

Understanding Poverty in Suffolk

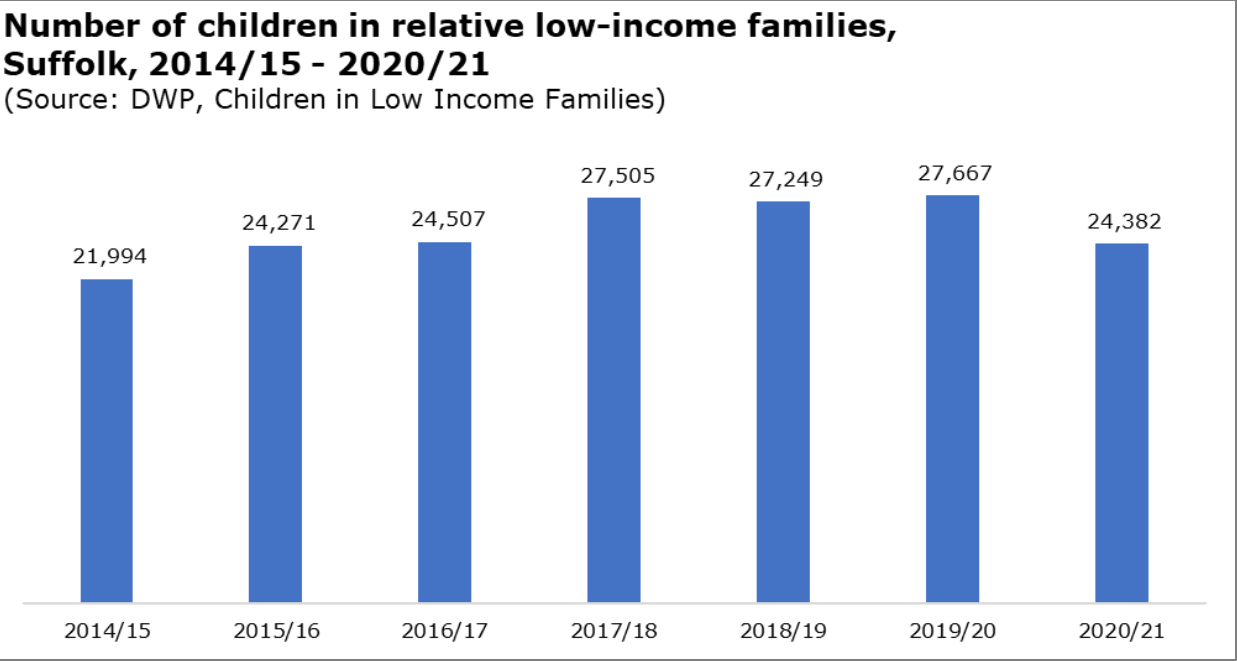
Data Pack –
13th December 2022

Michaela Breilmann, SODA Manager



Methodology and Caveats

- This report is based on published data, such as from ONS. This data is not always timely or available at lower geographical levels.
- Following the release of a new DWP/HMRC dataset, Children in low income families: local area statistics since early 2020, which looks directly at most of the income sources reported for tax, tax credit and benefit purposes for individual families, we now have a much more coherent resource to analyse children in poverty. This data covers the whole population not just a sample (like surveys), and can therefore be considered at the very local level.
- There is no local data for other groups, therefore, we have applied national levels / numbers to Suffolk's population figures for 16-64s (working age) and pensioners (65+).

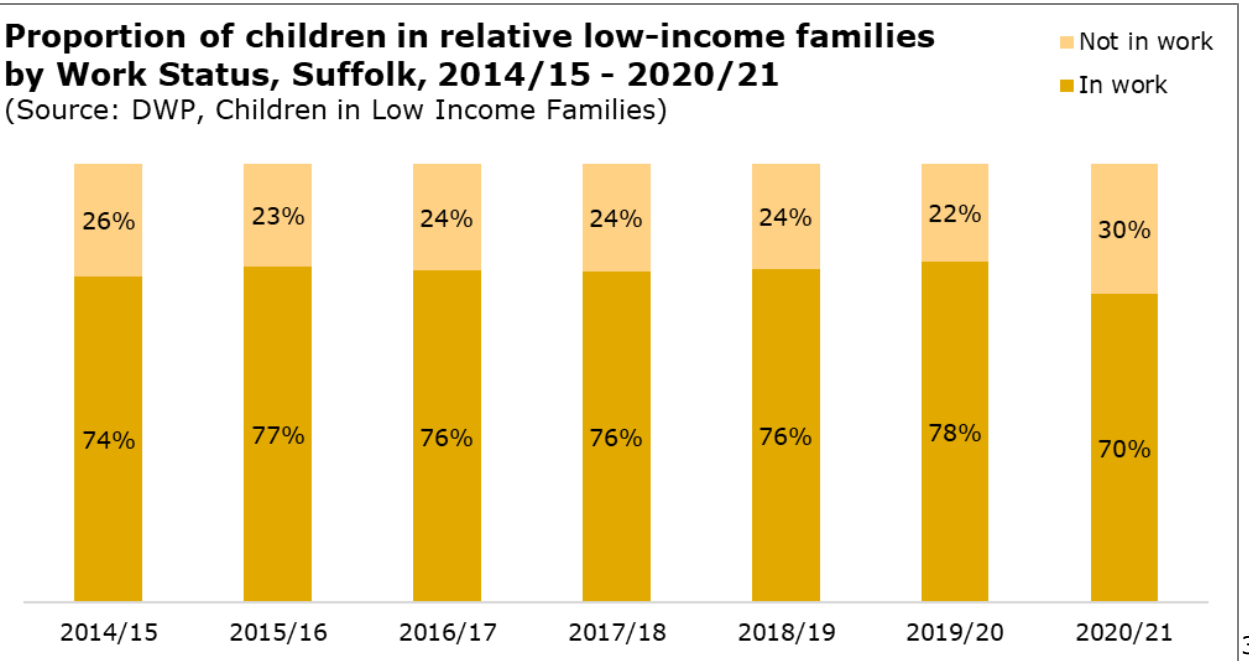
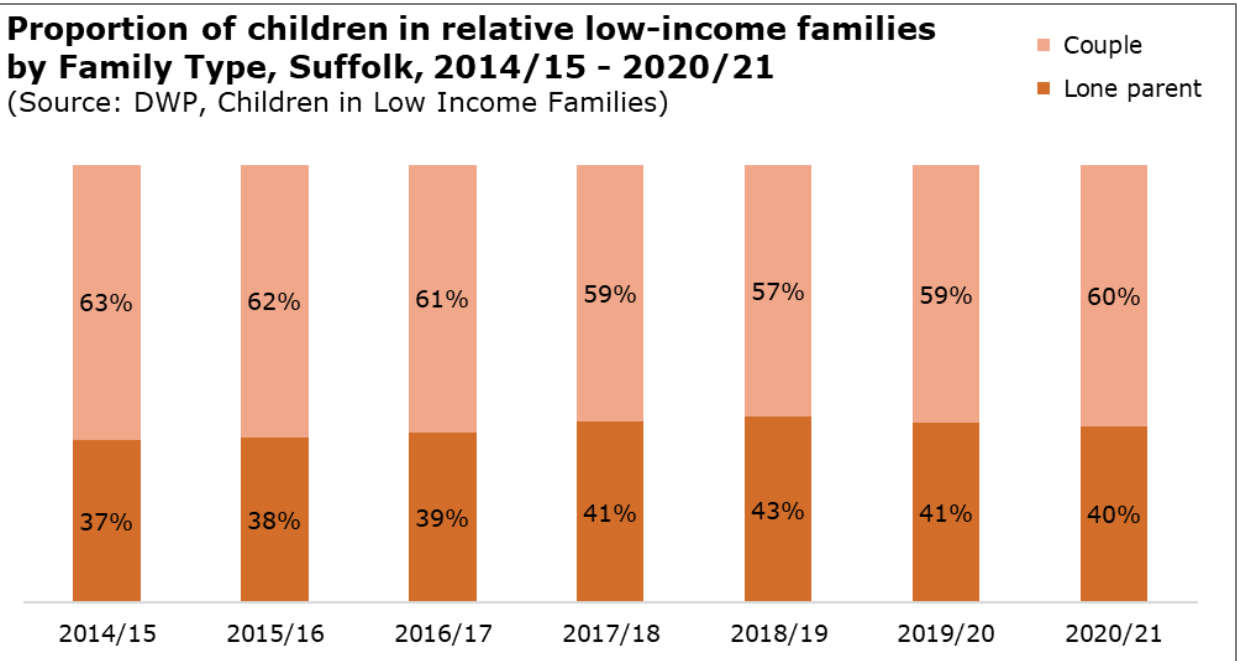


In 2020/21, 24,382 of Suffolk’s children lived in relative low-income families.

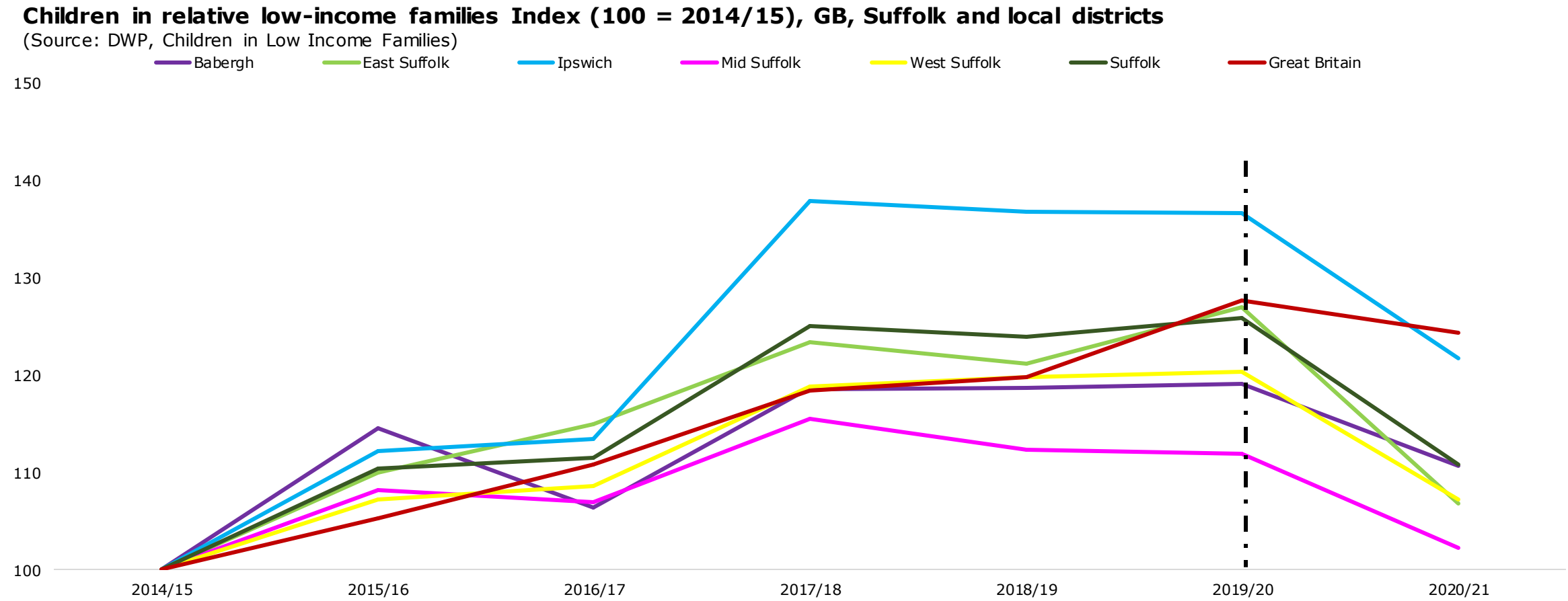
DWP state that while "...the data for FYE 2021 has undergone extensive quality assurance prior to publication, we recommend that users exercise additional caution when using the data for FYE 2021, particularly when making comparisons with previous years and for local areas across countries."

