

Executive

2 December 2008

Report of the Director of Learning, Culture and Children's Services

CHILD POVERTY IN YORK

Summary

1. At the Full Council meeting in June 2008 an amended motion was approved which included within it the call for "an Action Plan officer report on the geographic areas suffering with the highest levels of child poverty in the City, with suggested measures.....with a view to Council taking its own responsibilities in equal measure to the Government." This report seeks to respond to that call.

Background

2. Concern about child poverty is not a local phenomenon and the issue has been the subject of national and indeed international debate. As background to this paper it may be useful to say a little about three issues:
 - a. Definitional Issues
 - b. Research on the Impact of Child Poverty
 - c. The National Agenda

Definitional Issues

3. 'Child poverty' is primarily defined in terms of income. It is often measured through the number of children living in households below 60 per cent of contemporary median equivalised household income. This is known as the relative low income indicator, which looks at whether the poorest families are keeping pace with the growth of incomes in the economy as a whole. A child is understood as being an individual aged under 16, or an unmarried 16 to 18 year old in full-time education. A consultation exercise carried out in 2002-03, "Measuring Child Poverty", set out a new tiered approach to measuring child poverty in the UK over the long-term. This encompasses the relative low income indicator used to determine progress against the target to eradicate child poverty, together with two associated indicators used by the Government for monitoring purposes:

- absolute low income: this indicator measures whether the poorest families are seeing their income rise in real terms. The level is fixed as equal to the relative low-income threshold for the baseline year of 1998-99 expressed in today's prices; and
 - material deprivation and low income combined: this indicator provides a wider measure of people's living standards. This indicator measures the number of children living in households that are both materially deprived (i.e. lacking certain goods and services) and have an income below 70 per cent of contemporary median equivalised household income
4. Although the main measures are absolute or relative poverty, there are also issues around material poverty (i.e. access to goods and services), fuel poverty and food poverty. In 2007 a wider approach to analysing and comparing child poverty was taken in a report published by UNICEF offering a multi-dimensional picture measured by wellbeing, health and safety, education, family and peer relationships, subjective wellbeing and behaviours and lifestyles.

Research on the Impact

5. *"The disproportionate representation of children living in poverty and its interplay with inadequate nutrition and housing places our children in peril and at risk. The deleterious impact on their growth and development places poor children in a position where they may not be able to achieve their full potential. Even though poverty's adverse effects may be counterbalanced for some children by exposure to protective factors and children's inherent desire to explore, learn, and achieve what life has to offer, the prevalence and persistence of poverty will require a new social will and a renewed commitment to change. Only then, will we realize that caring for our richest natural resource—children—is an investment we can ill afford to neglect".* (Oberg 2003).

The national average risk for a child of being in poverty is 22%, but there are groups with much bigger risks, including:

workless families – 58% risk
 couple families working part-time – 44% risk
 a third of all ethnic minority families
 one or more disabled adults – 31% risk
 4 or more children – 40% risk

Children in poverty are at greater risk from a range of issues:

- Poor housing and overcrowding increase the risks of hypothermia and asthma
- Children in poverty are 13 times more likely to die from unintentional injury, 37 times more likely to die from smoke, fire or flames
- They are more likely to be born prematurely, have a low birth weight and to die in the first year of life

- Children from unskilled backgrounds are 3 times as likely to have a mental disorder as those from professional backgrounds
 - They are significantly more likely to be obese
 - Low birth weight some research argues, tends to mean lower IQ, which will affect school and work prospects for the rest of the person's life
 - they are more likely to smoke and misuse alcohol, which are major causes of health inequalities
 - children born to teenage parents are twice as likely to become teenage parents themselves, thus carrying on the cycle
6. Important 2007 research (CA Hooper, S Gorin, C Cabral and C Dyson, Living with hardship 24/7: the diverse experiences of families in poverty in England) warns against viewing low income (or "high risk" or "problem") families as a homogenous group who can be identified and targeted for interventions. Many experiences of hardship were common across the different contexts, but there were also important differences in the challenges families faced. Families in deprived areas had worse housing conditions and greater worries about crime and unsafe neighbourhoods, and some children experienced the stress of a more violent local culture within the community or at school. Families on low incomes in affluent areas, on the other hand, had less access to affordable activities for children and other amenities, and children's experiences of bullying were often clearly related to poverty.
7. In this research the stigma associated with poverty was widespread and contributed to families' isolation. It was particularly associated with poverty for families living in affluent areas. Many parents found it very hard to ask for help, and both parents and professionals did not always know about available local services. Once in poverty, climbing out could seem impossible. More than one in 10 of the families was paying between 60% and 70% of their weekly income in debt repayments. Where available, relatives - especially grandparents - could be an important source of support both financially and emotionally, but nearly half the children had no grandparents in their social networks.
8. There were high levels of stress among parents living on low incomes. Families often faced a range of other problems, including childhood maltreatment, domestic violence, relationship breakdown, bereavement and mental health problems. Poverty made all other forms of adversity more difficult to cope with, by restricting options for help, relief from responsibility or distractions. Parents reported a high level of behaviour problems among children, especially boys, and this could be exacerbated by overcrowded or poor housing. A particularly disturbing finding was the impact of family poverty on children's emotional well-being. Even very young children were shown to worry about the family's financial situation, and to hide their own needs so as not to distress their parents further. Clearly, poverty makes the achievement of a "good childhood" much more difficult.

