



Children in Wales  
Plant yng Nghymru

## **Child and Family Poverty in Wales A snapshot of key issues raised by families**

### **Executive Summary**

#### **Introduction**

This research project was conducted by Children in Wales, between January and March 2014, to explore key poverty related issues raised by families in Wales for discussion at Assembly Member (AM) and Member of Parliament (MP) surgeries and with representatives at Citizens Advice Bureaux across Wales.

This pilot research forms part of a planned wider study into the area of key factors impacting upon child and family poverty in Wales. Children in Wales recognises that this is a small scale study and, as such, the results are not widely generalizable, however it does provide an important snapshot that highlights emerging issues related to poverty for families with children in Wales in the current economic climate.

The information will be used to inform Children in Wales' members and the United Kingdom Government and Welsh Government about emerging trends, in order to identify potential areas for the development of additional support for families experiencing poverty in Wales.

#### **Research Methodology**

All Welsh Members of Parliament and Assembly Member offices were invited to take part in the research via a telephone interview (or a self-completion questionnaire). Twenty responses were received from AMs, MPs and their case workers across Wales; five were members of the Conservative party; four were Liberal Democrats; four were Plaid Cymru and seven were from the Labour party. Responses were received from across Wales denoting a good representative sample in relation to geographical spread covering north, south, west and mid Wales, as well as urban and rural locations. In addition, to provide supplementary information, Case workers from six Citizens Advice Bureaux across a range of geographical areas of Wales were interviewed.

The research sought to identify key issues being raised by families in relation to poverty. In particular, issues resulting from:

- the UK Government Welfare Reforms, including, removal of the spare bedroom subsidy, or 'bedroom tax'
- rising food, energy costs

- redundancy/unemployment
- debt
- childcare costs

The research also wanted to explore geographical trends in relation to poverty issues and social deprivation affecting families. For example:

- urban poverty
- rural poverty

### **Summary of Research Findings**

There are worries over what the future holds, including concerns about job security, on-going changes to welfare benefits and increases in the general cost of living, and this is causing difficulties for many.

The most common poverty-related issues raised by families were reported as:

- The impact of welfare reform/changes to the benefit system, particularly in relation to a general lack of knowledge about changes to welfare reforms; and concerns about sanctions/delays in the Department for Work and Pension (DWP) payments
- There is a general lack of knowledge about the Discretionary Assistance Fund to assist people living in hardship, and the impact of this lack of awareness was felt to be exacerbated for people living in rural areas
- Housing – in relation to availability of sufficient social housing to accommodate demand, or appropriately meet family needs (particularly for larger families or those with complex needs); and poor quality housing (both private and social) lacking in adequate insulation, resulting in high fuel costs
- Spare bedroom subsidy removal or ‘bedroom tax’ – over half of the respondents indicated that this was having a major impact on families, particularly for parents of children with a disability or for those with complex needs. The spare bedroom subsidy removal or ‘bedroom tax’ is also an issue for larger families with children of different genders and ages
- Food poverty – over half of those interviewed reported an increase in the use of food banks (50% of these cases resulted from hardship associated with welfare reforms, delays in benefit payments and sanctions)
- Debt – a quarter of interviewees reported an increase in the number of families presenting issues around debt, especially pay day loans
- Rising cost of living/concerns about rising energy costs - is a concern raised by families, even those who are in paid employment. Families are struggling to pay utility and food bills, and are faced with the dilemma of ‘eating versus heating’

- Child Support and Legal Aid – was reported as having an impact by one fifth of respondents, particularly in relation to child care custody cases. The complicated nature of the system related to child support was felt to have a negative impact on children of separated or divorced parents

Other issues emerged as common trends:

- Rural poverty – several issues were felt to impact upon and exacerbate the effects of poverty in rural areas, and was affecting a broad range of demographic groups. For example, poor quality housing (both private and social) which was inadequately insulated and expensive to heat; poor and limited access to support services because of a general lack of transport (both public and private) or because public transport is too expensive
- Lone parents - especially single mothers (with two or more children) were felt to be a particularly vulnerable group by a quarter of respondents, with an observable trend of referrals to food banks where single parents were working and still struggling to make ends meet
- Parents' of children with disabilities/complex needs – 15% of respondents indicated an observable trend towards issues being raised by families with complex needs, eg, with caring responsibilities for a child/children with disabilities. In most cases the enquiries related to changes in benefits or the removal of the spare bedroom subsidy or 'bedroom tax'
- Parents with larger families (more than three children) - there was an observable trend in poverty related issues raised by families with three or more children

### **Recommendations**

Children in Wales, makes the following overarching recommendations:

#### **Recommendation 1: Awareness raising of UK Government Welfare Reforms**

There is a need to provide sufficient information, signposting, advice and support in respect of Welfare Reform changes, including funds through Welsh Government payment programmes. The Welsh Government, local authorities and other public bodies need to actively develop analysis and actions to mitigate the worse effects of the UK Government's reforms.

At a local authority level, Children in Wales supports the recommendations set out in the report of the End Child Poverty Network (ECPN) May 2014, that:

- There is comprehensive awareness raising about the implications of changes to the Welfare Reform system, so that individuals understand these fully;

- Individuals and families are fully informed in relation to knowledge of all benefits and funds to which they are entitled. This includes educating people about how and where to access funds or who they can approach if they require assistance in accessing funds.

