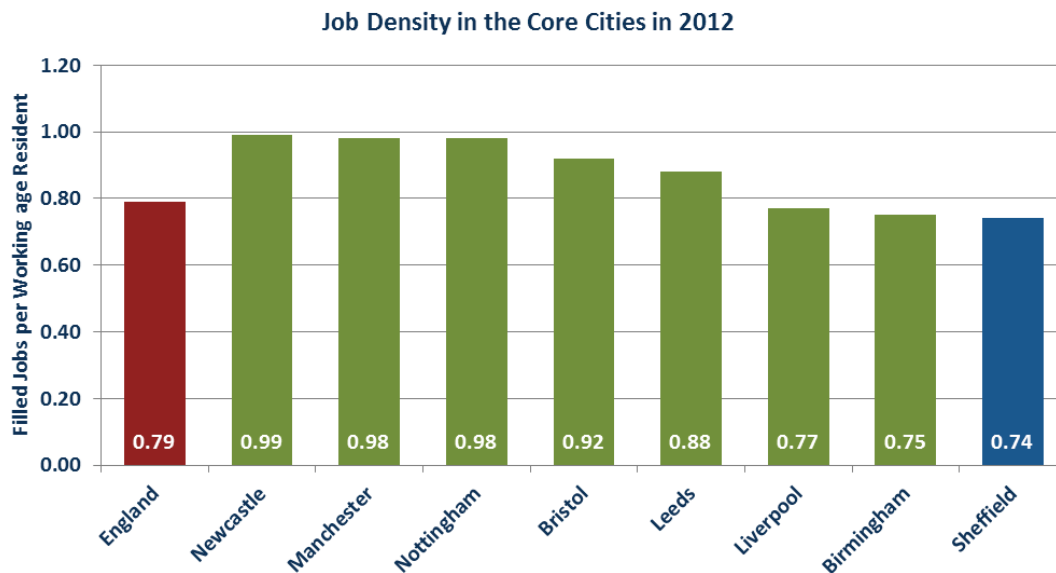


Source: Office for National Statistics, Nomis, Nov 2014.

Job availability

The next two graphs use older data (from 2012) and it is important to note that employment statistics fluctuate a lot more than some other statistics we've used.

The first graph (job density) shows how many jobs are filled for every working age resident. Sheffield has a **lower job density than England or any of the core cities.**



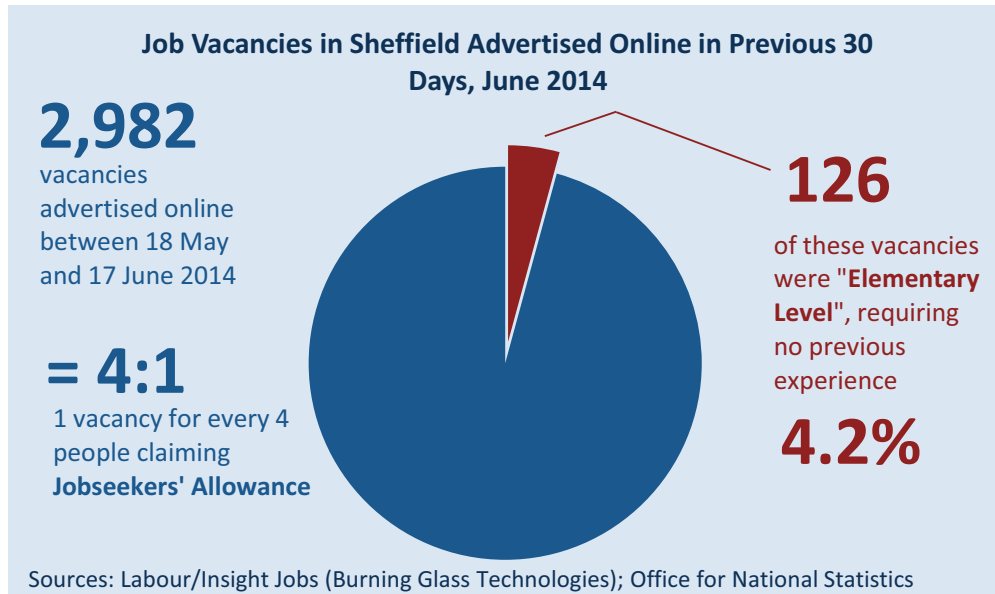
Source: Office for National Statistics

This second graph shows how many vacancies there are for every working-age resident. We can see that Sheffield had **fewer vacancies per resident** than other core cities or the England average. This is clearly an important area for consideration.



Source: Office for National Statistics

We have included more up to date figures below.



Underemployment, temporary employment and 'zero-hours contracts'

We don't have information about how many people in Sheffield are 'underemployed' (working fewer hours or at a lower skill level than they would like to and are qualified for), but the latest Poverty & Social Exclusion Monitoring bulletin from Joseph Rowntree Foundation (MacInnes, 2014) shows that **although underemployment fell slightly in**

2013/14 for the second consecutive year, 'it remains above 2008 levels. The number in part-time work wanting full-time work fell for the first time in 2013/14.'

We also don't have local data about how many people are on 'zero-hours contracts'. However, recent national research (Office for National Statistics, April 2014) looks for the first time at employers' perceptions of numbers of contracts without guaranteed hours of work as well as at employees' perspectives.

Estimates based on employer feedback suggest that there were around 1.4 million employee contracts that do not guarantee a minimum number of hours (January to February 2014).

Estimates based on employee feedback suggests that there were 583,000 individuals employed on 'zero-hours contracts' in their primary employment for the period October to December 2013.

The employee section of this research also gives us some information about which types of people are more likely to be employed in this way:

- **women** make up a bigger proportion of those reporting working on zero-hours contracts (55%) compared with those employed who are not on zero-hours contracts (46%)
- 18% of people on zero-hours contracts are **in full-time education** compared to 3% of those employed who are not on zero-hours contracts
- 64% of people on zero-hours contracts reported that they worked **part time**, compared with a quarter (27%) of those employed who are not on zero-hours contracts
- people who report being on a zero-hours contract are more likely to be younger or older. 36% of people on zero-hours contracts are **aged 16 to 24** and 7% are **aged 65 and over** (compared with 12% and 4% respectively for those employed who are not on zero-hours contracts).

These patterns may partly reflect the groups most likely to find the flexibility an advantage. For example, young people who combine flexible working with their studies or people working beyond state pension age. However, **about a third (35%) of people on zero-hours contracts want more hours compared to 12% of those not on zero-hours contracts.**

