

Contents

3	Living standards.....	2
3.1	Introduction	2
3.2	Key facts about living standards in Hackney and the City.....	6
3.3	Health and wellbeing impacts.....	6
3.3.1	Deprivation	6
3.3.2	Child poverty.....	8
3.3.3	Welfare reform.....	8
3.4	Number of people affected locally	9
3.4.1	Deprivation	9
3.4.2	Child poverty.....	10
3.4.3	Welfare reform.....	11
3.5	Inequalities.....	12
3.5.1	Gender.....	12
3.5.2	Age	12
3.5.3	Household type.....	13
3.5.4	Ethnicity.....	14
3.5.5	Disability	14
3.5.6	Location within City and Hackney.....	15
3.5.7	Other vulnerable groups	19
3.6	Comparisons with other areas and over time	20
3.6.1	Deprivation	20
3.6.2	Child poverty.....	22
3.6.3	Welfare reform.....	23
3.7	Evidence and best practice	24
3.8	Services and support available locally	27
3.9	Challenges and opportunities.....	31
3.10	References.....	32

3 Living standards

3.1 Introduction

This section describes living standards among the population of Hackney and the City, and the important links with health and wellbeing.

Living standards relate to the material circumstances in which people live, and are influenced by levels of income and wealth, as well as access to goods and services. Living standards can be measured in different ways; here the Indices of Multiple Deprivation 2015 (IMD2015) are used as an overall summary measure of relative deprivation (for a full description see Box 1), along with other specific indicators including child poverty. [1] [2]

Child poverty is a complex issue and there is no simple, agreed way of defining it. At a basic level, it means families do not have enough money to provide a decent standard of living and an enjoyable childhood for their children. This chapter will use HM Revenues & Customs (HMRC) data based on the previous official measure of child poverty (Box 1), which was determined by the Child Poverty Act 2010. [3]

As well as describing living standards in Hackney and the City and how these are linked to population health and wellbeing, this section also summarises the impact of recent successive welfare reforms introduced by the national government (see Box 2 and Figure 1). The various benefit cuts that have been introduced have reduced absolute levels of income among many working age households, including those in work.

The Institute for Fiscal Studies (IFS) report that the biggest losers from all of the changes to taxes and benefits implemented between 2015/16 and 2019/20 (up to and including the July 2015 Budget) are those on the lowest incomes. [4] They conclude that this will lead to an increase in the number of people living in absolute and relative poverty. While planned increases in the minimum wage help many on the lowest hourly earnings, this will not mitigate against the impact of welfare reform for most low income families. [5]

Box 1: Definitions and measures of deprivation

Absolute deprivation – an absence of the minimum resources required to afford the basic necessities for life.

Child poverty (HMRC previous ‘official’ measure) – percentage of dependent children under 20 living in families with household income below 60% of the national median income¹ before housing costs are deducted.

Index of Multiple Deprivation 2015 (IMD2015) [1] – IMD2015 updates IMD2010, using data largely from 2012-13. It is based on 37 separate indicators, organised across seven domains² and combined using appropriate weights to produce an overall *relative* measure of local deprivation across England. IMD2015 is a summary measure calculated at neighbourhood level – specifically Lower Layer Super Output Areas (LSOAs), which contain an average population of 1,500 people. As it is an area based measure, not everyone living in a ‘deprived’ LSOA as measured by IMD2015 will themselves be deprived. At local authority level, the measure reported here is ‘rank of average score’ in the constituent LSOAs.

Income deprivation – This is one of the seven IMD domains and measures the proportion of the population experiencing deprivation relating to low income. The definition of low income used includes both those people who are out-of-work, and those who are in work on low earnings.

Income Deprivation Affecting Children Index (IDACI) – This measures the proportion of all children up to age 15 living in income deprived families.³ IDACI is a subset of the Income Deprivation IMD domain.

Income Deprivation Affecting Older People Index (IDAOPI) – This measures the proportion of all those aged 60 or over who experience income deprivation. IDAOPI is a sub-set of the Income Deprivation IMD domain.

Relative deprivation – exists where living standards are significantly below those enjoyed by the majority of the population.

¹ Median income is the middle point in the income range of all households, with equal numbers of households on incomes above and below this point

² These are Income Deprivation; Employment Deprivation; Health Deprivation and Disability; Education, Skills and Training Deprivation; Crime; Barriers to Housing and Services; and Living Environment Deprivation.

³ The word ‘family’ is used to designate a ‘benefit unit’, that is the claimant, any partner and any dependent children (those for whom Child Benefit is received).

Box 2: Summary of key recent welfare reforms

There have been significant changes to welfare provision in the UK in recent years, with most changes introduced through Housing Benefit regulations and the Welfare Reform and Work Act 2016. The stated aims of these reforms are to get many people currently on benefits in to work and out of poverty, and reduce the scope for fraud and error. A summary of some of the key reforms are set out below (see Figure 1 for a detailed timeline).

- Total household benefit payments have been capped for working age people from August 2013, at the equivalent of £18,200 a year in London for single adults and £26,000 for a couple (with/without children) or lone parent. [6] This cap will shortly be lowered to £15,410 or £23,000, respectively. In Hackney, households already capped will be subject to the lower cap from November 2016; those capped for the first time will be affected from January 2017. The cap has been in place in the City of London since November 2016.
- Removal of the spare room subsidy from 2013 (otherwise known as the introduction of 'the bedroom tax') [7] [6]
- Changes to Housing Benefit from May 2016, including removal of the family premium and a range of reforms to Local Housing Allowance (LHA) - including caps on the levels paid, and restrictions in the rate payable to under-35s.
- Introduction of Universal Credit, which combines the six main working-age benefits⁴ into a single benefit payment for people in and out of work. It is being rolled out in a phased approach, applying to all claimants in Hackney from June 2018 and in the City from March 2017.
- The replacement of Incapacity Benefit with Employment Support Allowance (ESA) in 2008 for new claims and from 2011 for reassessments.⁵ [8]
- Introduction of Personal Independence Payment (PIP), which replaces Disability Living Allowance (DLA) from 2013, for people aged 16-64 to help with some of the extra costs caused by long-term ill-health or a disability.
- Freezing of working age benefits at 2015 rates for the next four years with no annual uprating - applied to JSA, ESA, Income Support and Working Tax Credit.
- From 2017, replacement of Jobseeker's Allowance (JSA) with a Youth Allowance for claimants aged 18-21 who are out of work, payable for a maximum of six months (after which time, if the young person has not found a job or apprenticeship, they are required to do community work).
- Also from 2017, housing support for those aged 21 or under will be restricted; and it is expected that support for children through Tax Credits, Universal Credit and Housing Benefit will be restricted to two children.

In addition, changes made to the Access to Work (AtW) scheme⁶ in October 2015 cap the value of available grants at £40,800.

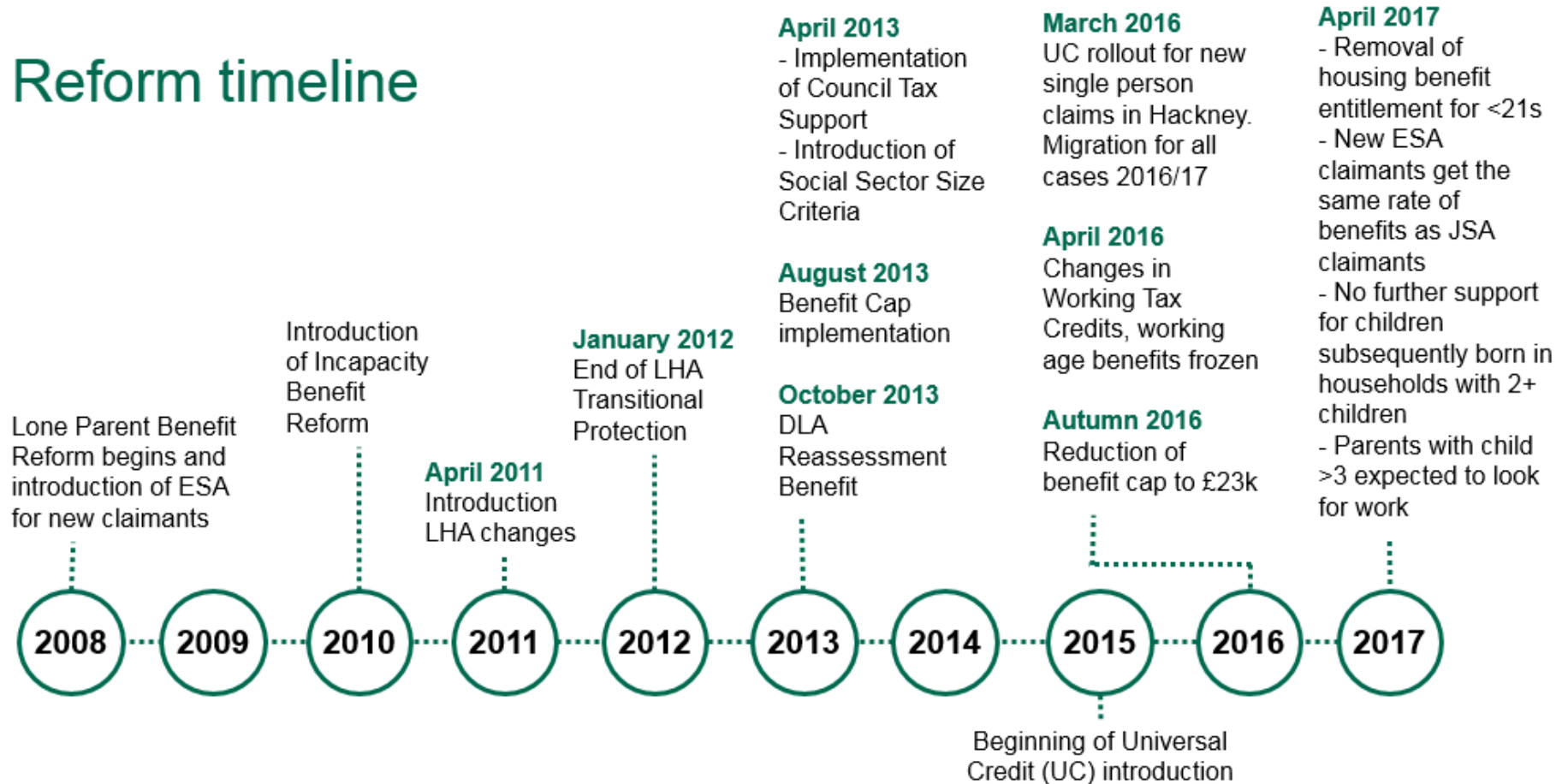
⁴ including Income Support, Working Tax Credit and Housing Benefit

⁵ ESA is for people unable to work due to illness or disability who are not receiving Statutory Sick Pay (SSP). The maximum amount of SSP is 28 weeks and claims are made if a person has been ill four days in a row. ESA is provided if a person's illness or disability affects their ability to work.

