

## **Scrutiny Board (Children's Services) Combating child poverty and raising aspirations inquiry**

### **Background information**

The Child Poverty Act was given Royal Assent on 25 March 2010 and enshrines in law the Government's 2008 commitment to eradicate child poverty in the UK by the year 2020. The Bill received the support of all the major parties in the House of Commons, but the Conservatives stressed that the child poverty targets should focus on the underlying causes of poverty.

Central to the legislation is a range of new duties for local authorities, including a specific duty to work more closely with local partners, such as Jobcentre Plus, the NHS and Police in delivering solutions to tackle child poverty at a local level. Local authorities are now required to undertake a local child poverty needs assessment, produce a local joint child poverty strategy and take child poverty into account when developing their Sustainable Community Strategy.

The Act places a commitment on the Government to publish a child poverty strategy by April 2011 that will be revised every 3 years. The building blocks for the national strategy are:

- Parental employment and skills
- Financial Support
- Education, early years provision, and childcare, health and family support
- Housing and Neighbourhoods

A briefing paper on the key implications of the Child Poverty Act can be found at Appendix 1.

The Child Poverty Unit, established from the Social Exclusion Unit in 2008, has presented local authorities with research evidence and a toolkit to understand the relationship between the causes and symptoms of poverty. It includes a basket of indicators to provide a context for performance measurement - which we have adapted locally to fit the Leeds context - and a pyramid of factors that impact upon child poverty (Attached at Appendix 2). The pyramid suggests a hierarchy of factors that directly influence family incomes and resources and those that directly or indirectly influence families' abilities to enter and sustain paid employment.

The new coalition Government has signalled its intention to retain the commitments in the Child Poverty Act but has issued limited guidance on either the needs assessment or national or local strategies. The support provided to local authorities has been reduced although a simple self assessment toolkit for the needs assessment has been issued and an allocation of funding to support the delivery of the needs assessment and strategy. The new Government also commissioned an independent review on child poverty and life chances led by Frank Field in June 2010. The Review, entitled "The Foundation Years:

preventing poor children becoming poor adults” was published in December 2010 and concludes that life chances are most heavily predicated on experience in the first five years of life and places strong emphasis on investment in integrated provision for families with young children. It concludes that current approaches to child poverty are fragmented and that meeting child poverty targets through income transfer alone will not resolve the entrenched causes of poverty. The review makes two overarching recommendations:

- Establishing a set of life chances indicators
- Establishing the ‘Foundation Years’ from womb to 5 as the key point for investment in child and family outcomes

A more detailed summary of the findings of this review can be found at Appendix 3. The full report is available online at <http://www.frankfield.com/review-on-poverty-and-life-chances/>

Building on this, the Government has recently launched a consultation on its approach to ending child poverty and improving life chances. The consultation can be accessed online at <http://www.education.gov.uk/consultations/>

The overarching context for all of the above has been the world wide economic recession and increasing national budgetary constraint. Local authorities face significant reductions in grant settlement in the comprehensive spending review for 2011- 14. Changes in the benefit and welfare system announced in October 2011 will impact upon the disposable income of the poorest households. This is a challenging time to reduce and mitigate against the effects of poverty.

A Child Poverty Strategic Outcome Group was established in August 2009 to prepare for the implementation of new legislation, originally expected in October 2009, and to explore the ways thinking ‘child poverty’ could add value to current work tackling poverty and worklessness across the city. Quarterly monitoring of activity against the outcome has been reported through the Action Tracker system. The group has full representation across all partners and sectors.

In the absence of statutory guidance, and in common with other local authorities and toolkit issued, the group has continued to develop the needs assessment and consider the emerging priorities using the four building blocks highlighted within the legislation.