Access to employment

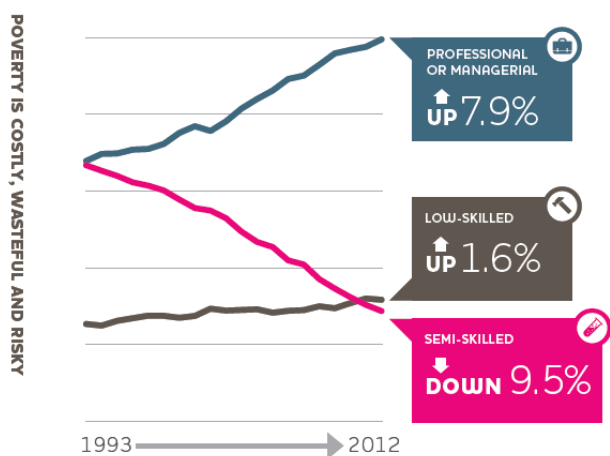
Some groups of people find it difficult to access employment, or are under-represented in employment. **Disabled people and people with long term health conditions in particular are less likely to be employed than the general population.** Some disabled people will be too unwell or disabled to be able to work, but there are many who unable to find work or who work below their ability. The percentage gap in employment rate between those with a **long term health condition** and the overall employment rate is 8.9% (Sheffield), worse than the gap for England as a whole. The percentage gap in employment rate between those those with a **learning disability** and the overall employment rate is 59% (Sheffield) and 63.2% (England): although Sheffield performs well on this compared with the England average, it ranks 5th out of the eight Core Cities and so people with learning disabilities in Sheffield are less likely to be employed than in other large cities. People with severe mental health illness are even less likely to be employed, with the percentage gap in employment rate between those with a **serious mental illness** and the overall employment rate standing at 62.9% (Sheffield) and 62.3% (England). **Sheffield ranks lowest of all Core Cities on the percentage of people with severe mental health illness who are employed.**

Nationally there has been a significant increase in the level of unemployment amongst young people since the recession, with 764,000 (16.9%) young people aged 16-24 unemployed in September to November 2014, up 30,000 (0.9%) on the previous quarter and down 171,000 (3.2%) on the previous year (House of Commons, 2015). The

number of 16-18 years olds not in education, employment or training increased slightly in Sheffield during the recession, but this is starting to improve (see the section on [education](#)).

Changing employment market

It is important to consider not only the current employment market, but changing trends. The employment profile is becoming increasingly polarised, with an increase in highly skilled work (professional, managerial and technical jobs) and a slower rate of increase in the low skilled service industry (care and leisure work and other elementary occupations). Total employment is projected to fall for administrative and secretarial occupations, skilled trades and process, plant and machine operatives. It is predicted that there will be an increasing shift in employment from the public to the private sector. Skills levels are also forecast to increase, but despite this, modelled forecasts based on trends in employment indicate greater inequality and so greater relative poverty 2020, although absolute poverty may decrease slightly (Brewer et al, 2012).



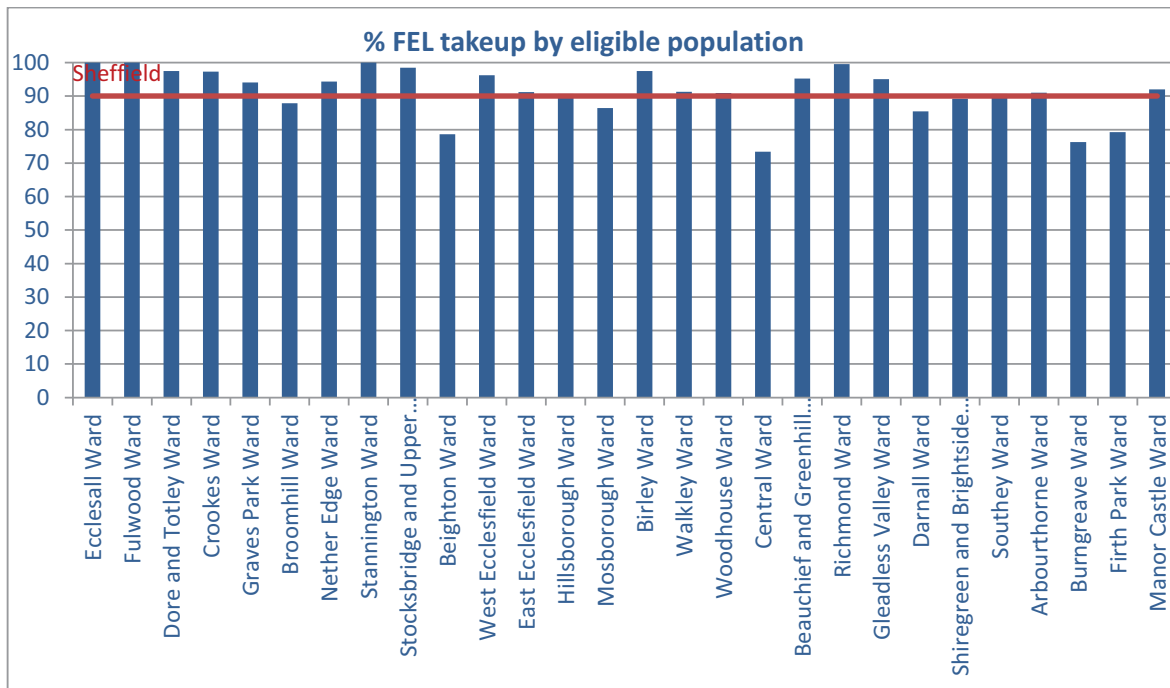
Source: Schmuecker, K. (2014) *Future of the UK labour market*

Childcare

Affordable, flexible childcare can support reductions in poverty for families with children by enabling parents and carers to work and improve their skills. High-quality childcare can also play a role in breaking the intergenerational cycle of poverty through a link to improved educational outcomes.

Take-up

The government funds free childcare for all three and four year olds, and also funds childcare for the 40% most deprived two year olds (this has increased from the 20% most deprived two year olds since September 2014). Take-up of formal childcare by low income working families is slightly lower in Sheffield than nationally (14% compared with 15%). The chart below shows the proportion of eligible children in each ward who are taking up some of their free entitlement to childcare at 3 and 4 years old. It shows that take-up levels are lower than average in many of the more deprived wards.



Early Years Census, SCC 2014

Quality and supply

Sheffield’s Childcare Sufficiency Assessment 2013 states that, at the time of writing, almost three quarters (71%) of childcare provision in Sheffield was rated by Ofsted as Good (65%) or Outstanding (6%). Providers rated Satisfactory made up 24% of the market. Less than 1% of all providers were rated as Inadequate.

Affordability

The Childcare Sufficiency Assessment 2013 also considers cost. Almost 1200 parents responded to the childcare section of the Sheffield Parent’s Survey in 2012. Of the 45% of parents that did not use childcare, 20% of them said this was due to the cost of childcare.