⁶ Grants for practical or financial support for people with a disability or long-term physical or mental health condition to help them start or stay in work.

Figure 1: Timeline of reforms affecting claimants in Hackney from 2008 to 2016

Reform timeline



3.2 Key facts about living standards in Hackney and the City

- The UK government's proposed package of tax and benefit changes over the next four years will reduce household incomes by £455 a year on average affecting mostly households with children on low incomes. [4]
- There are relatively high levels of deprivation across the whole of Hackney, but within-borough inequalities are growing. Hackney is ranked as the 11th most deprived local authority in England (based on IMD2015 rank of average score;)⁷ a relative improvement on average since 2010 when it was ranked second most deprived. Given the time lag in the data used to calculate IMD2015 (see Box 1), further improvements in average deprivation are likely to have been observed in recent years.
- The City of London has relatively low levels of deprivation – the City is ranked 226 out of 326 local authorities on IMD2015. However, there is considerable variation within the City and high levels of deprivation towards the east.
- Welfare reform is having and is expected to continue to have, a significant impact locally in the context of relatively high levels of area deprivation and large numbers of residents affected by out of work and in work poverty. [4]

3.3 Health and wellbeing impacts

Living standards and health are inextricably linked. Poverty is both a cause and a consequence of poor health and wellbeing: people living in deprived circumstances are more likely to suffer from a range of physical and mental health problems; and being in poor health reduces employment and other opportunities to achieve a secure income and good standard of living.

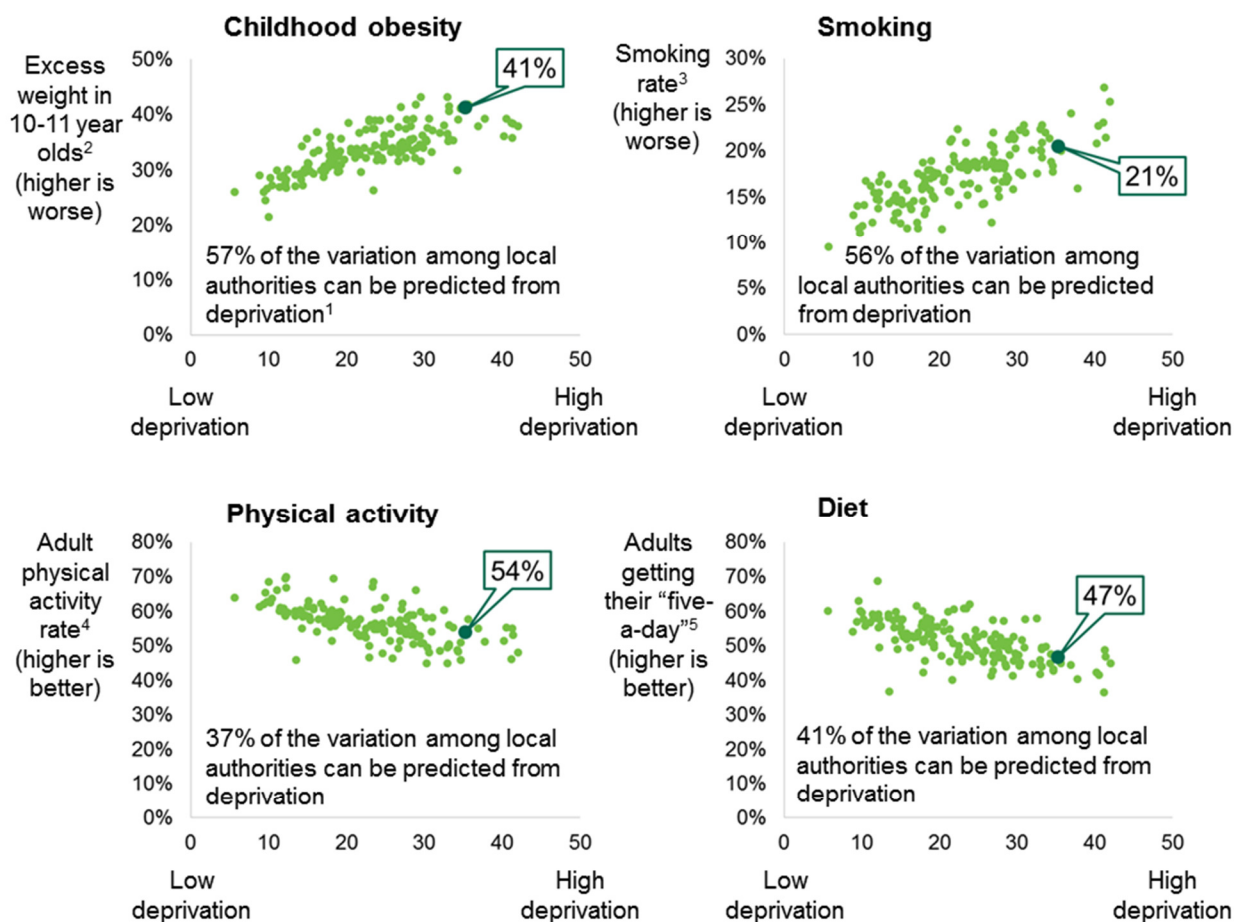
3.3.1 Deprivation

It is well documented that people living in more deprived areas live shorter and unhealthier lives. The Marmot Review reported that average life expectancy in England is seven years lower in the poorest areas compared to the richest communities and disability-free life expectancy is 17 years lower. [9]

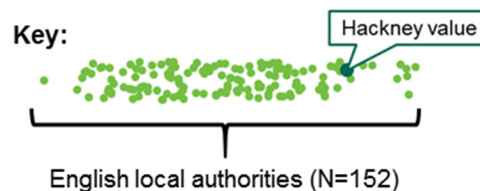
Figure 2 below shows associations between area deprivation and childhood obesity, smoking, physical activity and diet. These indicators are shown because they are all linked to poverty or socio-economic disadvantage. Importantly, Marmot identified a gradient in health, whereby health improves incrementally as socio-economic circumstances improve – i.e. it is not just a matter of the poor being sick and the rich being healthy.

⁷ See London Borough of Hackney Deprivation Briefing for more detail of different measures of deprivation based on IMD2015 - <http://hackney.gov.uk/Assets/Documents/Deprivation.pdf>

Figure 2: Associations between deprivation and key public health indicators



1. Deprivation indicator: Overall Index of Multiple Deprivation score 2015. Department of Communities and Local Government
2. Excess weight in 10-11 year olds: Proportion of children age 10-11 classified as overweight or obese, 2014/15. National Child Measurement Programme. Public Health Outcomes Framework (PHOF) indicator 2.06ii
3. Smoking: Smoking prevalence in adults, 2015. Annual Population Survey. PHOF indicator 2.14
4. Adult physical activity: Proportion of adults who report achieving at least 150 minutes of physical activity per week, 2015. Active People Survey, Sport England. PHOF indicator 2.13i
5. Adults getting their "five-a-day": Proportion of adults who report eating at least five portions of fruit or vegetables on a "usual day", 2015. Active People Survey, Sport England. PHOF indicator 2.11i



The degree of income (or wealth) inequality that exists in a society also appears to have an influence on population health and wellbeing. The more unequal a society is, the greater the health problems experienced by rich and poor alike, regardless of individual socio-economic position. Research has shown that more unequal societies have lower average life expectancy, higher rates of infant mortality and greater prevalence of mental illness than countries where inequalities are less pronounced (regardless of average levels of wealth). [10]

3.3.2 Child poverty

Poverty is a driver of poor health and wellbeing outcomes for children, independent of other factors that correlate with household income. [11] Factors associated with low income – such as poor housing, as well as parental unemployment, debt and mental health issues - compound the impact of poverty on child health. [12]

Children living in low-income households are more likely than other children to: [13]

- die in the first year of life
- have pre-school conduct and behavioural problems
- experience bullying and take part in risky behaviours (such as smoking) as teenagers
- do less well at school
- grow up to have low incomes in adulthood, with associated and cumulative health and wellbeing impacts.

3.3.3 Welfare reform

Welfare reform is a very relevant issue locally given the large number of people claiming out-of-work and/or housing related benefits in Hackney especially, the relatively high cost of housing in London, and the high cost of child care (particularly for lone parents). The reforms are significantly affecting households with children. The reforms also place an additional financial pressure on households already on low incomes, which can in turn create increased pressure on health services, including through: [14] [15] [16] [17]

- increased demand for GP consultations focusing on patient's social and economic concerns
- increased demand for psychiatric services
- more antidepressant and antipsychotic use and increasing self-medication with drugs and alcohol
- increases in A&E admissions due to alcohol and drug-related harm.

Welfare reform measures include housing costs and affect the housing options available to local people. The benefit cap effectively makes all private sector self-contained accommodation in Hackney unaffordable to single people in receipt of benefits. There is already some evidence of upwards pressure on homelessness and the use of temporary accommodation across Hackney, both of which are linked to poorer health outcomes (see the 'Housing and homelessness' section of this JSNA chapter). Previous analysis by Hackney Council suggests that 15% of Hackney residents affected by the benefit cap have specific needs and/or are from vulnerable groups, i.e. with mental health problems or learning disabilities, victims of domestic violence or families living in temporary accommodation.

Changes to benefits for people with disabilities or long-term health problems include a more challenging (re)assessment process. In the case of Incapacity Benefit reform, there have been local and national reports of delays in processing assessments and appeals, which have placed financial and psychological stress on claimants. [18] Changes being made under PiP (as a result of reassessment and the requirement for periodic reviews of entitlement for all claimants) are also expected to reduce the number of claimants – both of PiP and other 'passported'

benefits (including automatic entitlement to Shopmobility,⁸ energy efficiency grants, Disabled Facilities Grants and exemption from the overall benefit cap). [19] These reforms have the potential to place increased stress and financial hardship on those already affected by long-term health conditions.

Changes to the AtW scheme are likely to significantly affect Deaf users of British Sign Language (BSL), as around four-fifths of the highest-value AtW awards pay for BSL services.

