



## INEQUALITIES IN GREATER MANCHESTER

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### Introduction

Agreements on creating a ‘Northern Powerhouse’ with devolved powers for Greater Manchester – ‘DevoManc’ – have rightly focused attention on routes to increased economic growth and prosperity. Yet many parts of the city-region remain among the poorest in the country. Wide inequalities of treatment, opportunity and outcomes persist between different ethnic, demographic and social groups.

In 2014, as part of its commitment to social responsibility, the University of Manchester launched a programme of work to contribute to addressing inequalities in Greater Manchester. Known as Just Greater Manchester (or JustGM), it includes activities related to community-based teaching, student volunteering, access to the university’s cultural institutions, such as Jodrell Bank and the Manchester Museum, and work with schools and colleges, particularly in disadvantaged areas.

JustGM also includes research. We have been working to bring together the University’s existing research on the causes and consequences of inequalities locally and to make it more widely accessible, as well as to increase our focus on local issues through new projects. The new Just Greater Manchester website: [www.jgm.manchester.ac.uk](http://www.jgm.manchester.ac.uk) provides summaries and details of some of the research that has already taken place. More will be added as the programme develops.

This paper was produced to stimulate debate at JustGM’s first major conference: *Inequalities in Greater Manchester: Taking Stock and Taking Action* in September 2015. It provides a snapshot of some among many inequalities in the city region, including those in the labour and housing markets. It is by no means a comprehensive review and only examines some dimensions. A number of different ways of conceptualising and measuring inequalities are used. Among them are the gaps that exist between men and women, between different ethnic groups and between children according to their family incomes and entitlement to free school meals. The paper also describes gaps between the top, bottom and middle of distributions, such as those for house prices or earnings. Geographical differences are considered: not only between Greater Manchester and other parts of the country, but also between local authorities and neighbourhoods within Greater Manchester itself.

Other approaches could be applied and wider or deeper explorations made. But the paper’s aim is to raise questions and invite suggestions about what else we need to know and document. In so doing, it is hoped to better inform Greater Manchester’s increasingly powerful policy-makers and make a practical contribution to reducing inequalities.

## Inequalities in neighbourhoods and housing

### Deprivation is concentrated in inner-city neighbourhoods...

Greater Manchester is a highly unequal conurbation. The City of Manchester itself, for example, contains disproportionate concentrations of impoverished and affluent residents. As Table 1 shows, almost two-thirds of the city's population lived in one of the 20% most deprived neighbourhoods in England in 2010 – a proportion that was higher than in other major cities.

Table 1: Percentage of core city residents living in England's most deprived neighbourhoods, 2010

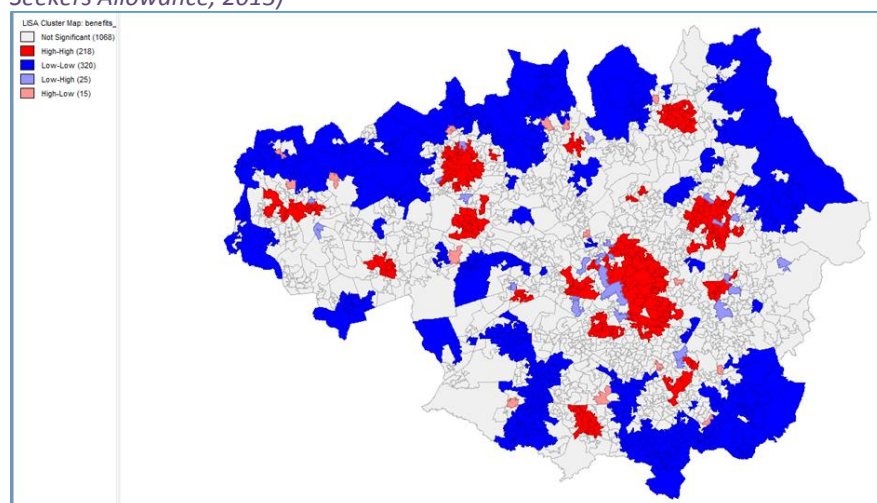
Core cities (and London)	10% most deprived	20% most deprived
Birmingham	39.7	55.6
Bristol	13.9	25.3
Leeds	19.1	28.6
Liverpool	49.1	61.1
<b>Manchester</b>	<b>44.8</b>	<b>64.8</b>
Newcastle	25.6	38.4
Nottingham	24.7	51.5
Sheffield	21.6	34.1
London	8.3	26.0

Source: Department for Communities and Local Government, English Indices of Deprivation, 2010

Official statistics show how multiple deprivation is concentrated in the inner areas of Bolton, Oldham, Rochdale and Salford as well as Manchester. But has the geographical segregation of poor households been deteriorating or improving in recent years? University of Manchester researchers have used specialised statistical techniques to analyse the distribution of unemployed residents receiving Job Seekers Allowance (JSA), over time.

