

# Tackling Poverty And Inequality Action Plan: Monmouthshire

1. No Child Left Behind
2. No Adult Left Behind
3. No Community Left Behind

Monmouthshire County Council is committed to reducing poverty, income inequality and the impacts they have upon our residents' lives. This document is the fulfilment of a promise in the Social Justice strategy two years ago that the council is committed to "developing a poverty action plan".

Monmouthshire is a leafy, prosperous county. In comparison to our local authority neighbours, Monmouthshire, in terms of total numbers, is one of the least deprived areas in Wales. However, the county's deprivation is different to that of its neighbours. One of the unique differences is the stark income gap between its rich and poor communities, that are often adjacent. Given the county's general prosperous nature, it is very difficult to spot the severe pockets of deprivation in the county using broad Welsh deprivation statistics; that are adept at hiding the gross inequalities that exist in the county.

This concealed nature belies the stark contrast in life opportunities amongst Monmouthshire's residents. This is something we recognise and are committed to addressing. With this in the forefront of our minds, it is more appropriate for this Council to view the scale and type of poverty that exists in the county through the prism of income inequalities. These quantitative measures highlight the glaring contrast in life opportunities across the county, and allows the council to focus its anti-poverty measures in the areas where they are needed and can be most effective.

This is vital for Monmouthshire as the policy response is not confined to spending more overall, **"but rather to target spending on effective programmes."**<sup>1</sup> This is the guiding principle for our policy response.

Monmouthshire's inequality and poverty problems are most apparent when looking at the income differentials between those at the top and bottom end of the pay scale. On average, the lowest paid person in Monmouthshire earns £149.30 and on the highest level (where figures exist) £861.70 per week. On this measure alone, we get a sense of the issue. There is a substantial amount of academic research that shows sharp differences between income levels within the same geographical area can have a significant impact on the life chances of the poorest in the society, especially on health and wellbeing, and in turn, the communities they live in.

Poverty can be defined in many ways and has a variety of different impacts. Poverty in our urban areas, for example, is quite different from poverty in our rural areas. This action plan outlines the most appropriate definition for the county and reflects the realities of poverty in Monmouthshire. As a result, and coterminous with our Social Justice Strategy, we define poverty not only in terms of income, but also in terms of social capital. The former will provide the quantitative basis to understand the scale and nature of poverty in Monmouthshire, while the latter will be derived through a qualitative process of understanding people's lived experiences and networks.

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<sup>1</sup> [https://read.oecd-ilibrary.org/social-issues-migration-health/broken-elevator-how-to-promote-social-mobility\\_9789264301085-en#page41](https://read.oecd-ilibrary.org/social-issues-migration-health/broken-elevator-how-to-promote-social-mobility_9789264301085-en#page41)

The success of this plan is fundamentally linked to the effective partnership of third party organisations interested in this agenda. The council is unable to tackle this issue alone. In line with the Wellbeing of Future Generations Act and the remit of the Public Service Boards, all partners should work together to solve common problems. For example, reducing poverty and inequality in the county would have beneficial outcomes for the Aneurin Bevan Health Board.

This plan, therefore, sets out a new internal and external organisation structure that aims to achieve the most effective working relationships between key internal figures and important external figures from partners such as the local health board, local housing associations, the police, Citizen's Advice Bureau (CAB), local food banks, charities, religious organisations and our town and community councils. By resetting our structure, we stand a better chance of establishing a common language and direction to tackle endemic and hidden pockets of deprivation in the county.

Our town and community councils will be crucial in this fight, as they are embedded within their communities and have a deeper understanding of their localities. Therefore, a section of this document will include a direct input from our town and community councils. This section will be divided by our main towns: Abergavenny, Monmouth, Chepstow, Caldicot and Usk and combined input from our community councils. This consultation will take place once this draft plan, or a version of it, is approved by council.

The impacts of poverty last a lifetime and is often generational. According to the End Child Poverty Network (ECPN), over 4500 children are in poverty in Monmouthshire after housing costs are taken into account. This plan recognises this fact and understands that any positive impacts this approach may have will take time to manifest itself; there is no shortcut to tackling poverty in Monmouthshire. Despite the unprecedented financial challenges facing the local authority, it is resolved to the fact that addressing poverty in Monmouthshire, and attempting to break the cyclical and generational nature, will not only improve countless lives, but also save the council, and organisation partners, money by being proactive and preventative.

This plan sets out our overarching approach to tackling poverty and inequality, but also targets. This plan is also premised on action, not words. It will outline who is accountable and what support they will need. This document puts forward a new structure that should ensure cross-party engagement and ownership. This plan is premised on collaboration and partnership, both organisationally and politically. Any less, and the plan will not achieve any of our aims to make a real difference to people's lives. Lastly, and importantly, this document also advocates a new, innovative **Income Inequality Grant** to be considered by Welsh Government in order to effectively tackle inequality in this county.

### **Our Vision for Monmouthshire**

The council aspires to achieve a Monmouthshire in which:

Income poverty is not a barrier to doing well at school, having a healthy and vibrant life, developing skills and qualifications and having a fulfilling occupation

Poverty and inequality will be tackled through targeting resources where they have the most effect, with decisions made in conjunction with service users

Residents maximize their income and get the most out of the money that they have

Barriers to employment such as transport and childcare are removed

We are proactive and preventative in our approach

We promote a more income equal county on the basis of improving the bottom 10<sup>th</sup> percentile

### **Defining Poverty**

We have already said that there is no single, universally agreed definition of poverty. There is also a significant difference between absolute poverty and relative poverty. Our strategy will focus on relative poverty, which is the measure used by the ECPN in their assessment of deprivation in the county and the number of children in poverty in individual wards. There are other measures such as material deprivation which is used by the National Survey of Wales for poverty deprivation<sup>2</sup>. Yet, this measure is not broken down by local authority, due to the small sample sizes. The JRF's definition of poverty is when a person's resources are well below their minimum needs, including the need to take part in society. The latter insight will be included into our definition.

Our main measure, however, will be the Households Below Average Income (HBAI). It is the measure used by the UK government and has a robust set of statistics underlying it. Critically for Monmouthshire, it also incorporates a measurement of inequality and accounts for the number of adults and children in the household. According to the latest statistics, below are the income thresholds for each percentile.

