

Being poor makes people more likely to have an illness or to die earlier than people who are affluent. Deprivation is therefore a major risk to health. The mechanisms by which poverty threatens health – as well as the relationship between poverty and other risks to health – are the subjects of much study and debate in this country and elsewhere. The World Health Organisation considers that poverty is the greatest threat to health.

*The prerequisites are for peace, shelter, education, social security, social relations, food, income, the empowerment of women, a stable ecosystem, sustainable resource use, social justice, respect for human rights and equity. Above all, **poverty is the greatest threat to health.***

World Health Organisation
1997

There has been much effort in recent years by government to establish the now statutory minimum wage. Recent research estimates that a single person in the UK needs to earn at least £14,400 a year before tax (in 2010), to afford a basic but acceptable standard of living. A couple with two children needs £29,200.



Concepts of 'low income'

The most commonly used threshold of low income is a household income that is 60% or less of the average (median) British household income. In 2007/8, the 60% threshold was worth:

- £115 per week for single adult with no dependent children;
- £199 per week for a couple with no dependent children;
- £195 per week for a single adult with two dependent children under 14; and
- £279 per week for a couple with two dependent children under 14.

These sums of money are measured after income tax, council tax and housing costs have been deducted, where housing costs include rents, mortgage interest (but not the repayment of principal), buildings insurance and water charges. They therefore represent what the household has available to spend on everything else it needs, from food and heating to travel and entertainment. In 2007/08, 13½ million people in the UK were living in households below this low-income threshold. This is around a fifth (22%) of the population.

Over the last decade, the poorest tenth of the population have, on average, seen a fall in their real incomes after deducting housing costs. This is in sharp contrast with the rest of the income distribution which, on average, has seen substantial rises in their real incomes.

The UK has a higher proportion of its population in relative low income than most other European Union (EU) countries: of the 27 EU countries, only 4 have a higher proportion than the UK. The proportion of people living in relative low income in the UK is twice that of the Netherlands and one-and-a-half times that of France.

The remainder of this section includes an overview of:

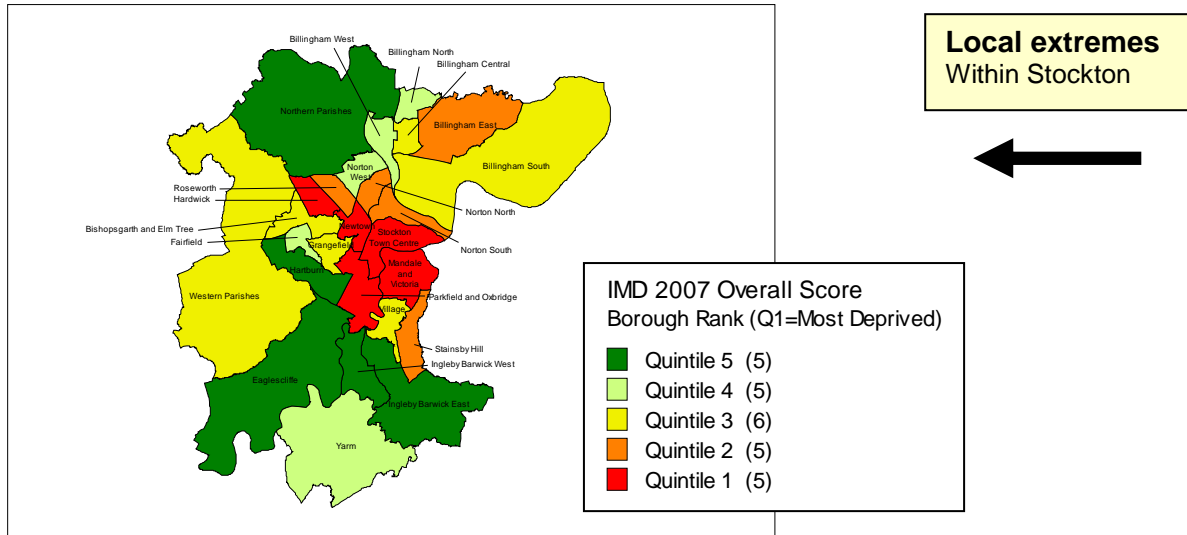
- overall deprivation levels (using the Index of Multiple Deprivation),
- poverty and its effects on children,
- poverty and its effects on working age adults, and
- poverty and its effects on older people.

Poverty and health

Index of Multiple Deprivation

The Index of Multiple Deprivation (IMD) 2007 measures deprivation based on income, employment, health, education, barriers to services, living environment and crime.

IMD 2007 – Borough Rank



The most deprived wards are:

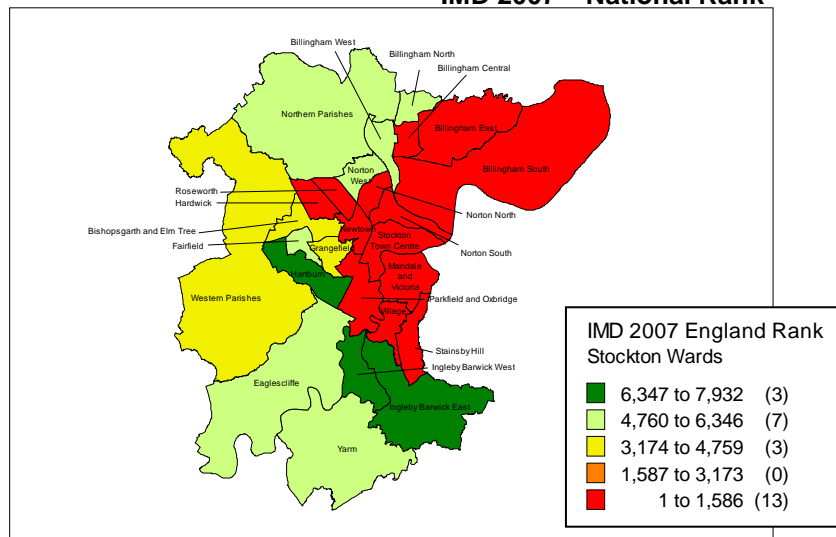
- Stockton Town Centre,
- Newtown and
- Mandale and Victoria.

The least deprived wards are:

- Ingleby Barwick East,
- Ingleby Barwick West and
- Hartburn.

IMD 2007 – National Rank

National Position
Comparing deprivation in Stockton with England



In the national context, Stockton is the 98th most deprived local authority of 354 in England. Thirteen of Stockton's wards (50%) are in the most deprived quintile of wards in England. Three wards are in the least deprived quintile.

