

## Update on Child Poverty

16 July 2008

### 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.

#### Latest Statistics

On 9 June the Department for Work and Pensions published the most recent **Household Below Average Income** (HBAI) series of statistics providing us with an update on our progress in reducing child poverty rates across the UK. The results showed that for the three year average 2004-05 to 2006-07, after housing costs, 29% of children in Wales are living in households in relative income poverty. The figure for England is 30%, Scotland 25%, and Northern Ireland 26%. What is clear is that following a significant reversal of the rising trends in child poverty, progress appears to have stalled.

These latest figures show that it is of vital importance that we renew our efforts to improve the life chances of all our young people. We must target the causes of poverty by providing greater access to jobs, improve early years' provision, enhancement of skills, as well as educational achievement, regeneration of our communities, better health and public services.

#### UK Dimension

In responding to the recent HBAI statistics the UK Government has pointed out that the figures take us to the period ending March 2007. The two most recent UK Budgets announced significant measures for child poverty which will **lift another 500,000 children out of poverty across the UK** as a whole. Proposals announced as part of the UK Budget 2008 included:

- increasing the first child rate of Child Benefit to £20 a week from April 2009;
- disregarding Child Benefit in calculating income for Housing and Council Tax Benefit from October 2009; and,
- increasing the child element of the Child Tax Credit by £50 a year above indexation from April 2009 to further help low to middle income families.

The UK Budget 2008 also announced the investment of over £125million over the next three years (£10m in 2008/09; £35m in 2009/10 and £80m in 2010/11) in child poverty pilots to draw on new ideas to tackling child poverty over the longer term. I understand that although much of the pilot work will be confined to England those relating to employment support will be UK wide. This will add weight to our

employment support programmes here in Wales. Assembly Government officials will seek to ensure that the pilots are responsive to the Welsh policy agenda. Through all of these measures the UK Government is investing an additional £950m in tackling child poverty by 2010/11.

It is essential to ensure that the Assembly Government, along with the other devolved administrations, work closely with the UK Government to ensure that future UK level child poverty policies are responsive to Welsh circumstances. On 17 June my officials attended the second **Four Nations Forum on Child Poverty** held in London where one of the main items for discussion was UK Government plans to work with partners to develop a route map for the next decade, building on the best of current policy and pursuing new and innovative solutions. As part of this process there will be a series of seminars and debates with stakeholders across the UK around the route to 2020.

### **Child Poverty Expert Group**

Fulfilling a 'One Wales' commitment this Group has been 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'*.

At its first meeting on 7 May 2008 the Group considered its future work programme and discussed how best it could fulfil its terms of reference to provide the Assembly Government with advice and policy recommendations to make further progress in tackling child poverty. In view of the complex and cross cutting nature of the wider child poverty agenda members of the Group concluded that it would consider issues on a 'themed' basis. The Group decided that the first theme for consideration should be the impact of poverty in the area of Education and that it would concentrate initially on the 4-14 age range. This was the focus of discussion at the second meeting of the Group on 4 July. I look forward to receiving its views and policy recommendations this Autumn to consider with the Minister for Children, Education, Lifelong Learning and Skills.

I understand that, in accordance with the wishes of the Chair, a web page will shortly be available for the Group that will be accessible from the Assembly Government website. This will allow those with an interest to access the agreed work programme and keep track of the Group's work over the coming period.

### **Monitoring Progress**

It is crucial that we accurately measure the progress we are making in improving our children's life chances and tackling child poverty. I am very pleased that the Expert Group has been asked to advise on the development of the new **Children and Young People Well Being Monitor for Wales** and to formally peer review the material currently being co-ordinated by the Office of the Chief Social Research Officer within the Assembly Government.

The 2008 Monitor, to be published in November, will be the first its kind for Wales – and the first of its kind for any UK country. It will bring together a range of published data and research evidence around children and young people's wellbeing, with the view to providing a holistic picture of the lives of children and young people in Wales. Specifically, it will focus on their early years; health; education; access to sport, leisure and culture; rights and entitlements; having a safe home and community; and having a life free from poverty.

Publication of the Monitor will allow the Assembly Government to proactively monitor and respond to key trends in the well being of all our children and young people. Work is progressing well with a first draft of many of the individual chapters having now been prepared.