3.4 Number of people affected locally

3.4.1 Deprivation

Based on the locally preferred measure of deprivation, Hackney is the 11th most deprived local authority in England (of 326 local authorities) based on IMD2015. On the same measure, the City of London is ranked 226 and is within the 40% least deprived local authorities in England and third least deprived in Greater London. For further details see:

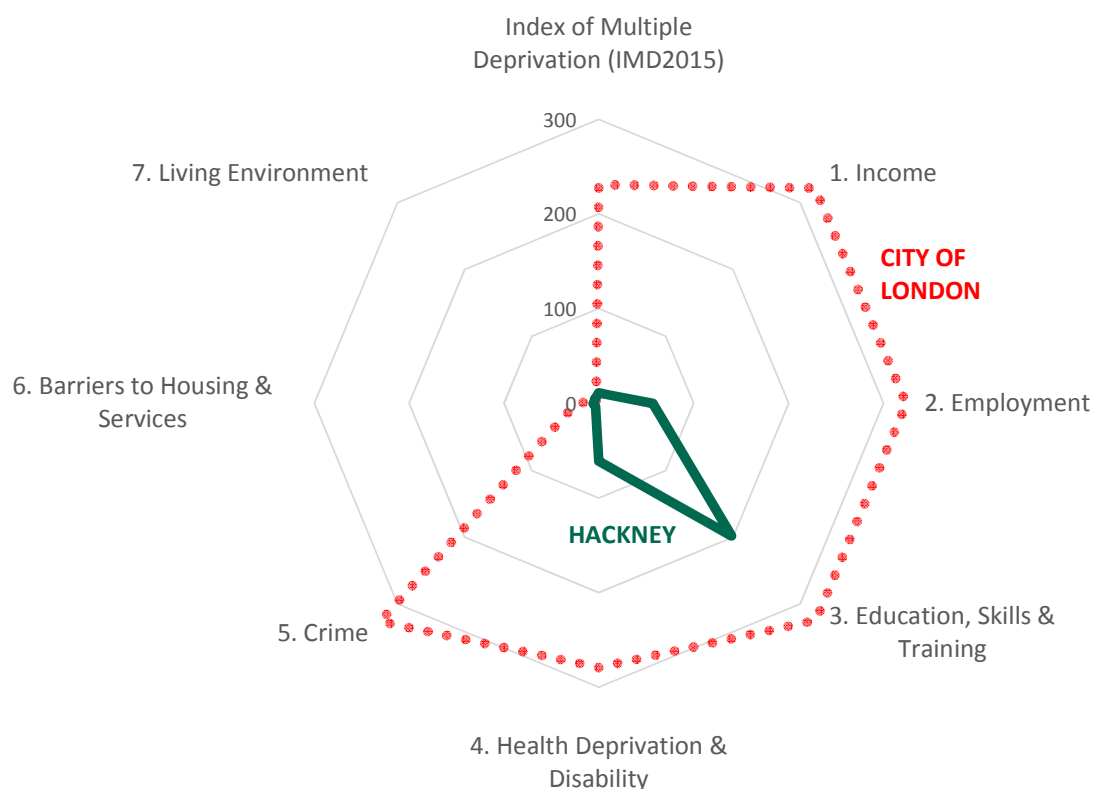
- London Borough of Hackney's Indices of Multiple Deprivation 2015 Briefing [20]
- City of London Resident Population - Deprivation Index 2015 [21]

Figure 3 shows IMD2015 rankings for Hackney and the City of London, overall and across the seven domains. The highest levels of deprivation (compared with other areas) are shown by points closest to the centre of the 'web'. Hackney is depicted in green and is confirmed to have among the highest levels of relative deprivation on most measures (most points converge near zero at the centre of the 'web') except 'education, skills & training' and, to a lesser extent, 'employment' and 'health deprivation and disability'.

The City of London is depicted on Figure 3 in red and confirmed to have among the lowest levels of relative deprivation in the country on all measures (most points are located towards the outside edge of the 'web'). The two exceptions are the 'living environment' and 'barriers to housing & services' domains, where the City has comparatively high levels of deprivation, predominantly due to its central city location and densely built environment. [21]

⁸ Shopmobility is a service that helps all people who consider themselves to have mobility problems (whether through disability, illness or injury) to continue to get around city and town centres independently, with freedom, confidence and dignity.

Figure 3: City of London and Hackney IMD2015 rank of average score out of 326 local authority districts, across the seven domains



Source: IMD2015, analysis by City and Hackney Public Health Intelligence Team

3.4.2 Child poverty

Despite recent demographic changes, Hackney has high rates of relative child poverty, although there has been a reduction in recent years (see Section 3.6.2). More than one quarter (28%) of Hackney's children⁹ were living in poverty in 2013, the fifth highest level in London. [22] This equates to approximately 18,000 children.

The City has a small number of resident children and is relatively less deprived on average. Despite much lower levels of deprivation on average, child poverty is still present and persistent in parts of the City of London – in 2013, 11% of children in the City were living in poverty. This equates to approximately 85 children.

For further details on child poverty in Hackney and the City, see:

- Hackney child poverty and family wellbeing needs assessment update November 2015 [22]
- Hackney child poverty needs assessment 2014 [23]
- City of London Corporation Child poverty needs assessment, 2014 [24]

⁹ Dependent children under 20 years of age

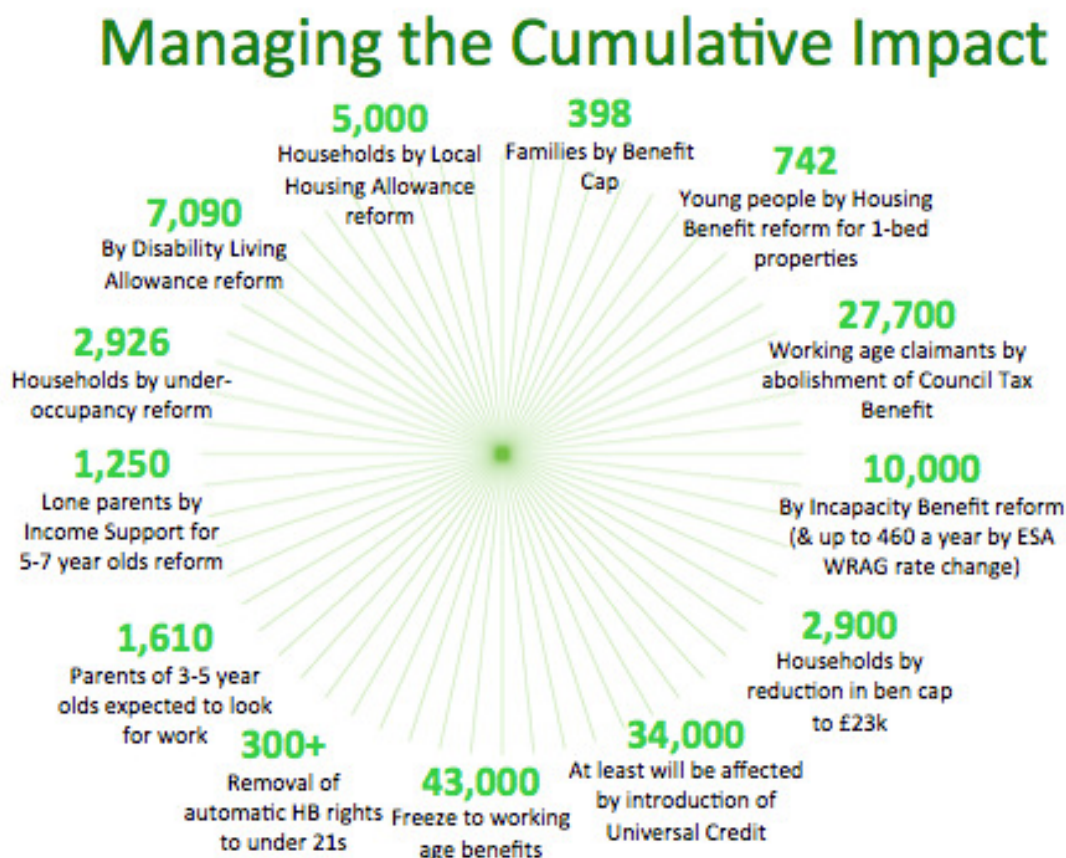
3.4.3 Welfare reform

Figure 4 presents a summary of Hackney Council's analysis in 2016 of the cumulative local impact of welfare reforms. Some of the headline findings include:

- 375 households already affected by the benefit cap will see their income reduce by another £52 per week by 2017, and a further 1,100 families and 1,400 single people will also be subject to the cap
- around a quarter of unemployed young people (under the age of 21) will be affected by changes to JSA and Housing Benefit eligibility rules, with concerns raised about the knock on-effects of overcrowding and homelessness
- while it is not possible to accurately reflect the full impact of Universal Credit locally, over 30,000 households will be affected (some of whom could be 'digitally excluded' by the requirement to make and manage their claim online)
- over 40,000 will be affected by the freezing of working-age adult benefits.

A similar analysis has not been undertaken for the City of London.

Figure 4: Numbers of residents affected by welfare reforms (as of March 2016)



Source: Hackney Council Policy Team

The total number of benefit claimants and those claiming JSA and ESA in Hackney and the City of London is shown in Table 1.

Table 1: Benefit claimants per 1,000 working age population (age 18-64, 2015)

Benefit type	Hackney	City of London
All claimants	137	48
JSA claimants	24	9
ESA claimants	73	24

Source: ONS Labour market statistics

3.5 Inequalities

3.5.1 Gender

A recent review of gender and poverty found that women in the UK are slightly more likely than men to be living in low income households. [25]

While there is limited evidence on the gender patterning of poverty and social deprivation, gender roles within the family and features of the labour market and benefits system all combine and interact with gender to influence routes into and out of poverty. [26] For example, lone parents (who are often female) are at increased risk of poverty (see Section 3.5.3).

Links between gender and poverty may also be apparent if family income is not shared fairly by couples (hidden poverty) or if one partner's financial dependence on the other incurs a risk of future poverty. [25]

3.5.2 Age

Table 2 shows the Income Deprivation Affecting Children Index (IDACI) and Income Deprivation Affecting Older People Index (IDAOPI) for Hackney and the City, again revealing much lower levels of relative deprivation on average in the City of London.

The IDACI scores indicate that one third (32%) of children in Hackney and 10% of children in the City live in income-deprived households. The IDAOPI scores indicate that 43% of older people in Hackney and 9% of older people in the City are living in income-deprived households.

Table 2: IDACI and IDAOPI scores for Hackney and the City of London (2015)

Domain	Hackney	City of London
Income Deprivation Affecting Children Index (IDACI)	32	10
Income Deprivation Affecting Older People Index (IDAOPI)	43	9

Source: Derived from the published 'average score' statistics for the supplementary indices of the IMD2015 Income Deprivation Domain, IDACI and IDAOPI

Rising rents and changes to LHA mean that those under 35 are finding it increasingly difficult to afford to remain in the borough, as LHA no longer covers the cost of rent for many.

Table 3 shows that there are a higher number of older residents claiming out-of-work benefits than younger residents.

