



## Response to the consultation:

### Child Poverty Strategy for Wales and Delivery Plan

Bureaux across Wales advised people on **345,000 new** issues in the **2009/10** period, **up 16%** on the previous year (April 2008-March 2009). **Debt** is the biggest area of advice, making up 38% of all enquiries, closely followed by **Benefits and Tax Credits** at 31%. Both issues saw a 16% increase in enquiries compared to last year.

**Employment** is still the third largest area of advice with **23,240** enquiries, up 8% this year, but that increase is slowing compared to last year when enquiries rose 17% from the previous year.

Bureaux send in reports on issues which are of policy or practice relevance. This evidence is based on those reports and on the experience of bureaux, especially those in Wales.

**July 2010**

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## Introduction

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**Citizens Advice supports** the Welsh Assembly Government's: Vision for 2020, "a Wales where no child or young person is disadvantaged by poverty", and Child Poverty Objectives:

- *to reduce the number of families living in workless households*
- *to improve the skill levels of parents and young people in low income families so that they can secure well paid employment*
- *to reduce the inequalities that exist in the health, education and economic outcomes for children living in poverty, by improving outcomes of the poorest.*

**We welcome** the Welsh Assembly Government's commitment to set strategic objectives and to measure progress against those strategic objectives. The Delivery Plan sets out **how** (through specific policy action) the Welsh Assembly Government will deliver its vision for 2020 – to ensure that no child or young person is disadvantaged by poverty.

**However**, we are concerned that strategies alone do not achieve improvements, so whilst we welcome the specific indications of how progress will be measured, we think that in some chapters eg Chapters 6 ,7 and 9 this is insufficiently clear.

**We are also concerned** that with:

- 13 broad aims from the Measure (p4-5)
- 16 priorities (UNCRC, p9)
- 7 core aims (WAG, p9)
- 3 strategic objectives (p12)
- 6 facets of local delivery (p18)
- 6 priority themes (Children & Young People's planning guidance, pp20-21)

it is very difficult to see how the various strands fit together to make a cohesive whole.

**We welcome** the Welsh Assembly Government's recognition of the vital role of the advice sector in delivering its 2020 vision.

**We note** that Priority Policy Actions for the short term, include:

- *Better targeting of advice services and*
  - *Help with debt advice, credit unions and Child Trust Funds.*
- Priority Policy Actions for the medium term include:*
- *More effective targeting of advice and assistance to fuel poor households.*

**We welcome** the helpful statement that. " *We know that families living in poverty need coherent support, tailored to their individual circumstances. The priority is to develop local partnership working that offers this support, across the range of issues that might be relevant, including unemployment,*

education, health, housing, parenting, benefits, debt, skills, and substance misuse. At the same time, support needs to remain simple to access from the perspective of the family." **We look forward** to continuing to work in partnership with Welsh Assembly Government and Local Authorities in Wales to address these issues.

**We can contribute** to the aim to:

*Improve the skill level of parents and young people in low income families so that they can secure well paid employment.*

Citizens Advice Bureaux can help by

- reactive measures eg. tackling people's existing debt issues
- proactive work e.g. developing individuals' financial capability and money management skills
- helping people claim all their benefits and tax credits to ensure maximum in-work income and smooth their return to work

We can also assist by improving individual's knowledge of employment rights and equality legislation and training them to exercise these new skills with confidence.

**Citizens Advice is supportive** of efforts to provide alternative sources of lending to those who currently approach loan sharks and other disreputable or unregulated sources. **However**, it is vital that people in Wales who are considering taking out interest bearing loans, particularly financial excluded people with limited means, understand the implications of taking out credit and the alternatives.

**We can contribute** to the aim to:

*"Reduce the inequalities that exist in the health, education and economic outcomes for children living in poverty, by improving the outcomes of the poorest."*

We have had initial discussions with the department leading on IFSS: Integrated Family Support Services, to outline how CAB can be involved in the 4 pioneer areas.

**We can help** resolve existing money problems with effective debt counselling.

Families can be assisted to:

- deal with their existing debts, through identification of their priority debts and making payments to prevent actions such as housing repossession and County Court proceedings. We have special arrangements with some creditors to expedite agreement eg GE Money Home Lending have provided a dedicated helpdesk for CAB advisers.
- draw up a financial statement enabling them to negotiate with creditors by the provision of evidence that the repayment offered is realistic.

An essential part of these processes is the maximising of their income, particularly through in-work benefits and tax credits. This maximisation can show families that work can, and will, increase household income.

Research<sup>1</sup> has shown that when CAB case work increased household incomes, outcomes for, and relationships with, children improved.

Quotes from client's in the research project:

"I do still feel worried but not like before. I know I can get help if I need to. I have children; I feel I need to set them a good example. I feel more confident, I am now getting help from a counsellor. I have stopped taking drugs."

"I have a better relationship [with my children]. I'm not so stressed out, they eat healthy and my son and daughter are now doing a lot of sport. We have a holiday."

"Able to spend more money on him (son) and buy some luxuries."

"instead of me saying 'no we can't afford it', it's now 'maybe' or 'let's save up for it'."

"I can now afford things for my children, money for school, clothes and food shopping."

"Tom doesn't do without anymore now; I have more money to play about with. I've got a bit more money in my pocket. He goes swimming once a week now and does other after school activities."

<sup>1</sup> Outcomes of a Longitudinal Study of Citizens Advice Bureau Clients in Wales (PHD Research project)  
[http://www.citizensadvice.org.uk/index/campaigns/policy\\_campaign\\_publications/evidence\\_reports/er\\_healthcom\\_care/outcomes\\_of\\_a\\_longitudinal\\_study\\_of\\_citizens\\_advice\\_service\\_clients\\_in\\_wales](http://www.citizensadvice.org.uk/index/campaigns/policy_campaign_publications/evidence_reports/er_healthcom_care/outcomes_of_a_longitudinal_study_of_citizens_advice_service_clients_in_wales)

A West Wales client had issues with childcare. The Afterschool Club the client's son attended, had changed its opening days to Mon, Tues and Friday. The client was informed about this when she made a payment to the club one morning. Alternative arrangements had to be made very quickly. Client is a single parent so this impacted on her working arrangements and reliance on the help of family and friends.