Proportions of children in relative low-income families by family type is fairly consistent, with around 57%-60% living in ‘Couple’ HH.

The vast majority (around 70%-78%) of children in relative low-income families live in working HH.



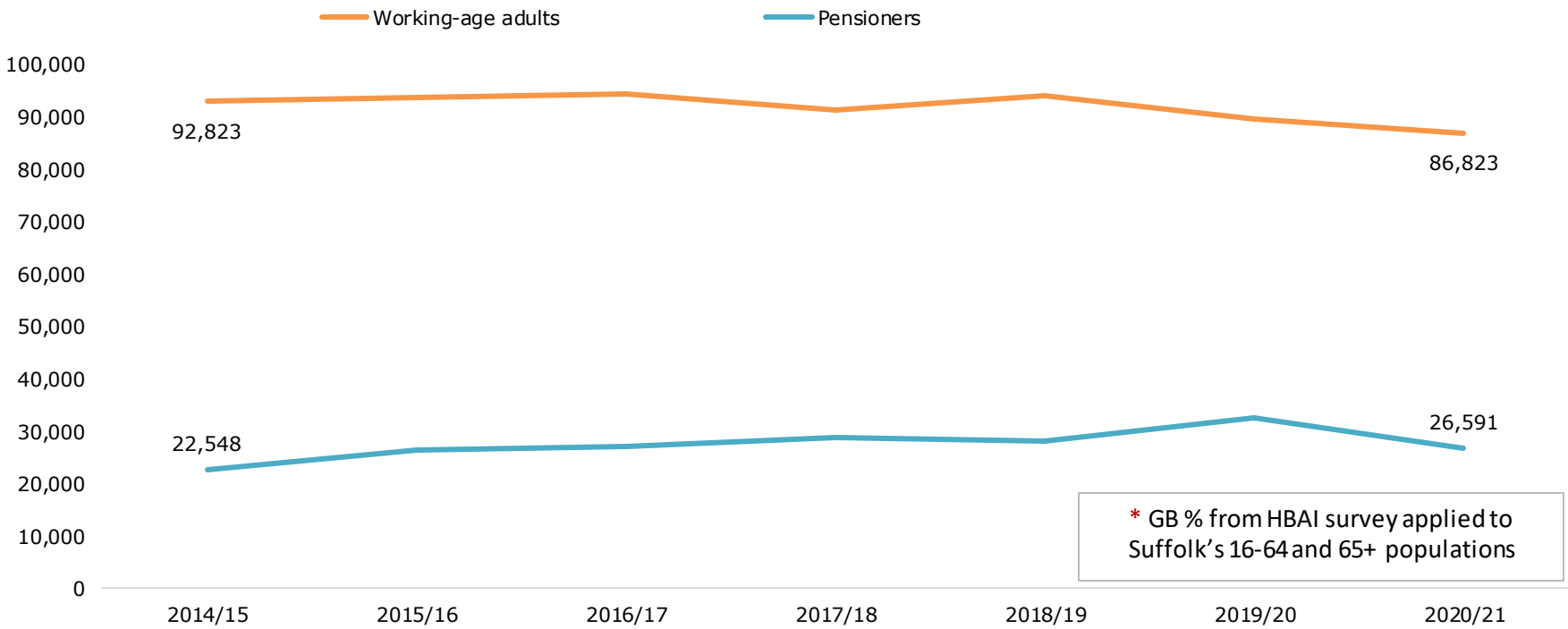
Between 2014/15 and **2019/20**, numbers of children in relative low-income families have increased both locally and nationally. Ipswich saw above average growth (compared to GB), whereas numbers across all other districts rose by below the national average.



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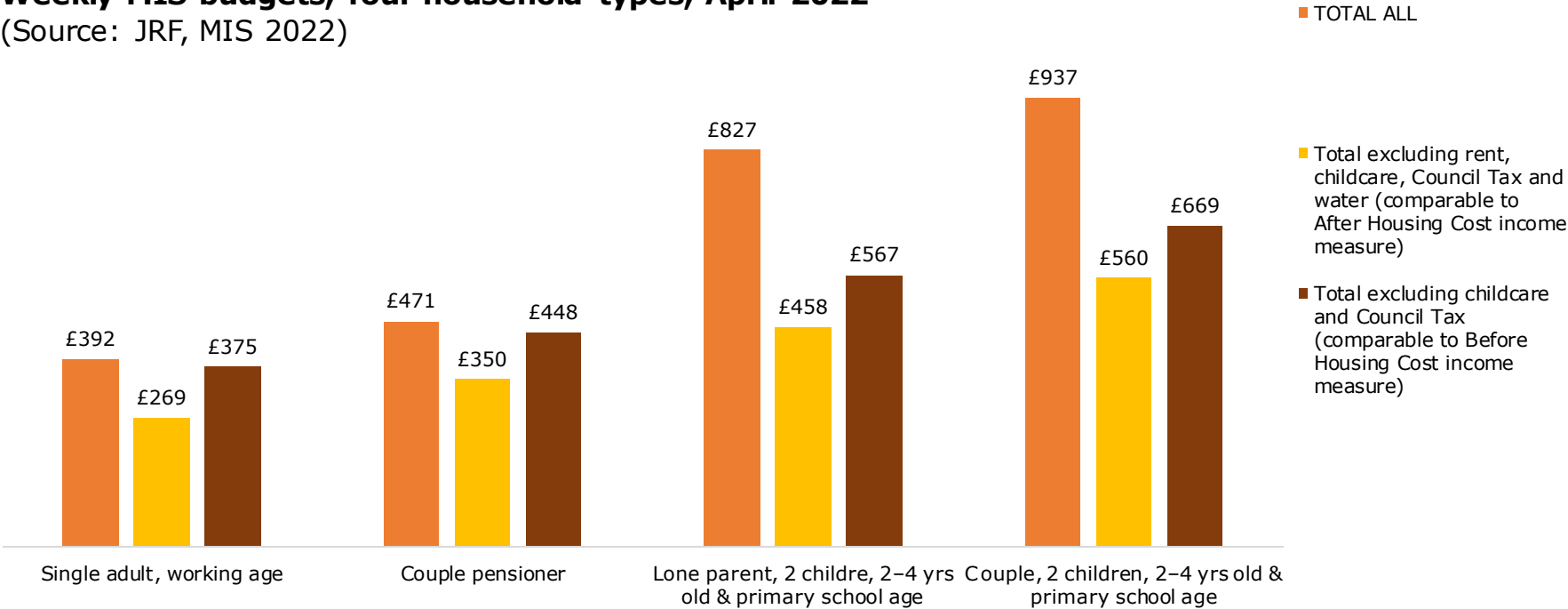
Applying the numbers from the national Households Below Average Income survey to Suffolk's population figures, there were almost 87k working-age adults and around 26.5k pensioners living in relative low income households (HH) in 2020/21.

Estimated* number of working-age adults and pensioners in relative low income households, Suffolk, 2014/15 - 2020/21
(Source: DWP, Households Below Average Income, 2020/21)



Every year since 2008 the Minimum Income Standard (MIS) has been calculated by the Joseph Rowntree Foundation to show the incomes different family types require to achieve a socially acceptable standard of living *(this is based on what members of the public think people need)*.

Weekly MIS budgets, four household types, April 2022
(Source: JRF, MIS 2022)

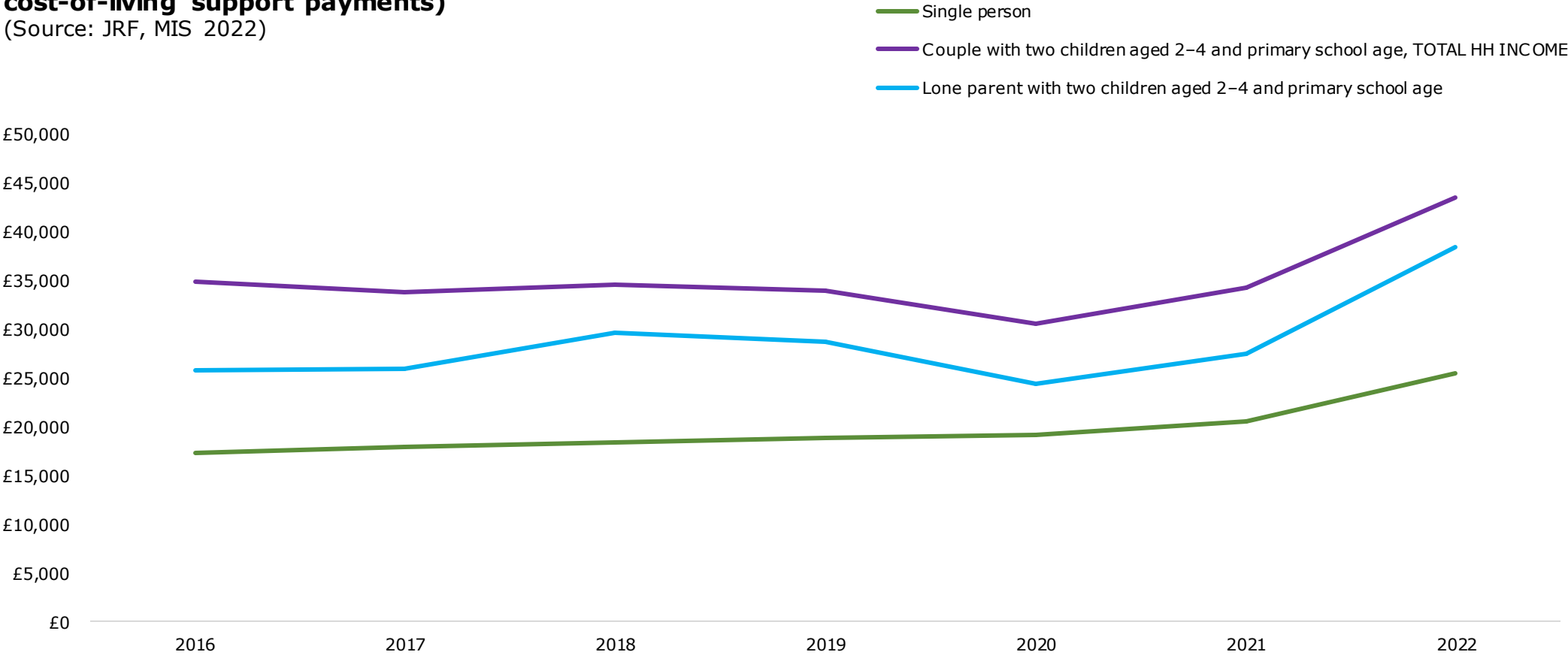


Annual earnings needed to cover the minimum income requirements have continually increased, for example, for lone parents earnings would have had to grow by 50% and for couples w. children by 25% between 2016 and 2022.

