

Appendix A

Briefing to: Welfare Reform and Anti-Poverty Cabinet Members' Reference Group

Briefing from: Margaret Jones, Director of Public Health

Date: 1 April 2021

Subject: Report for discussion on Child Poverty in Sefton and impacts of the Coronavirus Pandemic

1. Background and introduction

Purpose of report

Growing up in conditions of poverty has long been recognised as a defining influence on health and wellbeing across the life-course and a persistent driver of health and income inequality. The term child poverty encompasses a wide range of experiences and impacts. These add up to a major set of challenges and obstacles that make it much more difficult for children to reach their potential as they grow and develop, whether in health and mental health, education and employment, or other life goals.

At a population level, child poverty is a strong predictor of future health and socio-economic disadvantage, but in some parts of England and in some groups of the population this relationship is weaker. Taking effective, wide-ranging action to protect children and families from the short- and long-term effects of poverty is a clear priority with benefits for everyone.

The purpose of this report is to provide the Welfare Reform and Anti-Poverty Cabinet Members' Reference Group with up to date information on the issue of child poverty in Sefton. The report will provide the basis for further discussion on current and possible future actions arising from the Coronavirus pandemic.

The report includes:

- Overview of key definitions and the main measures of child poverty and child deprivation
- Description of the scale and distribution of childhood poverty in Sefton, including trends and comparators
- Summary of drivers of child poverty and how these relate to health and social inequalities
- The impact of child poverty on life chances and opportunities
- The added impact of the pandemic on the causes and consequences of child poverty
- Responses to child poverty

Summary statistics

- The latest Government figures published in June 2020 for 2018-19 show that in Sefton 10655 (18%) of children and young people aged 0-19 were living in relative poverty, equivalent to 6 in a class of 30
- Individual Universal Credit Claims have increased by approximately 80% since then, including amongst young people of school-leaver age and adults who may be parents to children of school age. This gives an impression of the magnitude of the expected increase.

Summary of key points

- Pre-pandemic Sefton had a higher than average rate of workless families. Child poverty related to in-work low income families has grown significantly because of the pandemic. The number of individuals in employment and in receipt of Universal Credit was twice as high in January 2021 compared to March 2020.
- 16-24 year olds are already encountering higher unemployment, hardship and uncertainty. Higher growth in poverty amongst primary children is likely to continue.
- Children who are experiencing continuing or new in-work poverty may be at higher risk of experiencing the biggest deterioration in health, social and financial wellbeing related to the pandemic. It is important to note that these negative effects are common, serious and ongoing.
- Temporary and permanent changes in the labour market introduce a period of instability and uncertainty for many and a need to support new skills development and re-orientation for low income households who are also more likely to be experiencing a downturn in mental health.
- The expected impact of the pandemic on child poverty is an increase in health, social and income inequality – with a larger number of children at risk from poverty and a wider gap in those outcomes, which are most strongly associated with household income and community level deprivation.
- The impact of Coronavirus on need and inequality will require long-term action to mitigate impacts across the life-course. Equity-centred whole place approaches as set out in Health and Wellbeing Strategy and Children and Young People's Plan continue to provide the relevant framework to guide the response to changing patterns of need amongst children.
- Existing activities to prevent, mitigate and respond to income deprivation affecting children and families, which are championed through WRAP have an essential role to play. Important secondary benefits can accompany delivery of this support to families, e.g. enhancing social inclusion, demonstrating respect and boosting self-worth.

Recommendation

Cabinet Members of the Welfare Reform and Anti-Poverty Reference Group are requested to note this report for further discussion and identify any aspects where further information or mapping of support to changing needs may be required.

1. Overview of key definitions and the main measures of child poverty and child deprivation

There are four widely used measures of child poverty: children living in absolute low income families, children living in relative low income families, Income Deprivation Affecting Children, and Children Eligible for Free School Meals

Percentage of children under 16 living in absolute low income families¹

The Government updated its measures of absolute and relative child poverty in 2020. Children are counted in the 'Percentage of children (under16) living in absolute low income families' statistics if their family has claimed one or more of Universal Credit, Tax Credits or Housing Benefit at any point in the year and their gross personal income before housing costs from benefits/tax credits, employment and occupational pensions is less than 60% of the middle-ranking (median) household income *from 2010/11*, adjusted for inflation and family size.

This measure of absolute poverty is useful for understanding how low incomes are changing with respect to cost of living, anchored to a fixed point. A reduction in this measure would suggest that some low income families had experienced an increase in income above inflation.

Percentage of children under 16 living in relative low income families.²

The percentage of children in relative low income families is similar to the absolute measure of child poverty above, but sets the income threshold as 60% of the *current* UK median income – the 60% income threshold moves each year as the national range of household income changes. Relative low income is useful for understanding the proportion of children experiencing life in a low income household currently and how this situation compares to other areas.

A reduction in the percentage of individuals in relative low income can be caused when the threshold, based on current median income stays the same, or goes up, but low income households see a proportionately bigger increase. Alternatively, median income may fall overall, with lower income households falling less than the average.

Eligibility for free school meals

¹https://fingertips.phe.org.uk/profile/public-health-outcomes-framework/data#page/6/gid/1000041/pat/6/par/E12000002/ati/102/are/E08000014/iid/93701/age/169/sex/4/cid/4/page-options/ovw-do-0_car-do-0

² https://fingertips.phe.org.uk/profile/public-health-outcomes-framework/data#page/6/gid/1000041/pat/6/par/E12000002/ati/102/are/E08000014/iid/93700/age/169/sex/4/cid/4/page-options/ovw-do-0_car-do-0

Eligibility for Free School Meals is also based on being in receipt of a range of benefits. Some children who qualify for FSM will not be included in relative low income family statistics because their family income is above the threshold. Nevertheless, FSM eligibility is a valuable means of understanding changing patterns of need related to lower family income, both over time and from place to place.

This measure is important because it reveals inequalities in important outcomes in the early years of life, e.g. reaching developmental milestones and educational attainment. FSM is a stronger predictor of less good developmental and educational outcomes in some parts of the country and within some population groups than others. Places in which the link between FSM and less good outcomes in early life is weaker have been described as having better social mobility. The Government's Social Mobility Commission has continued to publish new research about factors that appear to be important in mitigating the impact of poverty on children's health and life chances.³

Income Deprivation Affecting Children Index (IDACI)

The Ministry of Housing, Communities and Local Government produces a multi-faceted measure of deprivation, called the Index of Multiple Deprivation or IMD⁴. This measure takes account of seven components of deprivation:

- Income
- Employment
- Education, Skills and Training
- Health Deprivation and Disability
- Crime
- Barriers to Housing and Services
- Living Environment Deprivation.

Whilst the measures of absolute and relative poverty outlined above are suited for understanding how many children are impacted by lack of financial resource to provide for basic needs, the IMD is useful for looking at areas where children are more likely to experience wider poverty of experience and opportunity, beyond family income.

IMD combines the domains listed above to produce a single score, which is usually simplified as a ranking from 1 (most deprived) to 10 (least deprived). The IMD measure speaks to the social and wider determinants of health and inequality model; for this reason, inequalities in important outcomes such as prevalence of health conditions or health behaviours, like smoking are often presented for the IMD groups 1-10.

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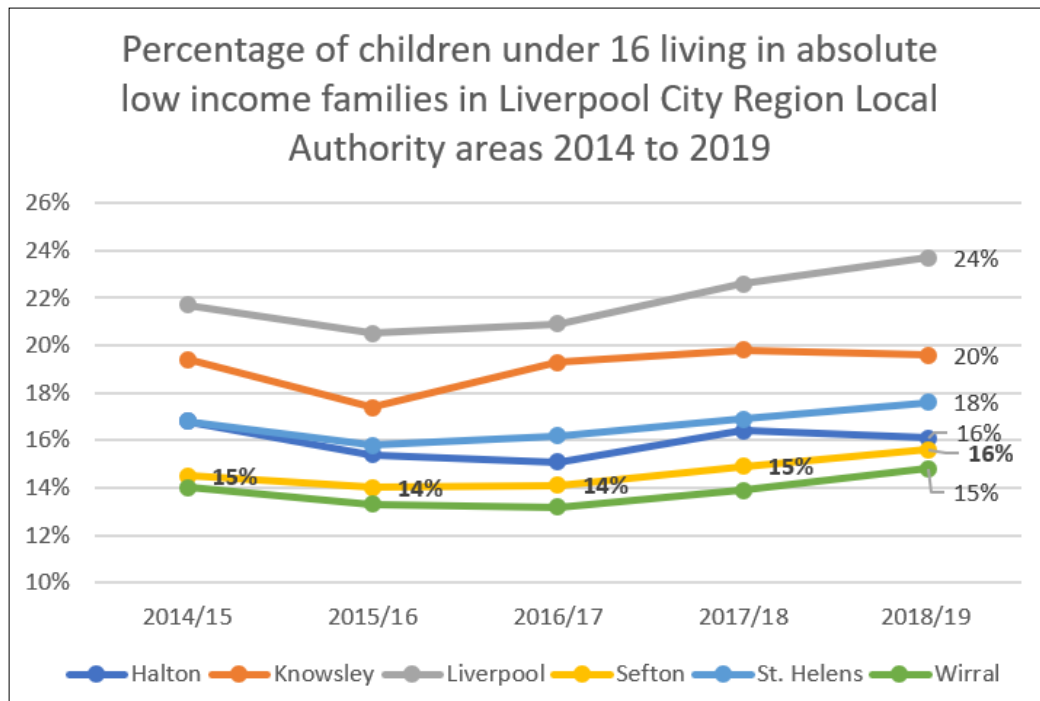
https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/923623/SMC_Long_shadow_of_deprivation_MAIN_REPORT_Accessible.pdf

