Report to:	Cabinet	Date of Meeting:	24 June 2021
Subject:	Development of Child Poverty Strategy		
Report of:	Executive Director	Wards Affected:	(All Wards);
Portfolio:	Cabinet Member - Communities and Housing		
Is this a Key Decision:	N	Included in Forward Plan:	Yes
Exempt / Confidential Report:	No		

Summary:

In 2012, Parliament voted to modernise the welfare system and Universal Credit remains the biggest transformation of the welfare state, forming a key part of this Government's action to reduce reliance on benefits and increase incentives to work.

For the last seven years Sefton Council and key partner agencies across the private, voluntary, community and faith sectors have worked collaboratively to mitigate the risk of the changes to the welfare system on residents in receipt of benefits. These efforts were increased in 2017 as Universal Credit began to be rolled-out across Sefton.

As a result of the unprecedented times experienced due to the COVID-19 outbreak the impacts upon welfare reform and anti-poverty have been felt across Sefton's communities. The Welfare Reform and Anti-Poverty Partnership (WRAP) and Cabinet Member Reference Group has been, and continue to be, responsive to community needs and have been considering the evidence base and impact of child poverty within Sefton

In addition, the Council declared a poverty emergency at its meeting 4th March 2021 as follows:

RESOLVED: That:

This council notes the increase in food bank use around the country and in Sefton in particular.

Council also notes fuel poverty is also very evident in Sefton with the number of households being fuel poor being higher than the national average.

This council notes that the highest single reason for need is 'low income'.

Council also notes the success of the progress of the Climate Emergency declaration and that by aligning this with a Poverty Emergency believes that a commitment to a People and Planet approach will aid recovery and renewal.

This council believes it is time for change and that recognising socio-economic deprivation is an equality issue.

Therefore, this council resolves to:-

☐ Declare a Poverty Emergency.
☐ Ensure that the poverty emergency workstream sits alongside the Climate Emergency Declaration workstream.
☐ Develop a poverty emergency strategy which takes a people and planet approach.
☐ Take a collaborative and evidence-based approach, working more closely with health, trade unions, further education facilities and community groups.
☐ To share our approach with other councils and the LGA as best practice.

Recommendations: That

(1)   the welfare reform and anti-poverty update as detailed within this report be noted;

(2)   the development of a childhood poverty strategy be approved, and

(3)   The resulting strategy be submitted to a subsequent Cabinet meeting for approval.

Reasons for the Recommendations:

To highlight the work of the WRAP Partnership and Member Reference Group and to gain approval for the development of the strategy.

Alternative Options Considered and Rejected: (including any Risk Implications)

None

What will it cost and how will it be financed?

(A)   Revenue Costs

There are no significant revenue costs associated with this recommendation and any expenditure on the development of the strategy will be contained within existing resources.

(B)   Capital Costs

There are no capital costs associated with this recommendation.

Implications of the Proposals:

Resource Implications (Financial, IT, Staffing and Assets): **There are no resource implications**
Legal Implications: **There are no legal implications**
Equality Implications: The equality implications are positive. A childhood poverty strategy will redress the negative impact of poverty exacerbated by the COVID pandemic. The strategy will build

resilience through strategies to prevent families falling into poverty, early support to help those already in difficulty and long term strategies to sustain community resilience.

Climate Emergency Implications:

The recommendations within this report will

Have a positive impact	Y
Have a neutral impact	N
Have a negative impact	N
The Author has undertaken the Climate Emergency training for report authors	N

Fuel poverty mitigation is one on-going area that fulfils the Council's aims around both the climate emergency and the child poverty strategy. Others will be identified through the course of the strategy development.

Contribution to the Council's Core Purpose:

Protect the most vulnerable:
The child poverty strategy will enable the Council to protect the most vulnerable children and young people within available resources.

Facilitate confident and resilient communities:
The strategy will focus on early intervention and prevention, working with communities to develop relevant and responsive interventions to build resilience against the drivers of poverty. Actions will improve mental wellbeing, addressing stigma and exclusion; improve digital inclusion; increase family income and improve opportunities for employment.

Commission, broker and provide core services:
The Council will work with partners across the statutory, community, voluntary and faith sectors to ensure supportive and enabling services are in place to support families.

Place – leadership and influencer:
The strategy will enable the Council to provide leadership through engagement, consultation and coproduction of strategies that prevent and mitigate against the impact of child poverty.

Drivers of change and reform:
The strategy will ensure that policy, service provision and initiatives help to reduce the level of child poverty recorded in Sefton.

Facilitate sustainable economic prosperity:
The strategy will raise the profile and importance of anti-poverty actions to protect our most vulnerable residents and promote a fairer and more sustainable economic environment.

Greater income for social investment:
This strategy is unlikely to create additional income for social investment.

Cleaner Greener
The climate change impacts will be monitored across the strategy development.

What consultations have taken place on the proposals and when?

(A)   Internal Consultations

The Executive Director of Corporate Resources and Customer Services (FD.6412/21) and the Chief Legal and Democratic Officer (LD.4613/21.) have been consulted and any comments have been incorporated into the report.

(B)   External Consultations

The Welfare Reform and Anti-Poverty Partnership have been and will continue to be engaged in the strategy development.

Implementation Date for the Decision

Following the expiry of the "call-in" period for the Minutes of the Cabinet Meeting

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Appendices:

The following appendices are attached to this report:

Child Poverty in Sefton and impacts of the Coronavirus Pandemic – Discussion Paper

Background Papers:

There are no background papers available for inspection.

1. Background

1.1 In 2012, Parliament voted to modernise the welfare system and Universal Credit remains the biggest transformation of the welfare state, forming a key part of this Government's action to reduce reliance on benefits and increase incentives to work.