Table 3: Total number of benefit claimants per 1,000 residents (2015)

Number of residents claiming benefits per 1,000 population	Hackney	City of London
16-24 year olds	81	21
JSA claimants	106	36
ESA claimants	293	81

Source: Department for Work and Pensions, Census output area data on workless benefit claimants: 2015¹⁰

Note: Out-of-work benefits include JSA, Incapacity Benefit/ESA, Income Support

3.5.3 Household type

Table 4 shows that most children living in low-income households in Hackney are in a lone parent family (74%); among the total child population, under a third (31%) are in a lone parent family. Similar patterns are observed for the City of London.

¹⁰ <https://www.gov.uk/government/collections/census-output-area-data-on-workless-benefit-claimants-2015>

Table 4: Total number of children in Hackney and the City in lone parent families (2013)

		Hackney	City of London
All children (age 0-15) – 2011, Census	Not lone parent	35,414	490
	Lone parent	15,691	102
Low income (dependant under 20) – 2013, HM Revenue & Customs (HMRC)	Not lone parent	4,625	40
	Lone parent	12,910	40

Source: HMRC (Personal Tax Credits: Related Statistics - Child Poverty Statistics)

Analysis by the IFS has shown that children in the poorest families have lost out the most as a result of recent changes to the benefits system. [4] Local indicative estimates suggest that over 7,000 children in Hackney were affected by the initial reforms to LHA and the introduction of the benefit cap. [23]

Households with no-one in paid work are set to lose out more from recent tax and benefit changes than those containing at least one working adult, on average. The average loss of income for a non-working couple with children is almost £4,000 a year. Pensioner households are relatively unaffected by recent welfare reforms. [27]

3.5.4 Ethnicity

Urban areas with large ethnic minority populations also contain some of the most deprived neighbourhoods. This does not necessarily point to a causal relationship, however.

Child poverty is higher in all ethnic minority groups than average; children from ethnic minority backgrounds are almost twice as likely to be in poverty as children from White backgrounds. [28]

3.5.5 Disability

Disability is strongly linked to deprivation, due to lower employment income and higher risk of benefit dependency among disabled residents. In Hackney, nearly a quarter of households with a disabled family member also include dependent children. Childhood disability often leads to additional living costs, increased risk of family breakdown and poverty.

People with mental or learning disabilities have been particularly affected by the benefit cap implemented as part of the current government's welfare reforms. An

inquiry into the impact of Universal Credit on disabled people and their families found that approximately 450,000 disabled people in the UK could lose out once it is fully implemented. Vulnerable groups who would be financially worse off under the new system were found to be disabled children, severely disabled people who do not have another adult to assist them and disabled people who work. [29]

In addition, people with disabilities or long-term health conditions are likely to be affected by specific reforms to the benefits they may be eligible for – specifically DLA and ESA.

3.5.6 Location within City and Hackney

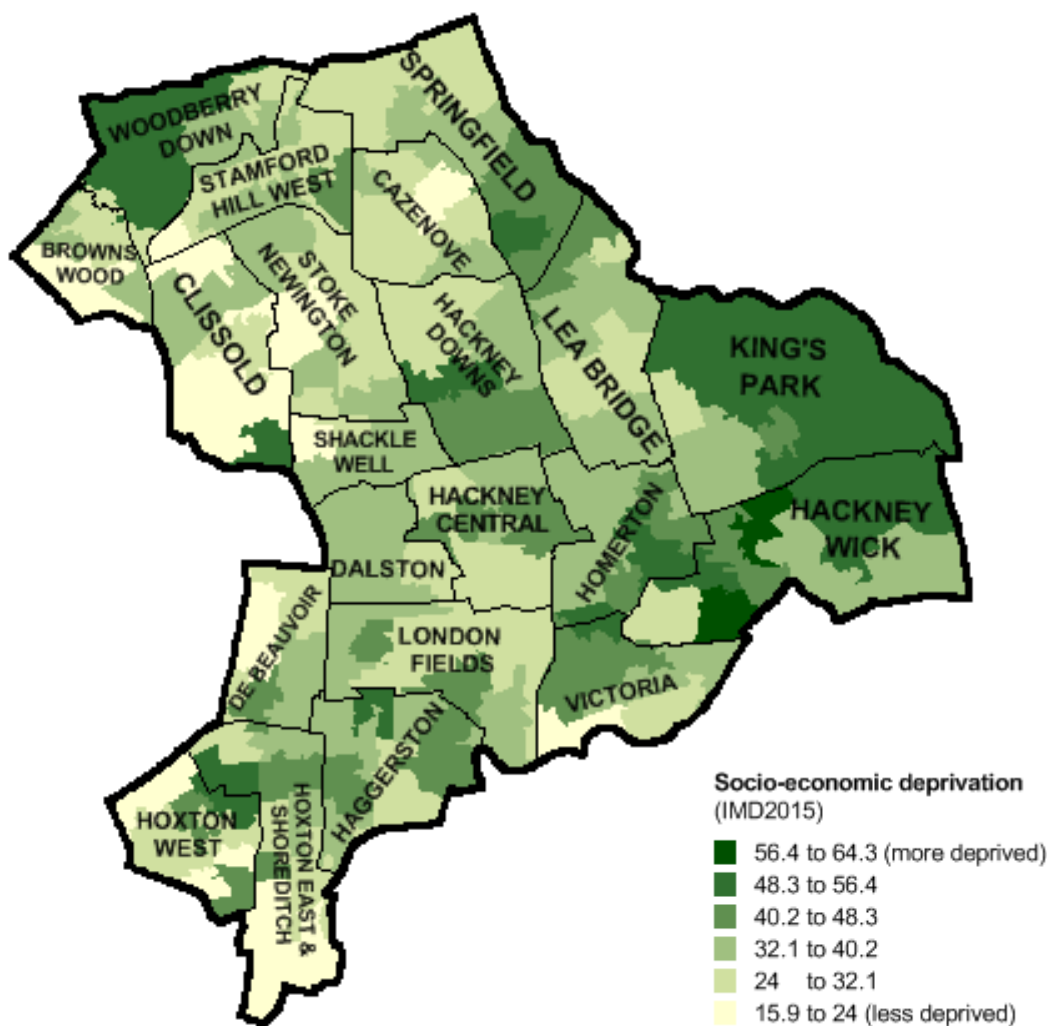
Deprivation

Figure 5 below illustrates patterns of deprivation in different parts of Hackney. There are particular concentrations of deprivation:

- in the eastern part of the borough around King's Park and Hackney Wick
- in the north-west of the borough, around Manor House and Woodberry Down
- on the borders between Victoria and Homerton wards
- on the borders between Springfield and Lea Bridge wards.

For more information, please see Hackney Council's 'Indices of Multiple Deprivation 2015 Briefing' report. [20]

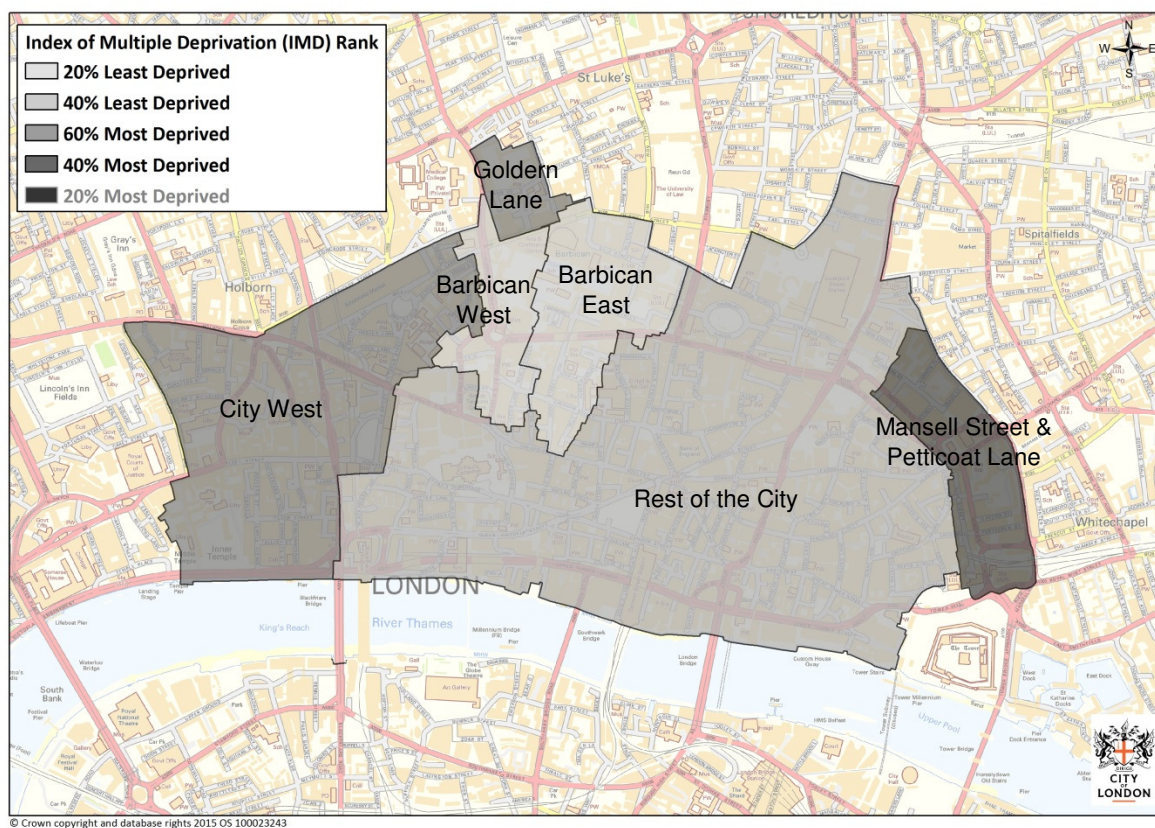
Figure 5: Deprivation in Hackney (IMD2015), by neighbourhood (ward and LSOA, 2015)



Source: Indices of Deprivation, Department for Communities and Local Government, Crown Copyright, 2015

Figure 6 illustrates patterns of deprivation across the City of London (using a slightly different measure than that presented for Hackney wards above). There are clear differences between the more deprived areas of Mansell Street and Petticoat Lane in the east and the wealthier Barbican Estate in the north-west. No City of London neighbourhood is considered to be in the 20% most deprived in England.

