



**Response to Welsh Government
consultation WG 23215 on
a revised child poverty strategy for
Wales**

Made jointly by the Joseph Rowntree Foundation (JRF)

and

the Bevan Foundation

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Introduction

We welcome the opportunity to respond to this Welsh Government consultation. JRF has a long-standing commitment to tackling the root causes of poverty. It works across the four nations of the UK and is now developing a UK-wide anti-poverty strategy. It works closely with the Bevan Foundation, a leading social justice think-tank in Wales and expert in social policy and research.

We warmly welcome the high priority which the Welsh Government has given to tackling poverty and the leadership it has shown, at ministerial and official level, across government, public services and civil society. The establishment of tackling poverty champions, the engagement of stakeholders through regular regional events and the integration of local anti-poverty programmes all reflect this. .

We have previously endorsed the Welsh Government's whole-age approach to poverty, most recently set out in its Tackling Poverty Action Plan and associated annual reporting. The Consultation paper is at pains to link action on child poverty to this wider agenda, it is important that the two should not be separated. We understand that the timing of this Consultation reflects a statutory requirement and hope that future opportunities may enable the synchronisation of consultation on child poverty and wider anti-poverty strategies.

Question 1 Do you agree with our proposal to maintain our ambition to eradicate child poverty by 2020 ?

We have two comments.

Defining poverty

The current draft does not specify a definition. The definition in the Children & Families Measure is 60% median income and the strategy should make clear if this is its headline target. JRF defines poverty as when a person's resources are not enough to meet their basic needs. Income and material resources are a crucial element, (mechanisms for tracking income being well-established), but the definition also recognises that resources also include public services; the support from family, friends and the community; and the costs of goods and services faced by those in poverty. We would support the inclusion of a definition in the final version which will both provide a basis for developing the planning & performance framework and provide a test as to what should, and should not, be included in the strategy.

The 2020 goal

We question the helpfulness of a commitment to eradicate child poverty by 2020. Despite sustained endeavour, child poverty levels in Wales are persistently high and current projections for the UK by the IFS and others suggest that levels are likely to increase, not least as a result of UK policy on welfare. Indeed the scope for the

Welsh Government to achieve major changes against a UK-wide income benchmark (i.e. median incomes) is limited. There is a risk that eradication by 2020 would not be seen as a credible target and therefore ignored. An option would be to maintain eradication as a long-term goal but establish an intermediate target for 2020. This could be linked to stemming the rises in child poverty, and achieving improvements in related indicators.

Question 2 Do you agree with our proposal to continue with our existing three strategic objectives ?

The three strategic objectives are laudable but do not necessarily reduce poverty – for example a family can change from being workless to having someone in work without escaping relative income poverty. Similarly parents and carers can increase their skills but unless there is reasonably paid work with appropriate child care available they are unlikely to escape relative income poverty.

In-work poverty and the labour market

We suggest that the objectives ought to be recast to include reducing in-work poverty and the need to improve the labour market. In-work poverty is a well-recognised and growing aspect of poverty in Wales, as elsewhere. Increasing the number and quality of jobs (including pay) and ladders of progression will be essential to a sustainable reduction in child poverty: the persistence of the current low-pay, no-pay cycle is a significant barrier. Only a fifth of low-paid workers have escaped low pay ten years later, although we recognise that the relationship between low pay and poverty is not straightforward. We signpost some of the policy implications below.

Costs for people in poverty

An issue which appears to lie outside the ambit of the current objectives is action to reduce the costs for goods and services faced by people in poverty, including the 'poverty premium'. The premium, recently estimated at 10% in some cases, is a measure of the higher costs for a range of goods and services – including food, fuel & energy, housing and credit - which people in poverty have to pay compared with the better-off.

A number of actions being pursued by the Welsh Government have been directed at reducing the cost of living through a range of entitlements for key services but the issue is not reflected in the objectives.

Question 3 Are the policies and programmes underpinning our strategic objectives the right ones ?

Improving the integration between programmes and policies

The Consultation shows that the Welsh Government has developed a wide portfolio of programmes and programmes to tackle poverty but the interconnections are not always clear and it is not always easy to see how the whole fits together. The action being taken to integrate the local anti-poverty programmes and establish a common outcomes framework will perhaps go some way to addressing this at neighbourhood level. A stronger narrative or logic map at national level might help further clarify how the programmes inter-relate and contribute to creating pathways out of poverty.