Poverty and health

Domains of Deprivation in Stockton Wards

| Ward Code | Ward Name | Borough rank | Tees rank | IMD 2007 National Rank | IMD 2007 | Income Domain | Employment Domain | Health Domain | Education & Skills Domain | Barriers to Housing & Services | Crime Domain | Living Environment | Total in Red Zone |
|--------------------------------------|---------------------------|--------------|-----------|------------------------|----------|---------------|-------------------|---------------|---------------------------|--------------------------------|--------------|--------------------|-------------------|
| 00EFG | Stockton Town Centre | 1 | 4 | 25 | Red | Red | Red | Red | Red | Green | Red | Yellow | 6 |
| 00EFNY | Newtown | 2 | 18 | 199 | Red | Red | Red | Red | Red | Green | Red | Yellow | 6 |
| 00EFNX | Mandale and Victoria | 3 | 24 | 497 | Red | Red | Red | Red | Red | Green | Red | Yellow | 5 |
| 00EFNS | Hardwick | 4 | 25 | 536 | Red | Red | Red | Red | Red | Green | Red | Yellow | 5 |
| 00EFNJ | Billingham East | 6 | 33 | 750 | Red | Red | Red | Red | Red | Green | Red | Yellow | 5 |
| 00EFPD | Parkfield and Oxbridge | 5 | 30 | 664 | Red | Red | Red | Red | Red | Green | Red | Yellow | 4 |
| 00EFPE | Roseworth | 8 | 36 | 882 | Yellow | Red | Red | Red | Red | Green | Red | Yellow | 4 |
| 00EFPF | Stainsby Hill | 7 | 35 | 881 | Yellow | Red | Red | Red | Red | Green | Red | Yellow | 3 |
| 00EFPA | Norton North | 9 | 37 | 911 | Yellow | Red | Red | Red | Red | Green | Red | Yellow | 2 |
| 00EFNH | Billingham Central | 11 | 43 | 1149 | Yellow | Red | Red | Red | Red | Green | Red | Yellow | 2 |
| 00EFPH | Village | 13 | 49 | 1533 | Yellow | Red | Red | Red | Red | Green | Red | Yellow | 1 |
| 00EFPB | Norton South | 10 | 42 | 1137 | Yellow | Red | Red | Red | Red | Green | Red | Yellow | 0 |
| 00EFNL | Billingham South | 12 | 46 | 1451 | Yellow | Red | Red | Red | Red | Green | Red | Yellow | 0 |
| 00EFNN | Bishopsgarth and Elm Tree | 14 | 64 | 3921 | Yellow | Red | Red | Red | Red | Green | Red | Yellow | 0 |
| 00EFNR | Grangefield | 16 | 72 | 4628 | Yellow | Red | Red | Red | Red | Green | Red | Yellow | 0 |
| 00EFPJ | Western Parishes | 15 | 67 | 4099 | Yellow | Red | Red | Red | Red | Green | Red | Yellow | 0 |
| 00EFNK | Billingham North | 17 | 74 | 5211 | Yellow | Red | Red | Red | Red | Green | Red | Yellow | 0 |
| 00EFPK | Norton West | 19 | 77 | 5766 | Yellow | Red | Red | Red | Red | Green | Red | Yellow | 0 |
| 00EFNQ | Fairfield | 18 | 76 | 5610 | Yellow | Red | Red | Red | Red | Green | Red | Yellow | 0 |
| 00EFNM | Billingham West | 20 | 78 | 5848 | Yellow | Red | Red | Red | Red | Green | Red | Yellow | 0 |
| 00EFPK | Yarm | 21 | 80 | 5990 | Yellow | Red | Red | Red | Red | Green | Red | Yellow | 0 |
| 00EFNZ | Northern Parishes | 22 | 81 | 6049 | Yellow | Red | Red | Red | Red | Green | Red | Yellow | 0 |
| 00EFNP | Eaglescliffe | 23 | 84 | 6245 | Yellow | Red | Red | Red | Red | Green | Red | Yellow | 0 |
| 00EFNW | Ingleby Barwick West | 25 | 87 | 7231 | Yellow | Red | Red | Red | Red | Green | Red | Yellow | 0 |
| 00EFNT | Hartburn | 24 | 85 | 6900 | Yellow | Red | Red | Red | Red | Green | Red | Yellow | 0 |
| 00EFNU | Ingleby Barwick East | 26 | 88 | 7445 | Yellow | Red | Red | Red | Red | Green | Red | Yellow | 0 |
| Actual number of wards in red zone | | | | | 6 | 8 | 11 | 7 | 7 | 0 | 4 | 0 | 43 |
| Expected number of wards in red zone | | | | | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 24 |
| "Excess" number of wards in red zone | | | | | 3 | 5 | 8 | 4 | 4 | 0 | 1 | 0 | 25 |

| Key | |
|---|--|
| | Among the 10% most deprived wards in England |
| | Among the 10% - 50% most deprived wards in England |
| | All others |

Stockton has more wards in the most deprived 10% than would be expected. Barriers to services and living environment are of less concern than other domains.

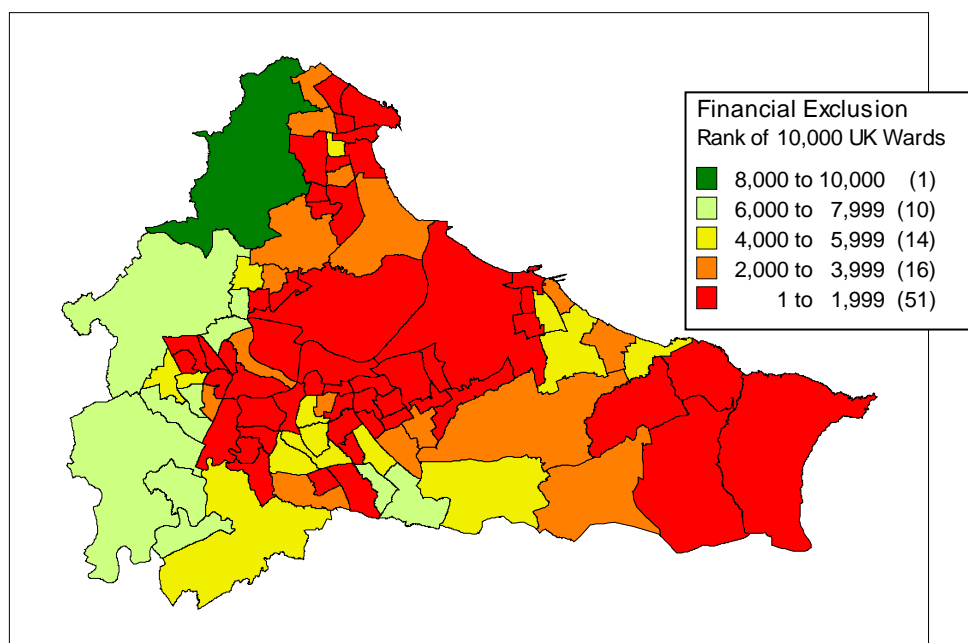
Poverty and health

The impact of financial exclusion

A sense of 'financial exclusion' is obtained by identifying those people, households and communities which display behavioural, attitudinal and demographic characteristics that collectively indicate a requirement for, and exclusion from, mainstream financial services. Such indicators include income, financial products holdings, affluence, outstanding borrowings and proportion of disposable income spent on household fuel. The demographic profile of each of these characteristics have been combined to create an overall score for each census ward.

The score indicates relative levels of financial exclusion between wards. Each ward is ranked across the 10,000 wards in Great Britain and placed into quintiles based upon likely levels of financial exclusion. The map shows electoral wards in Teesside according to their national rank of financial exclusion score. The lower ranked wards, shown in red, indicate relatively higher levels of financial exclusion.

Financial exclusion in Teesside



Sarah's Story – the human cost of credit

Sarah, a single mother of three, has multiple debt problems. She's been struggling with her finances for over ten years and debt and its related stresses have almost become a way of life for her. Almost all her **debts are to non-mainstream lenders and total around £10,000.**

Sarah is a care assistant and relies on her car to get her to work. Sarah contacted a lending company through her local newspaper who claimed **"instant credit – no credit checks"** and who were prepared to lend her money if she used her car as security. Sarah was so desperate for cash to pay bills and buy food that she didn't pay much attention to the interest rate or conditions.

She received the loan in the form of a cash advance of £567. On the first of each of the five months Sarah had to pay £93.38 with a final payment of £510.30 on the first of the sixth month. **The total to be repaid would be £977.20 at an APR of 348.1%** Sarah paid for five months but didn't have the £510.30 for the sixth month.

The loan company insisted that the agreement must be rewritten or the car surrendered, which would mean being unable to work. **This rewriting of the agreement has happened between two and four times a year for the last five years.** Each time the last payment is set at such a high level that Sarah is faced with the choice of giving up the car or re-signing another agreement.

The loan company use the Bill of Sale Act 1882 as the basis of these agreements. They make their money from taking as many steps as possible to ensure that **the loan is rewritten or "churned"** as it is known in the business.