### **Main issues**

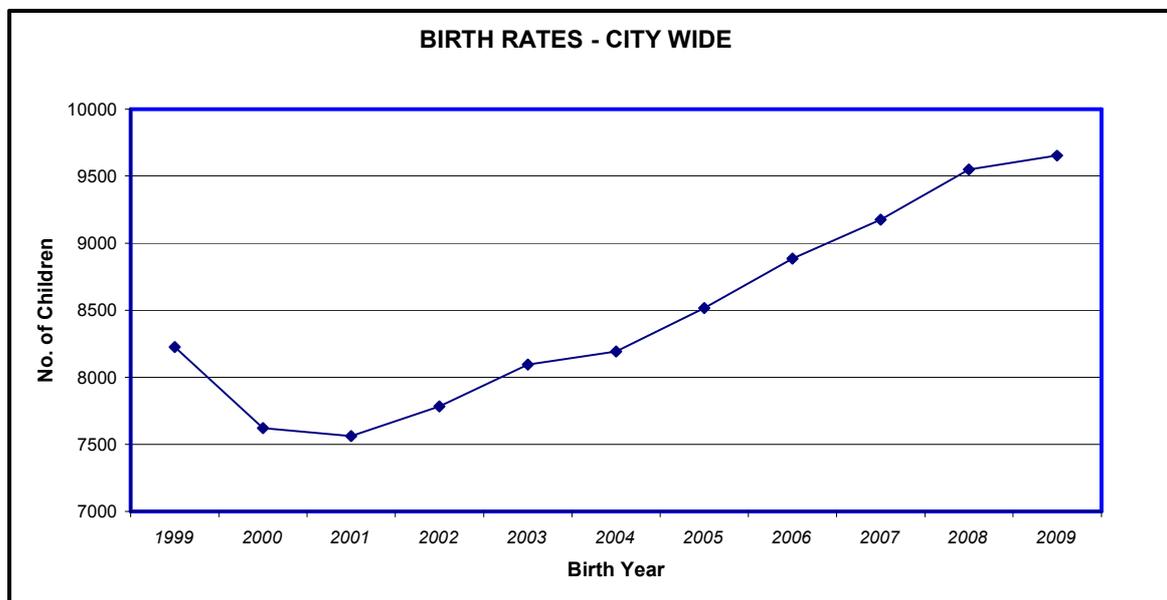
In January 2010 the government published two new datasets relating to child poverty measures:

- Dependent children in out of work households
- Proportion of children living in poverty ( 60% of median income)

These showed that in 2008 in Leeds 29, 530 children aged 0 to 18 were dependent in households where no one was working and 33, 695 (22.5%) were

living in poverty. These figures were already identifying an upward trend with a total increase of 1920 children living in poverty between 2007 and 2008. It is likely that as the impact of the recession deepens these numbers may increase further.

There has been a significant increase in births in Leeds and across England in recent years. The chart below shows the rapid increase in the number of births, with an increase of 28% since the low point in 2001, with 2090 more births in 2009 than 2001. These changes are having differential impacts across the city, due to differences in birth rates for different groups. The population of young children is showing a higher rate of increase in the more deprived areas of the city. Across all of Leeds, the current 0-1 year old population is 12% higher than the current 4-5 year old population. However, in areas classified as in the 20% most deprived in the country the difference is 18%.



The remainder of this report will consider within the four building blocks of the child poverty needs assessment the:

- Common factors and correlations that provide the picture of child poverty in Leeds
- Evidence based best practice currently undertaken in the city or nationally
- Emerging priorities that need to be captured within the five City Priority Plans.

A draft version of the needs assessment is attached as Appendix 5.

## **Building block 1: Education, health and family**

There is a strong negative correlation between economic deprivation and outcomes for health, educational attainment and safeguarding. In all cases the lowest outcomes are in the areas of greatest disadvantage. Targeted initiatives in both health and education have narrowed the gap slightly in educational attainment, access to maternity services, low birth weight and infant mortality in recent years but significant gaps persist. More than 50% of looked after children, children in need and those on child protection plans reside in LS9, 10, 11, 12 and 13 and one school cluster in inner south Leeds which contains 5.7% of the population of children aged 0 to 16 records 11.8% of referrals to Children and Young Peoples Social Care.