The National Agenda

9. In the mid to late 1990s the UK experienced higher child poverty than nearly all other industrialised nations. Over a period of 20 years, the proportion of children in relatively low-income households had more than doubled, one in five families had no-one in work, and one in every three children was living in poverty. On 18 March 1999, the Prime Minister Tony Blair made an ambitious and noteworthy commitment to seek to eradicate child poverty 'within a generation'. By the time the Prime Minister made this commitment there were 3.4 million children living in poverty. The Labour Government then set a series of interim targets towards their goal of eradicating child poverty. However, progress towards meeting these targets has been challenging as the following figures show :

- The first target period was 1998-99 to 2004-05, with an interim target to reduce child poverty by a quarter from 3.4 million to 2.55 million. In fact it went down to 2.7 million, so 700,000 children were taken out of poverty rather than 850,000.
- In the second target period (lasting to 2010-11) the number of children living in poverty would need to drop another 1 million to 1.7 million in order to meet the target of halving child poverty. However, in 2005-6 it rose again to 2.8 million, reducing the drop since 1998-99 to 600,000.
- The most recent Households Below Average Income (HBAI) figures were released on 10 June 2008. These figures show that the number of children living in poverty rose by 100,000 in 2006-07 to a total of 2.9 million. Thus, the number of children living in poverty has risen for a second consecutive year to April 2007.

This analysis shows that the Government faces the very ambitious target of reducing the number of children living in poverty by 1.2 million between now and 2010-11 if it is to stay on track with respect to its stated objectives.

10. The main national strategies chosen to address child poverty include increasing employment rates, introducing tax credits, working and child tax credits. The UK government has viewed that a combination of minimum wage plus a tax benefit system is sufficient to bring people up to the 60% level. Other elements such as affordable and good quality childcare are viewed as a means to enable parents to get back to work and to provide children with social and educational skills.

Options

11. This is not a paper for which specific alternative options are available. There is, however, always the option of members requesting additional analysis of proposed activity on this issue.

Analysis

National Analysis and Update:

12. The House of Commons Work and Pensions Select Committee (March 2008) concluded that the 2010 targets could be met, but only with further investment. They stated that government needs to address the fact that public sympathy for the poor is low, and that good quality childcare is instrumental and essential in getting parents into work. In the 2008 budget, the government committed to spend just below £1 billion on child poverty measures such as the disregard of child benefit in calculating income for housing and council tax benefit, increasing child benefit for the first child to £20 per week, and increasing the child element of child tax credit. Ending child poverty by 2020 is projected to cost more than £30 billion.
13. Although there is still a focus on getting parents into work there is now more prominence given to retention in work and progression. There is a recognition that entry to employment does not guarantee freedom from poverty; without addressing retention and progression, many children will live in families experiencing low-pay-no-pay cycles, so may never genuinely escape poverty.
14. More encouragingly, the Organisation for Economic Cooperation and Development (OECD) reported in October 2008 that the UK's growth in wealth equality had been the fastest amongst the world's 30 richest and most developed countries. They reported that a combination of economic growth, which had lifted more people out of unemployment, and redistributive fiscal policies, had been responsible for much of the change.
15. A new report "*Ending child poverty: everybody's business*" was published in March 2008. This set out the next steps, including those announced in the Budget 2008, to make further progress to halve child poverty by 2010. The document also set out the renewed drive on child poverty for the next decade. The main cause of child poverty was again viewed as worklessness and low-paid work, but there was some recognition that the overall picture was more complex. A number of risk features such as larger families, workless families, ethnic minority groups and those families with a disabled member were identified. It was also reiterated that poverty in childhood can lead to reduced life chances and has a key impact on future economic prosperity.
16. On 23 June 2008 the government announced a number of new pilot initiatives to reduce child poverty and increase social mobility. The pilots are part of the reforms announced in the 2008 Budget that will see investment in tackling child poverty increase by £950m by 2010/11. £125million will be used to set up the pilot programmes that will play a crucial part in helping meet the 2020 target to eradicate child poverty.

