

ROTHERHAM BOROUGH COUNCIL – REPORT TO MEMBERS

1.	Meeting:	Improving Lives Select Commission
2.	Date:	30th April 2014
3.	Title:	Consultation on the Government’s Child Poverty Strategy
4.	Directorate:	Children and Young People’s Services

5. **Summary:**

The report provides a summary of the consultation on the government’s draft child poverty strategy for 2014-17, briefly setting out the local context. A draft consultation response is appended for discussion and comment.

6. **Recommendations:**

- Note the key aspects of the strategy and provide comments on the draft response

7. Proposals and Details:

Background

The 2010 Child Poverty Act established targets for reducing child poverty by 2020 and required the government to produce a child poverty strategy every three years.

The most widely used target is relative low income, which is based on the proportion of children living in households with less than 60% of median income. The target is to reduce this to less than 10% by 2020/21, from a baseline of 18% in 2010/11. The latest available figures, for 2011/12, show that 17% of children are in relative income poverty.

The act also placed a duty on local authorities and their partners to cooperate to tackle child poverty, preparing and publishing a local needs assessment and producing a joint local child poverty strategy.

Having commissioned an independent review by Frank Field MP soon after coming to power in 2010, the Coalition government aimed to shift the focus from relative income measures of poverty to tackling the root causes.

Field's review stressed the importance of "the foundation years", finding "overwhelming evidence that children's life chances are most heavily predicated on their development in the first five years of life."

The government's initial strategy had a similar thrust, aiming to "tackle the causes of disadvantage and transform families' lives", whilst also inextricably linking child poverty with the nascent welfare reform programme.

This shift in emphasis was reinforced by last year's consultation on "better measures" of child poverty, in which the government sought views on introducing new measures in addition to income, such as worklessness, parental skills, debt and family stability.

No new measures are proposed within the draft strategy, which reiterates the government's commitment to ending child poverty by 2020.

The Child Poverty Act also called for the establishment of a child poverty commission to advise the government and hold it to account for progress in meeting the act's targets.

This commission, the social mobility and child poverty commission, published its first annual report – "state of the nation" – in September 2013. It called for government to use the next child poverty strategy to "produce an ambitious detailed step-by-step plan for how it will meet the 2020 targets."

Highlighting the fact that two thirds of children in poverty are in working households and that low pay is a stronger predictor of poverty than low hours, the report also called for "the working poor to be the focus of future efforts to eradicate child poverty."

Local context

Around 13,000 Rotherham children – one in five – live in relative income poverty based on the latest available figures. This ranges from 55% of children in Canklow and Maltby south east, to 0% in Kimberworth north east (and an average of 50% in the 11 most deprived neighbourhoods, compared to just 3% in the least deprived).

In response to the Child Poverty Act, Rotherham held a conference in March 2010 and subsequently carried out a child poverty needs assessment.

The assessment showed that 64% of the then 12,745 Rotherham children living in poverty were in a lone parent household. With 86% of lone parents receiving either income support or JSA, the data suggested that out of work lone parent households presented a particular problem in relation to child poverty.

However, the recent trend – due in part to the tightening of benefit eligibility criteria – is for more single parents to be in work (an estimated 42% are now not working) so an updated needs assessment is required to help us understand the current picture, including the extent of in-work poverty in the borough.

Rather than developing a separate child poverty strategy, it was decided that the Early Help Strategy, with its focus on preventative work with children and families, would serve as the primary vehicle for addressing or mitigating the effects of child poverty in Rotherham.

In addition, Rotherham's health and wellbeing strategy, developed in 2012, has a specific poverty priority, focusing particularly on reducing health inequalities and improving the skills and work readiness of those disengaged from the labour market.

Currently in development, a strategy for building resilience in Rotherham will seek to provide improved coordination of the various poverty related initiatives and actions. The strategy is based around four overarching objectives:

- Maximising access to sustainable, decently paid employment and relevant training
- Inclusive economic growth that benefits all of Rotherham's communities
- Helping people to thrive and fulfil their potential
- Building social capital and helping neighbourhoods to flourish

The draft strategy

The government has previously described improving social mobility as its central social policy goal and sees tackling child poverty as part of this.

The strategy's introduction says: *"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. Children experiencing poverty face multiple disadvantages that often continue throughout their lives and are all too often passed on to the next generation."*

There is a separate chapter for each of three overarching areas in which action will be taken, setting out a number of more specific objectives together with various existing or planned initiatives that will help achieve them.