### **Partnership Working and Local Action**

The Vulnerable Children and Child Poverty Legislative Competence Order (LCO) which is due to come into force in the Autumn will give the Assembly Government the power to introduce a **child poverty Measure**. The First Minister has announced his intention to make a child poverty Measure in the 2008-09 legislative programme. A consultation paper, setting out the policy that could be included in child poverty legislation, was issued on 11 June. This proposed new legislation places a duty on public agencies to make and demonstrate their contribution to ending child poverty; a duty on local authorities to provide free childcare places and other early years' services in specific places and duties on local authorities that will match the guidance under which the Cymorth grant is provided.

The consultation paper also includes proposals on a **Joint Agreement on Child Poverty**. This voluntary agreement could be signed by all public bodies (including non-devolved organisations) in Wales and will demonstrate the high level commitment of both the Welsh Assembly Government and other relevant public bodies to the shared goal of eradicating child poverty. The consultation is due to end on 30 September 2008.

I am pleased to report that good progress is being made in relation to the Assembly Government supported **Local Authority Child Poverty Pilot** project led by Save the Children (Wales), in conjunction with the WLGA. The overall aim of this project is to support local authorities to prioritise child poverty and mainstream policies that support the reduction of child poverty across Wales.

This accords with the recommendations of the 2006 Child Poverty Implementation Plan. It will support the proposed Joint Agreement and statutory duty on tackling child poverty. The project will also have a key role in supporting the Children and Young People Planning process by providing local government and its partners with vital guidance on what action can be taken locally.

The structure of the project is two fold with national and local elements. At the national level the project team are developing a web-based 'Improvement Tool' to be called 'Child Poverty Solutions Wales'. This will provide all authorities and partners with a sustainable resource, from which to determine corporate policy direction on child poverty issues. At the local level, two pilot authorities - Gwynedd and Rhondda Cynon Taf - have been selected to 'test' policy interventions aligned to local need in seeking to reduce child poverty. These interventions are linked to the Children and Young People's Plan, are evidence based and measurable. I understand that the focus in RCT is on work to better prepare young people to enter and compete effectively in the labour market whilst in Gwynedd the focus of the pilot work is on enhancing financial literacy of young people through a targeted approach with local secondary schools.

I recently received a presentation on the web based element of the project and was impressed by the potential of this project to help us make further inroads in combating child poverty at the local level. I look forward to launching the Tool in September.

It is widely acknowledged that the education service is of crucial importance in combating disadvantage. Key policies to help reduce inequalities will be delivered through the Education Minister's recently-launched **School Effectiveness Framework**. This is designed to ensure all our schools become effective places of learning. The Framework is based on tri-level reform – that is schools, local authorities and the Assembly Government working together and aligning their programmes to improving the wellbeing and learning of children and young people.

School effectiveness requires an ethos where all children and young people are expected to achieve a personal standard of excellence. Schools need to work both in developing their own and interdependent approaches to effectiveness, capturing existing good practice and knowledge and finding new solutions to old and emerging challenges. This will maximise future opportunities and support the creation of a high performance culture

The Assembly Government has made it clear that targeting concentrations of child poverty in our most disadvantaged communities must be a key aim of the **Communities First** programme as it moves forward over the coming period. There is much that Communities First Partnerships can do to contribute to our Government targets to reduce child poverty in all its forms. Working with the Deputy Minister for Regeneration, I am determined that we should support the Partnerships to do this at the local level with support and guidance.

There will be a much greater focus on tackling child poverty strategically through a new specific theme of Child Poverty within the Communities First Vision Framework which provides the framework for Partnerships' activities. Communities First Partnerships will be expected to work more closely with their local Children and Young People's Partnership and should be invited by the relevant agencies to feed into and take account of the local needs analysis and outcome framework being developed as part of the local Children and Young People's Plan.

Partnerships will also be encouraged to address the adverse impact of income, service and participation poverty on children and young people in their areas in addition to developing work which tackles all the causes of poverty with increased emphasis on working with the whole family. We intend to creating a new 'Outcomes Fund' that will make finance available for Communities First Partnerships and Partnership led proposals to develop targeted services and activities that can deliver tangible impact and change in local communities.

