

Norwich City Council
SCRUTINY COMMITTEE

Item No 7

REPORT for meeting to be held on 8 November 2012

**An overview picture of the deprivation, inequality and welfare issues that
Norwich residents experience**

Summary:

Further to the review of the Norwich Foodbank undertaken by Scrutiny committee in September 2012, this report sets out an overview picture of the deprivation, inequality and welfare issues that Norwich residents experience.

This picture is introduced within the policy context of the Marmot review 2010 which produced an evidence based strategy to address the social determinants that can lead to health inequalities. To provide this policy context, Dr Augustine Pereira (public health consultant, NHS Norfolk and Waveney) and James Elliott of NHS Norwich Clinical Commissioning group will first deliver a presentation summarising Marmot's findings and linking them to Norwich data.

The report itself is divided into two sections:

- 1) A summary of relevant statistical data (including health and well being data for Norwich as part of the presentation).
- 2) A snapshot of anecdotal information relating to demand on services offered by local providers in the voluntary sector

Conclusions:

The report should enable the scrutiny committee to determine any areas they would wish to review or monitor in the future.

Recommendation:

To explore with officers at the meeting, potential activity for scrutiny committee to review or influence in future

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Report

Background

Following the review of the Norwich Foodbank undertaken by Scrutiny committee in September 2012, the committee resolved to carry out further scrutiny work to gain an overview picture of the deprivation, inequality and welfare issues that Norwich residents experience.

Since these issues are intrinsically linked to the findings of **the Marmot review** 2010, a national report that evidenced the social gradient of health inequalities, the information requested by the committee is presented against this policy context:

- a) put simply, the lower one's social and economic status, the poorer one's health is likely to be
- b) Health inequalities arise from a complex interaction of many factors - housing, income, education, social isolation, disability - all of which are strongly affected by one's economic and social status

Dr Augustine Pereira (public health consultant, NHS Norfolk and Waveney) and James Elliott of NHS Norwich Clinical Commissioning group will first deliver a presentation summarising Marmot's findings and linking them to Norwich health and wellbeing data.

Section one of this paper sets out the statistical evidence as part of that picture. It will include information from a range of data sources about the population, and draw upon:

- a) a **Health and Wellbeing profile** for Norwich
- b) the council's monthly generated **"Economic barometer"**
- c) a recently produced **needs assessment** produced for the council to commission financial inclusion activity, which reviews the work that is being done in the city by a variety of organisations as well as identifies priorities and gaps in provision.

Section two includes some anecdotal information relating to demand on services offered by local providers in the voluntary sector. This is a summary of information recently gathered by the needs assessment undertaken to inform the council's commissioning of information advice and guidance services to support financial inclusion.

SECTION ONE: Deprivation, inequality and welfare issues in Norwich-data analysis

1. Overview

Norwich has a population of 132,500 and is a dynamic, contemporary city that has retained its impressive medieval heritage. A major regional service centre with a diverse business base and thriving knowledge economy, Norwich has a strong record of attracting private and public investment. Its prestigious university and teaching hospital, world-class research park, international airport, skilled workforce and one of the highest graduate retention rates in the country add to the many opportunities for all types of business to develop and thrive. For many, it offers an exceptional quality of life, combining the best of city living with easy access to the Norfolk countryside, coast and the Broads.

In contrast to this, Norwich City is the second most deprived local authority area in the East of England with multiple deprivation factors. It is the 70th most deprived district in England with 23 lower super output areas (LSOAs) in the most deprived quintile in England. The IMD 2010 shows that around 13,000 people in Norwich live in most deprived 10% of LSOAs - this is 9.4% of the population. Furthermore,

32% of children living in Norwich are affected by income deprivation.

There are distinct differences between wards across the City. For example:

- a) the Norwich unemployment rate in April 2012 stood at 4.6% but the significant variation in JSA claimant count rates across wards shows a differential of 5.4 percentage points between the lowest at 2.1% and the highest rate at 7.4%.
- b) the IMD 2010 (index of children affected by income deprivation) shows relative value of child poverty within individual wards in the City shows Wensum 42%, Mile Cross 42%, Nelson 7%, Eaton 8%
- c) Men living in the most deprived areas on average will live ten years less than men living in the least deprived areas of Norwich.

A range of data reveals the different levels of need across the city, with Mile Cross, Mancroft and Catton Grove wards showing the greatest level need but with significant issues also present in Sewell, Thorpe Hamlet, Crome, Wensum and Bowthorpe.

2. Population profile

The 2011 Census shows the population of Norwich to be 132,500. The population has increased by 9% since 2001, a faster rate of growth than for England as a whole which grew by 7.2%.

The age profile of Norwich has some distinct differences from that of Norfolk as a whole, the Eastern Region and nationally. This is most marked in the young adult age ranges.

