

To: IMPROVING LIFE CHANCES GROUP

On: 6 DECEMBER 2018

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TITLE: AN UPDATE ON CHILD POVERTY LEGISLATION

Introduction

- 1.1 The purpose of this report is to update Renfrewshire Community Planning Partnership Improving Life Chances board on the recently passed Child Poverty Act and the responsibilities of Renfrewshire Community Planning Partnership in contributing to tackle child poverty in line with this legislation.
- 1.2 Scotland is to become the only part of the UK with statutory targets to tackle child poverty after the Child Poverty (Scotland) Bill was unanimously passed by the Scottish Parliament on 8th November 2017.

The Bill will:

- Set in statute targets to reduce child poverty by 2030
- Place a duty on ministers to publish child poverty delivery plans at regular intervals and to report on progress annually
- Place a duty on local authorities and health boards to report annually on what they are doing to contribute to reducing child poverty
- Introduce a Poverty and Inequality Commission which will be established from 1 July 2019, with functions related to the child poverty reduction targets

- 1.3 The Child Poverty (Scotland) Act sets out four ambitious headline targets for 2030 that will establish Scotland as the only part of the UK with statutory income targets on child poverty.

The Act sets out four statutory, income-based targets to be achieved by 2030:

- Less than **10%** of children are in relative poverty
- Less than **5%** of children are in absolute poverty
- Less than **5%** of children are in combined low income and material deprivation
- Less than **5%** of children are in persistent poverty

Please see appendix 1 for poverty definitions.

Recommendations

- 2.1 Renfrewshire Community Planning partners are asked to identify senior managers who will be responsible for the joint development of Child Poverty local action reports and identify how this will be aligned into current governance structures.

Prevalence

- 3.1 In Renfrewshire recent data (End Child Poverty, 2018) indicates that over 7400 children live in poverty (after housing costs) with over 2000 children living in the Renfrew South / Gallowhill and Paisley North West ward areas. This is an improvement from previously reported data in 2016, which highlighted that 8073 children lived in poverty. Child Poverty has decreased from 33.07% in 2016 to 28.59% in 2018 in Paisley North West, the most deprived ward in Renfrewshire.

Evidence

- 4.1 Research using Growing Up in Scotland data has shown that financial vulnerability affects most families in poverty and is associated with maternal emotional distress which has a direct and indirect link to poorer child wellbeing and development (Treanor, 2016a). This suggests that programmes that improve parental wellbeing would have a positive impact on children's development and wellbeing. Furthermore, Treanor (2016a) uses income maximisation projects such as Healthier Wealthier Children (HWC) as an example of good practice and highlights that developing links between universal services can effectively contribute to the reduction of child poverty.
- 4.2 These findings are supported by Cooper & Stewart (2017), who updated a previous systematic review and added to the evidence which supports the findings that money itself does impact on children's cognitive development, physical health and social and behavioural development.
- 4.3 The researchers highlighted 2 main dominant theories on why income impacts on children's development; The Investment Model and The Family Stress Model.
- 4.4 The Investment model suggests that income impacts on parental ability to invest in goods and services which contribute towards healthy child development. Examples include spending on creating a home environment which facilitates learning e.g. books, educational toys, extracurricular activities, days out, space to study and good quality housing.
- 4.5 The Family Stress Model describes the emotional pathways which may affect children's outcomes. Managing on low incomes may have an effect on the stress levels and impact on parent's mental health. This may in turn have a negative impact on parenting for example more harsh parenting during stressful situations like low income. This is detrimental to child development.

- 4.6 Cooper and Stewart (2017) conclude that there is strong reason to believe that reducing income poverty would have important and measurable effects on children's environment and their development. In addition, Treanor (2016b) proposes that extending and adapting models like HWC to address child poverty could support other work currently implemented to improve outcomes for children and families, such as the Early Years Collaborative. Summing up that combining a financial inclusion role could provide an effective mechanism for addressing a wide range of early year's national priorities.
- 4.7 This evidence supports the effectiveness of interventions such as HWC which aims to maximise family income through the delivery of welfare / financial advice services. It is recommended that any associated investment which supports the implementation of The Child Poverty legislation be targeted to support the delivery of these evidenced based income maximisation services such as Healthier Wealthier Children.

