

## Ending the poverty rip-off

by Graham Whitham

Low income families in Greater Manchester could be paying over £1000 a year more for goods and services compared to those on middle and higher incomes, according to new research published today by GMPA.

Known as the ‘poverty premium’, low income households in the UK face higher costs for certain items. **For the first time, GMPA has quantified the potential cost of the poverty premium for low income families here in Greater Manchester.** You can download our report [here](#)

The poverty premium is the result of variations in costs between different payment methods, because people on low incomes are less able to buy in bulk and because of an inbuilt disadvantage within a marketplace.

GMPA’s research shows how accessing credit, whether through loans or purchasing items from rent to-own stores, can work out considerably more expensive. The research finds that a £500 loan from payday lenders can cost £758 once fully repaid. Buying household goods like washing machines and cookers from rent-to-own stores in Greater Manchester can on average end up costing an additional £218.

Low income households are also hit in other areas of spending. For example, in Greater Manchester they are more likely to pay for electricity and gas through a prepayment meter which works out more expensive than paying monthly by direct debit. Higher premiums for insurance in deprived areas also hits low income families in the pocket. GMPA’s poverty premium table shows how the extra costs can mount up.

**Table 1: An illustration of the poverty premium in Greater Manchester (2018)**

	Typical cost	Cost to low income family	Difference
Loan for £500	£500	£757.78	£257.78
Household white goods (average cost across multiple items)	£233.50	£451.75	£218.26
Annual gas and electricity bills combined	£935.20	£1,077.83	£142.63
Home contents insurance	£51.46	£61.33	£9.87
Car insurance	£505.22	£973.36	£468.14
<b>Total:</b>	<b>£2225.38</b>	<b>£3322.05</b>	<b>£1096.68</b>

GMPA also considered other areas of spending, not captured in the poverty premium table, where low income households could be facing extra costs. GMPA found that people shopping at local convenience stores in deprived parts of Greater Manchester could be paying 36% more for food and household items compared to shopping at a large supermarket.

Alongside the report we have published eight articles looking at how we can drive down the [poverty premium](#). We want our research and the articles to act as a resource for policymakers and businesses who want to take action on the poverty premium. Specifically, GMPA would like to see:

- Greater promotion of and support for credit unions in Greater Manchester so that more people can access low interest loans.
- Support for food pantries (food clubs that provide food to people in return for a small membership fee) and other initiatives that directly combat the poverty premium.
- Local authorities acting as the first port of call for people facing a financial crisis so that people are not driven into the arms of high interest lenders.



Graham Whitham

## Our Buses in Greater Manchester aren't working

Article written for GMPA by Pascale Robinson

Right now, bus operators can't be forced to run any service, and they set the fares, but in the next year, we have a huge opportunity to change this wild west scenario.

Greater Manchester Mayor Andy Burnham is deciding now whether to pick a better way of running the bus network, re-regulating it, which puts buses back into public control.

**37% of Greater Manchester's job seekers said that lack of access to transport is a key barrier to getting work**, backed up by [JRF research in low-income neighbourhoods in Manchester](#). This is in one of the UK's biggest and best city regions.



Protesting against the current bus service!

**People from the poorest fifth of households catch nearly 10 times as many buses as trains**. For lots of us, without a bus we're stuck. Across Greater Manchester, many reported that cars and trains are simply out of the question in terms of price. However, with buses their last option, they highlighted how expensive fares and unreliable services prevent them from taking up positions, and how the un-joined network can mean commutes of over three hours a day (over Jobcentre Plus' limit for reasonable travel).

Our bus network is not serving us. Instead people are being locked out of opportunities for work. With re-regulation, or franchising as it's known, a fully integrated and planned network across GM's 10 local authorities could connect us to our work places, our loved ones and the services we need at affordable fares, as we see in London.

What does this mean? Re-regulation means companies are told by local authorities what services to run, when, and how to set the fares. It also means local authorities can:

- **Plan and expand the network** - Profits from busy routes could subsidise less busy but needed services. Right now, bus companies cherry pick only profitable routes and make a killing, but local authorities could use profits to give everyone a better service.
- **Make buses affordable** – Income could be used to lower fares, which have increased 55% above inflation in the [last ten years](#).
- **Make buses reliable** - Bus companies would have to share data - meaning buses don't disappear from the time table or app.
- **Make buses frequent** - Income could also be used to provide evening and weekend services, like we had before.