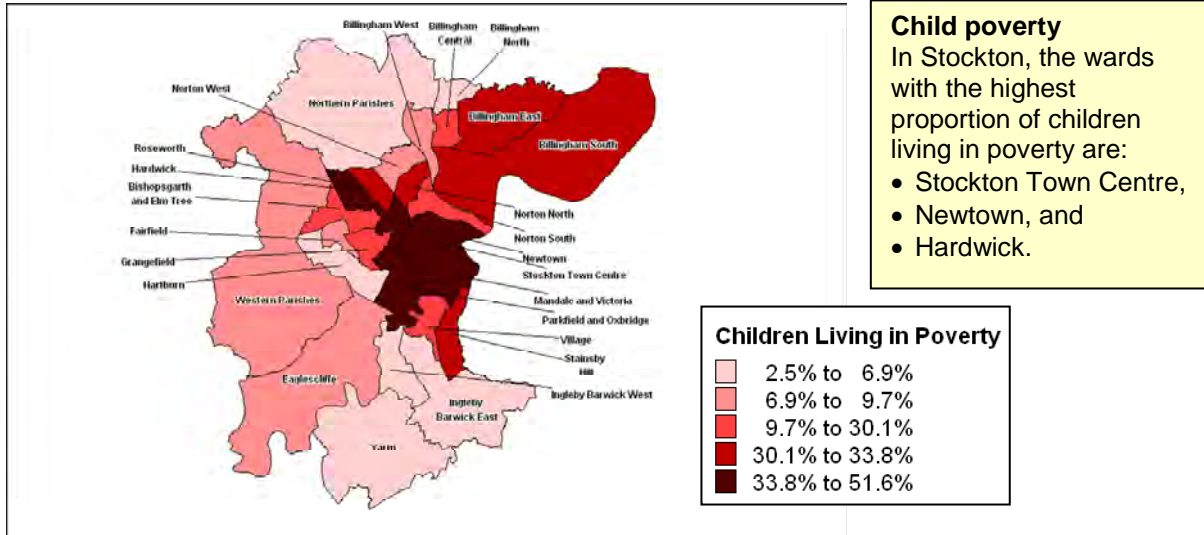
Repeat custom is where the real profit is. It is not illegal. The impact on Sarah has been vast. Her marriage has broken down, **she doesn't have enough money to feed her kids properly** and they haven't had a holiday for over ten years. She also suffers from anxiety and depression that is linked to her debts.

Source: Rotherham 'Quids In'

Child Poverty

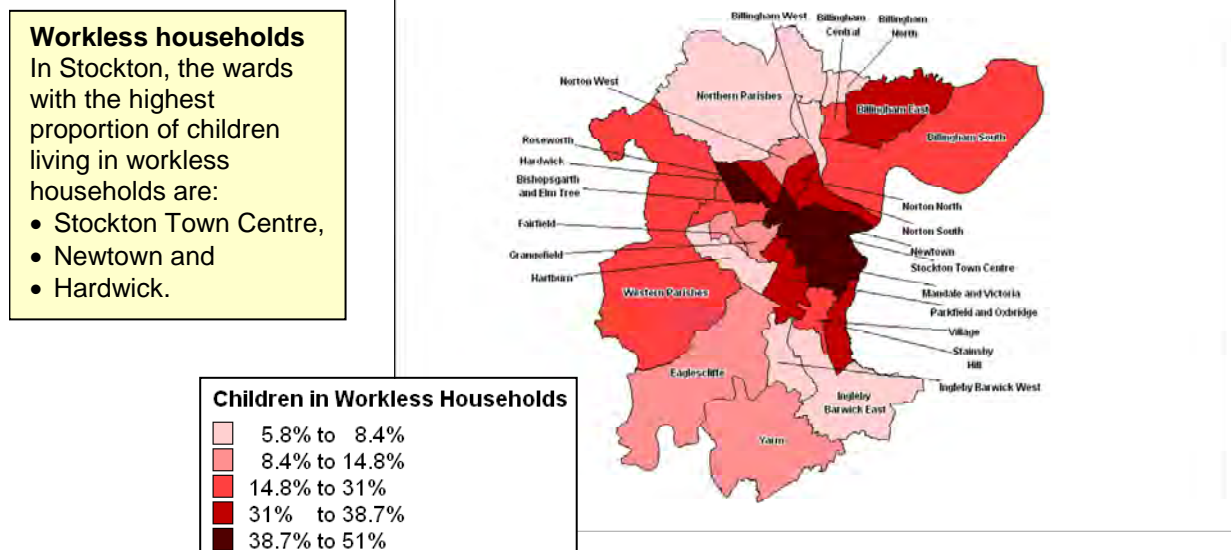
There are around 4 million children living in low income households in the UK. Children are more likely to live in low income households than adults. Half of lone-parents are in the low income bracket, twice the rate for couples with children. The UK has a higher proportion of children living in workless households than many European countries.

Proportion of children living in poverty, 2007



Child poverty is defined as children living in families in receipt of out-of-work benefits or tax credits where reported income is less than 60% median income.

Proportion of children living in workless households

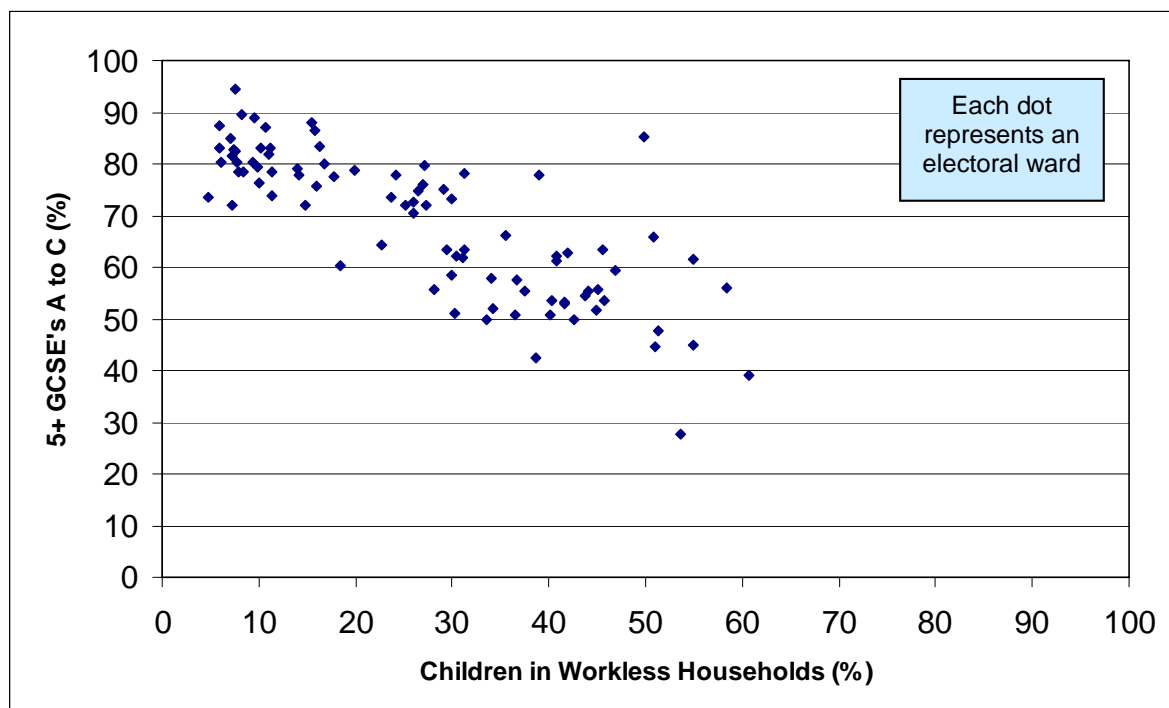


Poverty and health

The impact of poverty on children

In Teesside, the proportion of children living in households where no adults are in paid employment varies from 4.8% in Elwick (Hartlepool) to 60.7% in Grangetown (Redcar & Cleveland). The percentage of children gaining 5 or more good GCSE grades ranges from 94% in Northern Parishes (Stockton) to 28% in Middlehaven (Middlesbrough). For all wards in Teesside there is a clear correlation between children living in workless households and educational attainment. Children growing up in disadvantaged homes achieve much less from the education system than children in more affluent homes. They are likely to have more diminished life chances as a result.

