

## Income and benefits

(See also 'Deprivation', 'Child poverty' and 'Financial inclusion' data packs)

### Headlines

The number of households receiving Housing Benefit and/or Council Tax Benefit is often used as a proxy indicator of low income. In Leeds there has been a general increase in the benefit caseload over recent years, rising from around 71,000 in 2007 to just over 80,100 in 2010. This increase is primarily linked to the economic downturn in the country over the same period. The majority of the increase was seen in people of working age and in the private-rented sector. There has been little increase in the older age caseload and, comparing types of housing tenure, there have been only small increases in the public-rented and owner-occupied sectors. These increases map across to the main areas of deprivation in Leeds. As the private-rented sector is fairly evenly spread across the whole of Leeds, this explains why there are above average increases across the majority of the residential MSOAs.

### Why is this important?

Poverty affects people and communities in many ways, and it affects people at different times in their lives. Lack of resources deprives children, young people and adults, often for long periods of their lives, of opportunities which the rest of society takes for granted (for example, in education, employment or leisure activities).

Poorer areas often experience multiple problems. Problems of high unemployment, poor quality housing, chronic ill health, high crime rates and a run-down local environment often occur together and may

become mutually reinforcing. Such a situation can then become self-perpetuating since lack of choice and lack of control over their lives may lead to apathy and low expectations among residents.

### Story for Leeds

This data pack provides a summary of several income-related data sets:

- average earnings
- average incomes
- households in receipt of Housing and/or Council Tax Benefit
- Pension Credit.

Analysis of the various data sets shows that:

- In 2010, earnings for people resident in Leeds were on average lower than those in England as a whole, but higher than the regional average.
- Average household incomes are also lower than the England average but higher than the regional average.
- 18% of households have incomes of less than £10,000 per year.
- Almost a quarter of households in the city receive Housing and/or Council Tax Benefit.
- 30% of children in the city live in households receiving Housing and/or Council Tax Benefit.
- A quarter of all people aged 60 and over receive Pension Credit.

### Where is this causing the greatest concern?

Not all the data sets are available at the small area level, but where they are available they tell a similar story to the 'Deprivation' and 'Child poverty' data packs, with concentrations of low incomes in the Inner East and Inner South areas in particular.



**Figure 1 Average gross earnings for people resident in Leeds, Yorkshire and the Humber and England**

	Hourly			Weekly			Annual		
	Leeds	Y&H	England	Leeds	Y&H	England	Leeds	Y&H	England
2007	£9.94	£9.50	£10.39	£371.40	£350.00	£382.90	£19,744	£18,773	£20,354
2008	£10.57	£9.72	£10.77	£384.10	£361.10	£396.10	£20,754	£19,393	£21,172
2009	£10.79	£10.08	£11.17	£395.40	£365.70	£402.90	£21,459	£19,709	£21,680
2010	£11.11	£10.28	£11.30	£404.40	£378.40	£411.50	£21,224	£19,812	£21,575

In 2010, earnings for people resident in Leeds were on average lower than those in England as a whole, but higher than the regional average (Figure 1).

Information on household incomes at the small area level has traditionally been difficult to obtain but recently the Council has begun to use income data from the Acxiom Lifestyle Survey. Acxiom is a commercial company

and one of the largest data providers in the UK, specialising in 'Lifestyle and Demographic' data.

Figure 2 shows the average household incomes for Leeds compared to Yorkshire and the Humber and England and also the numbers of households within each income bracket.

**Figure 2 Average household income for people resident in Leeds, Yorkshire and the Humber and England**

<b>Acxiom Lifestyle Survey 2009</b>	<b>Leeds</b>		<b>Yorkshire and the Humber</b>	<b>England</b>
Average Household Income	£33,793		£31,393	£35,816
Number of households by income bracket	Number	Rate	Rate	Rate
• £0 to £4,999	26,200	8.1%	8.1%	5.8%
• £5,000 to £9,000	33,092	10.2%	11.2%	8.7%
• £10,000 to £14,999	36,218	11.2%	12.2%	11.0%
• £15,000 to £19,999	28,648	8.8%	9.3%	9.0%
• £20,000 to £24,999	24,236	7.5%	7.9%	8.1%
• £25,000 to £29,999	23,299	7.2%	7.3%	7.2%
• £30,000 to £34,999	23,174	7.2%	7.0%	6.8%
• £35,000 to £39,999	33,970	10.5%	10.1%	10.4%
• £40,000 to £44,999	24,575	7.6%	7.4%	8.5%
• £45,000 to £49,999	34,297	5.6%	6.0%	6.8%
• £50,000 to £74,999	30,791	10.6%	9.6%	11.7%
• £75,000+	18,208	5.6%	4.1%	6.1%
Number of households by income grouping	Number	Rate	Rate	Rate
• < than £10,000	59,292	18.3%	19.3%	14.5%
• < than £20,000	124,158	38.3%	40.7%	34.5%
• < than £30,000	171,693	53.0%	56.0%	49.8%
• £30,000+	152,449	47.0%	44.0%	50.2%

