

North East Child Poverty Commission (NECPC) briefing New End Child Poverty coalition local data June 2023

New End Child Poverty Coalition local data

Alongside 100 organisations from across the UK, the North East Child Poverty Commission (NECPC) is a member of the national End Child Poverty Coalition. End Child Poverty has today (5 June 2023) published new regional and local level child poverty data, after housing costs have been taken into account.¹

These new estimates and a report, 'Local indicators of child poverty after housing costs, 2021/22', have been produced by Dr Juliet Stone (Centre for Research in Social Policy, Loughborough University) and are available at: https://endchildpoverty.org.uk/child-poverty/. The figures are based on the Department for Work and Pensions' 'Children in low income families: local area statistics 2014 to 2022'² which estimate the poverty rate before housing costs. A statistical model is used to estimate child poverty after housing costs which draws on household survey data alongside local area statistics on private rent levels³.

Today's new figures complement national after housing costs child poverty data published by DWP in March 2023⁴, which showed that **4.2 million children (29%) were living in relative poverty in the UK in 2021/22, after housing costs.**⁵

North East headlines from today's report

In 2021/22, almost 190,000 (35%) babies, children and young people across the North East were living below the poverty line – this is an increase of around 51,000 since 2014/15.

Up from 26% in 2014/15, this remains the steepest rise of anywhere in the country over that period.

Of the 20 Parliamentary constituencies across the whole of the UK that have seen the biggest increases in child poverty since 2014/15 (the first year for which local level child poverty data is available), six are in the North East. These are: Middlesbrough (a 16.7 percentage point increase since 2014/15 – the second highest in the country), Gateshead (12.4ppt), Redcar (12.2ppt), Sedgefield (12.2ppt), Darlington (11.4ppt), and Middlesbrough South and East Cleveland (11.3ppt).

21 out of the North East's 29 Westminster constituencies have more than one in three children living below the poverty line – with the very highest rates being in **Middlesbrough (48.7%), Newcastle Central (43.0%), South Shields (39.7%), Gateshead (38.9%)** and **Redcar (38.4%)**.

Almost all North East council areas have seen some of the UK's steepest increases in child poverty since 2014/15, with the very highest child poverty rates by local authority being in **Middlesbrough** (40.6%), Newcastle (37.9%), South Tyneside, (35.6%), Sunderland (35.4%), Redcar and Cleveland (35.4%) and Hartlepool (35.3%).

¹ Calculating poverty levels after housing costs gives a more accurate measure of what families across the UK have available to spend on food, utilities, clothing and leisure, than looking at income alone, given the disparity of housing costs in different parts of the country. By contrast, a 'Before Housing Costs' model takes no account of the fact that, comparing incomes for households in different parts of the country where housing costs vary, does not produce like-for-like comparison of disposable incomes (see FAQ: https://endchildpoverty.org.uk/child-poverty/)
https://endchildpoverty.org.uk/child-poverty/)
https://endchildpoverty.org.uk/child-poverty/)
https://endchildpoverty.org.uk/child-poverty/)

³ The statistics on local child poverty rates after housing costs presented in today's report are calibrated to the DWP's <u>Households Below Average Income (HBAI)</u> dataset for the financial years 2020/21 and 2021/22. The DWP's data has undergone extensive quality assurance prior to publication but, due to sampling issues related to the Covid-19 pandemic, users are encouraged to exercise caution when interpreting this data. It is further recommended that users of these local child poverty statistics focus on longer-term trends to understand how poverty has changed in an area rather than year-on-year changes which are prone to fluctuations.

https://www.gov.uk/government/statistics/households-below-average-income-for-financial-years-ending-1995-to-2022

⁵ All figures refer to relative child poverty; that is the percentage of children living in families with below 60% of the median UK household income.

Today's report also provides important new insights into the families and children who are in poverty, or have a higher risk of being in poverty, across the country. Key findings for the North East include:

- Almost 7 in 10 (67%) of children living in poverty in the region are from working households.
- 46% almost half of all children living in lone parent families in the North East are in poverty.
- 37.4% of children with a disability in the region are living below the poverty line and children with a disability make up 5.7% of all children living in poverty in the North East, the second highest rate in the UK (behind Northern Ireland at 6.1%).
- Whilst Census 2021 data indicates the North East remains the least ethnically diverse part of England, almost two thirds (64%) of children from Black or minoritised ethnic communities in the region are estimated to be in poverty – the highest rate of anywhere in the UK for children in this group.

Importantly, the report highlights that the figures published today are for the year ending March 2022 and therefore do not cover the period during which the cost of living crisis and soaring inflation for household essentials really took hold. However, this period did include a six-month extension to the £20 per week increase to Universal Credit (UC) introduced by the Government in response to the pandemic. This uplift, amounting to just over £1,000 additional income per year for households in receipt of UC, was removed in October 2021. It is thought this measure is likely to have pushed down poverty rates for families during this period.

NECPC key asks

The findings of today's report confirm that the North East urgently needs a comprehensive, credible cross-Government, long-term strategy to reduce and then end child poverty, for families both in and out of work.

As immediate priorities, this plan should include:

- Permanently addressing the overall inadequacy of social security so that the UC standard allowance at least always covers the actual cost of essential goods such as food and utilities, moving away from the need for emergency, one-off/sticking plaster responses to crises.⁶
- Ending the 'two-child limit' in Universal Credit as one of the biggest drivers of rising child poverty, with no evidence it has achieved any of its stated policy aims. ⁷ This would immediately lift 250,000 children out of poverty across the country. ⁸
- Reducing Universal Credit debt deductions which are disproportionately impacting children in the North East including by ending the five-week wait for a first UC payment and therefore the need for UC 'advance' payments (the most common reason for UC debt deductions).⁹
- Extending free school meals at least to all children in families receiving Universal Credit, as a step towards universal provision for all primary pupils – with 40,000 North East pupils living below the poverty line and ineligible for FSMs under the current narrow criteria.