Educational attainment (2009) and workless households (2006), Teesside wards



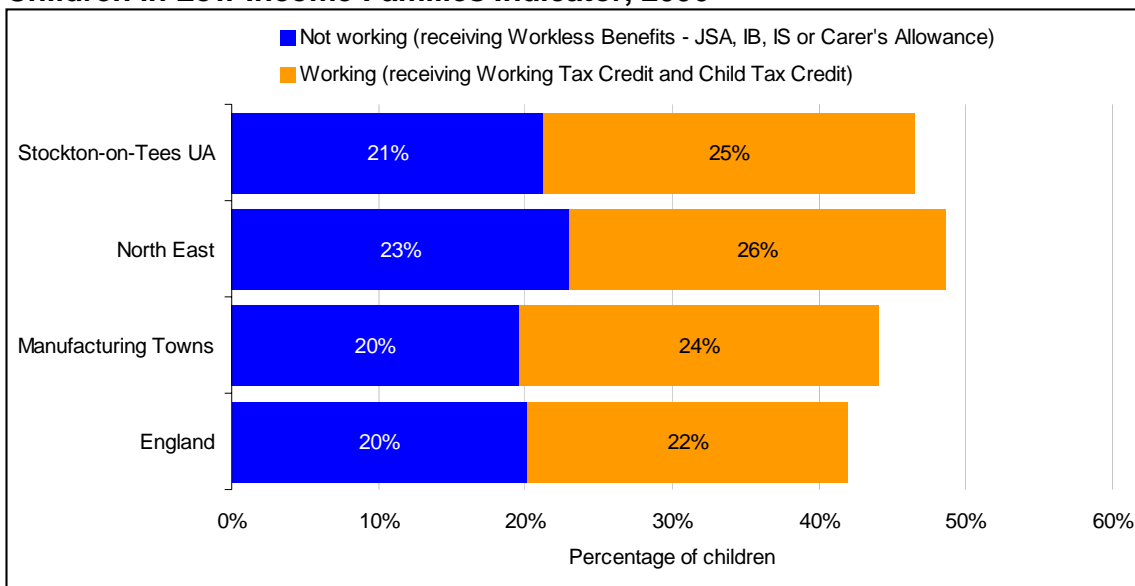
What causes child poverty?

The causes of child poverty are diverse. Parents may find difficulties gaining and sustaining work due to constraints such as low skills, a lack of suitable opportunities, poor health and disability or caring responsibilities. Once in work, they may experience low income due to low skills, low hours or low pay and job insecurities. Frequent transitions in and out of work cause instability in income and may be particularly damaging for children's wellbeing. Causes of poverty exist at a community level too: factors affecting deprived communities, including poor services, high crime rates, and low aspirations increase families' experiences of deprivation, raise their cost of living and make it more difficult for them to take steps out of poverty. Causes of poverty do not start in adulthood; they often begin at birth and transmit through generations. That is why it is important to improve children's life chances today, to prevent poverty tomorrow.

Ending Child Poverty: Everybody's Business, HM Treasury/DWP/DCSF, March 2008

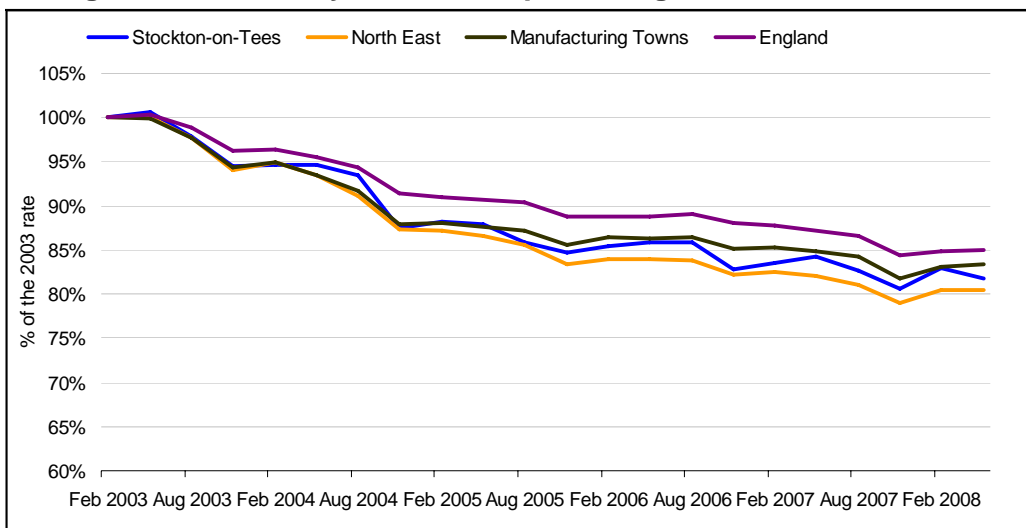
The graph below shows the children in low income families indicator. This counts children in families in receipt of out of work benefits (such as income support or jobseekers allowance) and those in low income work (receiving working tax credit and child tax credit at the same time). It is not the same as child poverty and nationally it counts more children as on low incomes. The indicator is broken down into those who are out of work (in families receiving out of work benefits) and those in low income work (and in receipt of working tax credit); this is expressed as a percentage of children in the area. The stacked bar chart allows comparison between the local authority, region and England. It should not be assumed that smaller percentages in each are good. Progression would be taking up out of work benefits, then moving into employment, and into better paid employment (moving from left to right on the chart). Not all parents get the benefits that they are entitled to – it could be that a high percentage represents a more effective welfare rights service.

Children in Low Income Families Indicator, 2006



Stockton has shown a reduction in the percentage of children in workless families since 2003 (graph below). This has been in line with both regional and ONS cluster reductions and better than national reductions.

