

CHILD POVERTY: WORK PROGRAMME ITEM AND CONSULTATION ON THE CHILD POVERTY STRATEGY 2014-17

1. PURPOSE

- 1.1 To consider the principles and approach set out in the consultation document, which it is hoped will help to inform a discussion on the Council’s method to tackling child poverty in the District and assist members in fully scoping out a future review.

2. BACKGROUND

- 2.1 The Panel requested at its last meeting, that a scoping exercise be undertaken to inform a Panel review on Child Poverty in the District. Since that meeting, at the end of February, the Government launched a consultation on its new “Child Poverty Strategy 2014-17” as part of its commitment to ending child poverty in the UK by 2020.

- 2.2 The Government believes the evidence is clear that the root causes of families being in poverty can be tackled under four main headings:

Work	Addressing low wages and barriers to work
Living Standards	Addressing key costs facing households
Education	Increasing attainment
Working with Others	Local agencies tailoring their services

- 2.3 As well as using the consultation document in scoping its own review, the Panel may wish to take the opportunity to offer comment for the Health and Leisure Portfolio Holder (as lead on Children’s issues) to consider in their response to the document.

3. CONSIDERATION OF POINTS RAISED AT THE PREVIOUS PANEL

- 3.1 There are clearly matters which are the responsibility of National Government (such as the level of minimum wage) on which comment can be made but perhaps of greater impact is where local agencies are the expected delivery point for initiatives (such as Troubled Families and Universal Credit) and where National action can facilitate work at grass roots level (such as parenting skills programmes).

- 3.2 The minute of the Panel’s discussion of this topic at the last meeting identified a strong relationship to the Local Children’s Partnership’s work programme on this subject. Therefore it may assist the discussion to consider the themes:

- Greater delivery of parenting skills programmes
- Practical programmes to enable best use of household income such as community food programmes
- Greater provision for mentoring/counselling/mental health services
- Supporting effective local networking between agencies
- Having continuity of funding to address priorities
- Greater awareness of the issue and more “signposting”

- 3.3 The latter two points are all embracing – and can be made at all the levels of comment. With the former, cycles of defined short life programmes absorb a lot of energy amongst organisations bidding for them. With the latter – it is the case that the awareness of national initiatives is not just the preserve of national media – it is often local family workers that need to be able to deliver that information.
- 3.4 As the full consultation document is 114 pages long, the Executive summary is attached as Appendix 1. Members might find this useful when scoping the review.

The full consultation document can be accessed via the following link:
[gov.uk/government/uploads/system/uploads/attachment_data/file/285387/Cm_8782_Child_Poverty_Strategy_Consultation_Print.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/285387/Cm_8782_Child_Poverty_Strategy_Consultation_Print.pdf)

4. RECOMMENDATIONS

- 4.1 To consider:
- a) the principles and information contained in the consultation document and use this to help scope out a future review in the Panel's work programme.
 - b) any elements which the Panel wish the Portfolio Holder to consider when responding to the consultation

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Background Papers:
Published reports

Executive summary

1. This Government is focused on breaking the cycle of disadvantage – where you start in life should not determine where you end up. Ending child poverty is an essential part of this vision. We remain firmly committed to our Coalition agreement to maintain the goal of ending child poverty in the UK by 2020.
2. Child poverty matters. Whilst some children thrive despite the poverty they grow up in, for many children growing up in poverty can mean a childhood of insecurity, under-achievement at school and isolation from their peers. Children who grow up in poverty all too often become the parents of the next generation of children living in poverty.
3. This Strategy sets out the action we will take from 2014-17 to tackle poverty through:
 - Supporting families into work and increasing their earnings,
 - Improving living standards, and
 - Preventing poor children becoming poor adults through raising their educational attainment.
4. In many areas we have made good progress in tackling child poverty. For example, despite the tough economic climate, employment has increased by 1.3 million since 2010¹ and since 2010 the number of children under 16 in workless households has fallen by 274,000.² Poor children are doing better than ever at school, with the proportion of children on free school meals getting five good GCSEs including English and maths increasing from 31% in 2010 to 38% in 2013.³
5. However, there is more that we need to do. For example the risk of children in working households being in poverty has changed little over the past decade⁴ and poor children still do worse at school than their peers.⁵

Tackling the root causes of poverty

6. This Strategy sets out what action we will take from 2014-2017 to tackle child poverty, building on our 2011 Strategy. We firmly believe the way to end poverty is to tackle the root causes of child poverty now and across generations so we can transform lives.