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<sup>2</sup> National Survey for Wales - <https://gov.wales/poverty-and-deprivation-national-survey-wales-april-2017-march-2018>

### Annual net equivalent household income BHC by household type at different percentiles of the 2017/18 UK distribution

Percentile	Single individual	Couple with no children	Couple with two children under 14
10th	£8,800	£13,100	£18,300
50th	£17,700	£26,400	£37,000
90th	£34,900	£52,000	£72,800
97th	£51,400	£76,700	£107,400

Source: DWP<sup>3</sup>

Applying the 60% threshold of relative poverty to Monmouthshire's median income, as set out by the ONS<sup>4</sup>, **the gross weekly income needed to avoid being labelled as relatively poor is £295.20**. If we applied it to the mean income, the gross weekly income needed is £363.18.

Therefore, in Monmouthshire, we define poverty:

- Households Below Average Income: - A single person in a household earning an income below **£295.20 a week is in relative poverty**. This definition will include all forms of income. We will also monitor, in relation to this income, the income inequality gap in Monmouthshire which currently stands at **5.77**.

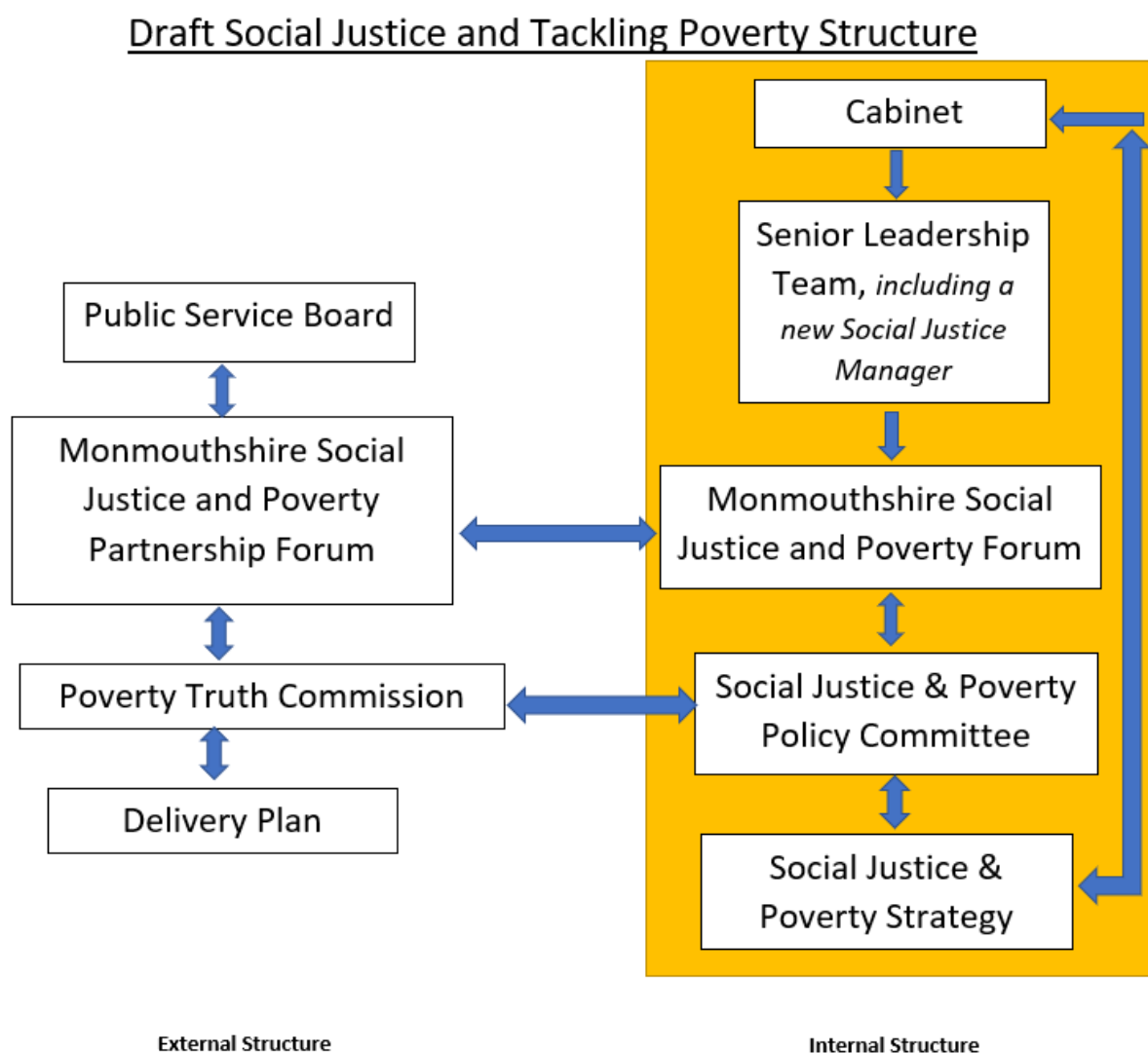
We will also aim to measure households with low-levels of social capital: - access to key people, information and networks. This is much harder to quantify and certainly more difficult to get a more local breakdown. However, it is a critical element to tackling poverty and promoting social justice. Therefore, we will measure the number of initiatives undertaken by the council and partner organisations to expand the social capital of local residents on low incomes.

<sup>3</sup>[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/789997/households-below-average-income-1994-1995-2017-2018.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/789997/households-below-average-income-1994-1995-2017-2018.pdf)

<sup>4</sup> Table 8.1a Weekly pay - Gross (£) - For all employee jobs: United Kingdom, 2018 - Monmouthshire

## Draft Social Justice and Tackling Poverty Structure

To achieve this vision, and the targets and actions, this strategy proposes a new internal and external structure (below) for Monmouthshire, which is in line with the Well-being act.



This structure recognises Monmouthshire's uniqueness while also incorporating critical elements of Swansea council's strategy. This strategy suggests creating a new officer post dedicated to this endeavour. The scale of challenge demands an officer who is fully focused on the task and will provide a clear route of officer accountability to the Cabinet Member for Social Justice and all other councillors.

There is an external and internal Social Justice and Poverty Forum. These will be the main mechanisms to co-ordinate action in and outside the council. The objective is to bring co-ordination and coherence to the ongoing actions for tackling poverty within Monmouthshire and maximising its external impact. Having a coordinated and well-thought through strategy in place will focus the key partnership work with external partner organisations. This partnership working is critical to meaningful, impactful and longstanding change.