1. Supporting families into work and increasing their earnings (“tackling child poverty now”)
 - Creating jobs
 - Supporting parents into work
 - Making work pay
 - Tackling low pay
 - Helping people get better jobs
 - Removing the specific barriers that some parents face to work
2. Improving living standards
 - Raising incomes by getting parents into work, working enough hours and earning enough and by supporting those families who can’t work through the welfare safety net
 - Supporting living standards by reducing costs for low-income families for essentials like fuel, water, food, transport and housing
 - Improving access to affordable credit and tackling problem debt
3. Preventing poor children becoming poor adults through raising their educational attainment.
 - Ensuring all children arrive at school ready to learn
 - Ensuring all children go to schools that help them to achieve the best educational outcomes they can
 - Ensuring schools prepare children well for the transition to work or further study
 - Removing the barriers some poor children face to learning

The narrative for each chapter concentrates on making links with existing areas of government policy or activity. Welfare reform is – naturally – prominent in *supporting families into work*, with troubled families and a range of adult skills actions also mentioned. Increasing and enforcing the minimum wage and reviewing zero hours contracts to ensure employers aren’t abusing them are seen as central to addressing low pay.

Improving living standards references a wide range of interventions, from breakfast clubs and the school fruit and vegetable scheme, through capping water bills and reforming the energy market, to restricting rail fare increases and investing in house building.

Preventing poor children becoming poor adults focuses on targeted support for low income children throughout the education system. This includes:

- Funding 15 hours of early years education for two year-olds
- Continued investment in the pupil premium for disadvantaged children in primary and secondary schools
- Financial support to help the most vulnerable young people stay in post-16 education and training

- Supporting poor young people into university by providing a bursary to help with living costs

This section also identifies a number of key characteristics that are described as making it harder for poor children to do well at school. These are: a poor home environment, under-developed 'character' skills, a parent being ill, a child experiencing ill health, low parental qualifications and family income.

Again, there a range of interventions in response, such as: free books and parenting classes; freeing up schools to enable them to improve character skills; helping young carers and investing in support for mental health and substance abuse problems; and improved support for children and young people with special educational needs.

The final section of the main strategy document looks at the role of businesses and local areas, including the voluntary and community sector, in reducing child poverty. Employers are expected to pay at least the minimum wage, support flexible working and offer opportunities for training and progression. They should also work closely with schools and local communities and offer work experience and paid internships on merit, rather than for those who have the right connections.

Local agencies are described as having been the given the flexibility to tailor their services to face specific local challenges. Local enterprise partnerships are seen as key in addressing barriers to employment; schools now have the autonomy to target their resources where they are most needed; and local authorities and their partners can use public health funding to tackle specific health issues.

In terms of measuring performance, the draft strategy summarises a number of key messages from last year's "better measures" consultation, including:

- There was support for looking at other factors in addition to income, but no clear consensus on what these should be
- The government should measure separately the number of families experiencing poverty now and the number of poor children at risk of growing up to be poor adults
- Measures should differentiate between causes of poverty (e.g. worklessness) and effects of poverty (such as being behind on household bills).

Consultation response

The response deadline is 22nd May and the specific consultation questions are:

1. To what extent do you agree that the draft strategy achieves a good balance between tackling poverty now and tackling the drivers of intergenerational poverty?
2. Considering the current fiscal climate, what is your view of the actions set out in the draft strategy?
3. At a local level, what works well in tackling child poverty now?
4. At a local level, what works well for preventing poor children becoming poor adults?
5. What more can central government do to help employers, local agencies and the voluntary and community sector work together to end child poverty?

The draft response is appended and once input from this meeting has been incorporated, the final response will be signed off by the children, young people and families partnership on 21st May.

8. Finance:

There are no direct financial implications arising from this report.

9. Risks and Uncertainties:

Given continuing funding cuts and external economic and policy factors there is a concern that even by taking effective, coordinated action local partners can only have a marginal impact on child poverty in the short term.

Updating our child poverty needs assessment and improving coordination through the new resilience strategy will help to ensure that partners target their resources effectively.

10. Policy and Performance Agenda Implications:

To effectively address child poverty, including its causes and wider determinants and immediate and longer term symptoms, action is required across a range of policy areas. The following plans include actions to tackle poverty, but the new resilience strategy will also be critical as will the borough's emerging economic growth plan.

- Early help strategy - aims to understand and respond quickly to the needs of children, young people and families, mitigating the effects of child poverty by supporting families to fulfil their potential
- RMBC corporate plan - the new plan prioritises *helping people into work, improving health and wellbeing and reducing inequalities*. Specific commitments include:
 - We will focus on lifelong learning to improve the qualifications, skills and economic wellbeing of children, young people and their families
 - We will respond quickly to people's needs, mitigating the effects of poverty and helping them to thrive
- Rotherham Partnership community strategy priority: *ensuring the best start in life for children and families*
- Health and wellbeing strategy priority/outcome: *reduce poverty in disadvantaged areas*

In terms of measuring performance, the government's draft strategy summarises a number of key messages from last year's "better measures" consultation:

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- The government should measure separately the number of families experiencing poverty now and the number of poor children at risk of growing up to be poor adults.
- Measures should differentiate between causes of poverty (e.g. worklessness) and effects of poverty (such as being behind on household bills).

11. Background Papers and Consultation:

[Government child poverty strategy](#)

[State of the nation](#)

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