¹ Labour Force Survey Oct-Dec 2013

² ONS (2013b)

³ DfE (2014)

⁴ DWP (2013c)

⁵ DfE (2014)

Work

7. The evidence is clear that the root causes of families being in poverty are worklessness or low earnings (either not working enough hours or not being paid enough). Children in workless families are three times as likely to be in relative poverty than families where at least one parent works.⁶ And of the 1.5 million children in poor working families in 2011/12 only 100,000 were in families where all parents were in full time work.⁷
8. In 2014-17 we will support families into work and increase earnings by:
 - Creating jobs – Nearly 1.7 million private sector jobs have been created since 2010⁸ and we will continue to help businesses to grow for example by enabling small and medium size companies to access credit, investing in infrastructure and reducing National Insurance Contributions for some businesses.
 - Supporting families into work – support for those out of work through the Work Programme, Help to Work scheme and flexible support through Jobcentre Plus, help for families with multiple problems through the Troubled Families programme and increasing work expectations to ensure those who can work, do.
 - Making work pay – having clearer work incentives through introducing Universal Credit – which will lift up to 300,000 children out of poverty,⁹ reforming the welfare system, subsidising childcare and providing free school meals to all infant school children.
 - Tackling low pay – enforcing the minimum wage and continuing to lift low-income families out of the tax system.
 - Helping people move on to better jobs that pay more – improving qualifications, reviewing zero-hours contracts and providing additional support to move into better jobs.
9. We will tackle the barriers some families face to work. The evidence is clear that there are key family characteristics which make it harder for some poor families to work their way out of poverty. The five key factors are long-term worklessness, having low qualifications, raising children on your own, having three or more children to care for, and experiencing ill health. We will tackle these through:
 - Improving the qualifications of parents through adult apprenticeships, investing in basic literacy and numeracy and helping parents through the National Careers Service.
 - Tailored support for one-parent families to overcome the barriers to work they face. This includes, additional support through Universal Credit so they can keep more of their earnings before their benefits start being withdrawn, bespoke support from our employment services and ensuring they begin getting ready for work when their youngest child turns three.
 - Ensuring parents of larger families know how much better off they would be in work or working more hours, encouraging flexible working so that parents of larger families can find and progress in jobs that suit their needs and those of their family and working to raise basic skill levels of parents of larger families.

⁶ DWP (2013c)

⁷ Calculation from DWP's 2011/12 HBAI publication

⁸ Labour Force Survey Feb-Apr 2010 – Aug-Oct 2013

⁹ DWP internal analysis, for details see endnote i, page 48

- Helping poor parents with health conditions to work by providing tailored support as set out in our Disability and Health Employment Strategy, clearer, more flexible benefit rules, support for employers to employ parents with health conditions and help for parents who experience mental health issues.

