

Report of Head of Scrutiny and Member Development

Report to Scrutiny Board (Children and Families)

Date: 14th February 2013

Subject: Welfare Reform and Child Poverty

Are specific electoral Wards affected? If relevant, name(s) of Ward(s):	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Is the decision eligible for Call-In?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, Access to Information Procedure Rule number: Appendix number:	<input type="checkbox"/> Yes	<input type="checkbox"/> No

Summary of main issues

1. Poverty is the root of most poor outcomes for children and blights the life of too many children in Leeds. Poverty lies behind the common factors for poor outcomes and must continue to be addressed in order to narrow the gap between the most and least advantaged children, young people and families in the city. The Scrutiny Board (Children's Services) therefore decided to undertake an inquiry around the themes of raising aspiration and combating child poverty. At its meeting in June 2012, the Scrutiny Board (Children and Families) agreed the final inquiry report summarising its observations, conclusions and recommendations. A recommendation tracking report (appendix A) is brought before the Scrutiny Board to facilitate review of progress against the recommendations.
2. The Welfare Reform Act 2012 received royal assent on the 8th of March 2012. As a result the welfare benefits system is changing from April 2013. An advice booklet outlining the main changes is attached as appendix B. The Scrutiny Board has already raised matters of concern in previous meetings about the anticipated impact of welfare reforms and the pressures likely to be faced by vulnerable children and families. The Scrutiny Board recognises that welfare reform is likely to increase the number of families living in poverty and have previously raised concern about the implications for Children's Services in terms of resources and service planning.

Recommendations

3 The Scrutiny Board (Children and Families) is recommended to:

- Consider the Recommendation Tracking – Combating Child Poverty and Raising Aspirations Report paying due regard to the recommendations detailed in section 3.
- Note the content of this report in order to promote debate about welfare reform and the implications for Children, Families and Childrens Services in Leeds.
- Identify if the Scrutiny Board will conduct any further investigation
- Make recommendations as the Scrutiny Board deems appropriate.

1 Purpose of this report

- 1.1 The purpose of this report is to review progress against recommendations made in the Raising Aspirations and Combating Child Poverty Inquiry. In addition the purpose of this report is to promote debate about the implications of welfare reform and the impact on child poverty.

2 Background information

- 2.1 Poverty is the root of most poor outcomes for children and blights the life of too many children in Leeds. Poverty lies behind the common factors for poor outcomes and must continue to be addressed in order to narrow the gap between the most and least advantaged children, young people and families in the city. The Scrutiny Board (Children's Services) therefore decided to undertake an inquiry around the themes of raising aspiration and combating child poverty. At its meeting in June 2012, the Scrutiny Board (Children and Families) agreed the final inquiry report summarising its observations, conclusions and recommendations
- 2.2 The Welfare Reform Act 2012 received royal assent on the 8th of March 2012. As a result the welfare benefits system is changing from April 2013. The Scrutiny Board has already raised matters of concern in previous meetings about the anticipated impact of welfare reforms and the pressures likely to be faced by vulnerable children and families. The Scrutiny Board recognises that welfare reform is likely to increase the number of families living in poverty and have previously raised concern about the implications for Children's Services in terms of resources and service planning.
- 2.3 In addition to the general public information booklet a cross-sector Welfare Reform Strategy Board has been set up to oversee the preparations for the welfare reforms. The key aims of the Board include ensuring that affected tenants are aware of the changes and the impacts and that the most vulnerable tenants are identified for specific support. The terms of reference for the Welfare Reform Board are attached at appendix C.
- 2.4 The Scrutiny Board (Resources and Council Services) is currently conducting a wider review into welfare benefit changes and managing the implications of under occupancy and council tax changes in Council or Housing Association properties. The purpose of that review is to consider the likely effects of these benefit changes on *those people deemed to be living in property with more bedrooms than they need*. The Scrutiny Board (Resources and Council Services) will be considering the following specific areas therefore the Children and Families Scrutiny Board do not need to consider:
- How the Council responds to those tenants who fall into financial arrears due to the changes
 - The consequences of the Council's approach to the management of financial arrears on other Council policies, for example the Lettings policy and tenant strategy