Common factors work undertaken for the previous Children's Trust Board (Appendix 4) confirmed national research showing that five of the seven factors common to most poor outcomes for children were directly related to poverty. These were:

- No parent in the family in work
- Family living in poor or overcrowded housing
- No parent with qualifications
- Family has low income
- Family can not afford a number of food and clothing items

The more underlying risk factors present within families the more significant the problems faced by the family and the poorer the outcomes for children.

A number of successful programmes and initiatives have supported work in Leeds to narrow the gap in health and education between the most and least affluent families and neighbourhoods. For example 'Every child a talker' has significantly improved early communication skills and narrowed the gap in foundation stage achievement where it has been employed.

Aspiration plays a significant part in raising achievement and general health and well being. Whilst the ECM and Tell us surveys do indicate that high percentages of young people in years 9 and 11 aspire to further and higher education a picture of intergenerational low aspiration persists in Leeds. National research indicates that 0 to 4 and 11 – 14 are important periods. In the early years parental bonding and involvement in their child's growth and development can significantly improve early outcomes. In early teenage years the range influences on young people expands and the level of influence for families and school reduces. Key work at this vulnerable time can maintain aspiration, relationships and engagement for the child and their family.

To significantly reduce inequalities in education and health and ensure more children grow up in safe and supportive families it is emerging that we will need to address the following as priorities:

- Narrow the achievement gap at foundation stage, KS2, KS4 and at level 2

- Embed 'every child a talker' in all areas of disadvantage
- Raise the levels aspiration and attendance at school through targeted programmes where risk is greatest
- Reduce the number of young people from at risk groups who are not participating in education or training or are not in employment from 16- 19
- Increase parental involvement and engagement in their child's learning and development, in particular from pre birth to 4 and 11- 13, through targeted, evidenced based programmes in disadvantaged localities
- Reduce health inequalities by ensuring that all economically disadvantaged mothers experience an integrated assessment of needs and service delivery from the start of their pregnancy
- Continue to drive down the rates of teenage conceptions in the city
- Develop integrated wellbeing capacity to improve and target support to vulnerable families and reduce the need for high statutory interventions in the lives of children and young people

## **Building block 2: Employment and adult skills**

The workless population of Leeds is concentrated within the inner areas of east and south, with low income compounding other key poverty indicators in these most deprived areas of the city where the worklessness statistics have shown little sign of improvement over many years. There are 33 Lower Super Output Areas (LSOAs) across the city with a claimant rate of 10% or more of their total working age population. The city average is 4.1%.

Within the out of work claimant population the type of benefit indicates different levels of poverty. Of the 31,070 Incapacity Benefit or Employment Support Allowance (IB/ESA) claimants, 84% have been claiming this benefit for over a year. Of the 9,050 lone Parents in receipt of Income Support (LP) claimants, 74% have been claiming this benefit for over a year. Both statistics indicate that these groups are more likely to be experiencing entrenched poverty.

It is recognised that for a significant number of people, employment is unlikely to provide them with an adequate household income. In 2008, it was estimated that approximately 18% of employed people were on low incomes, an indicator of the levels of working poverty that exist in the city. Whilst there are a large number of highly skilled people living in Leeds, 10.8% of the working population have no formal qualifications at all.