Figure 1 shows how JSA recipients are heavily concentrated in particular areas. The pink areas on the map show disconnected or isolated deprivation, while the red areas show areas of clustered deprivation, separated from non-deprived neighbourhoods. While neighbourhoods with large proportions of JSA recipients are clustered in the conurbation's core, the concentration was no more pronounced after 2010 than before. Thus although Greater Manchester is a highly unequal city-region, the segregation of poor households has not grown worse in recent years.

Figure 1: Geographical clustering of deprived neighbourhoods in Greater Manchester, Moran's I statistic for Job Seekers Allowance, 2013)



Source: Department for Work and Pensions, Nomis (<https://www.nomisweb.co.uk>)

### ...where 'social' and private renting are more common

According to the 2011 Census, levels of home ownership in Greater Manchester were slightly below the average for England (60% v. 63%), while the proportion renting 'social housing' from local authorities or housing associations was higher (22% v. 18%). There was also slightly more private renting (18% v. 17%). These figures hide wide variations between local authority areas. In Stockport, for example, 73% of residents were mortgage holders or owned their properties, compared with 38% in Manchester and 50% in Salford. High levels of ownership were also found in Bury and Trafford. In localities, the proportions ranged from just 3% in central Manchester and Salford, to 96% in some outer areas.

### House prices are relatively "affordable" by national standards...

Getting a foot on the home ownership is less difficult in Greater Manchester than many other parts of England, most notably London and the south. Ratios comparing the lowest 25% of local house prices with lowest 25% of earnings in 2013 suggested that even in Trafford, the borough with the highest house prices, the ratio was still below the national average. The most affordable location was Wigan. Access to home ownership, nevertheless, still depends on a secure job and ability to finance a mortgage – something beyond the reach of the many residents who are low-paid or without work (see below).

Figures for renting show that one in three residents in Manchester (32%) were living in council and housing association properties and 29% in Salford. The lowest levels of social housing were in Stockport (14%), Bury (15%) and Trafford (16%). A similar pattern applied to private renting, although the proportion of private tenants in Manchester (28%) was especially high.

### ...but council house rents have risen faster than average

Despite the economic downturn and austerity, social sector rents, both in Greater Manchester and nationally, have increased. Between 2006/07 and 2013/14, local authority rents in Wigan (+43%), Salford (+46%) and Stockport (+48%) all rose by more than the England average of 42%. Private sector rent increases within boroughs, with the exception of Trafford (+44.4%), were lower than the national average of 42%.

Information about the 2,447 households accepted by local authorities as homeless and in priority need during 2014/15 suggests a further, uneven geographical spread. The highest ratio of prioritised homeless applications to all households was in Manchester, followed by Bolton and Salford. The lowest ratios were in Oldham and Tameside.

## Inequalities in education

### School results are at the national average, or above...

Despite higher levels of deprivation, the school attainment of Greater Manchester pupils is just above the average for England and the North West. Even so, school results from the ten local authorities reveal considerable inequalities. Here we report mainly on socio-economic inequalities – the differences between the attainment of pupils from low income families who are eligible for Free School Meals and other children.