### **Hardest to Reach**

I, and my Cabinet colleagues, are particularly concerned about those children hardest to reach and living in the most persistent and severe poverty. As a Government we must do more to develop new policy solutions to improve their circumstances and those of their families.

An Assembly Government commissioned rReport, **Severe Child Poverty in Wales**, was published in March 2008 by Save the Children and the Bevan Foundation. I was also pleased to note that the 'promising approaches' identified for taking forward child poverty policy in Wales accorded with the 'Three Strand' approach, confirmed in my previous Written Statement, published on 20 February 2008. The Report has been widely disseminated across Assembly Government departments. Assembly Government Ministers and officials are now considering the detailed policy recommendations carefully in the wider context of the development of new policies.

Most families living in poverty will also have multiple problems, where substance misuse and mental health issues are increasingly identified as contributing factors to the high number of children in care. And I am clear that without stronger families we cannot enable children and adults to achieve their potential.

For families who have multiple problems and struggle to break the cycle of disadvantage more specialist support is required. Tackling the complex and entrenched exclusion of these groups requires a more focussed and integrated approach over a sustained period.

In tackling these broader areas we will shortly consult on new measures to require local authorities and their partners to provide support to vulnerable families who have intractable problems including poverty. This will involve the setting up an **Integrated Family Support Service (IFSS)** across Wales. The IFSS will be operated by multi-disciplinary teams of skilled and experienced staff (practitioners and others) delivering a prescribed model of family interventions. The IFSS teams will act as agents of change to generate new knowledge, expertise and greater cooperation between adults and children's service to improve outcomes for families at risk.

In devising the model we have drawn upon an increasing body of evidence of "what works" in terms of family intervention models. 'Option 2', an intense family support service operating in Cardiff and the Vale of Glamorgan, is one such example. Based on these experiences, we plan to test these models of good, evidence based practise through three large scale pilots over the next three years, before full implementation across all of Wales.

We are also building on the lessons learned from the '**On Track**' initiative in Wales. This programme is a long term initiative, which has run for 7 years, and aims to improve inter-agency co-operation and develop targeted services to children, aged between 4 and 12 years of age. These are children who are deemed to be at a real risk of offending later in life and through early identification they and their families are provided with intensive support.

Two of the 24 Projects selected to take part in the programme were in Wales - Tylorstown in Rhondda Cynon Taff County Borough Council and Maesteg in Bridgend County Borough Council. In piloting new ways of working it was always the intention that On Track would inform future policy development and that services that prove to work would be mainstreamed over the lives of the projects. I am pleased that both On Track projects in Wales are being mainstreamed by the Bridgend and Rhondda Cynon Taf CBCs, which is a firm indication of the success of the projects.

The final On Track evaluation report was published on 29 May 2008. On 19 June I attended a Conference held in mid-Wales aimed at disseminating best practice throughout Wales, providing further information about the final evaluation of the project and encouraging widespread operation by local authorities of the principles underlying 'On Track'.

In February, I reported that a Task Group made up of members of the Disabled Children Matter Wales Campaign and senior Assembly Government officials has been established by the Minister for Children, Education, Lifelong Learning and Skills to provide advice and take work forward on issues affecting disabled children and young people. The Task Group's terms of reference also include helping to develop plans for achieving the aims of the Disabled Children Matters Campaign and one of

their key objectives is to ensure that disabled children and young people “have enough money to live on”. Issues around child poverty and the families of disabled children and young people have been raised at a number of their meetings and it has been agreed that Task Group representatives will present a short paper at the next meeting of the Child Poverty Expert Group in October 2008.

### **Tackling Worklessness and Employment Support**

We know that worklessness is a key determining factor for child poverty. Children living in families where no-one works have a 58% risk of living in poverty. We also know that work has positive impacts that go beyond increased income – improving well being and raising aspirations for both parents and their children. The Assembly Government is therefore fully committed to providing the support necessary to help those unemployed and economically inactive engage or re-engage with the workforce.

Following the excellent success of the Want 2 Work initiative, a new funding package has recently been announced by the Assembly Government, comprising £18 million from the European Social Fund, matched by £14 million from the Department for Work and Pensions, which will resource the “**Want2Work II**” project, for the next six years. Over this period, it is expected that the project will support around 14,000 people with preparation and training for making the transition into employment.