Figure 6: Deprivation in the City of London (rank of IMD2015 quintile), by neighbourhood (LSOA, 2015)

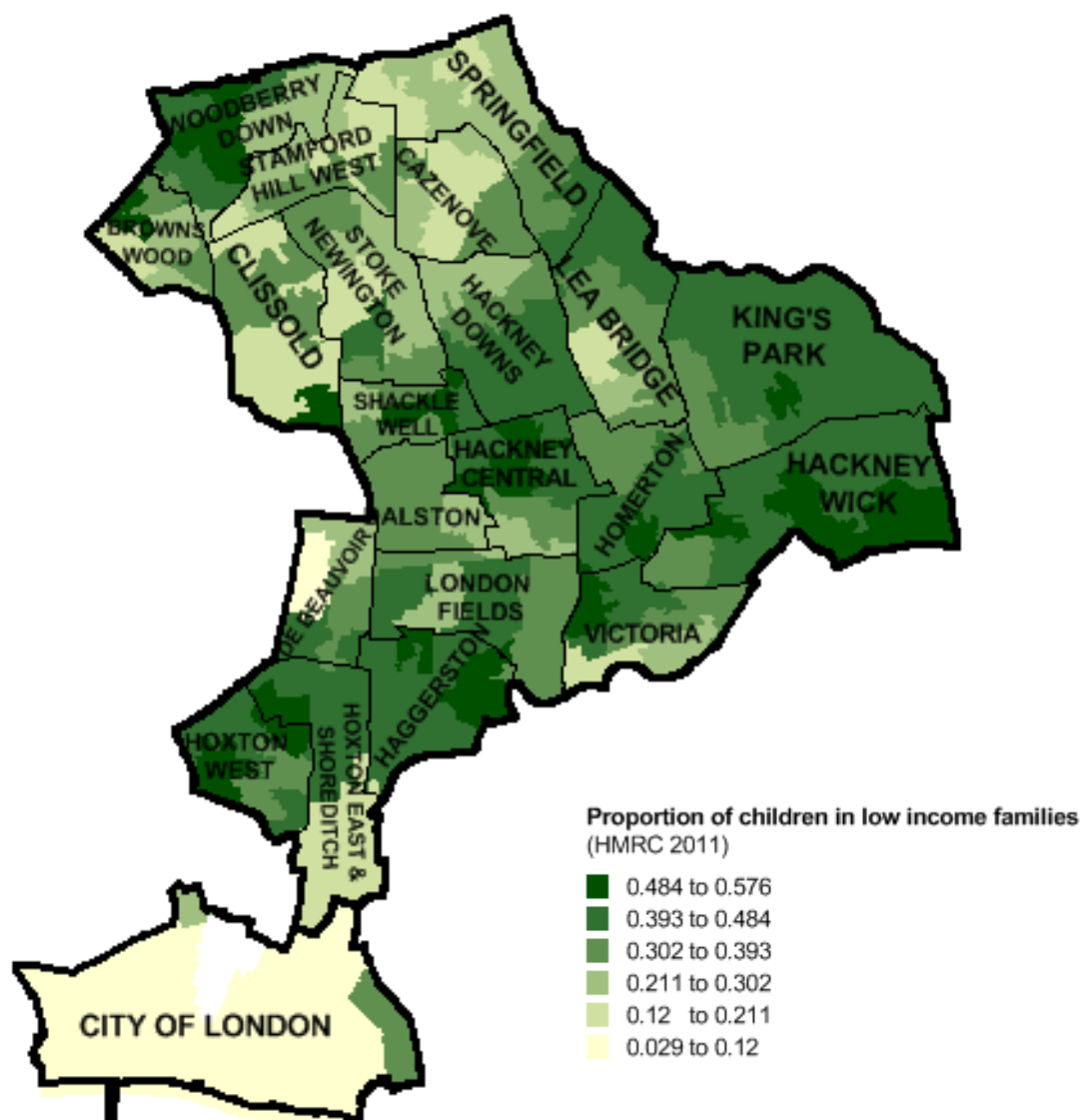


Source: IMD2015, Department of Communities and Local Government, Crown Copyright, 2015

Child poverty

Figure 7 shows the highest levels of child poverty to be in the south and east of Hackney, with significant poverty also in areas in the centre and north west of the borough. Woodberry Down, Haggerston, and Hoxton West are home to multiple neighbourhoods where over half of the under-20 population live in families in poverty.

Figure 7: Map illustrating the geography of children living in poverty in Hackney and the City (2011)



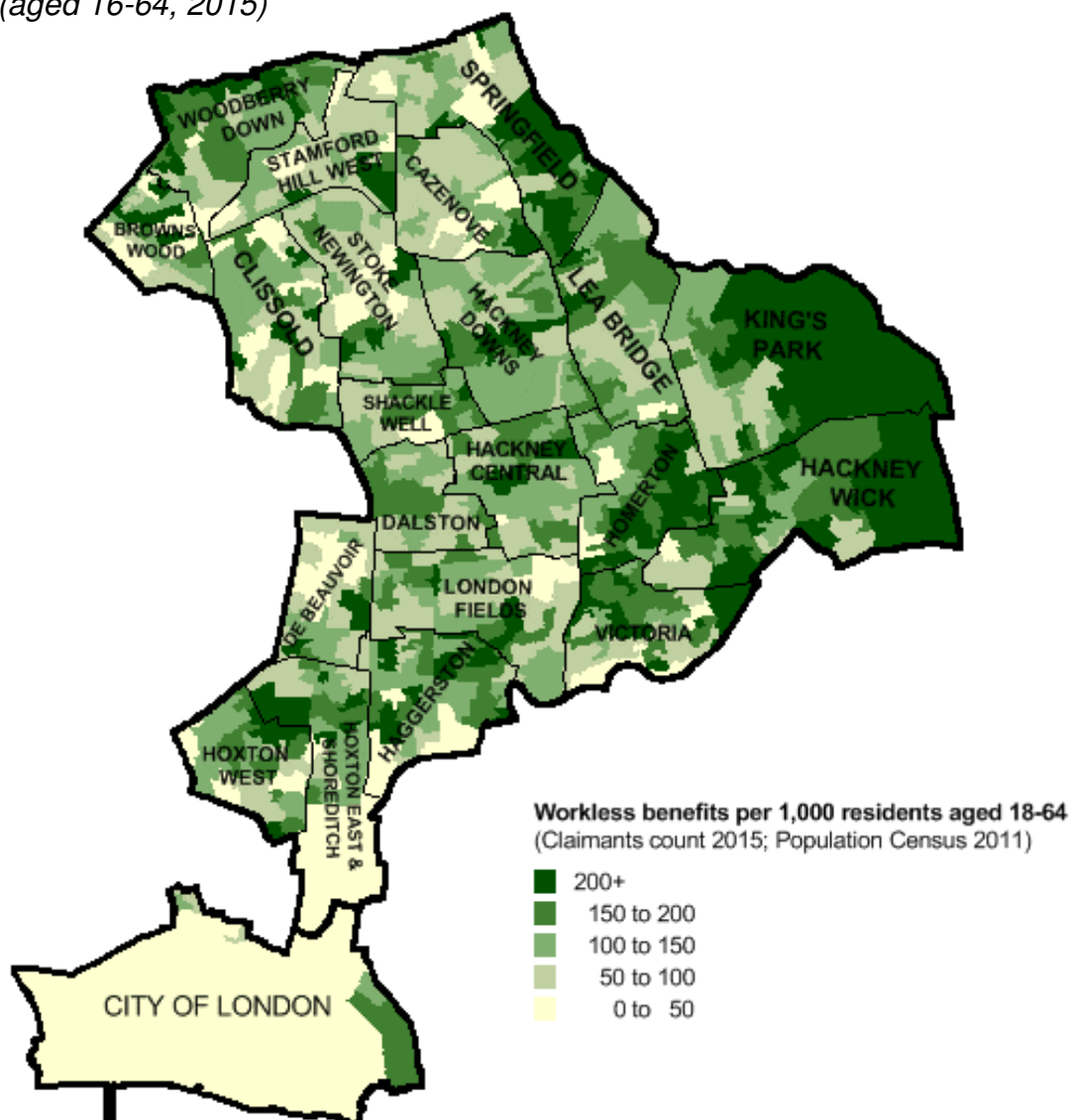
Source: HMRC

In the City of London, child poverty in Portsoken is significantly higher than the City and London regional averages. On one estimate (unpublished), as many as two-thirds of children living in this area are living in low-income households.

Welfare benefits

Figure 8 shows that there is a particularly high concentration of out-of-work benefit claimants towards the east of Hackney, especially in Homerton, Hackney Wick and Woodberry Down. Portsoken has the highest rate of benefit claimants in the City. In the south of Hackney and across most of the City, rates of out-of-work benefit claimants are much lower.

Figure 8: Hackney residents claiming out-of-work benefits per 1,000 population (aged 16-64, 2015)



Source: Benefits data: Census output area data on workless benefit claimants, 2015. Population count: ONS Census, 2011

Note: The dataset refers to numbers of benefit claimants for the four 'out-of-work' benefit categories – Jobseeker's Allowance, Incapacity Benefit/Employment Support Allowance, Income Support (e.g. lone parents) and 'Other income-related benefits'.

3.5.7 Other vulnerable groups

Families with 'No Recourse to Public Funds' (NRPF) are particularly vulnerable to multiple poverty-related risk factors. Families with NRPF are ineligible to claim mainstream benefits, unable to access social housing and not permitted to work. This affects the ability of parents to care for their children, for example preventing access to a stable, predictable home environment.

It is very difficult to estimate the number of NRPF families in Hackney, as many remain unregistered and so do not appear in official local statistics. Across England in 2009/10, 51 local authorities supported approximately 6,500 such families, at a

cost of £46.5m. [30] However, this is likely to be a significant underestimate as these figures only cover families who have had contact with social services.¹¹

3.6 Comparisons with other areas and over time

3.6.1 Deprivation

Hackney is one of three London local authorities in the 15 most deprived areas in the country (Table 5). The City of London, on the other hand, is ranked 226. There are 326 local authority districts in total.

