

**REPORT TO:** Employment Learning and Skills Policy and Performance Board.

**DATE:** 14<sup>th</sup> January 2009.

**REPORTING OFFICERS:** Strategic Director Environment

**SUBJECT:** Child Poverty in Halton

**1.0 PURPOSE OF REPORT:**

1.1 To initiate the development of a child poverty action plan in the Borough

**2.0 RECOMMENDATIONS:**

2.1 **That the Employment Learning and Skills Policy and Performance Board note the progress made on child poverty and considers how more support can be given to help working households with children that live in poverty.**

**3.0 SUPPORTING INFORMATION**

3.1 In March 1999, the Prime Minister committed the government to end child poverty by 2020, and to halve it by 2010. There have been numerous announcements and initiatives since that time and in October 2007 the government announced PSA Delivery Agreement 9, ending child poverty.

3.2 Across Merseyside child poverty has recently been led by Knowsley MBC as part of the City Employment Strategy (CES). The latest CES thinking is to develop a child poverty strategy for Merseyside with each local authority area having its own action plan to meet local circumstances. Knowsley has already facilitated a series of workshops to examine the issues in each local authority area. The summary of strategy sessions is attached as an appendix to this report.

3.3 In Halton there have been some progress since 1999. These include the following:

- Some reduction in the numbers in poverty and some evidence that we are narrowing the gap between ourselves and comparator authorities;

- The development of our local economy through the regeneration strategy;
- An increase in the supply of child-care;
- Progress in partnership working impacting upon strategy design and the delivery of services;
- Significant improvements in educational outcomes although not enough evidence yet to show a narrowing of the gap in disadvantaged areas;
- Some success in helping people move of workless benefits and into employment.

3.4 The following table uses statistics from the national child poverty toolkit to show how child poverty has changed in Halton since 1999.

	1999		2008	
	Workless (known)	In work (estimated)	Workless (known)	In work (based on working tax data)
Children	10,000	10,220	6,810	6,650
Families	5,350	5,460	3,640	3,550

3.5 The data shows that whilst much has been achieved, there is still a considerable number of children living in poverty (as defined by households with less than 60% of the median income). To date much of the government activity has concentrated on worklessness households, but as the table demonstrates child poverty within working households is a major issue too. It is also important to note that helping a workless household into employment will not automatically mean children will come out of poverty if the job is a low pay job. As such, employment with progression is essential.

Halton has already signed up to a child poverty target within the new Local Area Agreement. The 2007 baseline was that 27% of children (in workless households only) lived in poverty and the target is to reduce this to 24.2 by the end of the LAA. This is a major challenge as nationally the reduction is rapidly slowing – in 2007 the reduction for Halton was only 0.4%. Also. The target will be subject to refresh as the method of calculation is to change to include both workless and in-work child poverty.

3.6 In terms of developing this work at CES and borough level the strategic priorities identified for securing improvements are:

- Reducing poverty through work
- Reducing poverty through raising incomes
- Tackling poor living conditions
- Focussing delivery on at-risk groups

- Engaging with users
- Establishing clear governance and accountability mechanisms.

3.7 Some of the key challenges identified locally are:

- The need to have an increased focus upon family-friendly policies and maximise the opportunities provided by children's centres;
- The transition from school to adulthood, with a particular focus upon vulnerable groups;
- The need to be explicit locally about in-work poverty, the scale of it and reasons behind it;
- Stronger evidence and data base

3.8 The next step is to support the development of a Merseyside Child Poverty Strategy. When this has advanced Halton will then need to develop its local action plan. Given that child poverty issues affect all partners on the LSP, it is proposed that the action plan be developed through that route. The first step would be to deliver a short presentation to the LSP Board.

#### **4.0 POLICY IMPLICATIONS**

4.1 The Community Strategy has a cross cutting improvement target for child poverty. This is to reduce the number of children living in income support eligible households to under 20%.

#### **5.0 OTHER IMPLICATIONS**

None

#### **6.0 IMPLICATIONS FOR THE COUNCIL'S PRIORITIES**

##### **6.1 Children and Young People in Halton**

Tackling child poverty is a key priority for narrowing the gap in achievement for young people in the Borough and improving their outcomes enabling them to be health, be safe, to enjoy and achieve, make a positive contribution and achieve economic well being.

##### **6.2 Employment, Learning and Skills in Halton**

Tackling workless and the development of the local workforce to enable them to participate in the Regional Economic Strategy is key to address child poverty in the Borough.

##### **6.3 A Healthy Halton**

Health inequalities are experienced by the poorest and most vulnerable members of the community. Targeting reducing poverty will impact positively on reducing health inequalities.

#### **6.4 A Safer Halton**

Reducing inequality and poverty in families will contribute towards the improved well being of children. Poverty places pressures upon families. There is a correlation between referrals to Children in Need and super output areas.

#### **6.5 Halton's Urban Renewal**

As demonstrated by the statistics in paragraph 3.4, there are a large number of children in poverty where households are in employment. This is a significant issue in Halton where many jobs are low paid. As such, diversifying the economy and attracting higher value investment and higher paid jobs is very important. The work of Urban Renewal is central to this.

### **7.0 RISK ANALYSIS**

7.1 The most significant challenge to Halton in relation to child poverty in working households would be to target them proactively. Whilst there is some high level data sharing that is available to enable this to take place, Jobcentre Plus will not share data due to Data Protection Issues. This is the subject of high level discussions relating to the Multi Area Agreement. As such, the biggest risk is that Jobcentre Plus will continue to resist sharing and make the task more challenging.

### **8.0 EQUALITY AND DIVERSITY ISSUES**

8.1 Traditionally the emphasis on tackling child poverty has been to focus on the unemployed. This approach has excluded large numbers of children from support where there is a working household. As such, this move the look at working households is seeking to correct this exclusion.