The draft terms of reference for the internal Monmouthshire Social Justice and Poverty Forum will be:

### *Terms of Reference*

#### *Purpose*

- 1.1 The Forum will lead and co-ordinate action and prioritise resources to tackle poverty and promote social justice.*
- 1.2 The Forum is the leading group bringing together all Council departments into a one Council tackling poverty and promoting social Justice approach.*
- 1.3 The Forum will champion the Social Justice and Tackling Poverty Strategy and identify collaborative work streams.*

#### *Membership*

- 2.1 The Forum will be chaired by the Social Justice Manager/ Cabinet Member for Social Justice.*
- 2.2 The membership will comprise of operational and senior managerial representatives from across the Council.*
- 2.3 The operational staff will act as Departmental Poverty Champions, with backing from their senior managerial representative.*
- 2.4 It meet on a quarterly basis, or more frequently as required.*

#### *Actions/Responsibilities:*

- 3.1 Deliver the Social Justice and Tackling Poverty Strategy for Monmouthshire County Council by aligning existing programmes and initiatives, developing new opportunities, and supporting the success of the delivery plan, performance framework and the prioritised work streams within and between departments.*
- 3.2 Have responsibility for the integration of council commitments into mainstream service delivery, projects and programmes.*
- 3.3 Develop processes and policies to focus resources, to generate new resources, and align and bend existing resources to support the tackling poverty agenda.*
- 3.4 Report into the PSB and Council*
- 3.5 Liaise and collaborate with the Monmouthshire Social Justice and Poverty Partnership Forum, ensuring agendas are aligned.*
- 3.6 Respond to consultations, requests for information from Welsh Government and partners as and when required, and to keep this item high on the agenda.*

*3.7 To develop an understanding around what works and its application within and across the Council's services.*

*3.8 To understand emerging issues around this agenda and lead on developing the Council's response, including taking on an escalation and lobbying role with Welsh Government, other departments and staff.*

*3.9 Maintain the high profile of tackling poverty work across the County.*

The external forum will replace the Financial, Economic and Digital Inclusion group. Its potential draft terms of reference could be:

#### *Terms of Reference*

##### *Purpose*

*1.1 The Forum will lead and co-ordinate action, prioritise resources to promote social justice and tackle poverty in Monmouthshire and share good practice.*

##### *Membership*

*2.1 The Forum will be chaired by one of its members. Members will be asked to volunteer for this role and hold the position for the duration of one year.*

*2.2 The membership will comprise of senior management representatives from public and community organisations with an interest and role in tackling poverty and promoting social justice.*

*3.0 Actions/Responsibilities:*

##### *The forum will:*

*3.1 Meet on a quarterly basis hosted by a Forum member organisation.*

*3.2 Lead on delivery and support the development of initiatives to tackle poverty and promote social justice.*

*3.3 Have responsibility for the integration of commitments into mainstream service delivery within partner organisations.*

*3.4 Share good practice and information with partner organisations to support tackling poverty and promote social justice.*

*3.5 Report into the PSB through the Director of Social Services and Cabinet Member for Social Justice.*

*3.6 Respond to consultation and requests for information from Welsh Government and partners as and when required.*



*3.7 Maintain the high profile of tackling poverty and promote social justice work across the county and within respective partner organisations as well as with Welsh Government and other bodies.*

*3.8 Develop processes and policies to focus resources, to generate new resources, and align and bend existing resources to support the Social Justice and tackling poverty agenda.*

### **Poverty Truth Commission**

One of the most important aspects of this structure is the Monmouthshire Poverty Truth Commission (MPTC), which has proven to be an effective tool in gathering frontline evidence on the realities and barriers faced by residents on a lower income. This is the primary tool not only to devise effective future action points, but also develop a greater understanding of the role of social capital and how we can expand it in Monmouthshire.

This strategy proposes to explore setting up a MPTC. With Monmouthshire's unique setting, demography and geography, a truth commission would be an effective method of obtaining a robust understanding of the hidden pockets of deprivation in the county. It will bring those who are at the sharp end of deprivation to be at the center of decision-making.

The truth commission is a cross-organisation endeavour with our partner organisations. No organisation has complete ownership over the commission. This is deliberate in order to guard against any organisation being seen as taking the lead. Instead, it is a level playing field for effective collaboration.

The purpose of the commission is to create a multi-agency platform to get underneath the skin of poverty in a set geographical area; to gain the perspective and insight from people and communities of their everyday experiences. All evidence gathering endeavours will be done in an informal setting out in the community, not in a formal setting. The aim is to go to the members of public affected and truly understand the nature of the struggles people face.

To avoid an association with formality and bureaucracy, the partnership forum will set up a separate organisation, independent of its founding members, to carry out the work. The founding organisations contribute through staff secondments and the voluntary sector physical host the staff.

The initial cost of this is £5000 to help set up the explorative group. If an agreement is made to move ahead with a MPTC, then the indicative financial cost to the council is £70,000 over a two-year period in order to set it up and undertake its work. This cost figure is taken from Swansea council's experience.

The other commitment required from the council is to nominate a 'Civic Leader' who will champion the commission's work. It is very similar to the role of Armed Forces Champion in

Monmouthshire County Council. In other councils across the UK, this 'Civic Leader' could be a council leader, cabinet member, a councillor or chief executive.

## Social Capital

The commission's work will form a fundamental part in:

- (1) ascertaining whether inequality in social capital is causing specific local problems, and
- (2) outlining what new initiatives we can deploy to bridge any gap. In order to do this, we will need to map out community relations. There are various methods that could be used to map out these relations, all of which would have to be assessed for viability and resources. It would be reasonable to attempt a basic mapping exercise with a small cohort of residents to test any method adopted.

We know that patterns of relations in which individuals are embedded – social networks – are significant both for the individual and local communities. Importantly, these networks generate constraints and opportunities. For example, a Social Network analysis would be able to generate a visual structure of communities in terms of links between nodes (people), and would enable a quantitative study of a small community structure.