Table 5: IMD2015 rank of average score of most deprived local authorities in England

Rank of average score (1=most deprived)	Local authority district
1	Blackpool
2	Knowsley
3	Kingston upon Hull, City of
4	Liverpool
5	Manchester
6	Middlesbrough
7	Birmingham
8	Nottingham
9	Burnley
10	Tower Hamlets
11	Hackney
12	Barking and Dagenham
13	Sandwell
14	Stoke-on-Trent
15	Blackburn with Darwen

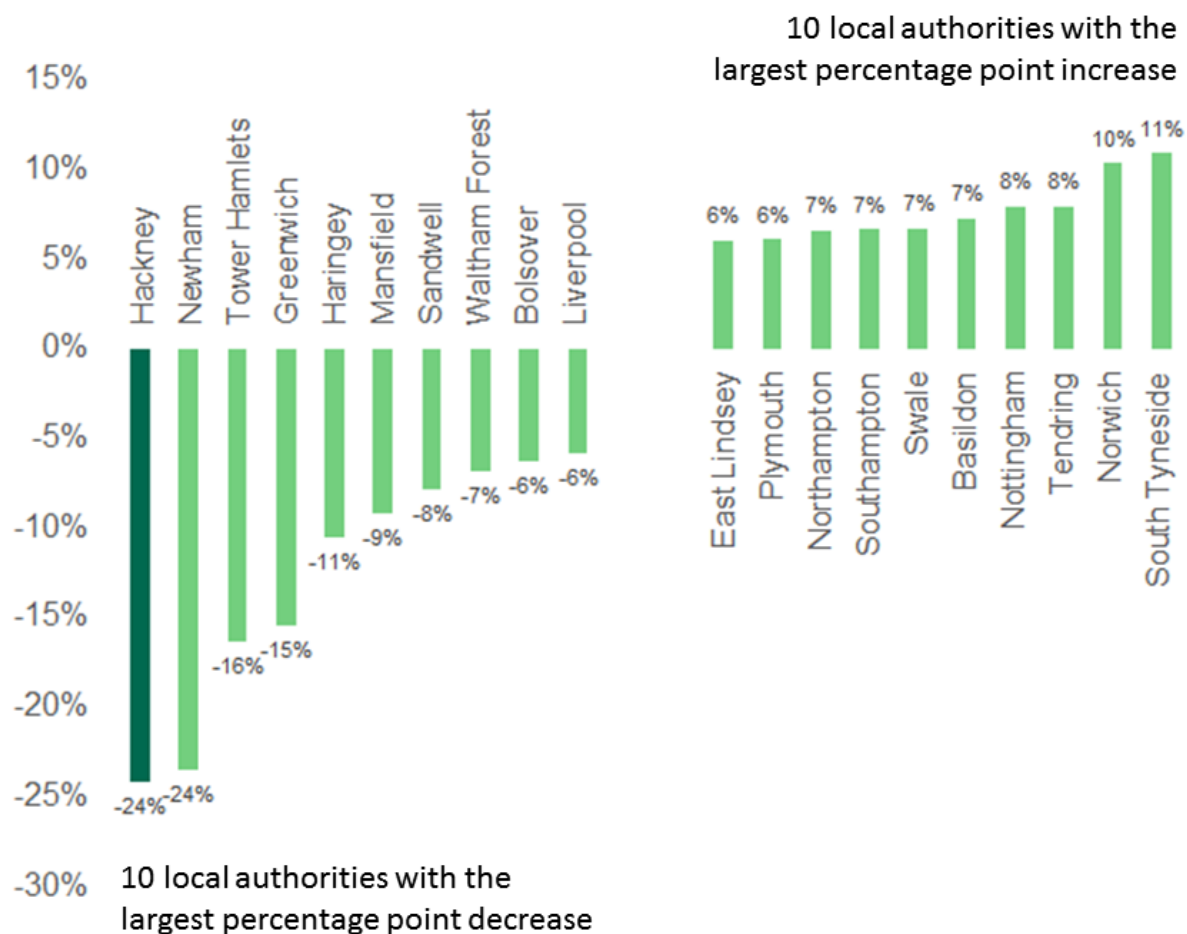
Source: IMD2015

Hackney's ranking has improved since 2010, when it was the second most deprived local authority in the country. In fact, Hackney shows the largest reduction of all of the 10% most deprived areas over this period (Figure 9), with neighbouring Newham a close second. The City of London has no LSOAs that fall within the 10% most deprived in the country.

Relative improvements are observed across most IMD domains, as revealed in Table 6, and in most areas of Hackney (with the exception of some areas in the east and pockets of persistent poverty in the south west of the borough). [20] Since 2010, there have been no significant changes across the IMD domains in the City of London.

¹¹ Those families who do approach social services may be entitled to assistance, which may include accommodation where the families include 'children in need.'

Figure 9: Change in the proportion of LSOAs in most deprived 10% in the country, by local authority (2010 to 2015)



Source: Oxford Consultants for Social Inclusion/Department for Communities and Local Government Briefing, Indices of Deprivation 2015

Table 6: Percentage of Hackney neighbourhoods (LSOAs) in the top 10% most deprived in England

Domain	2010	2015	Change
IMD	42%	17%	-25%
Income	53%	21%	-32%
Employment	16%	7%	-9%
Health	11%	8%	-3%
Education	0%	0%	0%
Housing and services	100%	54%	-46%
Crime	22%	44%	22%
Living/Environment	61%	39%	-22%
Index of Deprivation Affecting Children Index (IDACI)	59%	37%	-22%
Index of Deprivation Affecting Older People Index (IDAOP)	69%	78%	9%

Source: IMD2015

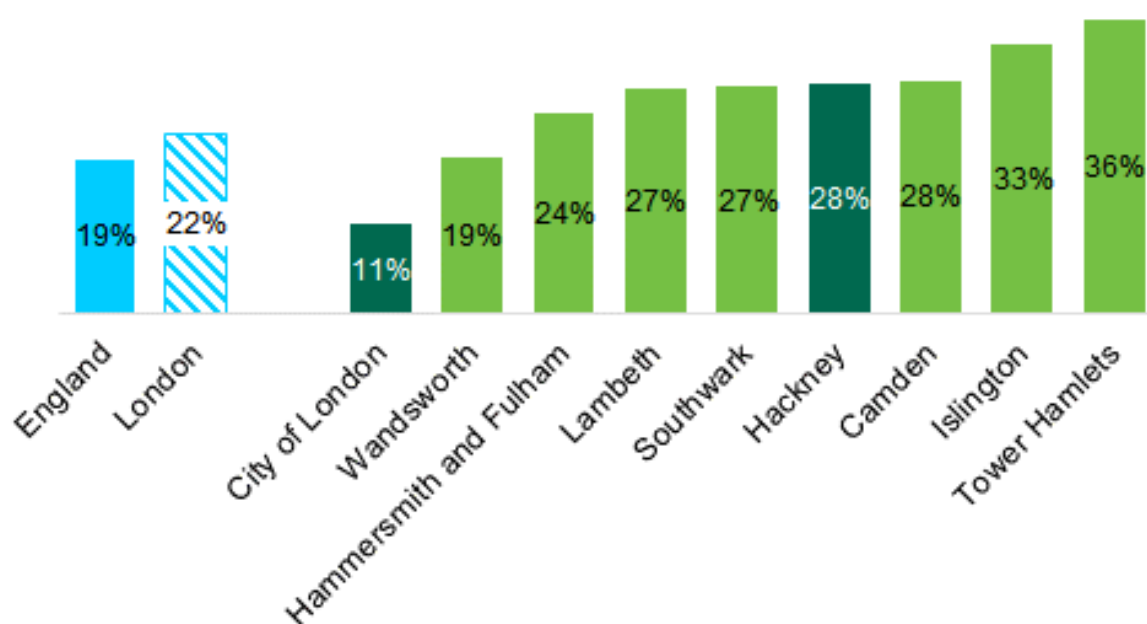
3.6.2 Child poverty

Using the same measure as defined in Box 1, child poverty is relatively high in Hackney compared to London and England, but similar to many of its statistical peers (Figure 10). The City of London has relatively low rates of child poverty on this measure.

Child poverty in Hackney has been falling in Hackney and the City in relative terms in recent years. Figure 11 shows a reduction of 21 percentage points in Hackney, from 49% to 28%, between 2007 and 2013. This is the second biggest fall in child poverty of all Hackney's 'statistical peers', with only Newham witnessing a larger reduction over this period (a reduction of 22 percentage points). [22] Over the same time period, child poverty has almost halved in the City.

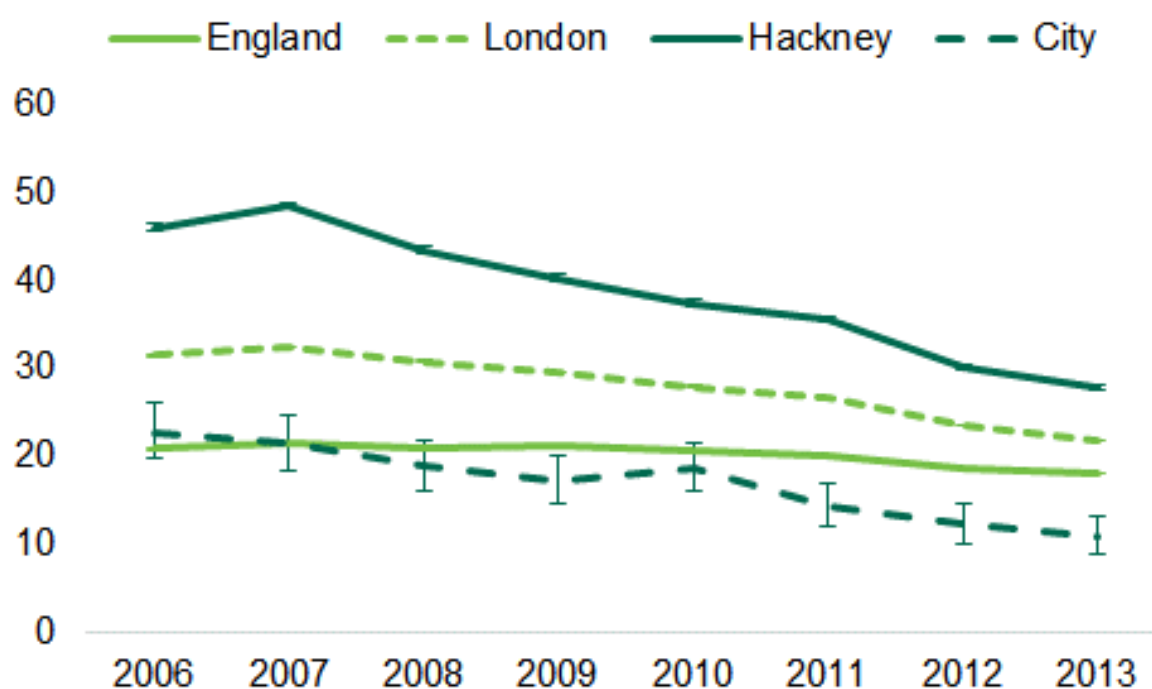
Average child poverty has fallen across England as a whole over this period, but this is the result of a fall in median income (against which this relative child poverty measure is based) rather than an increase in the real incomes of low income households with children. [31] In a 2011 report, the IFS predicted that relative child poverty in the UK would rise to 24% in 2020, a steady increase from 19% in 2010. [32]

Figure 10: Child poverty (2013)



Source: Public Health Outcomes Framework

Figure 11: Child poverty trends over time (2006-2013)



