Visit by the UN Special Rapporteur on Extreme Poverty and Human Rights, Philip Alston, to the UK from 5 to 16 November 2018

Written submission

Introduction

1. Grounded in the international right to health and the Sustainable Development Goals, the Institute of Health and Society of Newcastle University undertakes innovative research and teaching to reduce health inequality, address social injustice and improve health locally, regionally and internationally. As part of the Social Determinants and Health Inequalities research team, the project Article 22 aims to identify the law and policy changes needed to secure economic, social and cultural rights in the UK.

2. This submission has been written by Dr Koldo Casla (Institute of Health and Society, IHS), with support from Prof Allyson Pollock (Director of the IHS), Prof Ted Schrecker (IHS), Joel Halligan (IHS), Dr Suzanne Moffatt (IHS), Dr Vera Araujo-Soares (IHS), Prof Clare Bambra (IHS), Chris Allan (Public Health Specialty Registrar, IHS), Prof Tracy Shildrick (School of Geography, Politics and Sociology), Prof Peter Hopkins (School of Geography, Politics and Sociology, and Dean of Social Justice) and Neil Munslow (Service Manager of Active Inclusion, Newcastle City Council).

3. Newcastle City Council has provided evidence and endorses this submission.

4. In preparation of the forthcoming visit to the UK, the Special Rapporteur’s call for written submissions seeks evidence on poverty and particularly child poverty, inequalities, austerity, “welfare” reforms, including Universal Credit, and the effect of austerity on local government funding, among other issues. The Special Rapporteur asks specifically which areas he should visit in light of the poverty and human rights situation. The authors of this submission encourage the Special Rapporteur to visit Newcastle and the North East of England as part of his mission to the UK.

5. As a Party to the International Covenant on Economic, Social and Cultural Rights (ICESCR), the UK must take steps to the maximum of its available resources to achieve progressively the realisation of economic, social and cultural rights, including the right to social security, the right to health and the right to an adequate standard of living (Art. 2(1), 9, 11 and 12). To comply with human rights standards, policy adjustments in times...
of economic crisis must be temporary, necessary and proportionate, must not be discriminatory, must mitigate inequalities and ensure that the rights of the most disadvantaged people are not disproportionately affected.¹

6. However, poverty levels and growing inequality strongly suggest that authorities are not doing everything in their power to guarantee an adequate standard of living for all. The Special Rapporteur and three other UN Special Procedure mandate holders, the Committee on the Rights of the Child, the Committee on Economic, Social and Cultural Rights, the Committee on the Rights of Persons with Disabilities, and the European Committee of Social Rights have expressed serious doubts about the compatibility of "welfare" reforms with the UK's international human rights obligations.²

Regional disparities, poverty and inequality in Newcastle and the North East

7. Income and wealth are unevenly distributed across regions. All the top 10 local areas in terms of gross disposable household income per head in 2016 were in London or the South East; the bottom 10 were more widespread but were confined to the North West, Yorkshire and the Humber, East Midlands, West Midlands and Northern Ireland.³ The median household net property wealth in the South East is 233% larger than that in the North East, and while the median wealth increased in the South East by 14% between 2012 and 2016, it fell by 7% in the North East.⁴

8. "The situation in the UK is unusual for Europe. (...) Only in Russia, where Moscow is so dominant can we find another country where the capital is home to such a large proportion of the population, where no second city is of great significance and where the take of people in that single supreme national city is, on average so high even though most local residents, on average, are not doing so well in the Capital."⁵

9. Inequality is closely connected to poverty, and child poverty in particular: One in four

¹CESCR, Letter by the Chairperson of the CESCR to States parties to the ICESCR, 12 May 2012. See also CESCR, Public debt, austerity measures and the ICESCR: Statement by the CESCR, 24 June 2016, UN doc: E/C.12/2016/1, para. 4.
children in the UK live in the 10% most deprived local authorities.\textsuperscript{6}