⁴ <https://www.gov.uk/government/statistics/english-indices-of-deprivation-2019>

The Income Deprivation Affecting Children Index (IDACI, 2019) accompanies the IMD and measures the proportion of all children aged 0 to 15 living in income deprived families, whether in or out of work.⁵

2. Description of the scale and distribution of childhood poverty in Sefton, including trends and comparators

Absolute low income families

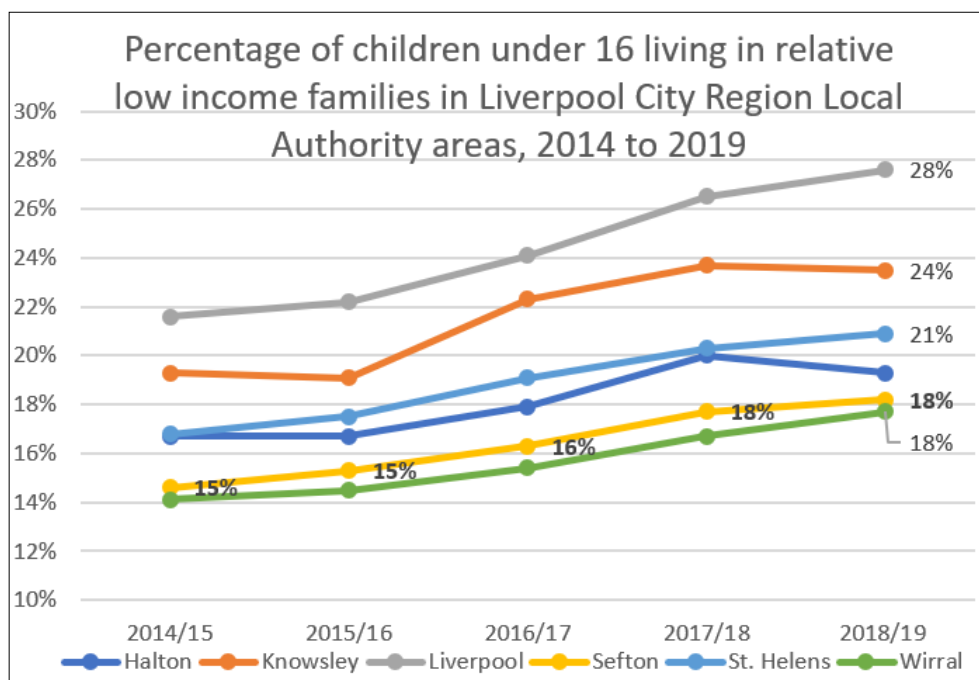


The graph has the latest data published June 2020 and shows that in Sefton

- 16% (7479) of children under 16 are classified as living in absolute low income families
- This is similar to the England average and previous years in Sefton
- This measure of absolute child poverty is lower in Sefton compared to the North West average (19%) and most other Councils in LCR

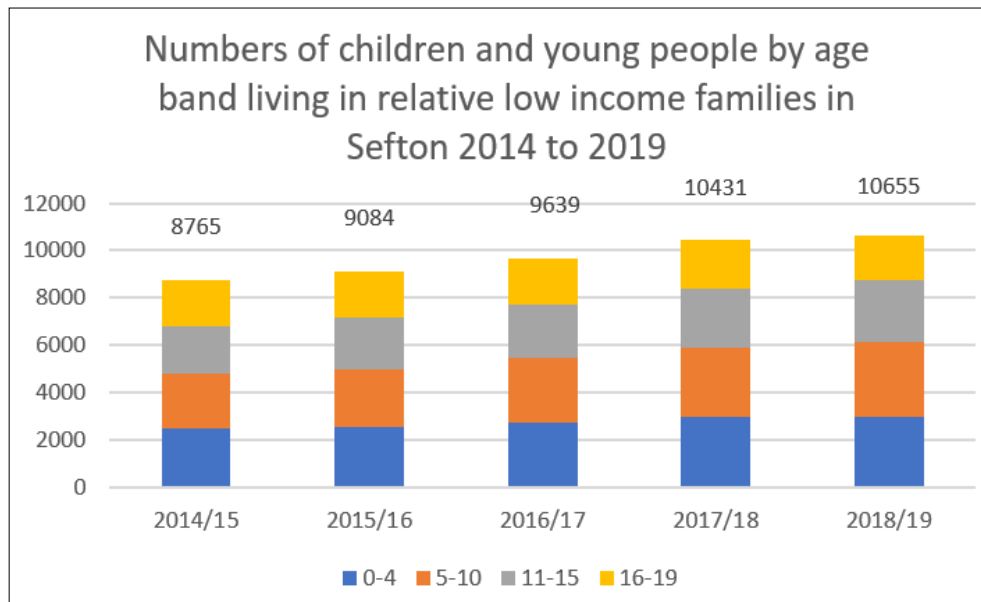
⁵ p30

Relative low income families⁶



- 18% (8733) of children under 16 are classified as living in relative low income families, similar to the England average
- This measure of relative child poverty is lower in Sefton compared to the North West average (23%) and most other Councils in LCR
- 7 out of the top 10 local authorities with highest relative child poverty are in the North West
- The proportion of children living in low income families rose from 15% to 18%

⁶ <https://www.gov.uk/government/statistics/children-in-low-income-families-local-area-statistics-201415-to-201819/children-in-low-income-families-local-area-statistics-201415-to-201819>



- The relative low income figures above include 16-19 year-olds in education
- From 2014/15 to date, the largest increase was amongst 5-10 year olds
- 58% of children who experience life in low income families in Sefton are

Taken together, these indicators show that in the five years leading up to the Coronavirus pandemic in 2020 a growing number and proportion of children in Sefton were living in low income households relative to typical household income in the UK; and although this trend had begun to level off a growing number of low income families were not seeing their income keep up with rises in cost of living.

Proportion of children eligible for free school meals - primary

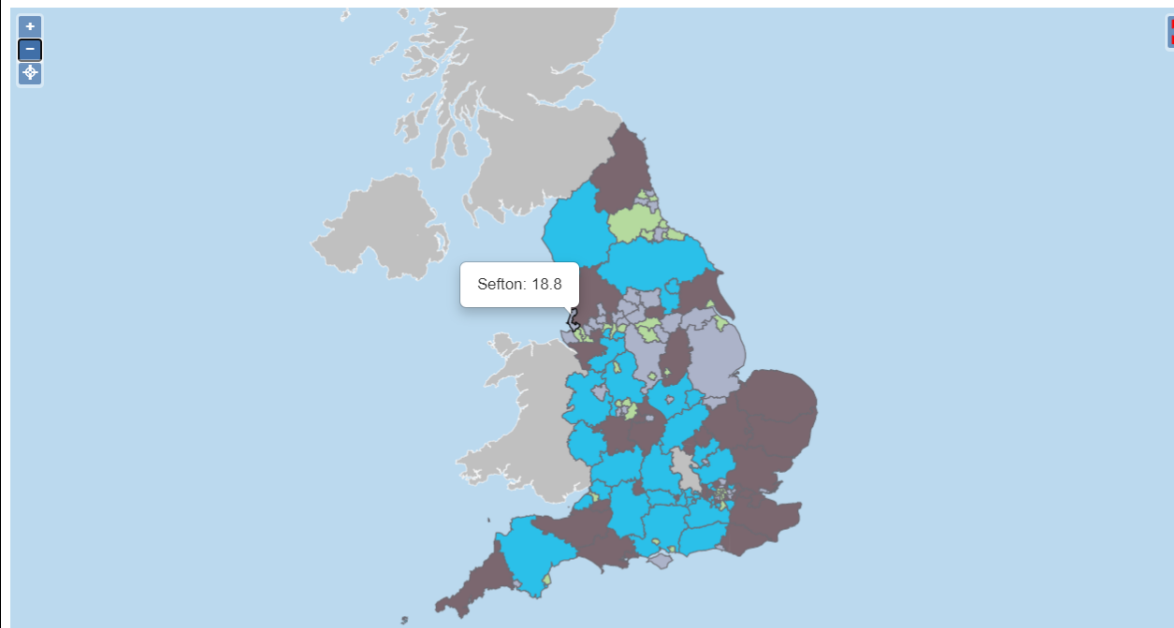
The map below shows the percentage of children in maintained nurseries and state-funded primary schools who are eligible and receiving free school meals (FSM) in local authorities in England.⁷ According to this latest data 1 in 5 of Sefton’s younger children are eligible for free school meals. However, there is ten-fold difference between the highest and lowest proportion of children when the location of schools is broken down to ward level.