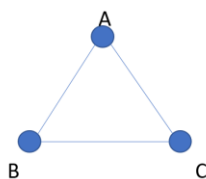
Having this visual structure in place would allow us to determine the number of social ties, and critically, their strength between individuals within our communities. We know from academia that:

Tie strength is a combination of:

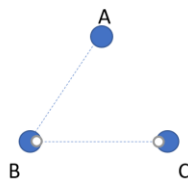
- Amount of time spent together
- The emotional intensity
- The level of intimacy (mutual confiding)
- Reciprocal services (e.g. sharing of tasks)

We all have a spectrum of ties, from weak to strong. The geometry of a tie strength is represented famously by Mark Granovetter<sup>5</sup>:

Strong ties are typically transitive:



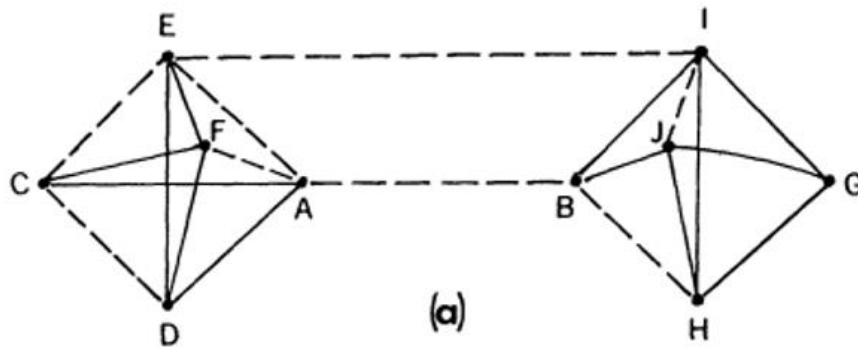
Weak ties are often not:



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<sup>5</sup> Granovetter, M. 1973. "The Strength of Weak Ties." *American Journal of Sociology* 78:1360-1380.

Granovetter observed that strong ties represented the backbone of an individual having support from a close group, forming trusting relationships. Weak ties can be categorised as acquaintances. Having a network full of strong ties is good for wellbeing, but not necessarily for job or economic opportunities. Thus, the optimum structure would an individual who is able to bridge between two strong tie networks (below):



In layman terms, it is important to have strong family and friendship groups, but also have the opportunity to interact with groups outside of your normal network. Being able to bridge networks improves an individual's ability to get or move jobs. This is the optimum social structure. However, in communities that are side-by-side geographically, but grossly unequal economically results in strong tie networks with limited bridging between them.

In other words, those communities rarely speak or interact with each other, resulting in diminished community cohesion and the increased isolation of the lower income community. It is presumed that this is a frequent occurrence in Monmouthshire, which would explain why communities in Monmouthshire that are more deprived suffer more social problems.

### **The Social Justice and Poverty Committee**

This committee would replace the Social Justice Advisory Group. It will be a truly cross-party endeavor with a limited membership. It will be the primary mechanism for councillors to support the Cabinet Member for Social Justice to promote the agenda, hold officers to account and drive internal action points forward. It is envisaged that the four action points already outlined by officers are allocated to interested and committed councillors.

## Income Inequality

Income inequality is at the centre of this plan for Monmouthshire. Within this document, we will show the income gap in Monmouthshire in comparison to other Welsh local authorities and highlight possible associations between the gap's size and social consequences. First, however, it is important to clearly articulate why we should be concerned by income inequality as a local council.

After an exhaustive comparative piece of research by the Organisation for Economic Co-operation and Development (OECD), it was uncovered that income inequality harmed economic growth and limited life opportunities for both the middle classes and residents on the lower end of the social-economic scale<sup>6</sup>.

Over the past decade, hundreds of academic studies have been produced highlighting the growth in income inequality across the world, including the UK, and its negative effects not only on the economy but also on individuals and communities.

The latest report from the OECD on social mobility noted that there is a

*“Multi-dimensional nature of inequality. Socio-economic status heavily influences employment prospects, job quality, health outcomes, education and other opportunities **(including access to relevant networks)** that matter to people’s well-being.”<sup>7</sup>*

In other words, income inequality also limits social capital for people. This reinforces the effect, as termed by the OECD, of sticky floors and ceilings:

*If someone starts at the bottom of the scale, they get stuck there, and if someone reaches the top, they tend to stay there.*

While these pieces of research focused on countries, assessing income inequality within Wales by local authority is possible, albeit the data available needs to be improved. Despite this, via using two measures and datasets from the ONS, we will illuminate the specific poverty and income inequality problem Monmouthshire faces.

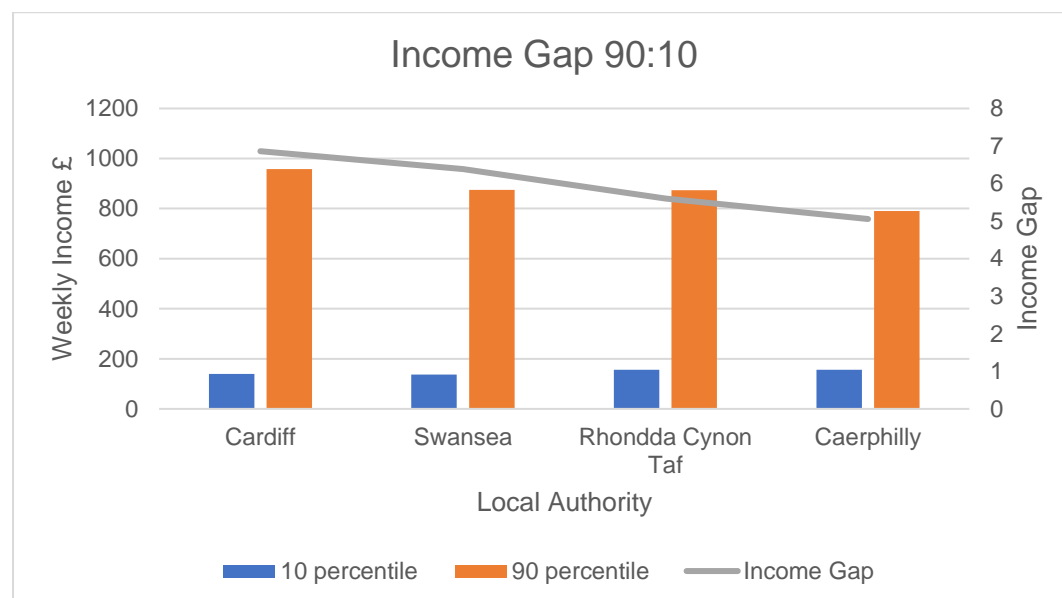
The standard measure for assessing income inequality is the Gini-coefficient method, however applying this to local authorities is not possible. A more rudimentary measure of income inequality can be derived via analyzing the gap between income percentiles e.g. 90th percentile is divided by 10th percentile income within a geographical area; the higher the number the worse the income gap.