The new project will provide community based advisers in the most deprived areas of West Wales and the Valleys, to help individuals overcome barriers which prevent them from finding employment. The project places a significant emphasis on providing outreach services in communities that experience multiple and varied disadvantage

A complementary ‘Want 2 Work II’ project has also now been approved for the East Wales region, worth a total of £12.5 million (£5.6 million ESF grant).

By tackling Wales's relatively high rate of economic inactivity and supporting some of the most disadvantaged individuals into employment, the children of those individuals or families will benefit. Many of those who will benefit will be people with work-limiting health conditions or disability, individuals from BME communities, young people aged 16 - 18 who are Not in Employment, Education or Training and lone parents, making a vital contribution to our child poverty agenda in Wales.

The Assembly Government fully recognises that securing affordable, quality childcare is of major concern to parents who want to work. The introduction of a number of exciting initiatives such as Genesis Wales and Flying Start are making a major contribution to meeting this aim.

In April 2008, it became a statutory duty under Section 22 of the **Childcare Act 2006** for every Local Authority in Wales to ensure they secure provision of childcare that is sufficient to meet the requirements of the parents in their area in order to enable them to work or undertake education or training leading to employment. In addition, the Assembly Government is making significant funding available to help people in Wales with the cost of childcare including:.

- over £3 million over 3 years to help fund the Local Authorities duty under the Childcare Act;

- an additional £8 million available over three years to fund a 10% expansion of the Flying Start programme, which provides free part-time childcare in its target areas for two-year olds
- and an additional £4.2 million over three years for Community Focused Schools to promote out of school childcare.

These investments also build on the Assembly Government's other support for the Childcare Strategy by promoting recruitment to childcare careers, providing free CRB checks for childcare staff, and providing core funding of over £4.8 million over 3 years to the leading childcare organisations.

The Assembly Government is also currently consulting on proposals to provide **50% Business Rate relief for child care minders and providers of day care** registered under Part XA of the Children Act 1989 whose premises have a rateable value up to £12,000 backdated to 1 April 2008. It is estimated that this will reduce rates bills by between £582.63 and £2,796.00.

We will build on the success of our **Genesis Wales** project which has already enabled 11,677 beneficiaries in Objective 1 areas, and 3,094 in Objective 3 areas in Wales. The overall aim of this project is removing barriers for individuals seeking employment, to improve economic activity levels, and reduce child poverty in disadvantaged areas of Wales, often through provision of additional, affordable and accessible childcare.

The original Genesis Wales project ended in March 2008 having exceeded all targets. Due to that success the Assembly Government has now developed a proposal for a successor project, **Genesis Wales 2** which aims to build upon the activity and successes of the original project. Genesis Wales 2 will address barriers such as lack of childcare support, transport accessibility, debt, alcohol & drug misuse, and work-limiting health conditions, whilst providing support such as confidence-building, and work-readiness training.. A formal application for ESF funding has been submitted to WEFO in respect of the Convergence area (West Wales and the Valleys).

We know that lone parents are likely to face a range of constraints in accessing employment or learning, some of which may be the result of 'barriers' (such as lack of affordable childcare or transport problems), while others may be the result of parental preference. To improve our understanding of these issues, we shall be undertaking **research looking at the choices and constraints faced by lone parents who wish to access employment and learning**. The research methodology will incorporate a review of the existing literature to establish broad findings, along with the engagement of stakeholders to explore more detailed policy-relevant conclusions.

### **British Irish Council**

On 20<sup>th</sup> May I was pleased to be able to chair the third Ministerial meeting of **British Irish Council Social Inclusion Ministers** held in Cardiff.

The meeting was a culmination of the work undertaken by officials on the previous topic of 'Child Poverty, with a particular focus on lone parents'. During the meeting Ministers reviewed the work carried out by the BIC Social Inclusion officials group. Ministers noted the range of definitions in relation to child poverty and lone parents used across administrations and considered a comparison of key statistics across the

regions. Ministers also acknowledged the findings of the literature review of the existing evidence base on tackling child poverty, particularly among lone parent households as well as the key policy challenges identified by administrations together with examples of good practice in tackling such challenges.

During the meeting there was an opportunity to hear first hand about the impact of poverty on children in Wales from a DVD produced by Save the Children in Wales.