### ... but attainment is unequal from the start

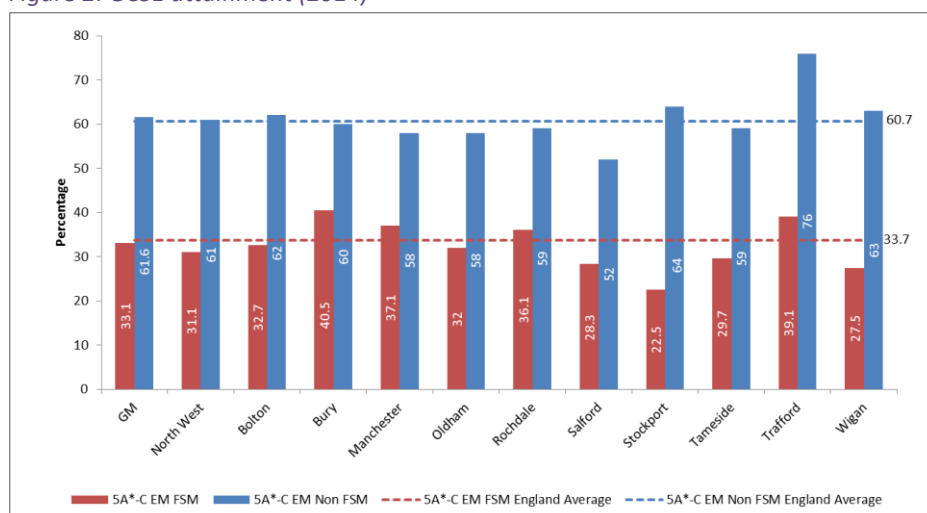
An unequal picture is evident when children start school. When young children were assessed in 2014 using the Early Years Foundation Stage Profile, 56% in Greater Manchester were deemed to display a "good level of development" compared with 60% across England as a whole. The percentages varied between 50% and 69%, only exceeding the national average in Stockport and Trafford. The latter – with Manchester and Salford – was one of the few boroughs where the proportion of FSM-eligible pupils showing good developmental progress was above the England average (of 45%). Even so, the *gaps* between the average scores of FSM and non-FSM children were far wider in Stockport, Trafford and Wigan than in Manchester or Salford.

### Low-income children tend to perform less well in tests and exams...

Attainment scores among Greater Manchester pupils at the end of primary school were better than the England average, where 79% reached the “expected” level. In 2014, Rochdale had the lowest average (77%), while the highest was in Trafford (87%). The proportion of FSM-eligible pupils reaching the expected level was also somewhat higher than the England average of 65%. The highest percentages were recorded in Trafford, and in Manchester, Oldham and Salford where the proportion of FSM-eligible children is particularly high. The biggest attainment gaps between FSM and non-FSM pupils were in Bolton (22 percentage points) and Stockport (27 points). Broad ethnic group figures for Greater Manchester suggest that White primary school pupils and those of mixed ethnicity achieved slightly higher average test scores than Asian and Black children; but the differences were small.

At GCSE, students across Greater Manchester also slightly outperformed the national averages for two standard measurements of achievement: five passes at grade A\* to C, and five passes at those grades including English and Maths. In Trafford (which has selective grammar schools) 79.5% of students achieved five good GCSE passes in 2014, followed by Bury (70%), Stockport (69.4%) and Wigan (65.5%). Salford was the lowest scoring borough on this measure (54.7%). Among ethnic groups, a somewhat higher proportion of Asian students (58.2%) achieved five good passes including English and Maths than those of White (56.1%) Mixed (54.1%) or Black (50.6%) ethnic origin. These percentages aligned with the rather higher averages for England as a whole. For FSM-eligible students, the local authority areas that exceeded national averages were Bury, Manchester, Rochdale and Trafford. Wigan, despite a similar proportion of FSM-eligible students to Bury, had attainment rates for FSM students that were lower than the national average (Figure 2).

Figure 2: GCSE attainment (2014)



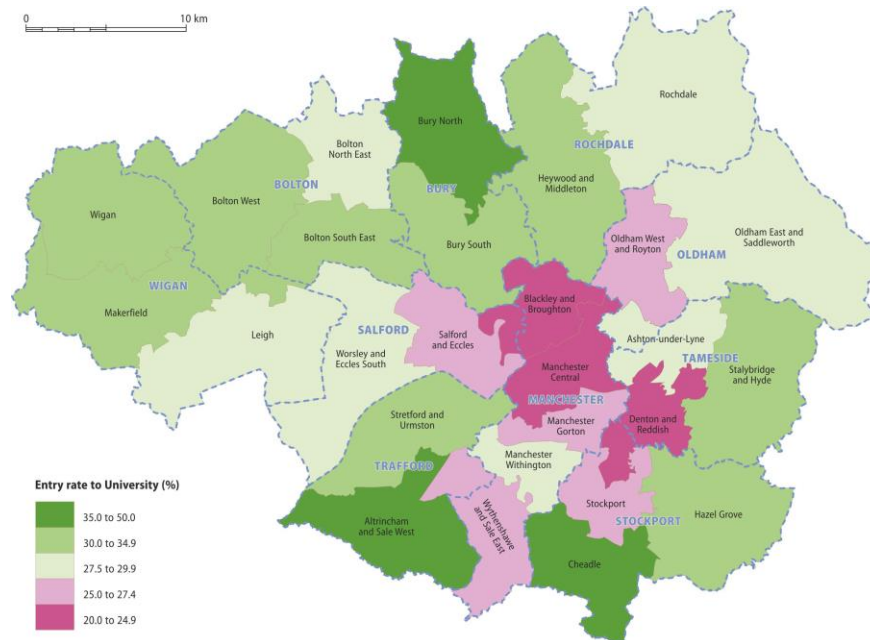
Source: GCSE and Equivalent Results 2013/14 (SFR 2, 2015)

