Revised Child Poverty Strategy for Wales - consultation

Introduction

This consultation response is a submission on behalf of The Children’s Society, in consultation with the Church in Wales.

The Children’s Society has helped change children’s stories for over a century. We expose injustice and address hard truths, tackling child poverty and neglect head-on. We fight for change based on the experiences of every child we work with and the solid evidence we gather. Through our campaigning, commitment and care, we are determined to give every child in this country the greatest possible chance in life.

Summary of recommendations

This report sets out a range of recommendations for action, including:

Recommendation: The Child Poverty Strategy should include two additional strategic objectives action on household debt on family incomes, and more support for those unable to escape poverty through earnings alone.

Recommendation: The Child Poverty strategy should set out the measures that the Welsh assembly will take in order to ensure the voices of children in poverty are heard within the policy making process.

Recommendation: Funding for the Discretionary Assistance Fund should be maintained at 2014/15 levels.

Recommendation: The Welsh assembly should explore how it can be ensured that all children in poverty across Wales receive a Free School Meal, including those in working families.

Recommendation: The Welsh assembly should consider how it can work with the UK government and with energy companies to make sure all children living in families in poverty receive the Warm Home Discount.

Recommendation: The Welsh assembly should establish a wider trial of credit union accounts, including linking this into financial education in schools, to establish the effectiveness of this approach in promoting savings to young people.

Recommendation: The Welsh Assembly should ensure that all Local Authorities should share Live Birth Data with Children’s Centres in their local area in order to ensure that centres are able to contact the most disadvantaged families in their local area.
**Recommendation:** progress indicators should include measurement of the proportion of children in poverty accessing early education, and the proportion of children in poverty living in families in problem debt.

1. **Do you agree with our proposal to maintain our ambition to eradicate child poverty by 2020? Yes / No.**

Comments:

The Children’s Society and the Church in Wales welcome the steps the Welsh Government has set out for addressing child poverty both now and in the future. This includes additional support with childcare costs for low-income families and the introduction of the Pupil Deprivation Grant, which is designed to raise school standards and narrow the educational attainment gap. Measures such as these will make a real difference to children in poverty.

We welcome the recognition of the need for a systemic response to the issue, and the strong link that exists between poor educational attainment, low skills and poor health and wellbeing.

In particular, we were pleased to note the detailed inclusion of information pertaining to helping low income families secure sustainable, well paid employment, and also around the need to ensure that there is advice available which helps people deal with debt, and that this should be a basis for enabling them to manage their finances sustainably.

However, although we agree that for those who are able to do so, work can be an effective route out of poverty, there is a need to recognise that for some groups further work is still needed to ensure work pays. For other groups, such as sick or disabled parents, or those seeking asylum, employment may not be an option at all.

Additionally, whilst there is recognition for the need for improved financial education, we would like to see further action to reduce the impact of family debt more entrenched in the child poverty strategy.

2. **Do you agree with our proposal to continue with our existing three strategic objectives for tackling child poverty? Yes / No.**

Comments:

Child poverty is the lack of material resources necessary for a decent standard of living. Such material resources do not need to be in the form of income, and may include such things as housing quality.

However, this does not mean that all action on child poverty must directly address material deprivation alone. Indeed, such a strategy would neglect the action that needs to be taken on issues such as children’s education, which drive intergenerational poverty.

It is crucial to both measure and act on those factors which are underlying drivers of child poverty. For this reason we support the Welsh assembly’s proposed approach to addressing child poverty by addressing both child poverty now through action on worklessness, and tackling the drivers of intergenerational poverty, particularly through action to address poor educational attainment and health outcomes.
However, there are aspects to both child poverty now, and in the future, which it would be beneficial to address in more detail in the strategy. These include:

i. **Support for those unable to work, or make work pay** - although we agree that for those who are able to do so, work can be an effective route out of poverty, there is a need to recognise that for some groups further work is still needed to ensure work pays. For other groups, such as sick or disabled parents, or those seeking asylum, employment may not be an option at all.

ii. **The impact of family debt** - household debts can deeply undermine the benefits of employment. For this reason we would like to see the impact of family debt more entrenched into the child poverty strategy.

Our Debt Trap report, written in collaboration with StepChange debt charity found that an estimated 2.4 million children in the UK are living in families with problem debt. In total, families with children are behind with payments of £4.8bn to service providers and creditors (including national and local government).

High rates of repayment on debts can mean that otherwise adequate earnings levels are insufficient to maintain a decent standard of living for families. Too often problem debt means their children miss out on the basics. Nine out of ten parents in problem debt have cut back on essential items for their children within the last year so they could keep up payments on debts.

**Recommendation:** The Child Poverty Strategy should include two additional strategic objectives action on household debt on family incomes, and more support for those unable to escape poverty through earnings alone.

3. **Are the policies and programmes underpinning our strategic objectives the right ones?** Yes / No.

**Comments:**

The combination of proposed policies and programmes will make a real contribution towards reducing child poverty in Wales. This is due to the range of interventions available, and the funding that has been allocated by the Assembly.