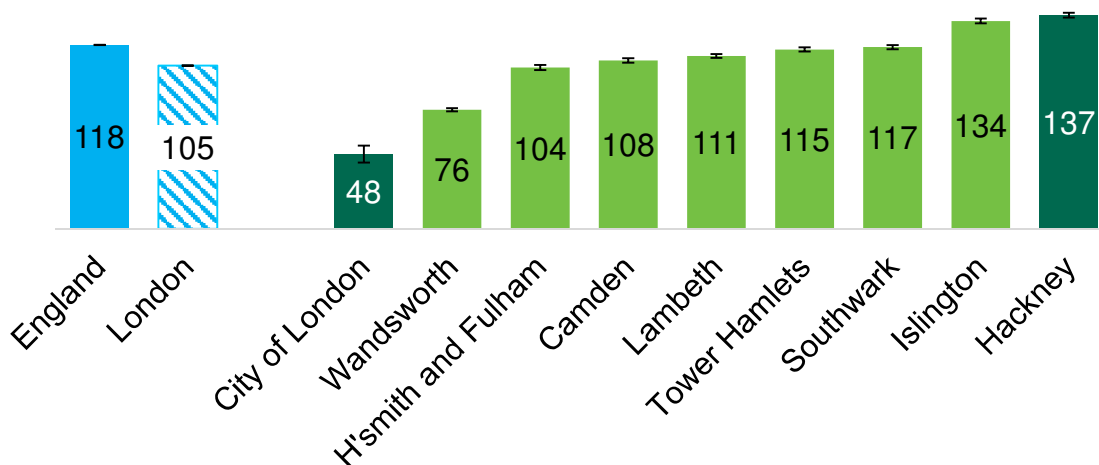
Source: Public Health Outcomes Framework

3.6.3 Welfare reform

By 2020/21, Hackney residents are expected to have experienced the fourth biggest loss of income in London as a result of recent welfare and housing reforms – an average loss of £410 per adult per year. Barking and Dagenham, Newham and Enfield, are the only London boroughs with larger expected reductions. [33]

Figure 12 shows that Hackney has the highest rate of people claiming out-of-work benefits compared to England, London and all of its statistical peers. The City has comparatively low rates of benefit claimants on this measure.

Figure 12: Total number of residents claiming out-of-work benefits per 1,000 working age population (age 18-64, 2015)



Source: Greater London Authority (GLA) Strategic Housing Land Availability Assessment (SHLAA) capped household estimates 2015

Note: Out-of-work benefits include JSA, Incapacity Benefit/ESA, Income Support

Figure 13 shows how claimant rates have decreased slightly for these benefits over the past nine years. The City of London has a consistently lower rate of out-of-work benefit claimants than the local and national figures.

Figure 13: Total number of benefit claimants per 1,000 working age population (age 18-64, 2015)



Source: GLA SHLAA capped household estimates 2015

Note: Out-of-work benefits include JSA, Incapacity Benefit/ESA, Income Support

3.7 Evidence and best practice

Much of what needs to be achieved to reduce poverty needs to be set at a national level through tax and benefit policy. However, local action can be taken to ensure that employers pay the London Living Wage, appropriate employment support is provided to help people find and stay in work, and schools and colleges provide high

quality education to improve the life chances of all children and young people. Through a combination of such efforts, it may be possible to reduce the risk of poverty and mitigate the effects of deprivation.

The independent Marmot Review into health inequalities prioritises a ‘whole child’ approach to address the wider social determinants of health (including education, housing and parental employment), in order to reduce the gap in health between children from deprived backgrounds and their better off peers. [9]

A wide-ranging review of social issues relevant to poverty, commissioned in 2014 by the Joseph Rowntree Foundation, highlighted a number of evidence-based approaches to tackling poverty, as summarised in Box 3. [26]

Box 3: Evidence-based approaches to tackling poverty in the UK

Listed below is a selection of relevant findings of evidence reviews commissioned by the Joseph Rowntree Foundation in 2014, including recommended actions at national and local level [26]

The 'bigger picture'

- Devolution and poverty – there is a strong case for further devolution in relation to Housing Benefits and labour market programmes.
- Regeneration and poverty – effective approaches include place-based interventions to tackle worklessness and improve housing, the environment and reduce crime. In relation to jobs, more could be achieved by creating jobs that match the skills and experience of people living in deprived areas and linking them up to local employment and training schemes.
- Wellbeing and poverty – anti-poverty strategies could be strengthened by complementing interventions to increase the income of people in poverty, such as conditional cash transfers, with individual and community-level initiatives aimed at promoting the wider components of people's wellbeing (e.g. mental health, education and self-esteem). These initiatives would allow anti-poverty strategies to improve people's chances of inclusion in society and the labour market and, ultimately, reduce the occurrence of poverty.

Welfare and work

- Benefits take-up - improving the take-up of means tested benefits by those in and out of work would contribute to poverty reduction, by increasing the level of knowledge about entitlements and eligibility as well as reducing stigma. These are most effectively implemented at a local level.
- Employment and pay – rises in the National Living/Minimum Wage boost household incomes for low earning households, while active labour market programmes that include job search services and sanctions or employer incentives (e.g. wage subsidies) have the best employment outcomes.
- Means-testing or universalism and poverty – means-testing can create stigma, complexity and work disincentives, while universal support can spread resources too thinly. An effective anti-poverty strategy requires a mix of both.

Education, personal relationships and community

- Early childhood education and care - the provision of good-quality, affordable and accessible early childhood education and care promotes young children's intellectual development, leading to better educational outcomes and life chances. It may also allow parents to work.
- Advice and support services – embedding advice services in community settings and pro-active outreach is needed to ensure the most disadvantaged are able to access help.

Complex needs

- Many people in poverty have additional, multiple support needs (e.g. mental or physical health problems) or other sources of social marginalisation (such as offenders or victims of crime, economic migrants) that need to be addressed.

3.8 Services and support available locally

Local support and services to tackle worklessness as a source of poverty are described in the 'Work and worklessness' section of this JSNA chapter.

Hackney's Child Poverty and Family Wellbeing Plan 2015-18 sets out an approach to tackling child poverty in Hackney (see *Box 4*). [34] It builds on the plan from 2012, which takes a dual approach to child poverty, both aiming to maximise income and tackle complex needs. [35] Progress was reviewed and the new plan maintains the priorities from 2012, but proposes a sharpening of focus in three areas:

- parental employment
- childcare
- working with families with complex dependencies.

Box 4: Hackney's Child Poverty and Family Wellbeing Plan 2015-18 thematic priorities [34]

The following six thematic priorities seek to maximise income while also tackling complex needs:

- excellent universal services committed to working with families to build aspirations and improve outcomes for all children
- services can demonstrate that they are enabling families to build aspirations and improve outcomes for children living in low-income families and most at risk of poor outcomes
- services are accessible to all children and families
- services work effectively in partnership to ensure a co-ordinated whole family approach
- opportunities are maximised to target support early and at the points in children's lives when it can have most impact
- enabling families to maximise their household incomes.

Hackney Council also fund a number of advice services for people in disadvantaged circumstances through a community grants scheme (see *Box 5*). [36]

In addition, Hackney Council is funding a pilot project delivering advice specifically to young people who tend not to access traditional advice services. The pilot is setting up surgeries at Young Hackney¹² hubs and youth hubs run by Hackney Marsh Partnership in Homerton and Stoke Newington, jointly working with Daymer to encourage young people from the Turkish/Kurdish community to also engage. Advice covers all areas, including welfare benefits, housing, debt, employment, immigration, and crisis support, as well as being able to refer to legal specialists if required. As part of the pilot, there is also an outreach programme to raise awareness of the service at other youth settings including schools and faith groups.

¹² A service for all young people aged 6-19 which runs in five youth centres. They offer activities, advice and guidance on subjects such as employment and health.

Box 5: Hackney Council's corporate advice grants scheme

The Social Welfare Advice grants fund high quality, independent services that provide advice on all areas of social welfare law and support residents to understand their rights and responsibilities; access their entitlements; manage and resolve their problems; and build their capabilities. The advice service is delivered by a range of voluntary sector organisations and provides open access across Hackney. There is additional focus on the advice needs of young people, older people, disabled residents and residents with mental health issues. Specific funded services include the following.

The grant scheme funds the Advice in Hackney website – a directory of advice providers in the borough, which also includes information about free training courses funded by ‘the Sustainable Advice in Hackney’ project (to help local advisors and volunteers keep up-to-date with changes to the law or new government regulations affecting their clients). [37]

Box 6: Case study - Citizen Advice East End 'Money Smart' programme

This programme is a partnership project between the Big Lottery Fund, Citizens Advice East End and 10 local housing associations (including Hackney Housing). It helps residents improve their financial confidence so they can budget, manage money better and learn how to plan ahead by developing personal action plans.

In 2015, the programme helped 1,262 people in Hackney to increase their incomes by a total of £600,000 since starting in 2013. In follow-up surveys, 98% of people using Hackney Money Smart stated they feel better following the first appointment, and 81% strongly agree that they will be able to make more informed decisions about their finances. Some anecdotal comments include:

"My health is much better compared to when I first arrived, especially my high blood pressure. Thank you very much for your advice."

"Excellent customer service and a good humanitarian feeling for everyone."

"I can now sleep stress and depression free."

Case study 1: Simon*

Simon is a single, disabled, retired man, living in rented accommodation, who came to Hackney Money Smart for help with rent arrears of £2500 and threat of eviction. He was receiving retirement pension of £52 per week following separation from his wife. He had not previously been entitled to any extra help as his wife was working. Following the separation, he did not know what to do or what benefits he could claim. This led to increasing rent and council tax arrears.

Simon saw Fred, a financial inclusion officer on the project, who helped him with advice and advocacy to deal with the rent and council tax arrears, and worked with Simon on his budgeting, money management and overall income maximisation. Fred helped Simon to claim pension credit (£100 per week), Housing Benefit (£111 per week), council tax reduction and attendance allowance (£55 per week). Pension credit was backdated for three months, and Simon used this backdated sum towards paying off his rent arrears. Fred also helped Simon with making a repayment arrangement with his landlord to pay off the remaining rent arrears (at a rate of £3.75 per week) and lifted the threat of eviction. Fred also helped Simon to access additional support from his landlord due to his age and disability. Following his work with the project, Simon said he felt more confident to budget and manage his money and relieved that the threat of eviction had been lifted.

Case study 2: Jenny*

Jenny is a lone parent, with three children, who is employed part-time and living in rented accommodation. - She came to Hackney Money Smart following referral by the local authority benefit cap team. Jenny has recently increased her working hours from 10 to 20 hours per week, and was subject to the benefit cap.

