



Llywodraeth Cynulliad Cymru
Welsh Assembly Government

WRITTEN STATEMENT BY THE WELSH ASSEMBLY GOVERNMENT

Title: Update on Child Poverty

Date: 16 July 2009

By: Brian Gibbons, Minister for Social Justice and Local Government

I would like to provide Members with an update on some recent, key developments in relation to the Assembly Government's ongoing programme of action to tackle child poverty in Wales. I recognise that the economic downturn has serious consequences for individuals, families and communities and that the Assembly Government has a pivotal role to play in steering Wales through the recession.

Latest Statistics

Recent evidence, from the latest Household Below Average Income statistics, has shown that the good progress that had been achieved in reducing child poverty in Wales since devolution has stalled over recent years. The percentage of children in Wales living in households below 60% of the median income (after housing costs) was 29%, for the period 2004-5 to 2006-7, this has now risen to 32%.

The figures take us to the period ending March 2008. They do not reflect some of the recent budgetary changes which should benefit lower income families or the impact of the recession. They deal with income poverty and many of the levers for tackling this lie with the UK government, particularly in terms of tax credits, benefits and minimum wage. My officials and I will therefore, continue to work with Whitehall Departments to ensure that UK government policy continues to benefit the people of Wales. The increase in

the child poverty figures for Wales remind us how important it is for us in the Assembly Government to do everything within our power to increase the life chances for children living in low income families. I have also asked officials to explore the factors behind the statistics, and to find out if there are new policy interventions which might assist in reversing the figures over the next few years, which could be captured in the new Child Poverty Strategy.

New Child Poverty Strategy for Wales

The Assembly Government published the current child poverty strategy, '*A Fair Future for our Children*' in February 2005. Whilst much of the policy approach in this strategy remains relevant today, there have been a number of developments in the intervening years that require us to take a fresh look at our child poverty policy priorities as we focus on the target of eradicating child poverty by 2020.

The proposed Children and Families (Wales) Measure will require Welsh Ministers to prepare and publish a strategy for contributing to the eradication of child poverty in Wales. This strategy must include objectives in relation to each of the broad aims set out in Section 1 of the proposed Measure. The first strategy must be published in 2010 and it must be kept under regular review.

I am keen to ensure that the new Child Poverty Strategy for Wales is based on sound evidence and is focussed on those policy areas which we know are likely to be able to contribute the most to our child poverty objectives. Preparatory work for the strategy has begun and is being overseen by our internal Child Poverty Analytical Team. This involves mapping the evaluation results of existing Assembly Government child poverty programmes which will result in a synthesis report to be produced shortly. This will provide a solid foundation for the new strategy. In addition, Professor Edward Melhuish has been commissioned to provide a framework for the evaluation of the new strategy.

I am also pleased to confirm that the Child Poverty Expert Group have agreed to peer review the new child poverty strategy.

Proposed Children and Families (Wales) Measure

In March of this year I was very pleased to introduce the proposed Children and Families (Wales) Measure to the Assembly which sets out how the Welsh Assembly Government intends to take forward its One Wales commitment to tackle child poverty and social exclusion for some of our most disadvantaged children and families.

The proposed Measure demonstrates the Assembly Government's commitment to provide support to those families and children in greatest need

who, without additional support, would be most disadvantaged within our society.

The proposed Children and Families (Wales) Measure will provide a firm basis to take forward our distinct policies that are designed to meet the specific circumstances of children and families in Wales. I was very pleased that the general principles of the proposed Measure were agreed in Plenary at the end of June.

UK Government Child Poverty Bill

I welcomed the introduction of the Child Poverty Bill on 11 June as evidence of the UK Government's continued commitment to the target of eradicating child poverty by 2020.

I am pleased that the Assembly Government has been at the forefront of the work to establish a coherent legislative foundation for action on child poverty across public agencies. I particularly welcome the potential for synergy between the two pieces of legislation now being developed in Westminster and Cardiff Bay. I am also pleased at the opportunity to create a coherent and strong evidence base for action on child poverty across the UK through the proposed UK Child Poverty Commission.

Advice from our constitutional lawyers indicated that a Legislative Consent Motion was needed in relation to certain areas of the UK Bill as it affects Welsh Ministers. Therefore, on 23rd June the Legislative Consent Motion was passed in the National Assembly for Wales in accordance with the timetable set out in Standing Orders.

Joint Agreement on Child Poverty

I was very pleased to launch the Joint Agreement on Child Poverty at Tonyrefail School, Tonyrefail, in late March 2009 and I was delighted that representatives from eight organisations joined me in being the first to sign up to the Joint Agreement. I was joined by representatives from:

- Chief Fire Officers Association
- Greenhouse
- NHS Confederation
- One Voice Wales
- Save the Children
- Sports Council for Wales
- Wales Council for Voluntary Action
- Welsh Local Government Association

This Voluntary Agreement across the Welsh public sector is an indication that we all have a role to play in reducing child poverty, and all public agencies are being actively encouraged to sign the Joint Agreement, including those who

will also have a duty under the proposed Children and Families (Wales) Measure. I was particularly pleased that the Wales Council for Voluntary Action joined the public sector in signing the Joint Agreement on behalf of the Third Sector in Wales.