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<sup>6</sup> <https://www.oecd.org/newsroom/inequality-hurts-economic-growth.htm>

<sup>7</sup> [https://read.oecd-ilibrary.org/social-issues-migration-health/broken-elevator-how-to-promote-social-mobility\\_9789264301085-en#page5](https://read.oecd-ilibrary.org/social-issues-migration-health/broken-elevator-how-to-promote-social-mobility_9789264301085-en#page5)

The ONS provides statistics on different income levels across all local authorities in Wales. Out of this dataset, however, only four local authorities have the 90:10 data: Cardiff, Caerphilly, Rhondda Cynon Taf and Swansea (Graph 1).

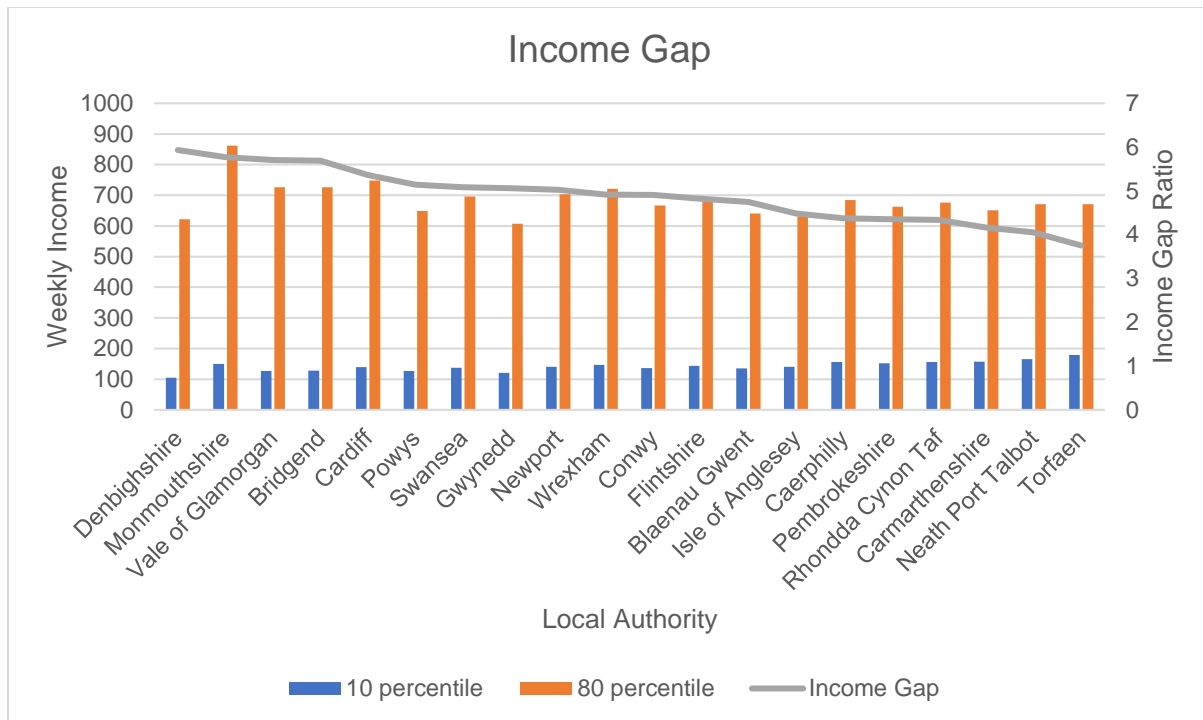


Graph 1 - Source: ONS Weekly gross income by home geography<sup>8</sup>

Out of these authorities, Cardiff has the highest income gap in Wales. Sadly, no other Welsh council have 90th percentile data. Therefore, it is a priority for this council to lobby Welsh government to ensure complete data is provided in order to truly understand the scale of the problem at a local authority level.

Except for Ceredigion and Merthyr Tydfil, there is data on the income gap between 80th and 10th percentiles. Using this rudimentary measure, Monmouthshire is second behind Denbighshire (Graph 2). As the graph shows, Denbighshire's gap is driven in large part by a very low 10th percentile.

<sup>8</sup> Table 8.1a Weekly pay - Gross (£) - For all employee jobsa: United Kingdom, 2018



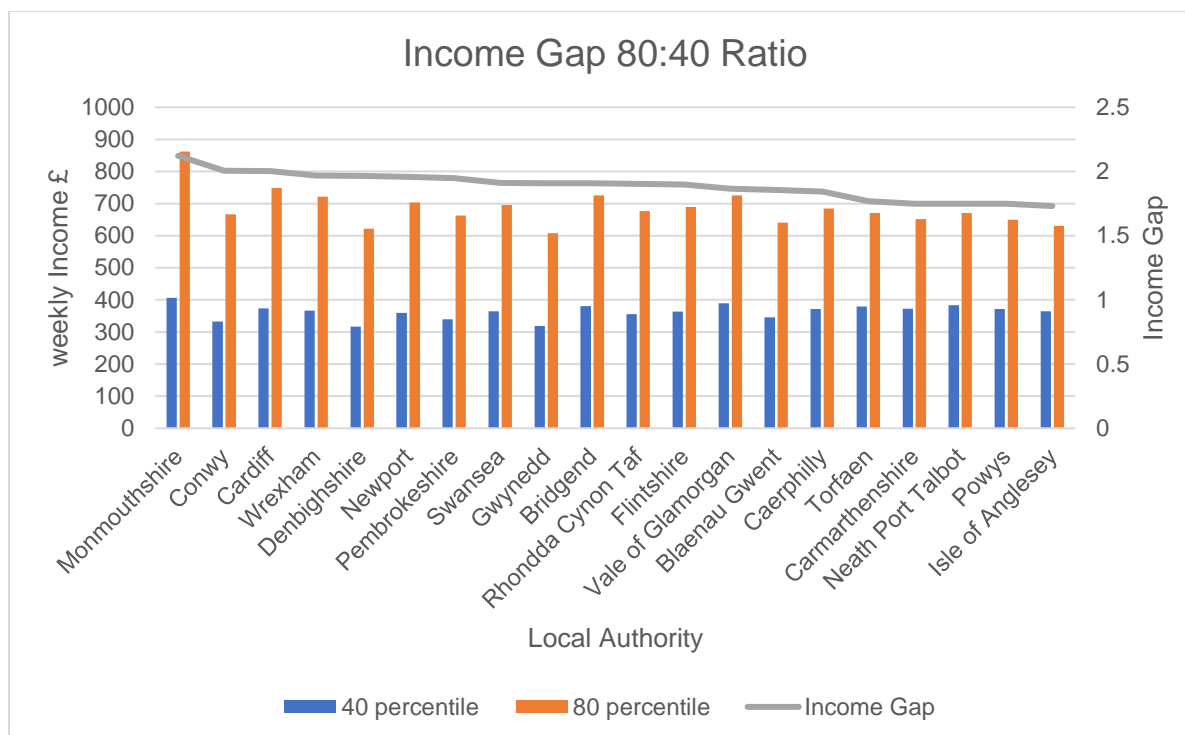
Graph 2 - Source: ONS Weekly gross income by home geography<sup>9</sup>

This indicates Monmouthshire has a significant gap in income. On average, the top 80th percentile have at least 5 times the income of the lowest paid in the county. What is also evident from the table is that Monmouthshire has the highest average income at the 80th percentile. It also has, by a considerable distance, the highest average mean income in Wales, £605.3 a week, and the largest gap between 80:40 income bands (Graph 3). This informs us that Monmouthshire's income gap is driven in large part by the number of big earners in the county.

