The Newcastle Fairness Commission

Introduction

Nick Forbes, the Leader of Newcastle City Council, has asked Professor Chris Brink, Vice-Chancellor of Newcastle University, to chair a Fairness Commission of around 15-20 people, drawn from local and national organisations. The Commission will focus on:

- setting out a strong set of principles about how the concept of fairness can be given practical effect in Newcastle, securing broad endorsement from across the city.
- critically assessing evidence of the degree of fairness, cohesion and equality within Newcastle; informing, and making use of, the proposed Newcastle Future Needs Assessment.
- identifying the critical policies and social contract that would need to be put in place to create and secure a fairer city, and challenging us all to implement them.

This paper sets out an initial framework for establishing a Fairness Commission in Newcastle. In it we discuss –

- the rational behind the Commission and some of the difficulties in defining fairness.
- some examples of inequality and unfairness in Newcastle.
- some of the City Council’s efforts to address inequality.
- the contemporary policy context – new Government policy that presents challenges and opportunities for fairness in Newcastle.
- some of the important questions the Commission may like to consider.

Why do we need a Fairness Commission?

Newcastle is blighted by inequalities in too many areas for us to claim to be a fair city. Poverty damages health, wellbeing and life chances and disparities breed resentment and mistrust. For communities to thrive people must feel they are being treated fairly and have equal chances to enjoy a good quality of life. The remit of the Fairness Commission is to gather evidence, to consult widely, and make recommendations about the practical steps we can take in Newcastle to make sure that fairness underpins the decisions which affect our communities. We hope to secure a stronger social contract between the
people of the city, and to demonstrate to the wider world that Newcastle is a cohesive community with opportunities for all who live and work here.

It is often assumed that the only levers to influence these issues are held by national Government. But this is to underestimate the impact of decisions we take locally. Policies in areas such as health, community safety, social care, jobs and investment are all influenced at local level – and the choices we make have fundamental implications for people across the city. Organisations across the city are going to have to take some tough decisions about priorities over the next few years. We need to do more to ensure those decisions are taken in ways that advance fairness, cohesion and equality, rather than undermine it.

We anticipate that the Commission will work within the following parameters:

- An extensive body of evidence exists about the nature and extent of inequality in the UK and the damaging effects of inequality on wider society. The work of this Commission will build on what we already know about inequality and not seek to replicate research that has already been done in this area.

- ‘Fairness’ should be the guiding principle which underpins the way that we plan budgets and deliver services. The Commission will consider how the Localism agenda can deliver fairer outcomes for people in Newcastle, in particular looking at how we can make the best use of our powers, duties, levers and resources to get the best and fairest outcomes for residents.

- The work and recommendations of the Commission should help us to build consensus in the city and ‘take people with us’ when we have to make difficult decisions so that our decisions, and the processes by which we arrive at them, are seen as fair and do not damage cohesion or lead to greater inequality.

- The Commission will focus on areas in which there is the greatest potential for the council and its partners to influence outcomes, either through the use of local powers and resources or by using our voice to campaign regionally and nationally for better outcomes for Newcastle residents.

- Perceptions of unfairness are important because they can fuel tensions, distrust and conflict, even when the perception is not an accurate reflection of real inequalities. The Commission will consider ways for the Council and its partners to effectively challenge perceptions of unfairness, in order to foster greater cohesion in communities and greater trust between the city’s residents and its institutions.

- A separate Advisory Panel will be established to explore the specific issue of a Living Wage for Newcastle. This will run as a parallel process to the work of the Fairness Commission.
What do we mean by ‘fairness’?

Fairness is a complex and contested concept, dependent on perception and how we choose to measure it. In public policy terms, the debate around fairness focuses on inequality in income distribution, allocation of resources and access to opportunities. However, the question that arises from this is, can adopting principles of fairness enable local authorities to address the huge and long-standing inequalities which exist within and between local areas in relation to health, housing, education, employment and income? Furthermore, without the tax and benefit levers available to central Government, how can local authorities use their full range of powers and resources to affect this?

A review undertaken by Ipsos MORI on behalf of the 2020 Public Services Trust summarises what is known about the British public’s views on public services, and fairness emerges strongly as a value which is broadly shared. However what the public means by fairness is not straightforward and tension is evident between self-interest and a desire for services to act as a safety net for vulnerable groups.

The research provides evidence of strong public support for uniformity of standards (standards should be the same no matter where you live or what you contribute in taxation) particularly in relation to ‘essential’ services. However there is also evidence of public recognition that some groups need (or deserve) greater support from public services than others.