• £50,000+	52,505	16.2%	13.6%	17.7%
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The data shows that:

- the average income levels across the city as a whole are above those for Yorkshire and the Humber but below the England averages
- 18% of households in the city have incomes of less than £10,000 per year
- over half the households in the city have incomes of less than £30,000 per year.

**Figure 3 Average household income in Leeds by Area Committee**

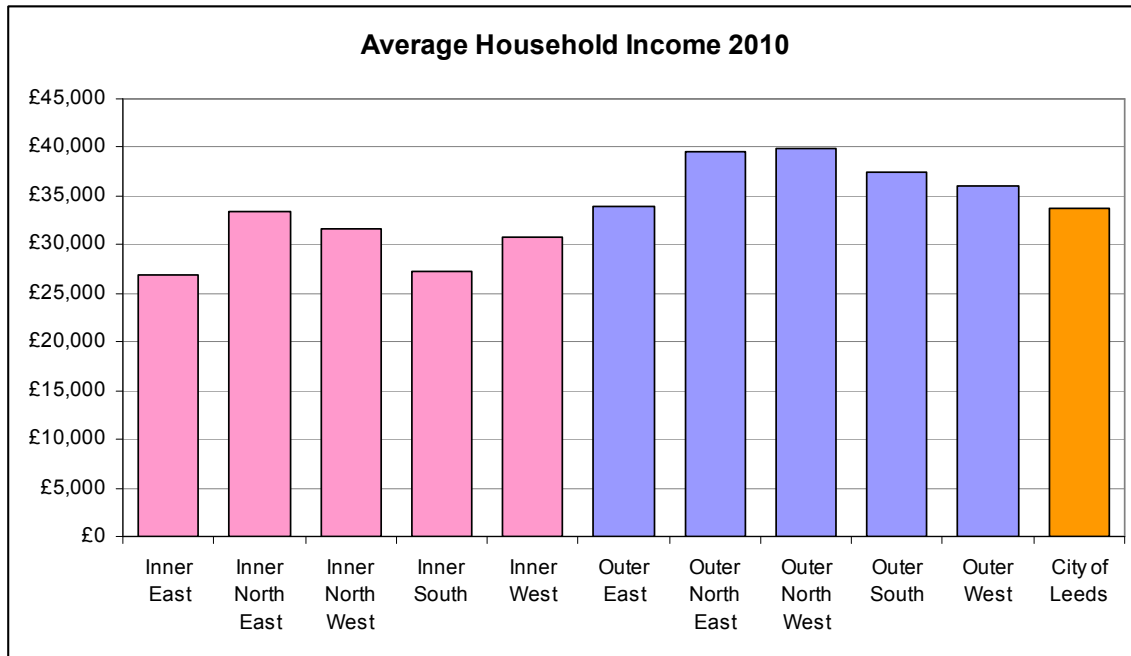


Figure 3 shows average household income broken down by Leeds Area Committee. Average annual incomes range from £26,800 in Inner East to £39,900 in Outer North West.

**Households receiving local authority administered benefits**

The following information is derived from the Council's benefits database. Figure 4 provides a

snapshot of household composition data from November 2010 for the city as a whole. Figure 5 shows the proportion of households receiving HB/CTB by Area Committee. This can be used as a proxy indicator of low income. Figure 6 shows the Area Committee data by household type. Figure 7 provides a map of take-up at the Lower Super Output Area (LSOA) level and Figure 8 shows the number of households receiving HB/CTB from 2003 to 2010.