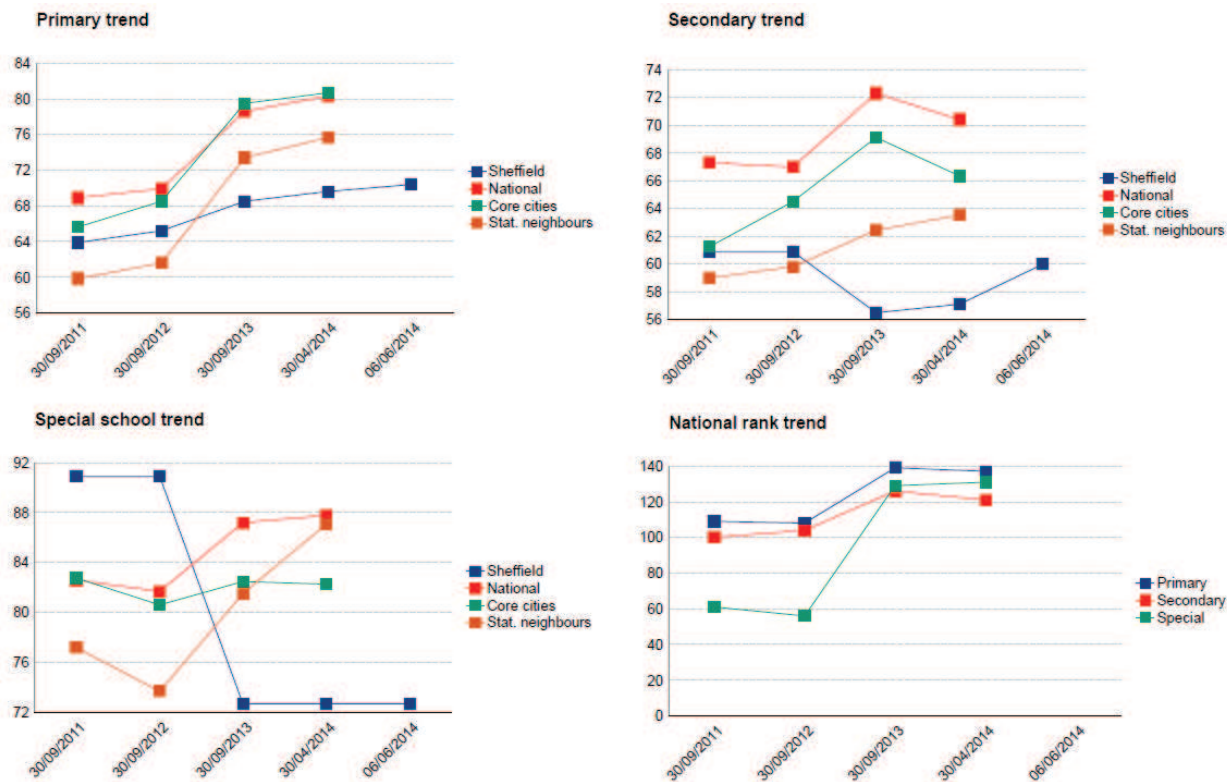
The way that the government provides financial support for childcare is changing and more families are eligible for financial assistance for children aged two since September this year.

Education, learning and skills

Education, learning and skills help people to escape poverty through improved access to jobs and better wages. Adult learning and skills benefit both the adults themselves and any children they care for. Children’s education and both cognitive and non-cognitive skills improve their future job prospects. Educational attainment has the largest impact on the likelihood of being in poverty and severely materially deprived as an adult, both in the UK and the other EU countries studied. Holding all else equal, in the UK, those with a low level of educational attainment are almost five times as likely to be in poverty now and 11 times as likely to be severely materially deprived as those with a high level of education (Serafino and Tonkin, 2014).

Quality of schools

It is Sheffield's ambition that all children should be able to attend a school that is rated Good or better. The first three charts show percentage of schools that are good or outstanding, the fourth shows how our national ranking for each type of school has changed over time.

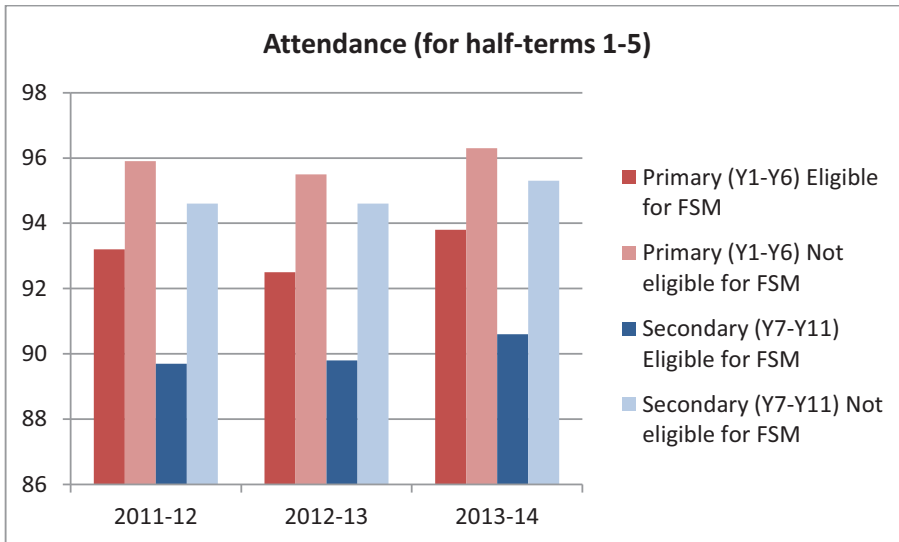


Source: Ofsted monthly management information June 2014

Although primary and secondary schools in Sheffield are improving, we still have a long way to go. In particular, children on free school meals are less likely than those not on free school meals to go to a school which is ranked good or outstanding by Ofsted, with this being particularly the case at Secondary level.

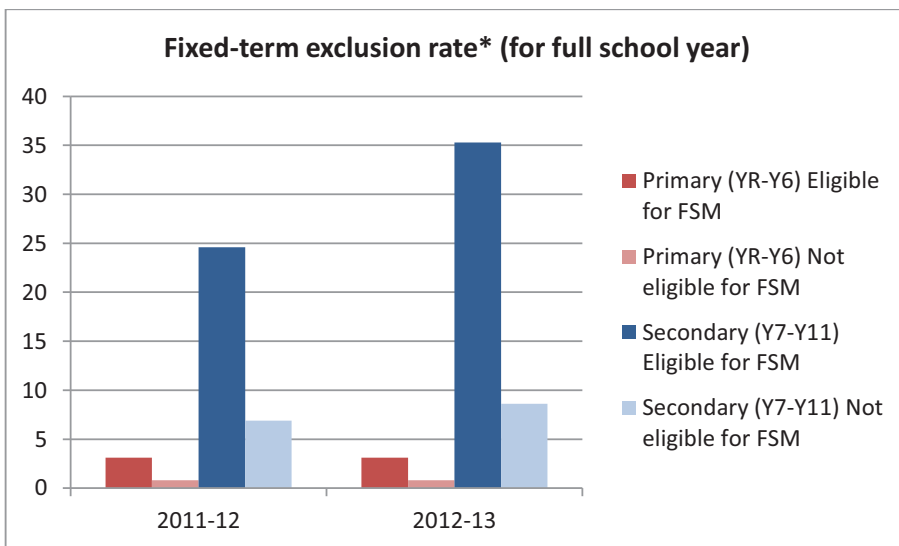
School attendance and exclusions

In the chart below we have compared attendance rates for children eligible for free school meals (FSM) with those who are not eligible over time. We have shown rates for primary (from Y1 when compulsory education starts) and secondary. In both primary (red bars) and secondary (blue bars), the rate of attendance is worse for children eligible for free school meals (darker shaded bars in each case). Attendance for all children at secondary is lower than primary and the gap at secondary is wider as well. However, attendance for both groups has improved at secondary over time and the gap has narrowed slightly with the improvement in attendance.



SCC 2014

We have also looked at fixed-term exclusions for children eligible for free school meals (FSM) with those who are not eligible over time. The fixed-term exclusion rate is the number of incidents of fixed-term exclusions expressed as a percentage of the school population. This is shown below using the same colour scheme as the previous chart. The fixed-term exclusion rate is between 3.5 and 4 times higher for children eligible for free school meals than for those who are not and it was worse in 2012-13 than in 2011-12.