It is important to recognise that child poverty does not exist in isolation, and that it affects the entire family. As such, work to provide family support, reduce health and educational inequalities, intervene early in the early years, and work to increase levels of good mental health and wellbeing demonstrates a deep understanding of the multi-faceted nature of poverty in Wales, and the need for a joined up, cross-departmental response to alleviating the impact on children and families.

We strongly welcome the recognition of the Welsh Government of the need to intervene as early as possible in a child’s life, and as such are supportive of the proposed expansion of Flying Start on concentrations of families with children aged 0-3 living in Income Benefit households across Wales. We were also pleased to see that there was specific action outlined to target the “hardest to reach” groups, including ethnic minority families. We are concerned, however, by the research done by Ipsos Mori which shows that the programme
needs to increase the awareness of, referral to and take-up of Flying Start services in order to achieve medium to longer term improvements to child and parent outcomes.

Being in poverty is a fundamental barrier to children and young people accessing their rights and achieving better outcomes. Consequently, the understanding demonstrated in both the Tackling Poverty Action Plan and the Strategic Equality plan of the need to link existing plans and policies with work being established in disadvantaged communities means that there is due consideration of the need to invest early, and provide the requisite opportunities for children and young people to mitigate the negative effects of poverty on their lives.

However, we feel that this understanding has not always translated into tangible results. For instance, we note that the proportion of care leavers in education, training or employment at age 19 is significantly lower in Wales than in England, and that this has been the case for the last 5 years in a row\(^3\). A core concern of our work is youth at risk, and as such we would like to see more done to ensure that those leaving the care system are not left in a vulnerable position as a result of their circumstances.

4. **Are you content with the collaborative approach we set out for tackling child poverty in Wales? Yes / No.**

   Comments:

   We welcome the recognition from the Welsh Government of the need to engage with a number of partners across local authorities, the charitable sector, and through the End Child Poverty Network. The Anti Poverty Champions are an initiative that we broadly support, in that they allow for a localised and targeted means of tackling poverty in a local area, providing an in depth understanding of the manifestation of poverty at a lower level.

   We also support the introduction of the Tackling Poverty External Advisory Group. This provides and effective mechanism to share advice and inform the approach taken nationally.

   One aspect of the collaboration, which we believe could be strengthened, is that of the participation of children and young people in helping to eradicate child poverty. The Children’s Society is supporting the first-ever Children’s Commission on Poverty\(^4\). The commissioners want the government to draw on children’s actual experience -- and not just the statistics -- when developing measures to tackle child poverty. The Children’s Commission on Poverty is being supported by The Children’s Society and led by a panel of 16 children and teenagers from across England, ranging in age from 12 to 19. They are leading an 18-month investigation into child poverty in the UK. It provides a crucial platform for children to speak out about what poverty is really like and reveal, through their own eyes, the day-to-day challenges they face and what needs to be done.

   We believe that replicating such an approach in Wales would be hugely beneficial to the understanding of the day to day experience of poverty for children and young people, and help to better target resources to mitigate its impact.

   **Recommendation:** The Child Poverty strategy should set out the measures that the Welsh assembly will take in order to ensure the voices of children in poverty are heard within the policy making process.

5. **Do you agree with the proposals we have set out under next steps? Yes / No.**
We believe that the 5 areas identified are essential if poverty is to be adequately addressed in Wales. Recent increases in the use of food banks across the UK has led to speculation as to the underlying causes of this phenomenon including debt, unemployment and benefit delays and sanctions among the UK’s poorest families. We have conducted extensive interviews with the families that we work with, and our own practitioners, and act as an official referrer to local food banks. Providing adequate nourishment for children and young people is essential for families, and we know from our own research that too often families are forced to make difficult decisions, such as heating their home or giving their family a hot meal.

We are also strong advocates of the need to provide affordable childcare. We have spoken out in support of increasing rates of support for childcare costs through Universal Credit in order to ensure that the costs of childcare do not present an impediment to returning to work.

Whilst we welcome the provision of access to affordable finance through local credit unions, targeted explicitly at those who are financially excluded, as stated earlier in this response, we believe that there is insufficient acknowledgement of the need to tackle problem debt in families. The Debt Trap exposes the impact that living with debt has on children. Family stress and arguments cause distress, being different through missing out on things leads to bullying, and progress at school is affected. Children from families in debt are twice as likely to be bullied and three-quarters could not afford to engage in the social activities that are the norm for their peers.

The Children’s Society is particularly pleased to see free breakfast for all children in primary school initiative. This will help to improve the health and concentration of children to assist in raising the standards of learning and attainment and provide children with a healthy start to the school day and reduce health inequalities arising from poor diet. We do, however, have concerns that children in poverty are still missing out on Free School Meals, and address this in greater detail below.