Change since February 2003 in the percentage of children in workless families

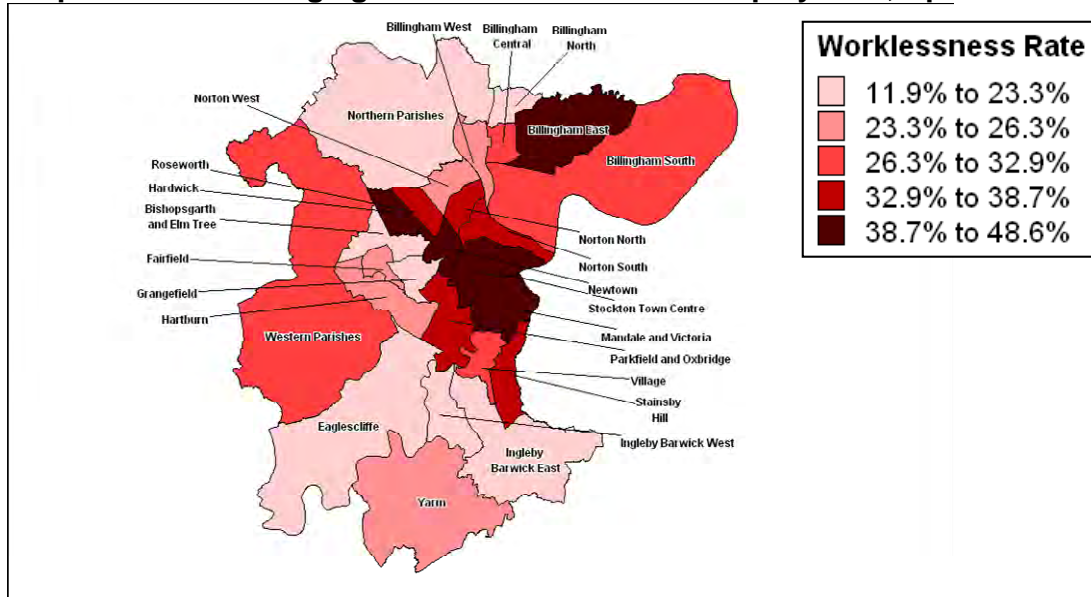


Poverty and health

Poverty Affecting Working Age People

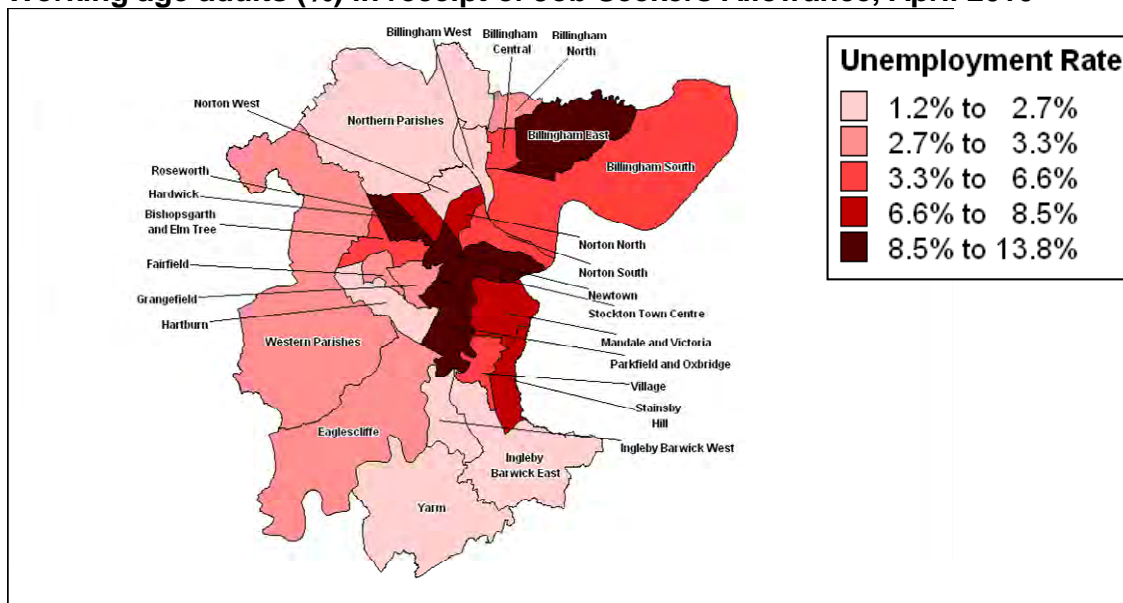
Low income is a major contributor to poverty, and income is greatly influenced by employment status. About 64% of workless couples live in poverty and 56% of workless lone parents. As well as a lack of employment opportunities, other factors such as disability, level of education, language and communication difficulties and caring for others can impose restrictions on an individual's ability to find employment.

Proportion of working age adults who are not in employment, April 2010



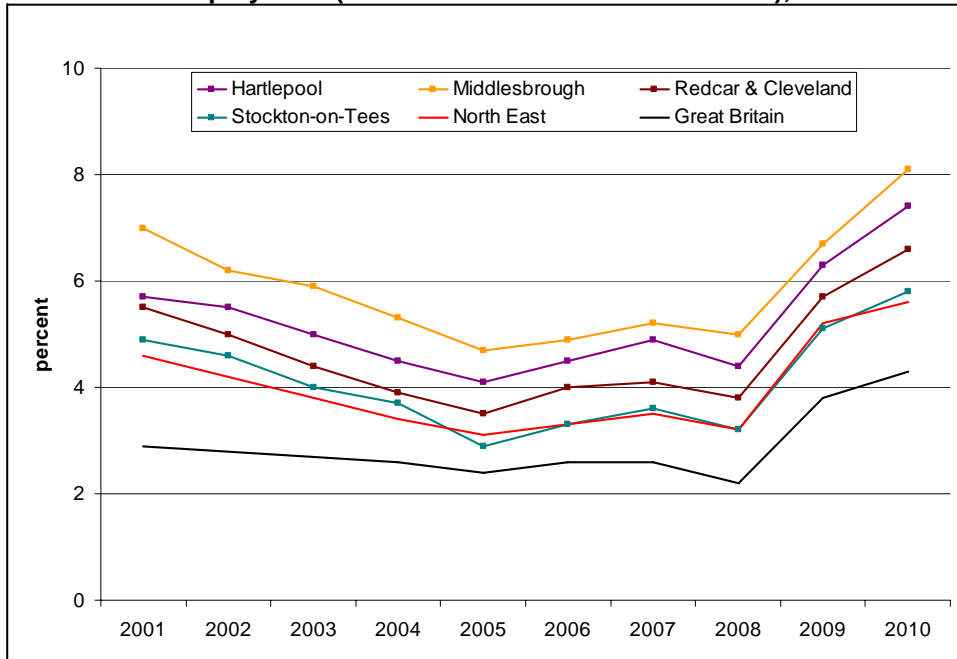
Nearly half of adults of working age (16-64 for men, 16-60 for women) are not in employment in Stockton Town Centre, but only 1 in 9 in Ingleby Barwick West, a four-fold difference.

Working age adults (%) in receipt of Job Seekers Allowance, April 2010



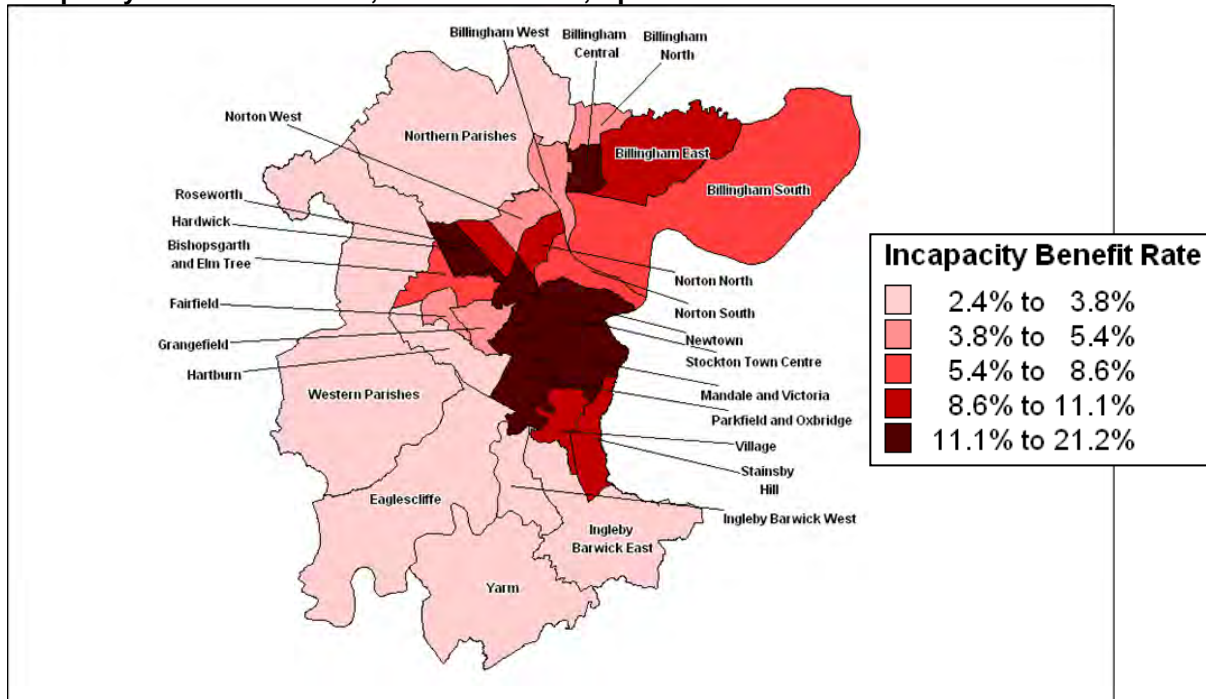
Unemployment rates are highest in Stockton Town Centre (13.7%) and lowest in Northern Parishes (1.2%) – an eleven-fold difference between these areas.