SCC 2014

Children's attainment

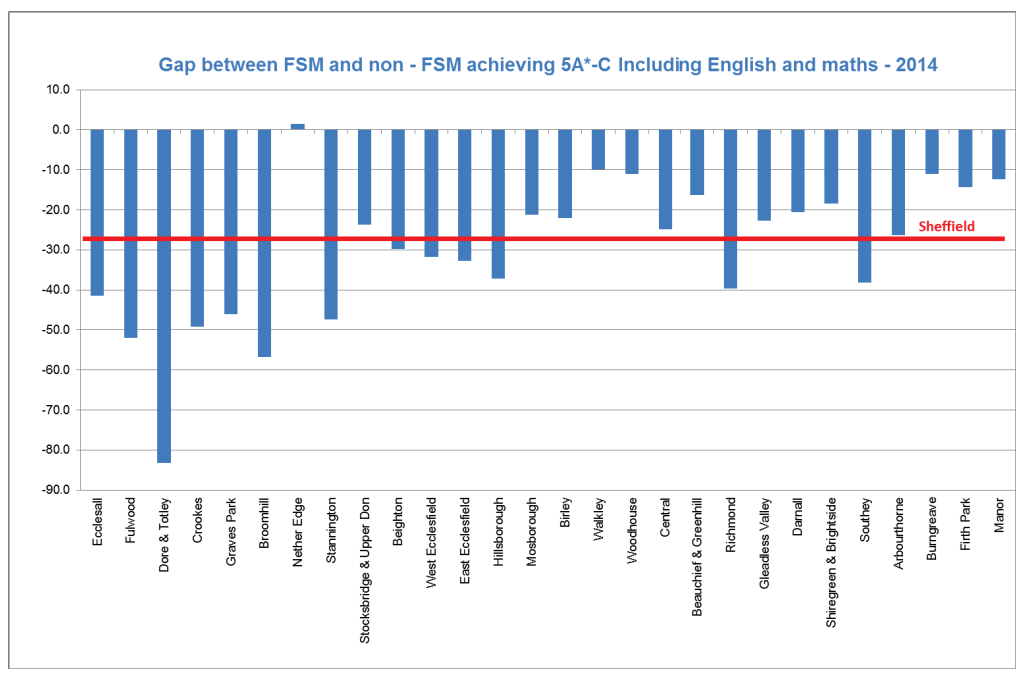
We have chosen to consider three key points in children's attainment: how well they do at the end of their first year at school, at GCSE and progression to university. University progression has been chosen an indicator of social mobility.

At **Foundation Stage**, a lower proportion of children in more deprived areas of the city achieved a 'good' level of development by the end of the year than those in less deprived areas. The figures for 2013 (Performance & Analysis Service, SCC 2014) are:

- Sheffield average = 51.8%
- 30% most deprived areas (by IMD 2010) = 43.8%
- Children living outside the 30% most deprived areas = 60.6%

Because of the changes to the Foundation Stage Profile, we cannot provide useful comparators over time.

At **GCSE**, we have shown the ward breakdown of the gaps between children eligible for free school meals achieving 5A*-C GCSEs including English & Maths and those not eligible. This is not a straightforward picture and perhaps warrants some further exploration (n.b. numbers of children on FSM in some wards are very low).



(Performance and Analysis Service, 2015)

The **absolute attainment for children eligible for free school meals (FSM) has improved over the past 5 years**, but the **gap between children eligible for FSM and the city average (at Key Stage 4 on the measure of 5 or more A*-C including English & Maths) was 26.8 percentage points in 2013. This was wider than in previous years.** On this measure, Sheffield was ranked 113th nationally. Rankings are influenced by the cohort on entry and it is important to look at their progress from their starting points. The progress that all children eligible for free school meals made based on their ability rankings placed between 62nd and 68th nationally, which is higher (better) than our deprivation ranking (using the Income Deprivation Affecting Children Index).

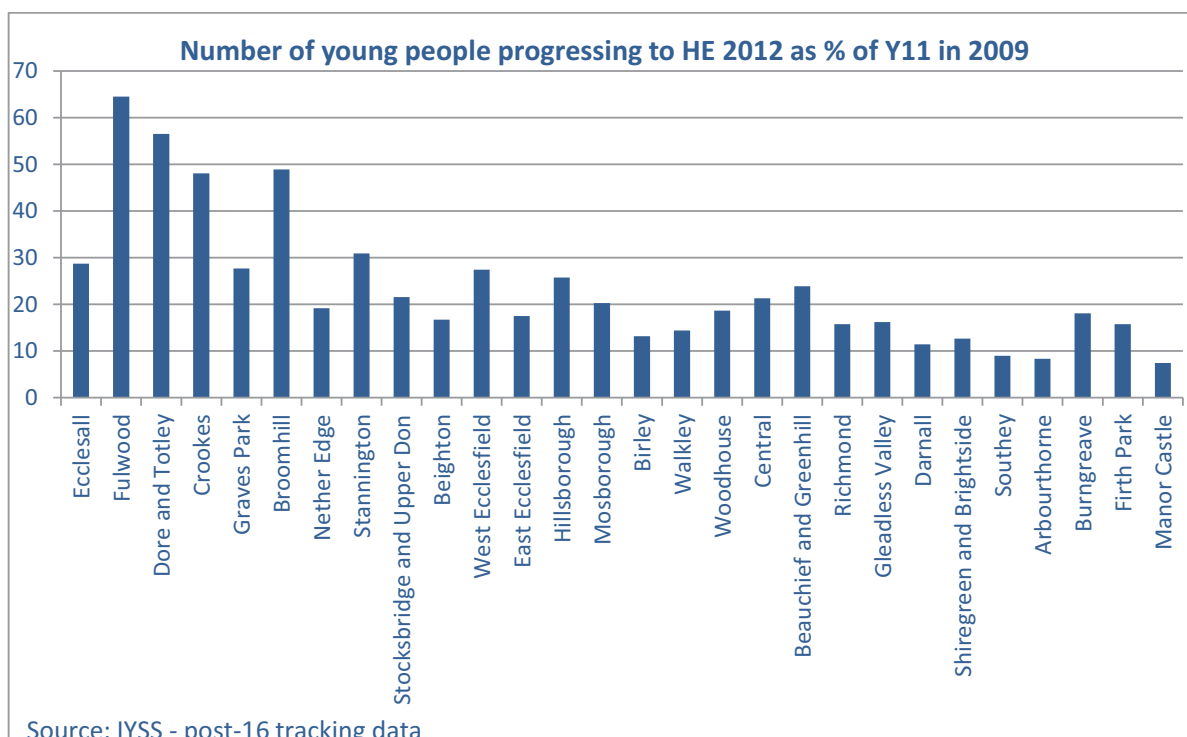
The progress which all students on free school meals made in English between KS2-KS4 ranks Sheffield at 66th nationally and 108th for mathematics. This suggests that the progress of children eligible for FSM in Sheffield is better than we would expect for a city with our levels of disadvantage, but despite this progress, their attainment is still not as good as it should be. This is affected by the low base from which children eligible for FSM start when they start school.

Our analysis of this situation is that **we need to maintain the rate of progress happening within school years whilst simultaneously concentrating efforts on improving the starting point from which children can progress.** This has led us to focus on early years. The key methods for giving children the best start in life that we have focused on, driven by evidence, are:

- improving the sensitivity of parental interactions with their children (attunement structure and regulation),
- access to high quality early years education, home learning environment and
- reducing the stress associated with poverty through strategies to reduce household outgoings and increase income.

This focus on the early years also includes important action to support adults to access lifelong learning including community and family learning, and our work on whole household support for families, in recognition of the importance of parents as their children’s first and most important influencers. Whilst investing increased energy on this point early in children’s lives, we will also maintain a focus on improving activities within schools via for example School to School Training and Development.