This would transform buses for a lot of us. Re-regulating in GM would set a precedent across the UK for a bus network that serves people, not profit. We've launched a petition calling for re-regulation and it already has over 5,000 signatures, but we want twice as many so [please sign and share the petition](#) to join the call for better buses.

Right now, we have a postcode lottery and a poverty premium, with richer areas often getting the better routes and cheaper fares, at least during commuter hours. Public money is used wherever possible, to plug gaps where there is need, however this is an inefficient use of public money. Better Buses for Greater Manchester found that on average £18 million a year is going to shareholder pay outs in the North West region.

Re-regulating our bus network would mean that Greater Manchester could have publicly controlled buses which connect communities to where they need to be.

**Join the campaign by signing the petition now: [www.betterbusesgm.org.uk](http://www.betterbusesgm.org.uk)**

We'd also love to hear from you. We need organisations, businesses and groups to pledge their support for the campaign. Whether you can offer your logo to show support, as GMPA have, or your time, or both, we need as many people speaking out for better buses as possible.



Pascale Robinson

To find out more about the campaign, please say hello at [Pascale@betterbusesgm.org.uk](mailto:Pascale@betterbusesgm.org.uk)

## New research explores why young unemployed people are turning their backs on the benefit system

by Dr Katy Jones, University of Salford

There is growing concern about so-called ‘hidden young people’ – those young people who are neither in employment, education or training, nor claiming the benefits they are entitled to. There are approximately [21,890 hidden young people in Greater Manchester](#). Recognising the issue, Greater Manchester Combined Authority (GMCA), in its strategy ‘[Our People, Our Place](#)’, commits to ‘ensuring that fewer young people are ‘hidden’ from the essential support and services they need’. However, the evidence base relating to this group is incredibly limited – this is the case both locally and nationally.

In response to this, and as part of the Salford Anti-Poverty Taskforce, Salford City Council commissioned researchers at the University of Salford to undertake a qualitative study exploring the experiences of ‘hidden young people’. From interviews with 14 young people with experience of being both ‘not in employment, education or training’ and ‘Hidden’, and a series of focus groups involving 25 stakeholders from across the city, [this research](#) has uncovered some of the stories behind the statistics – and a range of reasons why many young people are shunning the benefits system.

The research shows that a lack of knowledge about benefit entitlements is widespread. As one young woman explained:

*“I didn't know that I could claim... until I was told by the people from [accommodation provider]... If not, I wouldn't have known. You hardly hear it from anywhere, these things.”*

Others are deterred by the ‘stigma’ associated with the Jobcentre. In the words of one young person:

*“Like if someone said to me, 'Where do you get your money from?' I think I'd be a bit embarrassed to tell them.”*

However for others, an increasingly ‘conditional’ welfare system, combined with poor experiences of the Jobcentre, made them reluctant to engage with the benefits system. As one stakeholder explained:

*“Why would you continue to engage with a system that treats you so overtly badly and has all the power in that situation? You would just withdraw from it.”*

Negative perceptions of Jobcentre Plus services were widespread amongst both young people and practitioners involved in the research.

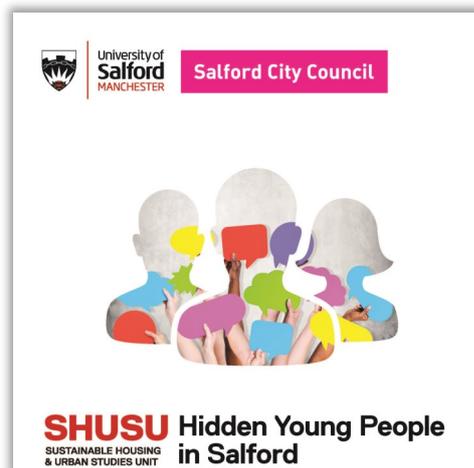
Whether or not young people need or want to claim benefits, not engaging with the social security system excludes them from mainstream support and service provision – as most youth unemployment interventions are routed through the Jobcentre and related contracted providers.