41% of Norwich residents are aged between 16 and 39 compared with 28% for Norfolk and 32% nationally. Young people in their twenties account for 21.2% of Norwich's population compared with just 11.9% in Norfolk.

Conversely, Norwich has fewer people in the older age ranges.

Those aged between 40 and 64 make up 27% of the population of Norwich compared with 34% in Norfolk and the Eastern Region and 33% in England.

Residents aged over 65 are just 14.6% of the population of Norwich considerably below the 21.6% in Norfolk, though relatively close to the proportion of residents aged over 65 in England of 16.4%.

3. Levels of Deprivation

(a) Unemployment

The Norwich unemployment rate (in September 2012) at 4.3% is greater than the UK at 3.8%, New Anglia LEP (3.1%) and Eastern Region (3%¹). Within Norwich however there is significant difference in rates of unemployment which stands at 7.4% in Mancroft and Mile Cross, and 2.1% in Eaton and Nelson wards.

For most young people aged 16-18 years, being recorded as NEET (Not in Education, Employment or Training) is a temporary state as they move between different education and training options.

In August 2012, around 10.4 per cent (337) of 16 to 18 year olds in Norwich were recorded as NEET compared to 7.9 per cent in August 2011. Norwich has the highest numbers and percentage of 16 to 18 year olds recorded as NEET of any Norfolk district. Nationally, the proportion stands at 6.3 per cent (June 2012).

(b) In work and in poverty

The 2011 annual survey of hours and earnings shows that median resident earnings for full-time workers in Norwich are 17.5% lower than regional median earnings and 12% lower than national median earnings. Over the year from 2010 to 2011, median resident earnings for full-time workers in Norwich declined by 5%, whilst the regional level earnings increased by 2% and at the national level earnings fell by 1%.

With these low wage levels in Norwich it is common for many families to rely on tax credits to supplement and top up their earned income. In 2010, some 600 Norwich families were reliant on tax credits because they were in part-time employment. These families included over 1,300 children and following benefit changes to tax credit regulations face the prospect of either having to find an extra 8 hours of work a week or losing up to £3,700 per family per year in benefit tax credit due to changes to the welfare system that were introduced

¹ Norwich Economic Barometer October 2012

in April 2012².

With the forthcoming welfare reform changes coming into effect in April 2013, it is thought that the impact on individual households will be excessive with families falling into poverty. Pressures will increase on households regarding household expenses and, with a lack of affordable credit loan sharking is likely to see an increase. A map produced by the England Illegal Money Lending Team, of areas in Norwich likely to be targeted by illegal money lenders is attached as an appendix.

4. Housing needs

(a) Council data

According to the latest available figures the City Council has a housing stock amounting to 15,744 properties and 61% of all council tenants are in receipt of housing benefit, which is paid on the basis of low income.

(b) Homelessness

During 2011-2012, 153 households were accepted as homeless compared to 108 in 2010-11, a rise of 41.6 per cent. This shows a considerable increase that cannot be addressed alone by council properties. Housing solutions are offered through the Choice Based Letting (CBL) which includes properties from local Housing Association providers who have approximately 5,500 properties within the City

(c) Private Sector rented properties

As well as our own housing stock and HA's as mentioned above there is a further 10,000 properties rented in the private sector.³

The Council's Private Sector Housing team is responsible for monitoring standards within this sector through the administration of the Houses in Multiple Occupation (HMO) licensing scheme, Disability Facilities Grant and work on rectifying Cold Homes.

This goes someway toward addressing issues that can be encountered by vulnerable people with few abilities to seek alternative accommodation.

5. Health ,Wellbeing and related inequalities

These levels of deprivation link to the wider social determinants of health and are associated with marked health inequalities in Norwich. There are recognised health and wellbeing profile indicators. The latest public health data shows that Norwich fairs significantly worse than England and the rest of Norfolk in relation to the following: deprivation, proportion of children in poverty, GCSEs achieved, violent crime, long-term unemployment, physically-

² Study commissioned by Child Poverty Action Group and conducted by Howard Reed of Landman Economics

³ A study of Housing Need and Stock Condition 2006

active children and adults, teenage pregnancy, hospital stays for self harm, drug misuse, and early deaths as a result of cancer.

Clinically significant health issues in Norwich include cancers, circulatory system diseases, and respiratory system problems which contribute to 3 out of 4 deaths in Norwich

In addition there are some clear variations in health and wellbeing across wards:

- a) In some areas of Norwich, the proportion of children in year 6 who are either overweight or obese is reaching 40% whereas in other parts, this is around 26%.
- b) Depending on which MSOA area people live in, the prevalence of smoking in their neighbourhood ranges between 13% and 41% and the smoking attributable mortality follows the geographical distribution of prevalence.
- c) There are four wards in Norwich where the Teenage pregnancy rates are in the upper quintile of England rates and the variation in rates between areas is between 17 per 1000 to 60 per 1000 girls aged 15-17.