After receiving data on Monmouthshire's income for 90<sup>th</sup> percentile, the council should lobby Welsh Government for an **Income Inequality Grant** that is solely spent on projects that are aimed at closing the inequality gap within local authorities. This grant should be based on the following:

- additional money separate from the RSG
- The money would be proportionally distributed to all local authorities based on their income inequality levels
- Assessment based on the outcome of reducing inequality within a specific locality
- Local authorities will be given the freedom to develop different models, appropriate to their locality.
- A two year review of all schemes to understand what has worked, what has not and general effectiveness of the grant.

<sup>9</sup> Table 8.1a Weekly pay - Gross (£) - For all employee jobsa: United Kingdom, 2018



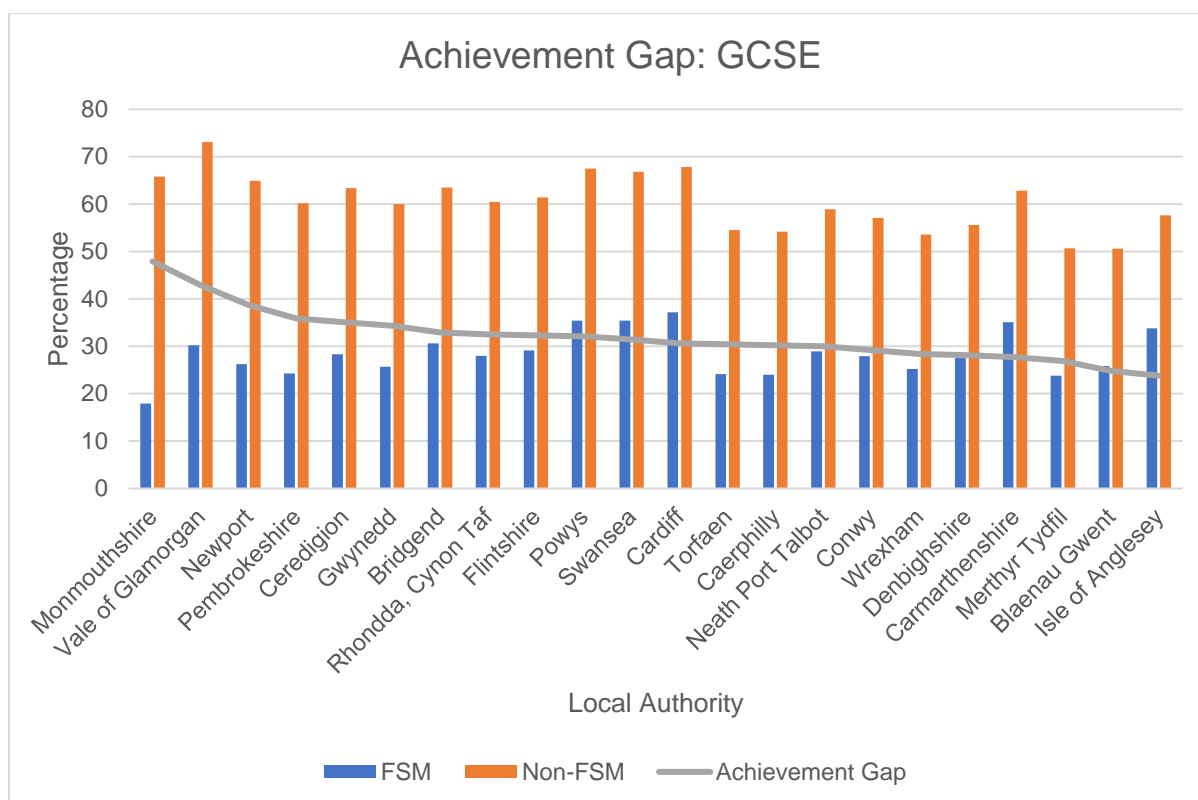
Graph 3 - Source: ONS Weekly gross income by home geography<sup>10</sup>

Moreover, looking at the gap between the 80th and 75th percentiles bands, Monmouthshire has a steeper incline of income than Cardiff and the Vale of Glamorgan. This suggests that if the 90th percentile data was available for Monmouthshire, it would have the highest income gap in Wales. This level of income inequality can have a devastating impact on those people on poorer incomes within a geographical area. Major studies such as Pickett and Wilkinson (2009)<sup>11</sup>, as well as many others, argue that such gaps are associated with a number of social ills.

A possible indicator of this in action is the persistent achievement gap between those pupils on Free School Meals (FSM) and their better off peers at GCSEs. For the past five years, Monmouthshire has had highest gap in Wales. Last year, Monmouthshire had its worst performance (graph 4): Children on FSM were nearly 50% less likely to get good GCSEs than their better off counterparts. Given the scale and persistence of the gap, we can infer that the income inequality gap is having a detrimental effect on our young people.

<sup>10</sup> Table 8.1a Weekly pay - Gross (£) - For all employee jobs: United Kingdom, 2018

<sup>11</sup> The Spirit Level: Why Equality is Better for Everyone (2009)



Graph 4- Source: Statswales 2017/18<sup>12</sup>

## Scale and Locality of Inequality - MSOAs

Another measure of income inequality within a local authority can be discerned from the total annual household income by middle layer super output area (MSOA)<sup>13</sup>. This data relates to the financial year 2015/16 and is due to be updated in 2020. This data can be used to compare annual income across different local authorities in Wales, however it is better at highlighting the income gaps between areas within the same local authority. Below is a table showing the difference between income levels by MSOAs in Monmouthshire.