⁷ https://lginform.local.gov.uk/reports/lgastandard?mod-metric=2173&mod-area=E08000014&mod-group=AllSingleTierAndCountyLainCountry_England&mod-type=namedComparisonGroup

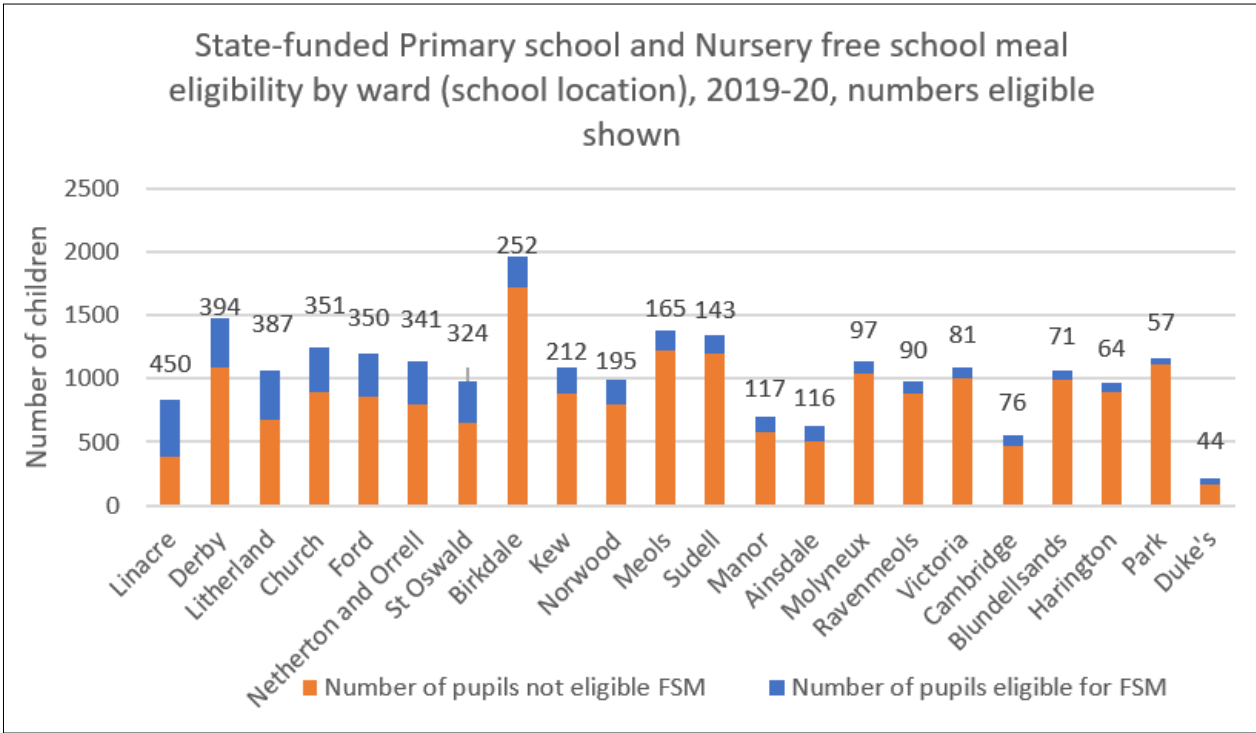
Percentage of nursery and primary pupils with free school meals (2019/20 (academic)) for All English single tier and county councils

Quartiles within All English single tier and county councils

0.0 ≤ 13.9 13.9 ≤ 17.7 17.7 ≤ 22.7 22.7 ≤ 33.2



- In 2019/20 academic year 18.8% (4376) of primary age children in Sefton were eligible for free schools meals
- This is similar to England and lower than the North West average (20.8%)
- Sefton has seen a recent increase in eligibility from 15.7% in 2017/18

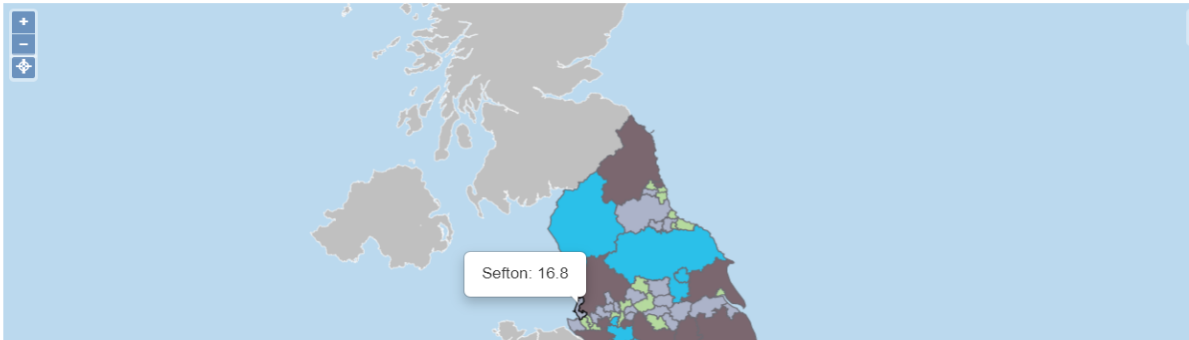


- There are children living in low income families in all parts of Sefton
- The lowest FSM eligibility for children attending school in Park ward is 5%; FSM eligibility is highest in Linacre ward is 54%
- Primary schools situated in Litherland, St Oswald, Netherton and Orrell, Ford, Church, and Derby have over 25% of children attending who are eligible for FSM

Proportion of children eligible for free school meals – secondary

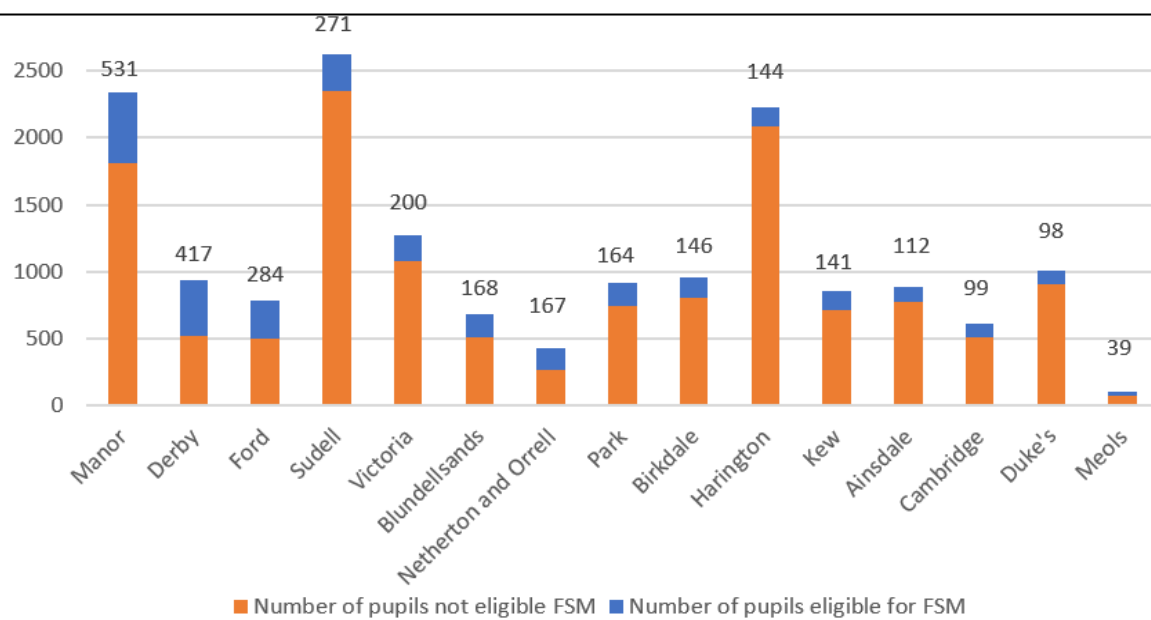
The map below shows the percentage of children in state-funded secondary schools who are eligible for and receiving free school meals in local authorities in England⁸. According to this latest data 1 in 6 of Sefton’s older children and young people are eligible for free school meals. Secondary school catchments are larger and not every ward has a secondary school located within its boundary. However, there remains notable variation ranging from 7% FSM eligibility for schools located in Harrington ward compared to 44% eligibility for school located in Derby ward.

Percentage of secondary school pupils with free school meals (2019/20 (academic)) for All English single tier and county councils



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grc

- In 2019/20 academic year 16.8% (2693) of secondary age children attending school in Sefton were eligible for free schools meals
- This is similar to England and lower than the North West average (20.2%)
- Sefton has seen a recent increase in eligibility from 13.7% in 2017/18

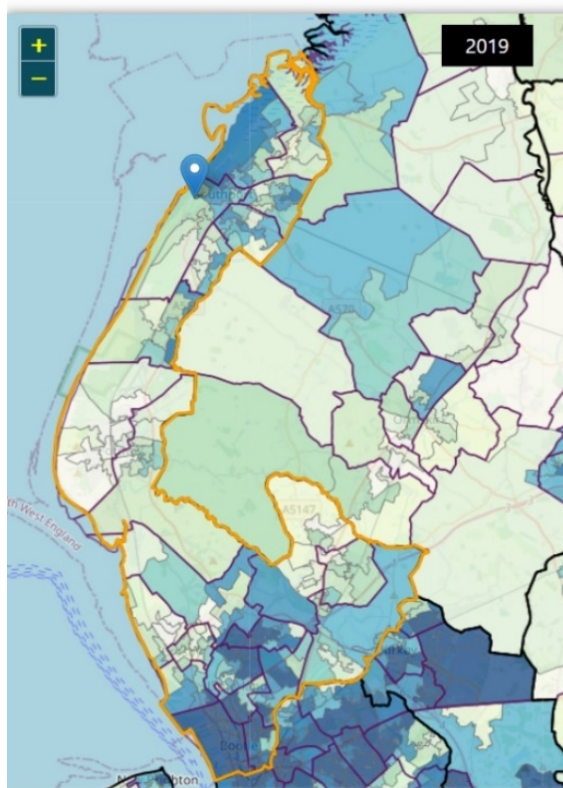


- Secondary and special schools situated in Derby, Ford, Netherton and Orrell, and Meols have FSM eligibility over twice the national average (range:36-44%).
- Schools situated in Manor, Blundellsands and Park wards have rates of FSM eligibility above the national average, (range 18to 25%)
- Uptake of the FSM offer is 73%. Most schools with lower uptake have a lower proportion of FSM eligible pupils. Possibly this pattern may reflect

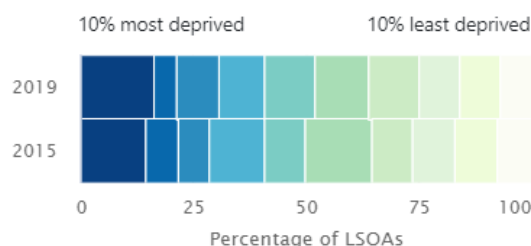
Income Deprivation Affecting Children (IDACI)

The map below⁹ shows IDACI at a neighbourhood (Lower Super Output Area, LSOA) level in 2019.