Statistics for educational attainment by the age of 19 reinforce this picture. For example, 63% across Greater Manchester had gained an A-level (or equivalent) qualification compared to the national average of 57%. However, the percentages ranged from 67% in Trafford and 65% in Bury to 53% in Manchester and 51% in Salford. Even so, Manchester (40%), alongside Bury (44%) had one of the highest proportions of FSM-eligible students obtaining A-level or equivalent qualifications.

## Students from deprived, inner neighbourhoods are less likely to reach university...

University admissions data show how young people from the relatively advantaged areas of Trafford, Stockport and Bury are most likely to enter higher education (Figure 3). For example, the 46% admission rate for suburban Altrincham and Sale West was more than double the 20% in Manchester Central and in adjoining Blackley and Broughton.

Figure 3: Entry Rates to University 2014 (by parliamentary constituency)



Source: UCAS Undergraduate 2014 End of Cycle report. Map by Nick Scarle, UoM.

## Inequalities in work

### Employment continues to change...

Work opportunities across Greater Manchester today are vastly different from those that predominated during the industrial era. As in other cities, employment in manufacturing and heavy industry has been largely replaced by jobs in the retail and service sectors, including administrative and clerical work. Since the financial crash of 2007-8, the most significant growth areas have been in jobs requiring staff with middle to lower skills such as care, leisure, sales and customer services.

### ...but average pay is relatively low

While the job market has changed, Greater Manchester remains an area of relatively low average pay, as does the North West region. The median hourly wage of £10.80 in 2014 fell just below the regional average, and contrasted with the UK median of £11.54 an hour. The gap between the two averages of 74p an hour would be worth nearly £1,500 a year to a full-time worker.

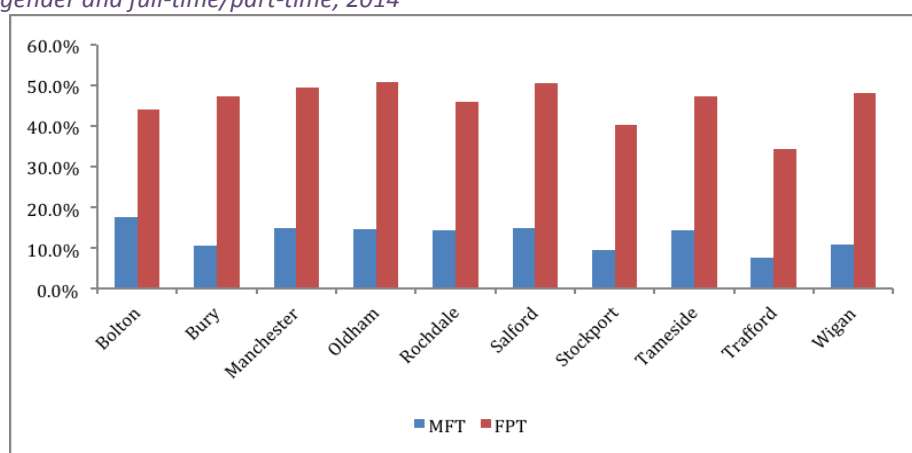
Average pay gaps within Greater Manchester itself are more pronounced. The highest median hourly wage was £13 in Trafford, and the lowest £10 in Tameside: a difference worth £5,700 a year to a full-time employee. Further investigation of the pay distribution revealed that hourly rates paid to the *bottom* 30% of earners in Greater Manchester and the UK as a whole were quite similar. Misuse of the National Minimum Wage as the “going rate” for low-skilled jobs helps explain this. But for the *top* 10% of earners, the gap in average pay gap was close to £5,000 a year for full-time workers.



### Poverty wages are most often paid to women...

The extent to which Greater Manchester workers “earn their poverty” is illustrated by figures showing 23% paid less than the UK Living Wage in 2014 (an hourly rate of £7.65 at the time), against 21% nationally. The proportion falling below the national threshold had grown in every borough since 2012, with notable increases in Rochdale and Stockport (six percentage points). Low pay is much more common among Greater Manchester women in part-time jobs than men who work full-time. In Bury, Manchester, Oldham and Salford around half the women who work part-time were estimated to be earning less than the UK Living Wage (Figure 4).