Jenny saw Harvel, a financial inclusion officer on the project, who helped Jenny with information on budgeting, money management, saving on fuel, prioritising bills and reducing expenditure through shopping around. Harvel also helped Jenny with claiming Working Tax Credit and getting the benefit cap removed from her claim by the local authority benefit cap team. Jenny was entitled to additional tax credits of £72 per week in addition to her increased income through increased working hours. Jenny said she felt better able to manage her money following working with the project.

**names have been changed to ensure anonymity*

The City of London's Children and Young People's Plan (CYPP) identifies four key areas of improvement: [38]

- close the gap in outcomes for children, young people and families in vulnerable groups
- close the gap in outcomes for children, young people and families based on their localities
- improve physical and emotional health and wellbeing from conception to birth and throughout life
- ensure that young children are well prepared to achieve in adulthood, through high quality learning and development.

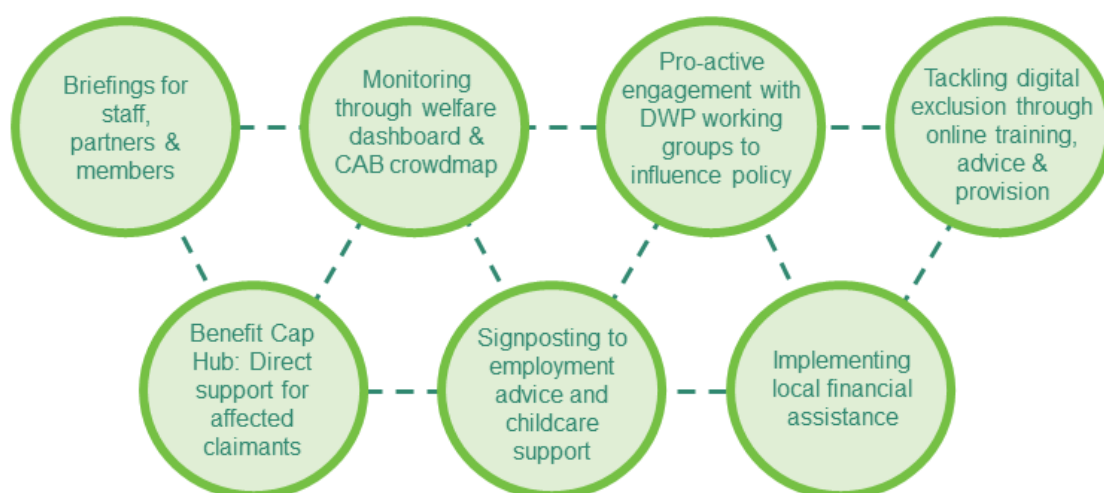
The City of London also runs a central grants programme, with specific funding streams around 'stronger communities' (which includes a focus on projects which tackle poverty) and 'education and employment support'. In addition, Toynbee Hall, in partnership with the Royal Court of Justice Advice Bureau (CAB), offer free advice services for people who live, work or study in the City of London. This City Advice Service provides targeted, free and impartial information and advice on a range of issues (such as debt, legal issues and employment rights) through drop in surgeries, an advice line and online resources and case work. [39] Key objectives for the service include:

- proactive awareness raising and education – targeted workshops, campaigns and events with particular cohorts to raise awareness of key issues
- enabling channel switch – capacity building with service users to become more confident in using other channels (e.g. online) of advice and self-help, where appropriate
- community ambassadors – to raise awareness of key issues among the community, and help direct people in need to the service.

Finally, Welfare Reform Working Groups have been established in both Hackney and the City of London. These working groups bring together a range of services and partner organisations to ensure a robust and coordinated local response to help mitigate the negative impacts of welfare reforms on affected residents. Figure 14 provides an overview of the key aims and areas of activity of the Hackney Welfare Reform Working Group.

Figure 14: Hackney's Welfare Reform Working Group action plan

Responding to Reform: Supporting Stakeholders



AIMS:

1

Ensure effective information sharing between agencies to improve support offered by affected claimants

2

Maximise financial and other resources available to support affected claimants

3

Manage associated risks (e.g. eviction, overcrowding) that could result from welfare reform

4

Advance a coordinated campaign to lobby on key issues associated with welfare reform

5

Raise awareness and understanding of the impact of welfare reform locally

6

Monitor and respond to the impact of welfare reform and demand for advice services as they develop

3.9 Challenges and opportunities

In Hackney, as average levels of relative deprivation continues to decline, the risk is that socio-economic inequalities *within* the borough become more marked - as the gap between the experiences and outcomes of less affluent longer-established residents and more affluent recent arrivals grows. An extensive community engagement exercise undertaken in 2015 highlighted these concerns among the local population (see the 'Community cohesion and social networks' section of this JSNA chapter). A major challenge for the future is how the needs of the diverse communities of Hackney can continue to be met.

The most significant immediate challenge to meeting the needs of low income residents is the financial pressure facing local authorities and partner agencies as a result of central government spending cuts. These developments require a more targeted, joined-up approach to ensure that the focus on vulnerable families and other residents is maintained.

3.10 References

- [1] Department for Communities and Local Government, "The English Indices of Deprivation 2015 - Statistical Release," September 2015. [Online]. Available: https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/465791/English_Indices_of_Deprivation_2015_-_Statistical_Release.pdf.
- [2] The UK Data Service, "Deprivation data," [Online]. Available: <https://census.ukdataservice.ac.uk/get-data/related/deprivation>.
- [3] The National Archives, "Child Poverty Act 2010," [Online]. Available: <http://www.legislation.gov.uk/ukpga/2010/9/contents>.
- [4] Institute for Fiscal Studies, "The Impact of Proposed Tax, Benefit and Minimum Wage Reforms on Household Incomes and Work Incentives," Institute for Fiscal Studies, 2015.
- [5] Institute for Fiscal Studies, *Press Release: Nearly two-thirds of children in poverty live in working families*, 2015.
- [6] W. Wilson, "Briefing paper - Housing Benefit: withdrawing entitlement from 18-21 year olds," House of Commons Library, 2015.
- [7] Department for Work & Pensions, "Housing Benefit Claimant Factsheet - Removal of Spare Room Subsidy," Department for Work & Pensions, 2014.
- [8] H M Government, "Employment and Support Allowance (ESA)," [Online]. Available: <https://www.gov.uk/employment-support-allowance/eligibility>. [Accessed September 2016].
- [9] The Marmot Review, "'Fair Society Healthy Lives' (The Marmot Review)," 2010.
- [10] R. Wilkinson and K. Pickett, *The Spirit Level - Why Equality is Better for Everyone*, 2009.
- [11] Joseph Rowntree Foundation, "Does money affect children's outcomes?," 2013. [Online]. Available: <https://www.jrf.org.uk/report/does-money-affect-children%E2%80%99s-outcomes>. [Accessed September 2016].
- [12] The Children's Society, "A good childhood for every child? Child Poverty and social inequality in the UK 2012," 2012. [Online]. Available: http://www.childrenssociety.org.uk/sites/default/files/tcs/2013_child_poverty_briefing_1.pdf. [Accessed September 2016].
- [13] City and Hackney JSNA, "City and Hackney Health and Wellbeing Profile 2011/12," 2011/12, pp. 193-235.
- [14] Faculty of Public Health, "The impact of the UK recession and welfare reform on mental health," [Online]. Available: http://www.fph.org.uk/the_impact_of_the_uk_recession_and_welfare_reform_on_mental_health. [Accessed September 2016].
- [15] D. Blane and G. Watt, "GPs at the deep end: GP experience of the impact of austerity on patients and general practices in very deprived areas," Deep End Steering Group, Glasgow, 2012.
- [16] K. Burton, M. Higgins and L. Mann, "UK Welfare Reform: final guidance for NHS Boards in Scotland on mitigating actions," Scottish Public Health Network, 2013.

- [17] D. G. Gudmundsdottir, "The Impact of Economic Crisis on Happiness," 2013. [Online]. Available: <http://link.springer.com/article/10.1007/s11205-011-9973-8>.
- [18] Commons Work and Pensions Select Committee, "Legacy benefits," [Online]. Available: <http://www.publications.parliament.uk/pa/cm201516/cmselect/cmworpen/372/37207.htm>. [Accessed September 2016].
- [19] London Councils, "Disability benefit reform," 2015.
- [20] London Borough of Hackney, "Indices of Multiple Deprivation 2015 Briefing," 2015.
- [21] City of London Corporation, "City of London Resident Population - Deprivation Index 2015," 2015.
- [22] Hackney Council, "Child poverty and family wellbeing needs assessment update November 2015," 2015.
- [23] Hackney Council, "Child poverty needs assessment 2014," 2014.
- [24] City of London Corporation, "Child Poverty Needs Assessment," 2014.
- [25] F. Bennett, and M. Daly, for the Joseph Rowntree Foundation, "Poverty through a Gender Lens: Evidence and Policy Review on Gender and Poverty," Department of Social Policy and Intervention, University of Oxford, 2014.
- [26] Joseph Rowntree Foundation, "Reducing Poverty in the UK: a collection of evidence reviews," 2014.
- [27] Institute for Fiscal Studies, "Do the UK Government's welfare reforms make work pay?," 2013. [Online]. Available: <http://www.ifs.org.uk/wps/wp1326.pdf>.
- [28] L. Platt, "Ethnicity and child poverty," Department for Work and Pensions, 2009.
- [29] The Children's Society, "Holes in the safety net: The impact of Universal Credit on disabled people and their families," 2012.
- [30] Islington Council, "NRPF Network - Social Services Support to People with No Recourse to Public Funds: A National Picture," 2011.
- [31] Institute for Fiscal Studies, "Living Standards, Poverty and Inequality in the UK: 2015," 2015.
- [32] Institute for Fiscal Studies, "Child and Working-Age Poverty from 2010-2020," 2011.
- [33] C. Beatty and S. Fothergill, "The uneven impact of welfare reform - The financial losses to places and people," Sheffield Hallam University Centre for Regional Economic and Social Research, 2016.
- [34] Hackney Council, "Hackney's Child Poverty and Family Wellbeing Plan 2016-18," 2016.
- [35] Hackney Council, "Child Poverty and Family Wellbeing Plan: April 2012," 2012.
- [36] Hackney Council, "Community Grants," [Online]. Available: <http://www.hackney.gov.uk/community-grants>. [Accessed September 2016].
- [37] Hackney Council, "Advice in Hackney," [Online]. Available: <http://www.hackneyadvice.org.uk/>. [Accessed September 2016].
- [38] City of London Corporation, "Children and Young People's Plan (CYPP) 2015-18," undated.
- [39] Toynbee Hall, "For a future without poverty," [Online]. Available: <http://www.toynbeehall.org.uk/city-advice>. [Accessed September 2016].