The Welsh Government fund a number of income maximisation programmes and Children in Wales urges the continuation of this work to improve the way it is targeted and co-ordinated, by:

- Linking this work with financial education, including the Money Advice Service, who would also help to provide a more holistic service

The Discretionary Assistance Fund has been established to help families' access grants in an emergency, or where there is an immediate threat to health or wellbeing. Children in Wales recommends:

- that the Welsh Government must monitor performance of the Discretionary Assistance Fund and ensure that families are aware of their entitlement and are able to readily access assistance

In addition, the Welsh Government should:

- monitor and report on the impact of announced changes to the benefits system on households with children in Wales;
- promote the exchange and sharing of good practice and knowledge, to encourage roll-out of tried and tested intervention models where there is evidence that existing programmes are achieving positive outcomes and impact as intended.

Children in Wales, also supports the recommendations of the End Child Poverty Network (ECPN) May 2014, that the Welsh Government:

- strengthen the interface between the equality and child poverty policy agendas by ensuring that existing programmes are placing a sufficient focus on the needs of protected characteristic groups, including gender and disability given the link with socio-economic disadvantage;
- place greater expectations on local authorities to undertake social impact assessments in advance of budgetary cuts which impact on essential services

It is crucial that the outcome from these announcements is measured to ensure that the Welsh Government are sufficiently informed of the impact and are able to effectively lobby and engage with UK Ministers.

### **Recommendation 2: The need to address food poverty and hunger**

There is a need to address food poverty and hunger by gaining a greater understanding of causation so that sustainable solutions can be identified and developed.

For Local Authorities and other public bodies there needs to be:

- closer collaboration between welfare benefit advisors and energy efficiency advisors in respect of fuel poverty, and energy efficiency matters must also be developed
- a requirement for transport departments to liaise with local food bank providers to ensure that food banks are accessible by public transport, particularly in rural areas

Through working with local and regional partners, the Welsh Government should:

- develop and identify sustainable solutions. A holistic food poverty strategy and a national food poverty Indicator should be developed. These should include existing provision and programmes through schools and address access to food in school holidays and the accessibility of fresh, nutritious food locally.
- work with local authorities, cooperatives and third sector partners, so that 'eating well' principles are extended to all settings that cater for children and families, such as leisure centres, youth clubs and childcare facilities and maximum compliance should be sought and monitored.

Children in Wales supports of the recommendations of Oxfam and Church Action on Poverty 2013, that at a UK Government Level:

- the House of Commons Work and Pensions Select Committee conducts an urgent inquiry into the relationship between benefit delay, error or sanctions, welfare reform changes and the growth of food poverty.
- the Department for Work and Pensions publishes data on a regular basis on the number and type of household who are deprived of benefits by reason of benefit delay, error or sanctions; the numbers leaving and returning to benefits after a short period of time, and the number of referrals from Jobcentre staff to local food banks.

### **Recommendation 3: Debt – the need for better financial literacy and to build more sustainable and affordable approaches to lending**

There is a need for better financial literacy and to build more sustainable and affordable approaches to lending.

At a local level:

- building sustainability into more affordable lending approaches, such as credit unions, and raising awareness of these services is critical so that they can continue to provide

affordable small-scale loans, savings facilities and other financial products that are more appropriate to the needs and circumstances of people living on a low income.

- a possible mechanism for providing loan schemes would be for local authorities to partner with providers of affordable credit in their area, such as credit unions (possibly in partnership with Communities First clusters). This may provide an opportunity to boost affordable credit

The Welsh Government have committed to finance credit unions and Children in Wales recommends that the support for this type of service must continue.

#### **Recommendation 4: Rural poverty**

There is a need to improve access and availability of services to ameliorate the impacts of poverty.

At a local level:

- In order to provide adequate support services in rural areas that can ameliorate the impact of poverty, local service providers liaise closely to plan service provision in order to meet existing and potential service user needs. This should also include public and private transport providers in rural areas

That the Welsh Government:

- ensure that strategic links are made across the different departments with responsibility for rural matters, and that the needs of those who are experiencing child poverty and social exclusion are given full consideration when developing future policy guidance and strategies
- that Welsh Government and its partners work with rural Communities First 2.0 Partnerships and others to support the transfer of good practice in delivering community focussed services in rural areas

#### **Conclusion**

This pilot research study has provided a useful snapshot of current key issues and concerns relating to poverty in Wales for children and families. Children in Wales' recommendations are intended as possible suggestions for putting in place a mechanism on a local, Wales and UK level for providing interventions that could potentially prevent or ameliorate the impact of these issues on children, young people and their families.

We recognise that the study is small scale and has the weakness of its findings not being generalizable to the wider population within Wales. In order to address this we recommend

that more research is conducted which has a broader range and scope, and could include the social impact of local authority budgetary cuts and their impact on essential services.

In addition, further research could explore the potential scale of existing programmes to enable more children and families to access support, where there is evidence that existing programmes are achieving positive outcomes and impact as intended. This would ensure that best practice is grown and replicated, particularly in relation to successful initiatives.

**Children in Wales, June 2014**

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