Health inequalities are largely preventable but it requires action across all the social determinants of health, and this is much wider than what the NHS can influence on its own.

6. The relationship between debt and mental health

The prevalence of poor mental health is nearly twice as high for the Norwich district than the rates for England. Evidence from an NHS sponsored study indicates that increased levels of debt results in higher levels of mental ill health, even after adjustment for income and other socio-demographic variables.⁴

- a) Half of all people with debt in the general population have a mental disorder, compared to 14% of people with no debts, and 15% of the general population.
- b) People with more than 5 separate debts have on average a 6-fold increase in mental disorder.
- c) Utility disconnection and cutting down on utility usage are associated with 3-4 times and twice the average rates of mental disorder respectively.

⁴ Jenkins R, Bhugra D, Bebbington P, Brugha T, Farrell M, Coid J, Fryers T, Weich S, Singleton N, Meltzer H (2008). Debt, income and mental disorder in the general population. *Psychological Medicine* 38, 1485-1494.

- d) A health study of the Government's Warm Front programme showed that people in fuel poverty were over 4 times more likely to suffer anxiety or depression than people who could pay their fuel bills easily.
- e) Suicide and debt: Change in financial status is associated with suicidal intentions and difficulty repaying debt is a risk factor for suicide.
- f) Debt as the mediator: Although both low income and debt are associated with mental illness, the effect of income on mental health appears to be mediated by debt.

A Civil and Social Justice survey found that 44% of the debt problems reported "led to physical or stress-related ill-health [and that] the average cost to the NHS of 'difficult-to-solve' debt problems that caused such ill-health was around £50 (£20 per debt problem in general)." ⁵

SECTION TWO: Available Welfare Services and demand

1. Information and advice

Norfolk Community Advice Network undertook a mapping exercise investigating all advice services in Norfolk in 2010. This included the Council's own money advice service run through the Housing Team. The responses were collated from those organisations indicating that they provide some level of advice in Norwich (although many also offer advice outside the city as well). This showed the following:

- a) 37 advice agencies responded that they offered some level of advice in City
- b) 80,000 clients were seen by 20 of these organisations in Norwich in 2009-10 (includes some clients from outside city)

In addition to organisations providing assistance and help in Norwich, telephone advice and assistance is available from the Consumer Credit Counselling Service (CCCS), a registered national charity based in Leeds and through the internet based self help Money Advice Service which was set up and funded by Government and the Financial Services Authority.

Statistics from CCCS can be disaggregated down to a Norwich level and for the period 2005 to 2011, the number of Norwich clients has increased from 548 in 2005 to 971 in 2011.

This concurs with comments made by local advice providers over the same period, with the average amount of unsecured debt per case falling from £27,215 in 2005 to £17,386 in 2011.

⁵ Pleasence P, Buck A, Balmer NJ, Williams K (2006) A Helping Hand – The Impact of Debt Advice on People's Lives. London, Legal Services Research Centre.

The Money Advice Service commissioned some research nationally to give some indication of how many people suffer problems with debt in a year and then cross reference that to the number of people who will be likely seek help. The figures showed there to be an expected 6.6m debt problems (problems not clients) in a year. 66% of people will seek help however 34%; 2.24m cases would not seek advice and not be able to access guidance.⁶

With the implementation of the Welfare Reform Act 2012 the need for more benefits representation is likely to increase. With 40% of appeals against Employment Support Allowance being successful at Tribunal the availability of debt and advice services will become increasingly important. However with the implementation of the Legal Aid Reforms and the withdrawal of assistance for tribunal representation, vulnerable people in the City will have fewer opportunities to access assistance.

Norfolk Community Law Service is currently considering a proposal to operate a service based on volunteers to increase the available resource.

With the loss of Legal Aid funds from the Legal Aid Commission, Citizens Advice Bureau, a major local provider has had to reduce its service at a time when its clients need is increasing.

Tribunal representation is still carried by a small number of organisations including Age UK but the ability to refer people to helping agencies is severely reduced.

2. Financial assistance

Since 2005, Norwich Consolidated Charities have made available grants to individuals seeking to apply for a bankruptcy order or, more recently a debt relief order. The debt relief order is a form of insolvency for people that have a certain amount of debt, little disposable income and few assets. The debt relief order will help to place the least complicated debt discharge cases on a fast-track through the court system with no personal appearance at court required. It is ideal for people with little chance of paying off their debt.

The sums of money required for a Bankruptcy Order is high (around £700 per case) while the cost of a Debt Relief Order (DRO) is £90 per case.

A breakdown of these figures is available in appendix 1 but in summary there was a peak in applications for bankruptcy in 2008. DRO's came into being and were created as an option for debtors in 2009 and combining the two measures shows a doubling of the applications in 2010 from the peak in 2008. There has not been any marked decrease in 2011 and it is assumed that this year similar numbers of cases are likely to be processed.