Figure 4 – Estimated proportion of workers earning less than the UK living wage, by GM local authority, gender and full-time/part-time, 2014



Source: Annual Survey of Hours and Earning various years; authors’ calculations following methodology used by KPMG

### ...access to in-work training is limited, despite skill shortages

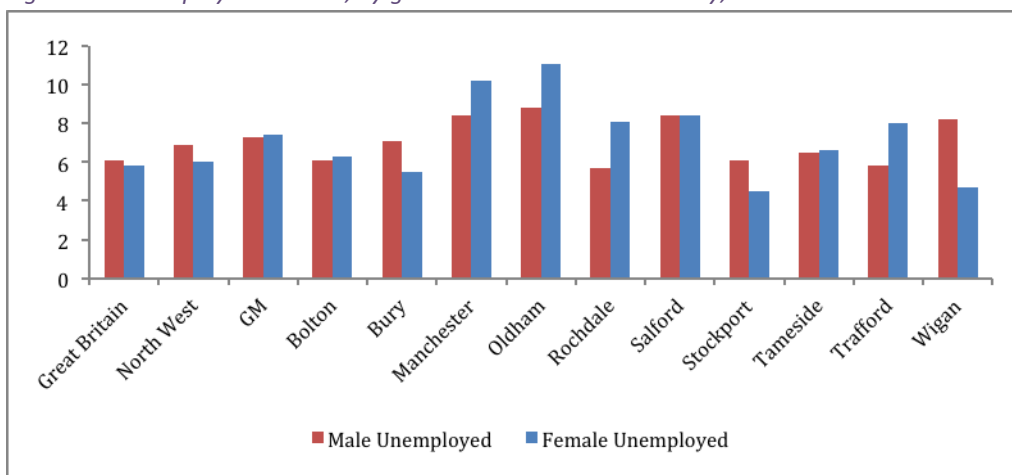
Employers complain about difficulties finding employees with relevant qualifications and work skills, especially young people. This may be true in Greater Manchester to the extent that the proportion of local people with degree-level qualifications is slightly below the national average, while the proportion without qualifications is rather higher. Yet the city-region’s qualifications profile is not much different to that for the North West or Great Britain as a whole.

There are also research-based doubts regarding whether employers are making sufficient commitments to workplace training. Data in 2014 suggested 9% of the local workforce had received job-related training in the past month. While similar to regional and national averages, this disguised significant differences between boroughs: ranging from 13% in Trafford and 12% in Stockport to 8% in Manchester, 7% in Oldham and 6% in Rochdale.

### Unemployment risks vary by area...

Although unemployment was falling in 2014, it remained stubbornly higher than the national average in several boroughs. For men, the risk of unemployment was especially high in Manchester, Oldham, Salford and Wigan. For women unemployment was far above the national average in Manchester, Oldham, Rochdale, Salford and Trafford. Gender inequalities work both ways in different parts of Greater Manchester: Figure 5 shows how women faced a higher risk of unemployment than men in Manchester, Oldham, Rochdale and Trafford, while the opposite was true in Bury, Stockport and Wigan.