Total annual household income by middle layer super output area (MSOA), England and Wales, 2015/16 (£)									
MSOA code	MSOA name	Local authority code	Local authority name	Region code	Region name	Total annual income (£)	Upper confidence limit (£)	confidence limit (£)	Confidence interval (£)
W02000342	Monmouthshire 007	W06000021	Monmouthshire	W92000004	Wales	50,700	64,200	40,100	24,100
W02000344	Monmouthshire 009	W06000021	Monmouthshire	W92000004	Wales	45,000	56,700	35,700	21,100
W02000346	Monmouthshire 011	W06000021	Monmouthshire	W92000004	Wales	42,400	53,300	33,700	19,800
W02000341	Monmouthshire 006	W06000021	Monmouthshire	W92000004	Wales	41,200	51,900	32,700	19,100
W02000340	Monmouthshire 005	W06000021	Monmouthshire	W92000004	Wales	39,200	49,400	31,200	18,300
W02000338	Monmouthshire 003	W06000021	Monmouthshire	W92000004	Wales	37,100	46,700	29,500	17,100
W02000336	Monmouthshire 001	W06000021	Monmouthshire	W92000004	Wales	35,700	44,900	28,400	16,500
W02000345	Monmouthshire 010	W06000021	Monmouthshire	W92000004	Wales	34,700	43,700	27,600	16,100
W02000339	Monmouthshire 004	W06000021	Monmouthshire	W92000004	Wales	34,900	43,800	27,800	16,000
W02000343	Monmouthshire 008	W06000021	Monmouthshire	W92000004	Wales	33,700	42,400	26,800	15,600
W02000337	Monmouthshire 002	W06000021	Monmouthshire	W92000004	Wales	32,700	41,100	26,000	15,100

The standout figure is that residents in one MSOA earn on average nearly £20,000 per year more than the lowest earning MSOA. This is between the Kingsmark area of Chepstow and the Croesonen and Lansdown areas of Abergavenny in the north of the county. The second lowest earning MSOA in Monmouthshire is the area of Bulwark and Thornwell in Chepstow.

<sup>12</sup> <https://statswales.gov.wales/Catalogue/Education-and-Skills/Schools-and-Teachers/Examinations-and-Assessments/Key-Stage-4/ks4keyindicators-by-freeschoolmealentitlement-area>

<sup>13</sup> <https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/earningsandworkinghours/datasets/mallareaincomeestimatesformiddlelayersuperoutputareasinglandandwales>



Both Kingsmark and Bulwark are in Chepstow, approximately ½ mile away from each other. Yet, the income gap between these two MSOAs is £17,000. This demonstrates the scale of income inequality within one town, let alone the local authority as a whole.

### **Poverty and Monmouthshire**

The Welsh Government's official measure of relative deprivation for small areas in Wales is the Welsh Index of Multiple Deprivation (WIMD). It's an analysis of the concentration of deprivation in Lower Super Output Areas (LSOAs) by domains, such as income, employment etc. It compares these LSOAs across Wales and ranks them from 1 (most deprived) to 1909 (least deprived). This measurement of poverty forms a substantial part of the formula for funding local government and thus has a significant impact on the funding of local government in Wales, specifically the amount each local authority receives in funding and grants.

For Monmouthshire, the WIMD report states that "Monmouthshire had no areas in the most deprived 10%." The only local authority in Wales not to have such an area. Moreover, it only had a 19.6% (or 11 areas) in the most deprived 50% in Wales. In short, when compared to other areas in Wales, Monmouthshire is the least deprived local authority in Wales. However, there are a number of things to point out why Monmouthshire would do badly under WIMD:

- On the income indicator (the biggest indicator in terms of weighting), the calculation is made without housing costs considered. We know that Monmouthshire has a particular problem with housing costs, especially in comparison to other areas. This is substantiated by our child poverty figures which rise considerably after housing costs are considered.
- On the education indicator, one of the sub-indicators (and the highest weighted sub-indicator) is the Key Stage 4 Average Point Score in Core Subjects. The average score measure for Monmouthshire is unable to show the gap in achievement between pupils not in receipt of school meals and those who receive it. As shown, it is only when you study Monmouthshire's performance at Key stage 4 for FSM pupils do we understand the inequality problems in Monmouthshire.

The whole thrust of the WIMD is about concentration of deprivation. For Monmouthshire, this is not the issue. Monmouthshire does not have concentrated pockets to the extent of other local authorities. The issue is the gap between individuals and communities within the local authority. Moreover, the research guidance notes itself the weakness that:

*"Around 1 in 5 income deprived people live in the 10% most deprived areas. So although deprivation is much more concentrated in some areas than others, 4 out of 5 income deprived people live outside these areas. This is important to remember when targeting resources, as targeting those 'most deprived' areas means including some people in those areas who may not be deprived, and missing many deprived people living in less deprived areas."*

These three points could make a significant impact on the final results of WIMD for Monmouthshire.

## Child Poverty

The most authoritative figures on child poverty in Monmouthshire emanates from the ECPN, a coalition of charities that banded together to tackle child poverty in the UK. They analyse child poverty rates across the UK and breakdown the results by local authority and ward. The figures they have produced for Monmouthshire are below:

Local Authority	Number of children	% of children	Percentage point change since 2016/17	Number of children	% of children
Monmouthshire	2663	13.7%	1.7%	4515	23%
Ward		% of children			% of children
Cantref		14.5%			22%
Severn		15.8%			31%
Raglan		13.9%			24%
Portskewett		9.3%			18%
Caerwent		9.3%			18%
Lansdown		18.3%			28%
Mardy		13.7%			20%
Crucorney		12.9%			19%
St. Mary's		15.3%			26%
Drybridge		15.6%			28%
Devauden		9.7%			17%
Llanover		13.9%			24%
Mill		12.0%			20%
Green Lane		15.8%			31%
Priory		17.1%			26%
The Elms		12.0%			20%
Castle		14.9%			22%
Llangybi Fawr		12.3%			21%
Wyesham		15.6%			28%
Usk		12.3%			21%
Goetre Fawr		12.3%			21%
Trellech United		9.7%			17%
Mitchel Troy		13.9%			24%
St. Arvans		9.7%			17%
Shirenewton		9.3%			18%
Larkfield		13.5%			23%
Overmonnow		15.6%			28%
Llanelly Hill		15.9%			24%
Croesonen		18.3%			28%
Caldicot Castle		10.9%			21%
Llanfoist Fawr		15.9%			24%
Dewstow		15.8%			31%
West End		15.8%			31%
Grofield		12.9%			19%
Llanwenarth Ultra		15.9%			24%
Rogiet		12.0%			20%
Llantilio Crossenny		13.9%			24%
Thornwell		15.3%			26%
St. Christopher's		15.3%			26%
Llanbadoc		12.3%			21%
Dixton with Osbaston		15.6%			28%
St. Kingsmark		9.7%			17%

This table shows that housing is a major driver for poverty in Monmouthshire, with house prices and rents being one of the highest in Wales. A number of wards cross the 30% child poverty rate when housing costs are included. Even in wards deemed highly affluent double

their child poverty rates after housing costs are included e.g. Shirenewton. Any meaningful impact on reducing child poverty and poverty in general must include a Local Development Plan that puts affordable housing at the top of its priority list. Specifically, the council commitment to build, in effect, council housing again through a development company must be delivered.