Income deprivation affecting children (IDACI) mapped to LSOA level in Sefton, with colour coding to indicate national ranking from 10% most deprived to 10% least deprived in 2015 and 2019



This chart shows the percentage distribution in 2019 and 2015 of LSOAs within Sefton, in each decile of the **Income Deprivation Affecting Children Index (IDACI)**.



- 31 out of 189 (16%) LSOAs in Sefton are in the top 10% most deprived LSOAs nationally.
- Between 2015 and 2019 the number of LSOAs in the most deprived group increased by 5, including 3 areas in Ford ward. All 31 neighbourhoods with the highest levels of income deprivation affecting children are in south Sefton
- Sefton has 5 LSOAs amongst the 1% most deprived in England and 5 LSOAs

⁹ http://dclgapps.communities.gov.uk/imd/ioid_index.html#

3. Drivers of child poverty and how these relate to health and social inequalities

Higher living costs, reduced earnings through job loss or benefit change, emergency costs such as replacing vital household goods, or a combination of factors can push families into poverty. Poverty is not caused by mismanagement of household income or reckless spending. The majority of children now living in poverty come from working households. Other risks associated with childhood poverty include, living in a large family, being the child of a teenage parent/s, having one or more disabled parents.

The main structural drivers of child poverty are:

Income

- Welfare and benefits policy

Reform to welfare policy has sometimes created financial disincentives to extend working hours, which contributes to patterns of long-term low income.

In the context of COVID-19 the furlough scheme, paying 80% of employee wages led to an important reduction in income, which was most acute for low income, in-work benefits claimants, even with a small increase in the standard universal credit payment. Periods of uncertainty surrounding income support schemes, notably in the early phase of the epidemic, and prior to announcements on extensions was associated with business closures and redundancies.

The statistics below give an indication of the increase in financial vulnerability caused by the pandemic.¹⁰¹¹

¹⁰ https://lginform.local.gov.uk/reports/view/lga-research/ficlga-research-report-financial-hardship-and-economic-vulnerability?mod-area=E08000014&mod-group=AllSingleTierAndCountyLaInCountry_England&mod-type=namedComparisonGroup

Universal Credit Claimants increase

- In March 2020 15920 people in Sefton were in receipt of Universal Credit, of whom 5056 (32%) were in employment
- By May 2020, an additional 9581 Claimants had been added – 3238 (64% increase) in in-work claimants and 9581 (58% increase) not in work
- In December 2020, the total is 27 249 claimants, which includes 10 012 (37%) in employment. This figure has almost doubled since March and the not in work portion remains 60% higher than before the first lockdown
- Compared to January 2020, the number of Universal Credit Claimants one year later is 82% at higher.
- This jump is seen across all age groups. 18-21 year-olds had the highest rate of universal credit claims in March (7%) and remain the group with the highest proportion of claimants - 12%, which is a third higher than the national average .
- The latest figures for children in workless households are published to regional level. At the end of 2019 11.5% of under 16s in the North West were living in workless households

Work-related benefits increase

- In March 2020 3.8% (6239) of 16-64 year olds in Sefton were claiming work-related benefits (GB average 3.2%)
- By May 2020 this had almost doubled to 7.3% (11985)
- In January 2021, the proportion of working age claimants remains high at 6.8% (11165 people), (GB average 6.2%).

Coronavirus Job Retention Scheme – furlough eligibility and uptake

- In Sefton 115900 employees were eligible for furlough under the Coronavirus Job Retention Scheme

- Delivery of benefits of benefits and employment support

Delivery of benefits services can be out of step with immediate financial pressures, resulting in additional hardship.

During COVID-19 the increased dependence on online service rather than in-person service interfaces created barriers to access for some, which were often most significant for those already in need of income support.^{12 13}

Digital inequality

- 49% of households on the lowest incomes do not have digital access
- Research into recent lived experiences of people living in poverty at the start of the pandemic captured this theme
“I'm sick of getting texts off the dole asking me to log on to my journal... I've told them before I have no internet. I have been trying to ring them but can't get through. I'm worried sick. Will I still get my payment which is due this week, do I have to be doing job searches? They are not really telling us much...”

¹² <https://www.cam.ac.uk/stories/digitaldivide>

¹³ <https://www.jrf.org.uk/blog/coronavirus-response-must-include-digital-access-connect-us-all>

- **Access to income support services**

Physical and mental health conditions, which occur more commonly in people living in areas of high deprivation, can make it more difficult for people to engage consistently with income and employment support services and work if this is appropriate^{14,15,16}. Access to affordable transport, formal and informal childcare can be additional barriers. Family income can be reduced in the short or longer

Health, mental health and income

- People with poor health have a 50% higher likelihood of a having a low income and are 70% more likely to experience persistent poverty
- Compared to the general population who do not report health problems, people who report a mental health problem are more than twice as likely to live in relative poverty
- Longstanding mental health problems are a leading cause of long-term unemployment
- Employment Support Allowance Statistics from 2018 in Sefton show that 4% of 16-64 year olds were in receipt of ESA because of a mental health disorder
- Sefton ranks amongst the most deprived local authorities in both the health and employment domains of the Index of Multiple Deprivation 2019 and had a significantly above average rate of sickness absence before the pandemic

The impact of the pandemic on mental health

- The pandemic has caused a large-scale deterioration in mental wellbeing at a population level, the scale and pace of this change is considered unprecedented in recent times
- Groups most affected were broadly, women, people in the 16-24 age group and those with pre-existing lower mental wellbeing

term as a result.

- **Dependability of income**

A key aspect of living on a low income home is the ability to forward plan and respond to unexpected adverse events. Insecure employment, periods of severe financial stress and problems with unmanageable debt have a debilitating effect on mental health and emotional wellbeing for parents and children and is an underlying cause of harmful coping strategies such as gambling, tobacco addiction, alcohol and other substance use. Interruptions to household income severely impact on families' ability plan financially and to recover from unexpected or periodic costs. The informal safety net available from family and friends in more affluent communities means that the financial impact from job loss, illness or bereavement are likely to be more serious and lasting for people on low incomes.¹⁷

¹⁴ <https://www.ifs.org.uk/uploads/R145%20for%20web.pdf>

¹⁵ <https://lginform.local.gov.uk/reports/view/lga-research/lga-research-report-indices-of-deprivation-2019?mod-area=E08000014&mod-group=ALLaInCountry&mod-type=comparisonGroupType>

¹⁶ <https://www.ifs.org.uk/publications/14876>

¹⁷

<https://www.ons.gov.uk/peoplepopulationandcommunity/wellbeing/datasets/parentalsplitestimatesonpersonalandeconomicwellbeingacrosstime>

Income, health risking behaviour and long-term health

Between April and December 2020 parents were more likely than non-parents to report they could deal with unexpected expenses 46% vs 27%; and were also more likely to report needing to use savings and remained more pessimistic about the financial outlook this year – 30% of parents believe 2021 will be worse for their household finances vs 23% of non-parents.

Chronic financial stress is an underlying factor in the higher prevalence of health risks in places and population groups affected by poverty. Managing on a low income makes the challenges of adopting and maintaining lasting behaviour change even greater. Exposure to these behaviours has direct and indirect impacts on the health and health behaviours of children. In time, the impact on health can affect ability to sustain employment. For example,

- In Sefton, 5.8% of adults earning a ‘professional’ level income smoke tobacco; but the rate is twice high amongst people who are unemployed and over 3 times as high (19.0%) amongst people in routine and manual occupations
- The rate of hospital admission related to alcohol is twice as high in areas with highest deprivation compared to the lowest
- Just over 1 in 40 of Sefton School Children had identified social, emotional and mental health needs in 2020. The recent and ongoing experiences of children in low income families. Unlike neighbouring LCR Local Authorities Sefton remains below the national average, but there continues a clear rising trend

Employment and the local labour market

The make-up of the local employment and labour market is a major determinant of income opportunity and future income potential for the local working age population, especially so for lone parents for example who depend more on jobs closer to home.

For children, the jobs that they are aware of in their local community have an influence on their expectations of employment and is linked to the concept of social mobility.

Jobs market and employment data for the whole of the financial year 2020/21 (covering the pandemic period) have not yet been published and the full impact of Coronavirus on jobs, the local economy, income inequality and childhood poverty will not be fully known for months, perhaps years to come. The statistics below highlight potential sources

vulnerability to low income families relating to the make-up of Sefton’s local economy and how this was affected by the pandemic.¹⁸¹⁹

¹⁸ https://lginform.local.gov.uk/reports/view/lga-research/ficlga-research-report-financial-hardship-and-economic-vulnerability?mod-area=E08000014&mod-group=AllSingleTierAndCountyLaInCountry_England&mod-type=namedComparisonGroup

¹⁹ <https://analytics.phe.gov.uk/apps/covid-19-indirect-effects/#:~:text=The%20Wider%20Impacts%20of%20COVID-19%20on%20Health%20%28WICH%29,COVID-19%20pandemic%20on%20the%20population%27s%20health%20and%20wellbeing.>

Where do people work in Sefton?