In comparison, annual median gross earnings actually rose by 11% on average across the UK between 2016 and 2022.

Annual earnings required to reach MIS, working full time and paying for childcare (excluding cost-of-living support payments)

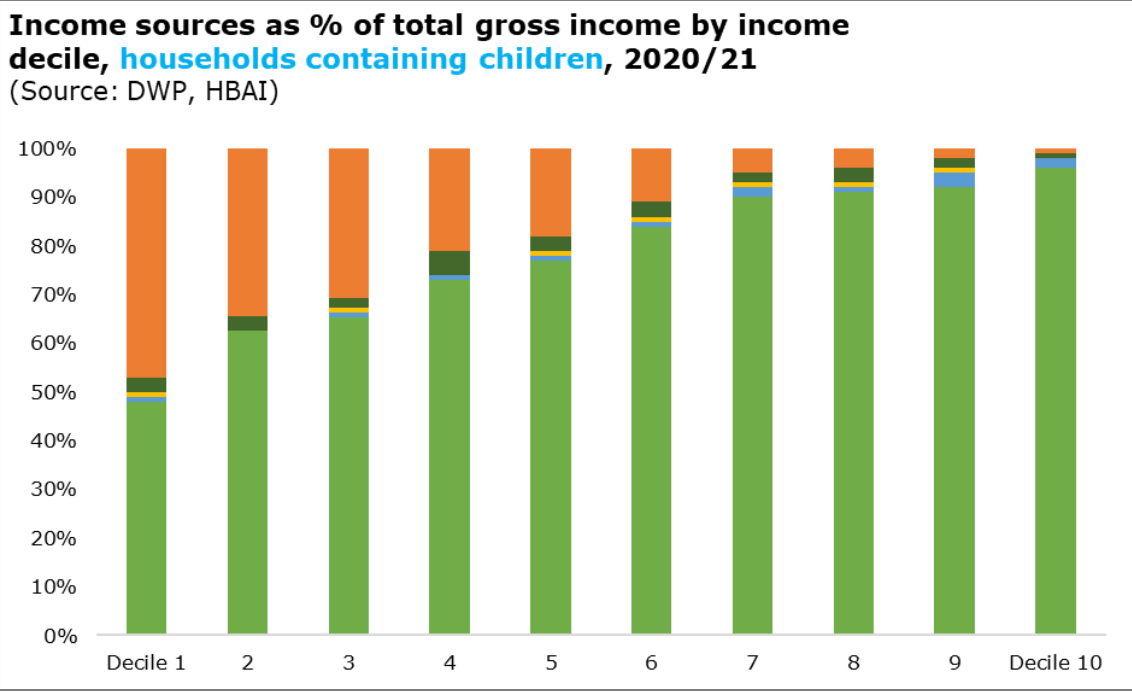
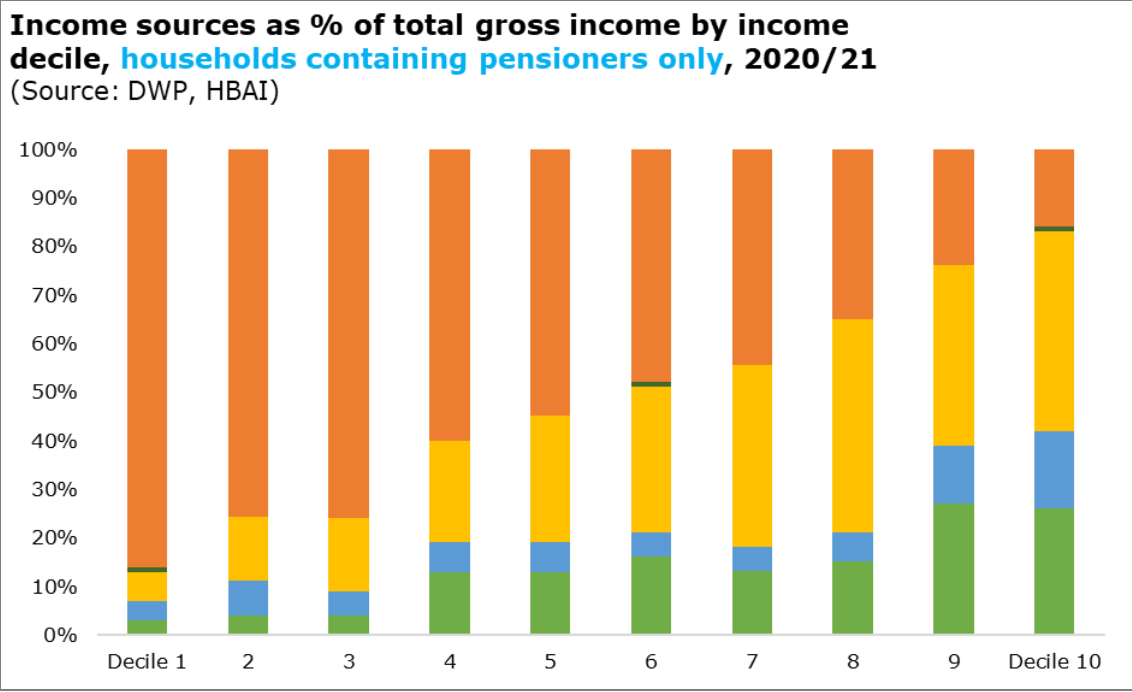
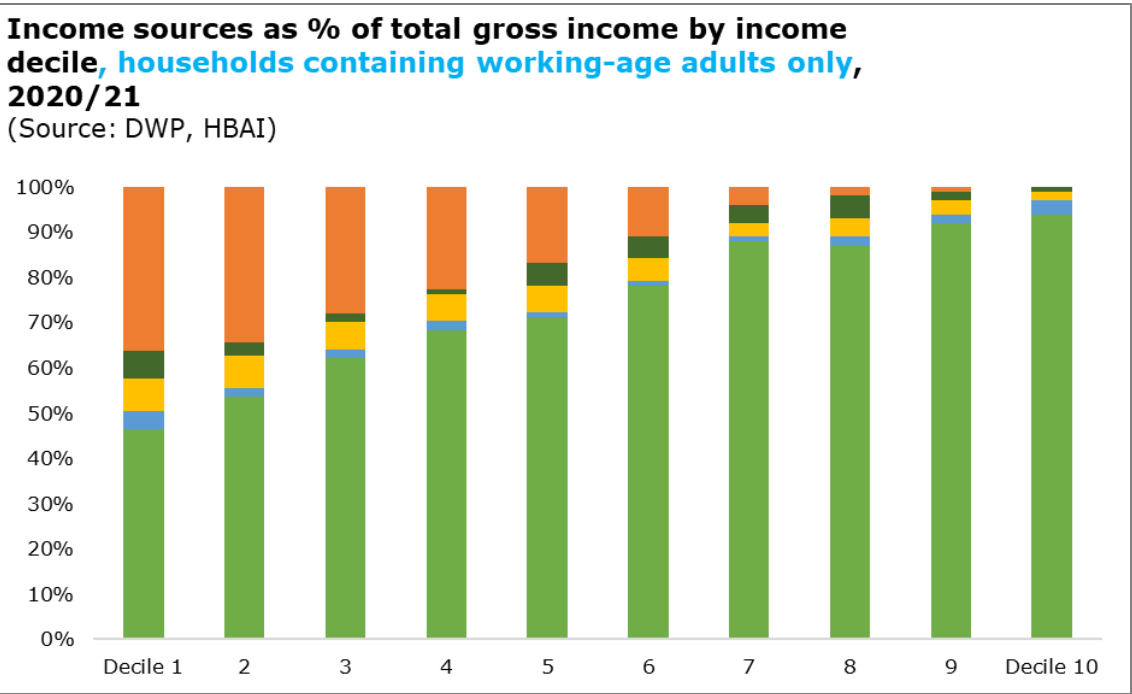
(Source: JRF, MIS 2022)



Source: Abigail Davis, et. al., A Minimum Income Standard for the United Kingdom in 2022. Joseph Rountree Foundation; September 2022.

- For those in the lowest decile of the income distribution, earnings and benefit payments make up
- 46% and 36% respectively, of total gross income for households (HH) containing only working-age adults, and
 - 48% and 47% respectively, of total gross income for HH containing children.

For pensioner-only HH – those in lowest decile of the income distribution receive most of their gross income (87%) from state support and 9% from earnings and / or occupational pensions.



The latest available data shows, that in 2021, median full-time pay across Suffolk was £40 lower per week than the GB average – with the gap between Suffolk and GB pay increasing over the past 10 years (in 2011 Suffolk’s pay was £29 lower).