10. Welfare reforms have hit hardest where reliance on benefits has been greatest and the most affected places are older industrial areas, many of which are located in the North East of England.\textsuperscript{7} These places have also been among the most affected in terms of cuts to local government, reducing statutory funding to voluntary and community sector bodies.\textsuperscript{8} The high unemployment rate in the North East is set against a severe skills shortage and a population that is on average older and getting older faster than the rest of the UK.\textsuperscript{9}

11. The North East is one of the UK regions with the highest number of deprived areas: The 2015 Index of Multiple deprivation shows that Newcastle is in the most deprived 20\% of English local authority areas (Newcastle is ranked 53 out of 326). Over a fifth of Newcastle’s population (65,100) live in areas that are among the 10\% most deprived in the country.\textsuperscript{10} The percentage of workless households in Newcastle is 19.9\%, compared to the UK average of 14.5\%.\textsuperscript{11}

12. There is a widening gap between the city's highest and lowest earners. Newcastle has seen wage growth at the top end of the scale (top 20\% percentile), but the bottom 10\% and 20\% percentiles have experienced a decline in wages, before the adjustment for inflation. Increasing levels of employment do not necessarily lead to reductions in poverty. Declining living standards are not merely attributable to a lack of employment, but also low pay.\textsuperscript{12} In-work poverty is becoming more prevalent: 43\% of children of one-earner couples live in relative poverty in the UK.\textsuperscript{13}

\textsuperscript{10} Ministry of Housing, Community and Local Government, \textit{English indices of deprivation}, September 2015.
\textsuperscript{11} Nomis labour market statistics, 2017.
13. Levels of child poverty in Newcastle are above the national average: 54,580 dependent children until the age of 20 (29.1%) live in low-income families, compared to 19.9% in England.\(^{14}\)

14. The percentage of 16 and 17-year olds not in education, training or employment (NEET) in Newcastle is 6.6%, higher than the England average of 6%.\(^{15}\)

15. The proportion of fuel poor homes in England is 11.1% (approximately 2.55 million households). Levels of fuel poverty in the North East are higher than average at 13.8%, and higher again in Newcastle at 14.4% (approximately 17,268 households).\(^{16}\)

16. In 2013 the government implemented the “removal of the spare room subsidy” (commonly known as “bedroom tax”) as part of its welfare reform package with the intention of reducing spending on social housing for tenants that live in accommodations deemed too large for their needs. Research in a North East locality where 68.5% of residents lived in social housing showed that “income reduction affected purchasing power for essentials, particularly food and utilities. Participants recounted negative impacts on mental health, family relationships and community networks. The hardship and debt that people experienced adversely affected their social relationships and ability to carry out normal social roles. Residents and service providers highlighted negative impacts on the neighbourhood, as well as added pressure on already strained local services”.\(^{17}\)

17. Recent research with people on low incomes in Newcastle demonstrates that punitive conditionality and continued threat of sanctions negatively affect wellbeing. The inadequacy of benefit levels, with or without the “bedroom tax”, left people feeling excluded from normal social participation, but significantly, this included cutting back on food, surviving primarily on cheap, filling foods such as bread, pasta and noodles, and unable to afford fruit and vegetables, even when required for medical conditions. People reported continued stress, shame and embarrassment.\(^{18}\)

18. Research conducted primarily in Teesside (a formerly industry-heavy conurbation in the North East) found that, despite their influence in British politics, ideas about “generations of families that never worked” and intergenerational “cultures of

\(^{15}\) Department of Education, *NEET data by local authority*, last updated in October 2017.
\(^{18}\) Unpublished PhD project by Joel Halligan at the Institute of Health and Society.
worklessness” do not adequately explain the causes of worklessness in the UK, particularly not when insecure employment does not protect against poverty.19

19. In a three-year ethnographic observation (between 2014 and 2017) in Stockton on Tees and Hartburn “inequalities in healthcare, including access, the importance of judgemental attitudes, and perceived place stigma, (were) offered as explanations for the stark gap in spatial inequalities in the area. Notions of fatalism, linked to (a lack of) choice, control, and fear of the future, were common reasons given for inequalities across all participants”; according to official data by Public Health England, Stockton on Tees has the highest geographical health inequalities within a single local authority in England both for men (at a 17.3 year difference in life expectancy at birth) and for women (11.4 years).20

