

Newcastle Council leader to head national review of poverty and regional inequality

Newcastle City Council leader Nick Forbes has been appointed to lead a national commission examining poverty and regional inequality, issues that he knows are prevalent both in his home city and elsewhere.

“Regional inequality traps people in poverty in all parts of England, from Newcastle to Newham, along our coasts and in our countryside,” he said.

“Our regions are interconnected, but right now that’s working against all of us and driving up poverty, both in our overheating capital and in our underperforming towns and cities.

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“This commission will bring our regions together to set out a new, inclusive, ambitious agenda to rebalance the country and reduce poverty across all of England.”

Coun Forbes will investigate poverty as part of a commission set up by the Fabian Society, a left leaning organisation that has been campaigning on inequality in the UK for almost 150 years.



Newcastle City Council leader Nick Forbes

Working with a team of commissioners, the project will spend the next year taking evidence on how poverty affects people around the UK, whether that is through the North-South divide, London's housing crisis, or the challenges facing rural and coastal communities.

In particular, the commission will look at what causes poverty, where it is concentrated and how that plays out to affect people living in areas of disadvantage. It will ask how people on low incomes understand the way poverty is distributed, but crucially what can be done to reduce high concentrations of poverty in all parts of the country.

Inequality in the UK has been an open secret for many years, with too much wealth concentrated in London and the South East to the detriment of places like the North East.

But as the commission's launch statement accepts, talk of the North-South divide, though accurate, does not tell the whole

story.

“The so-called ‘north-south divide’ reflects long-term underinvestment that traps people in poverty outside of London and the South East,” it says. “But London’s overheating economy traps people in poverty there too.”

There is significant inequality within the North East as well. A study in 2013 revealed that a short trip on the Tyne and Wear Metro – from Ponteland to Byker – would see average life expectancy fall by around 11 years, while figures released by the Office for National Statistics earlier this year illustrate how inequality can exist within regions, and within towns and cities.

The ONS figures pegged Newcastle as the 36th most income deprived area of 316 areas of England, with 76 of the 175 neighbourhoods within the city among the worst off parts of the country. But 34 of Newcastle’s neighbourhoods were among the best off in the country, with areas of high wealth frequently just a short distance from places of high deprivation. That puts Newcastle among the 20 local authorities with the largest gap between their most and least income-deprived neighbourhoods (with County Durham, Middlesbrough, Stockton-on-Tees and Redcar and Cleveland ranked even higher for ‘internal inequality’, demonstrating a ‘North-North divide’).

The recent Child of the North report, drawn up by a team of academics working with the Northern Health Science Alliance, outlined the effects of poverty on children, saying that growing up without enough money led to “many adverse outcomes, spanning education, employment, lifetime earnings, crime, and both physical and mental health.”

The report also outlines how these issues can influence each other in a vicious cycle. Children in poorer households are less likely to do well at school for a variety of reasons that

include less access to books, lower aspirations and fewer role models, not having home computers and the difficulties of doing homework in crowded houses. And because children from those backgrounds tend not to do so well at school, they are less likely to get better jobs as adults.

Growing up in poverty is also likely to impact on health, both physical and mental, which makes it harder to work – and so the situation perpetuates.

The most visible impact of poverty to many is the number of foodbanks seen in the North East and further afield.

Last week the Independent Food Aid Network warned that food banks are experiencing a “sudden and worrying” increase in demand from people hit by the removal of the Universal Credit uplift and soaring food and energy prices before Christmas. A separate poll by the community giving platform Neighbourly, which Aldi partners with to distribute surplus food, found that 70% of food banks, charities and community causes were worried about having enough food to support people this Christmas.

The Government removed the Universal Credit uplift – a temporary measure brought in to help claimants weather the storm of the pandemic – in the autumn, despite broad opposition from cross-party MPs, former Conservative Work and Pensions Secretaries, charities and think tanks.

It has introduced a £500m fund for households struggling to afford essentials this winter, but groups say it is not nearly enough to make up for the loss of the uplift.

It can be easy to think that a level of poverty is inevitable in society, but a number of studies have shown that the right policies can reduce it.

Tony Blair famously vowed to end child poverty within a generation while Gordon Brown wanted to put an end to poverty

among pensioners. Neither of those goals were met but there is widespread agreement that the Labour Governments between 1997 and 2010 made some inroads, particularly through its policies on benefits and tax credits.

That progress unravelled during the austerity years, however, with child poverty rising by 11 percentage points in the North East just five years.

That reverse led business and charity leaders in the North East to write earlier this year to the Government demanding action on child poverty in the region, including wider access to free school meals. The North East England Chamber of Commerce, Voluntary Organisations' Network North East (VONNE) and the North East Child Poverty Commission said rising levels of child poverty have been made worse by the coronavirus pandemic, and need to be tackled if the Government was serious about its 'levelling up' agenda.

With the Government's white paper on levelling up now due in the New Year, attention is on Ministers to see if the Government is up to that challenge.

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