Suffolk Cost of Living Dashboard



Employment & Earnings

Gross Weekly Pay

Graph

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Page Information:
Gross weekly pay is pay before tax, National Insurance or other deductions, and excludes payments in kind. This data does not include the self-employed, nor does it cover employees not paid during the reference period. Gross weekly pay can be shown for the resident or workforce population of an area. The resident population are those that live in the area, regardless of where they work. The workforce population are those that work in the area, regardless of where they live. Gross weekly pay will differ between the two populations as some people do not work in the same area in which they live. The most recent data is to **Monday, January 31, 2022**

Population

☐ Resident

☒ Workplace

Current median gross weekly pay by area

Babergh	£521.50
East Suffolk	£613.60
Ipswich	£610.90
Mid Suffolk	£619.80
West Suffolk	£587.20
Suffolk	£595.00
East of England	£632.40
England	£645.60

Current median gross weekly pay by area

Median gross weekly pay

- £525.00
- £548.00
- £571.00
- £594.00
- £617.00
- £640.00

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Data Source: [ONS Annual Survey of Hours and Earnings](#). Data availability: Public. Latest Data: 31/01/2022

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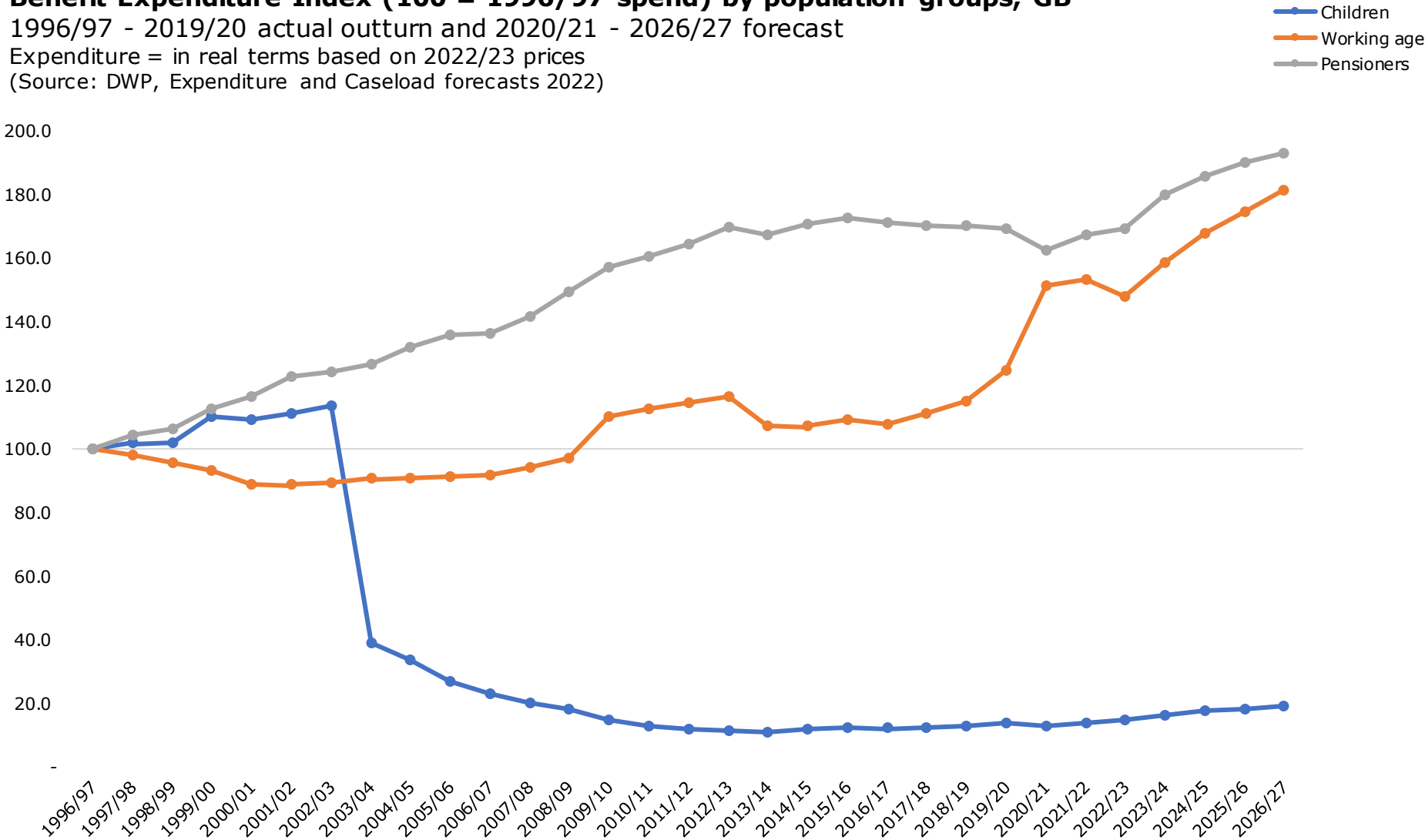
Since the Welfare Reform Act 1996, GB spending on pensioner benefits has risen continuously, and will continue to do so as the older proportion of the population increases. In contrast, benefit on expenditure for children has dropped sharply since 1996, with small increases forecast over the next few years....

Benefit Expenditure Index (100 = 1996/97 spend) by population groups, GB

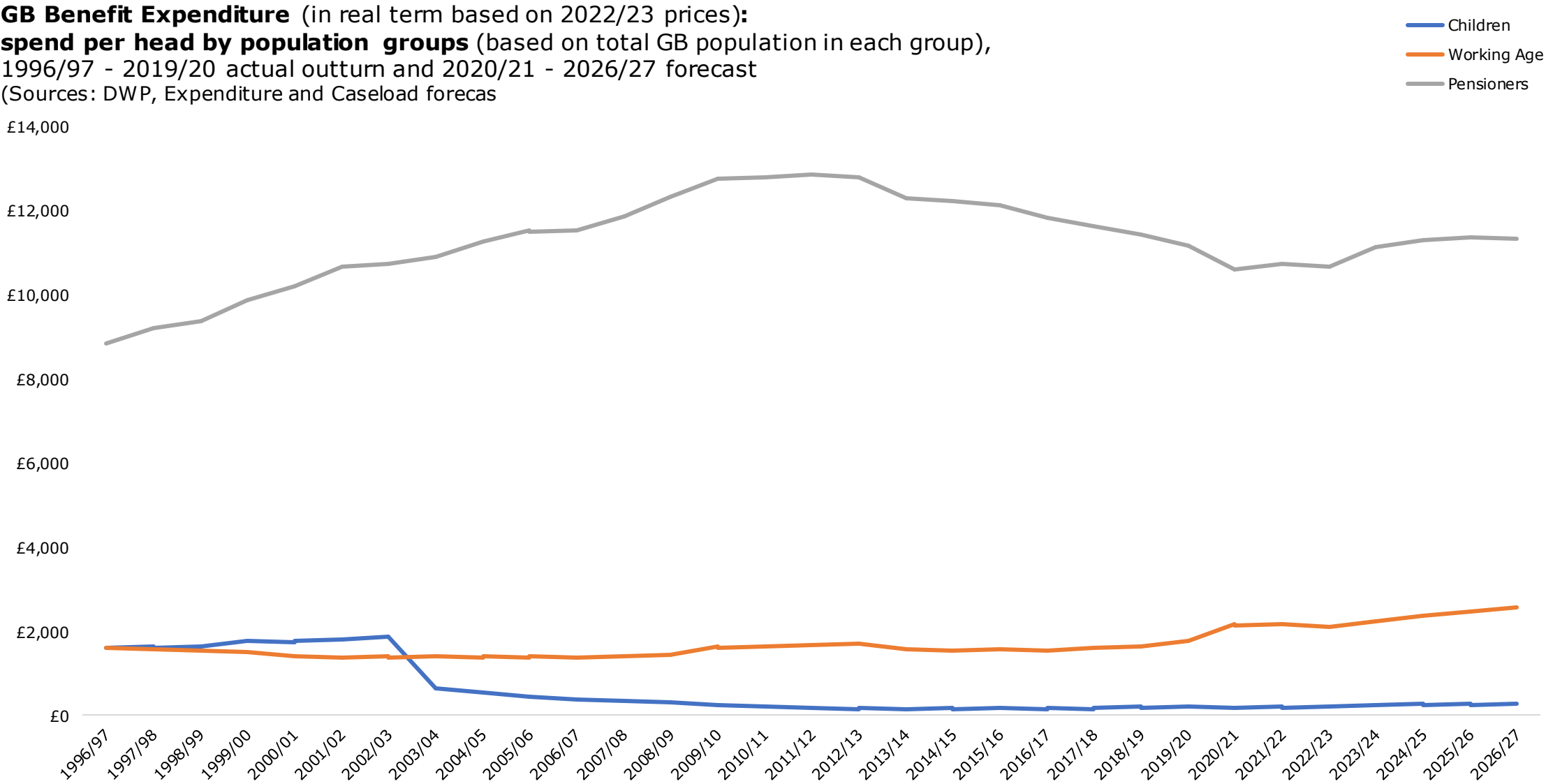
1996/97 - 2019/20 actual outturn and 2020/21 - 2026/27 forecast

Expenditure = in real terms based on 2022/23 prices

(Source: DWP, Expenditure and Caseload forecasts 2022)