**Figure 4 Leeds household composition November 2010**

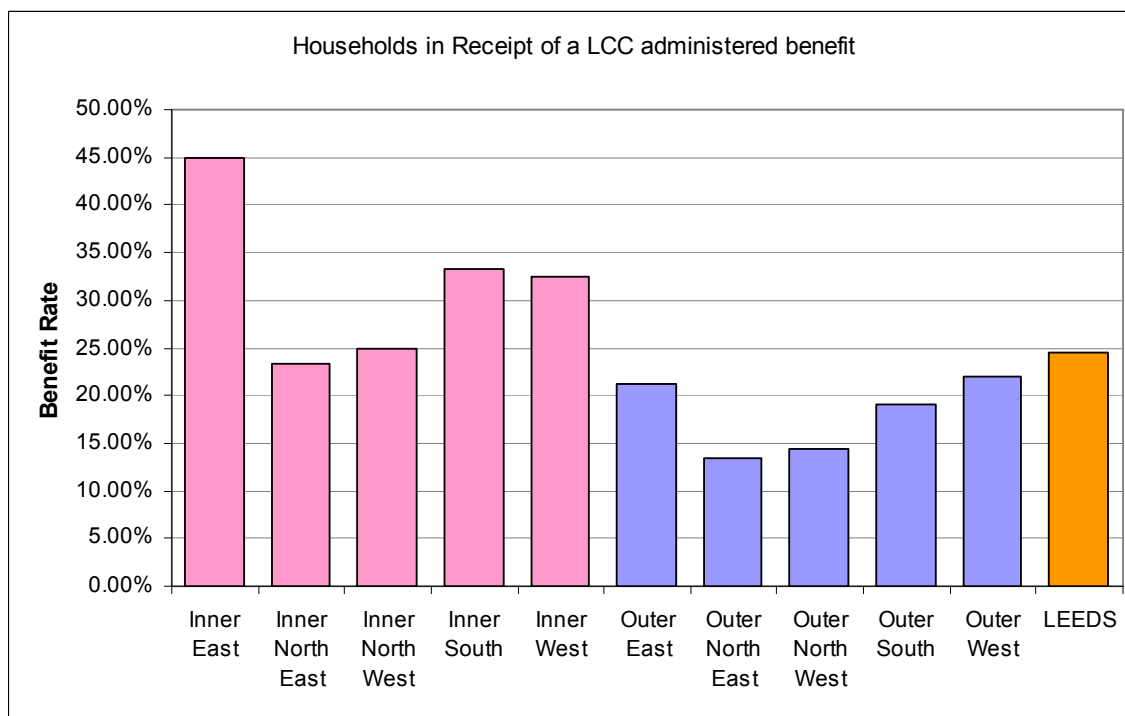
Household composition	Leeds	
	Number	Rate*
All households	80,105	24.5%
• With residents aged 60+ only	33,200	10.1%
• Lone parents	14,750	4.5%
• Couples with dependent children	6,388	1.9%
• Single people (under 60)	22,276	6.8%
• Couples (under 60) – no dependent children	3,492	1.1%
	Number	Rate**

All people in households on benefit	136,393	17.3%
Children in households on benefit	39,320	29.5%

Source: Leeds City Council Revenues Service.

\* Rate of all households liable for Council Tax. \*\*Rate of all people and all children under 16 respectively from revised 2009 MYEs