The pilots include:

- a new Child Development Grant of around £200 will be available to low income parents with children under the age of five in 10 local authorities from early 2009. Parents who take up services such as their free entitlement to childcare places, and work with children's centre staff to take agreed action to support their child's development and improve their families' wellbeing, could be eligible. £12.75m will be available through this pilot;
- children in couple households are 60% less likely to be in poverty when both parents are working than if neither parent works. The current In-Work Credit pilots will be expanded to provide financial incentives for both parents to move into work as well as providing tailored work-related support. Over £5m will be available for this pilot;
- help in children's centres in Preston and Newham for parents to better understand and claim tax credits - to support families with everyday costs and childcare costs;
- £7.6m for 30 Children's Centres across 10 Local Authorities to offer enhanced work-focused services, helping parents with training and work experience to boost their confidence, skills and support them to enter and progress in work;
- funding will be made available to extend the London Childcare Affordability pilots and find new ways of making childcare more affordable for these families so that parents can enter work;
- up to £10m will be invested in incentives to help parents in London, in particular mothers, to overcome constraints to returning to work, for example by helping them to overcome the high childcare and transport costs which act as particular barriers in the capital;
- improved supported accommodation for teenage mothers by providing additional services to improve the health and development of their children, improve their parenting skills and support them with learning. Pilots are expected to begin in early 2009;
- at least £20m will be available through grants to local authorities to develop new and innovative approaches to tackle the causes and consequences of child poverty. The pilot areas will include remote rural areas, pockets of deprivation in otherwise affluent areas, as well as deprived communities in inner cities. They will test out new approaches to support groups at particularly high risk of living in poverty including disabled children, Black and Minority ethnic, and White working class families.

Local Analysis

17. So what do we know about child poverty levels in York? Overall we know that in York the issue is one of pockets of deprivation as shown by the facts.

- The Index of Multiple Deprivations 2007 has 8 Lower Super Output Areas (LSOAs) that fall within the most deprived 20% nationally;
- 1 LSOA (in Westfield Ward) is in the 10% most deprived nationally ;
- 7 other LSOAs (spread across the city) fall within the 20% most deprived nationally;
- Approx 12,000 live in the LSOAs that fall within the 20% most deprived LSOAs in England;
- Approx 5,500 Households in the LSOAs that fall within the 20% most deprived LSOAs in England.

In York, the 20% most deprived LSOAs have the following characteristics on Average:

- Just over a third of people are income deprived
- One in five men and women of working age are employment deprived
- Just under a half of children live in families that are income deprived
- 37.5% of older people are income deprived.

18. To look more specifically at Child Poverty in York. attached at **Annex 1** is a summary of data which evidences that whilst the overall figure (see table 1.2) for York at 14.2% is below the national average of 19.9%, there are 5 wards with figures well in advance of that national average (Guildhall 33%, Westfield 32.6% Hull Rd 25.5%, Clifton 24.6% and Heworth 22.2%).

We also know that children living in these areas are more likely to have poorer academic outcomes (**Annex 2**).

19. We have indicated and described above the significant level of national analysis and strategies which have now been reviewed in an attempt to meet the challenging targets set in 1999. In taking stock of the particular York position we must start from the existing Anti-poverty Strategy of Without Walls, that was developed with the purpose of outlining “an agreed way forward for ensuring that poverty in the city is minimised and the gap between rich and poor narrowed”. The strategy brings together existing initiatives that partners have set up as well as proposing new initiatives and ways of working to be agreed by the local strategic partnership. Clearly the success of that overall strategy will in itself impact on the child poverty agenda. (A copy of the strategy is available at www.yorkwow.org.uk under Inclusive WOW.) The actions in the overall strategy are grouped around 3 strands:

- Maximising incomes of individuals in poverty

- Minimising the cost of living in York and increase take up of available services
- Improving partnership working and organisational responses to poverty

In addition the city recognises the need to “reduce poverty levels and the impact of poverty on the lives of children and young people” in the Local Area Agreement NP1 116 and has committed itself to piloting an area based partnership approach to tackling poverty .