5 Risks

- 5.1 Universal Credit has now been rolled out 'Full Service' within Renfrewshire as of 19th September 2018. Evidence from the Child Poverty Action Group (CPAG) in Scotland early warning systems have indicated that the rollout of Universal Credit full service has left many claimants in financial hardship (CPAG, 2017).
- 5.2 Claimants wait weeks before receiving any Universal Credit payment. This initial wait is causing some claimants extreme financial hardship. Claimants can ask for an initial payment within those weeks but not all claimants are aware that this is an option.
- 5.3 The Trussell Trust who co-ordinate Foodbanks nationally have stated that if the roll out of Universal Credit continues to have this same impact, Foodbanks won't be able to catch everyone who falls (2017). Given that those who need the assistance of Foodbanks are in crisis, there is potential for these crisis situations to have a significant detrimental effect on children's development, both from Investment and Family Stress model viewpoint. From the evidence it would suggest that the roll out of Universal Credit would significantly impact on the ability to invest in home environment or minimise family stress, which in turn has the potential to be detrimental to a child's development.
- 5.4 Currently funding for both HWC and some of the Families First Hubs within Renfrewshire is funded through Renfrewshire's Tackling Poverty Project. Renfrewshire Council have committed to continue the delivery of the Tackling Poverty Programme, however the resources available are less and it is unclear whether HWC can continue to be supported at current levels. Given the risk to both income maximisation services and the roll out of Universal Credit, there is significant risk to children and their development within Renfrewshire.

6 Healthier Wealthier Children

- 6.1 The HWC project was established within Renfrewshire in November 2010. The project aimed to develop new approaches to providing money and welfare advice to pregnant women and families at risk of, or experiencing Child Poverty. The project was initially funded by the Scottish Government during the pilot phase, then by Renfrewshire Community Health Partnership (CHP) / Health and Social Care Partnership (HSCP) and more recently Renfrewshire Tackling Poverty Project.
- 6.2 The project in Renfrewshire has generated over 2000 referrals into the service from various sources, the majority being Health Visitors. The project has maximised income of over £5 million in Renfrewshire alone.
- 6.3 In response to the success of HWC within Renfrewshire, this welfare / financial advice model was embedded within projects in 2 of the most deprived areas of Renfrewshire, initially in Ferguslie and Linwood. The Families First Hubs aimed to provide additional support for families in target areas to address the issues that impact on children's development. This included a specific welfare advisor to support families with any welfare/ finance issues.
- 6.4 The income advisors within the Families First Hubs have received 1436 referrals which has resulted in £6,161,646.00 income maximisation for the families who are supported by the Families First Service.
- 6.5 The HWC project is a universal service for pregnant women and families under 5 in Renfrewshire. In addition, the Families First welfare advisors delivered a more targeted intervention for families in need of additional support, within areas of deprivation. This may be viewed as an example of proportionate universalism implemented to tackle child poverty within the Renfrewshire area.
- 6.6 The sustained effort of the HWC and targeted intervention from Families First Hubs to maximise income for families may have contributed in some way to the reduction in Child Poverty prevalence within the Renfrewshire area.

7 For Consideration

- 7.1 Renfrewshire Council and Renfrewshire HSCP have joint responsibility to develop and publish Child Poverty Local Action Reports. The first report is due on 30th June 2019. The report has links into other Community Planning and Local Authority reporting duties, these include Fairer Scotland, Children's Services Plan, Community Empowerment Act and the Education Act. The report should aim to detail activities which have been implemented to contribute towards Child Poverty, in the previous year and planned activity for the coming year. The reports must include detail on how Renfrewshire will target those with protected characteristics and those from priority groups (lone parents, families with 3 or more children, ethnic minority families, families with children under 1 and mothers under 25).
- 7.2 Examples of activities may include the development of monitoring arrangements with Renfrewshire HSCP Children's Services. This would aim to identify the number staff referring into the Healthier Wealthier Children programme and highlight those staff members who may need additional support.