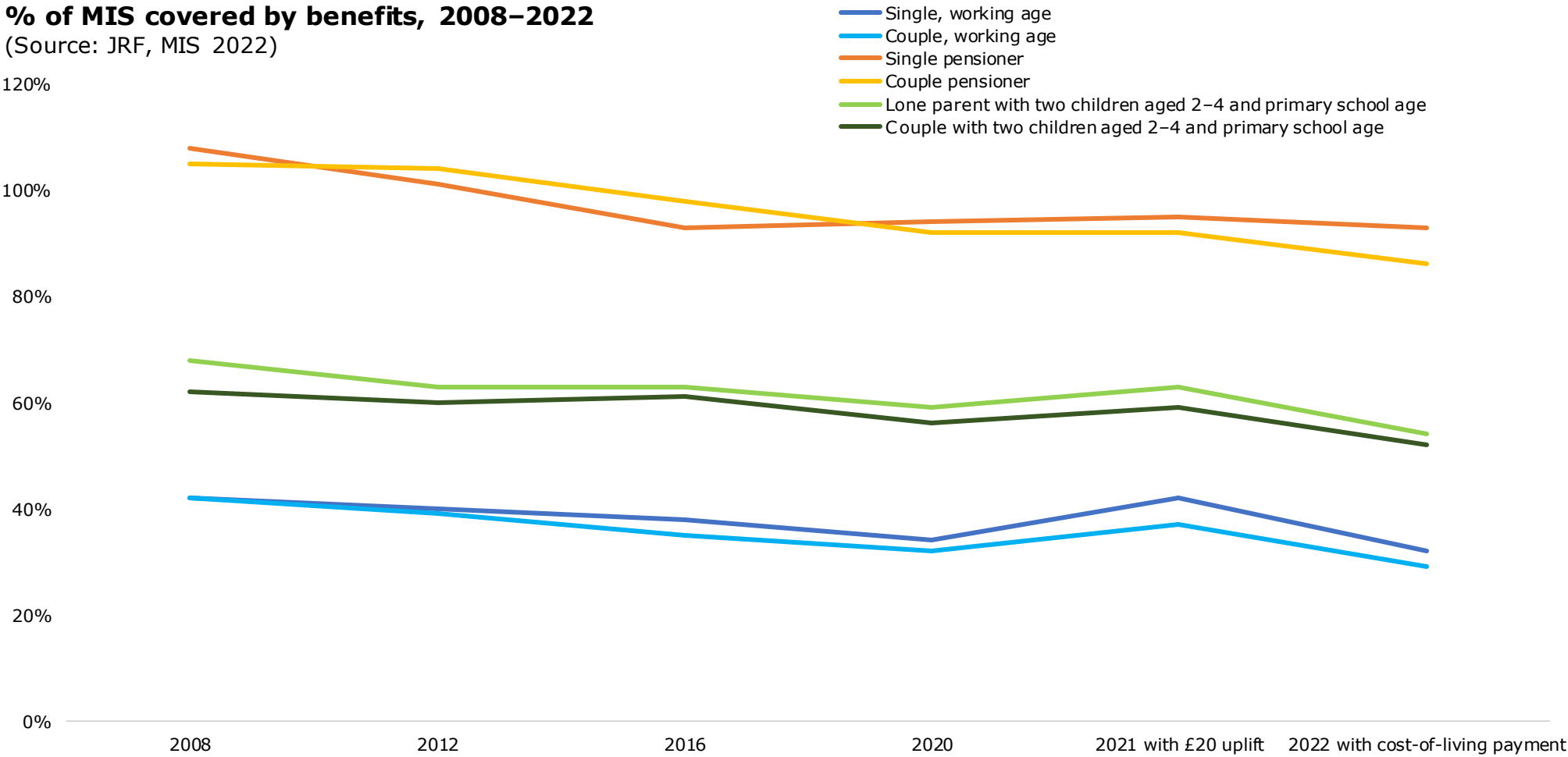
...in terms of benefit spend per head, this has increased by +26% for pensioners and +10% for those of working age between 1996/97 and 2019/20, while spend per head for children declined by -87%.



Over time welfare benefit payments are covering less and less of the minimum required budget. For example, in 2008, 68% of the minimum budget of a lone parent was covered by benefits, in 2022 this has dropped to 54% (even with cost-of-living payments). For couples with children the decline was 10% (62% vs. 52%) over the same time period.

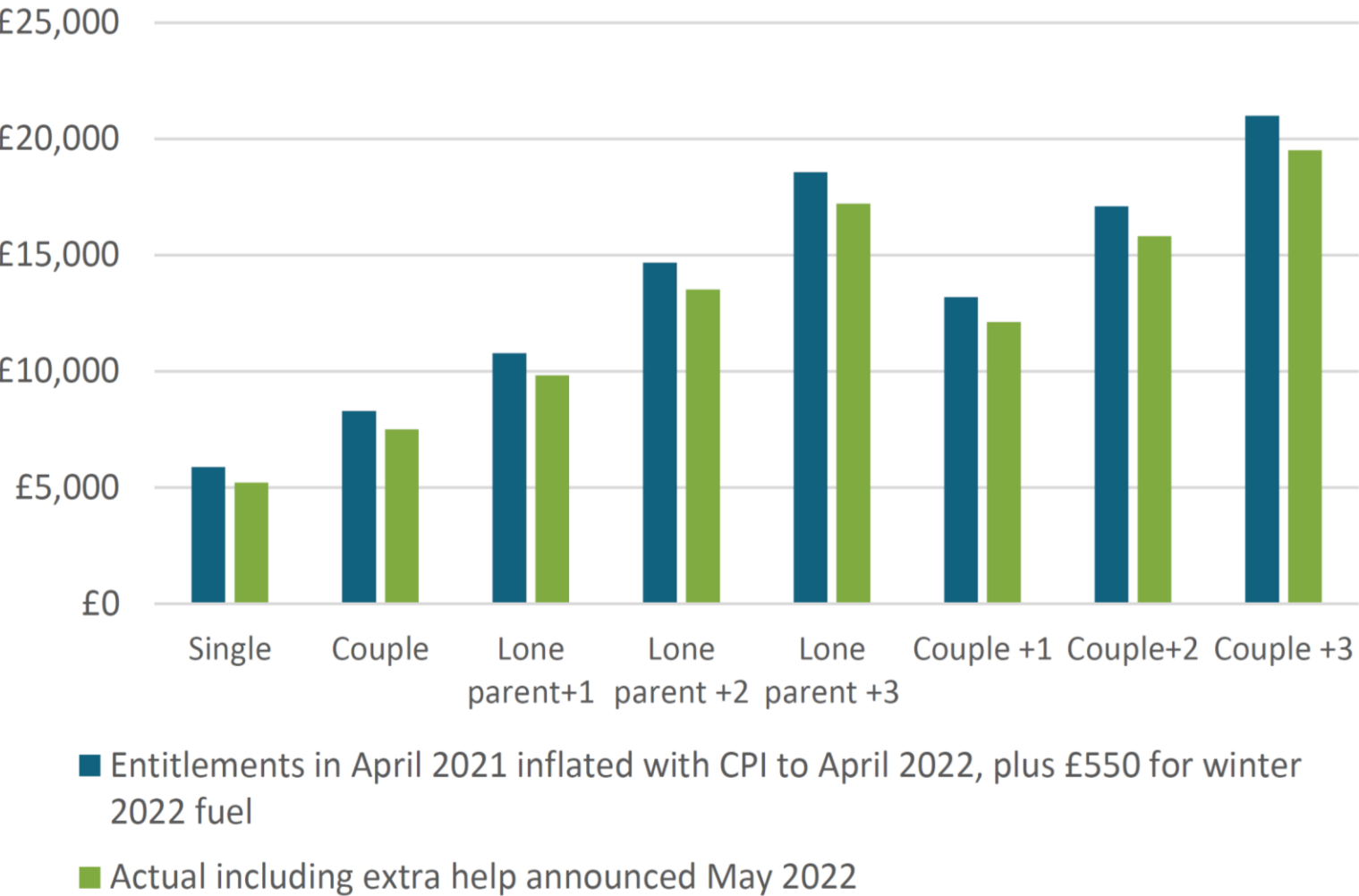
% of MIS covered by benefits, 2008–2022

(Source: JRF, MIS 2022)



For a range of working age households of different compositions, benefit income in 2022/23 is significantly lower than it would have been if benefits had been set 9% higher than they were a year earlier in April 2022, and further assistance had covered additional fuel bills from October.

Annual Income on Universal Credit when unemployed – 2022/23
(Source: Loughborough University, Is cost of living support enough?)



In November 2022, on average 9.1% of Suffolk’s 16-64 population claimed Universal Credit (UC) – with above average claimant numbers in Ipswich.

Note that within the total number of UC claimants, the proportion of those in employment has continuously grown – indicating in-work poverty is rising.

Suffolk Cost of Living Dashboard



Employment & Earnings

Universal Credit Claimants

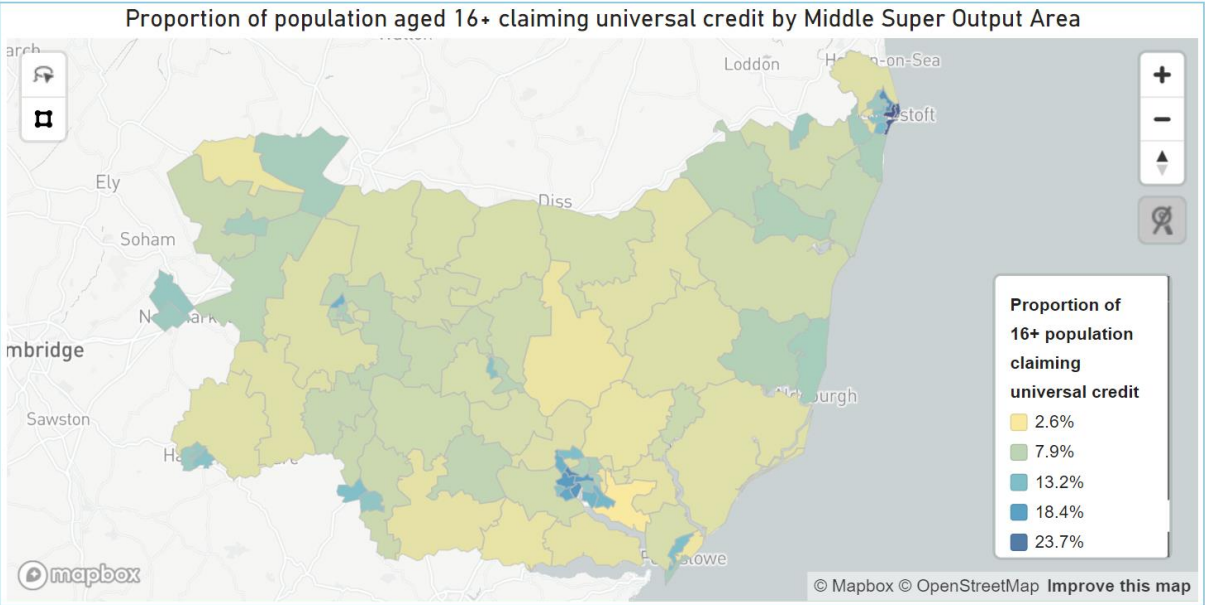
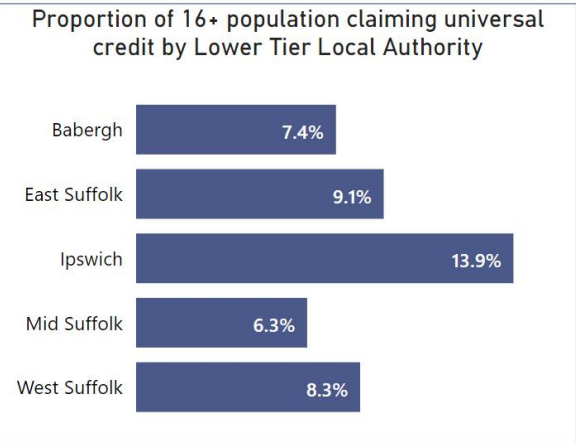
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Page Information:
This page shows the proportion of the 16+ population in Suffolk that are claiming Universal Credit as of the latest data available for November 2022 . People on Universal Credit includes those who have started Universal Credit and have not had a termination recorded for this spell. The rollout of Universal Credit is ongoing with existing benefit claimants being moved to Universal Credit. For this reason, Alternative Claimant Count should also be considered when assessing the number of benefit claimants in Suffolk. The Alternative Claimant Count measures the number of people claiming unemployment benefits by modelling what the count would have been if Universal Credit had been in place since 2013 with the broader span of people this covers.