**Figure 5 Proportion of households receiving Housing Benefit/Council Tax Benefit by Area Committee**



**Figure 6 Area Committee benefits data by household type**

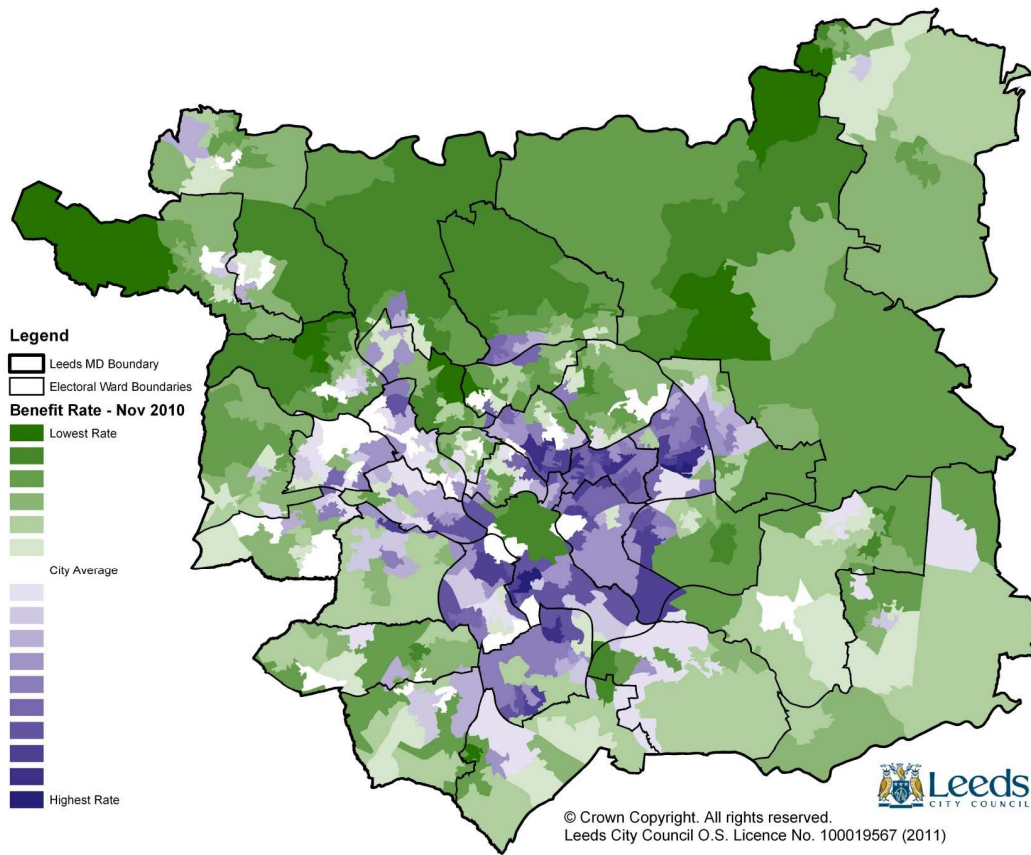
Households in receipt of Housing and/or Council Tax Benefit	All households		Lone parent households	Older person households	People in households receiving benefit	Children in households receiving benefit
	Numbers	Rate				
Inner East	14,542	45.0%	3,285	4,774	26,959	9,336
Inner North East	6,922	23.2%	1,130	2,879	11,475	3,221
Inner North West	8,693	25.0%	1,260	2,906	13,349	3,305
Inner South	12,213	33.2%	2,533	3,956	21,657	6,936
Inner West	7,108	32.6%	1,444	2,565	12,363	3,787
Outer East	7,670	21.2%	1,441	3,972	13,068	3,587
Outer North East	3,512	13.5%	459	1,973	5,514	1,191
Outer North West	5,385	14.4%	719	3,069	8,380	1,788
Outer South	7,183	19.1%	1,250	3,775	11,894	2,977
Outer West	6,633	21.9%	1,169	3,254	11,308	3,058
Leeds	80,105	24.5%	14,750	33,200	136,393	39,320

A more detailed analysis of the benefits data shows that rates vary considerably between Middle Super Output Areas (MSOAs) from 5.7% in Alwoodley West to 52.7% in Belle Isle

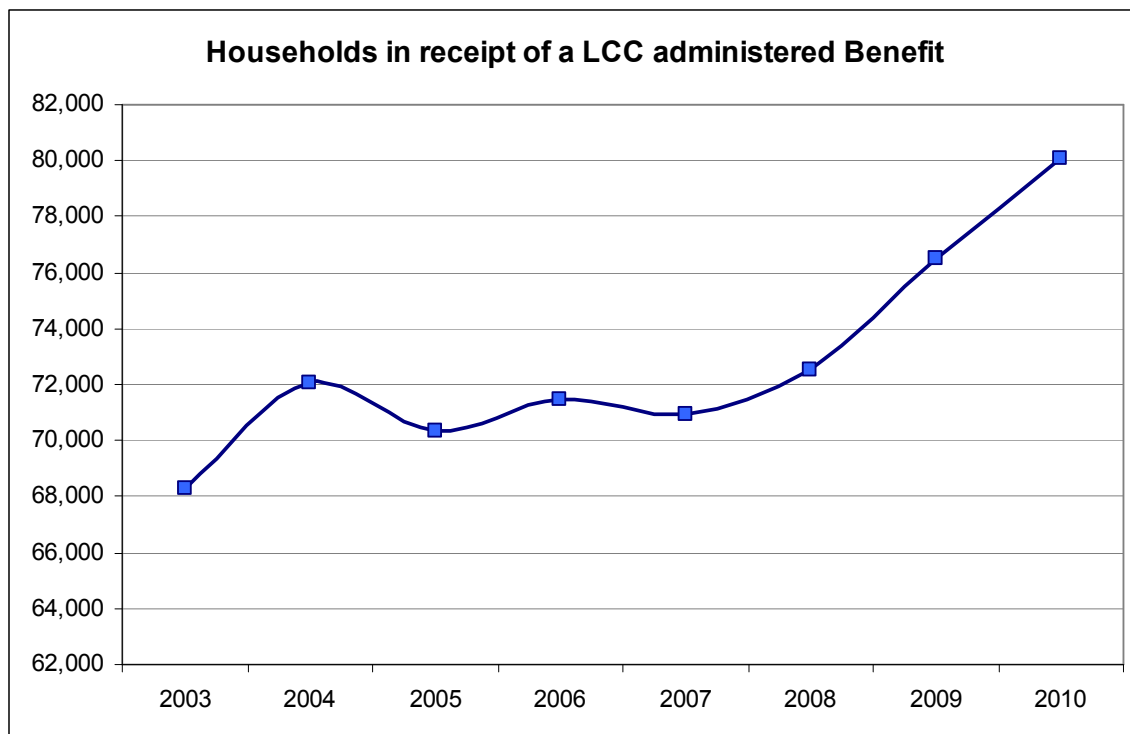
North. Indeed, there are 19 MSOAs where more than 40% of all households are in receipt of HB/CTB.



