



Anti Poverty Strategy 2014 – 2017

Appendix 1

Cumbrian Context – standards of living and poverty

LOW INCOMES AND POVERTY IN CUMBRIA

There is a large array of evidence which illustrates the extent of low incomes and poverty in Cumbria. In some instances, Cumbria fares better than nationally, but in instances such as pay at the bottom end of the employment structure, Cumbria, and its component districts are among the more seriously affected local authorities in England. Furthermore, a selection of census wards in Cumbria can be identified which have quite extreme levels of low incomes and poverty, even by national standards.

1 Household Incomes in Cumbria

Household incomes in Cumbria tend to be lower than the national level. In 2013, the median household income in Cumbria was £25,043; this represented a fall in income of 7% since 2009. This is in contrast to the national fall of 5%. In some census wards in Cumbria the level of median income collapsed between 2009 and 2013. In Shap (Eden), median household income fell by 20%; in Hindpool (Barrow) by 14%, and in Penrith Pategill (Eden) by 22%.

Table 1: Fall in Household Income 2009 – 2013¹

Area	2009 median household income	2013 median household income	% fall in median household income
National	£29,363	£28,024	-5%
Cumbria	£27,029	£25,043	-7%
Allerdale	£26,661	£24,389	-9%
Barrow	£24,405	£22,685	-7%
Carlisle	£27,102	£26,017	-4%
Copeland	£27,054	£25,813	-5%
Eden	£28,008	£25,458	-9%
South Lakeland	£28,582	£25,780	-10%

¹ All evidence in this document is based on sources of information outlined on page 8.

Far more stark has been the reduction in household incomes for the lowest earning quarter of the Cumbrian population. Lower quartile household incomes fell by 20% between 2009 and 2013, and not surprisingly, the number of households in the county with incomes below £10,000 rose over the same period.

Table 2: Fall in Lower Quartile Household Income 2009 – 2013

Area	2009 lower quartile household income	2013 lower quartile household income	% fall lower quartile household income
Cumbria	£17,115	£13,659	-20%
Allerdale	£16,897	£13,369	-21%
Barrow	£15,538	£12,518	-19%
Carlisle	£17,148	£14,082	-18%
Copeland	£17,026	£13,970	-18%
Eden	£17,934	£13,919	-22%
South Lakeland	£18,204	£14,018	-23%

Table 3: Rise in proportion of households with an income below £10,000 2009 – 2013

Area	2009 % of households with income below £10,000	2013 % of households with income below £10,000
National	7.3%	12.8%
Cumbria	8.5%	14.8%
Allerdale	8.7%	15.3%
Barrow	10.4%	17.3%
Carlisle	8.5%	14%
Copeland	8.6%	14.2%
Eden	7.6%	14.2%
South Lakeland	7.4%	14%

These trends for household income are countywide and can be seen in each of Cumbria's 6 districts; no local authority area has been unaffected since the economic downturn and financial crisis.

There is also a selection of census wards across the county in which household incomes are especially low, and have not only remained so over time, but fallen significantly. The table below considers the 10 census wards with the lowest median household income in 2013. Eight of these wards were amongst the 10 wards with the lowest median household incomes in 2009.

Table 4: Wards with very low household income 2009 – 2013

Area	Ward	2009 median household income	2013 median household income	Decline in median household income	% decline in median household income
Barrow	Hindpool	£19,612	£16,867	−£2,745	−14%
Allerdale	Moss Bay	£19,789	£17,193	−£2,596	−13%
Barrow	Central	£20,228	£18,220	−£2,008	−10%
Eden	Appleby (Appleby)	£22,525	£18,250	−£4,275	−19%
Allerdale	Ewanrigg	£20,522	£18,460	−£2,062	−10%
Eden	Penrith Pategill	£23,925	£18,611	−£5,314	−22%
Barrow	Barrow Island	£19,935	£18,696	−£1,239	−6%
Copeland	Sandwith	£20,127	£18,859	−£1,268	−6%
Allerdale	Moorclose	£21,802	£18,999	−£2,803	−13%
S Lakeland	Kendal Kirkland	£20,721	£19,337	−£1,384	−7%
Cumbrian average		£27,029	£25,043	−£1,986	−7%

2 Unemployment and Employment in Cumbria

Levels of unemployment in Cumbria overall are below the national average, with the Job Seekers Allowance (JSA) rate for Barrow being the only district with a Job Seekers Allowance rate above the national level of 2.9%; the rate in Barrow is 3.2% (November 2013 data)

Nevertheless, there are a series of wards in which unemployment levels – and reliance on welfare benefits in general – are much higher than the national rate, and have been so dating back at least into the late 1990s, if not even earlier.