Proportion of 16+ population in Suffolk claiming universal credit

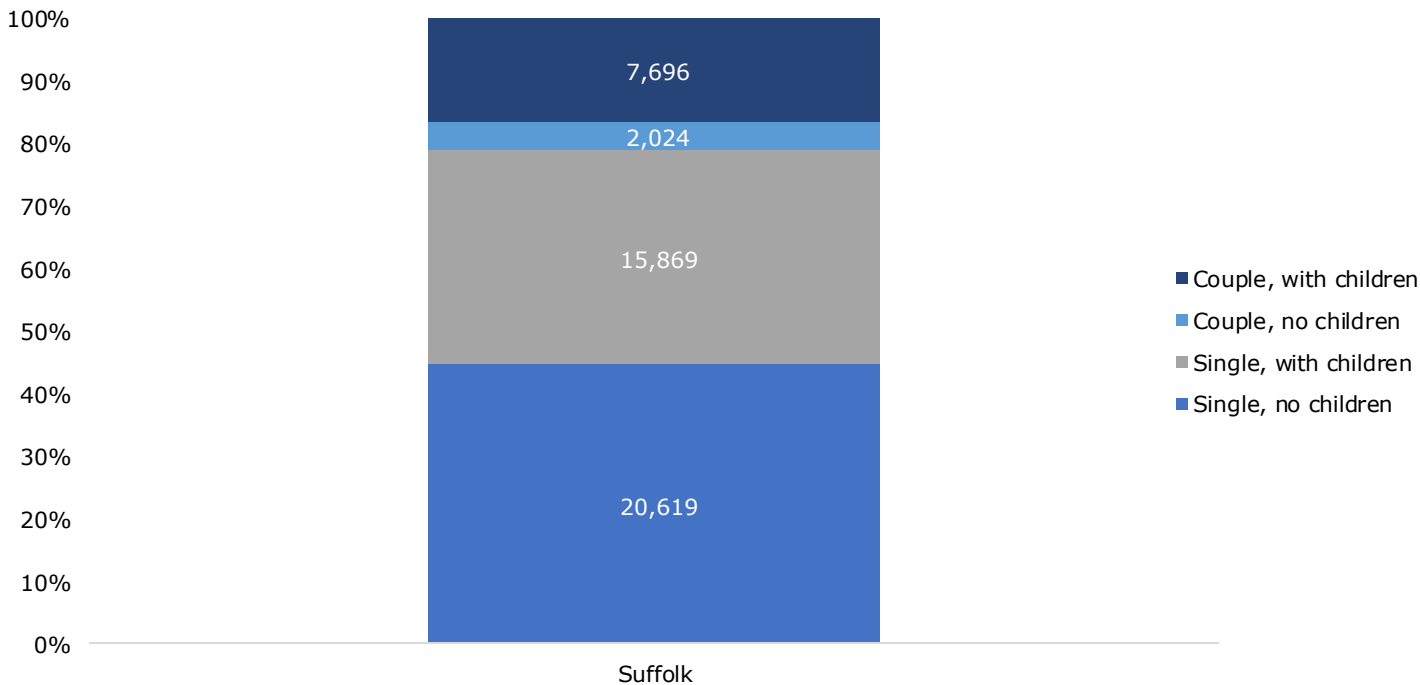
9.1%



In August 2022, almost 23.6k Suffolk HH (or 51%) claiming UC included dependent children.

% breakdown and numbers of households on UC by family type, Suffolk, August 2022

(Source: DWP, Households on Universal Credit)



Based on DWP's Alternative Claimant Count* statistics, there were 9,641 16-64s classed as unemployed by DWP in July 2022.



Cost of Living Dashboard, Alternative Claimant Count



** DWP's Alternative Claimant Count is currently under evaluation by the UK Statistics Authority and therefore published as Experimental Official Statistics. It provides detailed information about the number of people classed as "unemployed", under the new Universal Credit regime while also still including anyone on relevant JSA legacy benefits.*

The latest ONS Family Spending data clearly shows the above average spend by low income families on 'Housing, fuel & power' and 'Food & non-alcoholic drinks'.

Suffolk Cost of Living Dashboard



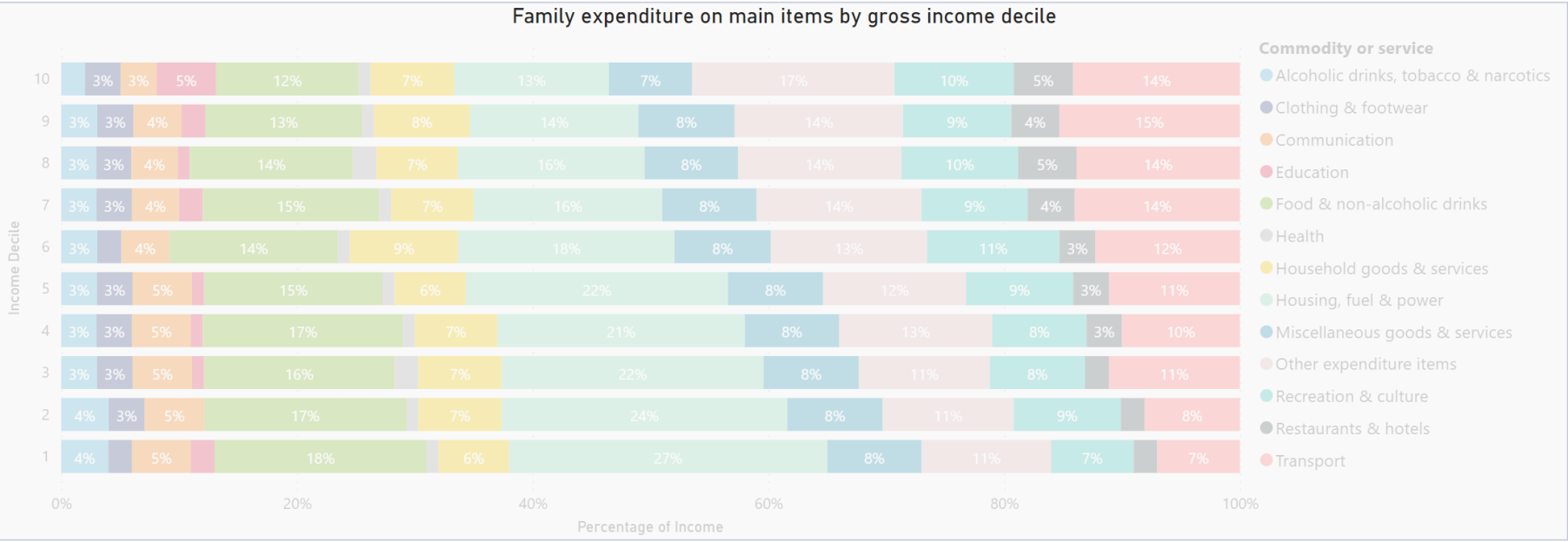
Household Spend

Family Expenditure

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Page Information:
This page shows household expenditure as a percentage of total expenditure by gross income decile group and uses national data. Income decile group 1 is the lowest 10% of households by gross income, and decile group 10 is the highest 10% of households by gross annual income. Those in the 10% lowest income households spend a higher percentage of their income on food, fuel and power costs compared to those in the highest 10%. **Latest data to July 2022.**



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National Data

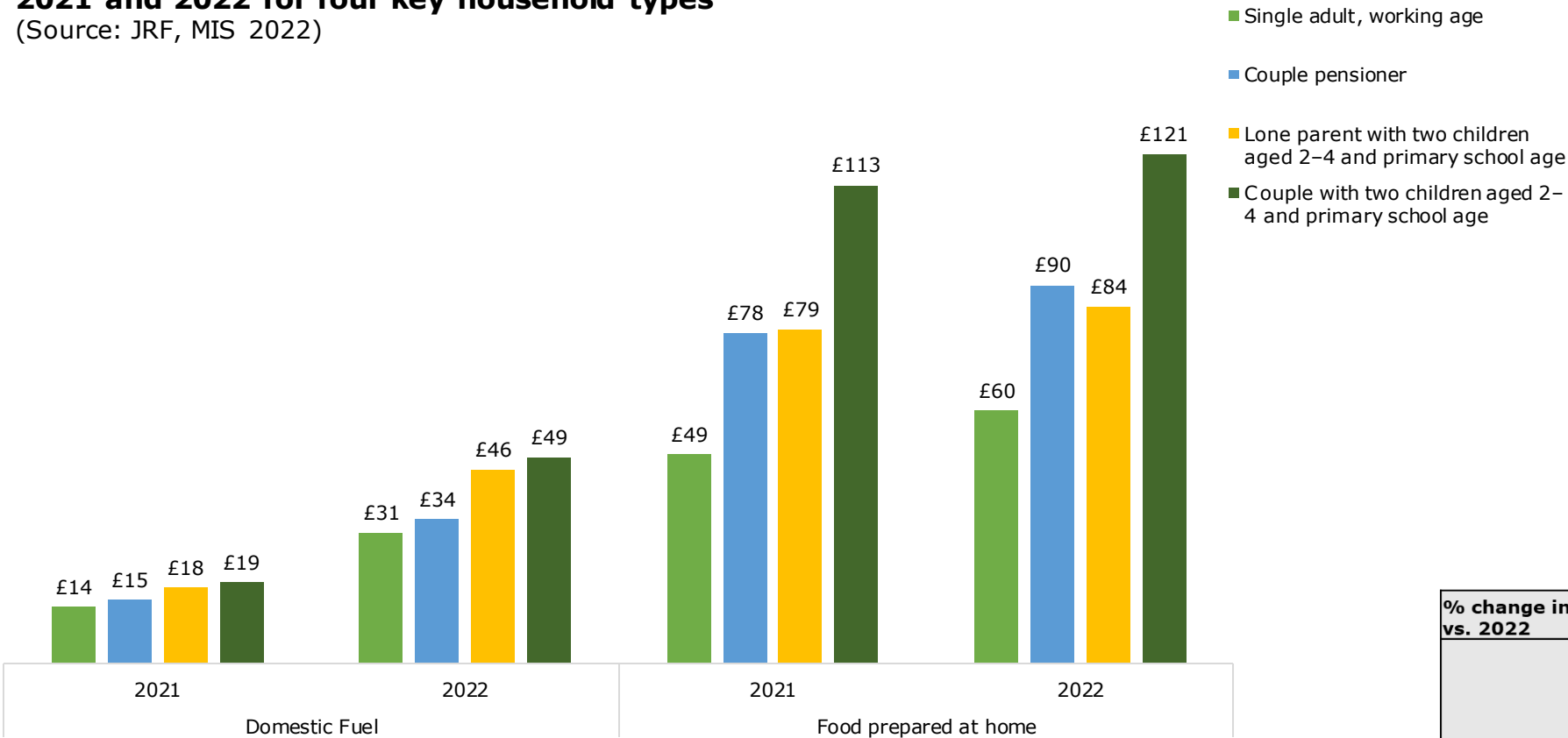
Data Source: [ONS Family Spending](#) Data availability: Public. Latest data: July 2022.