**We can support** families to draw up a budget and to alter this budget as circumstances change. Families can learn through the financial capability training that we offer how to make informed financial decisions, eg how to choose best deals from utility suppliers. This enables families to make informed decisions about financial incentives relating to work – pension options, salary sacrifices, child care vouchers.

**Citizens Advice could** enable families to deal with the prejudice and discrimination they may face as they move into the workplace by providing employment rights training. This would enable people to recognise unfair treatment because of poor employment practices and know how to challenge such situations effectively using correct procedures. Following this training people will also be able to demonstrate a knowledge of their responsibilities as employees as well as their rights

A North Wales client's daughter has a serious health condition and has acute episodes and then periods of remission. When her daughter is ill, the client is unable to work because she has to look after her, and she does not get paid for this time. She cannot get SSP because she is not ill herself; she cannot get carer's allowance because her daughter is not getting DLA (the acute periods do not last long enough or occur frequently enough to give entitlement) and 'parental leave' and 'time off work to care for dependants' are both unpaid. This has led to financial difficulties and debts. The client also finds that when her daughter becomes ill, she is so busy and stressed out going backwards and forwards to hospital, and caring for her when she comes home, that trying to sort out her income is extremely stressful.

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## Better Advice Better Health (BABH)

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**We welcome** the acknowledgement of Better Advice Better Health (BABH) in the Delivery Plan as an innovative service delivery model that has operated in all twenty two local authority areas in Wales since 2001.

It has been supported by a high level Project Management Group consisting of Citizens Advice, the Welsh Assembly Government, Legal Services Commission, Welsh Council for Voluntary Action, local health groups, the Welsh Local Government Association and Disability Wales. Funding comes directly from the Welsh Assembly Government (WAG) to Citizens Advice and is sub-contracted to Welsh bureaux for delivery.

The aim of the project is **to maximise income for people living in deprived areas whose health is likely to be affected by poverty.**

The project:

- provides face to face advice services in a variety of health settings
- employs one specialist BABH worker per local authority area
- targets vulnerable groups that would not necessarily seek advice in high street settings
- reduces economic inactivity
- has been externally evaluated as 'providing an excellent service, and reducing health inequalities'. (Bangor University 2004)

The success of this project has resulted in it developing a high profile within the Welsh Assembly Government and the Project Manager reports directly to the Assembly's Financial Inclusion Team on the outcomes of this project. It has strengthened the role of the voluntary sector within Wales and has been recognised as spreading prosperity to all parts of Wales.

Since the Better Advice, Better Health service started in 2001, as of March 2010 nearly **37,000** new clients have been seen with over **£38 million** in confirmed gains for those clients.

**However** the Better Advice, Better Health service has faced funding difficulties due to no inflationary increases being awarded during the course of the service and this, coupled with a 5% cut in funding 2 years ago, means that it is becoming unviable for CAB to maintain this valuable service.

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## Disabled children

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Families with disabled children are more likely to be in poverty because of the higher costs involved in bringing up a child with a disability and the loss of income associated with either being a lone parent or, in two parent families, the need in many cases for one of the parents to give up work.

“Children in families containing one or more disabled people were more likely to live in low-income and low-income and materially deprived households than those in families with no disabled person if they were not in receipt of disability benefits.”<sup>2</sup>

In 2009 Citizens Advice Cymru was awarded £500,000 over two years to run a Benefit Take Up Campaign for Disabled Children. Through this campaign CAB work closely with disability organisations to ensure that appropriate, expert advice is made available to families with disabled children.

The campaign is run using the existing infrastructure provided through the Better Advice, Better Health service and managed through Citizens Advice Cymru. The campaign is promoted at a local and national level with organisations that support children and young people with disabilities.

During this first 12 months of the campaign, **970 new clients** (1193 total clients) were seen through the service with **£1.1 million** generated in confirmed gains for these clients.

A couple with learning difficulties were referred to the BABH adviser through a local authority rent clinic in South Wales. The couple have two children and were about to be evicted for rent arrears of £2,500, they also had council tax arrears of £1,137.

Following the appointment, arrangements were made for repayment of the rent and council tax arrears. A full benefits review identified that the wife was able to claim for carers allowance which resulted in them being eligible for Income Support, consequently full Housing Benefit and Council Tax benefit became payable. The backdated claim resulted in both the council tax and rent arrears being reduced substantially. Not only has the clients benefit payment increased, but they no longer have to pay rent. As a result the clients are £128 per week better off.

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<sup>2</sup> Households below average income:  
[http://statistics.dwp.gov.uk/asd/hbai/hbai\\_2009/pdf\\_files/full\\_hbai10.pdf](http://statistics.dwp.gov.uk/asd/hbai/hbai_2009/pdf_files/full_hbai10.pdf)



**We would urge** WAG to create an Income Maximisation Strategy for Wales. Currently benefits uptake work promoted by WAG and other bodies seems largely based on awareness raising. Whilst recognising the usefulness of advertising benefit entitlement, **we believe** that outcomes would be improved significantly if the emphasis was placed upon **securing** benefit entitlements for individuals. This would require easy referral of potential claimants to specialist advice providers as well as ensuring investment in increasing capacity.

Many people in Wales find form filling difficult. As well as standardising (where possible) and simplifying forms it is essential that services exist to assist people overcome this barrier.

A South Wales client is single with dependant children and speaks little English. She receives Income Support with a carer premium. Client has two daughters, both of whom have autism. Both daughters have been awarded care and mobility components of DLA. Client's friend had contacted the BABH service on client's behalf due to her poor English to make an appointment to check whether the awards were correct. After advice, the client decided not to go for a review at this time but during the interview it emerged she had not informed HRMC that her daughters had been awarded DLA. This meant she has not been receiving the disability element in her Child Tax Credit award. HRMC were informed and the recalculated award has been back-dated for the maximum 3 month Client has missed out on nearly 8 months of two disability elements, approx £3500.