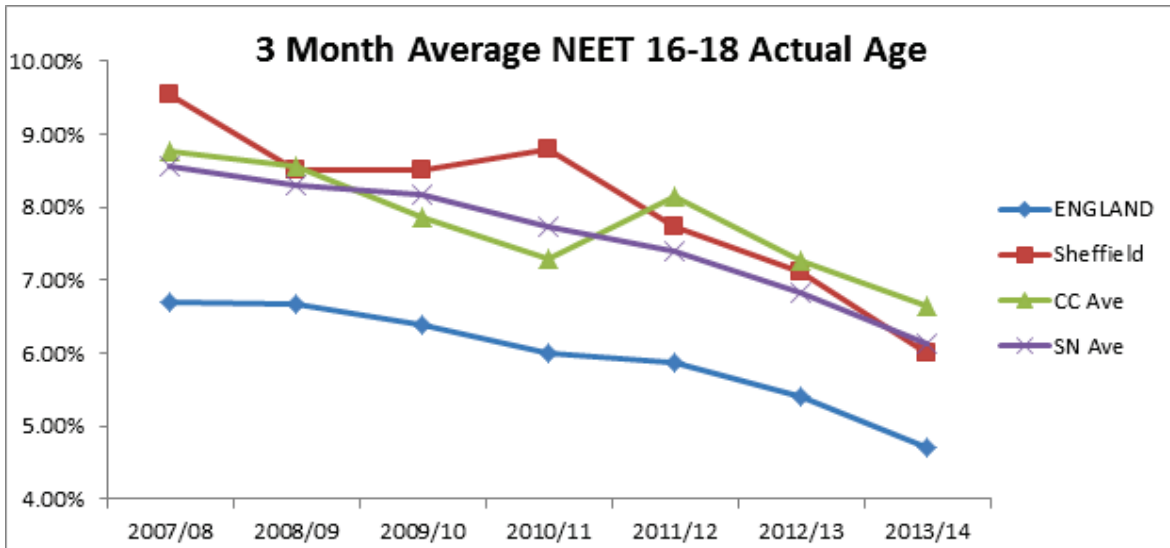
Finally in this section, we have included a breakdown of the proportions of young people progressing to **university**. 16% of children on free school meals progressed to university in 2014, compared with 34% of those not on free school meals. The graph below shows where in the city 2012 higher education entrants lived and, again, we see a broad correlation between deprivation and progression to university attendance.



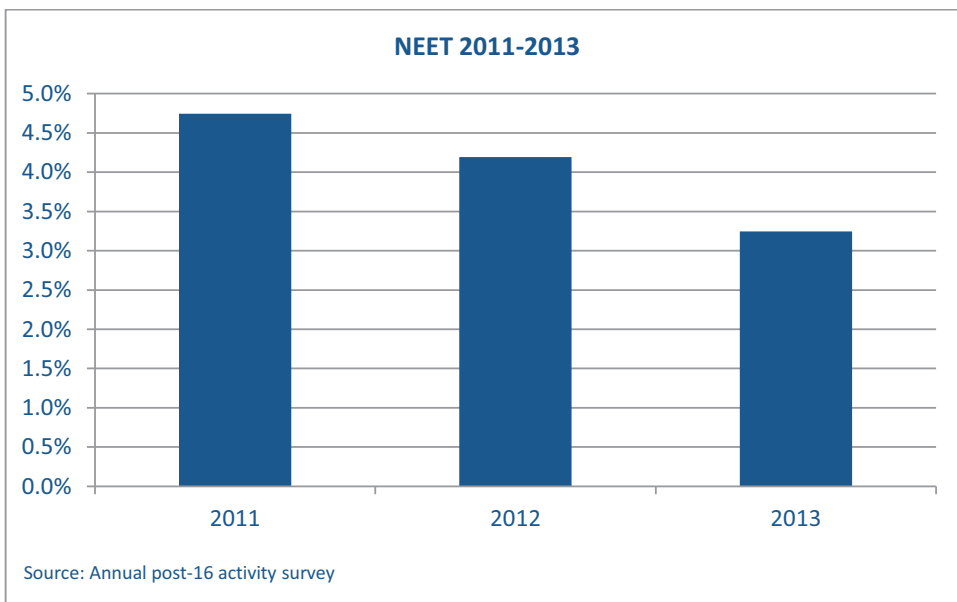
Young people or not in employment, education or training

The number of 16-18 year olds not in employment or training (NEET) in Sheffield has been reducing over the past seven years. The recession led to a small increase of young people in Sheffield aged 16-18 not in education, employment and training in 2010/11, but otherwise the downward trend has continued and **we have managed to**

reduce the proportion of our young people aged 16-18 who are not in employment, education or training to 6.0% in 2013-14. It is a lower rate than for core cities (6.66%), but still higher than the England average (4.7%). However, the gap between our percentage and that for England has narrowed from just over 2 percentage points in 2011-12 to 1.25 percentage points in 2013-14. The trend can be seen in the graph below.

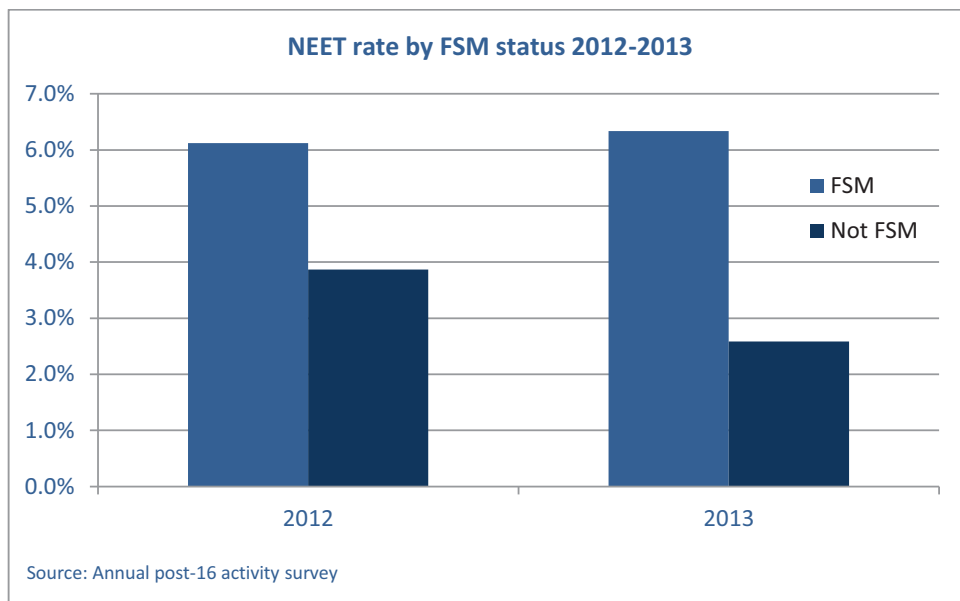


In addition to the measure which considers 16-18 year-olds, we also have an annual survey of learning destinations, which tells us where Y11 school leavers are progressing to (so a different group of young people). Although the rate is different (as might be expected from a different cohort), the trend is also going down.