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According to the MIS 2022, fuel costs have increased between 127% and 154% depending on HH types, while food costs have risen between 6% and 21%

Weekly domestic fuel costs and disaggregated MIS food and drink budgets in 2021 and 2022 for four key household types

(Source: JRF, MIS 2022)



% change in weekly domestic fuel and food costs by HH type, 2021 vs. 2022				
	Single adult, working age	Couple pensioner	Lone parent with two children aged 2-4 and primary school age	Couple with two children aged 2-4 and primary school age
Domestic Fuel	129%	127%	155%	154%
Food prepared at home	21%	14%	7%	6%

As of October 2022, the CPI measure of inflation was at 11.1%. Owner Occupier's Housing Costs measures the costs of owning, maintaining and living in a home and council tax change over time.

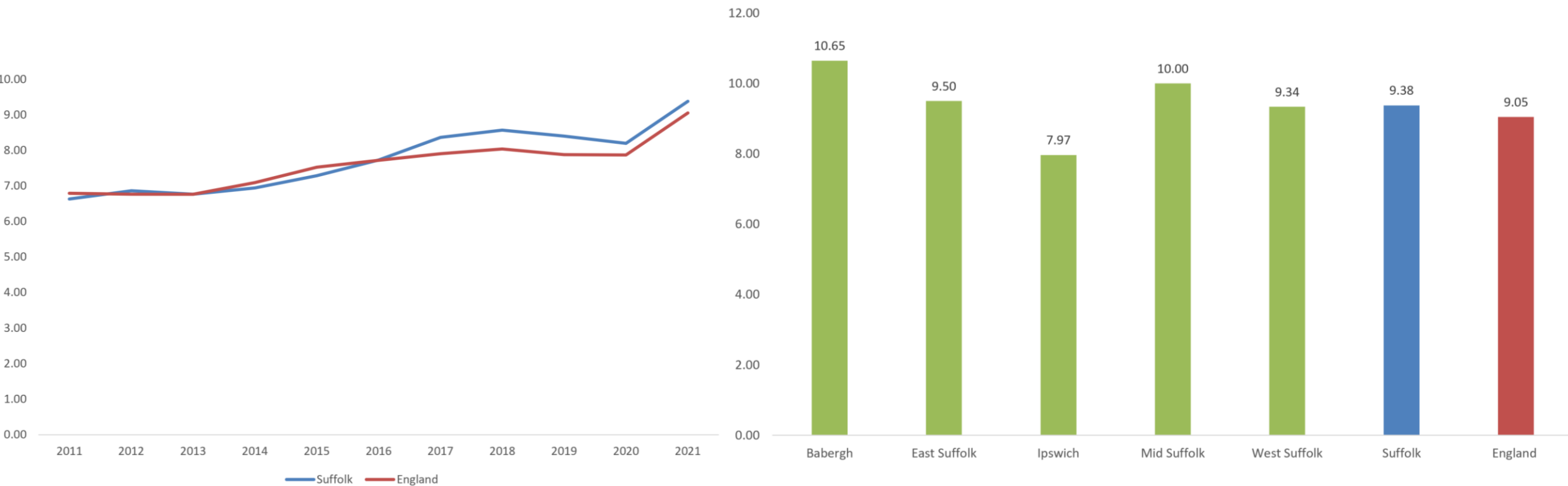


Local Citizens Advice Offices have seen numbers of people seeking help rise continuously over the past three years.

Housing affordability* has become worse across England, but more so in Suffolk than the national average: while 10 years ago housing affordability in Suffolk was in line with England averages, median housing affordability is now worse than in England overall. This is due to a combination of low incomes and relatively high house prices and rents in Suffolk.

In 2021 the median housing affordability ratio was 9.38 across Suffolk - ranging from 7.97 in Ipswich to 10.65 in Babergh - compared to 9.05 nationally.

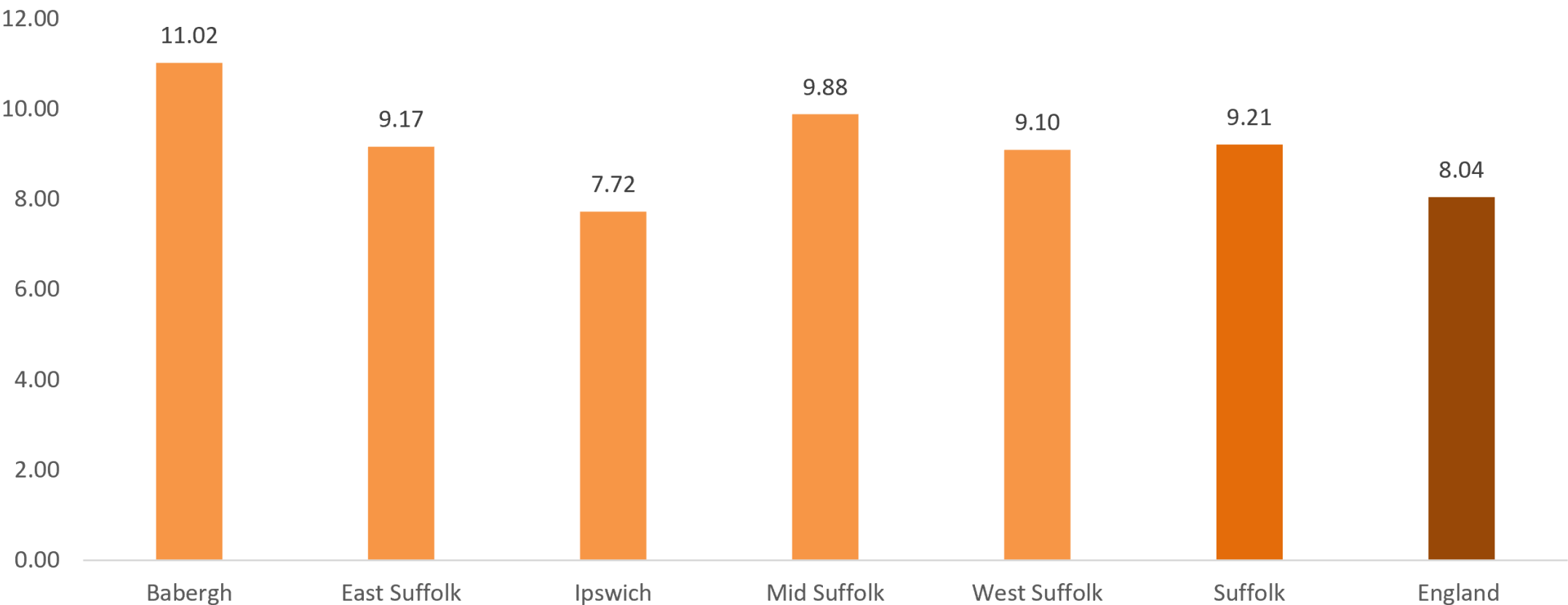
Housing Affordability: Ratio of median house price to median residence-based income, Suffolk, 2011 - 2021
(Source: ONS, House price to residence-based earnings ratio, 2021)



* Higher ratio = less affordable

The difference in the ratio* of house prices to earnings between Suffolk and England, is much greater for the lowest 25% of earners (9.21 - 8.04) compared with those in the median income bracket (9.38 – 9.05). This means that housing is much less affordable for Suffolk’s lowest earning residents than their equivalents across England.

Housing Affordability: Ratio of lower quartile house price to lower quartile residence-based income, 2021
(Source: ONS, House price to residence-based earnings ratio)



* Higher ratio = less affordable

In Q2 2022, 325 HH were assessed as homeless and owed a duty in Suffolk. With the highest rates (per 1,000 HH) being recorded in West Suffolk and Ipswich.

Suffolk Cost of Living Dashboard



Housing

Homelessness

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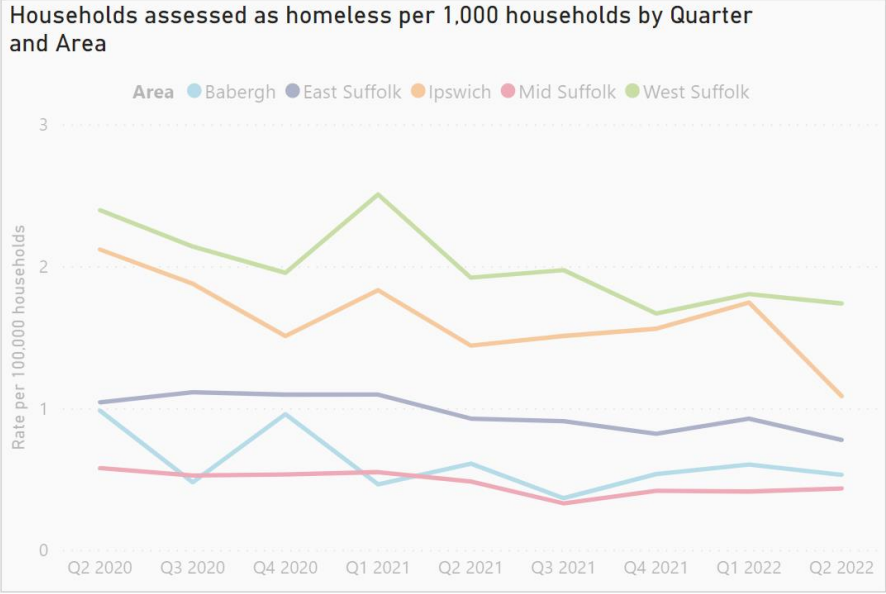
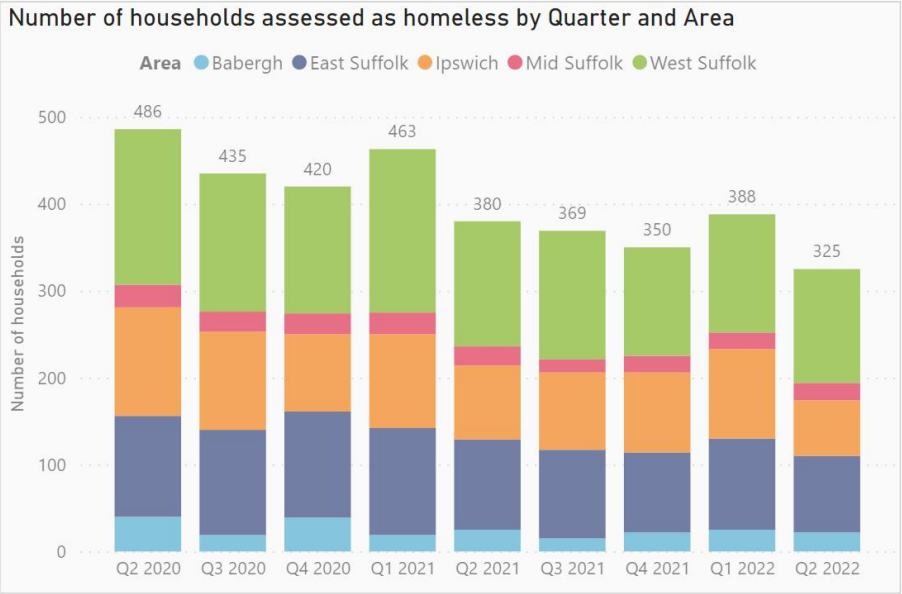
Comment

Data on this page is collected by the Department for Levelling Up, Housing and Communities based on returns by local authorities. Local housing authorities report their homelessness activities under Part 7 of the Housing Act 1996 to DLUHC by completing the quarterly Homelessness Case Level Information Collection (H-CLIC) statistical return.