For providers of public services the challenges which this inevitably raises need to be managed and negotiated locally. While the public may have a preference for equal access, local authorities might seek to target resources at particular groups or localities in order to address longstanding inequalities, or to invest in early intervention programmes which seek to prevent costly social problems from emerging. When resources are limited, tensions can arise, for example, around highly visible and less visible services and between respecting taxpayers’ views and contributions and supporting those in greatest need.

Different perceptions of fairness or unfairness, including who we consider ‘deserving’, can fuel tensions, distrust and conflict. Local evidence tells us that 75% of Newcastle residents agree that the Council “treats all types of people fairly” to “some extent” or to “a great extent”. Whilst this citywide figure suggests we are doing relatively well on this question, the ward-level figures demonstrate that agreement is consistently lower in the more deprived wards. We also find that residents surveyed frequently use the ‘additional comments’

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2 Data from the 2010/2011 Newcastle Residents Survey
box as an opportunity to air concerns about aspects of Council provision that they perceive to be unfair.

We know as a result of informal community engagement that, at ward and neighbourhood level, perceptions of fair access to services can cause significant tensions between groups within the community, and between the community and the Council. This raises the question of how local authorities can engage communities in order to negotiate concepts of fairness which foster greater cohesion and greater trust between the city’s residents and its institutions.

**Inequality and unfairness in Newcastle**

There is extensive evidence of the nature, extent and impact of inequality within Newcastle and between Newcastle and elsewhere\(^3\). We know that particular groups of people and certain areas of the city are more likely to experience inequality and unfairness, and the links between socio-economic status and health, wellbeing and life chances are well-documented\(^4\). The examples in figure 1 illustrate some of these inequalities.

The Council is bringing this information together in the Newcastle Future Needs Assessment. This analysis of the data, evidence and knowledge held in the city will underpin future policy and help to ensure that resources are directed on the basis of a coherent single evidence base and assessment of priority.

The role of the Fairness Commission is not to conduct this future needs assessment, to revisit evidence or to analyse inequality data in depth, but to complement what we already know with recommendations about how the concept of fairness might underpin local decisions.

**Figure 1. Inequality and unfairness in Newcastle**

- Life expectancy at birth for Newcastle men is lower than for England as a whole and within the city there are stark differences in life expectancy with a difference of 12.6 years in male life expectancy between South Gosforth and Byker.

\(^3\) For example:
Newcastle Child Poverty Needs Assessment, 2011
Newcastle Joint Strategic Needs Assessment

\(^4\) For example:
*Fair Society, Healthy Lives* (2010), The Marmot Review
• Disability-free life expectancy for men and women in Newcastle is shorter than the England average. Compared to those in the richest areas, women and men in the poorest areas of Newcastle die younger and live a larger proportion of their shorter lives with a disability.

• Almost one in three children in Newcastle, and over half of the children living in Westgate, Walker, Byker and Elswick, are classed as living in poverty.

• Students who receive free school meals and those who live in the most deprived neighbourhoods are less likely to stay on at school beyond year 11. In Newcastle the gap between the proportion of young people from low income backgrounds progressing to Higher Education and their peers has increased in recent years.

• Sections of the population including care leavers, those with learning difficulties or disabilities, young offenders, teenage mothers and those living in the most deprived areas of the city are most likely to be not in education, employment or training.

• The North East region has the lowest income per head within England and a quarter of Newcastle’s neighbourhoods are in the ten percent most deprived nationally, as measured by the Index of Multiple Deprivation.

• Newcastle has a large number of people who are without work and claiming benefit – 27,870 or 15.6% of working age people. Around half of those claiming out of work benefit in Newcastle claim Incapacity Benefit.

• When in employment, women are paid less than men, disabled people are paid less than non-disabled people and nearly all ethnic minority groups are paid less than White British men.

• Poor families pay on average a £1,000 annual ‘poverty premium’ for the most essential goods and services such as gas, electricity and insurance.

• A high proportion of the city’s crime is concentrated in a handful of areas, and some groups are significantly more likely to be victims of crime – most strikingly, over 50% of victims are between 17 and 27.
Current approach to addressing inequality and unfairness

Some of the most powerful levers to address inequality and unfairness are undoubtedly held by national Government – for example through the tax and benefit system. But we should not underestimate the impact of decisions we take locally.

In Newcastle we have a great deal of experience of and commitment to reducing inequality. We have been recognised for innovation and best practice in the way we promote equality, fairness, inclusion and cohesion, and engage and empower communities. In recent years:

- We have achieved ‘Excellent’ level of the Equality Framework for Local Government.
- We were awarded Beacon status for Preventing and Tackling Child Poverty.
- Our Adult Social Services have been rated Excellent by the Care Quality Commission.

The examples in figure 2 below illustrate some of the ways that our public services and voluntary and community sector organisations are currently addressing inequality and alleviating its effects.