A Client from Mid Wales has a young son who has hearing loss. He wears 2 hearing aids and has one to one support at school on a part time basis. The Client had always looked after her son and didn't give any thought to the fact that she had to do a lot more for him than she had for her daughter. She had never considered claiming Disability Living Allowance for her son: she did not consider him to be disabled. The Client heard about Better Advice, Better Health and was encouraged by a friend to come to the bureau to discuss a possible claim for DLA. The adviser discussed with the client how she was giving attention and supervision to her son without really realizing it. For example, she would always have to make sure that her son was within arm's length when they were outside, since he would not be able to hear her above the noise of the traffic. He needed attention with his hearing and speech throughout the day: helping him to understand things or to pronounce words properly was attention that she did not have to give to her daughter. A claim was made and her son was awarded the middle rate of the care component and lower rate of the mobility component for 2 years with an opportunity to renew the award thereafter. Client was also able to claim Carer's Allowance and she was also encouraged to claim Child Tax Credit, which she had never claimed before. The award of DLA alone was worth an additional £66.75 per week for the client.

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## School Meals

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**We welcome** the commitment to *"improving nutrition amongst children and young people from low income families."*

The Fact sheet, 'School Meals'<sup>3</sup>, published together with the Child Poverty Action Group says: "School meals, health and learning are inextricably connected. Research has shown that school meals are far healthier than packed lunches – only 1 per cent of packed lunches meet the nutritional standards set for school lunches. Research has also shown a significant and immediate effect of diet on behaviour, concentration and cognitive ability. We also know that increasing the provision of high quality, healthy school meals in Britain can increase student achievement. For example, in one study, the percentage of students reaching level 5 in Key Stage 2 in Science increased by up to 8 per cent. It also reduced absenteeism by 15 per cent."

**We endorse the recommendation** in School Meals: "Free school meals should be available to all children to ensure they can benefit from a hot, healthy meal - because children are worth it. This would lead to substantial educational benefits, health benefits and help all children realise their right not to go hungry."

The Scottish Government's pilot<sup>4</sup> free schools programme for pupils in primary years 1 and 2, in five local authority areas in 2007/8 had a substantial effect on take up of school meals, **increasing take-up from 53% to 75%**. Amongst children already entitled to free school meals under the existing means-testing arrangements, take-up rose by up to 8.5%. An evaluation of the Scottish pilots also found that "The trial provided pupils with an opportunity to try new foods, resulting in pupils asking at home for food they had tried at school". **Parents, teachers, local authority staff and catering staff were overwhelmingly positive about the provision of universal free school meals.**

**We ask** that the Welsh Assembly Government consider extending entitlement to, or piloting the universal provision of, free school meals. **We consider** that this:

- could help achieve improvements in the health and educational achievements of children
- would eliminate the difficulties of ensuring privacy for children who are entitled to free school meals
- would eliminate the need for collection of payments and processing of applications for free school meals
- could promote the use of locally sourced, freshly prepared and organic produce, which can reduce the carbon footprint
- would protect the jobs of school canteen staff.

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<sup>3</sup> [School meals factsheet](#) (  320kb)

<sup>4</sup> <http://www.scotland.gov.uk/Resource/Doc/236867/0064986.pdf>

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## School costs

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**We welcome** the statement in the Guidance for Governing Bodies on School Uniform and Appearance Policies revised in 2010 that "No school uniform should be so expensive as to leave pupils or their families feeling unable to apply for admission or to attend a particular school."

**We welcome** the continuation of the Welsh Assembly Government School Uniform Grant Scheme.

**We are concerned** that Local Authorities in Wales should not reduce their own school uniform grant provision and rely solely on the WAG scheme. A recent survey<sup>5</sup> we conducted of LA websites led to the conclusion that: only 10 of the LAs in Wales still provide uniform grants other than under the WAG scheme. This is a reduction in recent years. (12 in 2007 and 17 in 2004 – which was before the WAG grant).

In view of the recognition of the benefits of school uniforms eg "can help reduce inequalities between pupils and some triggers for bullying"<sup>6</sup>, **we would suggest** the discouragement of the practice of having regular non-uniform days.

During research in Wales, 50 clients with dependent children were asked, whether their child or children had gone without specific items due to a shortage of money during the past year. 17 (34%) reported that they had gone without clothes.

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"Non-uniform days cost my family £3 for funds then also money for the clothes to ensure that they are up to date so that they are not socially outcast."

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<sup>5</sup> Research in preparation for: The Cost of a Free Education  
[http://www.citizensadvice.org.uk/index/campaigns/policy\\_campaign\\_publications/evidence\\_reports/er\\_education/the\\_cost\\_of\\_a\\_free\\_education.ht](http://www.citizensadvice.org.uk/index/campaigns/policy_campaign_publications/evidence_reports/er_education/the_cost_of_a_free_education.ht)

<sup>6</sup> WAG Guidance for Governing Bodies on School Uniform and Appearance Policies revised in 2010

<sup>7</sup> Outcomes of a Longitudinal Study of Citizens Advice Bureau Clients in Wales (PHD Research project)  
[http://www.citizensadvice.org.uk/index/campaigns/policy\\_campaign\\_publications/evidence\\_reports/er\\_healthcomcare/outcomes\\_of\\_a\\_longitudinal\\_study\\_of\\_citizens\\_advice\\_service\\_clients\\_in\\_wales](http://www.citizensadvice.org.uk/index/campaigns/policy_campaign_publications/evidence_reports/er_healthcomcare/outcomes_of_a_longitudinal_study_of_citizens_advice_service_clients_in_wales)

<sup>8</sup> 'Adding Up: The Range and Impact of School Studies'. [Adding up evidence briefing](#) (📄 0.55mb)

In September 2007, Citizens Advice published the results of its joint survey 'Adding Up: The Range and Impact of School Studies'<sup>9</sup>

Respondents to the survey indicated that **79% of Secondary School parents and 71% of Primary School parents found it difficult to meet education related costs.**

For primary schools, the top four items were

- school photographs
- non-school uniform days
- items for a jumble, raffle, or cake sale,
- school parties or discos.

Three quarters of secondary school parents and two thirds of primary school parents found it difficult to meet the costs of school trips. Furthermore the study reported that **only 1 in 4 parents were aware that support was available to fund school trips for children from low income families.**

In England, the regulations were changed to make enable parents or guardians on Pension Credit (Guarantee Credit) to get help with costs of residential school trips. The regulations in Wales were not altered to allow for this. **We would welcome** the introduction of this provision in Wales.

The present guidance<sup>10</sup> includes sample letters, some of which do not make clear which parents are exempt from having to make a payment.