- In terms of numbers of business operations in Sefton, prominent sectors are
 - Construction, business admin and support, retail, Arts, entertainment, recreation and other service enterprises, accommodation and food, transport and storage, manufacturing, health, information and communications, wholesalers, property businesses, motor trade, not for profit organisations, financial and insurance, education
- In terms of employment of Sefton residents, the biggest employments sectors are (2019):
 - Wholesale and retail, repair of motor vehicles and motorcycles (16000)
 - Human health and social care (16000),
 - Public administration (9000)
 - Education (8000)
 - Accommodation and food (7000)
 - Professional, Scientific and Technical (6000)
 - Finance and insurance, transport and storage, manufacturing, construction, arts, Entertainment and recreation, other services and information and communications employ between (1000-5000)
 - Other sectors (1360)
- 7845 business have operation in Sefton. 9 out of 10 have 9 employees or fewer, including 1295 run by sole proprietors. 0.3% of businesses are classified as large employers with 250 or more employees. This picture is broadly typical of UK local authorities.
- In 2019, 46% of Sefton employees held jobs in the highest paying professional and managerial classification; this proportion is below the national average of 49%. A higher proportion of residents worked in administration and skilled trades (23%) and service care and sales (18%) categories. The proportion of employees in the lowest paying group of jobs – processing and elementary occupations, is lower than the national average (12%, vs 15%).
- A large proportion of Sefton's employers require people to attend work, and this is reflected in the profile of Coronavirus cases where employer/occupation is known. 27% of employees work in the public sector, compared to 21% nationally and the proportion of Sefton employees working in health and social care is notably higher than the national average (17%, vs 13%).
- Part-time working is more commonplace in Sefton (38% of employees vs 32% nationally), which may be a reflection of the need for more flexible working associated with Sefton's higher dependency ratio (ratio of economically active people to dependents)

Impact of Coronavirus on work

- In the year up to March, 2020 just before the first national lockdown, 4000 working age people not in employment wanted a job. For the year up to September 2020, including the first 6 months of social and economic restrictions due to Coronavirus, this figure had risen to 6900
- Over the same period the biggest reductions in available roles were in lower paying occupations including Caring, Leisure, Sales and Customer Service, Process and Machine Operators and elementary occupations
- 12% of all UK businesses experienced a drop in turnover of 50% or more due to Coronavirus
- Of significance in Sefton, accommodation and food service businesses were more severely affected with national data showing 32% reporting a high drop in turnover, and 60% of staff on furlough in May 2020 and 22% in November 2020
- Wholesale, retail, accommodation and food services saw the highest

Cost of living

- Cost of living is the other main balancing driver of child poverty. The main costs of living are housing and household utility bills, communication (phone, internet), household furniture and appliances, transport, and day to day material needs like clothes, food, books and toys. Managing these costs on a low household income is made more challenging when opportunities to price compare, find and take advantage of best value options and secure credit are constrained, e.g. by access to internet, private transport, savings, other prerequisites.

A good example is the link between obesity and food poverty. Living on a low income can mean that families do not have access to the financial means to equip, use and stock a kitchen where they live, cannot easily shop online, or regularly visit large supermarkets and invest surplus income in good value products. High energy, low nutrients, low cost foods that take little preparation, are available within walking distance from home and which are familiar and enjoyable are a rational and understandable choice for families in these circumstances.

National research shows that reductions in income and spending were common at the outset of the pandemic, but that families on low incomes and with few savings soon reported food and fuel poverty and rising debts, whilst higher income earners frequently reported a rise in savings because of the unavailability of non-essential services.^{20,21,22}

²⁰ <https://www.resolutionfoundation.org/app/uploads/2020/11/Caught-in-a-Covid-trap.pdf>

²¹ <https://www.trusselltrust.org/heriot-watt-research-2020/>

²²

<https://www.ons.gov.uk/peoplepopulationandcommunity/wellbeing/bulletins/personalandeconomicwellbeingintheuk/january2021>

Income impacts from the pandemic were widespread but unequal

- National research comparing incomes before and after the first national lockdown found that 23% of working age adults reported lower family income, almost half of new claimants saw income fall by over a quarter
- Parents were more than twice as likely to report reduced income, this peaked at 32% in May 2020, and had reduced to 18.1% in December 2020 (vs 10.8% non-parents)
- 81% of low income families reported lower income – those with income from employment were more likely to report this than benefits claimants not in employment pre-pandemic. 54% lowest income families had borrowed money to cover everyday costs
- 25% of adults reported reductions in household expenditure – higher income households whose income was maintained accrued savings
- 29% of families on lower income throughout the pandemic reported they could not afford daily heating costs or to have fruit and vegetables every day
- Food is the biggest day to day expense for low income families and loss of income from 80% furlough. not compensated for by increase in Universal

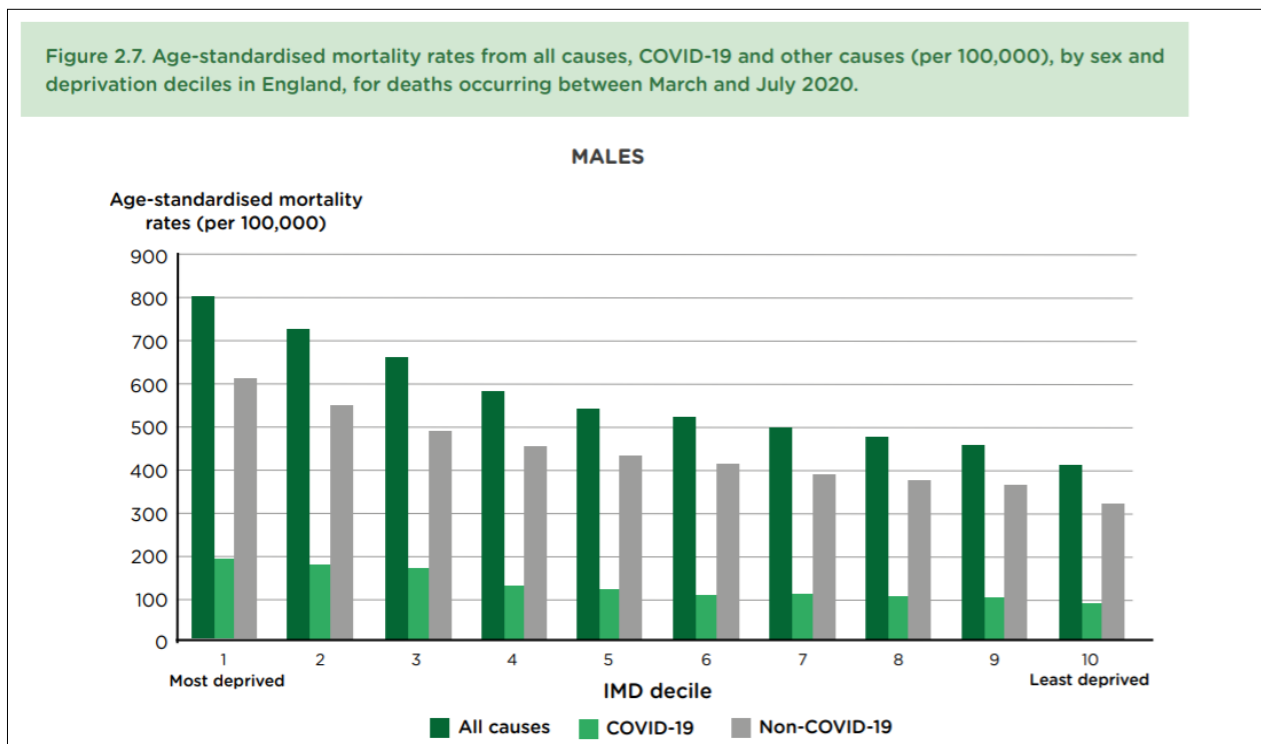
Income potential

- Managing costs living on a low income impacts quality of life, opportunity and social participation in day to day life. Over time, limits on these enriching experiences can affect how children see their place and their potential in the world.
- If parents and their children are to move into a more a more financially secure situation long-term this means developing greater income potential, for example through education, skills development, training and re-training. Sustained low income potential from one generation to the next is perhaps the major driver of entrenched patterns of health inequality in the UK. This is sometimes referred to as the cycle of poverty.
- Sefton has a slightly than average proportion of adults who have no qualifications (7.2%) and a lower than average proportion of adults with qualifications at or above NVQ level 4, which includes further education qualifications (33.9% in Sefton vs 40.3% nationally)
- Breaking this cycle for children cannot be fully achieved through single-focus interventions for example in education or parenting. Areas with higher social mobility benefit from other positive place factors – they are well connected, have high quality built and natural environments, diverse employment opportunities, and more integrated neighbourhoods that bring lower and higher income families closer together.
- Enabling more children to achieve to their potential and bridge the income gap in later life is now even more challenging. This is due to income-related barriers to home learning and exposure to a range of adverse childhood experiences that many children will have endured in the past year.

4. The impact of child poverty on life chances and opportunities

How do the drivers of poverty interact and what is the impact on children?

Thanks to the work of Michael Marmot, Margaret Whitehead and others the social gradient in health has become a familiar concept. The latest report of the Institute of Health Equity has many examples of worsening outcome moving in step with worsening deprivation.²³ The typical step-wise graph below shows death from Coronavirus, from other causes and from all causes for men in different IMD groups, from most to least deprived. With each step up the ladder of deprivation the risk of death goes up; at the extremes there is a two-fold difference in death rates, even after taking account of age.