Trends in Unemployment (Job Seekers Allowance Claimants), 2001 to 2010



Unemployment rates in Stockton have been similar to the North East rate for some years, but is consistently above the national rate. Since 2008 unemployment rates have been rising, standing at 5.8% in April 2010, the highest level in a decade.

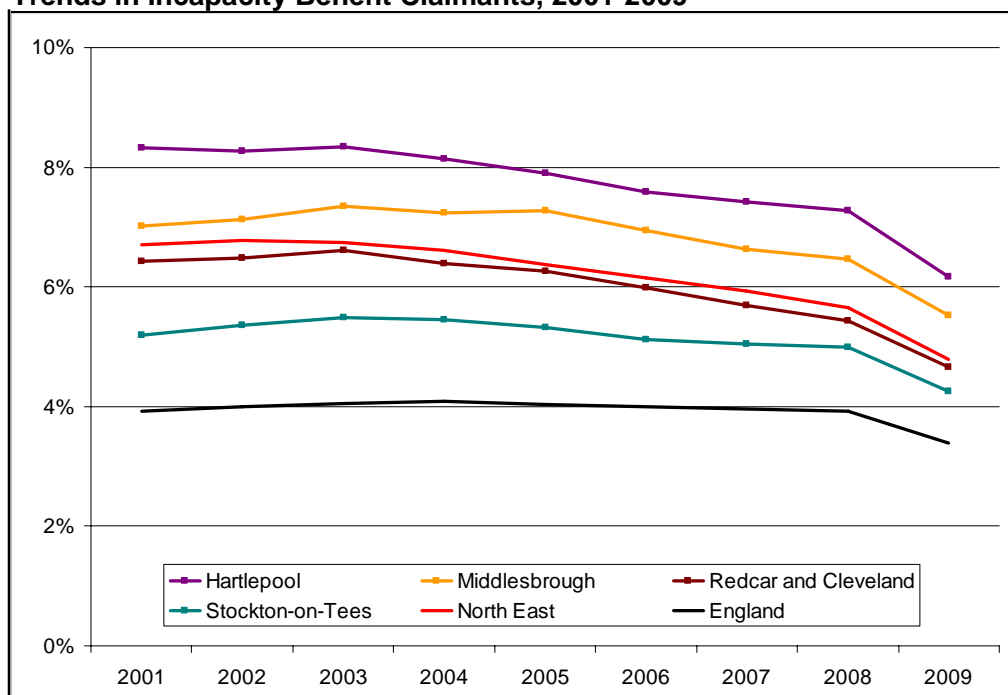
Incapacity Benefit Claimants, Stockton wards, April 2010



People unable to work due to illness or disability are entitled to incapacity benefit. The highest rate is in Stockton Town Centre (21.2%) and the lowest is Ingleby Barwick West, (2.5%), a eight-fold difference.

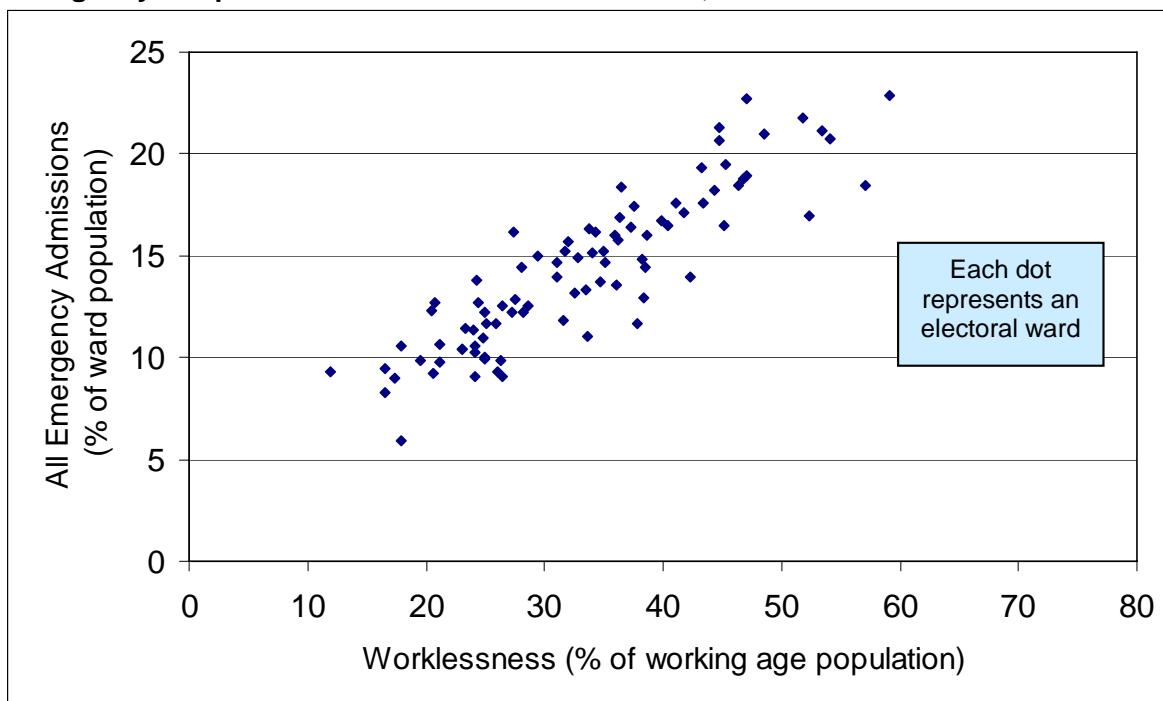
Poverty and health

Trends in Incapacity Benefit Claimants, 2001-2009



Middlesbrough has the second highest level of Incapacity Benefit claimants in the Tees area, and is above both regional and national averages. Rates have been steadily declining since 2005, with a sharper decline apparent in all areas in 2009.