**We would welcome a change in the guidance** to recommend the use of letters which give clear information of exemption rights and which include a reply slip claiming exemption so that all children, those whose parents are making a payment, and those whose parents are claiming exemption, will return a sealed envelope to the school.

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<sup>9</sup> 'Adding Up: The Range and Impact of School Studies'. [Adding up evidence briefing](#) (  0.55mb)

<sup>10</sup> Guidance for Governing Bodies on Charging for School Activities

<http://wales.gov.uk/docs/dcells/publications/100412guidancechargingsschoolactivitiesen.pdf>

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## Cultural, sporting and leisure activities

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During research in Wales<sup>11</sup> 50 clients with dependent children were asked, whether their child or children had gone without specific items due to a shortage of money during the past year. Their responses were:

Item	Number	%
Hobby or Sport	16	32
Trip or holiday arranged by school	14	28
Family holiday	31	62
Pocket money	17	34

**We are concerned** that children are missing out on cultural, sporting and leisure activities and are therefore being denied the pleasure, learning and growth they could have experienced.

In a recently published DWP research, respondents were asked whether they could afford seven items; five of which were leisure activities or items. The research indicates that families in Wales were more likely to be unable to afford some of the items than families in other parts of the UK.<sup>12</sup>

**We welcome** the recent announcement that free swimming will be available at weekends as well as during the holidays.

**We hope** that museums will continue to be able to offer free access.

**We hope** that local authorities will be able to continue to provide libraries, sports activities and youth and leisure services.

**We welcome** the vision in the recent consultation: 'Delivering digital inclusion', "To ensure that everyone who wants to be online can get online, do more online and benefit from the advantages of being online."

**We consider** that the Welsh Assembly Government, and the bodies it funds, should bear in mind that many people do not have easy, regular access to online services and that service providers need to take account of this, so as not to compound exclusion of poorer families and children.

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<sup>11</sup> Outcomes of a Longitudinal Study of Citizens Advice Bureau Clients in Wales (PHD Research project)  
[http://www.citizensadvice.org.uk/index/campaigns/policy\\_campaign\\_publications/evidence\\_reports/er\\_healthcomcare/outcomes\\_of\\_a\\_longitudinal\\_study\\_of\\_citizens\\_advice\\_service\\_clients\\_in\\_wales](http://www.citizensadvice.org.uk/index/campaigns/policy_campaign_publications/evidence_reports/er_healthcomcare/outcomes_of_a_longitudinal_study_of_citizens_advice_service_clients_in_wales)

<sup>12</sup> Families with children in Britain: Findings from the 2008 Families and Children Study - Department for Work and Pensions - <http://research.dwp.gov.uk/asd/asd5/rports2009-2010/rrep656.pdf>

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## Housing and homelessness

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**We welcome** the aims:

*To ensure that all children grow up in decent housing.*

*To ensure that all children grow up in safe and cohesive communities.*

**We would welcome** measures to regulate and improve the private rented sector in Wales, as envisaged in the recent consultation eg;

- introducing a National Register of private landlords;
- regulation of private sector letting agents and managing agents;
- written tenancy agreements; and
- improving the information base on the private rented sector in Wales.

**We also hope** the new devolved powers will be used to secure greater homelessness provision and bring empty homes back into use.

**We are concerned** that the building programme for social rented homes should be protected as much as possible from budget cuts in the present difficult financial climate.

**We welcome the recognition that:** Improving housing benefit administration and take-up is essential to delivering the Broad Aim “*ensuring that all children and young people grow up in decent housing*”. (See also recommendation on page 9 for the creation of an Income Maximisation Strategy).

The introduction of the child benefit disregard in housing and council tax benefit calculations boosts the incomes of working families with one child by up to £17 a week, and more for larger families. **Yet only half of entitled working families claim housing benefit.**<sup>13</sup>

The Child Poverty Unit’s take-up task force report<sup>14</sup> says. **“An additional 40,000 families could be lifted out of poverty if just 10 per cent of those not currently claiming did so.”** In response the 2009 Pre Budget Report stated that “Joining up delivery of financial support will be key to making sure help reaches these families.”

Earlier this year Citizens Advice and 26 other charities wrote to ministers and shadow ministers in Westminster, calling for the Government to set ambitious take-up targets for means-tested benefits and tax credits.

**We urge** the Welsh Assembly Government to set targets to improve the take-up of Housing Benefit in Wales.

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<sup>13</sup> Income Related Benefits Estimates of Take-Up in 2008-09  
[http://research.dwp.gov.uk/asd/income\\_analysis/jun\\_2010/0809\\_Publication.pdf](http://research.dwp.gov.uk/asd/income_analysis/jun_2010/0809_Publication.pdf)

<sup>14</sup> Take up the challenge.  
<http://www.dcsf.gov.uk/everychildmatters/strategy/parents/childpoverty/childpoverty/>

**We are concerned** that Local Housing Allowance(LHA) safeguards are not proving sufficient to prevent rent arrears and threatened homelessness amongst more vulnerable claimants .

**We consider** that part of the problem is that local authorities are not being pro-active in identifying at the point of claim, whether the claimant should be considered under the safeguard procedure. The DWP have now revised the LHA guidance in relation to operating the 'safeguarding' procedures. There is now considerable emphasis in the guidance on the need to have regard to evidence from 'homelessness sections of Local Authorities and other agencies involved in resettlement and homelessness prevention'. Unfortunately the guidance still does not suggest that HB departments should be **pro-active** in identifying claimants who may have difficulty managing their financial affairs, as we have recommended. There is however nothing to stop HB departments doing this, especially where they already undertake face to face interviews with new HB claimants.

A South Wales client lives in private rented accommodation and her housing allowance goes into her bank account. Having 3 small boys, the client finds she frequently spends some of it leaving her short of money to pay the landlord. She then borrows off family. She is always in a position that she needs to borrow in order to pay her rent. The client suffers with depression and this does nothing to help her situation.

**We accept** that as the regulations about LHA are a non-devolved issue, WAG cannot change them, but it could express its concerns to the DWP in an attempt to redress some of the most worrying concerns.