Although some extremely important next steps are set out within the strategy, we believe additional actions would help to ensure further progress is made towards eradicating child poverty in Wales. These include:

1. Funding for the Discretionary Assistance Fund:

It is welcome that the strategy highlights the need effective delivery of the Discretionary Assistance Fund. However, in order to ensure this happens, funding for this needs to be maintained at the same level as 2014/15 with clear communication offered to voluntary sector partners to support vulnerable children and their families to access this vital funding.

**Recommendation:** Funding for the Discretionary Assistance Fund should be maintained at 2014/15 levels.

2. Free School Meals for all children in poverty: giving children in poverty a free school meal makes sense on every level. They can help children stay healthy and learn. And they can help families escape the poverty trap faced by parents trying to move into employment by making sure that work always ‘pays’. The Children’s Society’s Fair and Square campaign
wants every one of the hundreds of thousands of children living on or below the poverty line to be able to get a free and nutritious meal every day.

Recommendation: The Welsh assembly should explore how it can be ensured that all children in poverty across Wales receive a Free School Meal, including those in working families.

3. Working with energy companies to ensure more children in families living in poverty receive the warm home discount: Eligibility criteria for the warm home discount should be aligned across all energy companies, and all families living in poverty should be moved into a ‘core’ priority group, to ensure they get this help automatically.

Many families living in poverty struggle to heat their homes. To highlight the impact of fuel poverty on some of the most vulnerable families The Children’s Society recently published the report “Behind Cold Doors: The chilling reality for children in poverty” which found that:

- More than three million families across the UK were likely to cut back on food so they can pay their energy bills last winter.
- Two-thirds of parents living in the UK – five million families – were likely to turn their heating down last winter because they couldn’t afford to pay their energy bills. Of these, more than half were worried about their children becoming ill as a result.
- Turning the heating on is driving many families into debt. Around 500,000 families consider taking out a loan to help them with the costs of heating their home.
- Too many children lived in cold or damp homes this winter. Based on our recent survey of 2000 children in the UK, we found that around 10% of children (1.3 million) said that their home suffers from damp or mould and around 28% of children (3.6 million) thought that their home was too cold. In extreme cases, health conditions associated with the cold may contribute to children’s deaths. Statistics show that there were 110 more deaths among children in winter 2011-12 than at other points of that year.
- A typical couple with two children would now need to spend £1400 per year in order to heat their home adequately.
- Almost two million children in poverty are in families that are missing out on the Warm Home Discount. Many are excluded because their parents are in low paid work.

“We only have the heating on for about three hours at most...in the morning when the children are getting ready, after school for a bit and at bedtime. I wear my jacket or dressing gown on top of my clothes.”


Recommendation: The Welsh assembly should consider how it can work with the UK government and with energy companies to make sure all children living in families in poverty receive the Warm Home Discount.

4. Seeded Credit Union accounts linked to financial education in schools
A sound education on debt and money management may help to prevent young people getting into debt when they become young adults – making them less vulnerable to the kinds of income shocks and expenditure pressures which can threaten to lead to debt problems.

However, when we surveyed families for our “Debt Trap” report, both parents and children raised concerns about the level of financial education provided through schools.

“I think kids should be educated more about it in school, because I didn’t have a clue what I was getting myself into at 19.”

Nearly nine out of ten (88%) parents said that schools should do more to teach children about debt and money management, with 47% saying they should do “a lot more”.

Similarly, only 21% of children (aged 10-17) said that they agreed that their school taught them about debt and money management.

Some local authorities across the UK are taking innovative approaches to improving children’s money management skills. For example, local authorities in both Glasgow and the London Borough of Haringey are providing secondary school children with “seed money” in a credit union account to get them saving.

Recommendation: The Welsh assembly should establish a wider trial of credit union accounts, including linking this into financial education in schools, to establish the effectiveness of this approach in promoting savings to young people.

5. Sharing of live birth data

As outlined above, children’s centres are crucial to the delivery of early intervention services for children and families on a local level. However, too often knowledge of centre services is limited, and hampered by lack of access to “live birth data” (information about new births in the local area).

Recommendation: The Welsh Assembly should ensure that all Local Authorities should share Live Birth Data with Children’s Centres in their local area in order to ensure that centres are able to contact the most disadvantaged families in their local area.

6. Do you agree with the indicators we propose to use to measure progress? Yes / No.

Comments:

We believe that the child poverty population indicators represent a good base from which to measure the progress of the legislation and initiatives outlined by the Welsh Government.

We believe, however, that an additional three indicators would significantly strengthen the progress made. These are:

- % of children in poverty accessing early education
- % of children in families living with problem debt
- number of applications to the Discretionary Assistance Fund from families facing a crisis
This would balance the need to understand the nature of inequality with the progress made in terms of tackling poverty and disadvantage in Wales.

**Recommendation:** progress indicators should include measurement of the proportion of children in poverty accessing early education, and the proportion of children in poverty living in families in problem debt.

For more information please contact David Ayre, Policy Officer for Poverty and Inequality at The Children’s Society on david.ayre@childsoc.org.uk or Revd. Canon Carol Wardman, Bishops' Adviser for Church and Society, The Church in Wales on CarolWardman@churchinwales.org.uk

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