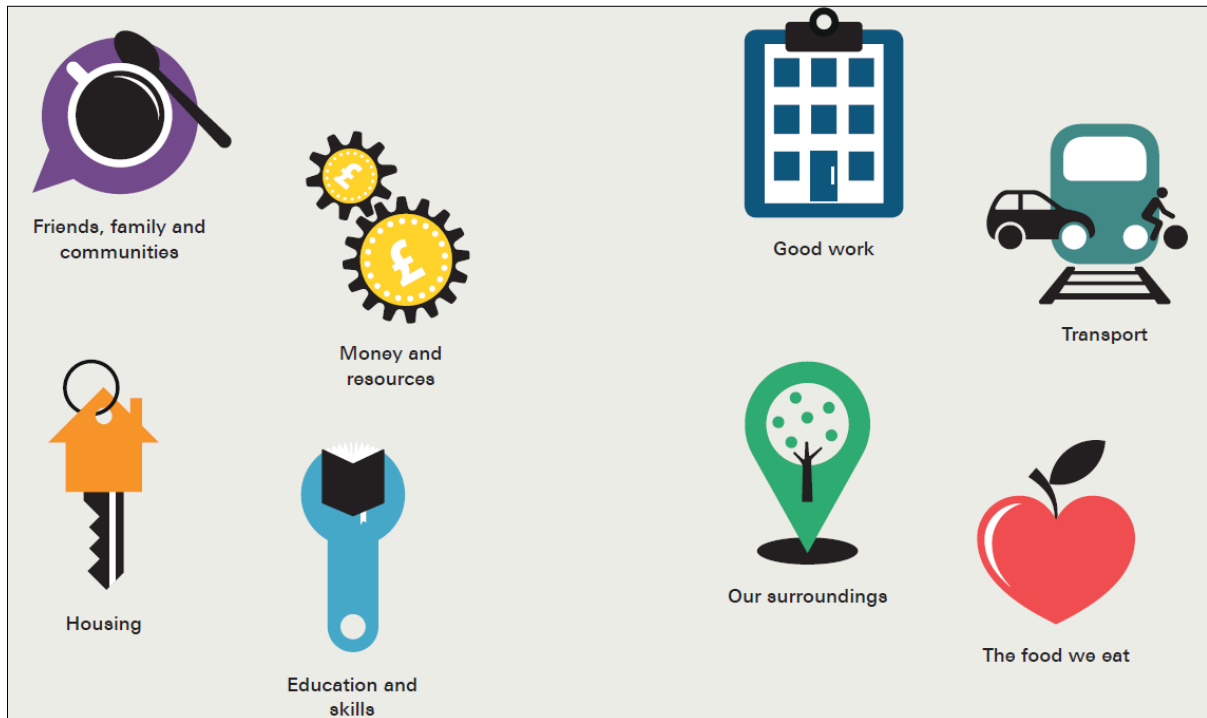
This stepwise social gradient is present to a greater or lesser degree for most health, social and economic outcomes from early childhood to older age. This is because the root cause of the difference in outcomes is the difference in the conditions in which we are born, grow, live, work and age. The resources, surroundings and experiences that define our childhood years significantly determine the opportunities available to children to help them grow, learn and develop their potential.

The most influential determinants are shown on the next page²⁴. When these are plentiful and high quality, the chances of experiencing good health and social wellbeing, gaining good qualifications and gaining income security through good employment is relatively high. But when these determinants are lacking, scarce or poor quality, children need to overcome a range of major obstacles and barriers if they are to attain similar outcomes to children growing up in less deprived circumstances. Most children are not in a position to do this, which leads to the predictable social gradient. The illustration on the

²³ <https://www.health.org.uk/publications/build-back-fairer-the-covid-19-marmot-review> p23

²⁴ <https://www.health.org.uk/sites/default/files/What-makes-us-healthy-quick-guide.pdf> p21

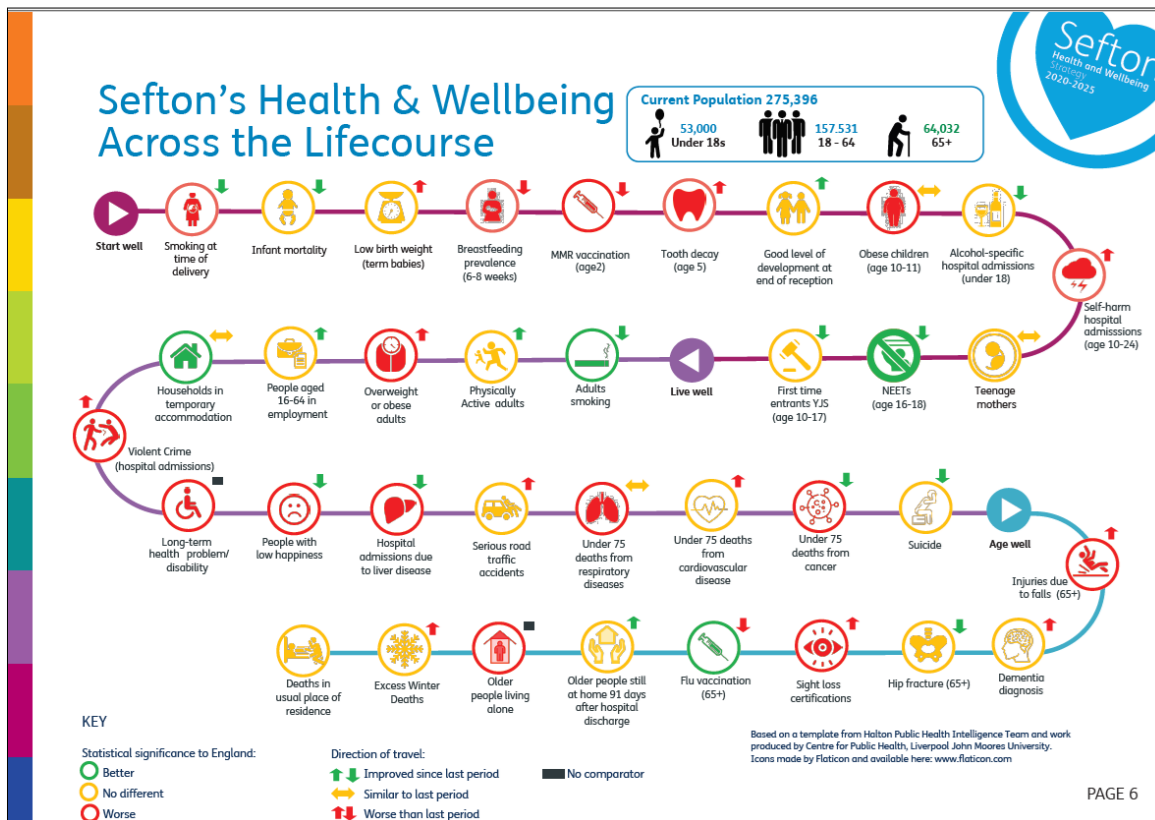
following page is from Sefton's Health and Wellbeing Strategy and shows what this looks like locally.



How does the landscape of social and wider determinants influence childhood experiences in low income families?

Gaps in these key areas of life tend to negatively reinforce one another. For example,

- Food poverty + poor housing + chronic parental stress => multiple challenges to effective learning both at school and at home
- Limited transport + poor quality neighbourhood environment + little or no money for treats and days out => narrower range of experiences and less direct knowledge of the opportunities open to children and young people
- Low education and skills + low money + similar in child's family and friends network => sets expectations and norms, exposure to adverse childhood experiences more likely

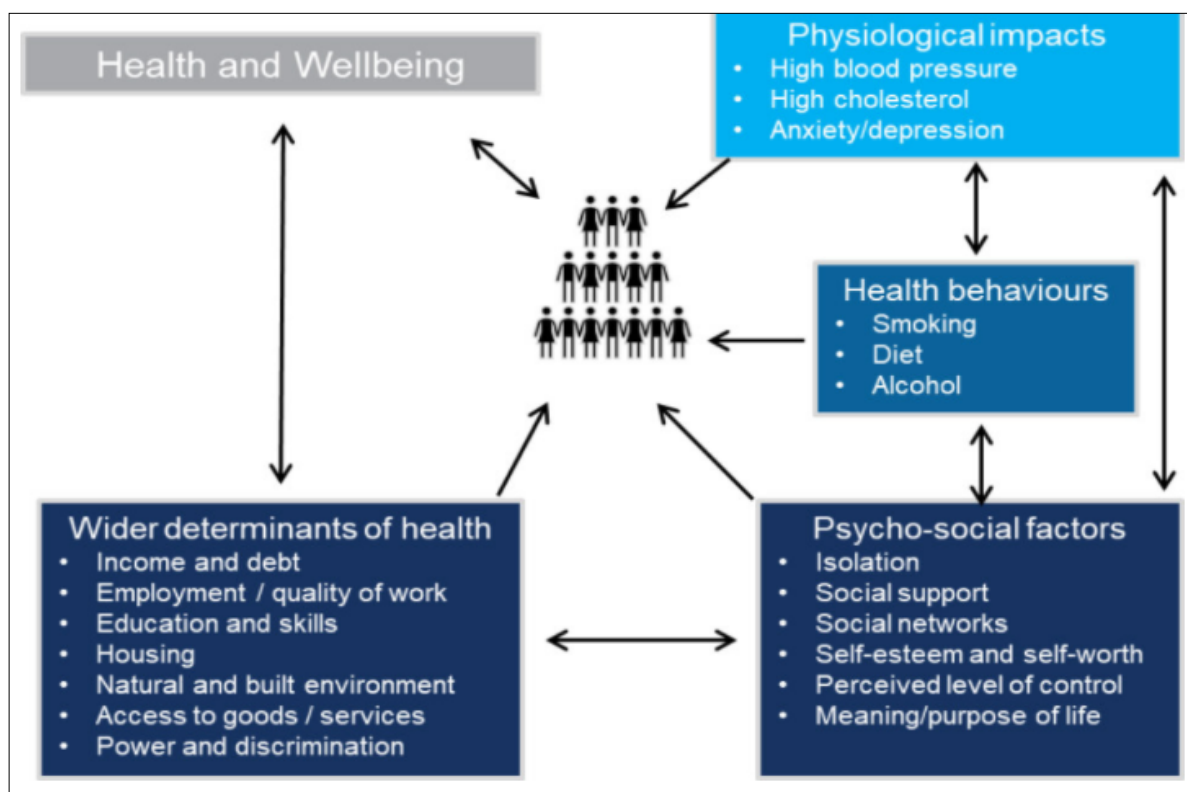


The impact on parents, families and children from financial and other stressors is shown below.²⁵The link between these determinants and psychological and social wellbeing is particularly important; both directly for the child's developing sense of self and self-worth and that of parents. As chronic stress moves into mental distress, harmful behaviours, and related health problems are much more likely to develop; providing a secure and supportive home-life becomes a growing challenge. Negative and traumatising experiences shape the child's expectations of adult behaviour and responses and can set in train future mental health and parenting difficulties.