The LHA rules take into account the number of rooms which is considered appropriate for households of different sizes. These rules provide that, when calculating the appropriate LHA rate to be applied to a claim, couples, children of either sex aged under 10, and older children of the same sex aged between 10 and 16 should share a bedroom. Crucially, no provision is made for the fact that there will be situations where a member of the household will be unable to share a bedroom because of their health or disability needs. As such, the rules discriminate against disabled people.



A North Wales client has recently returned to the area and has accommodation with 4 bedrooms. Client has 3 children, and LA have only allowed LHA rate for 3 bedrooms as boy and girl under 10 can share. However son aged 9 has special needs and client has been advised by her GP and Social Worker that son cannot be left in the same bedroom as daughter as there has been an incident in the past. Client stated that she has previously received housing benefit for 4 bedrooms whilst in this area however, since April 2008 Local Housing Allowance gives no allowance for disabled children.

A North Wales client was pregnant and she and her partner were looking for private rented property. Her partner claimed IB JSA and she was on maternity pay. Under the new Local Housing Allowance, the couple would only be eligible for a one bedroom property until the baby was born, then they would be eligible for a 2 bed property. The client had several choices, none of which were in the best interests of the family - they could defer moving until the baby was born, but then they would be looking for and moving into new accommodation with a new born baby - they could move into 2 bedroom accommodation at once but would have to pay a large shortfall in rent from their income - they could live in a one bedroom flat with the baby.

LHA rates are reviewed every calendar month and may change. However, the LHA rate which will be used to calculate a claim is determined by the date of claim for Housing Benefit. Unless the number of bedrooms appropriate for the family changes; or someone in the family dies; or they move home, it remains based on the date of claim for 12 months and will be reviewed annually. This can result in 2 families in identical circumstances and identical properties having a different LHA, and so a different amount of housing benefit, as a result of a different date of claim.



A North Wales client and his partner and their baby live in private rented property. Their only income is means-tested benefits. They have full CTB but the rent is not met in full by benefit. The rent is £121 and, as their LHA is £108.23, that is the amount of benefit they receive. When in May 2009 the adviser checked the most recent table of LHA rates she found the appropriate level of LHA was £114.23. The LA confirmed that the family's benefit was calculated by reference to the rate at the date of their claim December 2008. The client could not benefit from the current rate as at May 2009 of £114.23. He would have to wait until the annual review. The client has had to cut back on his food budget to make up the rent shortfall.

**We note** the intention to:

*'Take forward the Mortgage Rescue Action Plan to address the specific issues around struggling home owners. This programme of action will seek to improve access to debt advice for people threatened with repossession proceedings. It is being backed by the Assembly Government's Mortgage Rescue Scheme which enables people to remain in their home on a rental basis through purchase by a housing association.'*

**We regret** the recent announcement that in future the scheme will be targeted 'to those applicants who are disabled and whose homes have been adapted to meet their needs.', though we acknowledge that when funds are limited it may be necessary to target at those in greatest need.

**We welcome** the Deputy Minister for Housing and Regeneration's commitment that, 'Tackling Homelessness remains a priority for this Government', and the recognition of the need for 'funding a range of advice services' to 'help people avoid becoming homeless in the first place'.

A South Wales client had problems with her Housing Benefit and there was to be a possession hearing due to rent arrears. Client is a single parent in receipt of Income Support and entitled to full Housing Benefit. The Housing Benefit actually being paid was reduced because the council had assumed that her 18 year old son was working whereas he was in fact in full-time education. The situation had arisen mainly because after a housing stock transfer, the new rent card only showed the rent due and not the Housing Benefit entitlement. The client had not been able to understand the Housing Benefit notification she had received from the council.

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## Child Trust Fund Cymru

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**Citizens Advice Cymru submitted** information to the WAG's Financial Inclusion Unit in July 2010 to assist with targeting children most in need of financial support. Our suggestions included:

- advertising the Child Trust Fund Scheme throughout the Citizens Advice Bureau (260+ outlets) and partner network to promote greater understanding and take up
- assisting claimants with completing CTF forms
- raising awareness amongst CAB advisers
- ensuring CTF take up work is integrated with other CAB community-based take up work such as Better Advice: Better Health, the Disabled Children's' Take Up campaign and Financial Inclusion Fund work
- ensuring Citizens Advice Bureaux undertaking financial capability work across Wales are promoting the fund.

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## Working with the UK Government

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**Citizens Advice is assessing** the implications for our clients of the UK Government's programme as more detail emerges. However, we have serious concerns about a number of policy directions outlined in the budget.

The Budget is very much a missed opportunity. Households on the lowest incomes, including many in low paid work, will be worse off.

The reality is that the proposed changes to personal allowances will be of little benefit, for example, to working families on the lowest incomes who live in rented accommodation. Although these families are in work, they are also likely to be in receipt of housing and council tax benefits and since both are means-tested, any rise in take-home pay will result in a loss of entitlement to these benefits.

Single people and couples who are working but earning less than £10,000 a year and with no children will gain very little from the increased tax threshold because an increase in their income will lead to a lowering of their housing benefit and council tax benefit. At the same time they will have to bear the rise in VAT.

Many working families with children and earning under £25,000 will also gain little from the change in the threshold, though for those with the lowest incomes, the increases in Child Tax Credit will mitigate for some, though not for all.

**We welcome** the decision that housing benefit rates will allow disabled people to have an extra bedroom for a carer. **However**, the cap on local housing allowance rates will mean that many people on housing benefit will be unable to afford to live in certain parts of the country or will be limited to certain areas, perhaps far from their place of work or job opportunities.

**We predict** more debt and homelessness, as people try to make up the difference between the rent they must pay and the benefit they receive. Larger families in particular may be forced into poorer quality or overcrowded housing.

**We also welcome** the measures designed to protect pensioners, and the decision to maintain universal child benefit, even though it is to be frozen, as we recognise the balancing effect of the increase in child tax credit for some families on the lowest incomes.

Welfare benefits are a major area of UK government responsibilities that impact on the people who come to the Citizens Advice service for help. Problems often result from poor administration as well as from policies themselves and anomalies within the benefit system.

A woman visited a bureau in North Wales while on maternity leave. Her partner had just been made redundant without any entitlement to redundancy pay. Owing to pressure of work at Jobcentre Plus, the woman's partner was being made to wait two weeks to sign on for Job Seekers Allowance, so delaying eventual receipt of benefit. The woman and her partner were on a very low income and were concerned about their ability to keep up the mortgage payments at a critical time for the family.