Austerity and local government funding cuts

20. According to the National Audit Office, government funding for local authorities fell in real terms by 49.1% between 2010 and 2018.21 The (private) Institute for Fiscal Studies estimates that the local authorities that received the largest share of their funding from government grants in 2009 experienced most significant cuts to their service spending. The 10% of authorities most dependent on grants in 2009 received an average cut of 33%, compared to 12% for the 10% of authorities that are less dependent on grants.22

21. Councils’ spending on adult social care fell by 10% in real terms between 2009 and 2015, and it was budgeted to be 3% lower in 2018 than in 2009. The Campaign for Better Transport has calculated that local spending on buses in England has been cut by £172 million in real terms since 2010/11, a reduction of 46%.23 According to the Social


Market Foundation, since 2015 over 47,000 children were in the care of local authorities deemed by Ofsted (Office for Standards in Education, Children’s Services and Skills) to have inadequate children’s services or services that require improvement.\textsuperscript{25} Figures obtained by a freedom of information request show public spending on residential rehab and detox treatment in England has fallen by 15\% since 2013/14, when the government removed the ring-fence that had required local authorities to spend certain amounts on drug and alcohol treatment.\textsuperscript{26} The impact of local government funding cuts in England has been unevenly distributed across regions: 97\% of the reductions in local spending on social care, children and homelessness since 2011 have taken place in the fifth most deprived councils.\textsuperscript{27}

22. The damaging effects of these cuts are also disproportionately distributed in society. Minority ethnic groups are more likely to live in deprived areas, and cuts to local authority spending has led to cuts in local services many women rely on, such as social care, public transport, services for children and voluntary sector organisations.\textsuperscript{28}

23. According to Newcastle City Council, changes to funding via the Revenue Support Grant mean that budgets are no longer allocated on the needs of a local population. Cuts to council funding in Newcastle equate to £268 per head.\textsuperscript{29}

24. Between 2011 and 2018, reductions in public spending for Newcastle City Council amounted to £254 million. By 2020, this is expected to increase to £283 million, with the corresponding impact on services and/or how they are accessed. Cuts have also led to a reduction in the financial support provided to third sector organisations.\textsuperscript{30}

25. In addition to funding reductions, Newcastle City Council also faces increasing cost pressures, due to greater demand for services: An increase in older residents requiring support to remain independent and supporting residents to adapt to the new requirements of welfare provision and increased conditionality.

26. Future changes to funding arrangements for local authorities will likely mean that from 2019/20 councils will retain an increased proportion of business rates raised locally (75\%) to fund services. Remaining funding (25\%) will be redistributed around the

\textsuperscript{25} SMK, \textit{Looked After Children}, August 2018.
\textsuperscript{26} UKAT, \textit{Our Campaign Reveals Cuts to Addiction Treatment Funding, as Drug Deaths Rise}, August 2018.
\textsuperscript{27} Lloyds Bank Foundation and New Policy Institute, \textit{A Quiet Crisis: Local government spending on disadvantage in England}, September 2018.
\textsuperscript{29} Newcastle City Council, \textit{Newcastle 2020}, February 2018.
\textsuperscript{30} Id, Appendix 4.
country. Uncertainty remains about how the new funding system will look, and what factors will be considered, but there will be substantial pressure on local authorities to attract and retain businesses in the area to fund services.