Information from the Norwich CAB shows little increase in people seeking advice from them regarding debt issues between 2010/11 and 2011/12. This

⁶ A Better Deal For Everyone: A New Approach to Debt Advice From The Money Advice Service. Feb 2012

is thought to reflect that the organisation is operating at capacity rather than a levelling out of need.

Figures from the Norwich Foodbank show a growing demand for their services. From April to September of this year nearly 1,400 food vouchers have been given out. The majority of those have been for problems with benefit 51%. However a significant other reason has been Low Income – a category reserved for those with low wages or reduced hours in work. It should not be forgotten that Norwich Foodbank caters for households and as such a large number of families with children are included in these figures.

3. Information from local providers: the picture of demand- July 2012

The money advice and budgeting service (MABS) have found that clients are taking longer to pay off their debts and an increasing number of people just making minimum payments. There was a clear increase as well for the number of referrals from agencies in the city including the council.

In common with other agencies an increased amount of people with multiple debts is being observed. This was reported by CAB, Age UK, NCLS and the Consolidated Charities.

Norwich Consolidated Charities have seen an increase in the number of approaches from people who are actually in employment. This is a change that has also been seen across other providers and organisations such as the Norwich Foodbank.

Norfolk Community Law Service (NCLS) have reported an increase in the number of people seeking advice from their free legal advice service especially in the field of Family Law. This is a worrying development as a reflection of the stresses and strains imposed on families by the recession and its consequences.

CAB reported three areas showing clear evidence of increases. There is a marked increase in 'scams' revolving around money, increased problems relating to 'payday loans', and a far greater willingness of creditors using bailiffs to enforce debt collection. This area was made worse by the fact that clients do not have a clear knowledge regarding their rights and those of the debt collectors as detailed above.

Age UK identified problems in meeting the increased demand on their services with reducing resources and are considering introducing a selection criteria for service access.

The Council's Money Advice Team has reported an increase in the number of attendees at their pre-tenancy courses with an increase in the number of younger tenants with no experience of budgeting.

4. Vulnerable groups

There are particular communities that will be or feel particularly vulnerable at this time and with a combination of need increasing and resources and services reducing it is clear that it is those in receipt of social welfare that will be potentially in most need.

This is potentially a significant large client base and further work will be required in order to more efficiently manage the resources available and to target those most in need.

Particular client groups that are known to be at risk include:

- a) Young people are already suffering due to reduced levels of benefit and greater difficulty in gaining employment
- b) Single parents will be faced with increased pressures to getting employment but there have been cuts in Tax Credits especially those requiring help with child care costs – if they can identify that help.
- c) Disabled are being put under greater pressure by changes both to Employment Support Allowance and Disability Living Allowance making these benefits even more difficult to access.
- d) Older people face greater challenges of trying to survive with dwindling personal resources due to the current economic climate and the withdrawal and rationing of other essential support services
- e) All recipients of various welfare packages are suffering from increased public vilification which ultimately leads to under-claiming of essential benefits.

5. Other relevant work that the Council is involved in

- a) The Financial Inclusion officer in conjunction with the Environmental Strategy team is carrying out a winter 'Warm & Well' campaign organised through the NHS and the County Council.
- b) The City Council is a partner with Cotman Housing in a Big Lottery funded project directed at new social housing tenants and designed to increase Financial Confidence and Capability.
- c) We are working with the volunteers and staff of Norwich Foodbank to increase their awareness of agencies in the City that can help their clients with a variety of problems.
- d) We have commissioned services from third sector organisations in the City to address need for Advice and Information services around the area of debt or money advice.

- e) In July 2012, Cabinet endorsed the 2008 Zagreb declaration, demonstrating its commitment to improving the health and wellbeing of the people living in Norwich and to our partners to embed the health agenda into policies made for the city's future. Following this, the council and its partners, submitted an application to become a Healthy city as part of the World Health Organisation UK Healthy Cities Network. (A healthy city is not one that has achieved a particular health status but that is conscious of health and striving to improve it.) The Norwich Locality Board is the partnership forum that will drive forward the Norwich Healthy City Programme. This programme will draw upon existing activity and programmes of work and develop some new initiatives under one brand. The priority areas for action, upon which success will be measured, have synergy with Marmot findings. A launch is being scoped for January / February 2013.
- f) Separate to but in line with the Healthy City programme, a working group of city council officers and health colleagues is developing a suite of measures to act as a "Social Barometer". These will embrace a range of national social indicators used for social profiling and "Wellbeing and Resilience measures" (WARM) accredited by the World Health Organisation.

Appendix 1

Norwich Consolidated Charities – Grants for bankruptcy and (from 2010) debt relief orders