Emergency Hospital Admissions and Worklessness, Tees wards



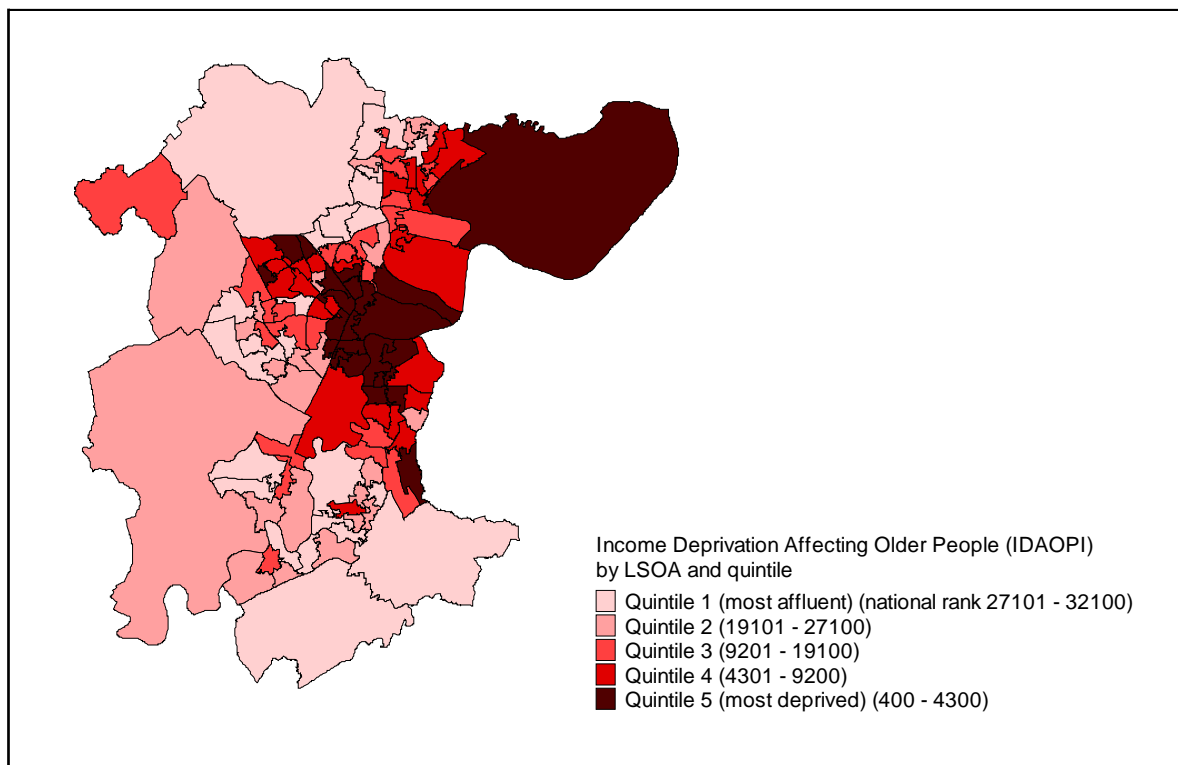
For Tees wards, higher rates of worklessness are associated with higher rates of emergency admissions to hospital.

Poverty Affecting Older People

Nationally, until the last few years, the proportion of pensioners living in low income households had been falling sharply, from 29% of all pensioners in 1997/98 to 17% in 2005/06. There was, however, no further reduction in 2006/07 or 2007/08.

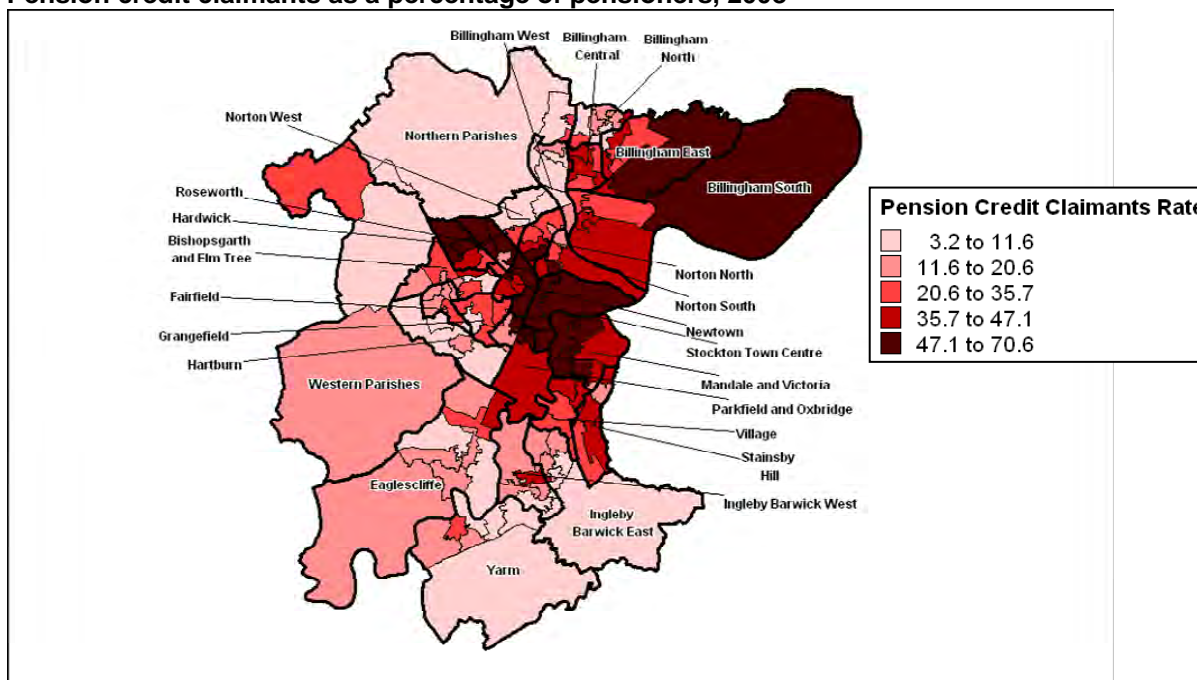
Pensioners now account for just one-sixth of all the people in low income households. And still one-third of all pensioner households entitled to Pension Credit are not claiming it, and around 40% of pensioner households do not claim Council Tax Benefit to which they are entitled.

Income deprivation affecting older people indicator (IDAOP), Stockton, 2007



Poverty and health

Pension credit claimants as a percentage of pensioners, 2008



In Stockton pension credit claimants vary from 3.2% to 70.6%. The Lower Super Output Areas (LSOAs) with highest and lowest pension credit claimant rates are:

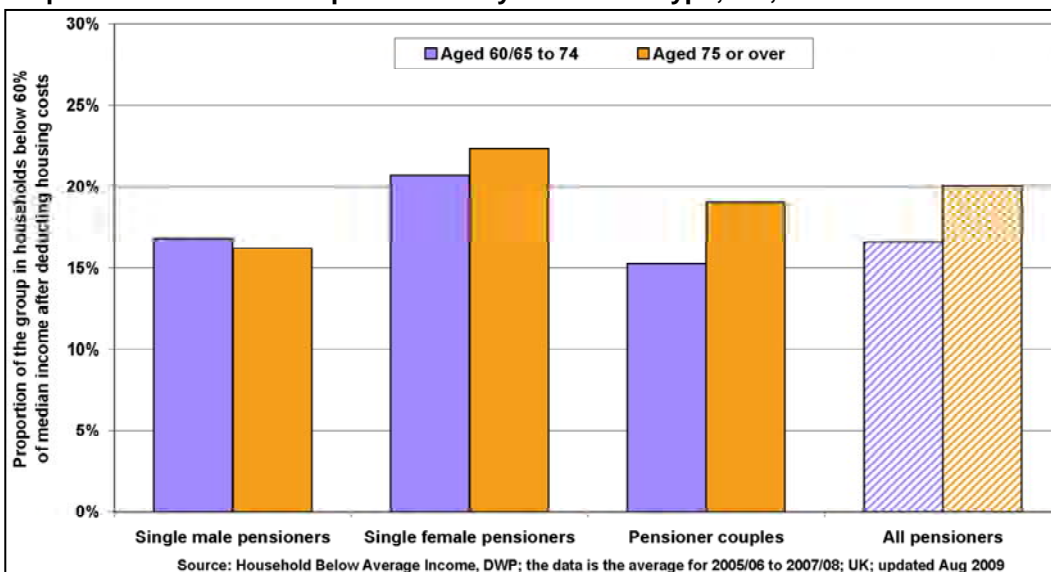
Highest rates

- Stockton 014e (Stockton Town Centre)
- Stockton 014d (Stockton Town Centre)
- Stockton 014f (Stockton Town Centre)
- Stockton 018b (Mandale and Victoria)
- Stockton 014a (Stockton Town Centre)