There are however a number of additional potential effects on children when income poverty is due to worklessness. These can include:

- Low aspirations for their own futures in the absence of any vocational reinforcement
- Lack of reinforcement of work ethic/normalisation of work
- Opportunities to benefit from routine/structured life patterns

- Lack of input/context building in formulating ideas on the world of work from parent
- Constraints on social networks to support vocational and personal development
- Temptation to supplement personal/ household income through illegitimate means where paid work is perceived to be unachievable

There are a number of barriers facing those who are in poverty due to worklessness or low income employment attempting to reverse or improve their position. They include personal and structural barriers, can be progressive and interdependent:

- Affordable, available and accessible childcare
- Availability of vacancies
- Mismatched skills/experience and employer requirements
- Perceived affordability of available vacancies
- Perceived accessibility of opportunities
- Low self esteem/worth impacting confidence to seek employment
- No/poor networks for exposure to job leads
- De-skilling in terms of interpersonal and vocational competencies
- Poor functional/language skills required for job applications
- Limited jobsearch skills
- Caring responsibilities
- Capacity to adapt from unstructured or chaotic lifestyles to work regimes
- Fear of financial transition from benefits to work
- Unrealistic expectations
- Limited resources for productive jobsearch- e.g. permanent address, telephone access, interview attire etc
- Lack of work references
- Limited work experience/breaks in employment history
- Offending background/substance misuse
- Lack of/prohibited from having a bank account
- Existing work patterns constraining availability to jobsearch
- Changes to in work benefit thresholds and eligibilities
- Availability/accessibility/effectiveness of pre employment/retraining opportunities

Although not a discrete barrier, those already in/at risk of poverty will be impacted by the government's deficit reduction measures. Once again there are personal and economic, structural impacts which exacerbate the plight of families in poverty. Some of these are:

- The projected and continuing rise in unemployment, particularly affected by the reductions in public funding will increase the risk for those in work and the challenge for those seeking entry
- Uncertainty over the capacity of the private sector to generate sufficient jobs to offset the losses from the public sector

- Faltering consumer confidence and its effectiveness in stimulating the economy
- The uncertainty of the housing market, particularly impacting those forced to sell to minimise debt and the consequential impact on the rented sector
- Structural changes to out of and in work benefits detailed in the Financial Support section
- Below cost of living wage rises
- Regressive VAT change increasing the cost of living

To ensure that workless and low income households, including lone parents have easy access to learning, skills and job opportunities the following priorities are key:

- Complement Work Programme interventions with targeted, wrap around support within neighbourhoods for those facing the most complex barriers to work
- Connect adults from the most deprived neighbourhoods to opportunities generated by the city's key regeneration projects
- Implement the Employment Leeds model for employer engagement to maximise inclusive recruitment practices for target groups, clear routeways back into work and opportunities for in work training for sustainability
- Increase availability and access to sustainable childcare in areas of deprivation

### **Building Block 3: Place (Housing and Neighbourhoods)**

A number of complex and varied factors, acting at the individual and community level deliver a significant impact on families' quality of life. Low wages, lack of suitable work locally coupled with high transport costs create poor work incentives, especially for part-time work. Families without personal transport to access services, work or leisure activities are likely to endure greater financial hardship.

This disadvantage in terms of low income, worklessness and subsequent child poverty can be exacerbated by issues such as alcohol or drug abuse, domestic violence, mental health issues or offending, which contribute to chaotic lives and further impact on the child's welfare.

Quality and style of parenting and strong relationships between parents are key to providing children with a safe and secure home environment which can sustain them into well balanced adults. Having a parent who is nurturing and authoritative has been found more important for a child's intellectual and social development than parental occupation, education or income. This resonates with the main premise of the Field review

The Common Assessment Framework process is already a key tool for facilitating partnership working around vulnerable families, but there is potential to strengthen this by developing mechanisms to ensure contributory factors including homelessness, domestic violence, mental health issues and alcohol use, which exacerbate the effects of poverty, are consistently and systematically addressed. These actions help children to stay in school and to make and retain long term friendships locally, which help provide stability in the early years. This is particularly important as children who grow up in poverty report a stigma attached to poverty, which makes it harder for them to make friends and increases the likelihood of bullying (DCSF 2007).