**Figure 7 Local authority administered benefit take-up by Lower Super Output Area (LSOA)**



**Figure 8 Leeds households receiving local authority administered benefit 2003–2010**



## Pension Credit

Pension Credit provides financial help for people aged 60 and over whose income is below a certain level. The data shows that:

- there are 33,300 pension credit claimants in the city (25.3% of the post-working age population)
- the highest claim rates are again found in the Inner East (45%) and Inner South (41%)

- even though the outer areas have higher proportions of older residents the Pension Credit claim rates in all five outer areas are lower than in the five inner areas
- 80% of Pension Credit claimants are single people
- 63.5% of Pension Credit claimants are women.
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**Figure 8 Leeds Pension Credit claimants by Area Committee**

Area	Post-working age population	Pension Credit claimants						
		Total	Rate	Male	Female	Single	With Partner	
Inner East	10,711	4,860	45.4%	2,095	2,765	995	3,865	
Inner North East	11,945	3,300	27.6%	1,305	1,995	615	2,685	
Inner North West	9,812	2,990	30.5%	1,175	1,815	490	2,500	
Inner South	9,830	4,015	40.8%	1,725	2,290	810	3,205	
Inner West	7,360	2,445	33.2%	925	1,520	495	1,950	
Outer East	18,427	3,705	20.1%	1,365	2,340	825	2,880	
Outer North East	15,098	1,930	12.8%	685	1,245	400	1,530	
Outer North West	18,838	2,940	15.6%	1,010	1,930	600	2,340	
Outer South	16,224	3,700	22.8%	1,290	2,410	835	2,865	
Outer West	13,291	3,460	26.0%	1,265	2,195	795	2,665	
Leeds	131,536	33,300	25.3%	12,810	20,490	26,420	6,890	

Source: Department for Work and Pensions, February 2011

## Views of local people\*

\* An initial selection of surveys and focus group outputs were gathered to enable inclusion of public opinion data within the JSNA. Please note as this is only an initial selection it is not a comprehensive data set and therefore may not be representative of the whole population of Leeds. This part of the data set is under development for future versions of the Joint Strategic Needs Assessment.

Purple Project final report 2008

The Purple Project researched the needs of older women in Leeds. Some of its findings are reported below.

For the majority of older women, having an adequate income was directly related to whether or not they had generated sufficient pension entitlement. For the vast majority this was not the case, as their working life had been interrupted by caring responsibilities – bringing up children, caring for elderly relatives and caring for grandchildren. A lack

of private pensions meant that some women felt that they could not afford to retire at 60. In addition, a large number of older women felt that the current level of pension they received was inadequate and that because they had spent most of their lives juggling families, additional caring roles and paid employment they deserved a better standard of living than 'enough to live on'.

However, a significant number of women, many in the oldest age groups, said they had 'no cause for complaint' and some felt they were better off than they had ever been. Generally, women in their 50s and 60s were comfortable talking about their experiences of money and poverty but there was a definite reluctance amongst women at the oldest ages to report any problems or financial concerns.