⁶ https://nechildpoverty.org.uk/news/guarantee-our-essentials

⁷ For example, https://nechildpoverty.org.uk/news/over-15-000-north-east-families-now-caught-by-two-child-limit, https://sticerd.lse.ac.uk/CASE/NEW/PUBLICATIONS/abstract/?index=10186 and https://www.lse.ac.uk/News/Latest-news-from-LSE/2022/d-Apr-22/Two-child-benefit-limit

^{22/}Two-child-benefit-limit

https://cpag.org.uk/sites/default/files/files/policypost/Six years in two child limit-final.pdf

⁹ https://nechildpoverty.org.uk/news/government-clawing-back-over-80m-a-month-in-uc-deductions-from-families

https://cpag.org.uk/news-blogs/news-listings/region-number-children-poverty-not-eligible-free-school-meals

Constituency and local authority-level detail

21 of the North East's 29 Parliamentary constituencies have more than one in three children living in poverty, with constituencies throughout the region seeing significant increases in child poverty since 2014/15:

Constituency	% of children below 60% median income after housing costs			
	2014/15	2021/22	percentage point change	
UK	29%	29%	0ppt	
North East	26%	35%	+9.0ppt	
Middlesbrough	32.0%	48.7%	+16.7ppt	
Gateshead	26.5%	38.9%	+12.4ppt	
Redcar	26.2%	38.4%	+12.2ppt	
Sedgefield	23.7%	35.9%	+12.2ppt	
Darlington	25.9%	37.3%	+11.4ppt	
Middlesbrough S & E Cleveland	24.3%	35.6%	+11.3ppt	
South Shields	28.8%	39.7%	+10.9ppt	
North Durham	24.5%	35.3%	+10.8ppt	
North West Durham	22.8%	33.4%	+10.6ppt	
Easington	26.1%	36.6%	+10.5ppt	
Jarrow	23.8%	34.3%	+10.5ppt	
Newcastle upon Tyne Central	32.6%	43.0%	+10.4ppt	
Wansbeck	25.7%	35.3%	+9.6ppt	
Blaydon	20.3%	29.5%	+9.2ppt	
Berwick-upon-Tweed	24.6%	33.6%	+9.0ppt	
City of Durham	22.1%	30.4%	+8.3ppt	
Hartlepool	27.4%	35.3%	+7.9ppt	
Stockton North	26.0%	33.9%	+7.9ppt	
Bishop Auckland	29.4%	36.9%	+7.5ppt	
North Tyneside	24.1%	31.3%	+7.2ppt	
Washington & Sunderland West	26.6%	33.4%	+6.8ppt	
Houghton & Sunderland South	25.5%	31.9%	+6.4ppt	
Newcastle upon Tyne East	27.1%	33.3%	+6.2ppt	
Sunderland Central	28.2%	34.2%	+6.0ppt	
Newcastle upon Tyne North	21.5%	27.3%	+5.8ppt	
Stockton South	22.9%	27.3%	+4.4ppt	
Tynemouth	20.2%	24.2%	+4.0ppt	
Hexham	18.4%	22.3%	+3.9ppt	
Blyth Valley	33.5%	35.2%	+1.7ppt	

9 of the North East's 12 local authority areas have more than a third of children growing up in poverty, with almost all North East local authority areas seeing some of the UK's biggest increases in child poverty since 2014/15:

	2014/15	2021/22	percentage point change 2014/15 – 2021/22
UK	29%	29%	0ppt
North East	26%	35%	+9.0ppt
Middlesbrough	29.2%	40.6%	+11.4ppt
Newcastle	28.4%	37.9%	+9.5ppt
Redcar & Cleveland	26.2%	35.4%	+9.2ppt
County Durham	25.3%	34.0%	+8.7ppt
Gateshead	24.7%	33.4%	+8.7ppt
Darlington	25.7%	34.0%	+8.3ppt
South Tyneside	27.4%	35.6%	+8.2ppt
Sunderland	27.4%	35.4%	+8.0ppt
Hartlepool	27.4%	35.3%	+7.9ppt
Stockton	25.5%	32.6%	+7.1ppt
North Tyneside	23.6%	29.4%	+5.8ppt
Northumberland	26.5%	30.5%	+4.0ppt

About us

The North East Child Poverty Commission (NECPC) is a regional, cross-sector network which believes child poverty in the North East of England is not inevitable and ending it is worth working for, together. NECPC is hosted by – but independent of – Newcastle University.

NECPC is ambitious for **every** baby, child and young person in the North East, with a shared vision of all growing up in our region not just healthy and secure, but having the best start in life: able to fully participate and thrive in education and extra-curricular activity; to pursue the things they love, with exciting futures ahead of them; and able to benefit from everything our beautiful region has to offer. However, we know that growing up in poverty makes it much more difficult to enjoy that inclusive childhood; restricting choices, opportunities and the ability to participate fully in society. Far too many children and young people across the North East are consequently being prevented from fulfilling their potential, an injustice which is holding our region back.

The national <u>End Child Poverty</u> Coalition is made up of 101 organisations, including child welfare groups, social justice groups, faith groups, trade unions and others. Together with a group of Youth Ambassadors, members campaign for a UK free of child poverty.

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