8.1

Child Poverty update

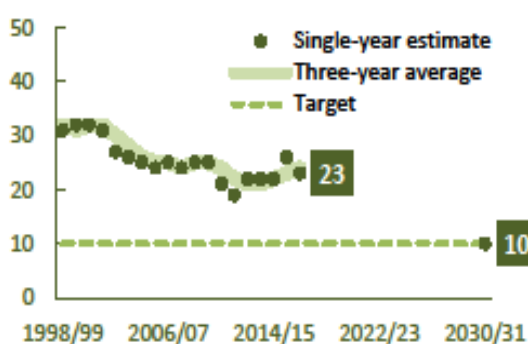
22 March 2018

The Child Poverty Act 2017 contains four ambitious income-based targets to reduce child poverty in Scotland by 2030. The charts show the targets and the latest poverty estimates. Trends over time are best shown using three-year averages of the estimates. Single-year estimates can be used to understand the situation at a certain point in time.

Relative poverty

Measures poverty relative to the rest of society.

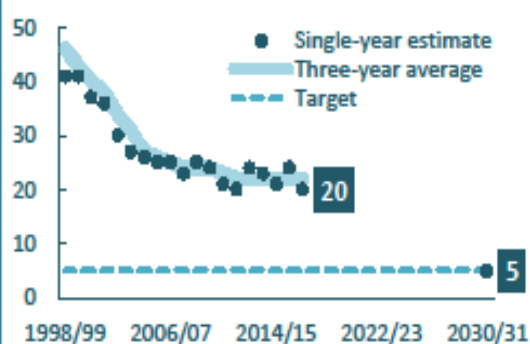
It is the proportion of children living in households with equivalised incomes below 60% of the median (middle) UK income in the current year.



Absolute poverty

Measures changes in poverty relative to a point in time

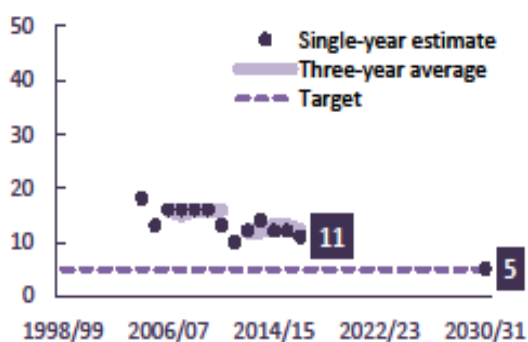
It is the number of children living in households with equivalised incomes below 60% of the median UK income in a base year – currently 2010/11 – adjusted for inflation.



Combined low income and material deprivation

Measures whether households are able to afford basic necessities

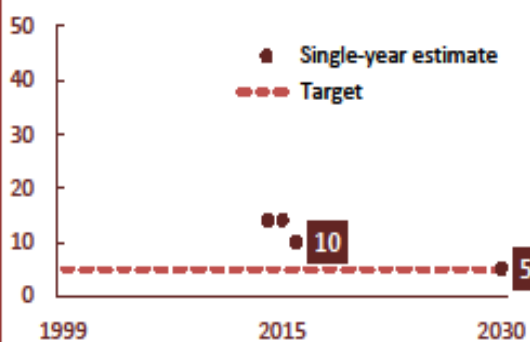
The number of children living in households with equivalised incomes below 70% of the median UK income AND going without certain basic goods and services.



Persistent poverty

Measures whether people have been living in poverty for a number of years

The number of children who have lived in relative poverty in 3 of the last 4 years.



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