Child Poverty Update

Report of the Corporate Director of Children’s Services

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Summary
This Report outlines the Council’s responsibilities under the Child Poverty Act 2011 and describes what the latest data shows.

Recommendations
The Children’s Services Select Committee is recommended to:
(i) Note the contents of the report for future policy-making implications
(ii) Monitor the effectiveness of BandD together; the joint Council, public and third sector response to poverty in the Borough.

Reasons
Child Poverty and general poverty is widespread across the borough and affects all council services. Tackling poverty and mitigating its impacts contributes to all Council priorities. The Child Poverty Action Group (CPAG) estimates the annual cost of child poverty in the Borough at £178m.¹

1. Introduction and Background

1.1 The local authority’s statutory responsibilities under the Child Poverty Act 2010 are to prepare:
• a local child poverty needs assessment setting out the needs of children living in poverty in the area and;
• a child poverty strategy ‘to set out the measures that the (authority) proposes to take for the purpose of reducing, and mitigating the effects of, child poverty in the responsible local authority’s area’.²

1.2 The LBBD Child Poverty Needs Assessment was published in April 2011. This analysis:
• outlines the commitment to tackle the issue;
• describes the characteristics of child poverty in the Borough;
highlights the role of key services in identifying at risk groups and;
includes a summary of key indicators at locality and ward level.

1.3 The LBBD Anti-Child Poverty Strategy was published in June 2011iii. This challenges all services to:
• identify key issues and drivers within their service; and
• monitor the impact of poverty on their services.

A key aim is to ensure that services work together to mitigate the impacts to make sure that at least their actions are not in conflict with each another. Governance of the strategy is shared between the Living and Working (LaW) Board and the Children’s Trust.

1.4 The child poverty indicators identified for Children’s Services are linked to the Children and Young People Planiv currently:
1. Benefits take up including Free School Meals
2. Numbers and Proportions of vulnerable groups in Education, Employment and Training
3. Educational (school) performance data
4. Proportion of residents achieving Level 2 and 3 at 19
5. Proportion of residents gaining places in higher education

1.5 The DfE Child Poverty Basket of indicators was published in 2012v. This lists and ranks the main indicators in each authority (see Appendix 1)

1.6 The DfE has recently published information for local authorities on a range of support available to help tackle child poverty 2013-14vi

1.7 The London Poverty Profile 2013vii was published by Trust for London, the largest independent charitable foundation in this field in London in October 2013. This provides more up to date data including the effects of the recession (see Appendix 2)

2. Issues for the Borough

2.1 The official measure for child poverty is the proportion of children living in households receiving less than 60% below national average income. In August 2011 the latest borough figure was 33.6% so over a third of children are currently living in poverty. Adjusted for household size this equates to incomes below:
• £301 per week for a lone parent with two children (aged 5 & 14).
• £384 per week for a couple with two children (aged 5 & 14).

Wards with the highest levels of poverty are:
  o Heath (39.6%)
  o Gascoigne (39.2%)
  o Village (37.3%)
  o Thames (36.9%)
  o Alibon (35.6%)

2.2 Due to the recession relative poverty is falling but material deprivation and absolute poverty are rising and the Borough’s position relative to other authorities is
unchanged - currently 8th worst in London, 9th worst in England and 12th worst in the UK.

2.3 However, figures from the latest London Child Poverty profile 2013 showing the effects of the recession and the early effects of the welfare reforms are disturbing and indicate that the Borough’s position is worsening in a number of areas

- Barking and Dagenham’s employment rate is the lowest in London with almost 10% of working age people unemployed
- The proportion of 19 year olds lacking Level 3 qualifications (equivalent to A levels) is the lowest in London
- Mortgage repossession/ landlord possession orders are the highest in London (13.8%/28.5 per 1000 respectively)
- The proportion of private renters claiming Local Housing Allowance (LHA) is at 47% the second highest in London. This is important as LHA is the benefit most affected by welfare changes.

2.4 The Borough’s worsening position is due to its low employment rate, relatively low levels of qualifications (despite dramatic improvements in GCSE results at 16) and high proportions of low paid residents, the working poor

2.5 Our local Child Poverty Strategy and Needs Analysis will be refreshed in 2014 to coincide with the publication of new official data and the new National Strategy, due in April 2014. This will take into account feedback from the recent consultation on a multidimensional approach to child poverty measures.

3. BanD Together (see Appendix 3)

3.1 BanD together is an umbrella group formed as a response to the poverty crisis in the Borough. It comprises representatives from the Council, public and third sectors with the support of the local MP, Jon Cruddas. It has three main aims:

- strengthening communication and engagement;
- meeting immediate need and;
- developing sustainable solutions through community empowerment

3.2 BanD together was officially launched in November 2013. Actions to date include:

- Initiatives to coordinate food collections and food banks across the Borough
- The commissioning of an internet portal to share information on services, Community Connect
- Pop-up events to raise awareness of financial capability, the Credit Union and volunteering opportunities, e.g. through Made of Money courses now running in Children’s Centres
- Fuel poverty initiatives such as the Big Switch and the Warmer Homes project.

4. Further details on Impact of Welfare Reform

4.1 For further details on the impact of welfare reform on poverty please see separate report ‘Impact of Welfare Reform’.
Background Papers Used in the Preparation of the Report:


- Children and Young People Plan 2011-2016 [http://www.lbbd.gov.uk/ChildrenAndYoungPeople/CYPP/Pages/CYPP.aspx](http://www.lbbd.gov.uk/ChildrenAndYoungPeople/CYPP/Pages/CYPP.aspx)


List of appendices:

Appendix 1- DfE Child Poverty basket of indicators
Appendix 2- Presentation London’s Poverty Profile 2013
Appendix 3- Presentation – Child Poverty BanD Together

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ii Child Poverty Act 2010, Clause 23 (2)

iii [http://www.lbbd.gov.uk/ChildrenAndYoungPeople/ChildPoverty/Pages/Home.aspx](http://www.lbbd.gov.uk/ChildrenAndYoungPeople/ChildPoverty/Pages/Home.aspx)

iv Children and Young People Plan 2011-2016

v [http://media.education.gov.uk/assets/files/xls/l/local%20child%20poverty%20basket%20of%20indicators.xls](http://media.education.gov.uk/assets/files/xls/l/local%20child%20poverty%20basket%20of%20indicators.xls)

vi Information on support available to help tackle child poverty 2013-14 DfE June 2013