A South Wales man was living with his partner and their four dependant children. He has been receiving Incapacity Benefit and Income Support. As this was an old claim, he had continued to get an allowance for his children with his benefit and had not yet had to claim Child Tax Credit for the children. The Department of Work and Pensions decided that he was capable of work, and so no longer entitled to benefit on the basis of sickness. He appealed against the decision. While his appeal was ongoing, he could claim Employment and Support Allowance (ESA) or Income Support (IS). He therefore had two options, which both had disadvantages.

If he claimed IS this would be at a reduced rate, but if he claimed ESA, it would be paid at the full basic rate. However, If he claimed ESA, his present IS award, which includes allowances for his children, would end and he would have to wait while a claim for Child Tax Credit was processed. So either he claimed a reduced total payment or there was likely to be a delay in receiving payment.

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## Childcare

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**We welcomed** the substantial commitments made in the One Wales Agreement and the Tackling Child Poverty strategy to improve provision of affordable child care. Citizens Advice Cymru views universal provision as a key component of WAG anti child poverty strategy as it enables parents to increase income via employment. **We have argued** that strategies to increase universal affordable child care should be implemented on an all Wales level, while supporting the more targeted approach of free childcare in Flying Start areas for all two year olds. **We continue to be concerned** about the availability of childcare and patchy provision

A North Wales couple, both working, had a 6 month old child. Both partners wanted to continue in full time work after the woman's statutory maternity pay came to an end, but there were no childcare places locally. They could share care if they had flexible hours but this had been refused by employers. Since they were on similar wages, the woman worked locally and her husband travelled to work, they decided that the man would have to give up work.

A North Wales single woman with responsibility of care for a young child, had agreed a working pattern with her employer which allowed her to work 8 hours over two days in order to be able to provide care for her young child. The employer then imposed a change in working practice and terms and conditions by stating that the client must work her hours over four days instead of two. She was not able to afford to pay the additional two days cost of care for her child.

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## Rurality

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In general, clients in rural areas come to us with problems that are similar to those in urban areas.

However, in rural areas the low density of population can mean that the provision of a range of services may be sparser, with a lack of choice, a lower level of service available or a need to travel to access services. Similarly, the range of choice in employment and housing is likely to be more restricted than in urban areas. Living in a rural area can often have a substantial impact on how these issues affect people.

**We believe** that individuals and households are often disadvantaged within relatively prosperous communities, and this may be masked by area-based statistics. Those individuals and households may often suffer disadvantage arising from several causes at once such as debt, lack of services, lack of public transport and isolation. It is important not to address causes of disadvantage in isolation but in the complex interlinked nature in which they occur in many individuals' and families' lives.

**Citizens Advice believes** it is important to recognise that it is those individuals facing financial disadvantage who are consequently most likely to be disadvantaged by a lack of services or lack of public transport. As a consequence measures to address this should have a strong focus on financial issues in rural areas but also seek to address access to services and transport.

Lack of access to goods and services may also apply to places not usually regarded as rural, notably in the Valleys and both outlying estates and inner areas of large towns and cities.

A couple moving into a rural part of South Wales transferred their claims for Jobseekers Allowance(JSA). The local Job Centre Plus had been closed and they had to attend at the nearest one which was some 15 miles away from their new home. They attended an interview as requested, signed on and should have received JSA (both of them) five days later. They received no payments, despite repeated phone calls and visits to the Job Centre Plus at a cost of over £5.00 per return journey. They fell behind with rent and used up all the credit on their phone. After action by the bureau it emerged that the original claims forms had been lost. They had to ask for cash from a local charity fund as they had no more money for food or travel. Establishment of a weekly caller office close to where they lived would have overcome part of the problem.

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## Employment and adult and higher education

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Increasing family income helps to combat child poverty. Securing, and sustaining, paid work is acknowledged as a route to improved life chances for adults and their children.

Independent research<sup>15</sup> has shown that individuals furthest from the labour market frequently have debt problems, lack money management (financial capability) skills and have employment-related advice needs which must be addressed alongside work-focussed support in order for them to sustain employment and avoid 'revolving door' the in and out of low value work syndrome.

The Department of Work and Pensions report Sustaining employment: equipping participants to deal with the transition into work (2004)<sup>16</sup> found that, **'A person returning to work is likely to find their income fluctuating over the next two years, as tax credits and the various back-to-work and in-work credits kick in (and out again) ... advice and information services will be vital if these fluctuations are not to precipitate employment breaking down.'**

The Trade Unions Congress's Commission on Vulnerable Employment(2008)<sup>17</sup> report states: **'Vulnerable workers have great difficulty in getting the specialist support they need - even if they are persistent, they will in many areas only get advice about their basic rights but not the ongoing support they need to enforce them ... Complainants stated that they did not have the necessary resources or skills to challenge exploitation'**.

Individuals in Wales are more likely to borrow money to pay for essential goods than those in other parts of the UK. The Thoresen Review of Generic Financial Advice<sup>18</sup> indicated that **75% of those interviewed identified their need for financial advice.**

Workplace discrimination, a 2005 study of Chartered Institute of Personnel Development members found that **33% admitted to excluding people with a history of long-term sickness or incapacity via their recruitment processes**<sup>19</sup>. These individuals and their children will be particularly vulnerable and in need of knowledge of their employment and equality-related rights

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<sup>15</sup> The Department of Work and Pensions report Sustaining employment: equipping participants to deal with the transition into work (2004)

<sup>16</sup> The Department of Work and Pensions report Sustaining employment: equipping participants to deal with the transition into work (2004)

<sup>17</sup> [http://www.vulnerableworkers.org.uk/files/CoVE\\_short\\_report.pdf](http://www.vulnerableworkers.org.uk/files/CoVE_short_report.pdf)

<sup>18</sup> [http://www.hm-treasury.gov.uk/d/thoresenreview\\_final.pdf](http://www.hm-treasury.gov.uk/d/thoresenreview_final.pdf)

<sup>19</sup> <http://www.cipd.co.uk/about/wlfrfm.htm>

Joseph Rowntree Foundation<sup>20</sup> found holistic interventions, addressing housing, health and childcare as well as labour market needs, were more effective in helping workless people find and keep work than those addressing work in isolation.