In Moss Bay for example, the current JSA rate is 6.7%, and was as high as 10% in February 2012. In the past decade, unemployment nationally was at its lowest in February 2007, at a JSA rate of 2%. At that time, the rate for Allerdale was 1.7%, but for Moss Bay it was as high as 4.8%.

When the scale of all out of work benefit recipients (JSA, Employment and Support Allowance and Incapacity Benefits, Income Support for lone parents and others on income related benefits) is considered, wards such as Moss Bay exhibit very high levels of benefit use. Nationally, the rate for use of the entire range of out of work benefits is 11.2%. The level for Allerdale is the same. But for Moss Bay, the rate is 29.1%, and the quarterly rates for Moss Bay dating back to 1999 reveal rates always above 30% and between two-and-a-half to three times the national rate.

Although unemployment levels in most of Cumbria are lower than they are nationally, there is a trend towards low pay in the lower levels of the workforce. This is not a new trend in Cumbria; wage levels have been lower than the national rate for at least the past decade. Hourly wages (for both part-time and full-time jobs) for the lowest paid 10% of the Cumbrian workforce have risen more slowly than they have nationally since the economic downturn, with hourly wages for the lowest paid 10% of women and part-time workers being at, or only slightly above National Minimum Wage rates.

The most recent Annual Survey of Hours and Earnings (ASHE) 2012 results for Cumbria illustrate a pattern of low pay across the entire county, in which the bottom 10% of jobs pay less than £6.25 per hour in 2012, but particularly in Allerdale, which the Low Pay Commission identify as the local authority area with the greatest number of National Minimum Wage jobs in the North West region. Over one-quarter of jobs in Allerdale and Eden paid less than the 2012 Living Wage (£7.20, in 2012), and no fewer than one job in every five in Barrow, Carlisle and South Lakeland paid beneath the 2012 Living Wage rate.

Table 5: Annual Survey of Hours and Earnings April 2012 levels of gross hourly pay – by workers resident in local authority

Area	Median gross hourly pay	10th percentile	20th percentile	Lower quartile
Cumbria	£9.91	£6.25	£7.00	£7.42
Allerdale	£9.51	£6.15	£6.67	£7.19
Barrow-in-Furness	£10.07	£6.23	£6.82	£7.27
Carlisle	£9.61	£6.24	£7.09	£7.50
Copeland	£12.87	£6.48	£7.49	£7.99
Eden	£9.13	£6.21	£6.92	£7.19
South Lakeland	£9.94	£6.30	£7.06	£7.41

NOTE:

In April 2012, the National Minimum Wage was £6.19 per hour, and the Living Wage was calculated to be £7.20 per hour

The corresponding statistics for the North West of England as a whole, and for England were:

Table 6: Annual Survey of Hours and Earnings April 2012 levels of gross hourly pay – by workers resident in area

	Median gross hourly pay £	10th percentile hourly pay £	20th percentile hourly pay £	Lower quartile hourly pay £
Cumbria	£9.91	£6.25	£7.00	£7.42
North-West	£10.52	£6.36	£7.19	£7.68
England	£11.46	£6.50	£7.48	£8.00

Based on this evidence it is clear that Cumbria's economy is based on low wage jobs to a greater extent than the UK or North West average. A breakdown of the key industrial sectors, shows that this is largely down to the predominant role played by tourism and catering, social care and retail compared to other parts of the UK.

The 2011 Census offers an insight into those parts of Cumbria which are more likely to experience lower levels of wages. Based on national research, jobs in the elementary occupations (e. g. cleaning), retail and customer service, caring and leisure tend to be more likely to be low paid, and analysis of Census data identifies wards which probably contain a larger number of lower paid workers. There are 13 census wards in which the combined percentage of workers in these sectors exceeds 40%; this is 10% above the Cumbrian average, and 11% above the national average. In each ward, the level of median income is significantly below the rate for Cumbria as a whole, and a greater than average percentage of households have incomes below £10,000. Some of these households will be recipients of out of work benefits, but a significant proportion will be employed, yet in receipt of low wages.