We are able to break this second measure down to look at which children have been eligible for free school meals. The percentages shown are of the whole cohort, i.e. of all children who are eligible for free school meals (FSM), the proportion that were NEET when leaving school at Y11. This shows that although the **overall NEET rate is reducing, the rate for children eligible for free school meals has increased slightly. Care leavers are also less likely to be in education, employment or training than the general population.** The numbers in education, employment and

training have declined to 57% (2013) from a peak of 80% in 2011. Current LAC figures are similar to national, Yorkshire & Humber and our statistical neighbours.



Soft skills

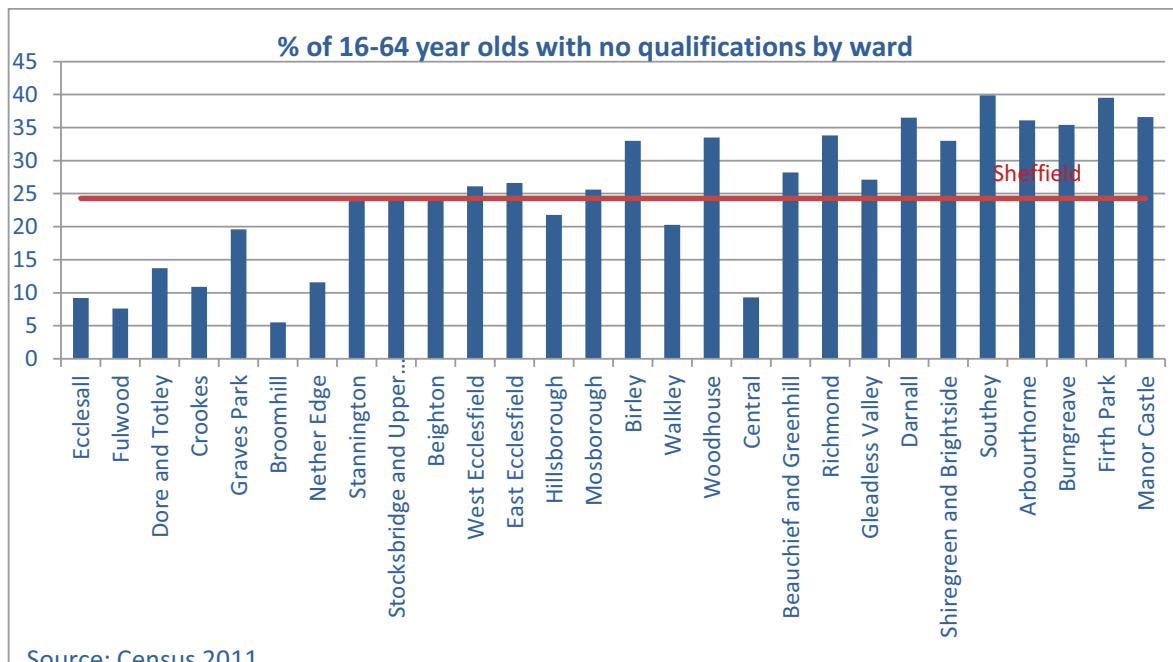
Although academic attainment is important, softer skills are also crucial, arguably more so. There are a broad range of qualities that make someone better able to navigate relationships, the education system and finding and succeeding at work. Research points to the importance in particular of self-awareness, social awareness, self-management, problem solving, a positive outlook, goals and aspirations, assertiveness, relationship skills and responsible decision making. There is a raft of evidence about the importance of these skills and their relationship to life chances. For example Leon Feinstein at the Institute of Education has concluded that dedication and concentration at age 10 has a bigger impact on earnings at 30 than ability in maths (cited in Roberts, 2009). He also found that a sense of personal agency is more important to life chances than reading skills. At present we do not have data on these skills in Sheffield.

Adult skill levels

The **proportion of people in Sheffield with no qualifications has dropped**. Using Census data, the estimated population in Sheffield aged 16-64 with no qualifications was 15.9% in 2011, compared to 33.8% in 2001. Because the Census is updated infrequently, we also use a measure from the Annual Population Survey to track change over time. The figures from this survey are different from those in the census. Latest figure using this measure is 10.6% for the year to December 2013. The figure for 2011 was 10%. There are fluctuations in this measure over the time period for which this data is available (from 2004 at which it was 14.3%), but the highest point in 2008 was 16% and there looks to be a general downward trend over longer-term. The reasons for the difference in figures are likely to be to do with differences in expression of the question and samples for Census and APS. The important point is that the trend, whichever source is used, shows that the proportion of working age population with no qualifications has reduced over the long-term.

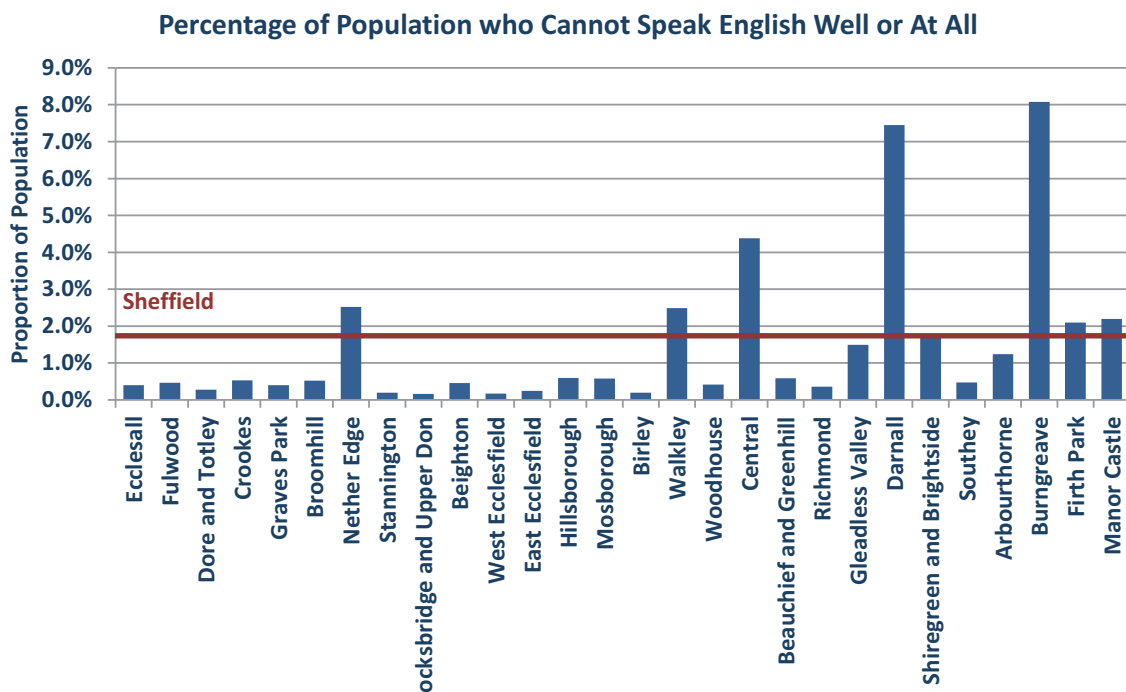
We have used the Census data (as more reliable at small area level than the APS) to show how the numbers of people with no qualifications varies across the city in the graph below. With the exception of wards with high

proportions of students who may have low incomes but good prospects of increasing their income after graduation, there is a **clear correlation between wards where there are high proportions of people with no qualifications and high levels of deprivation.**



2011 Census

Inability to speak English is a clear disadvantage in finding employment. This next graph compares the percentage of the population who cannot speak English well or at all in different wards and against the Sheffield average.