27. Newcastle City Council's budget proposals are assessed in terms of their potential impact for people and groups facing socio-economic disadvantage in relation to health and wellbeing, community cohesion and safety, geography and the environment to minimise these impacts wherever possible.31

Universal Credit roll-out in Newcastle

28. Newcastle upon Tyne is the first core city to have Universal Credit full service in all jobcentres. As of July 2018, the Universal Credit official statistics show that there were 17,045 residents in receipt of Universal Credit in Newcastle.32

29. As the welfare reforms have been rolled out across Newcastle there has been an increase in requests for short-term financial support, such as Discretionary Housing Payment (DHP), the Crisis Support Scheme and food packages from food banks. Since 2013 many residents have relied on DHP to reduce the risk of homelessness and destitution. In 2011/12, £94,326 of DHP was paid to 219 residents, in 2016/17 £917,121 was paid to 2,149 residents, and in 2017/18 the Council has budgeted £1,169,857 for DHP. During 2017/18, the total number of awards made by the Crisis Support Scheme for food was 813. During the same period 1,014 awards were made for fuel vouchers for households who did not have gas or electricity. The Newcastle West End Foodbank provided 21,000 food parcels and provided 5,800 hot meals in 2017/18. Half of all food parcels provided went to households with dependent children.

30. The Council's Energy Services note a rise in residents seeking advice who are in receipt of Universal Credit and have run out of money: In 2015/16, 3 residents were supported by Energy Services for this reason; in 2016/17, 21 residents; in 2017/18, 136; between 1 April 2018 and 15 August 2018, 41 residents have been supported by Energy Services for this reason. Of all of them, 122 had energy debts that they were unable to pay, 27 had either disconnected their energy supply themselves, or were being threatened with disconnection by their energy supplier, and 48 households had children present.

31 The cumulative impact assessment reports are available at www.newcastle.gov.uk/budget See also Just Fair, Tackling socio-economic inequalities locally: Good practices in the implementation of the socio-economic duty by local authorities in England, June 2018.

31. In line with a recent report by the National Audit Office, ongoing research in Newcastle and neighbouring Gateshead has demonstrated that Universal Credit is causing significant hardship. Serious problems with the claims process and long delays in awarding correct payments were regularly experienced. As a direct result of the low level of Universal Credit payments and high debt repayments incurred through obtaining an advance loan, claimants reported impacts on physical health and wellbeing, which included sleep, pain and exacerbation of long term conditions (e.g. diabetes, musculoskeletal problems). Mental health problems were rife: Stress, anxiety, depression, self-harm and suicidal thoughts. Increased poverty, stress and stigma were directly linked to reduced social engagement and increased loneliness and social isolation. For claimants with learning difficulties, mental health problems and complex health issues, Universal Credit was viewed as “unfit for purpose”.

Invitation to extend the mission to Newcastle

32. Both the Institute of Health and Society and the Newcastle City Council offer their services to facilitate interviews and meetings with academics and local stakeholders, including civil society groups and individuals affected by social security (“welfare”) reforms and experiencing poverty and social exclusion. Newcastle City Council representatives would be happy to address any questions the Special Rapporteur may have prior to the visit or during their stay in the UK.

Contact

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- Neil Munslow, Service Manager: Active Inclusion, Newcastle City Council (neil.munslow@newcastle.gov.uk).

* We would like this submission to be published on the website of the Special Rapporteur.

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33 NAO, Rolling Out Universal Credit, June 2018.
34 Mandy Cheetham, Suzanne Moffatt et al, The Impact of Universal Credit in Gateshead and Newcastle, 2018 (forthcoming). Research supported by Gateshead and Newcastle City Councils.
Annex: Other documents from Newcastle City Council

- Quarterly financial inclusion and housing and homelessness briefings provide details on trends advisers are witnessing and an overview of the support available to help residents meet the challenges and mitigate the impacts of the welfare reforms.

- Bi-annual reports on the impacts of the welfare reforms in Newcastle, including a summary of the estimated savings to the Government from the implementation of the welfare reforms.

- Five years on – a review of the impact of and Newcastle's responses to the government's welfare reforms, 16 April 2018

- Newcastle 2020 cumulative impact assessment

- Newcastle’s response to the Homelessness Reduction Act 2017

- Work and Pensions Committee Inquiry: Universal Credit written evidence, submitted in March 2017

- Active Inclusion Newcastle partnership approach