20. We have recognised children live in poverty generally because they live with adults who are in poverty. We also recognised that we needed to look at two aspects – helping those families living in poverty NOW and preventing future poverty by supporting the current generation of children and young people. So what specific actions would we propose which would seek to impact locally on child poverty levels in the context of the overarching anti-poverty strategy?

Action Area 1: The Work of Children’s Centres:

21. The city has established eight children's centres under Phase 2 of the national programme. These centres are managed in three locality clusters, each of which is served by a multi-disciplinary Integrated Services Team. These centres present an important opportunity to make an impact. They will impact upon child poverty by the provision of their core offer of services – childcare, information and advice; parenting/adult education programmes; support groups; individual counseling; home visiting, health services etc. In addition, although we were unsuccessful in one of our bids for the pilot projects mentioned in paragraph 16 above, it may be possible to implement at least some of the proposals in that bid (set out in **Annex 3**) without significant local investment, including actions which build on **Jobcentre Plus's (JCP) involvement** with the children's centre development to date.
22. In addition, City of York Council is a Pathfinder authority for developing **childcare provision for vulnerable 2 year olds** and for the **enhanced free childcare offer for 3 and 4 year olds**. Both projects are on course to meet challenging targets and are making particularly good progress in providing for the most vulnerable children. Work to develop integrated early childhood provision is using the 2 year old pathfinder as an opportunity to address key issues around the quality sustainability and affordability of local childcare provision.
23. **Altogether Better York**, managed by the local PCT, is a Big Lottery funded programme that aims to increase awareness and understanding of the factors that influence health and well-being. The programme will recruit, train and support community health educators, who will deliver interventions to meet the health and well-being needs of targeted communities, including the Hull Road, Clifton and Westfield areas of the city. They will work with specified target groups, including lone parents and teenage parents. There is

significant potential for this programme to link up with the work-focused pilot through the provision of volunteering opportunities to local parents.

24. **Home-Start York** is another successful local scheme linked to the children's centres programme that could provide volunteering opportunities.

Action Area 2: A Preventative Approach with Targeted Groups

25. The authority has also bid, and has now been shortlisted, to be one of the other pilots (described at bullet point 7 of Para 16) to impact in the lives of the **teenage homeless**, and as a result break the pattern that can then escalate into the potential negative outcomes for the individuals and their children.

26. Unlike traditional 'rough sleepers' hostels found elsewhere, in York the focus of statutory homeless hostels is accommodation based with relatively few 'extra-curricular' provision. A small number of sessions are provided in the hostels by York's Young People's Services (weekly 2 hour young persons drop-in session) and Mum and baby sessions (facilitated by Health Visitor). These sessions are excellent but do not provide an intensive programme offering a wide range of developmental opportunities to assist young people / teenage parents to make positive changes to their lifestyles – thus achieving long term goals to break the cycle of poverty / reduce teenage pregnancy / prevent repeat homelessness. The intention in future is to replicate the 'resettlement model' and this pilot offers the ideal opportunity to develop a specific service for young people / teenage parents.

27. The project will target a specific customer group, many of whom are difficult to reach with complex needs by introducing an intensive support and developmental programme to enable young parents to progress through a resettlement process from temporary or hostel accommodation to sustainable and positive independent living. Staff would provide a training programme to help the young parents and future parents to develop skills to sustain independent living so that when they moved into permanent accommodation, their support needs could be met by floating support. This stability would enable the young parents to make positive decisions in the life and raise their aspirations around Education, Employment or Training (EET). The pilot would be focussed on young people / teenage parents living in temporary accommodation hostels.

28. Young people who live in hostel accommodation tend to form friendship groups and develop sexual relationships with other young people. It is often difficult to encourage them to engage with outside agencies. It is therefore imperative that during this transitional, often chaotic stage of their life, the specialised support goes to them rather than expecting them to go to the agencies. We anticipate hearing the outcome of this bid in December but again even if unsuccessful, it is a model that we would wish to see developed and implemented through existing resources.

