

## **Child Poverty Act 2010 Briefing Paper April 2010**

### **Executive Summary**

The Child Poverty Act was given Royal Assent on 25 March 2010 and enshrines in law the Government's commitment to eradicate child poverty in the UK by the year 2020. The Act places a new duty on the Government to meet the following four United Kingdom-wide income poverty targets by the end of the financial year 2020:

- A relative low income target
- A combined low income and material deprivation target
- An absolute low income target
- A persistent poverty target

The Act requires the Government to report to Parliament each year on progress and creates a new expert Child Poverty Commission to publish advice and encourage progress.

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 new coalition Government has signalled its intention to retain the commitments in the child Poverty Act

This report informs CLT on the implications of the new legislation and progress made to date and seeks a view on the development of the Child Poverty Joint Needs Assessment and Child Poverty Strategy for Leeds

### **Background Information**

The Government made a commitment in 1999 to end child poverty by 2020. In January 2009, the consultation document *Ending Child Poverty: Making It Happen* made the case for enshrining this commitment in law. The Child Poverty Act received the Royal Assent in March 2010 just prior to the general election. The new coalition Government has signaled that it will retain a commitment to the detail of this legislation.

The Act places a commitment on the Government to publish a child poverty strategy by April 2011 and this will be revised every 3 years. The strategy will have two functions: it will review progress against targets, and co-ordinate action across government to meet targets.

The Government is required to consult on its child poverty strategy. It will consult local authorities and a newly created Child Poverty Commission.

The national strategy will take forward the action needed to meet the two key objectives of the strategy: to meet the 2020 targets and to minimise socio-economic disadvantage for children.

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

The Act places new statutory duties on local authorities and their partners. These include a duty to:

- Cooperate with partners to tackle child poverty in their locality
- Carry out an assessment of the levels of child poverty in their area
- Develop a joint local child poverty strategy

Reducing Child Poverty is an outcome of the Leeds Strategic Plan. 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 is reported through the Action Tracker system. The Director of Environments and Neighbourhoods and the Chief Officer for Early Years and Integrated Youth Support Services are the accountable officers. The current membership of that group is attached at appendix 1

The Child Poverty Strategic Outcome Group has focused work to date on the co-ordination of financial inclusion services, the development of ‘Think Family’ service approaches and preparation for the implementation of the Child Poverty Act .

### **Implications of the Child Poverty Act and progress to date**

#### **Duty on local authorities and partners to cooperate to tackle child poverty in their Locality**

The Act imposes a duty on the local authority to promote co-operation between the authority, each of its partner authorities, and other persons or bodies as the authority considers appropriate to reduce, and mitigate the effects of child poverty in the local authority’s area. Each of the following partners is named as a partner :

- The police
- Youth offending teams
- Probation service.
- Transport Authorities.
- Primary Care Trusts and Strategic Health Authorities.
- Jobcentre Plus.

A duty to co-operate is placed upon the partners. The relevant clause also enables the local authority to involve other persons or bodies, for example from the private and voluntary sectors, in the arrangements. However organisations from these sectors are not under a duty to cooperate. Work around child poverty will be coordinated through Local Strategic Partnerships.

The current strategic outcome group has good representation from all council services, the PCT and Job Centre plus. However, the group should now be enlarged to include partners from the police, probation, Youth Offending Team and transport Authority

#### **Local child poverty needs assessment**

The Child Poverty Act (Part 2, Section 21) requires a local authority to prepare and publish an assessment of the needs of children living in poverty in its area. Research on local

partnerships has shown that a needs assessment is a key driver to addressing child poverty within a local area because it builds a shared understanding and demonstrates the extent and nature of the local challenge. A shared understanding is crucial to focusing attention on child poverty within the local authority, the Local Strategic Partnership, and across wider partners.

The needs assessment should provide the evidence and context for developing the responsible local authority's strategic approach to tackling child poverty. It should give a greater understanding of the distribution and drivers of child poverty in the area, and to the extent possible, how it varies across localised areas. It should build on existing understanding of local levels and concentrations of deprivation and the links between child poverty and other factors.