For these reasons, Citizens Advice is currently bidding for ESF Convergence funds to deliver services which will enable people furthest from the labour market to enter and sustain employment. In achieving this our project will contribute to reducing economic inactivity in communities across Wales and help to reduce child poverty. It has 3 key strands:

- **Debt:** People will be empowered by 1:1 quality-assured Money Prep: Money Action sessions to tackle the debt problems which prevent them making a successful transition in to paid work. This specialist outreach work will meet people's immediate needs and improve their employability.
- **Financial Capability:** People will be informed, skilled and empowered by financial management workshops and materials to manage fundamental changes in their financial situation, budget and plan for a sustainable future.
- **Employment and Equality Rights:** People will be informed and empowered by employment rights workshops and materials to recognise unfair treatment and equipped with the skills to take effective action and sustain employment. Many people from 'hard to reach' groups may face prejudice and discrimination as they apply for jobs and move into the workplace .Our specialist outreach services will ensure people are informed and confident about their employment rights, responsibilities and remedies.

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<sup>20</sup> <http://www.jrf.org.uk/sites/files/jrf/2246.pdf>

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## Working in partnership and local delivery

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Citizens Advice services have operated on a holistic model of support and empowerment for over 70 years. We regularly work with individuals with complex, interrelated issues e.g. unemployment or redundancy leading to family strain and relationship breakdown. As a consequence adults often present with housing, money, welfare benefit and contact issues, all of which have an impact on their children's' financial and emotional well-being.

**We would welcome** greater integration of third sector support services into the team around approach, on a par with statutory services such as health, education and social services. Citizens Advice Bureaux can contribute anonymous case data statistics to Local Service Boards to help define local needs. Some bureaux are involved in LSB work on financial inclusion but others have found it difficult to get involved with this work as third sector input has been viewed as the preserve of the local CVC/ CVS. Whilst we appreciate that CVC/ CVS can provide a third sector perspective, there are other voluntary bodies, including CABx, that can offer additional and specific expertise to the LSBs' work.

In addition to contributing to improved services at a local level, it is important that outcomes and lessons learnt are fed back at a strategic level to bring about changes in policy as well as practice. **We would suggest** that any baseline data, new approaches and outcomes are shared with bodies such as the Wales Equality and Human Rights Commission and the Children's Commissioner.



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## Fuel Poverty

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**We welcome** the recognition that addressing fuel poverty amongst low income families with children is essential. **We are pleased** that the *Fuel Poverty Strategy 2010*, which has recently been published by the Welsh Assembly Government, retains the targets previously set out in *A Fuel Poverty Commitment for Wales* so that, as far as reasonably practicable, fuel poverty will be eradicated amongst vulnerable households by 2010, in social housing by 2012 and that by 2018 there would be no-one in Wales living in fuel poverty.

Latest figures reveal that there are 240,000 estimated households in fuel poverty in Wales. The number has been increasing since 2004 and can be seen to follow increases in fuel prices. The prognosis for fuel prices is not good. Price rises feature in each of Ofgem's four Project Discovery future energy scenarios and under these a typical dual-fuel energy bill<sup>21</sup> could increase from around £1200 p.a. (in 2009) to between £1300 and £1800 (at 2009 prices) by 2020.<sup>22</sup>

The *Fuel Poverty Strategy 2010* provides more detail about the measures to tackle fuel poverty that are mentioned as part of the Child Poverty Delivery Plan. Clearly, there are significant overlaps between the two strategies and **we are pleased** that the Welsh Assembly Government is taking steps to ensure that, as far as practicable, the actions undertaken as part of each strategy are coordinated and complementary.

Given tight budgetary constraints, **it is appropriate** that changes be made to the Home Energy Efficiency Scheme in order to improve targeting of households suffering the effects of fuel poverty, including low income families with children. This focus is particularly welcome given the fact that the UK Government has previously suggested that in putting energy suppliers' social spend onto a mandatory basis, "*the Government is minded to focus new resources particularly on older pensioner households on the lowest incomes.*"<sup>23</sup> **Yet a range of other groups, such as single-parent families on low incomes, can also struggle to pay for their energy usage, and in tackling fuel poverty among such groups progress can also be achieved in combating child poverty levels.**

In considering issues related to fuel poverty and child poverty, **we recommend** that the Welsh Assembly Government also consider the needs of those customers living in rural areas who are not on the gas network. These people are entirely dependent on electricity, domestic heating oil or liquefied petroleum gas (LPG) for heating their homes and providing hot water, and they lose out in a number of ways. Most obviously, they have to

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<sup>21</sup> Based on average annual domestic user consumption of 3300kWh in electricity and 20500kWh in gas

<sup>22</sup> Project Discovery Energy Market Scenarios Update, Ofgem, February 2010

<sup>23</sup> The UK Low Carbon Transition Plan - National strategy for climate and energy, DECC, July 2009

pay significantly higher costs for their fuel. Estimates from 2008 suggest that households off the gas network typically had energy bills in the region of £1,700 per annum, compared to £1,000 for those with gas mains connections.<sup>24</sup> The problem of affordability for people living off the gas network is particularly acute for those on low incomes.

A CAB in West Wales reported a case in which their client, who is in receipt of pension credit and disability living allowance due to arthritis, experienced real difficulties in paying for her fuel. The client's heating and hot water are provided by oil which is now costing £740 per tank when it cost only £150 a few years ago. The client is very concerned that she will no longer be able to afford heating oil this winter, yet she needs to keep warm to avoid aggravating her arthritis. She is thinking of turning off the upstairs radiators and sleeping downstairs, and has also thought about selling her home.

Affordability difficulties are exacerbated by the fact that domestic heating oil and LPG suppliers often have minimum delivery amounts which necessitate large lump-sum payments from customers. Moreover, whereas those connected to the gas network must be offered a range of payment methods and budgeting schemes by their fuel suppliers to spread the cost of their fuel, there is no requirement for oil or LPG suppliers – who are unregulated - to do the same. Nor do they offer social tariffs which can offer reduced tariffs to their most vulnerable customers who may struggle to pay for their fuel.