Our consultation suggests that there are concerns from users about the level and quality of provision of English as a Second Language, and particularly the affordability of this for people who are not on benefits or whose partners work. One of the biggest barriers for women learning ESOL appears to be the availability of free childcare to enable them to attend classes, especially before free early years entitlements kick in: this availability has reduced in recent years as a result of funding cuts.

Benefit take-up

"I only recently claimed housing benefit, I didn't even know I could claim it. For 18 months or so I just assumed cos I worked that I wouldn't be able to claim it and it was somebody said cos you only work part time you might be able to claim it" (City centre, social rented, White British, 33)

Whilst increasing the number of available jobs and improving education and skills enable people to improve their prospects will be very important for reducing poverty in Sheffield in the medium and long term, **one of the most effective ways of immediately reducing the impacts of financial distress is to maximise income by increasing benefit take-up.**

Understanding take-up levels is difficult and we do not have data at a local level, but national research suggests that **almost a third of eligible people in the UK in 2009-10 were not claiming the means-tested benefits they were entitled to** (Aldridge et al, 2012, p.107). Just over half of the estimated £10 billion unclaimed benefits could have been claimed by working age families. The Centre for Economic and Social Inclusion recently noted that nationally the proportion of young people who are unemployed but not claiming JSA (and so not only at increased risk of poverty, but also not receiving official help in finding employment) has increased – the proportion is now 55.4% and has risen by 25 percentage points since October 2012. Whether this rise is due to the new JSA sanctions regime (which started then) remains unproven².

Some benefits are particularly beneficial for claimants in receipt of them, for example Disability Living Allowance for children which passports allows the receipt of passported benefits. Understanding take-up levels of DLA is very difficult, as analysis of a recent pilot to increase take-up of the benefit in Wales demonstrates, but anecdotal evidence suggests that DLA is under-claimed, and the review demonstrates that **interventions can increase its take-up, with the average family income increased by £93.66 per week.**

Universal Credit, anticipated to roll out in Sheffield from 2015, is expected to increase benefit take-up, especially in the poorest households, but it is also anticipated that it, and the broader welfare reforms discussed in the next section, will have negative effects, particularly during the transition period and potentially for some other groups, particularly women who may lose control of money that was previously paid directly to them. Universal Credit will be paid monthly in arrears, and the switch to monthly rather than weekly budgeting, as well as the increased delay in receiving benefits is a cause for concern.

² <http://www.cesi.org.uk/statistics/labour/december-2014>

The impact of welfare reform

Since the Coalition government came into power in 2010 they have introduced a comprehensive programme of welfare reform, as well as freezing some benefit levels and introducing below inflation uplifts to others. These reforms, as well as reforms introduced by the previous government are having an impact on the incomes of those people affected by them.

Research by Sheffield Hallam University for Sheffield City Council (Beatty and Fothergill, 2014) has modelled the potential impact of benefit changes in Sheffield, looking at the impacts at ward level, and considering which types of household are most likely to be affected. The full impact of all the cuts will not be felt until 2017.

A selection of the most relevant findings for this strategy is outlined below.

- The uprating of benefits by 1 per cent rather than by inflation impacts on large numbers of households of all types except pensioners and students. The other reforms impact more on specific groups.
- Two thirds of the financial loss in Sheffield will impact on households with dependent children. Households with dependent children across the city will experience an average loss of £1,690 per year. This increases for lone parents to an average of just over £2,000 per year. Child Benefit changes impact on households with dependent children (63,000 in all) but the numbers experiencing full or partial withdrawal are smaller (8,900) and the vast majority of these are couples rather than single parents. Tax Credit changes also impact principally on households with dependent children, including large numbers (almost 17,000) of lone parents
- One third of the financial loss will fall on households including sick and disabled people, but within both groups the financial losses fall just on some claimants rather than everyone. Those losing out – generally the less severely ill or disabled if procedures are working properly – can expect to lose an average of £3,500 a year as a result of incapacity benefit reform and £1,600 a year as DLA is replaced by Personal Independence Payments. The reforms to DLA impact on especially large numbers of couples without children at home (2,200) and single person households (another 2,200). The impact of incapacity benefit reform is similar to that of DLA reform, with couples without children (2,400) and single person households (3,800) most affected.
- £75m, 45% of the impact will be felt by in work households.
- The reforms to Housing Benefit in the private rented sector ('Local Housing Allowance') impact particularly on single person households (2,700 in Sheffield) and on lone parents with dependent children (2,800 households). The 'bedroom tax' also hits large numbers of single person households (3,400) and lone parents (in total 1,800).
- Reductions in Council Tax Benefit impact on a wide range of working age households.
- Welfare reform impacts on only a small number of pensioner households, generally via rules requiring non-dependants (e.g. grown-up children) to make a larger contribution to housing costs.
- Sheffield's substantial number of student households – the 2011 Census records 5,700 of them³ – escape unscathed from the welfare reforms.

³ The number of full-time students in the city substantially exceeds the number of student households because each household may contain several students and because students in halls of residence are recorded as living in 'communal establishments'.

Overall impact of welfare reform on Sheffield, by household type

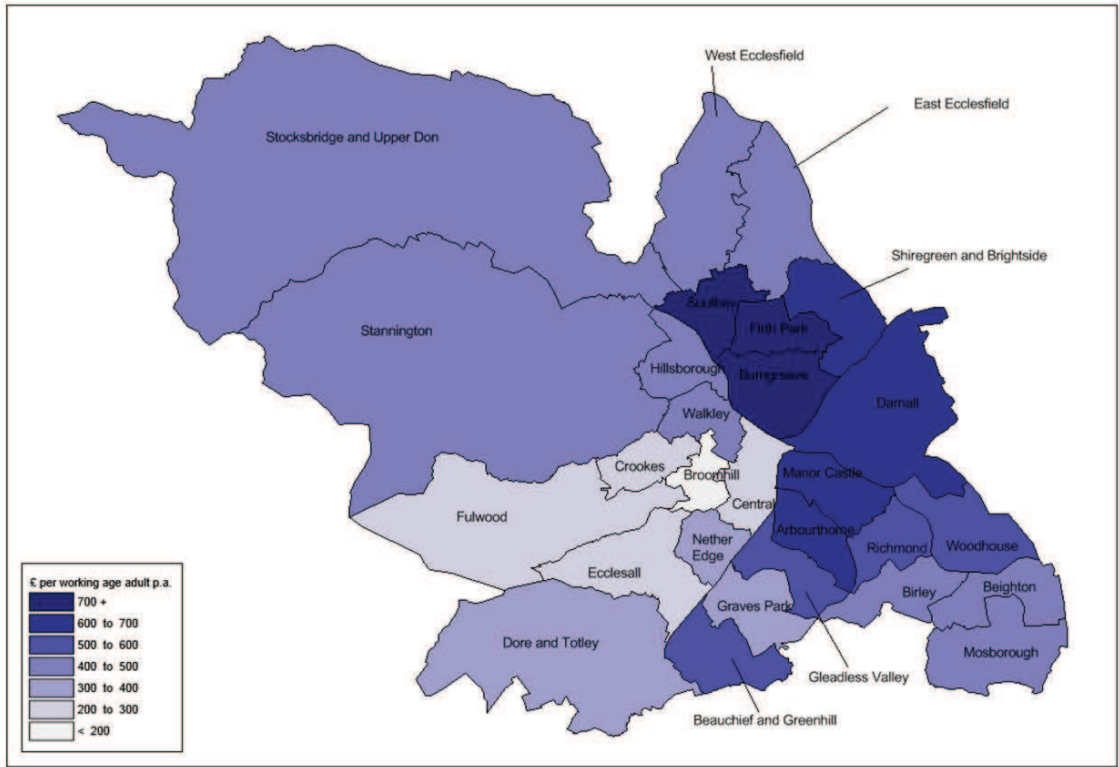
	Total number of households of each type in, 2011	Average financial loss £ p.a.
Pensioner couple	18,000	35
Single pensioner	29,000	50
Couple – no children	39,300	400
Couple – one dependent child	16,900	1,530
Couple – two or more dependent children	24,800	1,560
Couple – all children non-dependent	12,600	430
Lone parent – one dependent child	9,900	2,020
Lone parent – two or more dependent children	6,900	2,120
Lone parent – all children non-dependent	7,200	730
Single person household	44,400	620
Other – with one dependent child	2,500	1,540
Other – with two or more dependent children	2,800	1,620
Other – all full-time students	5,700	0
Other – all aged 65+	500	35
Other	9,500	570