A list of all the organisations who have already signed the Joint Agreement on Child Poverty is on our website at:

<http://wales.gov.uk/topics/childrenyoungpeople/childpoverty/jointagreement/organisations/?lang=en>

Having a Joint Agreement on Child Poverty demonstrates high level commitment from both the Welsh Assembly Government and other organisations to the shared goal of eradicating child poverty.

Child Poverty Expert Group

This Group was established to advise me on the further and wider policy requirements necessary to meet the milestones and targets set out in the October 2006 document, *'Eradicating Child Poverty in Wales – Measuring Success'*.

The Group has now met five times and is due to meet again before the end of this term. A web page has been developed to publish the work of the Group and can be accessed from the Assembly Government website. This means anyone with an interest in the Groups' work can follow their progress through the recommendations the Group make and the bulletins that are published after every meeting.

<http://wales.gov.uk/topics/childrenyoungpeople/childpoverty/childpoverty/?lang=en>

Save the Children and Welsh Local Government Association Child Poverty Pilot Project

As part of our commitment to end child poverty in Wales, the Assembly Government is funding a 2-year pilot project in 2 local authorities, Rhondda Cynon Taff and Gwynedd. The project, led by Save the Children, supports local government in addressing child poverty issues by pooling knowledge, gaining a better understanding of local circumstances, and exploring the practical actions that local authorities can take to increase family income and improve access to better quality services.

I hope that this pilot project will pave the way for local authorities throughout Wales to consolidate and build on the work they are already doing to address child poverty in their areas through the use of 'Child Poverty Solutions Wales'. This web based project tool supports local government in addressing child poverty issues by gaining a better understanding of local circumstances, and of their powers, to increase family income and improve access to better quality services. It has consistently attracted around 400 unique visits a

month. The site has now been updated to include pages dedicated to involving children and young people in community regeneration.

The Child Poverty work within Rhondda Cynon Tâf and Gwynedd County Councils is progressing well. Gwynedd launched their financial literacy project last September and have developed resources and an evaluation framework for the project. Rhondda Cynon Tâf is progressing in their work to build employability skills with young people at a local school.

A full evaluation of the project is currently being undertaken and will conclude towards the end of this year.

Child Poverty – Resources

Significant funding is being made available through a wide range of our policies and initiatives that contribute towards tackling child poverty including:

- £89 million over 3 years for the Flying Start programme;
- £43.6m is being invested over next 6 years in the Want2Work project to help people into employment;
- £68.5 million is being invested in Genesis Cymru Wales 2 to help people overcome a range of barriers that prevent them from entering the workforce or training;
- £148 million is committed over the next 3 years for the Cymorth programme;
- £3 million being made available over 3 years to increase the take-up of council tax benefit and housing benefit, and an extra £500,000 has been made available over 2 years to raise awareness of the benefits available to parents and carers of children with disabilities.

Economic Downturn

An increase in unemployment for young people is a serious cause for concern which was highlighted at the Sixth Economic Summit at Merthyr in early June. There are a number of Welsh Assembly Government and Department of Work and Pensions policies and programmes in place that are designed to address this problem. It is important to encourage participation and uptake of these programmes in the current recession.

Additional resources have been put into Further Education and 6th Forms this year and work-based learning, including apprenticeships, Skillbuild and a new scheme to support the DWP's Golden Hello (training subsidy) scheme. Support is being given to Local Employment Partnerships (including offering job opportunities in the Welsh Assembly Government) and the number of

careers advisers is being boosted. ProAct will help to reduce the number of redundancies and the expansion of ReAct will maintain our support for those who are made redundant. In time the 14-19 year old Learning Pathways will, provide suitable learning opportunities for all, and good quality advice and guidance, leading to higher staying-on rates and secure employment.

Financial Inclusion Strategy

The development of Wales' first Financial Inclusion Strategy will give the Assembly Government the opportunity to provide a lead to its partners in tackling financial exclusion and over-indebtedness in Wales. It provides a much needed focus to the work already underway at the UK, Wales and local levels and will enable a consistent approach to be taken on a number of key priority areas.

The Strategy focuses on five specific themes:

- Access to mainstream financial services;
- Providing affordable credit and savings;
- Improving access to financial and debt advice;
- Increasing financial capability; and
- Income maximisation.

We are doing all we can to help financially vulnerable households in the current economic climate by taking forward our Financial Inclusion Strategy, widening access to affordable credit and assisting those people facing housing difficulties. A final version of the strategy will be published over the summer.