A related psycho-social aspect is the increasing awareness of income inequality amongst children themselves. Their perceptions and experiences may lead them to feel

- Shame and stigma from not having desirable possessions, which have social status value amongst peers
- Excluded from fun activities with other families and friends because of transport, admission or equipment costs
- Stressed and insecure from living in housing that does not meet family's need for safe, adequate living space, privacy, studying at home and play
- Anxious because of times when typical expectations of children for food, warmth and clothing could not be fully met

²⁵ <https://www.gov.uk/government/publications/health-inequalities-place-based-approaches-to-reduce-inequalities/place-based-approaches-for-reducing-health-inequalities-main-report>



The balance of positives and negatives that make up the landscape of social and wider determinants in childhood accumulate and result in health, education and economic inequalities for children growing up in low income families compared to others.

Some examples using recent data for state-maintained mainstream schools in Sefton²⁶ are:

Inequality in educational outcomes

Indicator	Achievement - All pupils	Achievement - Pupils eligible for free school meals
% of children achieving a good level of development at the end of reception 2018/19	68.8%	53.5%
% of children achieving expected level in the phonics screening check in year one 2018/19	82.5%	69.9%

²⁶ <https://explore-education-statistics.service.gov.uk/>

Average Attainment 8 Score at Key stage 4 in mainstream 2019/20	47.6	35.6
Progression to higher education 2018/19	41.1% (top universities 11.0%)	23.3% (top universities 3.2%)

Some health and socially focused examples from national data are presented in the table below.²⁷ It's important to note that the risk captured here is comparing the extremes of social advantage and disadvantage – a minority of children experience any one of these outcomes and in some cases this minority is very small. Even so, the accumulation of possible setbacks and challenges that children and their families face is appreciable.

Inequality in health and social outcomes

Indicator	Increase in relative risk of outcome in most vs least deprived areas
Having a teenage mother	3.0 times higher
Mother who smokes in pregnancy	1.8 times higher
Being born at low birth weight	1.7 times higher
Difference in life expectancy at birth in Sefton comparing the 10% most and least deprived	Boys 12.5 fewer years life expectancy at birth Girls 11.8 fewer years life expectancy at birth
Being admitted to hospital when aged 0-4 or 10-14	1.4 times higher
Being obese in reception	2.2 times higher
Having visible tooth decay at age 5	2.9 times higher
Being obese in year 6	2.3 times higher
Being a child in care	2.3 times higher
Being a first time entrant to the youth justice system	2.2 times higher

Social mobility: the impact of child poverty and deprivation is not the same everywhere

Statistics like those in the tables above can give the impression that this pattern of worse outcomes is inevitable or fixed, but this is not the case. Stories of highly successful people who have overcome many obstacles and difficulties in childhood and gone on to attain influential and high earning jobs are widely promoted in our culture. However, this tends to over-emphasise the extent to which individual perseverance alone can win out over social inequality. What is less well publicised is the differences in outcomes for children experiencing similar levels of deprivation and

²⁷ <https://fingertips.phe.org.uk/profile/child-health-profiles>

low household income, living in different parts of the country. Research into the reasons why poverty is a weaker determinant in some places and possible policy responses has been championed by the Social Mobility Commission.^{28,29}

Social Mobility Commission key findings

- Earnings of young adults who grew up with the same level of socio-economic disadvantage are twice as high in places with high social mobility compared to those with of low social mobility
- Where social mobility high is young adults with the same qualifications will have little difference in earnings, irrespective of household income growing up
- In areas of low social mobility education only explains one third of differences in income, non-education factors, including socio-economic status of household in which the child grows up play a bigger part

Factors that are associated with higher social mobility are:

- Less deprivation overall,
- Fewer selective schools,
- Higher proportion of professional job opportunities in the local jobs market,
- Connected communities, including housing and public transport that bridge high and low income communities, and higher ethnic diversity

Quality of education plays an important part, but the evidence points to a far wider range of place-based determinants.

The latest report, *The Long Shadow of Deprivation*, shows that aspects of social mobility in Sefton are:

- Average pay of 28 year olds in receipt of free school meals at age 16 is £13 800
- Sefton is middle-ranking for the size of the income gap of young people from most and least disadvantaged families
- Sefton has one of the lowest gaps in educational attainment for children in the most and least disadvantaged families (top performing 20% of local authorities)
- Sefton has one of the widest gaps in pay for young adults with the same qualifications, but who grew up in most and least disadvantaged households (bottom performing 20% of local authorities)
- This emphasises the impact of other barriers and lower opportunities that prevent young people from disadvantaged backgrounds from realising their

5. The added impact of the pandemic on the causes and consequences of child poverty

So far, this report has set out information on;

²⁸ <https://www.gov.uk/government/organisations/social-mobility-commission>

²⁹

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/923623/SMC_Long_shadow_of_deprivation_MAIN_REPORT_Accessible.pdf

- what child poverty is,
- the different measures that are used to quantify and track it
- the main drivers that result in families and children living in low income households and how these have been affected by the pandemic in Sefton
- the other risk factors or social determinants that contribute to the pattern of less good educational attainment and health amongst children who grow up in low income households and in areas with greatest child income deprivation

What has Coronavirus meant for child poverty and its impacts on children?

Few if any of these challenges are things that children can control. Many parents will feel that that they have few options to alleviate the causes of the financial stresses they continue to face. The pandemic has hit existing low income families harder in all areas of life and has given many their first experience of financial insecurity and difficulties providing for basic needs.

The Wider Impacts of COVID-19 on Health tool developed by Public Health England draws out some of the differences in the experiences of households with incomes ranging from very low (£10 000 or less per annum) to very high (£120 000 or)³⁰.

Food Shopping

Lowest income individuals consistently made more trips to buy groceries per households and purchased smaller volumes. This is likely a reflection of needing to budget and spread costs, more limited food storage at home, reduced access to online shopping and delivery services and less access to private transport.

The result of this increased mobility is likely to have been more frequent exposure to Coronavirus.

At the beginning of the pandemic 29% of people on low incomes reported high stress in connection to food compared to less than 10% in other income groups.

Eating habits

Low income households were slightly less likely to report changes in eating habits, such as cooking from scratch more, eating more healthily, eating more snacks and processed foods and eating more with family.

Those on lowest incomes were more likely to report these as 'not done', which is possibly a reflection of unaltered constraints of food poverty and more single person or single parent households.

³⁰ <https://analytics.phe.gov.uk/apps/covid-19-indirect-effects/>

Outdoor space

People from low income households were three times more likely than most well off households to report they did not have access to garden space. The low income group was most likely to report access to communal garden space.

These differences are likely to have contributed to differences in mental wellbeing and physical activity amongst children from low income homes.

Physical activity

Lowest income groups showed the smallest change in physical activity to keep fit, averaging 16 minutes per day, whilst higher earners increased time spent exercising to 32 minutes per day, which likely reflects being to make more use of appropriate indoor and outdoor space for exercise amongst first-time home-workers.

Lower income groups were more likely to report doing zero days of physical activity (25%) compared to those on higher incomes (15%). This relationship is similar for children with 12.5% in lower income households reporting 0 minutes of exercise per day compared to 8% in high income households. The proportion of children meeting the recommended 60-minute target was similar, 18-19%.

Alcohol use

High risk drinking was higher in more affluent households during the pandemic. Low income groups had a larger proportion of non-drinkers (ethnicity may be an underlying factor), but also reported lower motivation to reduce high-risk drinking.

Smoking

Comparing smoking rates at September 2020 to baseline pre-pandemic, all income groups except the £15-20 000 group showed a fall in smoking. The size of the drop was largest in higher income brackets and the under £10 000 group. A small increase in the £15-20000 group may reflect high stress levels and reduction in income not immediately precluding the cost of tobacco. The cost of tobacco addiction is a known contributor to child poverty.

Home-schooling

Lower income groups in the £10 000 to £20 000 income range were the most likely to home-school during the first national closure of schools. Children in higher income households spent 20% more time on school learning; digital exclusion, especially in households with more children may partly explain this.

Households in the £10 000 to £15 000 bracket were least likely to report that their children were continuing to learn in lockdown (58%), compared to 80% of households in the £30 000 to £40 000 bracket.

This is likely a reflection of differences in school attendance, age of children, and access to online learning.

In September 2020, 15% of schools in high deprivation communities reported children were 6 months or more behind with learning compared to 2% of in low deprivation areas. No schools in areas of high deprivation reported pupils' learning was unchanged by disruption to schooling.

Relationship strain

50% of households in the £15-20 000 income bracket reported home-schooling placed family relationships under strain. This group also reported the highest rate of negative impacts on wellbeing of parents (38%) and children (53%) from home-schooling.

Negative impacts on parents' wellbeing were lowest in the £40-50 000 income group (13.6%). Reported negative impacts on children were lowest in the under £10 000 group for (34%). This may be because more households in this group were previously not in employment; this lowest income group also reported high perception of community support.

Aside from the issues noted above, relationship strain in low income families may have been compounded by other factors including pending return to work, loss of income and childcare arrangements. In June 2020 home-schooling by parents in the 25-34 age group dropped to 50% but rose to 86% in 55-64 year olds.

Abuse

Experience of abuse peaked at September 2020 in the lowest income group (14%), which coincides with the peak rate of redundancies. The highest income group also reported periodic spikes in abuse reaching 11% in June 2020.

Mental Health and Wellbeing

Loneliness

The latest data from October 2020 shows that 10% of individuals on lower incomes (£10 000 to 15 000 per annum) often feel lonely compared to 1% of people in the £40-50000 bracket. Age is likely to play a part here, with more young adults experiencing isolation from family friends and greater financial insecurity.

Low Life Satisfaction, Low Happiness, Low Self-worth

19% of individuals on lower incomes reported low life satisfaction and low happiness, compared to 5-12% in of people with income of £40-50 000. The biggest change was in the £30-40000 group, but their baseline level of low life satisfaction was much lower before the pandemic. The added employment and financial insecurity experienced by young people, including younger parents is likely to accentuate this difference. Low self-worth in this group rose from 1% to 16%, compared to a peak of

2% in the £40-50 000 group. Anxiety scores were twice as high in low income individuals compared to high income.