For these reasons, **we were pleased to note** that the Westminster government's Coalition Agreement stated "We will seek to extend protection and support to 'off-grid' energy consumers".<sup>25</sup> **We urge** the Welsh Assembly Government to play a full part in discussions on this matter in order to deliver a fairer deal for this group of customers, and also to help tackle fuel poverty among off-gas grid customers.

**We wholeheartedly welcome** the commitment to establish a clear central point of contact for referrals and advice to ensure that the full range of assistance is available to fuel poor households. The *Fuel Poverty Strategy 2010* provides some further detail about this, stating that one of the key features of the Assembly Government's actions will be "*To provide high quality, well co-ordinated advice and support services to ensure that all householders in Wales can access help to reduce their fuel bills, maximise their income, improve the energy performance of their homes and reduce their risk of becoming fuel poor.*"<sup>26</sup>

<sup>24</sup> Energy prices, fuel poverty and Ofgem, Business and Enterprise Select Committee, July 2008

<sup>25</sup> The Coalition: our programme for government, P.13

<sup>26</sup> Fuel Poverty Strategy 2010, Welsh Assembly Government, July 2010, p.11

While it is important to make sure that advice is available to people in order to help ensure the eradication of fuel poverty in Wales, it is important that the proposals build upon the existing network of advice, including Citizens Advice Bureaux, in Wales. Clearly, rather than duplicating existing advice provision, any new services should seek to supplement what already exists and what has been proven to work. In this regard, **we are heartened** that the *Fuel Poverty Strategy 2010* states that the Welsh Assembly Government “recognise[s] the important role of existing frontline services in providing a trusted source of advice for householders and will ensure that the central co-ordination point for the new All-Wales Fuel Poverty Scheme works in partnership with these services.”<sup>27</sup>

### **How Citizens Advice Bureaux can help tackle fuel poverty in Wales**

Citizens Advice Bureaux already provide a range of services to people in or at risk of fuel poverty, and can play a key role in helping to identify people in, or at risk of, fuel poverty. During 2009-10 bureaux in Wales dealt with 5,341 problems about fuel debt, which represented an increase of 29 per cent on the previous year. And previous studies conducted by Citizens Advice found that 43 per cent of all debt clients could be deemed to live in fuel poverty.<sup>28</sup> Since Welsh bureaux helped 31,594 clients with debt problems in 2009-10, we estimate that we are likely to deal with approximately 13,500 debt clients who are in fuel poverty each year.

A CAB in South East Wales reported a case in which their client, who has long term health problems and a disability and whose only income is means tested benefits, came to the bureau because he was experiencing problems paying for his heating costs. The client had found himself in the position of having to choose between heating his home or eating, in other words he cannot afford to do both. As the client is under 60 years of age he does not yet qualify for the Winter Fuel Payment.

Citizens Advice Bureaux are also very active in work to maximise the income of CAB clients, as mentioned in the section above about Better Advice Better Health (BABH). Clearly, in the context of rising fuel bills, it is essential that every effort is made to ensure that up to £12,700 million in means-tested benefits and up to £5,000 million in tax credits which currently goes unclaimed every year<sup>29</sup> is given to those who are entitled to it. Such efforts could make

<sup>27</sup> Ibid., p.12

<sup>28</sup> *A life in debt – the profile of CAB debt clients in 2008*, Citizens Advice, February 2009, p.11

<sup>29</sup> Income-related benefits: estimates of take-up

<http://statistics.dwp.gov.uk/asd/index.php?page=irb>

and HMRC: Child Tax Credit and Working Tax Credit Take-up Rates 2007-08:  
[www.hmrc.gov.uk/stats/personal-tax-credits/cwtc-take-up2007-08.pdf](http://www.hmrc.gov.uk/stats/personal-tax-credits/cwtc-take-up2007-08.pdf)

a sizeable impact on the levels of fuel poverty and child poverty, particularly when it is the case that:

- There are up to 3 million people estimated to be entitled to council tax benefit (CTB) but not claiming it in amounts averaging £13 per week or £676 per annum.
- There are up to 600k individuals not claiming income support at an estimated average weekly amount of £45, or £2,340 per annum; 500k individuals are missing out on income based jobseekers allowance at an average weekly amount of £51 or £2,652.
- An estimated 990k individuals are not claiming housing benefit estimated at £69 per week – or £3,588 each year.

**We would be delighted** to play a full part in any expansion of efforts to make sure that people in Wales no longer miss out on the benefits to which they are entitled.

**We welcome** the commitment in the Child Poverty Delivery Plan to continue to work with energy suppliers and Ofgem to ensure consumers have access to information and advice on the range of tariffs available and which tariff will best meet their needs.

A key part of this work is helping people access and act upon such information. In this regard Citizens Advice Bureaux have been active through the Energy Best Deal (EBD) programme. In brief, Citizens Advice received joint Department for Energy and Climate Change (DECC) / Ofgem funding in Winter 2008 to deliver EBD, a presentation based campaign to equip consumers about the variable costs of energy tariffs and how they could switch suppliers to save money. Twenty sessions were delivered in each of the 14 regions of the Citizens Advice Financial Capability Forums in England and Wales. Presentations were targeted at pensioners and other low-income groups and reached over 33,000 people either directly, or via frontline workers.

An independent evaluation<sup>30</sup> of the scheme found that of the ordinary consumers who attended the sessions:

- Before the session, 15 per cent did not know they could switch their energy supplier. Of those who did know they could switch, nearly a third said they did not know *how* to do this prior to the session.
- Forty-five per cent went on to look into getting a better deal on their energy. Of these, over two thirds said they found it easy or fairly easy to get information about different tariffs and almost half went on to successfully switch supplier.
- Eight per cent said they would apply for a home improvement grant, 15 per cent said they would check out their entitlement to benefits and tax credits while 12 per cent said they would get advice on paying off their debts.

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<sup>30</sup> *Energy Best Deal - Evaluation of the national roll-out*, Centre for Sustainable Energy, June 2009

Three major energy suppliers have agreed to provide funding for Energy Best Deal to run in 2009/10. This will be supplemented by some funds from Ofgem. **We suggest** that the Welsh Assembly Government examines the results from the EBD sessions and considers the potential for rolling out such sessions more widely.