The Commission’s role is to consider further and new ways that we can make use of local tools and powers to bring about fairer outcomes for people in Newcastle.

**Figure 2. Examples of our current approach to addressing inequality and unfairness**

- The arms-length organisation Newcastle Futures has led local initiatives to improve the employability of the client groups who face the greatest disadvantage in the labour market. The service was designed to complement mainstream support. In 2009 -10, the council allocated £3.6m to the programme, which provided support to 3,537 residents, helping 1,179 into work. About two thirds of those live in deprived neighbourhoods.

- The Council also has an active programme of engaging young people in apprenticeships, spending over £1.6 million each year. Last year 129 opportunities were provided in a range of disciplines. Young people completing the programme have a very high record of finding employment. Many also go on to further study.

- A strong advice sector in Newcastle provides support to low-income
households and vulnerable people. For example Newcastle Welfare Rights Service (NWRS) runs a number of benefit take-up campaigns targeting groups who are known to be at risk of poverty or to under-claim benefits to which they are entitled. In total, NWRS helped clients to claim £10,696,566 in 2009 and a total of £15,995,138 in 2010.

- **Sure Start Children’s Centres** deliver integrated early childhood services in partnership with the local authority, Health, Job Centre Plus, and the voluntary, community, private and independent sectors. User satisfaction surveys conducted with parents show that the practical support provided is benefiting families in relation to breast feeding, healthy eating, physical activity and safety in the home. Ofsted inspectors have judged that all of the centres that have been inspected have achieved “outstanding” for the quality of care, guidance and support for families, particularly those most in need. The attainment of children in the Foundation Stage also improved from 2008 – 2010.

- The Newcastle Children's Trust and a group of young people are working together to develop a **Children and Young People’s Rights Charter**. The Charter sets out how young people can expect to be treated by services and a series of specific expectations about how services will ensure young people's rights. The work links to the UN Convention on the Rights of the Child and is part of a UNICEF pilot.

- There is clear inequality in terms of how different parts of the community experience and perceive crime. However, through the work of the statutory community safety partnership, **Safe Newcastle**, crime has reduced over recent years and is dealt with effectively in comparison with similar areas. ARCH, the **hate crime** reporting system which supports some of the most vulnerable groups in communities, is recognised as best practice nationally and has now been adopted by most of our neighbouring local authority areas.

- In 2010, the Council reviewed its systems for delivering grant aid and created a single integrated process bringing together its various grant regimes, simplifying application and monitoring processes, and ensuring greater fairness and transparency in decision-making. The newly-established **Newcastle Fund** bucks a national trend by explicitly committing the Council to maintaining grant aid to the voluntary and community sector until at least 2013. It has arguably addressed concerns about unfairness by making grant-aiding more open, inclusive and accessible to new applications (whereas previously a large proportion of funding was only available to previous applicants).

- The Council has had an **Equality Impact and Needs Assessment (EINA)** process in place since 2004. This means that all new or changed policies and services must be assessed for any equality impacts. This has developed in line with legislation and is part of our
approach to performance management, programme and project management and procurement. We complete EINAs on all major strategies and plans. Equality requirements are also built into our procurement and commissioning processes.

• The Council has a good track record in involving local people in what it does. Let’s talk Newcastle is a new conversation between the council and the people of Newcastle. It signals a new approach to engaging and involving people from all walks of life to share their ideas and concerns about their city so that the council can learn from them. The information which people share with us will be used by councillors to help shape the council’s future policy direction, and it will help guide them as they take key decisions which will have an impact across our community.

The Policy Context

This section highlights the contemporary policy context in which the Commission is meeting – not only cuts in public spending but also new and forthcoming Central Government policies that could present challenges and opportunities around fairness and inequality. The Fairness Commission can support the Council by considering these policy developments and helping us work within them to make Newcastle a fairer place.

Government cuts represent a serious challenge for Newcastle. The City and the surrounding areas are relatively highly dependent upon public spending; more than 30% of jobs in Newcastle are in the public sector, and publicly funded organisations such as The NHS, Universities and City Council have historically exercised significant spending power in the local economy. In addition, other sources of public money used in recent years to support private sector activity and fund the third sector are gone or will be reduced.

Councils have difficult decisions to make in response to the Local Government Finance Settlement. There is growing recognition that they cannot continue to deliver services as before, either in the range, scope or design. Councils seeking to negotiate a fair settlement in their locality are looking at the opportunities presented by the localism agenda for local areas to define their own values and concepts of fairness. Many councils are looking at transformative approaches including outsourcing, transferring assets to communities, social enterprises and co-operatives, asking how these approaches might support councils to strengthen and empower communities and respond fairly to the fiscal challenges we face.