- The consequences of the Council's approach to the management of financial arrears on the potential rise in homelessness and the reduction in accommodation available for the most vulnerable
- The consequences of the Council's approach to the management of financial arrears on the finances of the Council and major precepting authorities and the implications for the Housing Revenue Account
- local measures to deal with the potential consequences of the reforms, such as the encouragement of sound financial management through information, advice and education

3 Main issues

3.1 This report is to facilitate the review of progress against recommendations made in the Raising Aspirations and Combating Child Poverty Inquiry. The recommendation tracking report is attached as appendix A.

3.2 In addition to tracking recommendations made during the previous Child Poverty inquiry the Scrutiny Board may wish to take the opportunity to debate the implications of welfare reform, due to come into effect April 2013 and the impact this will have on children and families living in poverty and the implications for Childrens Services. The Scrutiny Board may wish to clarify and discuss:

- The work done to identify those vulnerable families who will be affected by welfare reforms particularly those involved in the Families First programme.
- The impact welfare reform may have on those children leaving care and finding suitable affordable housing.
- Migration - In order to alleviate housing costs families may be forced to move to areas where there is cheaper housing. This may raise issues with sufficiency and capacity planning for early years and school places. Safeguarding may also be a greater challenge where the population is transient.
- Anticipated budget pressures of welfare reform on Childrens Services Budgets from 2012- 13 onwards. The potential for greater demand for support under Section 17 of the Childrens Act 1989 and on intervention budgets in general. Identification of risk and the provision made to supplement such budgets going forward to meet anticipated demand.
- Welfare reforms - the eligibility for free school meals and the impact on pupil premium.

4 Corporate Considerations

4.1 Consultation and Engagement

4.1.1 No consultation was required for the purpose of this report. The Director of Resources advised the Scrutiny Board (Resources and Council Services) on the 19th of November 2012 that various consultation exercises have taken place in relation to a number of the welfare reforms. This has ranged from comprehensive

public consultation exercises through to engagement activity with support workers, including voluntary and advice agencies.

4.2 Equality and Diversity / Cohesion and Integration

4.2.1 Welfare reforms will have an impact on a number of people claiming benefits.

4.3 Council policies and City Priorities

4.3.1 Reducing child poverty will assist in achieving outcomes and priorities as defined in the Children and Young Peoples Plan 2011 - 2015

4.4 Resources and value for money

4.4.1 There are no implications for resources and value for money arising from this report.

4.5 Legal Implications, Access to Information and Call In

4.5.1 There are no legal implications, access to information or call in implications arising from this report.

4.6 Risk Management

4.6.1 Activity in preparing for the welfare reforms reduces the risk that tenants and customers will be unaware of the reforms and their impact. Some vulnerable families with children will inevitably face financial hardship and pressures in adjusting to the new benefits system.

5 Conclusions

5.1 The Scrutiny Board (Children and Families) recognise that poverty is the root of poor outcomes for Children and therefore will actively contribute to reducing this through regular monitoring of services for children and their families.

6 Recommendations

6.1 The Scrutiny Board (Children and Families) is recommended to:

- Consider the Recommendation Tracking – Combating Child Poverty and Raising Aspirations Report paying due regard to the recommendations detailed in section 3.
- Note the content of this report in order to promote debate about welfare reform and the implications for Children, Families and Childrens Services in Leeds.
- Identify if the Scrutiny Board will conduct any further investigation
- Make recommendations as the Scrutiny Board deems appropriate.

7 Background documents¹

7.1 None

¹ The background documents listed in this section are available to download from the Council's website, unless they contain confidential or exempt information. The list of background documents does not include published works.