Maximising income, especially in the current climate is a challenging, but key objective if child poverty is to be addressed. Measures, such as budgeting, cooking on a budget and local food growing and distribution skills, can deliver health and economic outcomes, as well as developing community entrepreneurs building social capital and creating sustainable communities. A community model in Richmond Hill and Burmantofts is encouraging families to take up free school meals entitlement. Across Leeds nearly 7,000 children who are eligible to a free school meal fail to take this entitlement everyday (Annual School Survey 2010). The Leeds Benefit and Revenue Service suggest that many of these families may not be aware of their entitlement, equating to an average of £700 worth of food per family annually (School Food Trust).

The vision of the Leeds Housing Strategy 2010-2013 is to 'create opportunities for people to live independently in quality and affordable housing'. Three core strategic themes flow from this vision:

- Increase the supply of affordable housing
- Improve the quality of housing stock
- Promote the capacity of vulnerable people to live independently.

The strategic vision and accompanying strategic themes represent a foundation for the housing authority's contribution to tackling child poverty.

The landscape in which the housing authority is operating has changed dramatically in the last two years and continues to evolve. The CSR signalled significant cuts to the affordable housing grant programme. The focus of the housing authority may well need to shift from large scale investment programmes towards policy/practice changes that can contribute to tackling child poverty.

The housing authority in Leeds has been effective at delivering preventative services. Homeless prevention outcomes have increased by over 300% in the last 18 months and therefore, despite a 40% increase in homeless presentations, temporary accommodation placements have fallen by 90% and are now a tenth of the level in Birmingham. A Homeless Prevention Fund has been established that can be used to finance homeless intervention where the alternative is a more costly institutional placement including care. A Sanctuary scheme has been established that has helped 1700 households, who have experienced domestic violence, to remain 'safely' in their existing homes. An under-occupancy scheme

has been established that offers financial incentives to under-occupying tenants to secure smaller properties and releases their properties for families. 150 properties were released for families at the cost of building no more than 2 new homes. Maintaining preventative initiatives, and embedding the focus on the needs of children, is a priority for the housing authority.

**To ensure that the local community and housing provision enable children in poverty to thrive the following actions are key:**

- Delivering flexible, quality housing services for 'Team Leeds':
- Shift the focus from property to people centric decision making
- Embedding the preventative culture in the housing strategy
- Ensure that housing options and other housing related services can be resolved and delivered through wider services such as the Contact Centre, One Stop Services and Children's Services.
- Embed a 'No wrong door' culture into access of all housing and neighbourhood based service
- Increase family support services to vulnerable families and those at risk of poor outcomes
- Ensure that reducing child poverty becomes integral to strategic, team and individual workforce development programmes

**Building Block 4: Financial support for families**

Sustained levels of low incomes for families is a primary cause of child poverty. There are a number of elements which are important to understanding how children in certain situations are affected by poverty.

Child and Working Tax credits are a flexible system of financial support designed to deliver support as and when a family needs it. In April 2010;

- 69,200 families in Leeds were in receipt of tax credits.
- 32,700 families and 60,000 children were in households in receipt of Child Tax Credits more than the family element.
- 18,200 families and 35,000 children were in households claiming out of work benefits.

In terms of benefits administered by Leeds City Council (Council Tax and Housing Benefits). 18,818 (5.8%) families and approximately 35,000 children are in households in receipt of benefits.

Eligibility for free school meals (FSM) is a proxy indicator of deprivation. According to Leeds City Council data from January 2010, 21,500 primary school pupils and 18,300 secondary school pupils were eligible for FSM. In terms of take up in 2010;

- In primary schools in Leeds 83% of free school meals were taken, this is below the regional (85%) and national averages (86.6%). In the region

only Hull, North East Lincolnshire, North Yorkshire and York have a lower take up.

- In secondary schools in Leeds since 2008 there has been an increase in take up of free school meals of nearly 8%. Despite this increase in 2010 the take up rate in the city of 73% is still lower than the regional (76%) and national (78%) averages.