The Coalition Government champions an idea of fairness built around localism, individual responsibility, choice and a greater role for markets in public services. A number of new initiatives are brought together in the Open
Public Services White Paper. The Government argues that opening up public services to the best provider, whether public sector, private sector, voluntary or a combination is a vital step in achieving a fairer society. Critics contend that the proposals are an attempt to privatisate the public sector with the introduction of markets (or quasi-markets) being the first step in this process.

The Government says that through the Localism Bill it will devolve centralised power to local areas. The Bill could be hugely significant for local government. It introduces a General Power of Competence that will allow local authorities to be regarded in the same way as individual citizens. In short this will enable councils to undertake anything that private individuals are able to. The Community Right to Challenge will give non-statutory groups the right to express an interest in taking over the running of a local service. The local authority will be obliged to consider and respond to this challenge. Critics of this proposal have suggested that it opens up the possibility of greater privatisation of public services. However Newcastle City Council is interested in exploring ways that the new power could be used to promote greater empowerment and collaborative working with the voluntary and community sectors.

Funding cuts could place non-statutory services for children and young people at risk, and it is often the most vulnerable who are most dependent upon these services. At the same time, there is growing interest in early intervention programmes which may provide the most cost-effective and successful means of improving the life chances of the most disadvantaged young people. Early intervention programmes will require re-thinking the relationship between central government, local government and local providers and consideration of alternative funding models including payment by results schemes which may involve private and socially motivated investors such as Social Impact Bonds.

The relationship between local authorities and schools is changing, with schools becoming increasingly autonomous. Local authorities are now responsible for commissioning all education and training for people aged 16-19 in the context of a move to a system where the Government sees providers responding to the demands of employers and learners. At the same time, the Education Maintenance Allowance has been abolished and the bursary scheme which partially replaces it is a significantly smaller pot of money. Higher Education policy is following a similar quasi-market route wherein the government anticipates that funding will follow undergraduate students who will choose from competing higher education institutions. This comes in the context of a well publicised large increase in undergraduate tuition fees.

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The Government is moving ahead with a range of welfare reforms which will mean important changes for Newcastle. Benefits are to be reduced – some immediately some in real terms over time. Council tax benefit will be cut and localised, and new restrictions on Housing Benefit introduced. Some people currently receiving Disability Living Allowance will not do so in the future – others in receipt of Incapacity Benefit will be required to look for work. This year the Government will introduce its new Work Programme for people who are long term unemployed, in which private providers are paid by results. The Work Programme comes in the context of the tightening of criteria for receiving some benefits, together with familiar talk of stronger sanctions for those refusing offers of work.

The Health and Social Care Bill proposes structural changes to the NHS. The proposals to shift to GP commissioning are well publicised but the Bill also gives local authorities important duties around public health. The Government has promised a Bill in 2012 that will look to address the long-term sustainability of Adult Social Care.

Questions for the Commission

a) What does fairness mean to us and how are concepts of equality, fairness and cohesion related?

b) Can adopting principles of fairness enable local authorities to address large and long-standing inequalities?

c) How can we use the full range of local powers and resources to create a fairer city?

d) How can we engage with Government policies in a way that maximises fairness for Newcastle?

e) How can local authorities and communities negotiate concepts of fairness which foster greater cohesion and greater trust between the city’s residents and its institutions?

f) What are the critical policies and social contract that would need to be put in place to create and secure a fairer city?

g) Can we create a framework for fairness and if so what would it look like?

Process and Timescale

The Fairness Commission will operate from October 2011. Newcastle City Council and the University of Newcastle will act as secretariat. The Council will provide all administrative support for the meetings of the Commission, as
well as providing officer input to support the gathering of evidence needed to feed into the process.

The process will be:

- A first meeting of the Commission to be convened in October 2011 to discuss Terms of Reference, consider background evidence and agree a plan to achieve the objectives and outputs.

- 2-3 more subsequent meetings of the Commission.

- Interim findings going to the Council’s Policy Cabinet in January 2012.

- Final report published by May 2012.
Appendix 1

Membership of the Fairness Commission

Professor Chris Brink – Chair
Richard Baker
Ollie Batchelor
Lord Beecham
Monica Bishop
Father Michael Conaty
Ed Cox
Lesley Craig
Dr Jackie Haq
Umme Imam
Nancy Kelley
Geoff Miller
Dr Guy Pilkington
Chris Rollings
Professor Keith Shaw
Anna Turley
Miles Wallis-Clarke
Penny Wilkinson
Rob Williamson

Supported by:

Andrew Lewis, Director of Policy, Strategy and Communication, Newcastle City Council
Professor Ella Ritchie, Deputy Vice-Chancellor, Newcastle University