It is not envisaged that the child poverty needs assessment will require any 'new' data collection, it will draw together and build upon the existing Joint Strategic Needs Assessment and economic and worklessness assessments already underway. The aim of the needs assessment is to provide a picture to inform the strategy. Detailed guidance on how to undertake the needs assessment is imminent. The child poverty strategic outcome group has informed the Joint Information Group and key information officers are part of the group.

### **Duty to develop a joint local child poverty strategy**

Part 2 of the Child Poverty Act places a duty on local authorities to produce a Child Poverty Strategy jointly with partners.

The Act ties the local child poverty strategy to the local child poverty needs assessment, in that the strategy should include measures relating to the needs assessment. The Act also encourages strategies to include other measures identified by local authorities or their partner authorities as pertinent to child poverty in the local area.

The Strategy should:

- *be based on analysis*: the local child poverty needs assessments should provide the core base of evidence for the strategy, identifying the distribution of child poverty across the local area, indicating the relationship between child poverty and local services and providing qualitative insights from end-users;
- *identify strategic choices*: there may be several courses of action proposed for local areas which could usefully be identified and their intended impact assessed against the findings of the local child poverty needs assessments. But the strategy will set out the overall approach for tackling child poverty and the priority issues to be addressed in an area; and
- *identify how the strategy will be implemented*: what structures and mechanisms will need to be in place to ensure effective implementation, what resources will be allocated and what information systems will be used to measure and/or indicate progress.

The Child Poverty Unit has identified a differentiated basket of indicators from the current national Indicator Set that most closely reflect the drivers of child poverty that can be influenced by the local authority and partners. The basket is designed to help all partners see the stark national indicator 116, the number of children in poverty, within the context of the many factors that contributing to child poverty. The indicator basket is attached as appendix 2

The Child Poverty Unit accepts that some of the factors that most directly impact upon poverty are outside the direct influence of any authority. The indicators in the basket are

prioritised into a hierarchy of three tiers that reflect their causal impact in contributing to reducing child poverty

### Figure 1: The Child Poverty Pyramid

The child poverty strategic outcome group had already identified a local basket of indicators to monitor and interrogate. This has now been expanded to include the indicators within the Child Poverty Unit basket. These are now monitored quarterly as part of the child poverty action tracker.

### **Implications for Leeds**

The development of a needs assessment and joint strategy for child poverty will need to inform the refresh of the Vision for Leeds (sustainable community strategy) and Leeds Strategic Plan. The Joint Strategy will require consultation with Scrutiny prior to consideration by members of the Executive Board and final approval by Members of Full Council.

The development of a child poverty needs assessment and a joint local strategy are now statutory requirements placed on the authority by the Child Poverty Act 2010

Child poverty is an important issue for Leeds and has been embedded at a strategic level through the Child Poverty Strategic Outcomes Group. For example the need to tackle poverty is highlighted in the current Leeds Strategic Plan 2008-11.

All local authorities will need to have robust partnership arrangements in place to tackle Child Poverty and have a strategy in place by 2011. We are fortunate in already having a Strategic Outcomes Group for Child Poverty which brings key partners together and are therefore well placed to meet the requirements of both the needs assessment and child poverty strategy. This partnership can be enlarged to include partners named in the legislation

Generally, resources to deliver the requirements of the Child Poverty Act will be found from within the budgets of the Council and its partners and no new funding will be identified. The effective and efficient use of resources to support the delivery all the targets in the Leeds Strategic Plan will need to be addressed in both the Council Business Plan and through shared and innovative delivery arrangements with partners in the city.

### **Conclusions**

The Child Poverty Act places new duties upon the local authority as detailed above.

The new coalition Government has indicated an intention to continue the development of child poverty strategies nationally and locally and has recognised disadvantage and economic deprivation as indicators of poor outcomes for children that it will continue to address

The Child Poverty Strategic Outcome Group is well placed to complete the needs assessment and develop the strategy if enlarged to include key named partners in the legislation. Work is already underway to shape the child poverty needs assessment in Leeds and develop a strategy to drive the work forward.