3 Child Poverty in Cumbria

The Child Poverty Act 2010 placed a responsibility upon local authorities to prepare a Child Poverty Needs Assessment to inform the development of a Child Poverty Strategy. An updated Child Poverty Needs Assessment for Cumbria has been developed and its key findings are:

- There are 82,700 children (0-15 years) living in Cumbria. Numbers have declined over the past 5 years and are forecast to continue to fall in the future, opposite to the regional and national picture where numbers are forecast to increase;
- Children account for 17% of Cumbria's total population, compared to 19% for both the North West region and England;

- There are currently 14,485 children aged 0-19 years in Cumbria living in poverty (14.9% of all children). 12,705 are aged 0-15 years (15.4% of all 0-15 year old children);
- Levels of child poverty in Cumbria are below national levels at 20.1% for all children and 20.6% for those aged 0-15;
- Levels of child poverty in all districts, with the exception of Barrow, are below national level. In Barrow 22.5% of children aged under 16 are living in poverty; and 21.8% of all children. In Central ward in Barrow almost half of all children (47.5%) are living in poverty;
- Areas with high levels of child poverty are predominantly concentrated in deprived urban areas accounting for 66% of child poverty, however, there are pockets of child poverty in some of the most rural communities with a total of 4,975 children living in poverty in rural areas across the county;
- A total of 20 wards (out of 166 in the county) have levels of child poverty above the national average;
- Central ward in Barrow has the greatest proportion of children living in poverty at 47.5%; followed by Sandwith ward in Copeland at 44.0%;
- Wards falling in the bottom 10% nationally are Central in Barrow, Sandwith in Copeland, Moss Bay in Allerdale, Hindpool in Barrow, Ewanrigg in Allerdale, Risedale in Barrow, Botcherby in Carlisle, Upperby in Carlisle, and Mirehouse in Copeland;
- There is no one controlling factor causing child poverty. The most significant relationship is income and children who are eligible for Free School Meals – areas where there are high proportions of children who are eligible for free school meals are areas where there are high levels of child poverty and where household incomes are low;
- The gap between educational attainment (Key Stage 4: GCSEs) for children in Cumbria has been continuously greater than the gap for the rest of England;
- Where there are high levels of unemployment and children in out of work benefit households there are high proportions of children living in poverty;
- There are a greater proportion of people in Cumbria working part-time than there are nationally - this may be a contributing factor to low income households and child poverty.

4 Fuel Poverty in Cumbria

Under the previous definition of fuel poverty (the 10% model), Cumbria was ranked as one of the more fuel poor counties in England, and was second

only to Herefordshire in levels of fuel poverty. Similarly, the district councils in Cumbria were also ranked as being very fuel poor; Eden for example was the most fuel poor local authority in England. The new definition adopted in 2013 calculates fuel poverty to be considerably lower in Cumbria and its districts, with Barrow being the most fuel poor, and in the top 10% of fuel poor local authorities. Nonetheless, each district's level of fuel poverty remains above the national average.

Table 7: 2011 Levels of Fuel Poverty in Cumbria – a comparison of old and new definitions

Area	Fuel Poor Households 2011 (old definition)	Fuel Poverty rate 2011 (old definition)	Fuel Poor Households 2011 (new definition)	Fuel Poverty rate 2011 (new definition)
Cumbria	47,395	21.5%	27,645	12.5%
Allerdale	8,945	21.5%	4,809	11.6%
Barrow	5,923	18.8%	4,788	15.2%
Carlisle	9,267	19.6%	5,809	12.3%
Copeland	5,909	19.1%	3,415	11.0%
Eden	6,518	28.3%	2,794	12.1%
S Lakeland	10,833	23.2%	6,030	12.9%
England	3,202,000	14.6%	2,390,000	10.9%

Sources of Information:

Household Income levels

CACI Paycheck for Cumbria 2013

<http://www.cumbriaobservatory.org.uk/elibrary/Content/Internet/536/675/4356/41094151055.pdf>

Hourly Wage levels

Office for National Statistics, Annual Survey of Hours and Earnings 2012 revised results

<http://www.ons.gov.uk/ons/rel/ashe/annual-survey-of-hours-and-earnings/2012-revised-results/index.html>

Annual Survey of Hours and Earnings (previous reports for historical wage levels)

<http://www.ons.gov.uk/ons/rel/ashe/annual-survey-of-hours-and-earnings/index.html>

Unemployment and Employment

NOMIS Official Labour Market Statistics

<http://www.nomisweb.co.uk/default.asp>

Cumbria Census 2011

<http://www.cumbriaobservatory.org.uk/Census/2011census.asp>

Fuel Poverty

Department of Energy and Climate Change

Fuel Poverty Statistics 2011

<https://www.gov.uk/government/collections/fuel-poverty-statistics#2011-statistics>

For further information

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