A Wales Financial Inclusion Champions Team has now been created and is jointly funded by the Welsh Assembly Government and the Department for Work and Pensions. The team is providing trusted and expert practitioners to liaise with intermediary organisations, such as housing associations and local authorities, to promote access to affordable credit, debt advice and appropriate insurance products.

UK Government expansion of debt advice

£45 million was made available to the Face-to-Face Debt Advice Fund of which £3.15 million was awarded in 2006-08 to Citizens Advice Cymru for the appointment of 37 debt advisers across Wales. The total number of new clients seen in Wales as a direct result of this project was 15,146. The Fund is continuing for 2008-11 but with a slight reduction in real terms resulting in the reduction in the total number of advisers in Wales to 36.

Housing Debtline Wales

The Deputy Minister for Housing and the Minister for Social Justice and Local Government have agreed to the joint funding of £79,800 to provide a dedicated free housing debt telephone helpline for people in Wales. The all-Wales helpline will offer advice and support to people who face the threat of repossession of their property or eviction from their home in both the private and social housing sector.

Operated by the Consumer Credit Counselling Service (CCCS) and managed by the Wales Co-operative Centre, it will provide a full debt advice service delivered by 2 counsellors with the aim of minimising the number of repossessions and evictions and offering people an appropriate solution to their housing problems. The helpline was officially launched on 14th July 2009.

Child Trust Fund

The Assembly Government established the Child Trust Fund Reimbursement Grant Scheme in September 2006 to encourage local authorities, as good corporate parents, to contribute to the Child Trust Fund accounts of children they are responsible for looking after.

Following a recent review and additional funding provided by the UK Government (administered on their behalf by the Assembly Government), the Assembly and UK Government schemes have been combined. Since the 1 April 2008 local authorities in Wales are reimbursed £200 per child, per annum for contributions they make to the trust fund accounts of children who have spent a year in care from 1 April 2007, regardless of placement type.

The combined scheme has benefited some 750 children, providing £200 annual top ups to their trust fund accounts in the period 1 April to 31 December 2008. The Assembly Government has invested £134,450 in the scheme to date. Local authorities have contributed a total of £23,635 from their own resources to top up the child trust fund accounts of these children. The next tranche of claims are due in December 2009 and the scheme will be administered on an annual basis thereafter.

The Welsh Assembly Government has also made a commitment in 'One Wales' to "implement an extra Children's Bond for all children entering school". This commitment will be implemented through the Child Trust Fund Cymru scheme which aims to provide an additional top-up to the CTF of all children living in Wales in the early stages of their primary education.

The scheme aims to provide a £50 Welsh premium for all eligible children and a further £50 for those children living in low income households. The CTF Cymru is due to launch in September 2009.

The Assembly Government is currently funding a support package totalling £350,000 for credit unions wanting to become Child Trust Fund (CTF) account providers. The Child Trust Fund project, which is being administered by the

Wales Co-operative Centre, aims to increase the number of credit unions offering CTF accounts to their members from 3 to 18 by June 2009.

In total 18 Welsh credit unions have now been funded to enable them to offer Child Trust Fund accounts, representing 62% of the all credit unions in Wales. UK wide there are around 70 UK CTF providers, 25% of which are Welsh credit unions.

Communities First and Child Poverty

The Communities First Vision Framework now includes a distinct theme on child poverty. This thematic framework, together with a three year £25 million Outcomes Fund, will enable Partnerships to deliver programmes that make a real, sustainable difference to children, young people and their families in the areas suffering the highest levels of deprivation.

It is recognised that Communities First Partnerships need additional help and support to ensure that they can play a part in reducing child poverty in Wales. On 9 March the Assembly Government issued Draft Guidance for consultation, aimed at providing Communities First Partnerships with practical help when they focus on child poverty in their areas. A launch event is scheduled for 8 October 2009 at the annual Communities First Conference. The Guidance will be linked with other tools that the Assembly Government has developed to ensure local partners are well informed and supported in their role.

Health inequalities

We have long recognised the link between our industrial heritage, deprivation and ill-health in Wales and have been working hard to reduce the problem.

Smoking remains a major cause of health inequalities and therefore we are working to reduce take up of the habit and providing support for people to quit, including initiatives aimed at children and young people.

We are also raising awareness of the importance of food and fitness. To provide more opportunities for people to lead a healthier lifestyle, the Assembly Government funds a range of initiatives including affordable fruit and vegetables at Community Food Co-ops, mainly in Communities First areas, as well as free swimming for children and young people during the school holidays.

Last year the MEND programme was announced. It is designed to help overweight and obese children manage their weight and become fitter, healthier and happier; this has been rolled out across Wales since January. The £1.4million scheme will target around 2,000 children aged between 7-13 years old and their families over three years.