Households assessed as homeless

Households assessed as threatened with homelessness

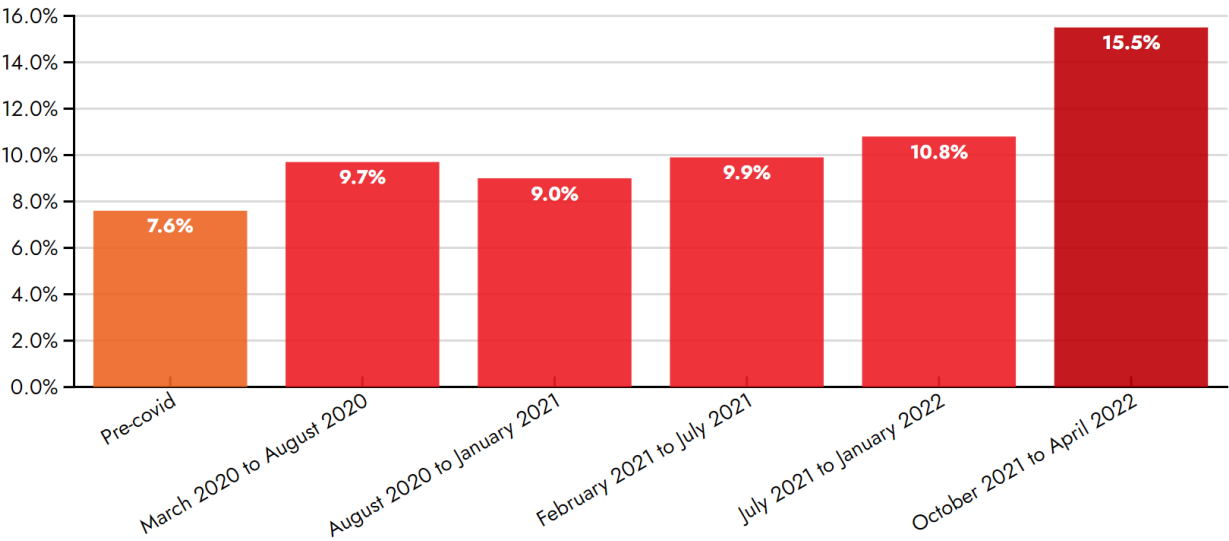
Area
All



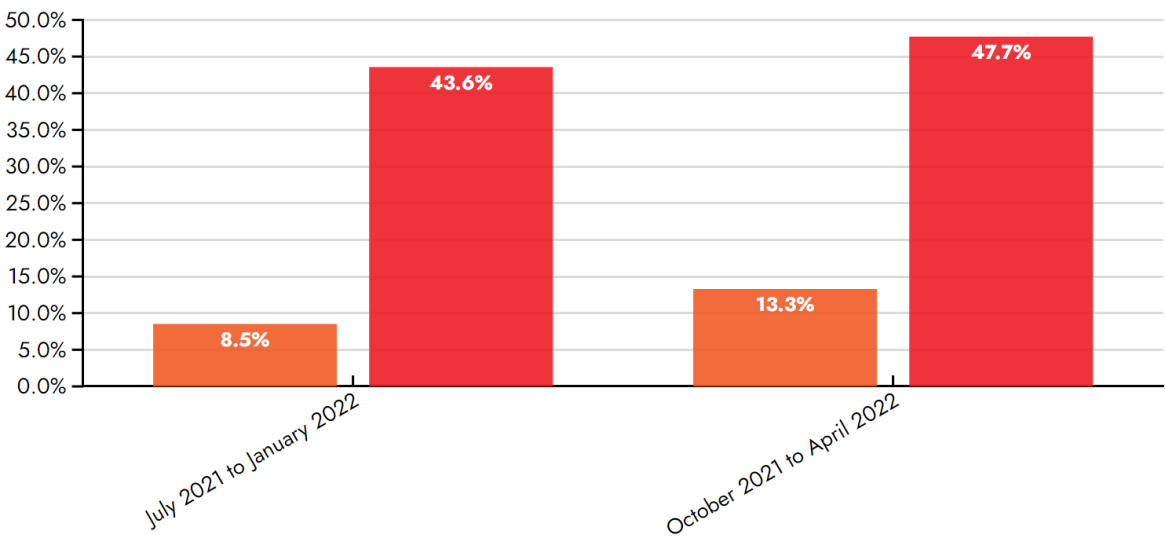
Food insecurity is the state of being without reliable access to a sufficient quantity of affordable, nutritious food. Based on research by the Food Foundation, the proportion of people facing food insecurity across the UK has increased since the beginning of the pandemic.

Households on Universal Credit were over 3 times as likely to have been experiencing food insecurity in the 6 months up to April 2022, compared to those not in receipt of Universal Credit.

% of households experiencing food insecurity*, UK, 2019-22
(Source: The Food Foundation, Food Insecurity Tracking)



% of households on UC experiencing food insecurity, UK, 2021-22
(Source: The Food Foundation, Food Insecurity Tracking)



Not in receipt of Universal Credit In receipt of Universal Credit

* Food insecurity during the pandemic (6-month recall period) compared with pre-Covid (12-month recall period).

Local Foodbank usage has been consistently high since the start of the pandemic, continuing into 2022. For example, in August 2022 over 7.5k food parcels were distributed, helping just over 6k people.



Growing poverty is also reflected in the rising numbers of pupils on free-school meals (FSM), nationally, regionally and locally. In Suffolk 20% of pupils were eligible for FSM in 2021/22 compared to 12% in 2015/16. This is somewhat below the national average of 23% but higher than the regional one at 18%.

Suffolk Cost of Living Dashboard



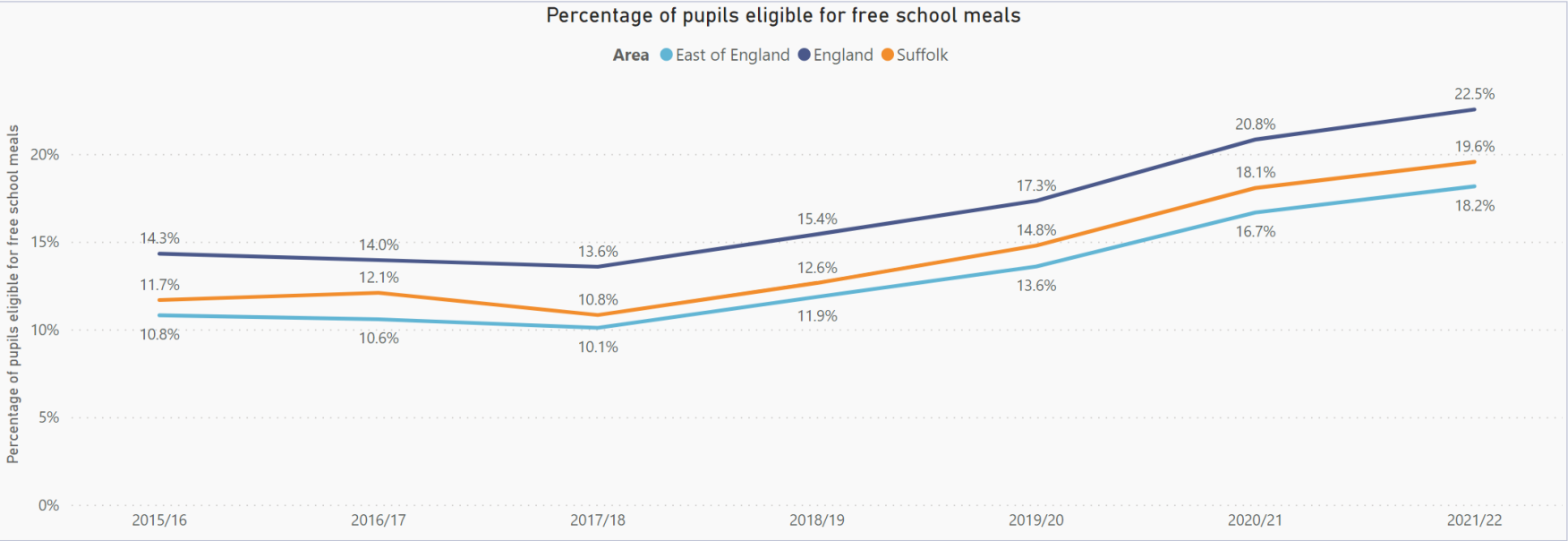
Household Spend

Free School Meal Entitlement

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Page Information:
This page shows the percentage of children known to be eligible for free school meals, taken from the **annual school census**. Totals include state-funded nursery, primary, secondary and special schools, non-maintained special schools and pupil referral units. Does not include independent schools. On census day in 2021, schools were only open for vulnerable children and the children of key workers, however schools were asked to record day specific free school meals data as if in normal circumstances.



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Data Source: [Explore Education Statistics](#) Data availability: Public. Latest data: March 2021

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In 2020, Suffolk had more HH which were fuel poor than the regional and national averages (14.5% compared to 13.2%). However, the county average masks the disparity locally, with some neighbourhoods having much higher proportions of fuel-poor HH (e.g. up to 33% in parts of Ipswich).

Suffolk Cost of Living Dashboard