The smallest change in reporting low happiness was in the lowest income group (£10 000 or less per annum). This group had the highest rate of low happiness pre-pandemic 10.5% and this increased to 11.8%, which is likely a reflection of the smaller impact on income and employment and a continuation of existing adversity.

Depression, Self-Harm and Suicidality

Depression scores were twice as high in low income groups compared to highest income. Scores from mid-January 2021 remain at a similar level to those recorded in March 2020. 30% of individuals with income less than £16 000 per annum reported thoughts of self-harm and death. This rate is ten times higher than in the highest income group. 13.6% of the lowest income group reported self-harming, compared to less than 1% in the highest earning group, although the biggest increase in hospital admissions for injury including self-harm in 0-24 year olds after the first lockdown was in the most affluent group.

Sources of high stress

Individuals at both ends of the income scale reported similar levels of high stress in connection with Coronavirus itself. Stress about finances was also similar in people with annual income of less than £16 000 (27%) and more than £120 000 (23%). However, job insecurity was a more significant stressor for lower income groups (25%) compared to other levels of income (less than 10% reported high stress due to job insecurity).

Summary of key issues:

Coronavirus, child poverty and inequality

- **Sefton's Plan for Children, Young People and their families centres on four themes to promote childhood in which each and every child is Happy, Healthy, Achieving, Heard** – Coronavirus has presented a threat to this vision for all children, but especially for those living in poverty or at greatest risk of falling into this category
- **Children of families with low in-work incomes, families with larger numbers of children, and those with younger age parents are likely to have experienced more severe impacts** on income, health and wellbeing compared to their circumstances before the pandemic
- **Other risk factors for child poverty and inequality**, for example having a parent with a long-term physical or mental health condition, being a lone parent, being in a minority ethnic group continue
- **Adults on low incomes, including parents, reported the highest rates of mental distress, which continues.** Children in low income households are more likely to have suffered emotionally from witnessing parental distress and abuse, and from not having basic physical needs met
- **In addition to more prevalent and complex mental health needs, inequality in children's physical health** is also likely to have increased, particularly in relation to the effects of poor nutrition, reduced physical activity and obesity. Interventions that support physical wellbeing also improve mental wellbeing
- **Children from low income households are likely to have considerably more ground to make up in terms of lost learning** on top of pre-existing gaps, and are more likely to continue to be affected by financial insecurity and other adverse experiences
- **The use of centre assessments instead of GCSE, AS and A-level examinations** may have added to risk of disengagement from learning in school and at transition points into further and higher education and training – 16-24 year olds are the group with the highest rates of unemployment
- **Sefton has been identified as a 'cooler spot' in terms of social mobility** – the impact of Coronavirus on disadvantaged families is liable to strengthen the predictive relationship between family income in childhood and adult income potential
- **Sefton's employment profile**, which supports a large number of lower wage and part-time jobs, often connected to small-scale businesses, e.g. in non-essential retail and wholesale, hospitality and leisure, care ,and transport and motor businesses has meant that lower income workers have faced higher risks of exposure to coronavirus and higher risk of income reduction due to reduced working time, furlough and redundancy
- **Lasting impacts on demand for some of these services in the recovery phase and beyond** is not completely clear but is likely to have implications for skills development, training needs and welfare and income support particularly as the Government's Covid-19 support measures taper down

6. Responses to child poverty

The purpose of this report is not to formulate a response to the many complex causes and consequences of child poverty in Sefton. High impact reports, for example Build Back Fairer: the Covid-19 Marmot review³¹ emphasise national policy changes. This does not mean local authorities and the wider family of place-based stakeholders should feel impotent to act. The landmark Due North Report: Inquiry into Health Equity for the North³² published in 2014, identified that childhood is a critical period and makes distinct sets of recommendations aimed at Agencies in the North and at Central Government.

Local Strategic Context

Importantly, the ambitions, principles and approaches set out in the Sefton Health and Wellbeing Strategy³³ and Children and Young People's Plan³⁴ remain valid, relevant and grounded in demonstrable need (see other relevant Business Intelligence Resources on the JSNA webpages including Child Poverty Report 2018, Family Wellbeing Centre Profiles, JSNA Chapter on Children and Sefton Ward profiles).³⁵

Coronavirus has changed the scale and causes of need associated with child poverty, and the full impact of the ongoing pandemic on these issues has not yet been seen (the national furlough scheme is currently due to end in September 2021). However, it is certain that the consequences of the pandemic for today's children and young people will carry far into the future and is likely to have the biggest consequences for those children currently experiencing the greatest adversity and facing the most challenges.

Sefton's response has been dynamic, flexible and established at pace. This section of the report gives an indication of the actions taken to prevent, mitigate and act on the needs of children in low income households. However, this does not constitute a formal mapping exercise.

Our partnerships have an essential role to:

Prevent child poverty – this is captured in across several of Sefton Council's strategic spanning economic and neighbourhood development to education and training. The common focus is on creating positive places and opportunities, enabling children and young people with the most to gain to benefit from these, and develop their potential as fully as possible.

Minimise adverse consequences of child poverty, including limiting prolonged child poverty and minimising the impacts on children's wellbeing and life chances – this type of action is well supported in a range of Council, public and community, voluntary and faith sector services, e.g.

³¹ <https://www.health.org.uk/sites/default/files/2020-12/Build-back-fairer--Exec-summary.pdf>

³² <https://cles.org.uk/wp-content/uploads/2016/10/Due-North-Executive-summary-report-of-the-Inquiry-on-Health-Equity-in-the-North.pdf>

³³ https://www.sefton.gov.uk/media/1063/health_and_wellbeing_strategy-2019-101.pdf

³⁴ <https://www.sefton.gov.uk/media/1010/children-and-young-peoples-plan-2020-2025-final.pdf>

³⁵ <https://www.sefton.gov.uk/your-council/plans-policies/business-intelligence-insight-performance/joint-strategic-needs-assessment-jsna/>

- Improving uptake of free school meals
- Providing advice on debt and welfare support, housing and fuel poverty
- Using holistic approaches to family support, including where physical and mental health problems are present
- The ACE programme (Adverse Childhood Experience) approach is an example of action taken to reduce children's exposure to psychologically harmful experiences and mitigate risks to children's health and emotional wellbeing and negative in the present and future

Identify and support immediate, basic needs – examples of this type of action are prominent in the work of the Welfare Reform and Anti-Poverty Partnership and the wider Council to the Coronavirus pandemic, e.g.

- referral to foodbanks, urgent financial, debt and housing support
- providing holiday activity and lunch schemes
- facilitating better digital access
- the ELAS scheme,
- the winter coats and school uniform scheme
- this type of response also extends to essential social support for isolation and loneliness

Recommendation

Cabinet Members of the Welfare Reform and Anti-Poverty Reference Group are requested to note this report for further discussion and identify any aspects where further information or mapping of support to changing needs may be required.

One Vision

A confident and connected borough that offers the things we all need to start, live and age well, where everyone has a fair chance of a positive and healthier future.

Seven Principles and ways of working

- 1** Ambitions are based on the Joint Strategic Needs Assessment, and shaped by our consultation and engagement activity
- 2** Recognition that health and life chances are significantly shaped by a wide range of factors
- 3** Public, private, and voluntary, community, and faith sectors will all work together to address these ambitions
- 4** Ambitions are high level, and informed by evidence and guidance wherever possible
- 5** Ambitions will improve health and wellbeing for everybody, but will focus on narrowing inequalities for those with greatest need
- 6** Prevention will be embedded in everything we do
- 7** Partners will work together to keep the most vulnerable members of our community safe

Ten Ambitions

Start well

- 1** Every child will achieve the best start in their first 1001 days
- 2** Education and training will enable every young person to unlock the door to more choices and opportunities
- 3** Every child and young person will have a successful transition to adulthood

Age well

- 7** Older people will stay active, connected and involved
- 8** As people grow older they will be provided with support tailored to their needs
- 9** Our communities and the built environment will meet the needs of people as they get older

Live well

- 4** Health, care and wellbeing services across Sefton will work together
- 5** Everyone will have a fulfilling role which can support their needs
- 6** The wider system will have a strong role in prevention and early intervention

All age

- 10** The places where we live will make it easy to be healthy and happy, with opportunities for better health and wellbeing on our doorstep

Making it happen

- The Health and Wellbeing Board will hold the health and social care system and wider partners to account
- A performance monitoring framework will provide assurance of impact and progress to the Health and Wellbeing Board
- The activity of the Health and Wellbeing Board will be reviewed regularly, ambitions updated, and progress will be shared with key stakeholders and Sefton residents

Appendix 1

The following is an overview of the breadth of interventions that have supported families to address worklessness, domestic abuse, education issues, housing and debt support, health and ensuring families had the right intervention at the right time. Support has been offered using a range of methods such as online, doorstep and telephone contacts.

Prevent

Named Early Help practitioners linked to all educational settings
Support online linked to key ASPIRE areas and the wider Early Help Networks
Door step visits 2-year-old offer
First day response to children not in education
Virtual online services and access to services

Mitigate adverse consequences

ACL/Sefton at work delivery to support families into employment/training
Schools pilot to ensure effective communication and access to support children/young people across Sefton
Interventions to support and address families who have been identified as having ACEs online
Supported the shielding members of our community
Family wellbeing centres in each locality to support vulnerabilities and self-referrals

Identify and support immediate basic needs

Winter warmth support
School holiday food schemes
Food bank vouchers and Christmas supermarket vouchers and hampers including food bank and ELAS support
Christmas toy appeal
Baby Banks
Uniform Banks
Provision and support of laptops to support educational learning

Government funding e.g. Covid-19 Winter Grant allocated direct to families with children already known to be vulnerable