Action Area 3 : Narrowing the gap

29. Most would agree that **improved educational outcomes** for all is an important contributor to reducing the likely prospects for individuals and their future families. Narrowing the gap (in outcomes) is a two year Department for Children, Schools and Families (DCSF) funded project that started in June 2007. Hosted by the Local Government Association and supported by IDeA, it aims to make a significant difference, on a national scale, to the performance of Children's Trust arrangements in 'narrowing the gap' in outcomes between vulnerable children and the rest, against a context of improving outcomes for all children.

30. The initiative seeks to ensure that within-school variations which relate to the differences in pupil achievement between similar groups, classes or subjects in a school, rather than comparisons between schools, is tackled. This best achieved where there is:

- a system of coaching and peer support for teachers
- a strong theory of teaching and learning underpinning your practice
- a clear specification of varied teaching strategies that teachers can use
- a solid body of data about teacher and pupil performance, carefully analysed and used to improve practice
- arrangements for pupils to contribute their views about teaching methods and their effectiveness
- a school culture of support, trust and challenge
- time for teachers to undertake developmental work on issues of this kind.

31. The "Narrowing the gap" research also found that when looking to improve outcomes specifically for vulnerable groups:

- strategies promoting children's health, safety and economic stability all help to provide the necessary conditions to support effective and enjoyable learning and raise achievement;
- interventions to remediate disadvantage and narrow the gap in outcomes for vulnerable groups need a long-term focus;
- interventions which adopt an holistic and joined-up approach dealing with the range of obstacles and negative influences holding children back are the most effective;
- interventions that focus on the whole family and involve children learning and working with their parents/carers are some of the most effective; and
- interventions need to build upon the positive elements and experiences of children's and family lives and take account of value and belief systems.

Overall progress will be made in improving outcomes for all where we have strong, inclusive and shared vision and leadership; a whole-school approach to pastoral care; an effective behaviour management strategy that rewards good behaviour, ensures that children feel safe and does not tolerate bullying and bad

behaviour; and strategies that promote social and community cohesion and tackle negative cultural influences.

32. These narrowing the gap strategies are familiar to York and a language that is regularly revisited with our head teachers. The issue has been prioritised in the Children and Young Peoples Plan 2007-10 and detailed strategies to achieve progress on this agenda are firmly embedded in Service Plans. There is also real evidence of our progress in narrowing the gap in the city between the performance of children in more disadvantaged communities and the rest of the population (see **Annex 4**). As we move into an era of curriculum reform and wider choices to engage previously disaffected young people, up until aged 18 (by 2015), we can anticipate further success within this agenda.

Corporate Priorities

33. The contents of this paper contribute to the following corporate priorities:

- Increase people's skills and knowledge to improve future employment prospects
- Improve the health and lifestyles of the people who live in York, in particular among groups whose levels of health are the poorest
- Improve leadership at all levels to provide clear, consistent direction to the organisation
- Improve the way the Council and its partners work together to deliver better services for the people who live in York

Implications

34. The report has the following implications:

- Financial : this report carries no specific financial implications. Clearly the actions described at Paragraphs 19 were based on additional national resources which were not forthcoming. Similarly progress on actions described at Paragraphs 21-24 will be more limited if funding is not achieved through the bidding process described.
- Human Resources (HR) – there are no specific HR implications of this report
- There are no specific equalities/ legal/IT/ property or crime and disorder implications arising from this report.

Risk Management

35. The contents of this report given its analytic and descriptive nature do not carry specific risks. A failure to harness all energies to address child poverty

does in itself carry considerable community, organisational and individual risks

Recommendations

36. The Executive is recommended to:

- Note and comment upon the content and analysis contained in this report
- Seek further discussion of this paper at key partnership forums, Inclusive York and YorOK Board in particular, with the aim of creating opportunities to access collective support and resources to support action areas described above.

Reason: In order to respond to a decision of a full council meeting.

Contact Details

Author:
Peter Dwyer
Director, LCCS.
Tel No: 554200

Chief Officer Responsible for the report:
Peter Dwyer
Director of Learning, Culture and Children's Services

Report Approved **Date** *23rd August 2008*

Specialist Implications Officer(s)

Financial Implications.
Name: Richard Hartle
Title: Head of Finance (LCCS)
Tel No. Ext 4225

Wards Affected: *List wards or tick box to indicate all*

All

For further information please contact the author of the report

Annexes

Annex 1: Child Poverty in York

Annex 2: Link between Poverty and Educational Outcomes

Annex 3: Future Work with Job Centre Plus in York's Children's Centres

Annex 4: Narrowing the Gap: Key Stage 2 Results Maths and English