Figure 5 – Unemployment rates, by gender and GM local authority, 2014



Source: Nomis local authority profiles, authors' compilation

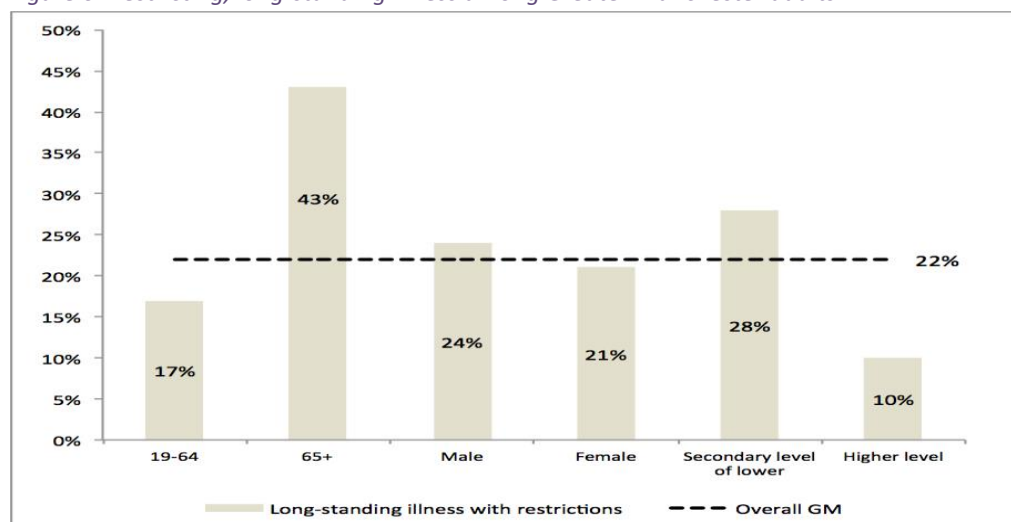
## Inequalities in health

Links between low socio-economic status and relatively poor health are well established. Here we show research findings produced by University of Manchester researchers for the European Urban Health Indicators System assessment (EURO-URHIS 2), which compares health indicators across different European cities. This project was co-funded by the EU Commission, and details of all project partners can be found at <http://urhis.eu>.

### Adults with lower qualifications experience worse physical health...

Combined with life expectancy statistics and other health data from official sources, the survey data show how residents with lower educational qualifications are more likely to experience long-term illness and other physical health problems. Chronic health problems were, unsurprisingly, far more common among Greater Manchester residents over 65, than those of working-age. However, adults whose highest educational attainment was at secondary school level were significantly less likely to describe their health as “good” or “very good” (65%) than those with higher qualifications (84%). They were also almost three times as likely to report a life-restricting, long-standing illness (28%) compared with those educated to a higher level (10%) (Figure 6).

Figure 6: Restricting, long-standing illness among Greater Manchester adults



Source: EURO-URHIS 2

There were no significant differences in reports of regular physical activity or eating fresh fruit and vegetables, yet people with lower qualifications were more likely to be overweight or obese (60%) than those with a higher education level (49%). They were also twice as likely to smoke daily cigarettes (17% v. 8%) and had more commonly “binged” recently on six or more alcoholic drinks (31% v 25%). Women were less likely than men to “binge” drink or be overweight. They were also more likely to eat fresh fruit and vegetables regularly.

### ...but similar levels of mental health problems

By contrast with their physical ailments, residents over 65 reported significantly fewer psychological problems (17%) than working-age adults (25%). There was also little difference between the number of mental health problems reported by people with higher and lower educational qualifications.

### Teenage heavy drinking exceeds the European city average...

Among 14 to 16-year olds, 87% thought their general health was good, but this was below an average for 26 European cities (92%) where the same surveys were carried out. Other areas where Greater Manchester's young people appeared less healthy than the average were an elevated risk of psychological problems (24% v. 20%), heavy episodic drinking (50% v. 33%) and (any) use of cannabis (24% v. 16%). They were also more likely to report having unprotected sex (7% v. 4%). Despite a greater awareness of neighbourhood crime (44% v. 35%), they were slightly less likely (6% v. 7%) to report recent bullying.

### ...but life expectancy is higher, too

Overall life expectancy across Greater Manchester (80.2 for women and 75.8 for men) was higher than average for the 26 European cities. Regular smoking was also less common among adults. However, depression and anxiety were recorded more often, as were weight and obesity problems and “binge” drinking.

## Conclusion: future challenges

Discussions in Britain about inequality at a time of austerity have inevitably focused on its economic dimensions, and the ways that wide disparities in income and wealth affect individual life chances. Part of our purpose here, by contrast, has been to underline important geographical (or “spatial”) aspects, by highlighting inequalities between the neighbourhoods and local authority areas that characterise – for better or worse – Greater Manchester's current circumstances.

The statistics make connections and raise questions for the future. What impact might such large differences in prosperity between localities and such intense concentrations of multiple deprivation have on efforts to re-create a Northern economic “powerhouse”? Will it be sufficient or acceptable for Greater Manchester to continue producing average school results, where children from low-income families lag behind? What implications flow from knowing that lower educational qualifications are associated with a higher risk of health problems that, over time, will place added costs on local services and the NHS? Does it matter if average pay is lower than the national average, but most notably towards the top of the pay range? What could or should a city-region be doing to correct gender inequalities, such as the yawning pay gap between men working full-time and women who work part time?

The devolution of powers to city regions will ensure that the responsibility for remedial action increasingly falls on local rather than national policy makers. Greater power under “DevoManc” will bring greater control and greater choice: to decide which inequalities are tackled and how it should be done. And to determine whether the drivers of policy should be economic necessity or a more instinctive sense of fairness and social cohesion.