A much stronger alignment between economic development and anti-poverty strategies

We comment below on the Next Steps section but one underlying area where the strategy needs strengthening is the alignment between strategies for boosting economic growth and tackling poverty. This is not just an issue for Wales.

Most current programmes related to the labour market are focussed on the supply side (training, skills etc). Such programmes, including the welcome *Lift* programme, are a vital part of the mix. But actions on the demand side to improve the number and quality of jobs and associated progression and development pathways are vital. The commitment to the *Living Wage* and the innovative action on procurement & community benefits are important developments but the strategy would benefit from a holistic approach to the labour market. The signs are that the labour market is undergoing significant structural change and an analysis of the implications for tackling poverty might help ground a more comprehensive approach.

There is an associated issue of scale. The Welsh Government can rightly point to successes in employment programmes such as *JobsGrowth Wales* but a different order of magnitude in growth in employment opportunities will be necessary to make a real impact on poverty.

European programmes

We note that the priority given to tackling poverty as a cross-cutting theme in the new European programmes offers a significant opportunity and hope that the strategy will say more about how the potential can be realised.

Evaluation and evidence

JRF is continuing to monitor poverty and social exclusion in Wales and explore, for example, current concerns about destitution across the UK, but such work is not enough on its own. We welcome the Welsh Government 's track record in commissioning independent research on the extent and persistence of poverty, for

example the work on the dynamics of poverty in Wales and the impact of welfare reform, and hope that the work continues.

The recent evaluation of the Welsh Government's child poverty strategy has drawn attention to weaknesses in the evaluation of associated programmes and quantifying their impact – for example *Flying Start* and the first manifestation of *Communities First*. This has often linked to lack of clarity at the set-up stage. We welcome the signs that the approach to evaluation and evidence is becoming more robust and urge that this should continue.

Question 4 Are you content with the collaborative approach we set out for tackling poverty ?

The collaborative approach being developed in Wales is one of the strengths of its action to tackle poverty and is to be warmly applauded.

There are two areas where we think further action might be considered.

Private sector and business

There has been little engagement of the private sector in the tackling poverty strategies. Their roles in the labour market, in setting pay and conditions, in developing the skills and opportunities for progression on their staff and in pricing their products are have a significant impact on poverty. Any focus on demand and growth as a response to poverty could benefit from working with businesses and their national organisations to build an understanding of the strategy, test ideas and explore possibilities

The voice of people in poverty

The consultation reflects the a commitment to engaging with children and young people in the development of the policies and programmes. This raises a related issue about understanding the lived experience of families and individuals in poverty. There are examples in Scotland and the north of England and it might be worth considering within the Welsh context – though perhaps not directly by government itself.

Question 5 Do you agree with the proposals we have set out under Next Steps?

Previous comments have addressed the issue of in-work poverty. We agree that all the other areas (food poverty, childcare, welfare reform and housing/regeneration) are important and highly relevant to child poverty.

An all-through, national approach to childcare continues to be a significant but fundamental challenge in Wales as elsewhere across the UK.

We are not clear whether fuel poverty is included within the Housing category – if not there is a strong argument for identifying it as an additional area.

Within the welfare reform agenda, we welcome the action which the Welsh Government has taken in mitigating the impact of some of the UK welfare reform measures, such as on council tax benefit and the Discretionary Assistance Fund. There is a current debate about the case for devolving the Work Programme. Although not reflected in the Consultation, this is a potential further lever for the Welsh Government.

The listed legislative opportunities are all helpful and to be welcomed although there are limits to the impact which legislation within the Assembly's area of competence can make. We would urge that these do not displace the work on programmes and policies.

Question 6 Do you agree with the indicators we propose to use to measure progress?

We have previously applauded the introduction of milestones and clear goals into some of the Welsh Government's poverty programmes (e.g. on early years) and strongly support any further development of this approach.

The listed child poverty indicators are all helpful, including the use of well-being data. We continue to be interested in measures such as 'essential items' to which families need access – but the well-being data may provide a means for that.

We have some reservations about the range and number of indicators. The indicators are highly varied, unlikely to move in a unified direction and so may convey an overall story which is not easy to grasp. There may be an argument for a more limited set which relate back to whatever definition of poverty is agreed to enable a high level view of key trends and as well as some clear messages about the impact of interventions within the Welsh Government's powers and functions