The research also revealed a number of older women living in the outer, more affluent areas of Leeds who were very isolated from services and were experiencing poverty. All of them were widowed and, despite having a 'nice' house, lacked disposable income. These women either did not have access to benefits or had very little understanding of the benefits system, so were not claiming benefits they were entitled to.

One woman felt that the pension she received was:  
*'enough to live on but they don't pay for little extras, and I think you deserve a few little extras when you are older.'* Another said: *'It's enough to live on yes but who just wants to live!'* One woman felt that she had fallen through the system and was effectively being penalised for having had to retire due to ill health in her early 50s: *'Because I am not yet 60 I don't benefit from all the concessions that come along with being pension age, like free courses and things.'*

Many older women were providing unpaid child care. The number of older women caring for grandchildren has significant policy, social and financial implications. Older women are often supporting their families by enabling their adult children to combine having a family with working. In assuming this role, older women said they benefit both emotionally and socially but it may also result in financial disadvantage and isolation. The needs of grandmothers must be considered, especially as government policy is increasingly encouraging mothers, particularly single mothers, back into paid work. The number of grandmothers caring for grandchildren may well rise further.

Because of the multiple roles that many grandmothers try to maintain, many older women felt the right to flexible working should be extended to include older women, both by employers and at policy level.

Some African Caribbean women talked about self-image and the negative impact on self-esteem if you can't afford to look nice. One woman said *'you can't get decent glasses free, the NHS glasses are old fashioned and the cheaper frames just don't last'*.

An Asian woman talked about having to sell her jewellery in order to live, which led her to feel depressed. Within her culture, jewellery reflected her social status: *'If you don't feel*

*good about yourself then it affects you mentally.'* Feeling that she couldn't talk about her financial difficulties with the rest of her family increased her feelings of depression and isolation.

Some women thought the benefit system actually discriminated against them because of their age. One woman needed her mobility allowance to be able to get out and about: *'If you claim DLA [Disability Living Allowance] you get a mobility allowance. If you are disabled after 65 you get attendance allowance which does not include a mobility component.'*

The issue of unclaimed benefits occurred during several discussions. Some women described being daunted by the length and complexity of the forms. One woman said: *'The benefits forms worry me...they are like a book so I gave up...no-one wants to seem stupid do they?'*

In some cases pride prevented women for asking for what they felt was 'charity'. One woman in her 90s, who was not claiming all the benefits that she was entitled to, described how as a young girl her family couldn't afford boots for her and without boots she couldn't go to school: *'We were poor...there was a scheme called 'boots for bairns', I will always remember it to this day, black lace ups, with Leeds City Council written all over them! I absolutely hated every minute of wearing those boots and was ashamed of the charity... we managed before so we will manage again.'*

The Place Survey 2008/09  
The Place Survey 2008/09 for Leeds City Council showed that although 'job prospects' and 'wages levels and the cost of living' were not yet seen as the most vital areas for improvement, there were indications that the recession was starting to concern Leeds residents.

Compared with 2006/07 there was an increase in the number of respondents who mentioned 'job prospects' (up from 10% to 16%) and 'wage levels and the cost of living' (up from 9% to 14%). These factors are likely to become more important if the recession deepens.

**Views of Older People who are NNS  
(Neighbourhood Network Scheme) Members**

Members of Leeds Older People's Forum (NNS) were surveyed in October 2008. The main activities or services that respondents said they would like were home maintenance (90), gardening (89), benefits advice (71), advice and information (67), shopping (65), trips (65) and exercise classes (63).

There was a huge response to the question 'What does your scheme do well?' Some recurring themes were: the welcoming, caring, thoughtful and kind nature of staff; improvement in service users' mental wellbeing; learning new skills; increasing confidence; reducing social isolation and loneliness; increasing benefits uptake; someone there when needed, in person or on the phone; information; transport, trips and activities; bringing people together; someone keeping an eye on members; practical services; support for people to stay in their own home; bereavement support; and help with housing.

*'The scheme provides me with a friendly service in supporting me with any problems I may have including health, home maintenance, certain financial matters such as benefits and providing advocacy when needed.'*

### Considerations for the future

The effects of living in poverty for families and communities are varied and complex.

Service responses to poverty have often become departmentalised, focusing on single aspects and not looking at the broader picture.

Solutions must recognise the complexity of people's lives and enable issues to be tackled across all disciplines and service areas.

Tackling poverty and the effects of poverty are central to the new City Priority Plans. This has been identified as a cross-cutting theme to be addressed through all five separate action plans.