The report makes a series of recommendations for policy and practice, some of which apply at a Greater Manchester level – namely - that the GMCA should continue to monitor the issue, updating and measuring progress in meeting its strategic commitment against the estimated number of hidden young people in the sub-region (currently 21,890). Furthermore, in line with its commitment in the Greater Manchester strategy, we call on the GMCA to outline the steps it is taking to ensure effective support is provided to all hidden young people across Greater Manchester.



Dr Katy Jones

The report was launched at the University of Salford on 31<sup>st</sup> October, with a presentation from lead author Dr Katy Jones, followed by a response from Salford City Mayor Paul Dennett, and representatives from Salford City Council, Greater Manchester Combined Authority and the Greater Manchester Talent Match Youth Panel. A copy of the report can be accessed [here](#).



**TOMORROW**

## The Future of Social Housing - Shelter's Big Conversation

Thursday November 29th, 2018 from 7 - 9pm at Shelter Manchester, 5 Samuel Ogden Street, Manchester M1 7AX



Your help is needed shaping the future of Shelter's social housing campaigns. Together some of the biggest problems that sit at the centre of a system which is responsible for 1.2 million households being on social housing waiting lists in the UK can be tackled. At this event everyone will be invited to work together and help shape the future of Shelters campaigning on social housing. [More information and book](#)

## The Huge Tesco Food Collection 2018 starts Tomorrow!

The Tesco Food Collection is one of the biggest opportunities to get involved to help FareShare and the Trussell Trust feed people across the UK. Between November 28th and December 1st, 2018 volunteers will be asking Tesco customers to donate items to boost the stocks of non-perishable items in the run-up to Christmas. Three hours of volunteering time can bring in enough for 600 meals! You can volunteer [here](#). Tesco also donate a 20% financial top-up on all the food that is donated.



If you need help for yourself or someone you know, [check out our map of food providers across GM](#)

GMCVO

## Building a community for co-production

Friday December 7th, 2018 from 8.45am - 12.30pm at the St Thomas Centre, Ardwick Green North, Manchester M12 6FZ

Together we will decide how to build a movement for co-production in GM. The community will be shaped by what you want, but could give us the opportunity to network with peers; hear examples of great practice from across GM; share skills and learn from each other; find practical support and resources; think through the opportunities and challenges of co-production.

Bookings will only be taken from one delegate from each organisation [More information and to book](#)

## Diversity Matters North West

This organization, based in Hyde, offers a wide range of activities including digital skills; employment, training and volunteering opportunities; improving your health, the English Chat Café etc. To check out their current diary of events click [here](#)



## Its Behind You! Christmas Pantomime

Thursday December 13th, 2018 - Saturday December 15th 2018 at The Edge Theatre, Manchester Road, Chorlton, M21 9JG

The Booth Centre offers regular drama and music workshops in partnership with [The Edge Theatre & Arts Centre](#). Join our cast of characters as they journey to rescue Sleeping Beauty from

Baron Von Greed's castle. Will they reach her in time? Will the funniest joke in the world, save the day? [Buy Tickets](#)



## Christmas Carol Service at Manchester Cathedral

Friday December 21st, 2018 from 2.30 - 3.30pm followed by refreshments

Come along to a festive celebration and sing along to your favourite traditional Christmas Carols. Hear a special performance from the Booth Centre Streetwise Opera group. This service will celebrate the work of homeless services in our city, all welcome. Email [Charlotte](#) to register.



**Do you have any events that you'd like GMPA to publicise? Please [Email us](#) with the details.**

## For more information about Greater Manchester Poverty Action

please visit our [website](#), follow us on [Twitter](#) or visit our [Facebook](#) page.

We want to find new ways of working together, share the network's successes and provide a voice for the people living in poverty in our region but we can only do this with your help and support.

Copies of previous newsletters are available on our [website](#)

If you would like to submit an article for inclusion in a newsletter please [get in touch](#)

For more information please contact us by [email](#) or call 07419 774537 and we will reply as soon as possible.

**NB** GMPA does not have full-time dedicated administrative support so please do not expect an immediate response.



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