All impacts by 2014-15 except DLA by 2017/18, incapacity benefits and 1% up-rating by 2015/16

Sources: Census of Population and Sheffield Hallam estimates based on official data

The figures in the above table are all averages. Around all these averages there will be a large spread both in terms of the sums lost and the make-up of the loss. For example, as noted earlier some couples could face reductions in incapacity benefits, DLA, Housing Benefit and Council Tax Benefit, and the failure to uprate with inflation. In these circumstances the cumulative financial loss when all the reforms have come to full fruition could be as large as £6-7,000 a year.

Geographically the impact will be very different across the city, as is to be expected in view of the distribution of benefits recipients across the city. The overall impact at ward level can be seen on the map below.



Some of the impacts of welfare reform can be seen below.



Conditionality

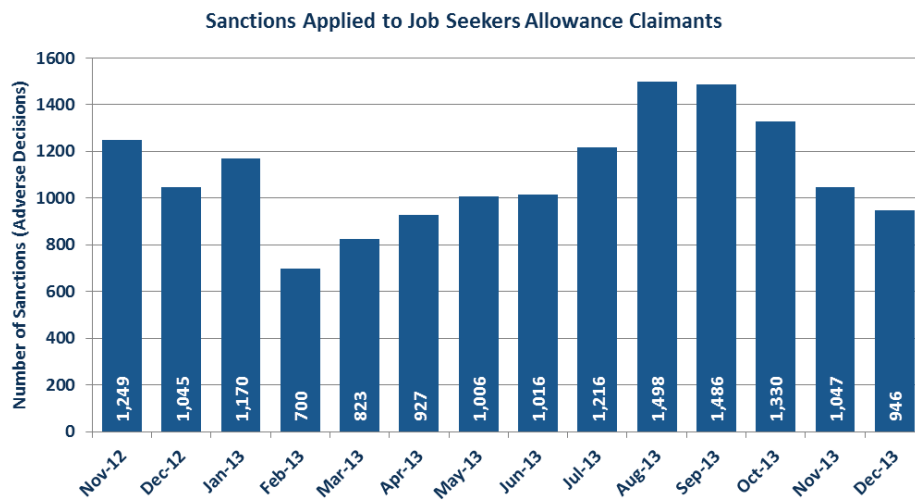
“I missed my bus and arrived 5 minutes late – the advisor said you have missed your slot and I got sanctioned for 12 weeks”

Sheffield foodbank user, quoted in the Rapid Review of Food Banks, 2013

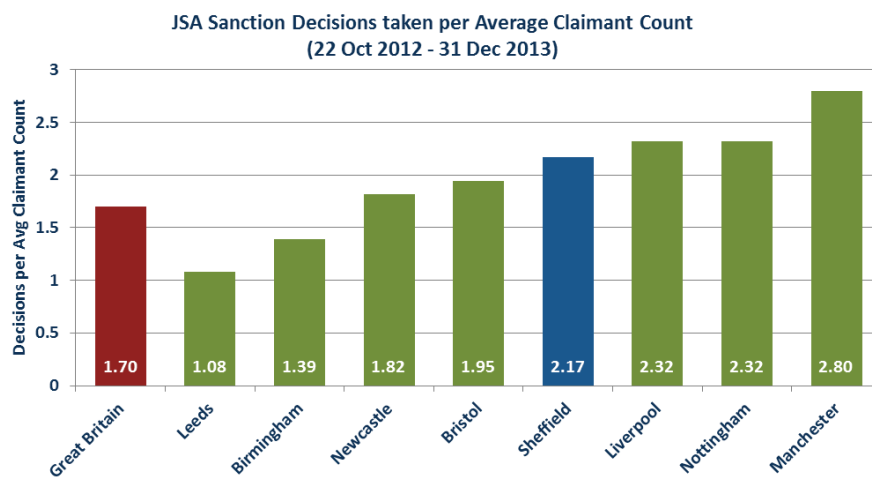
An increased use of sanctions to encourage people to move into work is causing severe financial distress to those affected. Changes to the conditionality regime means that there is significant anecdotal evidence that sanctions are often implemented as a result of one off events or mistakes on the part of DWP, as well as demands being placed on job seekers who try to meet them but are unable to because of circumstances beyond their control.

Nationally, statistics are compiled to show the number of people whose benefits are sanctioned. Monthly JSA sanction rates have risen from 2 per cent to 2.5 per cent of claimants from 2000 to 2006, to 6 per cent by late 2013, and now stand over 7 per cent (JRF, 2014b).

The first graph shows the number of sanctions for people on JSA over time. The second graph compares the proportions of people being sanctioned in Sheffield with other core cities. (Note: re the Manchester figures in the second graph - it isn't clear whether the same boundaries are being used for the claimant count and the sanctions).



Source: Dept. Work and Pensions



Source: Dept. Work and Pensions & Office for National Statistics

Siobhan is a single parent who fled domestic violence and was rehoused with her son by the City Council. She contacted the Job Centre by phone on finding that her Jobseekers' Allowance hadn't been paid. She was told she had been sanctioned for not going to an appointment. Unfortunately Siobhan had gone to the wrong venue. She wasn't told she could claim hardship payments or that she should keep signing on. She did not receive the letter confirming the sanctions. She survived for four months on limited income from her Child Tax Credit and Child Benefit and on food handouts.

Newly arrived immigrants and other people with poor levels of English find it particularly difficult to apply for the required number of jobs without support to find jobs and complete application forms.

Although sanctions to Job Seekers Allowance (JSA) and Employment Support Allowance (ESA) should not affect housing benefit or council tax benefit eligibility, a delay in amending processes mean that these benefits are being stopped and individuals are having to reapply.

Delays

Although not strictly welfare reform, as well as changes to benefits entitlement, there is increasing concern about the impact of delays in payment of benefits. Research by Involve into the use of food banks in Sheffield found that there was, on average, a delay of nine weeks between the first contact with job centre plus and benefits being paid. All Sheffield foodbanks have reported an increase in demand since April 2013 when benefits changes started to be implemented.

Research carried out into the use of food banks nationally included research carried out into almost 1000 cases at the Trussell Trust Food Bank in Burngreave. This found that in 43% of cases, people using the foodbank cited benefit delays as the referral reason, with a further 17% citing benefit changes (Perry et al, 2014).

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