Lowest rates

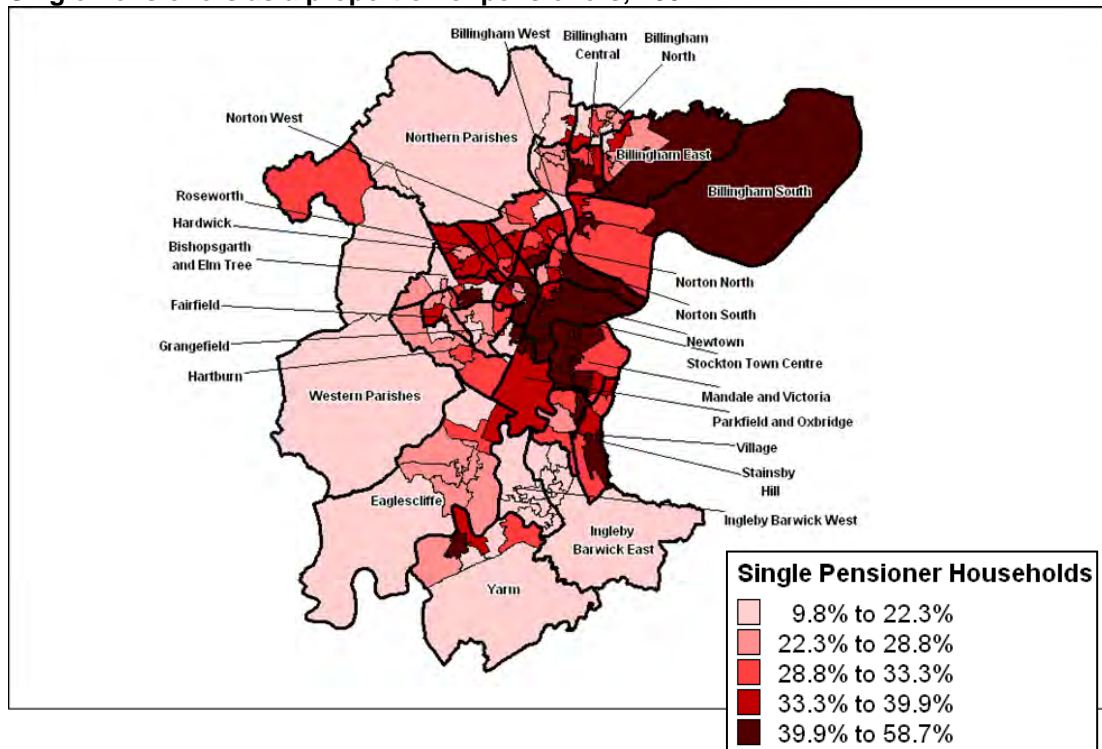
- Stockton 024b (Yarm)
- Stockton 024a (Yarm)
- Stockton 023e (Ingleby Barwick West)
- Stockton 022c (Ingleby Barwick East)
- Stockton 006b (Norton West)

Proportion of low income pensioners by household type, UK, 2005/6 to 2007/8

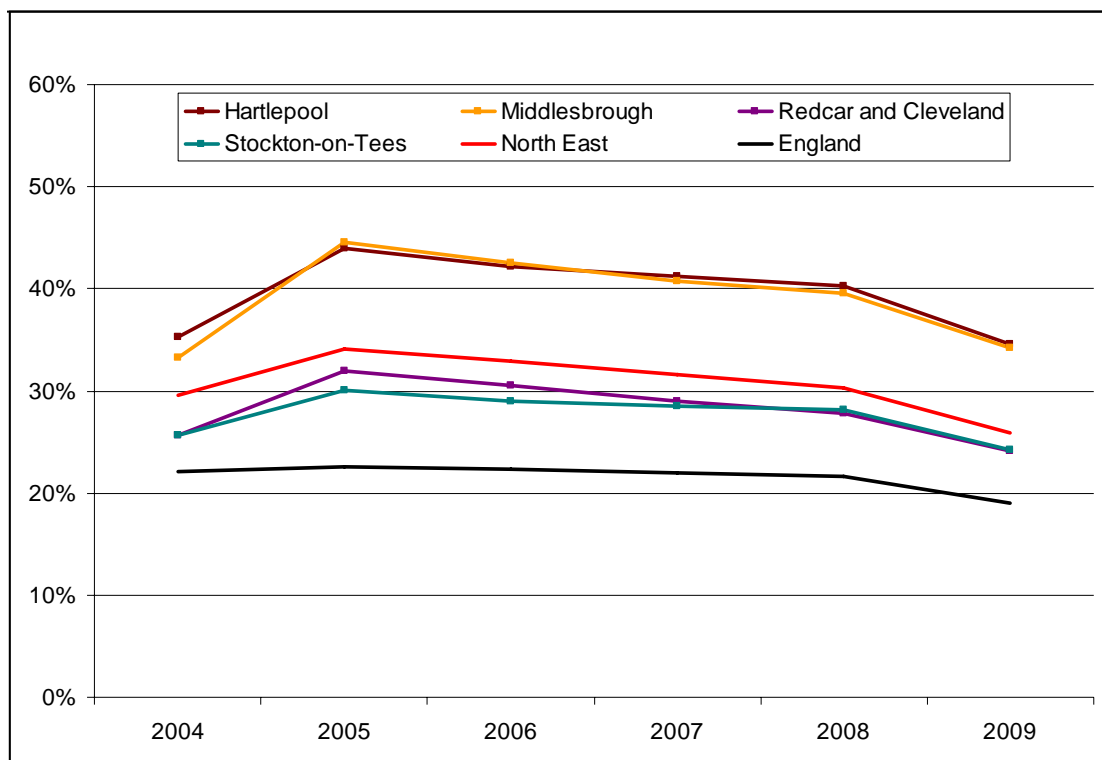


The proportion of pensioners in low income households has fallen from 28% in 1994/95 to 18% in 2007/08. Single female pensioners are most likely to suffer low income and older pensioners are more likely to be in low income households than those aged under 75.

Single Pensioners as a proportion of pensioners, 2001



Pension credit claimants as a proportion of pensioners, 2004-2009



The proportion of pensioners claiming pension credit has been falling since 2005. Hartlepool and Middlesbrough tend to have rates above the north east average, while Redcar & Cleveland and Stockton are below the regional average. All districts are higher than the England rate.

Poverty and health

Conclusions

While Stockton is the least deprived of the Tees PCT / Local Authority areas, it still has some major challenges and inequalities. Thirteen of Stockton's wards are in the most deprived quintile nationally but if deprivation was similar to the national distribution, there would be only five. Financial exclusion, where access to mainstream financial services is restricted, is commonplace in Stockton. Half of Stockton's wards are in the most excluded national quintile.

Children

In 2007 there were 9,000 children living in poverty in Stockton, many of whom will be living in workless households. Living in a workless household is associated with lower educational outcomes which, in time, will tend to perpetuate the poverty cycle due to diminished life chances. From 2003 to 2007 there was a steady decline in the proportion of children living in workless families, but the subsequent recession has seen an increase in unemployment and many of these improvements may have been undone.

Working-age adults

In April 2010, nearly half of the working-age adults in Stockton Town Centre were not in employment, but only 13.7% were in receipt of Job Seekers Allowance, and counted as unemployed. Three other wards: Hardwick; Mandale and Victoria; and Newtown also had above 40% of working-age adults who were not in employment, compared with 12% in Ingleby Barwick West. Being out-of-work is a common contributor to low income and poverty. Furthermore, high rates of worklessness are also associated with increase rates of emergency hospital admissions.

Older people

In the decade from 1997 to 2006 there was a marked decline in the percentage of pensioners living in poverty. However, there were still over 9,000 Pension Credit Claimants in 2008 in Stockton. Nationally, low income pensioners are likely to be single female pensioners and pensioner couples aged over 75 years.