Living standards

10. We will work to support the living standards of low-income families. For those families who can work, increasing their income through work is the best way to protect their living standards. But for those families who can't work we will continue to provide a welfare safety net. In 2011/12, we spent around £20 billion on payments to workless households with children.¹⁰
11. We will reduce costs through:
 - Promoting competition across all areas to allow businesses to grow and enter new markets, to push prices down and quality up.
 - Reducing fuel costs by reducing the typical energy bill by around £50 on average in 2014/15. We are also giving some low-income families money off their bills each year through extending the Warm Home Discount to 2015/16. We are also reducing the amount of fuel they need to pay for by making their homes more energy efficient.
 - Reducing water costs by capping the bills of low-income families with three or more children on a water meter and promoting social tariffs that provide cheaper costs for low-income families.
 - Reducing food costs for low-income families through Healthy Start Vouchers for young children, free school meals for all infant school pupils, breakfast clubs in deprived areas and free fruit and vegetables at school for primary school children.
 - Reducing transport costs for low-income families through free home to school transport, limiting rail fare increases and introducing more flexible tickets, and keeping the price of petrol down through freezing fuel duty since 2011, saving a typical motorist £680 over this Parliament.
 - Tackling rising housing costs by increasing the supply of affordable houses – we are investing £11.5 billion to get Britain building more homes in the four years to 2015, and will spend a further £5.1 billion from 2015-2018.
 - Increasing access to affordable credit through expanding credit unions, protecting consumers by cracking down on pay day lending (including by imposing a cap on the cost of credit) and tackling problem debt by providing budgeting advice through Universal Credit and the Money Advice Service for those in difficulty.

Education

12. We will break the cycle of poor children going on to be poor adults. Poor children are four times as likely to become poor adults than other children.¹¹ We will only succeed in ending child poverty if we end this cycle. Raising the educational attainment

¹⁰ In 2011/12, we spent £45 billion on out of work benefits and income related benefits and tax credits for families with children (around £20 billion was spent on payments to workless households and around £25 billion on payments to working households). For further details on this calculation see endnote ii, pg 48.

¹¹ Blanden, J. and Gibbons, S. (2006)

of poor children is the key way to do this. We will continue to raise educational attainment through:

- Increasing the number of poor children getting quality pre-school education with 15 hours free for all three and four year olds and for two year olds from low-income families, getting better qualified staff in pre-school settings and having a simpler early years curriculum.
- Ensuring poor children do better at school by giving disadvantaged pupils an additional £14,000 throughout their school career – a £2.5 billion a year commitment through the Pupil Premium.¹² We are holding schools to account for how well poor children do, and making sure we have ever better teachers. We will also put in place targeted support for poor children who fall behind, with £500 per child who is behind at age 11 and Summer Schools to prepare poor children for secondary school.
- Supporting poor children to stay in education post 16 to get the right skills and qualifications and helping them to move into work through “on the job” training, apprenticeships and better careers advice.

13. We will also tackle the barriers poor children face to doing well at school. The evidence is clear that there are key family characteristics which make it harder for some poor children to do well at school. The six key factors are a poor home environment, under-developed “character” skills (e.g. social skills, self-esteem, resilience), a parent being ill, a child experiencing ill health themselves, having parents with low qualifications and the family’s income. We will tackle these through:

- Helping parents provide the best possible home environment through parenting classes and free books.
- Giving schools increased freedom so they can develop children’s “character” skills.
- Helping parents who experience mental health issues (including through the expanded health visitor service), investing in drug and alcohol dependency treatment and supporting young carers.
- Increasing support for children with Special Educational Needs as set out in the Children and Families Bill and our new code of conduct.

Working with others

14. Central government action cannot, by itself, end child poverty:

- Employers have a key role to play, for example paying decent wages, supporting flexible working, offering recognised training and qualifications and helping their staff progress at work.
- Where people live matters. Each local area faces a different challenge in tackling child poverty. Local agencies now have the flexibility they need to tailor their services to meet local needs, for example supporting employment and skills and tailoring education, health and neighbourhood services.
- The devolved administrations have their own responsibilities on child poverty and are taking action in the areas devolved to them, for example education.

¹² We will invest £2.5 billion a year by 2014/15. Funding will rise from £900 per pupil per year in 2013/14 to £1,300 in 2014/15 for primary pupils and £935 for secondary pupils.

Next Steps

15. We would welcome your views on this draft Strategy. We want to know what works well locally, what more can be done and how we can work together to end child poverty.

To find out your views, we've set out a series of questions at the end of the Strategy. Please respond by completing the online response form at: education.gov.uk/consultations. Your response will inform our final 2014- 17 Child Poverty Strategy to be laid in Parliament in 2014.