In 2004 Leeds City Council undertook a survey of households in the most deprived areas of the city to assess the extent of financial exclusion. This survey was the catalyst for developing a citywide financial inclusion partnership and strategy. In 2010 the household survey was repeated in order to examine the extent to which residents experiences had changed. The 2010 household survey demonstrates that a significant number of residents with children living in both the most deprived areas of the city and in areas with medium levels of deprivation are experiencing financial exclusion. Compared to the survey average, residents with children are more likely to:

- Have less savings
- Have financial difficulties
- Have difficulties paying fuel bills
- Be concerned about getting in debt
- Be falling behind with payments and be getting into debt
- Use sub prime credit
- Use credit to pay for day to day living expenses

On a more positive note, survey respondents with children are also more likely to have heard and be a member of Leeds City Credit Union, and have a bank account than in 2004.

Substantial increases in energy costs over recent years have led to a rise in the number of low income households who cannot afford to heat their homes. In Leeds;

- 22% of household are considered to be fuel poor, with 18% considered to be “vulnerable”. Households in the inner east and inner south areas of the city are most vulnerable to fuel poverty.
- In total 18% of those aged 16 or under are classified as “vulnerable” to fuel poverty.

Research undertaken in 2004 and 2010 has shown that areas of deprivation are also the ones that are most exposed to the activities of doorstep lenders and other high cost lenders. Anecdotally, these areas are also the target of illegal money lenders. The existence of the credit union in the community is important in enabling residents to have an alternative to spiralling debt.

Currently Leeds city credit union operates a loan scheme on behalf of the Department for Work and Pensions (DWP). The “growth fund” formally ends at the end of March 2011. The reduction in the credit union's ability to promote and

deliver loans to low-income families could reduce the level of affordable credit to families with young children and therefore reduce the ability to support a family's finances in this way.

The credit union in Leeds has been able to operate through six additional community based branches located within Leeds City Council One Stop Centres and neighbourhood housing offices. These operate in the more deprived areas of Leeds. Although this is very effective it still represents a relatively low level of geographic spread for the delivery of affordable credit services. Doorstep lenders, pawnbrokers and cheque cashing shops, are located in many local district centres and estate shops across Leeds. For the credit union to compete with this market, it must have the ability to deliver affordable banking and credit services through a greater number of outlets across the city. This is a significant barrier to their ability to penetrate this market and to offer services to low income families.

To ensure that financial support is responsive to families that are economically disadvantaged or in need the following key actions are considered necessary:

- Promote and support actions and objectives as set out in the Advice Leeds Strategy 2010 to 2013.
- Continue the free independent advice service provision available in children's centres across the city and extend in clusters of extended schools
- Continue to support Leeds City Credit Unions neighbourhood branch network.
- Develop a comprehensive understanding of the impact of benefit changes to low income families.
- Fuel poverty- action required to ensure maximum benefit is provided to those families most at risk
- Free school meals- action required to improve uptake of free school meals

### **New locality ways of working**

Tackling the impact of child poverty on outcomes for children and family life requires a partnership approach. The locality pathfinder in the south and south east of Leeds will soon be mainstreamed as new locality working practice across the city. This will provide an opportunity for all local partners to work together in appropriate neighbourhoods to co-ordinate the provision of services across the four building blocks. This will ensure that the wider economic and regeneration issues of poverty: worklessness, adult skills, debt and housing can be addressed alongside health and education outcomes for children and social care, health and well being outcomes for families.

In localities where risk factors are high the child poverty strategy, overseen by all Boards, could ensure that co-ordinated and integrated services are delivered to promote improvement in all outcomes for children and important family capability and resilience through support for health and well being, housing, adult skills, training, employment, benefits advice, childcare information and sufficiency, free

school meal eligibility, debt advice, fuel poverty, bereavement and therapeutic counselling. A local element to the child poverty strategy will be an important factor in the better co-ordination of services that are currently fragmented. There is likely to be an increasing role for voluntary and community based groups and volunteering within localities. Frontline staff and local people are similarly working together in a 'team neighbourhood' approach in the priority neighbourhoods of East North East Leeds.