1.2 For the last seven years Sefton Council and key partner agencies across the private, voluntary, community and faith sectors have worked collaboratively to mitigate the risk of the changes to the welfare system on residents in receipt of benefits. These efforts were increased in 2017 as Universal Credit began to be rolled-out across Sefton.

1.3 The Welfare Reform and Anti-Poverty (WRAP) Cabinet Member Reference Group is chaired by the Cabinet Member for Communities and Housing and its membership includes Cabinet Members for Adult Social Care, Health and Wellbeing and Regulatory, Compliance and Corporate Services, and senior officers for Communities, Health and Wellbeing, Strategic Support and Customer Centric Services.

1.4 The reference group provides the main forum for strategic discussions about WRAP including receiving and responding to policy developments, consultations, approaches to work jointly with other organisations, and ideas for local action. The reference group contributes to and works collaboratively with the WRAP Partnership Steering Group in the development and delivery of the local Partnership Action Plan.

2.0 Partnership Action Plan 2020/21

2.1 The Partnership Action Plan 2020/2021 was driven by the overarching vison for Sefton 2030 as a confident and connected borough with the aim to:

- Create conditions which enable everyone to fulfil their long-term potential
- Support vulnerable adults and families and keep them safe, healthy and as independent as possible
- Work in partnership across sectors to support the residents of Sefton as early as possible

2.2 The plan set out how we will achieve improvement across the partnership focussing on four structural priorities: Local Intelligence, Referral Pathways, Workforce Development, Sustainability and four developmental proprieties:

1. Money Management
2. Friendship
3. Essentials
4. Fuel Poverty

2.3 As a result of the unprecedented times experienced due to the COVID-19 outbreak the impacts upon welfare reform and anti-poverty have been felt across Sefton's communities. The WRAP has been, and continue to be, responsive to community needs. For 2020/2021 the key issues are outlined below:

1. Community Resilience
- Access to food – holiday meals, shopping services, food pantries, community shop
- Access to services, including those accessing services for first time – Lydiate pilot

2. Mental Health and Wellbeing
   The pandemic has exacerbated mental health and wellbeing issues.
   Issues highlighted by the WRAP Partnership include the impacts upon mental wellbeing of:
   - redundancy and debt
   - loss of loved ones
   - family break-up

   The WRAP Partnership is an important and valued forum to be able to share service information and awareness to access to mental health and wellbeing support.

3. Digital Poverty
   Access to digital resources and digital confidence became the new great divide as a result of the pandemic. There has been a need to adapt services for those who do not have resources and/or lack confidence. Longer term implications of restrictions and the use digital for education, employment and engagement has been an important consideration of WRAP. The WRAP Partnership is a key forum to share information about support programmes and initiatives locally and regionally.

4. Universal Credit and Discretionary Funds
   Early in the pandemic it was seen that lower income families increased their use of high-cost products like credit cards and overdrafts as well as informal loans and monetary gifts to make ends meet without access to sustainable income. The period March – April 2020 saw a 39% increase in the number of people on Universal Credit in Sefton. For working families in poverty, the increase in Universal Credit was not enough to bridge the gap.

2.4 The Council has continued to support those who have been financially disadvantaged through ELAS, council tax reduction caseload, discretionary housing payments and exceptional hardship fund. The Council has also implemented the job retention scheme furlough, test and trace support payment to those self-isolating, kick start scheme to support young people to build their experience and help them move into sustained employment. Sefton Council is also implementing a debt respite scheme (breathing space) which will give someone with problem debt the right to legal protections from their creditors. This scheme includes additional protections for those experiencing mental health crisis.

3.0 Childhood Poverty

3.1 Childhood poverty is the first step to poor physical and mental health, and the largest impact on infant mortality is poverty.

3.2   On 1 April 2021, the Welfare Reform and Anti-Poverty Cabinet Member Reference Group received a detailed report in relation to child poverty in Sefton and the impacts of the Coronavirus pandemic (Appendix A). The report outlines indicators and drivers for childhood poverty, the impacts of growing up in a low impact household and the impact of the COVID-19 pandemic on the causes and consequences of poverty.

3.3   It was noted that there was an increasing trend of those in absolute low income and relative low-income families, and eligibility to free school meals prior to the pandemic.

3.4   It was discussed that for working families in poverty the increase in Universal Credit was not enough to bridge the gap.

3.5   The profile of jobs in Sefton highlighted in the report include retail, health and care, and hospitality and leisure. It was noted that these sectors are lower income, less likely to be able to work from home and include populations at higher risk of exposure to COVID-19.

3.6   It was reported that the pandemic has adversely impacted childhood poverty in a number of ways including:
- Household income
- Employment opportunities
- Access to services
- Cost of living
- Mental health
- Physical wellbeing
- Access to education, learning and development

3.7   Prevalence of mental distress was discussed. National research shows that those with poor mental health have a 50% higher likelihood of having a low income and are 70% more likely to experience persistent poverty.

3.8   Social mobility and pay potential were discussed. It was noted that Sefton has a relatively small gap in terms of education attainment but a large gap in pay potential in employment.

3.9   Cabinet Members were in agreement that the report should be the start of a call for action of prevention, mitigation and provision of immediate basic needs.. It is recommended that Cabinet supports the development of a Sefton Childhood Poverty Strategy that recognises socio-economic deprivation as an equality issue, aligns programmes taking place across the Council and partnerships, and provides strategic synergy to reducing childhood poverty in Sefton through collaboration and partnership. In developing a Sefton Childhood Poverty Strategy, mapping and engagement activities will be undertaken.