### Intersectionality: Gender and Poverty

We have established that Monmouthshire has an income inequality problem, but it is important to ascertain, as far as possible, what groups of people are the most deprived in Monmouthshire. According to the ONS, male full-time workers earn more than £99 per week than their female counterparts (Table 5).

Earnings by place of residence (2019)			
	Monmouthshire (Pounds)	Wales (Pounds)	Great Britain (Pounds)
<b>Gross Weekly Pay</b>			
Full-Time Workers	649.6	540.7	587.0
Male Full-Time Workers	681.0	578.3	632.0
Female Full-Time Workers	582.4	488.7	528.9
<b>Hourly Pay - Excluding Overtime</b>			
Full-Time Workers	16.67	13.64	14.88
Male Full-Time Workers	17.20	14.12	15.44
Female Full-Time Workers	15.54	13.01	13.99

Source: ONS annual survey of hours and earnings - resident analysis  
Notes: Median earnings in pounds for employees living in the area.

[view time-series](#) [compare other areas](#) [query dataset...](#)

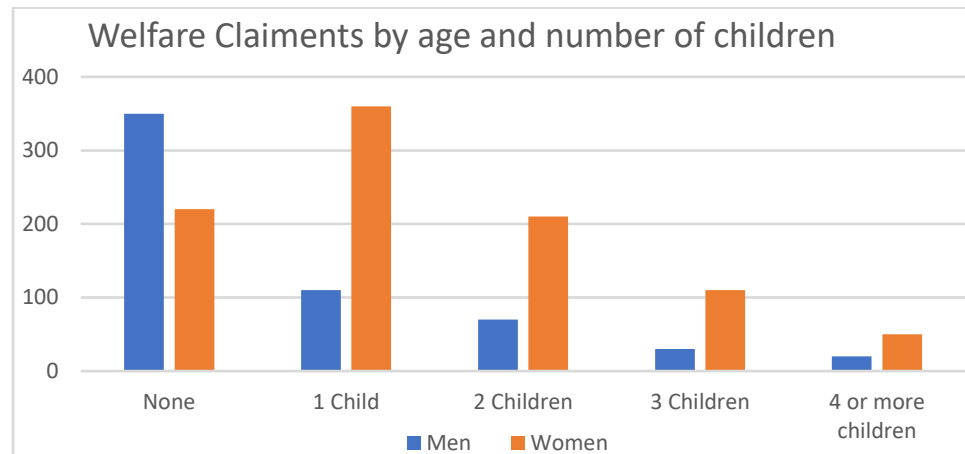
Table 5: Source Nomis

When we break this down to part time workers, there is not enough data on males to even register a figure. **For woman, in contrast, there are figures, with the average wage of £211 a week.** This suggests that woman vastly outnumber men in Monmouthshire in relation to part time work and earn below the HBAI for Monmouthshire. Many of these women could be classed as experiencing in-work poverty. Supplementing this, we also know from Chwarae Teg<sup>14</sup> that Monmouthshire has a gender pay gap of 17.5% in 2018 and 7.3% in 2019, painting a bleak picture for working women in Monmouthshire.

Women outnumber men in Monmouthshire in relation to working age benefit claims as well, particularly women with child dependents. The numbers (Table 6) from the ONS are stark:

<sup>14</sup> [https://chwaraeteg.com/wp-content/uploads/2019/02/SOTN2019\\_english.pdf](https://chwaraeteg.com/wp-content/uploads/2019/02/SOTN2019_english.pdf)

Table 6



In Monmouthshire, women are three times more likely to be claiming some sort of benefit, majority of which is income support, in comparison to men. While there is no clear evidence that these are single parent households, we do know from StatsWales<sup>15</sup> that there are 920 households in Monmouthshire with one adult and one child; 602 with one adult and two children; 203 one adult and three children; and 83 one adult and four children.

According to the charity Gingerbread<sup>16</sup>, 90% of households will be single female parents. This would indicate Monmouthshire has 1697 single female parent households. This is significant because extensive research indicates that this type of household is the most likely to not only experience relative poverty, but also experience it persistently<sup>17</sup>. Corroborating this is the indicative figures around female benefit claimants with dependent children in Monmouthshire (Table 6).

Although all these indicators and graphs do not definitively prove women in Monmouthshire are more likely to experience relative poverty, they do all point in that direction. It is vital therefore that we target our resources, actions and initiatives, along with partner organisations, to this group. It could yield substantial positive results.

Over and above gender, there are many other areas of intersectionality that could be significant. For example, on ethnicity or disability lines. All of which would need to be explored to garner a better understanding of their prevalence and significance.

<sup>15</sup> <https://statswales.gov.wales/Catalogue/Housing/Households/Estimates/households-by-localauthority-year>

<sup>16</sup> <https://www.gingerbread.org.uk/what-we-do/media-centre/single-parents-facts-figures/>

<sup>17</sup> <https://www.jrf.org.uk/report/uk-poverty-2018>

## **Proposed Targets for the Tackling Poverty and Inequality Action Plan**

### **Targets:**

- Increase the incomes of people within the 10th percentile
- Reduce the income inequality gap (5.77) by striving to achieve the first target
- Continue to reduce the gender pay gap in the county
- Reduce the number of children in poverty in Monmouthshire
- Close the attainment gap between FSM and non-FSM pupils at Key Stage 4
- Collate and determine the number of initiatives currently operating that demonstrate effectiveness in improving social capital of people on low incomes.
- Start building local authority homes within the next 5 years

### **Political Leadership Responsible (internal) for achieving these targets in descending importance:**

